



## UNFCCC COP-6 HIGHLIGHTS

### WEDNESDAY, 15 NOVEMBER 2000

Delegates convened in contact groups throughout the day to discuss text on: land use, land-use change and forestry (LULUCF); guidelines under Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information); development and transfer of technologies; adverse effects; and "best practices" in policies and measures. The Joint Working Group on Compliance (JWG) met in the evening to continue its consideration of negotiating text. In addition, negotiators met in closed "informal informal" consultations and drafting group meetings to consider several issues, including mechanisms, development and transfer of technologies, the financial mechanism, adverse effects and capacity building in developing countries.

#### CONTACT GROUPS AND INFORMAL CONSULTATIONS

**LULUCF:** In the LULUCF contact group, Co-Chair Thorgerirsson informed participants that the group's meeting on Thursday, 16 November, will focus on providing technical advice to the contact group on mechanisms regarding inclusion of sinks under Protocol Articles 6 (JI) and 12 (CDM). Participants then discussed the sections on Definitions, Eligibility and Accounting Specific to Article 3.3 (afforestation, reforestation, deforestation) in the Co-Chairs' text.

On the definition of "forest," TUVALU supported the biome approach, and said it should be elaborated by COP-7. The EU, the ENVIRONMENTAL INTEGRITY GROUP, NORWAY and CHILE agreed, but said the approach is not yet mature and the definition in the Co-Chairs' text will suffice for the time being. They said guidance on the biome approach should be sought from the IPCC. The EU stressed the need for consistency and symmetry within all definitions, while CHINA said it would be premature to agree on definitions relevant to Protocol Article 3.4 (additional activities).

The EU, with NEW ZEALAND and opposed by CHINA, MALAYSIA and BHUTAN, supported including the promotion of natural regeneration within the definitions of "afforestation" and "reforestation." BRAZIL and PERU said natural regeneration is a management approach according to the IPCC Special Report, and is not always human-induced.

On "revegetation," the EU, NORWAY and PERU noted the need for a corresponding definition of "de-vegetation." On forest management, CANADA, NEW ZEALAND and the US called for a simple and clear definition.

The EU said the discussion should focus on definitions under Article 3.3 and 3.4, noting that these definitions would not necessarily be applicable under Articles 6 and 12, should sinks be allowed under them. TUVALU, supported by MALAYSIA, objected to defining assigned amounts (AA) within this contact group.

The ENVIRONMENTAL INTEGRITY GROUP, PERU, MALAYSIA and CHINA, opposed by CANADA and NEW ZEALAND, supported the COP, rather than each Annex I Party, selecting the criteria for applying the definition of "forest" in the first commitment period.

On the issue of Eligibility, TUVALU and PERU said activities under Article 3.3 subsequent to 1990 should not be eligible. Delegates then discussed two eligibility requirement options: a list of international agreements or a list of ancillary environmental effects to be taken into account. NEW ZEALAND, with CANADA and AUSTRALIA, proposed including text on the relationship between implementation of activities and other international agreements in the preamble. TUVALU proposed a new principle referring to the non-eligibility under Article 3.4 of activities that convert native forests.

On additional activities during the first commitment period, the EU, TUVALU, CHINA, NORWAY and MALAYSIA, opposed by JAPAN, said these should not be pursued. TUVALU and the ENVIRONMENTAL INTEGRITY GROUP requested deletion of text that would allow Parties to "elect" the activities under Article 3.4 to be included in the first commitment period. On additional activities during the second and subsequent commitment periods, the EU, NORWAY, TUVALU and MALAYSIA, opposed by JAPAN, said the COP should establish a list prior to the second commitment period. AUSTRALIA suggested introducing text ensuring definitional and accounting consistencies between first and subsequent commitment periods. The ENVIRONMENTAL INTEGRITY GROUP supported a full carbon accounting system

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that would not require the listing of activities, while COLOMBIA expressed concern with an activity-based approach and proposed a symmetrical approach.

Regarding the section of the text on Accounting Specific to Article 3.3, the EU, US, PERU and TUVALU called for symmetry in terms of credits for afforestation and reforestation on one hand and debits for deforestation on the other.

**PROTOCOL ARTICLES 5, 7 & 8:** On reporting under Articles 10 (existing commitments) and 11 (financial mechanism), the G-77/CHINA, opposed by the US and EU, said Annex I Parties should also be requested to report on the implementation of their commitments related to the transfer of technologies and the provision of “new and additional” financial resources.

