



## SIXTH CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE

13-24 NOVEMBER 2000

The Sixth Conference of the Parties (COP-6) to the United Nations Framework Convention on Climate Change (UNFCCC) and the resumed thirteenth sessions of the UNFCCC's subsidiary bodies begin today in The Hague, the Netherlands. At least 6,000 participants are expected to attend, including ministers and high-level officials from approximately 160 governments. The meeting aims to set the operational details for commitments on reducing emissions of greenhouse gases under the 1997 Kyoto Protocol. Delegates will also seek to reach agreement on actions to strengthen implementation of the UNFCCC itself. The outcome of COP-6 is seen as crucial in furthering implementation of the UNFCCC and influencing ratification and entry into force of the Protocol.

### A BRIEF HISTORY OF THE UNFCCC - THE ROAD TO COP-6

**INTRODUCTION TO THE UNFCCC:** Climate change is considered to be one of the most serious threats to the sustainability of the world's environment, human health and well-being, and the global economy. Mainstream scientists agree that the Earth's climate is being affected by the build-up of greenhouse gases, such as carbon dioxide, caused by human activities, including electricity generation, agriculture and transportation. Despite some lingering uncertainties, a majority of scientists believe that precautionary and prompt action is necessary.

The international response to climate change took shape with the development of the United Nations Framework Convention on Climate Change (UNFCCC). Agreed to in 1992, the UNFCCC sets out a framework for action to control greenhouse gas emissions. Its aim is to stabilize atmospheric concentrations of greenhouse gases at a level that would prevent anthropogenic (human-induced) actions from leading to "dangerous interference" with the climate system. The UNFCCC entered into force on 21 March 1994, 90 days after the receipt of the 50th ratification. It has now received 184 instruments of ratification, acceptance, approval or accession. Since it entered into force, five meetings of the Conference of the Parties (COP) have taken place, as well as numerous workshops

and meetings of the UNFCCC's subsidiary bodies - the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

**THE KYOTO PROTOCOL:** The *Ad Hoc* Group on the Berlin Mandate, established by COP-1, met between 1995 and 1997 to reach agreement on a further step in efforts to combat climate change. Following intense negotiations, delegates to COP-3, which was held in Kyoto, Japan in December 1997, agreed to a Protocol to the UNFCCC that commits developed countries and countries making the transition to a market economy to achieve quantified targets for decreasing their emissions of greenhouse gases. These countries, known under the UNFCCC as Annex I Parties, committed themselves to reducing their overall emissions of six greenhouse gases by at least 5% below 1990 levels over the period between 2008 and 2012, with differentiated targets for most of these countries. The Protocol also establishes three mechanisms to assist Annex I Parties in meeting their national targets cost-effectively. The mechanisms include an emissions trading system, joint implementation (JI) of emissions-reduction projects between Annex I Parties, and a Clean Development Mechanism (CDM) to encourage joint projects between Annex I and non-Annex I Parties.

While delegates in Kyoto agreed to these emissions reductions targets and methods, it was left for subsequent meetings to decide on most of the rules and operational details that will determine how these cuts are achieved and how countries' efforts are measured and assessed. Although many countries have signed the Protocol, the majority are waiting until these operational details are negotiated before deciding whether or not to ratify. To enter into force, the Protocol must be ratified by 55 Parties to the UNFCCC, including Annex I Parties representing at least 55% of the total carbon dioxide emissions for 1990. Currently only 30 Parties have ratified the Protocol.

**THE BUENOS AIRES PLAN OF ACTION:** The Fourth Conference of the Parties (COP-4) met in Buenos Aires, Argentina, in November 1998 to set out a work schedule for reaching agreement on the operational details of the Protocol and for strengthening implementation of the UNFCCC itself. This work schedule was outlined in a document called the Buenos Aires Plan of Action. The critical deadline under the Plan of Action is COP-6, which marks the culmination of this process.

