



## UNFCCC COP-6 HIGHLIGHTS

TUESDAY, 21 NOVEMBER 2000

Delegates convened in Plenary to hear high-level statements from Parties. Over 70 speakers, including four Vice Presidents, two Deputy Prime Ministers, and more than 60 Ministers, made presentations. Delegates also met for informal high-level Plenary meetings and in smaller negotiating groups to progress talks on the key outstanding issues. These discussions took place within the framework of four issue "clusters," including: capacity building, technology transfer, adverse effects and guidance to the GEF; the mechanisms; land use, land-use change and forestry (LULUCF); and compliance, policies and measures, and accounting, reporting and review under Protocol Articles 5, 7 and 8.

### PLENARY

At the opening of the Plenary, UNFCCC Executive Secretary Michael Zammit Cutajar called for political imagination over expediency, urged a focus not only on national interests but also on the common good, and said he hoped COP-6 would reach a "sweet rather than bitter end."

Youth representatives from Kenya and the UK then reported on the previous week's international Youth Conference attended by 118 young people from 61 countries, and urged all delegates to read and address the Youth Declaration. The two representatives recommended the inclusion of youth representation within environmental councils, underlined the role of women, and called for the establishment of a regular World Youth Meeting on Climate Change.

**STATEMENTS BY PARTIES:** Delegates then heard formal statements by high-level representatives from more than 70 Parties, outlining positions and views on climate change negotiations and issues related to the UNFCCC and Kyoto Protocol.

<Editor's Note: A complete collection of Plenary statements will soon be available online at: <http://COP6.unfccc.int>>

**Ratification of the Protocol:** The EU, VISEGRAD GROUP, and numerous others supported ratification and entry into force of the Protocol in 2002. MEXICO noted that it was the only one of the world's fifteen largest economies to have ratified the Protocol. NEW ZEALAND said it was the first country belonging to the Umbrella Group that had announced its firm intention to ratify in 2002. Invoking the principle of common but differentiated respon-

sibilities, BOLIVIA said it was unfair at this stage to make ratification dependent on additional actions taken by developing countries.

**UNFCCC and Protocol Commitments:** The G-77/CHINA expressed concern that most Annex I countries have failed to implement their commitments. With several other developing countries, he underlined the need for Annex I Parties to fulfil their obligations in protecting the climate system on the basis of equity and in accordance with the principle of common but differentiated responsibilities. The issue of equity was supported by the UK. INDIA called for equal per capita entitlements between countries in terms of greenhouse gases to be the aim.

The US stated that success of the Protocol requires the involvement of all countries. He said that whereas the US is willing to be flexible in its positions, it will not compromise its principles aimed at ensuring that the implementation of the Protocol is achieved in a cost effective way, while ensuring environmental integrity.

**Policies and Measures (P&Ms):** DENMARK called for the strengthening of international cooperation for developing and applying effective P&Ms, and said those with negative impacts on greenhouse gas emissions should be phased out.

**Kyoto Mechanisms:** Many countries reiterated the need for the mechanisms to be supplemental to domestic action. The VISEGRAD GROUP supported a quantified ceiling on the use of mechanisms, with preferential projects under Joint Implementation. IRELAND, ITALY, GERMANY and SLOVENIA stressed domestic action as the main means of meeting Protocol commitments.

CANADA advocated for maximum flexibility in the use of mechanisms to ensure that the necessary resources are provided. FINLAND said the mechanisms must be transparent and reliable and not be a tool for printing "forged money" for environmental credits.

On the CDM, COSTA RICA, BOLIVIA and SENEGAL, opposed by IRELAND and AUSTRIA, favored including sinks in the CDM. INDONESIA said sinks could be eligible if carbon sequestration is real and measurable.

NEW ZEALAND, NORWAY, AUSTRIA, HONDURAS and COSTA RICA said nuclear power should not be permitted within the CDM. SAMOA said the CDM should promote investments on environmentally-safe renewable energy technologies. JAPAN said

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that developing countries' judgment of what constitutes sustainable development should not be overruled by limiting the types of eligible activities under the CDM.

A number of countries supported an early start for the CDM. MOROCCO said the CDM should not be used as a channel for exporting obsolete technologies from North to South.

**Compliance:** JAPAN said disagreements over the compliance regime should not delay the Protocol's entry into force. NORWAY said a firm compliance regime is essential to ensure that the Protocol and its mechanisms will work. SAMOA, BRAZIL, INDONESIA and LUXEMBOURG called for strong and enforceable rules and procedures that penalize non-compliance.

