

13. No paper had been prepared for the item on methodological issues related to joint implementation. Norway noted that this was primarily a political issue and the Chairman suggested it be dealt with under the discussions of the AGBM. Canada recalled earlier discussions in SBSTA on the need for an earlier resolution of the issue before the end of the pilot phase.

14. On the item dealing with Activities Implemented Jointly (AIJ) more broadly a small group that included Canada was set up to draft acceptable options for dealing with the methodological questions. The contact group on methodologies began with a review of the Secretariat's paper, which provided a good opportunity to probe into exactly what the Secretariat was proposing to do and to provide it with information and guidance. By and large the discussion was constructive. However, representatives of Saudi Arabia and Kuwait again tried to subvert this discussion by trying to undermine the credibility of the Secretariat who they accused of not being representative of all regions and of bias. The Secretariat provided an analysis of the differences in base year GHG inventories produced by governments in their 1st and 2nd National Submissions (see attached). Only a small fraction is due to improved Global warming Potentials (GWPs). Group also heard presentations from other organizations (IPCC, UNEP and UNIDO) on work they were doing to contribute to these methodological issues.

15. The Chair of the contact group suggested developing a quote shopping list unquote with an indicative list of priorities. While being mindful of the budget constraints, the contact group focussed primarily on the substance of the proposed work. The contact group produced a Table with suggested funding, which was responsible in not wishing to put additional work on the IPCC without providing adequate financing. It gave highest priority to the work on inventorying GHG emissions and sinks. Regarding improved methodologies for emission projections, the Secretariat suggested focussing first on energy, agri/forestry, and transportation. Because this was somewhat arbitrary, the contact group suggested that the SBSTA return to this at their 8th meeting. There is no doubt the work on emission projections will be very difficult and there may not be an easy agreement on the most appropriate approach. The contact group also attached some priority to work on methods for evaluating and monitoring the effectiveness and effects of specific policies and measures as well as for methods for assessing adaptation strategies and technologies. The report of the contact group on methodologies was tabled at the SBSTA Plenary.

16. During the Agenda item on cooperation with relevant international organizations, presentations were made by the IOC, who mentioned the need for the modernization of sea-level observations; by the GEF/STEP (who came under some attack from the G-77 for not supporting the UNEP proposal on climate awareness); by the WMO, who reported on the Climate Agenda and CLIPS; and finally there was a presentation by the UNEP. Several