At COP-6, delegates will attempt to reach agreement on a package of issues related to the Protocol and the UNFCCC. Critical Protocol-related issues needing resolution include rules

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relating to the mechanisms, a regime for monitoring countries' compliance with their commitments, and accounting methods for national emissions and emissions reductions. Rules on crediting countries for removing carbon from the atmosphere through planting trees, and possibly other measures, will also be addressed. Issues under the UNFCCC that need resolution include questions of capacity building, the transfer and development of technology, and assistance to those developing countries that are especially vulnerable to the adverse effects of climate change or to actions taken by industrialized countries to combat climate change.

**PREPARATIONS FOR COP-6:** COP-6 has been preceded by numerous formal and informal meetings and consultations held during 1999 and 2000. The UNFCCC subsidiary bodies held their tenth sessions in Bonn, Germany, from 31 May - 11 June 1999, and began the formal process of fulfilling the Buenos Aires Plan of Action. Issues considered at this meeting included the development and transfer of technology, the mechanisms, and compliance. This work was continued at COP-5, held in Bonn from 25 October - 5 November 1999, which was attended by over 3000 participants.

During the first few months of 2000, several UNFCCC technical workshops were held to assist the process leading to COP-6. These workshops related to: a compliance system under the Protocol; adverse effects of climate change and the impact of implementation of response measures; guidelines under Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information) of the Protocol; best practices in domestic policies and measures to address greenhouse gas emissions; and technology transfer.

**SB-12:** Work resumed at a formal level with the twelfth sessions of the UNFCCC subsidiary bodies, held from 12-16 June 2000, in Bonn, and preceded by one week of informal meetings. At this meeting, participants developed negotiating text on critical issues such as the mechanisms and compliance.

**SB-13:** Informal consultations and workshops were held during July and August 2000, followed by the first part of the thirteenth sessions of the subsidiary bodies (SB-13), held from 11-15 September 2000 in Lyon, France, and again preceded by a week of informal meetings. During the informal meetings and the first part of SB-13, delegates discussed text for decisions covering a range of technical and political issues, with the aim of preparing text for a comprehensive agreement at COP-6. The first part of SB-13 was suspended on 15 September. It resumes in The Hague on 13 November.

Many delegates and observers at SB-13 Part I expressed concern at the slow rate of progress and the significant amount of work remaining for delegates at The Hague. Political positions on the key issues remained entrenched, with little indication of willingness to compromise or move forward. While negotiating text emerged on the key elements of the Plan of Action – mechanisms, compliance, adverse effects, technology transfer, land use, land-use change and forestry (LULUCF), and policies and measures – significant disagreements remain. In some cases, negotiations almost ground to a halt, indicating an apparent unwillingness of Parties to make even relatively minor concessions. With many technical and political questions yet to be resolved, observers questioned whether COP-6 will succeed.

### INTERSESSIONAL CONSULTATIONS SINCE SB-13:

Several informal meetings and consultations have been held since SB-13 in an effort to further progress on outstanding issues and to continue to narrow differences on negotiating texts.

**Articles 5, 7 and 8:** Informal consultations on Articles 5, 7 and 8 were held in Bonn, from 6-8 October. As a result of these consultations, as well as the inputs by Parties during SB-13 Part I, a new text has been developed by the Co-Chairs of the relevant SBSTA contact group. This text (FCCC/SBSTA/2000/13) will function as a parallel text to the negotiating text tabled during SB-13 Part I.

**LULUCF:** Informal consultations on LULUCF took place in Viterbo, Italy, from 9-11 October. A revised Co-Chairs' text was developed after the informal consultations (FCCC/SBSTA/2000/12). The text, which also incorporates views expressed by Parties during SB-13 Part I, will serve to facilitate and advance negotiations at SBSTA-13 Part II, and complements the Co-Chairs' text tabled at the negotiations in Lyon.