**LULUCF:** JAMAICA strongly supported an internationally-defined biome-based approach for forests. SAMOA and MICRO-NESEA argued that countries should be prohibited from offsetting their obligations through activities that are neither measurable nor permanent. JAPAN said it was essential not to lose the incentives for appropriate sink activities. BOLIVIA said reduction credits resulting from natural variability should be avoided and that carbon accounting systems should be able to distinguish between human efforts and natural reductions. NORWAY said that contribution from sinks should be limited in the first commitment period. DENMARK argued that the inclusion of sinks should avoid the crediting of projects that would have happened in any case.

CAMBODIA said the use of sinks is not an equally sustainable alternative in mitigating climate change. KENYA said though the benefits of land use activities are undeniable, including them in the CDM is likely to be counter-productive.

**Capacity building and technology transfer:** Many speakers stressed that issues such as technology transfer, capacity building, and adverse effects had to be recognized and addressed, with special attention given to the least developed countries (LDCs) and those most vulnerable to climate change. CHINA and several other developing countries stated that agreement at The Hague was contingent on "developing country" issues receiving their due recognition. Many developing countries stressed the need for new and additional resources.

The SUDAN noted reluctance by developed country Parties to implement their commitments in relation to the provision of finance, transfer of technology and scientific knowledge to developing countries. BOTSWANA said the reason for the slow implementation of the UNFCCC by developing countries is due to lack of capacity. PARAGUAY said technology transfers should not in any way be discriminatory, and should not exclude local technologies.

**Adverse effects:** Issues relating to the adverse effects of climate change and the impacts of response measures were highlighted by a number of countries. IRAN voiced its concern over the current energy policies of industrialized countries that generate market imperfections. SAUDI ARABIA expressed concern over the impacts of response measures will have, and supported a compensation fund to assist countries whose economies would be affected by the implementation of response measures.

**Funding / GEF:** The need for additional resources to support developing countries to cope with climate change was highlighted by many speakers. Noting the need to reform the GEF, CANADA called for the creation of a "window" within the GEF to deal with special climate change issues such as adaptation. BENIN said the

GEF should be equipped with additional resources. DENMARK called on the GEF to be more responsive to LDCs' needs and proposed support equivalent to 0.1% of Gross National Products in additional funds. JAPAN said the widest possible range of resources should be mobilized, including ODA to ensure equitable distribution of CDM projects.

The UK recognized the value of an adaptation fund and technology transfer, and expressed a preference for an improved and enhanced GEF with a 50% increase in contributions. MOROCCO said an adaptation fund should be funded from financial sanctions in case of non-compliance and, with SENEGAL, added that the three mechanisms should feed into it.

**Economies in transition (EITs):** FINLAND said a comprehensive negotiation package should also address the concerns of EITs. ARMENIA said EITs have a particular challenge in moving toward a market economy without increasing their greenhouse gas emissions and said this transition should be guided by the principles of sustainable development.

**Other issues:** NORWAY and the UK referred to the recent weather events in Europe as a sign of climate change. On activities implemented jointly, MALAWI noted Africa's limited experience and called for a continuation of the pilot phase.

**Adjournment of the meeting:** Following a request to Plenary earlier in the evening by President Pronk - which he indicated had been endorsed by Ministers - interpretation services for the formal session ended at 9:00p.m, with interpreters moving to cover parallel informal high-level negotiations. Several delegates, including the RUSSIAN FEDERATION and SPAIN, objected to the removal of interpretation services. The Plenary was therefore adjourned until Wednesday morning, when formal statements by Parties will resume.

### **INFORMAL HIGH-LEVEL PLENARY**

President Pronk opened the meeting, and suggested organizing the work according to the following four "boxes" that cluster issues based on previous discussions: (i) capacity building, technology transfer, adverse effects, and guidance to the GEF; (ii) mechanisms; (iii) LULUCF; and (iv) P&Ms, compliance and accounting, and reporting and review under Protocol Articles 5, 7 and 8.

He said he would chair the informal high-level plenary sessions, and that after hearing statements on the issues in each "box" a smaller informal group would be formed, chaired by ministers. Discussions in the informal Plenary would then proceed to the next "box." The informal groups would report back to the informal Plenary when their discussions had been completed.

