



FCCC COP-5 HIGHLIGHTS WEDNESDAY, 3 NOVEMBER 1999

Delegates to COP-5 convened in a high-level segment to exchange views on progress made so far in addressing climate change and on the way forward. The Joint Working Group (JWG) on compliance adopted the Co-Chair's draft conclusions relating to compliance under the Kyoto Protocol. The Subsidiary Body for Implementation (SBI) adopted a decision on non-Annex I communications and its report on the session. The Subsidiary Body for Scientific and Technological Advice (SBSTA) adopted its report on the session and draft conclusions on, *inter alia*, "best practices," land use, land-use change and forestry (LULUCF), and emissions from fuel used in international transportation. A joint SBI/SBSTA session adopted draft conclusions on adverse effects, activities implemented jointly (AIJ), mechanisms, capacity building and compliance.

HIGH-LEVEL SEGMENT

PROGRESS MADE: During the morning session, delegates exchanged views on progress made in dealing with climate change and on lessons and challenges.

Several developing country Parties stressed the need for technology transfer, capacity building, financial resources and adaptation to address climate change. Some Parties urged an increased focus on renewable energy. BHUTAN and BANGLADESH called for special attention to LDCs' needs. NEW ZEALAND underscored the need for greater attention to greenhouse gases (GHGs) other than CO₂.

INDONESIA emphasized the importance of making benefit assessments, not just cost assessments, of the Protocol. He called for the Protocol's entry into force by 2002. SWITZERLAND, JAPAN and the NETHERLANDS urged Parties not to wait for ratification before starting to implement actions to address climate change.

On lessons learned, FINLAND, with CANADA, underscored good working relationships between all partners and stakeholders in implementing climate change policies. He added that there is a need to set the framework and rules for market operations. Some Parties stressed the involvement of the private sector. The EUROPEAN COMMISSION said experience has shown that reducing emissions has been less costly than expected and has led to greater benefits. With SWITZERLAND and HUNGARY, she emphasized the need for increased domestic action and called for continuation of AIJ and a smooth transition in the future to the clean development mechanism (CDM) and joint implementation (JI).

The PHILIPPINES and CANADA recommended the use of no-regrets policies. MALAYSIA and MEXICO sought consistency in policies between different environmental fora. BULGARIA called for a meeting to address the specific features of countries with economies in transition (EITs) before COP-6.

SWEDEN highlighted sector integration, sector responsibility and economic instruments as being central to FCCC implementation. GERMANY said addressing climate change could create new jobs.

NIGERIA said Annex I countries were unsympathetic to its concerns about the effects of response measures on its economy. IRAN highlighted the need for confidence-building between developed and developing countries through concrete practical cooperation. CHINA said attempts by some Parties to get developing countries to "meaningfully participate" were destroying confidence-building efforts between developing and developed countries.

THE WAY FORWARD: During the afternoon session, delegates exchanged views on the way forward in relation to promoting implementation of the Buenos Aires Plan of Action (BAPA) and the early entry into force of the Kyoto Protocol.

On outcomes from COP-5, the UK, supported by KAZAKHSTAN and the US, and opposed by SAUDI ARABIA, proposed a Bonn Declaration reaffirming the political will to complete the BAPA by COP-6. KUWAIT said the proposal for a Bonn Declaration was premature.

On preparations for COP-6, many Parties called for intensified efforts and for the role of the President to be strengthened in order to achieve success on the BAPA at COP-6. ARGENTINA, supported by FINLAND and BENIN, said innovative approaches were needed and called for the establishment of small task forces in the run-up to COP-6. She said traditional groupings among countries to develop common positions may no longer be appropriate.

JAPAN, supported by KAZAKHSTAN, BOTSWANA, the US, CANADA, BENIN, ICELAND, HONDURAS and SOUTH AFRICA, suggested that COP-5 President Szyszko (Poland) be empowered to appoint a special facilitator to assist negotiations and help Parties realize the BAPA by COP-6.

AUSTRALIA proposed the establishment of a Committee of the Whole (COW) chaired by a facilitator vested with the requisite authority by the COP-5 President. The US said it could support this, but that a COW should not substitute for Japan's proposal for a facilitator. BELGIUM supported a flexible approach focused on achieving successful outcomes and said a COW or another new structure should be transparent and monitored by all Parties.

