

compiled into a report for consideration at the next SBSTA session.

9. AIJ/JI -- Debate focussed on whether or not the SBSTA should conduct work on JI and crediting. This in turn raised many of the general concerns with JI, prior to the more fundamental discussion which had been anticipated for the AGBM (see our AGBM tel). Of particular concern to Canada was need to ensure that a synthesis report be prepared for the next SBSTA meeting, in preparation for consideration at COP 3. This is underway in the Secretariat. Although not in the formal conclusions of this SBSTA, further experts' meetings convened by the Secretariat, will be taking place. By way of follow up, next such meeting is anticipated for mid-Sept in Paris on subject of environmental benefits derived from AIJ projects. This will follow a UNEP/IEA sponsored JI experts meeting on broader methodological issues.

10. National Communications from all countries is slow. Of the Annex 1 countries, 11 have made submissions and 13 are outstanding. Of the non-Annex 1 countries, only 2 have made submissions. The discussion on National Submissions was not noteworthy. We informed the Secretariat informally of our preferences to postpone the review of Canada's National Submission to May 1998. A contact group, co-chaired by the U.S. and Malaysia was established to consider the review process for the national communications from non-Annex 1 Parties. G-77 and China and the U.S. have put forward proposals on this item and the EU noted that it will be making a submission prior to the October meeting.

11. Two contact groups were established to deal with the division of labour between the two bodies on the basis of a Secretariat paper, which generally well received. Most delegations supported that the SBSTA deal with S&T matters and the SBI with matters concerning implementation. Some of the G-77 countries raised the question of how best to treat transfer of technology. The Chairman asked the contact group to try to achieve maximum clarity although the situation will evolve and will need to be reviewed at some stage in the future.

12. In the discussion on methodological issues, most Annex 1 delegations noted that all proposed items in the Secretariat's paper were not immediately required by the COP and that priority should be given to inventories and to emission projections. Regarding the first, the IPCC/OECD/IEA has the lead on the development of the guidelines whereas the FCCC has the lead on their application. The G 77 tried several tactics for subverting this item, using it as an opportunity to raise the question of International Technical Assessment Panels (ITAPs). Several countries who might be adversely affected by climate change supported more work on adaptation (in the contact group note was made of the forthcoming IPCC workshop on adaptation that Canada is organizing).