



UNFCCC COP-6 HIGHLIGHTS FRIDAY, 17 NOVEMBER 2000

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

JOINT WORKING GROUP ON COMPLIANCE

In an "informal informal" meeting held during the afternoon, delegates considered a revised Co-Chairs' text on procedures and mechanisms relating to compliance. The group proceeded through the text with the aim of ensuring that Parties' proposals were adequately reflected. Participants did not enter into negotiations.

Delegates then convened in a formal session of the Joint Working Group (JWG). Co-Chair Dovland introduced the report of the JWG, which includes annexed draft decisions, text on procedures and mechanisms, and the text on final clauses. Delegates agreed to this report. The G-77/CHINA expressed satisfaction with the outcome of the JWG's work and said she would submit text on a fourth option for the draft COP-6 decision. The EU said it had submitted text to the Secretariat on the rates applicable for the restoration of emissions under the compliance action plan and for payments to be made to the compliance fund. Co-Chair Dovland said the inputs received would be integrated into a new document available Saturday, 18 November, for consideration by the joint meeting of SBI/SBSTA. He concluded the final meeting of the JWG by underlining that although delegates had hoped to have a clear text as the JWG's end product, this had been challenging due to the large number of difficult issues that had to be addressed. He expressed his hope that the ministers would be able to resolve these issues.

CONTACT GROUPS AND INFORMAL CONSULTATIONS POLICIES AND MEASURES (P&Ms): Delegates

discussed the draft decision on P&Ms in two sessions of the contact group, and also during informal consultations held throughout the day. In the first contact group in the morning, discussions focused primarily on revised text relating to the decision that future work on P&Ms should facilitate an assessment of "demonstrable progress" of Annex I Parties in achieving their Protocol commitments. CANADA argued that this issue is being examined in the contact group on Articles 5, 7 and 8. With the support of JAPAN, AUSTRALIA and the US, and opposed by the G-77/CHINA and the EU, he proposed replacing the decision and its associated initiatives with alternative text stating that consideration of demonstrable progress cannot take place until the SBSTA has considered the issue pursuant to the guidelines that may be elaborated under Article 7. Although opposing retention of the listed initiatives, JAPAN, the US and AUSTRALIA, opposed by the G-77/CHINA, also provided amendments to the existing text in case it should be retained, including: replacing text on the assessment of demonstrable progress by 2005 with a request to Parties to "continue sharing information"; replacing the requirement to assess and minimize the adverse effects of P&Ms with a requirement to facilitate information sharing on this issue; and bracketing reference to the use of "quantitative criteria" in reporting on P&Ms in national communications.

On the preamble, the US and CANADA, opposed by the G-77/CHINA, urged deleting text recalling UNFCCC Articles 4.1 (commitments for all Parties), 4.2 (Annex I commitments), 4.8 (adverse effects) and 4.9 (least developed countries), and Protocol Articles 2 (P&Ms), 3.2 (demonstrable progress), 3.14 (adverse effects) and 7 (communication of information). The EU proposed adding reference to UNFCCC Article 7.2(b) (exchange of information on measures) and 7.2(c) (co-ordination of measures), and Protocol Articles 13.4(c) (exchange of information on measures), 13.4(d) (co-ordination of measures), and bracketed reference to UNFCCC Article 4.8 and 4.9 (adverse effects), and Protocol Article 7.

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Delegates supported the Co-Chair's proposal that the implementation of P&Ms "contributes to," rather than "is essential to achieve," the objectives of the UNFCCC and Protocol. In the rest of the morning session, limited progress was made in removing remaining bracketed text.

The contact group reconvened in the evening to consider revised Co-Chairs' text that sought to provide for informal consultations that occurred in the afternoon. On the preamble, the US, JAPAN and CANADA, opposed by the EU, SAUDI ARABIA and SAMOA, again urged deleting reference to specific UNFCCC and Protocol provisions. These remained bracketed.

On the decision relating to demonstrable progress, Co-Chair Muyungi (Tanzania) proposed presenting three broad options for consideration next week. The US and AUSTRALIA underlined that there were four possible options. SAUDI ARABIA urged the retention of bracketed text, rather than presenting different options. AUSTRALIA and the US, opposed by SAUDI ARABIA and the EU, proposed deleting chapeau language on an assessment of demonstrable progress. Delegates failed to resolve the issue of whether to present text on demonstrable progress in the form of options, or as consolidated bracketed text.