**Compliance:** Informal consultations were held in New Delhi, India, from 12-14 October. A new text proposed by the Co-Chairs of the Joint Working Group on Compliance (JWG), to be used as the basis for negotiations at the second part of SB-13 (FCCC/SB/2000/11), was developed. The text has been streamlined, with options clearly identified and combined.

**Mechanisms:** These consultations took place in New Delhi, from 16-18 October. They resulted in a new text, based also on views submitted by Parties during SB-13 Part I, aimed at facilitating and advancing discussions at SB-13 Part II (FCCC/SB/2000/10, Add. 1-4). The text comprises a note by the Co-Chairs, clarifying its mandate and scope, as well as addenda with text on Articles 6 (JI), 12 (CDM) and 17 (emissions trading), and on registries.

**Adverse Effects:** This meeting took place in Geneva, from 19-21 October. The text for consideration at SB-13 Part II that came out of this consultation (FCCC/SB/2000/12) attempts to clarify the positions of Parties. It contains a report on the informal consultations and, as an annex, the draft elements of a work programme related to UNFCCC Article 4.9 (adverse effects on least developed countries) and other obligations under the UNFCCC and Protocol.

**Other Meetings:** Informal high-level consultations to prepare for COP-6 took place at Mulden, the Netherlands, in early October. Chaired by Jan Pronk, the Dutch Environment Minister and President-designate of COP-6, the meeting sought to narrow differences and inject some urgency into discussions at the ministerial level. In addition, a workshop on the special situations and needs of the least developed countries (LDCs) was held in Geneva from 16-17 October. The meeting focused on the impact of climate change on LDCs' economies, and on funding, insurance and technology transfer in accordance with UNFCCC Article 4.8 and 4.9 (adverse effects) to assist LDCs in responding to the effects of climate change. Participants developed an LDC proposal for the COP-6 negotiations, requesting "immediate" and "long-term" adaptation funds for the purpose of preparing and implementing national adaptation programmes of action.

### KEY ISSUES AT COP-6 – THE CURRENT STATUS OF NEGOTIATIONS

**A COMPLEX, DIFFICULT MEETING:** COP-6 is set to be a politically-charged, complex meeting. Countries have divergent views on what the rules and operational details governing the Protocol should look like, as well as the actions necessary to further strengthen the implementation of the Convention. In a recent press



statement, UNFCCC Executive Secretary Michael Zammit Cutajar cautioned that “The Hague conference is a make or break opportunity for the climate change treaties.” According to Zammit Cutajar, “Unless governments of developed countries take the hard decisions that lead to real and meaningful cuts in emissions and to greater support to developing countries, global action on climate change will lose momentum. The meeting's success will be measured by the early entry into force of the Kyoto Protocol - I hope by 2002, ten years after the adoption of the Convention at the Rio Earth Summit.”

**KEY ISSUES:** Although texts have been developed at recent meetings on the key issues to be addressed at COP-6, all of these require further negotiation. An emphasis has been placed on achieving agreement on the entire “package” of issues under negotiation, in the hope that progress on all areas is more likely to lead to an agreement by consensus. However, accommodating all countries' interests and aims will be difficult. The following section outlines the key issues, including Party positions and the current state of negotiations.

**Mechanisms:** While negotiators in Kyoto agreed that the mechanisms developed under the Protocol could help developed countries lower the costs of meeting their national emissions targets, countries differ on the operational details governing the use of the mechanisms – details that must be set at COP-6. Key decisions include the accounting rules for allocating credits, as well as the roles and responsibilities of various institutions. For the CDM and JI, countries must decide which projects are eligible and what the baselines are for measuring the emissions-reduction contribution of any specific project. A particularly controversial issue is whether to allow only projects that reduce emissions, or whether to include projects that remove existing or future carbon from the atmosphere – carbon “sinks” projects such as reforestation. Although differing on the specific conditions, countries in favor of including sinks within the CDM include the US, Canada, Australia, Japan and Norway. Inclusion is also favored by the Environmental Integrity Group (a recently formed negotiating group comprising Switzerland, Mexico and the Republic of Korea), and some developing countries, such as Peru, Chile, Colombia, Costa Rica, Bolivia and Uruguay. On the other side, the EU, as well as developing countries such as Tuvalu, Samoa, China and Jamaica, want sinks to be excluded from the CDM.