**CAPACITY BUILDING, TECHNOLOGY TRANSFER, ADVERSE EFFECTS, AND GUIDANCE TO THE GEF:** VANUATU advocated for a fund for LDCs that do not have ready access to GEF funds. He requested the inclusion of the new text on LDCs in the decision(s) on UNFCCC Article 4.8 and 4.9 and Protocol Article 3.14. SAUDI ARABIA supported two separate decisions on Article 4.8 and 4.9, and Article 3.14, with mandatory language. The US supported one decision for both and, with JAPAN, opposed compensation for adverse effects.

BULGARIA, for CENTRAL GROUP ELEVEN, and supported by the RUSSIAN FEDERATION, CHINA and KAZAKHSTAN, for the GROUP OF NINE - an alliance of Central Asian and Trans-Caucasian countries, and Moldova - underlined that



economies in transition are, like developing countries, in need of financial aid from the GEF for the purpose of capacity building, technology transfer and responding to adverse effects, and requested the removal of the brackets around text on their needs. BELIZE said that the question of whether capacity building should be considered under adaptation should not be difficult to resolve, and supported mandatory language in decisions.

CANADA, with the US and EU, emphasized support for the GEF. He recognized that developing countries might find it too slow and therefore supported enhancing its functioning. FINLAND said the GEF is not the only funding channel, and stressed the availability of bilateral and private sector funds. AOSIS supported retaining the GEF as the financial mechanism, but stated that it needed improving and strengthening. SOUTH AFRICA opposed the “dumping” of unwanted technology by developed countries in developing countries. CHINA called for concrete progress, stating that negotiating partners are stalling.

Before breaking, President Pronk summarized the main unanswered questions: how to give substance to the request for compensation on Article 3.14; how to organize special facilities for LDCs; how EITs can also benefit from funding mechanisms, technology transfer and capacity building; whether the decision language should be mandatory for all decisions, or only for specific issues; whether to have one or two decisions on adverse effects; and how to resolve questions on the role of the GEF. An informal group, chaired by the Ministers from South Africa and Denmark and assisted by SBI Chair John Ashe, was established.

**MECHANISMS:** In the informal high-level Plenary held in the afternoon, ministers and senior officials presented their views on the outstanding “crunch issues” on mechanisms identified by President Pronk. On the issue of supplementarity, JAPAN and the US urged against renegotiating the Protocol. While recognizing the need for flexibility, the EU drew attention to the importance of domestic action. INDONESIA argued in favor of requiring 70% of emissions reductions through domestic action, with the possibility of this being reduced under certain conditions. HUNGARY and the AFRICA GROUP, opposed by the RUSSIAN FEDERATION and AUSTRALIA, advocated implementation of a quantitative limitation on the flexibility mechanisms. CANADA underlined its flexibility on this issue. The REPUBLIC OF KOREA, opposed by HUNGARY and CHINA, argued in favor of host-generated unilateral CDM projects. COLOMBIA and BOLIVIA proposed provision for bilateral, multilateral and unilateral CDM projects.

The EU, supported by HUNGARY, and opposed by JAPAN, AUSTRALIA, the US, CANADA and SAUDI ARABIA, underlined its preference for a positive list. She argued that the aim of the positive list is to assist in getting the CDM started in support of sustainable projects, and that the list would be subject to review. The G-77/CHINA argued that the host developing country should be the sole judge in deciding on the project. The US expressed flexibility on the potential for small projects, on condition that there is no positive list and that sinks are included.

The G-77/CHINA, AFRICA GROUP and SAMOA, opposed by US, CANADA, JAPAN, AUSTRALIA, urged the establishment of an adaptation fund based on a levy applied to all three mechanisms. On the proposal to levy a “share of proceeds” on Protocol Article 6 (JI) and Article 12 (emissions trading), the RUSSIAN FEDERATION expressed willingness to discuss this possibility

only under certain conditions. HUNGARY said he strongly disagreed with this proposal. JAPAN, opposed by CHINA and INDONESIA, supported using ODA funding for the CDM.

On the composition of the Executive Board, the G-77/CHINA emphasized the need for fair geographical representation. The US said it could be flexible on this issue. The RUSSIAN FEDERATION argued against the creation of the Executive Board, suggesting the Secretariat could undertake its functions. The AFRICA GROUP expressed concern with the proposal that submission of the national communication be a precondition for CDM participation.

On sinks in the CDM, the US, CANADA, JAPAN, COSTA RICA, AUSTRALIA, COLOMBIA, HONDURAS and BOLIVIA, opposed by the EU, CHINA and GHANA, argued in favor of including sinks. The RUSSIAN FEDERATION suggested that the decision on including sinks be deferred for possible inclusion in the next commitment period. HONDURAS, SAUDI ARABIA and HUNGARY argued against inclusion of nuclear power in the CDM. AUSTRALIA said this issue should be for individual developing countries to decide, and underlined that US silence on the matter did not necessarily indicate a lack of support for the issue.

