

8. **JOINT IMPLEMENTATION:** As was the case with the CDM and ET, most of the discussion on JI focused on proposed modification to the Chairman's paper entitled *Synthesis of Proposal by Parties on principles, modalities, rules and guidelines*. The G-77 did submit a short paper on JI, which simply noted areas of concern that needed to be addressed for a decision on JI to occur. It is clear that both the EU and the G-77 favor relatively similar guidelines for all project activities, whether under Article 6 or Article 12.

9. **ACTIVITIES IMPLEMENTED JOINTLY:** According to previous CoP decisions, the AIJ Pilot Phase needs to be reviewed in 1999 and decision on its conclusion needs to be taken prior to the end of the decade. To address the pilot phase review, there were three issues on the table: the timing of the review process, the framework for the review, and the timing for the conclusion of the pilot phase. G-77 and China would like to extend the AIJ Pilot Phase because it brings investment without any credits. On the other hand, Annex1 countries would like to see AIJ pilot phase concluded as per the CoP1 and CoP4 decisions so that there is no delay in getting agreements on Joint implementation and CDM (which include credits). The Subsidiary Bodies asked the secretariat to prepare a synthesis report based on submissions from the Parties that would start the review process at the next session of the Subsidiary Bodies, with a view to making recommendations to CoP 5 on the next steps.

10. **LAND-USE, LAND-USE CHANGE AND FORESTRY:** The Conference of the Parties had requested the SBSTA to consider, at its tenth session, the requirements necessary to fulfil the provisions of the first sentence of Article 3.4 of the Kyoto Protocol and to consider a list of policy and procedural issues associated with Articles 3.3 and 3.4.

11. In the contact group on land-use, land-use change and forestry (LULUCF) discussions were mainly process related, and focused on the preparation of a work plan and associated events leading up to CoP 6. Combined efforts by the Umbrella Group countries facilitated the reaching of conclusions related to LULUCF at this negotiating session, despite the fact that Brazil, speaking for the G-77, continually refused to engage in any meaningful discussions. Given the heated discussions at previous negotiating sessions. The conclusions adopted by the SBSTA met most of our expectations coming into Bonn.

12. Divergent points of view were very clear. The EU disagrees with the position of Canada, and the Umbrella Group that the elaboration of guidelines and discussions on policy and procedural issues must take place prior to submitting data on additional activities. The G-77, believe that no discussions on additional activities should occur until after the completion of the IPCC Special Report.

13. At the last SBSTA session, under Other Matters, New Zealand introduced the issue of harvested wood products and who (exporters or importers) should be accountable for the carbon count in those products. This had been an issue for consideration in earlier SBSTAs, however the issue had fallen off the agenda in more recent sessions. NZ suggested that the issue be added to the SBSTA agenda at its next session in October. The EU and Japan (as importers of harvested wood products) strongly resisted. However, once it was apparent that the Chair agreed with NZ that the issue should be addressed by the SBSTA, Canada supported the NZ initiative, suggesting that the next meeting