

GENERAL REPORT: CLIMATE CHANGE MTGS, BONN, JUNE 2-12 1998

**8TH SESSION OF SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL
ADVICE (SBSTA) AND SUBSIDIARY BODY FOR IMPLEMENTATION (SBI)
6TH SESSION OF AD HOC GROUP ON ARTICLE 13 (AG13)]**

OVERVIEW:

The first formal climate change intergovernmental negotiations since the conclusion of the Kyoto Protocol took place 02-12 June in Bonn. Discussions on the substantive issues were slow and protracted, against the backdrop of negotiations dynamics that were not particularly conducive to progress. The G-77 arrived unprepared for indepth discussions on Kyoto Protocol priorities -- after a week of internal coordination efforts the developing country group managed only to produce an annotated list (albeit intelligent) of questions on the Kyoto "flexibility" mechanisms for implementation (IE. Emission Trading, Joint Implementation, and Clean Development Mechanism). Meanwhile the EU and non-EU OECD approached the meeting with a number of divergent views on the mechanisms.

The objectives of the Umbrella Group countries (including Canada) were aimed primarily at facilitating the timely definition of emissions trading provisions and the definition of a cooperative track to elaborate the provisions of the Kyoto-created Clean Development Mechanism (allowing credits for projects with developing countries). These did not dovetail with EU priorities which focussed on JI (joint implementation projects for credits amongst Annex I countries), and efforts to place quantifiable limits on the potential use of international mechanisms to meet commitments. These divisions exhibited themselves against the backdrop of developing country positions favouring the resolution of long outstanding convention issues and questions relating to addressing impacts of climate change measures rather than on an agenda that furthered the Kyoto provisions in any meaningful way.

2. On the positive side of the ledger, meeting resulted in a useful further clarification and understanding of positions. A key success for Canada was the acknowledgment sinks (credit for carbon absorption) could include other activities such as agriculture. This was secured through the further clarification of sinks into three categories -- land-use, land use change and forestry. The negotiation was also successful in ensuring a process for further elaborating positions on the mechanisms in advance of the November COP in Buenos Aires, specifically that all positions on emission trading would remain open for discussion at COP4. In addition, the issue of commitments of developing countries remains within the purview of the COP4 agenda.

3. Unfortunately minimal progress on other fronts led to a majority of agenda items being deferred to Buenos Aires in November for any substantive decision. Generally, Bonn discussions revealed that further preparatory work is required on