Another contentious issue is whether there should be a limit or ceiling on how much of a country's emissions reduction target can be met through the mechanisms. According to the Protocol, use of the mechanisms should be supplemental to domestic policies and measures. The EU, with support from some developing countries, has taken the position that a definite ceiling should be imposed on using the mechanisms, so that they contribute to reaching no more than 50% of a country's emissions reduction target. The introduction of a ceiling is opposed by countries belonging to the “Umbrella Group” – a loose alliance of Annex I Parties that includes the US, Canada, Australia, Japan, Norway, the Russian Federation and Ukraine – as well as by some developing countries.

On emissions trading, an ongoing concern is that countries with economies in transition that have experienced reductions in their greenhouse gas emissions due to economic recession in the early 1990s will be able to sell large quantities of emissions credits - or “hot air” – to other Annex I Parties. This would reduce the pressure for domestic action.

Other key issues requiring a decision by delegates include whether a share of proceeds should be established under JI and emissions trading, and how closely procedures for JI should mirror those for CDM activities.

**Carbon Sinks:** The use of carbon sinks in meeting emissions targets – which has been considered within discussions on LULUCF - is both complex and controversial. Plants and soils can act as carbon sinks, but the science of estimating how much carbon is being removed from the atmosphere is uncertain. Including the use of sinks in meeting targets on emissions will require a clear definition of a sink, as well as clarity on what changes are the result of deliberate climate policies. Parties must also agree on accounting systems that set the baselines and measure carbon changes. Issues of the permanence of carbon storage achieved through forests and other sinks must also be addressed, given that such carbon can be lost due to felling, forest fires and other factors.

According to a “non-paper” published by COP-6 President-designate Jan Pronk on 2 November, delegates will need to determine how reforestation will be defined, including whether to include regeneration after the harvest cycle, what activities should be considered under Protocol Article 3.4 (additional activities), whether such activities should be considered in the first commitment period, and whether the natural uptake of carbon should be separated from direct human-induced effects.

**Compliance:** A key element of the Kyoto Protocol is a compliance system that can determine whether countries have met their commitments under the Protocol, as well as deciding what should happen in cases of non-compliance. Delegates generally agree that the system should provide for both facilitation and enforcement approaches to dealing with compliance issues, with the latter only applying to Annex I Parties. The G-77/China advocates that the principle of common but differentiated responsibilities should govern the system and that, consequently, specific facilitation consequences should apply to developing countries. Some developed countries stress that it is the nature of the commitment that should direct an issue to facilitation or enforcement consequences. On the composition of the body dealing with enforcement, the G-77/China urges the application of equitable geographical representation while developed countries favor a stronger representation of Annex I Parties. Delegates also disagree on, *inter alia*, the nature of the applicable consequences, with the EU and small island developing Parties being the most strident in favor of strong penalties, and the relationship between the compliance body and the Conference of the Parties serving as the meeting of the Parties.

**Developing Country Issues:** COP-6 must also address issues that are considered to be of particular importance in terms of strengthening developing countries' capacity to cope with their efforts to combat climate change. Developing countries are looking for negotiated agreements on capacity building and transfer of technology, particularly in relation to financial and technical assistance from Annex I Parties. The G-77/China has expressed frustration at what it sees as a lack of progress on these issues, and has stated that its support for the overall “package” of issues being negotiated at COP-6 will depend on satisfactory agreement on these issues.