Regarding issuance and cancellation of assigned amounts (AA) related to Protocol Article 3.3 and 3.4, the G-77/CHINA, supported by the EU and US, suggested referring to “additions” and “subtractions” from AA in the guidelines under Article 7. Opposed by NEW ZEALAND and supported by INDIA, he added that, pending agreement of this issue in the LULUCF group, any reference to Article 3.4 should be bracketed. Co-Chair Newton Paciornik (Brazil) said the Co-Chairs would consult on this issue with the Co-Chairs of the contact group on LULUCF. In the guidelines under Article 8, the G-77/CHINA suggested deleting Part III on the review of information on AA. INDIA explained that AA are fixed amounts and therefore cannot be reviewed, however the information on additions and subtractions would be reviewed. BRAZIL, on behalf of the G-77/CHINA, then introduced a text for a new Part III *bis* that addresses the terminology “initial AA” and replaces it with “amounts that contribute to the compliance of a Party included in Annex I with the quantified emission limitation and reduction commitment under Article 3.”

On expert review teams (ERTs), the G-77/CHINA recommended drawing on a roster of experts and reflecting regional balance. He said teams should be supported by the Secretariat and not by governments, in order to ensure their impartiality.

On confidentiality, the EU introduced new text that provides, *inter alia*, that the ERTs shall guarantee the confidentiality of information that a Party indicates is confidential, and that if a Party does not provide sufficient information for the assessment of its conformity with the revised IPCC guidelines, the ERT shall assume the estimate was not prepared accordingly. Commenting on this proposal, SAMOA suggested that the Party be required to provide the basis for confidentiality protection under domestic legislation and that potential conflicts of interest with an ERT member be dealt with before the team is formed.

On reporting of supplementary information under Article 7, the EU proposed text for a section on “domestic programmes,” which requires reporting on domestic policies and measures as well as on the domestic system for monitoring legal entities’ participation in international emissions trading. SAMOA supported this text, while the US, AUSTRALIA, JAPAN and NEW ZEALAND opposed it.

On “questions of implementation,” the US, G-77/CHINA, BRAZIL and INDIA opposed JAPAN’s proposal to limit this concept to the mandatory requirements of the guidelines under

Articles 5.1 (national system) and 7.2 (supplementary information). Co-Chair Paciornik said the Co-Chairs would prepare a revised text and consult on it with different groups.

#### **DEVELOPMENT & TRANSFER OF TECHNOLOGIES:**

Delegates heard brief reports from the two drafting groups that convened on Tuesday, 14 November to work on the Co-Chairs’ revised text on a framework to enhance the implementation of UNFCCC Article 4.5 (development and transfer of technology). The EU reported that no major differences remained in the group that had worked on the first three themes - technology needs assessment, technology information, and enabling environments. Speaking for the second drafting group, GHANA said only the section on capacity building had been considered. He said divergence remained on the inclusion of CDM and JI in the framework. He also noted the discussion on and differences in the use of the terms “are encouraged to” or “shall” when describing actions in the framework.

Delegates then began considering the revised text from the first drafting group. On the paragraph defining technology needs and needs assessment, delegates debated whether to retain reference to “Parties not included in Annex II, particularly developing country Parties” as a way of addressing the proposal to also include countries with economies in transition (EITs). The G-77/CHINA and BRAZIL urged consistency with UNFCCC language and preferred inserting “other countries, particularly developing countries.” The G-77/CHINA said the paragraph only refers to developing country responsibilities and not how the needs assessment will contribute to fulfilling commitments on technology transfer. Discussion on this issue was deferred to further consultations.

Regarding the purpose of technology needs and needs assessment, the PHILIPPINES sought clarification on how these would contribute to the implementation of Article 4.5. She opposed a US proposal to state that technology needs assessments can “attract and focus efforts by Annex II Parties to enhance development and transfer of technology.” The REPUBLIC OF KOREA said the needs assessment should be used to “facilitate efforts” by Annex II Parties, while the G-77/CHINA preferred stating that they should “facilitate transfer of and access to ESTs.”

On financial resources to support needs assessment, the PHILIPPINES proposed deleting “subject to the availability of resources,” noting that provision of financial resources is a commitment elaborated under UNFCCC Article 4.3 (new and additional financial resources). CANADA said Article 4.5 is not limited to financial resources and preferred a general reference to “resources.”

The REPUBLIC OF KOREA, with PERU, said too much emphasis was being placed on the needs assessment while losing focus on implementing technology transfer. He said it would be difficult, if not impossible, for public sectors to provide all information that also covered the private sector. He emphasized the need to build on existing activities and information. Cautioning against shifting responsibility to developing countries, NIGERIA stressed the need to refer to who will be responsible for the needs assessment.



