



UNFCCC COP-6 PART II HIGHLIGHTS WEDNESDAY, 25 JULY 2001

Delegates to the resumed COP-6 met early evening in a delayed Plenary to formally adopt the political decision agreed by Ministers and other high-level officials on Monday, 23 July. They also discussed the organization of meetings during the remainder of the week. Following the Plenary, delegates convened in the negotiating groups on finance, compliance, mechanisms, and land use, land-use change and forestry (LULUCF).

PLENARY

Delegates convened in a delayed Plenary session late afternoon, following intensive closed negotiations throughout the day between President Pronk and various delegations to resolve outstanding issues relating to the adoption of the political decision, and organizational matters. President Pronk underlined that his role is to safeguard the integrity of the political agreement reached on Monday 23 July, guarantee a fair process, and encourage delegates to work intensively on the basis of these agreements to reach consensus on relevant decisions by Friday, 27 July.

ADOPTION OF THE POLITICAL DECISION: President Pronk presented the political decision on Implementation of the Buenos Aires Plan of Action (BAPA) (FCCC/CP/2001/L.7) for formal adoption by the COP. The decision was adopted.

The text of this decision is identical to that contained in the proposal presented to the President's Group on Saturday 21 July at 11:00 pm, incorporating the text on procedures and mechanisms relating to compliance that had been presented for adoption during the High-Level Plenary on Monday 23 July. President Pronk noted that there remain a number of inconsistencies to be addressed, which are listed in two documents: the first (FCCC/CP/2001/CRP.9) presents an inventory of editorial and technical amendments as identified by the Secretariat, while the second (FCCC/CP/2001/CRP.10) is a proposal by the Russian Federation to include a footnote stating that the values allocated to the Russian Federation for forest management are considered as preliminary figures.

SAUDI ARABIA said these two documents are subject to negotiation, and are not a part of what was adopted in the decision. He argued that it would be unacceptable to re-open settled matters. The G-77/CHINA, supported by numerous member countries, as well as the ENVIRONMENTAL INTEGRITY GROUP, CG-11, the EU, JAPAN, AUSTRALIA, and the US, underlined the importance of safeguarding the integrity of the political agreement reached on Monday. The EU and SWITZERLAND requested that

the joint Political Declaration on finance be included in the conference report. JAPAN also requested that note be taken of its statement on finance. SAUDI ARABIA, AUSTRALIA and the US emphasized the need to rely on the text of the UNFCCC and Protocol when there is any doubt with regard to the political decision.

ORGANIZATION OF WORK: President Pronk proposed that delegates proceed with their remaining work in the previously established negotiating groups on finance, LULUCF, mechanisms, compliance and Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information). He proposed that work commence with the first four groups. AUSTRALIA, CANADA and NEW ZEALAND underlined the importance of Articles 5, 7, and 8, and urged that this be addressed as soon as possible. Co-Chair Raul Estrada of the mechanisms negotiating group noted that LULUCF in the mechanisms would be addressed in the LULUCF group, and that issues on the registries, which also affect Articles 5, 7 and 8, would be addressed in the mechanisms group. CANADA expressed concern with registries being "extracted" from the package on Articles 5, 7 and 8. President Pronk said these concerns will be addressed by the Bureau Thursday.

NEGOTIATING GROUPS

FINANCE: The negotiating group on finance met in the evening to discuss a revised version of the informal paper on implementation of UNFCCC Article 4.8 and 4.9 (adverse effects). An Annex I Party highlighted that the newly-adopted political decision on the implementation of the BAPA contains sections that overlap with the informal paper, and stressed that the decision was the definitive document. Parties considered a proposal by one delegation on the implementation of activities addressing adverse effects of climate change to distinguish between activities supported by the GEF and other bilateral and multilateral sources, and activities supported by the Special Climate Change fund, the Adaptation fund, and other bilateral and multilateral sources. Several Annex I Parties noted that the proposal was aimed at providing clear guidance. Developing countries said re-drafting the section would prove complicated and time-consuming. Co-Chair Andrej Kranjc suggested that a small drafting group be convened. This group met immediately upon closure of the meeting of the negotiating group in order to address the division of the activities into those supported by the GEF and those supported by the Adaptation fund and Special Climate Change fund.

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MECHANISMS: The mechanisms negotiating group, co-chaired by Raul Estrada and Kok Kee Chow, met in the evening to hear feedback from the two informal technical sub-groups established on Wednesday, 18 July, and to consider a consolidated text on the CDM. Murray Ward (New Zealand), Chair of the informal sub-group on mechanisms' eligibility and the verification procedures for track two of the joint implementation projects, noted that some disagreement remains, in particular on verification procedures. Chair of the informal drafting sub-group on CDM technical issues, Jose Domingos Gonzales Miguez (Brazil), reported that consensus had been achieved on: baselines and additionality; small-scale CDM project activities; environmental impact assessments; public participation; and review by the Executive Board. Disagreement remains on the transaction of CERs. Both groups were reconvened to complete their negotiations.