**Adverse Effects:** Under the UNFCCC, Parties agreed to address the needs and concerns of developing countries arising from the adverse effects both of climate change and of the impact of response measures to climate change. Assistance to LDCs, small



island States, countries with low-lying coastal areas and other vulnerable countries are particularly emphasized. This issue is also addressed in the Protocol. LDCs and small island States have supported the need for funds to support adaptation to climate change. In addition, developing countries – led by their oil-exporting members – have called for assistance and compensation to address the negative economic impacts of actions taken by industrialized countries to meet Kyoto commitments, such as measures to reduce the consumption of imported oil. Many developed countries have expressed serious reservations about such claims for compensation.

**RECENT DEVELOPMENTS:** Ahead of COP-6, the US has circulated a non-paper which emphasizes the issue of a “new dialogue” on developing country commitments. This issue, which is not part of the Buenos Aires Plan of Action, may have an impact on negotiations of the package deal at The Hague.

Another recent development has been the publication of research suggesting that climate models predicting global temperature increases need to be revised upward. In a new draft report, the Intergovernmental Panel on Climate Change revised its earlier predictions on temperature increases by the year 2100 from an increase of 1 - 3.6 ° centigrade to an increase of 1.5 - 6.1 ° centigrade.

## THINGS TO LOOK FOR TODAY

**WELCOMING CEREMONY:** A welcoming ceremony will be held at 10:00am in the Prins Willem Alexander Hall. Delegates will hear a welcoming address by Queen Beatrix of the Netherlands.

**OPENING OF COP-6:** Following the welcoming ceremony, COP-6 will open with the election of its President. The opening will also include addresses by the President-designate of COP-6, Jan Pronk, IPCC Chair Robert Watson, and UNFCCC Executive Secretary Michael Zammit Cutajar. It will also consider organizational matters, including adoption of the agenda.

**RESUMPTION OF SB-13:** The thirteenth sessions of the UNFCCC’s subsidiary bodies will resume at 3:00pm, in the Prins Willem Alexander Hall, with a Joint Meeting of the SBSTA and SBI. On completion of the SBSTA/SBI joint meeting, the subsidiary bodies will convene separately in the Prins Willem Alexander Hall and the Van Gogh Hall.

**MECHANISMS:** Delegates will convene in a contact group in the Van Gogh Hall at 8:00 pm to consider revised negotiating text on the mechanisms.

**TECHNOLOGY TRANSFER:** Delegates will convene in a contact group at 8:00 pm in Mondriaan Hall to continue consideration of draft elements for a framework for transfer of technology.



# COP-6 Online



**<http://www.iisd.ca/climate/cop6/>**

**IISD/Linkages web site:** IISD, in cooperation with the UNFCCC Secretariat, will provide expanded daily coverage of COP-6, in both English and French. IISD will publish 3000 word *Earth Negotiations Bulletin* summaries of each day’s negotiations and selected RealAudio (c) recordings of key interventions. As the official photographer of COP-6, IISD will provide high quality digital photos for use in web and print publications. It will also publish a daily summary of selected side events in its publication, *ENB on the Side*.

**<http://cop6.unfccc.int>**

**UNFCCC Secretariat's official COP-6 web site:** This site provides ready access to the agenda and daily programme, conference documents, and press releases during the event. The Conference’s Plenary and High Level Meetings will be broadcast live and on-demand on the Internet. For the first time, special “rooms” provide links to information about each government that is Party to the Convention, as well as links to participating United Nations, intergovernmental and nongovernmental organizations. A search facility and site map make navigation easy.

**<http://www.climatechange2000.org>**

**The Dutch Government web site:** The outreach website of the host government is produced by the Ministry of Housing, Spatial Planning and the Environment, this website provides ready access to information about climate change. A Clearing House provides a wealth of educational and public awareness information on the science behind climate change and the global negotiations. Join The Discussion allows interested persons to participate in daily online debates, while the world’s young people will focus on Youth Corner - a website devoted to a special youth conference that will be held in The Hague during COP-6. Events Around the World will highlight meetings, and other actions wherever they occur, while Latest News will provide online access to stories about the conference.