On the paragraph addressing implementation of technology needs and needs assessment, the EU noted that differences of opinion remained over the timing for SBSTA's consideration on this matter, and on whether a fixed date should be set. Citing the possible need for confidentiality of information, the PHILIPPINES opposed a suggestion to make available such information through national communications. The US supported the use of national communications. The contact group adjourned to continue deliberations in the two smaller drafting groups.

**ADVERSE EFFECTS:** Delegates continued to discuss the text in the draft decision, retaining brackets around a sub-paragraph on "demonstration adaptation projects," and on immediate implementation of certain adaptation activities. On a sub-paragraph on disaster preparedness and management, CANADA, supported by AUSTRALIA and the US, said disaster prevention was impossible, and the terminology should reflect this. The G-77/CHINA, supported by MARSHALL ISLANDS and SAUDI ARABIA, said that disasters were dependent on the impact of weather events on human beings, and could therefore be prevented. She supported retaining the term "prevention." Discussion on the proposed disaster fund was postponed pending outcomes on financial discussions elsewhere. Several brackets remained in the discussed paragraph, pending decision on the wording of the chapeau, which identifies financial resources for the activities outlined in this paragraph. Later in the evening, a small Friends of a Chair group met in a closed session to continue discussing the text. This group will meet on Thursday to resume consideration on the numerous outstanding issues, while the full contact group will resume on Friday.

**POLICIES AND MEASURES (P&Ms):** Delegates resumed discussion on the elements for a draft decision on "best practices" or "good practices" in P&Ms among Annex I Parties. On the decision requesting the Secretariat, under the guidance of the Chair of the SBSTA and in collaboration with relevant international and intergovernmental organisations, to support future work on P&Ms by organizing, *inter alia*, workshops and side events, the EU, supported by the US, CANADA and JAPAN, proposed removing reference to specific international organizations. The G-77/CHINA and SAUDI ARABIA urged retaining reference to the specific organizations, and particularly OPEC. Reference to the international organizations was bracketed. Delegates agreed that the Secretariat operate under the guidance of the SBSTA, rather than the SBSTA Chair.

On the decision inviting international organizations to present a status report on their activities relating to P&Ms, the US, supported by the EU and AUSTRALIA, proposed that this should be integrated within the decision requesting the Secretariat to support future work. The G-77/CHINA, SAUDI ARABIA and BRAZIL urged keeping this as a separate decision, noting that it included additional proposals. Parties did not reach agreement on this issue.

The US and AUSTRALIA proposed deleting text requesting the Secretariat to compile information on P&Ms implemented and planned by Annex I Parties, noting the significant resource implications for the Secretariat. They said that if it was retained, then reference should be limited only to the Convention. The G-77/CHINA, SAUDI ARABIA, SAMOA and BRAZIL proposed

retaining the request, and urged specific reference to the Protocol. AUSTRALIA and the US, opposed by the G-77/CHINA, SAUDI ARABIA and SAMOA, said the information to be compiled by the Secretariat should be based exclusively on information supplied in the national communications.

Following discussion, two alternative options for this decision were developed: the first requests the Secretariat to compile information on P&Ms implemented and planned under the Convention and its Protocol by Annex I Parties, while the second requests the Secretariat to compile information on P&Ms as reported in the national communications by Annex I Parties and in the reports of workshops and other events.

**MECHANISMS:** Over thirty delegates from a range of Parties met in a second closed "informal informal" session until late on Wednesday evening. Discussions, which at times took place in sub-groups, focused on sections of the text relating to the CDM. It is understood that on some of the issues "steady progress" has been made. Delegates will reconvene in an open session of the contact group on Thursday at 12:00 pm.

**FINANCIAL MECHANISM:** Delegates met in "informal informal" consultations to consider a revised Co-Chairs' text on additional guidance to the operating entity of the financial mechanism. Discussions focused on text relating to the provision of GEF resources for country-driven Stage II adaptation activities, particularly the extent to which such activities are based on national communications. Consultations are set to continue on Thursday.

**CAPACITY BUILDING:** A closed "informal informal" meeting on capacity building in developing countries was held late Wednesday night to discuss the Co-Chairs' paper containing a draft decision and an annex outlining a capacity-building framework.