On emissions trading and liability, the G-77/CHINA expressed preference for blending the “commitment period reserve” and “surplus units” options. The RUSSIAN FEDERATION and CANADA supported seller liability.

An informal group chaired by the Ministers from Brazil and Japan was established, with the assistance of the former Chair of the contact group on mechanisms, Kok Kee Chow. Noting that in the evening there would only be one set of interpretation facilities, President Pronk sought the group’s approval that these facilities be used for the purpose of the informal high-level plenary.

**LULUCF:** Delegates met from 9:00 pm to discuss LULUCF. The UK, for the EU, responded to the US proposal made on Monday for phasing in credits for activities under Article 3.4. He said the EU accepts the concept of carbon sinks, especially forests, but, with the CENTRAL GROUP ELEVEN and NORWAY, stressed problems associated with permanence, uncertainty, risk, additionality and especially scale as it relates to the Umbrella Group proposal. The US reiterated its position on the need to include sinks during the first commitment period and said its proposal provided flexibility and was based on a long-term perspective. He illustrated the potential scale of Article 3.4 activities, and said Parties have the ability to make accurate estimates. The ENVIRONMENTAL INTEGRITY GROUP said it was somewhat reassured by the statement of US regarding their proposal, and stressed the need for verifiability and additionality. The G-77/CHINA stressed its principles on LULUCF and the need to exclude credits for natural uptake. The US, with JAPAN, said natural effects cannot be factored out in a satisfactory manner, and said the effect of carbon fertilization is well under 10%. TUVALU and ARGENTINA questioned whether a final decision on Article 3.4 was appropriate at COP-6. An informal group, facilitated by Mexico and Slovakia and assisted by the Co-Chairs of the LULUCF contact group, was convened.

**COMPLIANCE, POLICIES AND MEASURES, AND PROTOCOL ARTICLES 5, 7 & 8:** Following the completion of the LULUCF meeting at 11:20 pm, a high-level informal Plenary meeting convened on the fourth cluster of issues: P&Ms, compli-





ance, and accounting, reporting and review under Articles 5, 7 and 8. The G-77/CHINA, EU and SAUDI ARABIA presented their respective positions on some of the issues, highlighting the agreement reached on elements of the “crunch issues,” as well as noting the elements they felt were missing from President Pronk’s informal note. The meeting was adjourned at midnight following concerns expressed by the G-77/CHINA on availability of transportation facilities, as well as the limited capacities of a number of its smaller delegations.

#### IN THE CORRIDORS

Some delegates expressed concern at the pace of talks on Tuesday, with the informal high-level discussions beginning the day bogged down in repetitions of previously-stated positions, causing some to question the approach taken by President Pronk. However, by late evening, the assessment in the corridors seemed more positive, reflecting tentative movement on the mechanisms, and the fact that negotiations during the day had moved into smaller, closed groups of ministers, which some judged would assist efforts to broker deals on the key outstanding issues.

Also on a positive note, a number of participants felt that in spite of there being little new to report on substantive issues by late Tuesday evening, President Pronk’s management style had at least produced a more open, relaxed atmosphere that was conducive to making progress in the remaining crucial days. President Pronk’s

move to shift late night translation services from the formal speeches in Plenary to the high-level negotiations was also well received by some observers. They noted that although it clearly upset some of the speakers scheduled to deliver late night presentations on country positions in Plenary, any steps to facilitate the actual negotiations at this crucial stage should take priority.

On a related issue, the irony of the gradual move on Tuesday from larger more open meetings to closed small group negotiations was not lost on several participants, who asked whether efforts to ensure transparency could survive negotiating realities as the time remaining for political deal-making begins to run out.

#### THINGS TO LOOK FOR TODAY

**PLENARY – STATEMENTS BY PARTIES:** Plenary will convene from 10:00 am in Prins Willem-Alexander Hall to hear the remaining high-level policy statements.

**INFORMAL HIGH-LEVEL PLENARY:** Informal high-level Plenary sessions chaired by COP-6 President Pronk are expected to reconvene in Van Gogh Hall at 10:00 am to continue discussions on the fourth cluster of issues, namely compliance, P&Ms and Protocol Articles 5, 7 and 8. Smaller closed groups are set to meet throughout the day and report back into Plenary. Please check the electronic noticeboards for further details.

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