CHINA, with SAUDI ARABIA, VENEZUELA, KUWAIT, INDONESIA, and LIBYA, opposed the proposals to establish new groups or mechanisms to assist progress toward COP-6, stressing that the existing FCCC bodies and structures should be employed to this end. CHINA, supported by KUWAIT and others, said a facilitator would not be able to visit and confer with all Parties. Several Parties said any new mechanism or group should operate in a transparent and accountable manner. NORWAY said ministers should be engaged in the process between the COPs.



Other issues highlighted by Parties included: implementation of FCCC Articles 4.8 and 4.9 (adverse effects); the framework and rules for CDM and other mechanisms; the need for domestic action; the supplementarity of the mechanisms; capacity building; voluntary commitments; AIJ; and ratification of the Protocol.

JOINT WORKING GROUP ON COMPLIANCE

Co-Chair Rønneberg (Marshall Islands) presented the draft report of the JWG on its work during the 11th session of the joint SBI/SBSTA as well as the decision on the future work of the JWG annexed to this report. The JWG discussed the draft decision which requests the JWG to report to COP-6 to enable it to adopt a decision on a compliance system under the Protocol at COP-6. The UK, CHILE, MICRONESIA, COOK ISLANDS, SWITZERLAND, the US, TUVALU, AOSIS, CANADA, JAPAN, AUSTRIA, KIRIBATI, the EU, NEW ZEALAND, FRANCE, the GAMBIA, BRAZIL, SOUTH AFRICA, AUSTRALIA, SLOVENIA, NORWAY, POLAND, BELGIUM and GERMANY supported the adoption of the Co-Chairs' draft decision in its current form. QATAR, KUWAIT, the SUDAN, VENEZUELA, SAUDI ARABIA, LIBYA, ALGERIA, NIGERIA, SYRIA, OMAN and JORDAN suggested alternative language whereby the JWG would report to COP-6 "with a view" to adopting a decision on a compliance system, as this would be more consistent with the BAPA. The JWG adopted the draft report, taking note of the views expressed. Rønneberg suggested that the difference in ambition be taken-up in the joint SBSTA/SBI meeting.

JOINT SBI/SBSTA

CAPACITY BUILDING: Delegates forwarded a recommendation for COP-5 to adopt the draft decisions on capacity building in developing countries (FCCC/SB/1999/CRP.9) and on capacity building in EITs (FCCC/SB/1999/CRP.10). The MARSHALL ISLANDS expressed its opposition to a top-down approach and entered a reservation on the request to the Secretariat to coordinate with bilateral and multilateral institutions in preparing the elements of a draft framework for capacity building activities.

MECHANISMS: Delegates adopted the draft conclusions, including a draft decision, on mechanisms pursuant to Protocol Articles 6 (JI), 12 (CDM) and 17 (Emissions Trading) (FCCC/SB/1999/CRP.6).

ACTIVITIES IMPLEMENTED JOINTLY: Delegates adopted the draft conclusions on AIJ under the pilot phase, including a draft decision recommended to COP-5 for adoption (FCCC/SB/1999/CRP.5). Minor amendments were made by AIJ contact group Co-Chair de Boer (The Netherlands) and the paragraph on the eligibility of AIJ for incorporation under JI and CDM was deleted.

ADVERSE EFFECTS: Delegates adopted the recommendation for COP-5 to adopt the draft decision on the implementation of FCCC Articles 4.8 and 4.9 (Decision 3/CP.3 and Protocol Articles 2.3 and 3.14) and matters relating to Protocol Article 3.14 (FCCC/SB/1999/CRP.8).

COMPLIANCE: Delegates considered the report of the JWG on compliance on its work during SB-11, as well as the annexed decision on the future work of the JWG (FCCC/SB/1999/CRP.7). IRAN requested SAUDI ARABIA and the countries on whose behalf it spoke to join the consensus. SAUDI ARABIA noted that since the joint SBI/SBSTA had recommended for adoption the draft decision on adverse effects, he would join the consensus. The report and its annexed decision were adopted.