#### **JOINT WORKING GROUP ON COMPLIANCE**

Delegates commented on the Co-Chairs' draft proposals presenting three options for the adoption of procedures and mechanisms on compliance. The G-77/CHINA, supported by several members of its group, said it was premature to decide on one option since the mode of adoption depends on the content of the procedures and mechanisms. However, she added that there was clearly a need for legally-binding consequences and that consequently Protocol Article 18, which refers to an amendment, would need to be taken into account. JAPAN, AUSTRALIA and the RUSSIAN FEDERATION, opposed by the US and CANADA, supported adoption by a decision. SWITZERLAND and NEW ZEALAND said adoption should be through a COP-6 decision adopting an agreement becoming an integral part of the Protocol, while the EU favored the option whereby the agreement would be adopted at COP-7.

On consequences of the enforcement branch, NEW ZEALAND, opposed by BRAZIL and INDIA, suggested new text on the issuance of assigned amounts under Article 3.3 and 3.4. On the consequences of the facilitative branch, the G-77/CHINA rejected an EU proposal that does not differentiate between Annex I and non-Annex I Parties. On appeal, delegates made preliminary comments on a Co-Chairs' proposal providing for the possibility of an appeal to the COP/MOP. The G-77/CHINA favored a narrow scope such as issues of due process and Article 3.1. A number of delegations said they needed more time to consider the proposal.



**IN THE CORRIDORS**

The issue of nuclear energy in the CDM resurfaced on Wednesday, with a number of observers picking up on possible shifts in positions among some Parties. While talk in the corridors suggested that some developing countries seemed to be taking a more favorable view on including nuclear energy, some commentators pointed to recent comments by a key Annex I Party that suggested it might in fact be softening on its previously pro-nuclear attitude.

**THINGS TO LOOK FOR TODAY**

The COP Plenary, SBI and SBSTA will not be meeting. However, the JWG and the following contact groups are scheduled to resume consideration of negotiating texts:

**JOINT WORKING GROUP ON COMPLIANCE (JWG):**

The JWG will formally meet at 3:00 pm in Van Gogh Hall to continue work on the negotiating text. In addition, the Co-Chairs will be working on drafting a revised text from 11:00 am in Breughel Hall. Parties are invited to join them.

**CAPACITY BUILDING:** This group will meet at 10:00 am in Breughel 4 to resume negotiations taken up in “informal informals” and again at 5:00 pm in Escher Hall.

**MECHANISMS:** This contact group will meet at 12:00 pm in Van Gogh Hall, and is expected to hear a report from Wednesday’s “informal informal” consultations, and to continue negotiations.

**TECHNOLOGY TRANSFER:** The contact group will meet at 3:00 pm in Mondriaan Hall and is expected to take up consideration of the Co-Chairs’ revised draft text. It is expected that drafting groups will report back on progress.

**POLICIES AND MEASURES:** This contact group will meet at 5:00 pm in Mondriaan Hall to continue negotiations on the text.

**PROTOCOL ARTICLES 5, 7 & 8:** The formal contact group will convene at 8:00 pm in Escher Hall. Look for revised text from the Co-Chairs available at 11:00 am in the Secretariat office in Staten Hall. In addition, the Co-Chairs will meet representatives of different groups in room Breughel Hall: the EU from 5:00-5.30 pm; the Umbrella Group from 5.30-6:00 pm; other Parties from 6:00 – 6.30 pm; and the G-77/CHINA from 6.30-7:00pm.

**LULUCF:** This contact group will meet in Van Gogh Hall at 8:00 pm to consider technical aspects of LULUCF for possible inclusion under the mechanisms, for input into the contact group on the mechanisms.

**IISD EVENTS:** The International Institute for Sustainable Development is holding two special events. At 9:30 am, a media event to release a video documentary on climate change impacts in the High Arctic is taking place in the Press Conference Room, and at 6:00 pm there is a book launch and presentation/discussion on the Climate Change Negotiators Project. Please check the notice board for more details.

# ClimateTech 2000 Pavilion

*The World Sustainable Climate Technology Exhibition*



Opens Today 12:00- 20:00



ClimateTech 2000 Pavilion, featuring leading experts and cutting-edge technologies, opens from Thursday-Wednesday, 16-22 November

The Climate Technology Initiative (CTI) and SUSTAIN cordially invite you to attend the opening ceremony of the ClimateTech 2000 Pavilion, and exhibition of cutting-edge climate-friendly technologies and services. Associated side-events and press briefings will explore today's developments and tomorrow's possibilities of sustainable technologies.

**Technology Theme Days**

- Thursday -- Opening
- 
- Friday -- Transport
- 
- Saturday -- Renewable Energy
- 
- Monday -- Energy Efficiency & CO<sub>2</sub> Sequestration
- 
- Wednesday -- Emissions Trading

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5 minute walk or 1 minute free bus ride