Using an overhead projector, Co-Chairs Estrada and Chow then presented a proposed consolidated text on the Modalities and Procedures for a CDM incorporating The Hague text, the Pronk text, the agreed results of the technical sub-group on the CDM, and text from the political decision on implementation of the BAPA. A number of Parties expressed concern with agreeing text on the basis of overhead slides only, and requested printed copies of the integrated text. Noting these concerns, the Co-Chairs presented the text identifying the source of the various paragraphs. The meeting was then adjourned to allow delegates to continue working in the informal sub-groups.

Co-Chair Estrada underlined the need to work rapidly if agreement is to be reached by Friday. Co-Chair Chow noted that informal consultations will be held at a later stage on activities implemented jointly, and requested Parties to provide input to him on this matter.

COMPLIANCE: Negotiating group Co-Chair Neroni Slade said the Co-Chairs had prepared a non-paper, under the authority of President Pronk, that they hoped would assist delegates in their further work. Introducing the non-paper, he highlighted from which documents - the Pronk text, The Hague text, or the political decision - its paragraphs had been drawn. He added that this unified document constituted the "natural product" of the negotiating group's work. Co-Chair Slade then suspended the meeting to allow regional groups and delegations to consider the non-paper.

Following the resumption of the meeting, delegates gave their initial reactions to the non-paper. Developing countries and many developed countries welcomed it as providing a good basis for the group's further work. One Annex I Party expressed concern about the reflection, in the non-paper, of parts of the political decision not included in the compliance section. With several other Annex I Parties, she also questioned the accurate reflection of the paragraph of this decision pertaining to the adoption of procedures and mechanisms relating to compliance. A group of Annex I Parties expressed some unease over the modifications relating to the facilitative branch, its relation to the enforcement branch and the appeal procedure. This group also reminded participants of the mandate given by the Ministers to complete their work by the end of COP-6. Closing the meeting, Co-Chair Slade invited those delegates in a position to do so, to provide, by midday Thursday, drafting suggestions on how the political decision text could be reflected in the non-paper.

LULUCF: Co-Chair Harald Dovland informed delegates that the task ahead for the negotiating group was the development of decisions on LULUCF, and noted the limited time available. He stressed that the decisions would reflect the political decision taken by Ministers on Monday, 23 July, as well as the package of docu-

ments previously discussed in the negotiating group. He suggested a smaller group be convened to carry out the drafting work, based on a new draft prepared by the Co-Chairs. Many Parties endorsed this approach. Andreas Fischlin (Switzerland) and Halldor Thorgerisson (Iceland) were appointed as Co-Chairs of the drafting group. The Secretariat distributed the Chairs' draft decisions concerning LULUCF, containing language directly from the political decision and additional legal text. The draft decisions comprise: a COP-6 decision; a COP/MOP-1 decision; an annex including definitions, modalities, rules and guidelines related to LULUCF under the Protocol; and an appendix including the maximum amount of Mt C/year that Annex I Parties may receive credits for during the first commitment period as a result of forest management under Protocol Article 3.4 (additional activities) and LULUCF activities under joint implementation. The drafting group met late evening to work on the document, and continued consultations into the night.

INFORMAL CONSULTATIONS

Delegates met in a contact group convened under the SBI to consider the programme budget for the biennium 2002-2003. Participants engaged in a question-and-answer session on various aspects of the programme budget, including: staffing requirements; geographic representation of staff; the overall funding increase being proposed; and the impact of decisions by the COP on the work programme. Delegates also discussed spending priorities, with developing countries highlighting technology transfer as one of the key areas.

IN THE CORRIDORS

Participants spent many nervous hours Wednesday morning and afternoon as disagreements over the political decision agreed on Monday sent negotiators scrambling to patch up their differences. Concerns about the substantive/political implications of some of the technical and editorial changes made to the political decision apparently resulted in some differences of views over which version to put to the Plenary for formal adoption. Concerns also related to the level of the Russian Federation's allocated cap on forest management, with that country formally proposing that the figures it had allocated were "preliminary." In addition, there were also questions about the best way to proceed organizationally with COP-6 Part II during its remaining days. However, these issues appeared resolved by late afternoon, when the Plenary was finally able to formally adopt the political decision and set out its organization of work.

Late Wednesday, participants' attention had turned to the negotiating groups, which resumed after the Plenary to begin cleaning up the various texts. Some observers were suggesting that negotiators would have their work cut out to finish this "technical" work on the outstanding texts by the end of Friday.

THINGS TO LOOK FOR TODAY

NEGOTIATING GROUPS: Negotiating groups will meet during morning, afternoon and evening sessions to continue their work on the negotiating texts. Given the substantial workload, additional group meetings, sub-group meetings and informal consultations are likely. Check the closed circuit television monitors for further details.

CONSULTATIVE GROUP OF EXPERTS: The Friends of the SBI Chair on the work of the Consultative Group of Experts on non-Annex I Communications will convene from 3:00-5:00 pm in Salon Mann.