SBI

The Chair of the contact group on non-Annex I communications, Mohamed Ould el Ghaouth (Mauritania), introduced amendments to the decision on non-Annex I communications (FCCC/SBI/1999/CRP.10/Add.1) including, *inter alia*: a request to the consultative group of experts to consider, "as appropriate" the needs for and the availability of financial resources and technical support; and a request to the Secretariat to make information on non-Annex I communication experts available on the FCCC Internet site. The decision was adopted as amended.

Decisions on income and budget performance in the biennium 1998 - 1999 (FCCC/SBI/1999/L.9) and on the programme budget for the biennium 2000 - 2001 (FCCC/SBI/1999/L.8) were adopted, on the understanding that the scale of contributions set therein would not set a precedent. Delegates then adopted the draft report of SBI-11 (FCCC/SBI/1999/L.11).

SBSTA

NATIONAL COMMUNICATIONS FROM ANNEX I PARTIES: Delegates adopted by consensus the Chairs' draft conclusions and recommended a draft decision to the COP on "best practices for policies and measures" (FCCC/SBSTA/1999/CRP.10).

LULUCF: SBSTA Chair Dovland (Norway) recalled that delegates had already adopted most of the draft conclusions and said that the new document (FCCC/SBSTA/1999/CRP.8/Rev.2) includes a decision on the issue whereby the COP endorses a work programme and elements of a decision-making framework to address LULUCF. The MARSHALL ISLANDS registered its reservation on attempts by international financial institutions and the financial mechanism to influence what should be government decisions. The draft conclusions and recommendation for a decision were adopted.

EMISSIONS RESULTING FROM FUEL USED IN INTERNATIONAL TRANSPORTATION: Delegates adopted the draft conclusions and draft decision (FCCC/SBSTA/1999/CRP.11) after deleting two alternative paragraphs, the first calling for ICAO and IMO to continue efforts to limit GHGs taking into account FCCC Articles 2 (objectives) and 3 (principles) and, in particular, common and differentiated responsibilities; and the second taking into account the goals of the Protocol and the FCCC.

COOPERATION WITH SCIENTIFIC ORGANIZATIONS: On a draft decision urging Parties and IGOs to provide financial support to the IPCC (FCCC/SBSTA/1999/CRP.9), delegates differed on the need for a reference to the GEF. The EU, with AUSTRALIA and CANADA, opposed it as the GEF would not be able to provide the support the IPCC required. CHINA said the GEF "cake" was barely enough to go around 130 developing countries. BRAZIL favored the reference as the GEF was the FCCC financial mechanism and a significant proportion of the IPCC's finances are used to finance developing country participation. Parties adopted a decision deleting the reference to the GEF but inviting the "SBI to consider the issue of support to IPCC at SB-12 in the context of recommending additional guidance to the GEF." Delegates adopted the draft report of SBSTA-11 (FCCC/SBSTA/1999/L.11).

IN THE CORRIDORS

Although Ministers at the high-level segment agreed on the need to intensify efforts in preparing for COP-6, a proposal by Japan to establish a facilitator to assist the COP-5 President in undertaking consultations and maintaining the necessary political momentum was met with mixed feelings in the corridors. While some considered that a full-time facilitator would be indispensable to accelerating the pace of negotiations in the run-up to COP-6, others felt this would be detrimental to the open, participatory process that many believe to be crucial to a successful outcome at COP-6. A number of observers linked the proposal for a facilitator to the fact that COP-6 will take place earlier rather than later. Some suggested that the key to success at COP-6 could lie in combining a fully-participatory approach, supported by capacity building, with the political impetus that a facilitator could provide.

THINGS TO LOOK FOR TODAY

HIGH-LEVEL SEGMENT: COP-5 will resume its high-level segment at 10:00 am in Plenary I for an exchange of views among participants.

PLENARY: COP-5 will meet in Plenary at 4:00 pm to consider the reports of the subsidiary bodies.

IISD WEB SITE: For the latest Internet coverage of COP-5, visit ENB's updated site at: <http://www.iisd.ca/climate/COP5>.