PROTOCOL ARTICLES 5, 7 & 8: Delegates in this contact group convened to continue consideration of the Co-Chairs' working paper containing draft decisions under Articles 5, 7 and 8 as well as draft guidelines under Articles 7 and 8. On the draft COP/MOP-1 decision related to Article 5.2 (adjustments), the US suggested that adjustments applying to a Party's base-year inventory estimates could not be replaced by revised estimates subsequent to the establishment of a Party's initial assigned amounts. The G-77/CHINA, opposed by the EU, said inventory estimates of a year during the commitment period that had been adjusted should not be revised and that consequently, adjustments of estimates of both the base year inventory and the inventory during the commitment period could not be revised.

On the guidelines under Article 8, delegates considered a US proposal, supported by the EU, to move Part III *bis* on the annual compilation and accounting of emission inventories and assigned amounts (AA) to the Article 7 guidelines. Parties could not reach agreement on this proposal, however. On a proposal by the G-77/CHINA to delete Part III on the review of information on AA, the US said the guidelines should provide for review of information related to AA. The EU, opposed by NEW ZEALAND, added that if the information on the initial AA is put in the registries by the Secretariat, instead of by the Parties, there is no need for such a review. Co-Chair Paciornik informed delegates that the mechanisms group had decided that issues relating to registries had been allocated to the group on Articles 5, 7 and 8.

In discussions on the draft COP decision on Article 8, the G-77/CHINA and the US said text on the guidelines had first to be finalized before attempting to remove brackets in the related draft decision. Following the formal contact group session, delegates convened throughout the afternoon and late into the night in a meeting of the Friends of the Chairs, to continue consideration of the Co-Chairs' working paper.

LULUCF: In an afternoon meeting of the contact group, SWITZERLAND, on behalf of the ENVIRONMENTAL INTEGRITY GROUP, introduced their proposed changes to the Co-Chairs' text, that would limit credits for carbon sequestration due to windfall effects caused by, *inter alia*, carbon dioxide fertilization, nitrogen deposition, age structure effects of forests, and climate change. He said the proposal involves the subtraction of a biome-specific threshold value for windfall effects as well as a threshold value to account for other uncertainties from any measured and verified sink credits, and applies to all sinks under all relevant Protocol Articles in all commitment periods.

Co-Chair Thorgeirsson then distributed a new Co-Chairs' text on LULUCF, which he said was based on views expressed by delegates over the past days, as well as on consultations the Co-Chairs had held with representatives of groups of Parties. He introduced the structure and content of the text, noting changes to, *inter alia*, the proposed definition of "forest," and the preambular Principles to the operative text. He said these had been replaced by two paragraphs affirming consistency with environmental and social principles, as little time remained for negotiating the preambular material.

BRAZIL, for the G-77/CHINA, said he could not accept the deletion of the preambular Principles, and CHINA commented that too many options had been eliminated from the text. The US, EU, TUVALU, and PERU supported retention of the Principles. TUVALU, for AOSIS, expressed concern that the group's suggestions, in particular one regarding the biome approach to the definition of "forest," had not been considered, and that the text as it stands was unbalanced.

Co-Chair Thorgeirsson said the Co-Chairs would take into consideration the views expressed by Parties, that the Principles would be retained, and the work would proceed in the form of closed Friends of the Chairs' consultations. In these subsequent closed negotiations, delegates worked late into the night to refine the text into a format that would be presented to the ministers during the following week.

DEVELOPMENT & TRANSFER OF TECHNOLOGIES: This contact group met briefly to report back on the progress made in "informal informal" meetings held on Wednesday. Co-Chair Afolabi noted that progress has been made in the sections on capacity building, but that much remains to be completed in the section on mechanisms for technology transfer.

Delegates then adjourned into "informal informal" consultations where they discussed the Co-Chairs' proposals for a draft decision. They bracketed additional text in the preambular section, which includes language taken from the G-77/China submission and from submissions by other Parties. Divergence remains on references to the private sector, the role of government and institutional arrangements. Consultations continued late into the night. It was proposed that on completing consideration of the draft decision, delegates will continue working on the section on mechanisms for technology transfer in the draft framework text.

FINANCIAL ISSUES: Co-Chair Kerry Groves (Australia) welcomed delegates to the first meeting of this group, which he said was mandated by COP-6 President Pronk. He explained that the group had been established in the light of the various funding



proposals being discussed in contact groups, and said this group would provide input that would assist President Pronk in preparing elements of a framework to integrate the various proposals. He said the Co-Chairs of this group would report to President Pronk on these consultations at 1:00 pm on Saturday, 18 November. President Pronk would use this to help focus deliberations among ministers and heads of delegation, scheduled to begin on Sunday, 19 November.

