

Annex I Expert Group on the UN FCCC

(Supported by the OECD and the IEA secretariats)

**Report of the meeting held Friday July 12, 1996
6.30 to 10.30pm on the margins of AGBM4 in Geneva**

Chair: Ian Pickard, United Kingdom

1. The secretariat informed the Annex I Expert Group that 7 working papers from the study on "Policies and Measures for Common Action" would be released during AGBM4 following the Chair's intervention on behalf of the Group on Monday 15 July. These are:

- Working paper 1: CO2 emissions from road vehicles
- Working paper 2: Reforming coal and electricity subsidies
- Working paper 3: Full cost pricing
- Working paper 4: Taxation (i.e. carbon/energy)
- Working paper 5: Energy Efficiency Standards for traded products
- Working paper 6: Financing energy efficiency in countries with economies in transition
- Working paper 7: Agriculture/forestry: identification of options for net GHG reduction

2. Copies of these reports are being mailed to all Annex I Expert Group delegates, diskette copies were distributed to each delegation in Geneva of working papers 1 to 6, and these reports are also available at the OECD Environment web site: <http://www.oecd.org/env>. The executive summaries and key results were submitted to the AGBM as a miscellaneous document FCCC/AGBM/1996/misc.1/add.2. The agriculture/forestry paper has been slightly delayed but will be distributed by the end of July. The other Tranche I study, "Voluntary agreements with industry", will be released as a working paper by late September.

3. The Group decided on 4 packages of measures for analysis in Tranche II of the study on "Policies and Measures for Possible Common Action:"

i. Trading:

- Emissions Trading
- Financing energy efficiency in EIT countries

ii. Sustainable Transport:

- Local transport initiatives
- Alternative fuels and vehicles
- Infrastructure issues

iii. Electricity sector:

- Market reform/market access
- VAs with electric utilities (end use and generation)
- Reforming electricity subsidies
- Penetration of renewables including R&D

iv. Special issues in taxation (carbon/energy): Competitiveness and Bunker Fuels

4. It was suggested that agriculture and forestry should be considered a priority for study in the future, and that the other original Tranche II proposals (product labelling, and power system conversion efficiency) might also be considered for future work. Another suggestion was that the Group may wish to consider other priorities or areas of work once AGBM4 is concluded. The Group agreed that scoping papers would be revised in consultation with delegations and their nominated experts in the coming month. Delegates are asked to send the OECD secretariat the names, telephone numbers, fax numbers, and addresses of the experts they wish to be involved in each Tranche II study by Friday July 26.

5. The secretariat drew the Group's attention to the proposed timeline that was distributed in Paris