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Item 8 of the provisional agenda

ACTIVITIES IMPLEMENTED JOINTLY UNDER THE PILOT PHASE

Submission by the Group of 77 and China

Note by the secretariat

The Group of 77 and China submitted a position paper on activities implemented jointly under the pilot phase based on their statements made at the third session of the Subsidiary Body for Scientific and Technological Advice (SBSTA).

In accordance with the procedures for miscellaneous documents, this submission is attached and is reproduced in the language in which it was received and without formal editing.

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THE GROUP OF 77 AND CHINA ON ACTIVITIES IMPLEMENTED JOINTLY

PAPER NO.1: GROUP OF 77 AND CHINA
The G-77 and China on Activities Implemented Jointly

1. Article 4.2 a) of the Convention allows developed country Parties to implement policies and measures jointly with other Parties and to assist other Parties in the achievement of the objective of the Convention, in particular the objective of paragraph 4.2 a), namely to take measure to mitigate climate change by limiting their anthropogenic emissions of greenhouse gases.

2. As the G-77 and China has consistently stated, this clearly means that the concept of Joint Implementation under the Convention only applies to activities undertaken by Parties which are bound by article 4.2 a), in other words Annex I Parties. It does not apply to activities undertaken between Annex I and Non-Annex I Parties.

3. Through Decision 5/CP.1 the 1st Conference of the Parties agreed to initiate a pilot phase of Activities Implemented Jointly, which is an entirely different notion from that of Joint Implementation. AIJ applies to all those Parties who wish to undertake these activities on a voluntary basis. As we all know, the main difference between AIJ and JI is that in the former there is no crediting, during the pilot phase, for emission reductions with respect to Annex I Parties' commitments. The G-77 and China wish to underscore this fundamental principle and the fact that Decision 5/CP.1 and the conditions which it incorporates for carrying out AIJ must be adhered to strictly.

4. The object of the pilot phase is to gain experience on potential advantages and disadvantages of activities and projects undertaken by Annex I Parties in cooperation with Non-Annex I Parties, again with the specific proviso that no credits would accrue to any Annex I Party for any emission reductions obtained, during this pilot phase, through the activity or project in question. It was agreed that the pilot phase would be reviewed in the year 1999. We see no reason to modify this date as there is a need to allow sufficient time for experiences to be collected in order to make a final decision on this matter, especially in view of the fact that so far there is a limited number of projects which are mainly concentrated in certain sectors and regions.

5. The G-77 and China wishes to emphasize that AIJ, and its pilot phase, is a mechanism for Parties - particularly developing country Parties - to carry out, on a strictly voluntary basis, activities which contribute to the abatement of global climate change. However, we consider AIJ as supplemental and as a subsidiary means of achieving the objectives of the Convention. While it could contribute to the fulfillment of commitments of Annex II Parties under article 4.5, it should never be made a conditionality for the transfer of technology. Whether there are AIJ projects or not, developed country Parties have the commitments of technology transfer to developing countries as provided in the Convention.

6. We would like to express our concern at attempts being made to confuse the nature of AIJ in the pilot phase with JI and to link it - implicitly or explicitly - with existing obligations such as the transfer of technology, the provision of new and additional financial assistance, and particularly to issues relating to the protocol or other legal instrument to the Convention.