Co-Chair Groves then introduced a paper prepared by the Secretariat listing the various proposals on funding arrangements raised in the contact groups on capacity building, adverse effects and technology transfer. He invited Parties to examine the paper in order to identify what funding activities participants thought might be undertaken by the GEF as an operating entity of the financial mechanism of the UNFCCC, by the GEF as a "motivator of funds" outside its financial mechanism role, and by alternative funding sources/mechanisms.

ARGENTINA, the G-77/CHINA and others expressed concern that this group was not mandated by the COP-6 Bureau and was therefore not established using the accepted process. In response, Co-Chair Groves said President Pronk had been elected by the Conference of the Parties and was therefore mandated to address issues in a manner that would expedite progress. He noted that the outcome would be a report by the Co-Chairs to President Pronk.

Regarding text on a framework for capacity building for developing countries that refers to a special fund to support implementation of this framework by the LDCs, the US said he believed that many elements of this framework are relevant for GEF funding, although some may not be. On draft text stating that Annex II Parties should provide financial and technical resources for country-level needs assessments and for the development of specific capacity building activities consistent with the capacity building framework, the EU indicated that at this stage it did not see the need for a new fund outside of the GEF.

The G-77/CHINA, supported by COLOMBIA, BRAZIL, NIGERIA and others, said it would not be able to participate in this discussion at this time, as not all its issue convenors were available, and sufficient time was needed to consider the whole issue in context. Co-Chair Groves said it appeared that no further progress could be made at this stage. He noted that a further meeting would be held on Saturday morning, 18 November, and urged Parties to consider the paper that had been presented.

CAPACITY BUILDING: The contact group on capacity building in developing countries met to consider the draft decision on capacity building in developing countries and the annexed framework for capacity building. Co-Chair Uosukainen introduced the revised text resulting from "informal informal" consultations in the Friends of the Chairs' group. He said that the paragraphs addressing financial provisions have been deferred to the contact group on the financial mechanism. Delegates then considered the paragraphs containing bracketed text and agreed to remove a number of the brackets.

On the operational paragraph containing the purpose of the framework, delegates agreed that the framework "should" guide capacity-building activities related to the implementation of the UNFCCC. They also decided to delete a paragraph deciding to

review the framework after eight years and removed brackets from language inviting Parties to provide information through national communications to enable the SBI to monitor progress on the implementation of the framework. They also agreed to recommend COP/MOP-1 to adopt a decision containing a framework for capacity building that reaffirms this framework with additional reference to priority areas for capacity building relating to the implementation of the Protocol.

In the scope for capacity building outlined in the annexed framework, delegates debated and failed to remove brackets from language on "strengthening the capacity relating to" "implementation" of adaptation response measures. They also did not agree on reference to developing national adaptation programmes of action, with the US stating that this was under consideration in the contact group on adverse effects. On financing and operation, divergence remained over whether financial and technical resources should be made available through an operating entity of the financial mechanism and "as appropriate," multilateral and bilateral agencies.

ADVERSE EFFECTS: The Friends of the Chair group met throughout the day to continue discussing the draft decision(s). The creation of the financial issues group by President Pronk posed difficulty for the G-77/CHINA, who held that the financial issues relating to the decision(s) under UNFCCC Article 4.8 and 4.9 and Protocol Article 3.14 should not be discussed separately from action outlined by the decision(s). Compromise was reached on sections of text on Article 3.14. However, key decisions, such as whether there should be two separate decisions for Article 4.8 and 4.9 and Article 3.14 or one for both, remained unresolved. Negotiations continued late into the evening.

MECHANISMS: Closed "informal informal" discussions on mechanisms were held throughout the day and late into the night with the aim of seeking further convergence on the text. By late evening, it is understood that while there had been steady progress in "cleaning up the text," key decisions on many of the core issues have yet to be taken. The contact group on mechanisms will meet on Saturday morning to receive feedback on the informal discussions.

FINANCIAL MECHANISM: SBI Chair Ashe opened the meeting of the contact group on the financial mechanism. The group discussed the revised Co-Chairs' text providing additional guidance to the operating entity of the financial mechanism. He noted that extensive "informal informal" consultations had taken place during the past few days, and that most of the text had been agreed. He then invited delegates to consider the remaining bracketed paragraphs. Delegates discussed at length two options for text of a paragraph relating to the provision of GEF resources for country-driven Stage II adaptation activities, particularly the extent to which such activities would be based on national communications. Parties could not agree whether such activities should be in the context of/build upon national communications "and" national studies, or national communications "or" national studies. The text remains in brackets.

The group discussed text on demonstration projects, which remained bracketed. Delegates also discussed outstanding text requesting the GEF to continue to provide financing, where appropriate, and consistent with both the guidance of the COP and the



GEF's mandate, to support the implementation of the capacity building framework, and to further support, enhance and implement the GEF's capacity building activities in accordance with the framework. However, the text remains bracketed. Delegates agreed that the Co-Chairs should work on integrating language in paragraphs on reporting and on streamlining. Co-Chair Ashe said the text would be presented to SBI on Saturday.

IN THE CORRIDORS

Mixed reactions over the new group on financial issues mandated by COP-6 President Pronk were expressed in the corridors Friday. Whereas some welcomed the initiative as a useful move to help focus attention on financial issues, several developing countries expressed concerns at the procedure and problems of timing, given the hectic schedule of informal meetings taking place. According to observers, an underlying cause of sensitivity over talks on funding mechanisms lies in differing views over the GEF, with some developing countries pushing for alternative mechanisms. They suggest this could be based partly on G-77/China hopes that another mechanism would increase overall funding, an idea apparently rejected by a number of developed country delegates. In spite of these differences, however, there seems to be general support for President Pronk's desire to encourage negotiators to focus on funding issues ahead of deliberations by ministers and heads of delegation starting Sunday.

THINGS TO LOOK FOR TODAY

MECHANISMS: This contact group will convene at 10:00 am in the Van Gogh Hall to hear the outcome of the week's "informal informal" discussions, and to conclude its work.

FINANCIAL ISSUES: This group will meet from 10:00 am in Escher Hall to consider funding issues to assist preparation of elements of a framework integrating the various proposals.

TECHNOLOGY TRANSFER: This contact group is expected to meet from 11:00 am in Mondriaan Hall to conclude its work.

PROTOCOL ARTICLES 5, 7 & 8: This contact group is meeting from 11:00 am in the Escher Hall. A revised Co-Chairs text is expected to be made available in the morning.

LULUCF: This group will meet in the Van Gogh Hall at 12:00 pm to conclude its work.

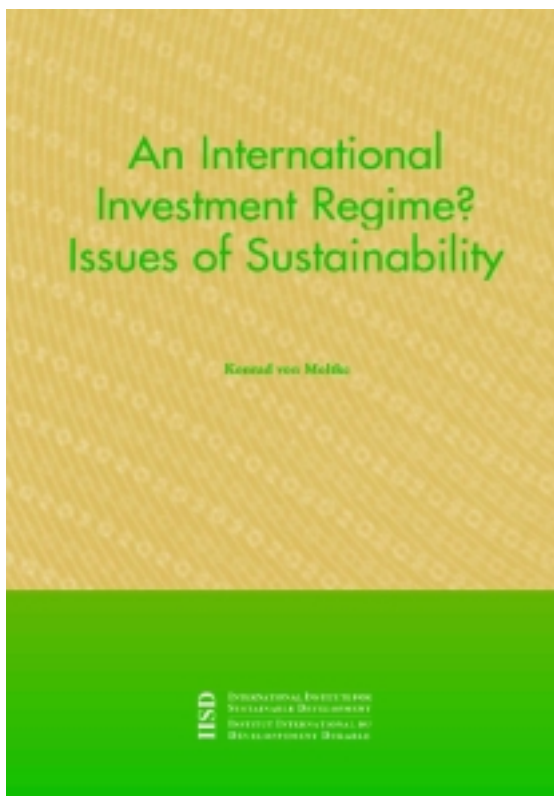
ADVERSE EFFECTS: This group will meet from 12:00 pm in Rembrandt Hall.

SBSTA/SBI: The joint SBI/SBSTA meeting will convene at 3:00 pm in the Prins Willem-Alexander Hall and is expected to receive reports from the contact groups and conclude its session.

SBI: SBI will meet in the Prins Willem-Alexander Hall on completion of the joint SBI/SBSTA meeting.

SBSTA: SBSTA will convene in Van Gogh Hall following the joint SBI/SBSTA meeting.

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