



## UNFCCC COP-6 HIGHLIGHTS

### TUESDAY, 14 NOVEMBER 2000

Delegates to COP-6 and the resumed SB-13 convened in contact groups during morning, afternoon and evening sessions to discuss text and advance discussions 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); adverse effects; "best practices" in policies and measures; development and transfer of technologies; mechanisms; and capacity building in economies in transition. The Joint Working Group on Compliance (JWG) also met to resume its consideration of negotiating text.

#### JOINT WORKING GROUP ON COMPLIANCE

Co-Chair Neroni Slade (Samoa) introduced a revised text based on intersessional consultations following SB-13 Part 1. On the inclusion of principles within the text, the G-77/CHINA, opposed by the US and JAPAN, urged their retention, noting that a number of the proposed principles are not set out in UNFCCC Article 3 (principles). On the plenary of the Compliance Committee, the G-77/CHINA, opposed by the US, EU, AUSTRALIA, RUSSIAN FEDERATION and NEW ZEALAND, said it should have an allocation as well as a preliminary examination function. She also proposed that the plenary be co-chaired by the Chairs of the facilitation and enforcement branches, as an alternative to having a bureau.

On the mandate of the facilitation branch, the EU, with the US, AUSTRALIA and NEW ZEALAND, and opposed by SAUDI ARABIA, CHINA and the UNITED ARAB EMIRATES, said cases should be dealt with on their merits and not on the basis of the Party involved. On the mandate of the enforcement branch, the G-77/CHINA stated the branch should only deal with Annex I Parties. The EU, JAPAN and the US said the references to "Annex I Party" could be deleted since the articles falling into the scope of that branch only applied to Annex I Parties and since non-Annex I Parties were not submitted to host-country requirements under the

CDM. SAUDI ARABIA and the UNITED ARAB EMIRATES, opposed by SAMOA and JAPAN, said Article 3.14 (adverse effects) was enforceable. NEW ZEALAND suggested adding that the branch would determine whether "a Party is or is not meeting any requirement under Articles 5.2 (adjustments), 7.1 (inventories) and 7.4 (guidelines for the submission of information) relating to the issuance of assigned amount under Article 3.3 (afforestation, reforestation and deforestation) and 3.4 (additional activities)." INDIA, SAMOA and BRAZIL expressed concern at this new proposal.

On the procedures to be followed, the US, UNITED ARAB EMIRATES and SAMOA opposed text allowing flexibility to the enforcement branch in the application of the consequences for economies in transition. On sources of information, the EU, US, CANADA and NEW ZEALAND opposed a suggestion by SAUDI ARABIA to delete reference to NGOs and IGOs.

Co-Chair Slade, opposed by SAUDI ARABIA, said he would hold consultations with Parties on Wednesday.

#### CONTACT GROUPS

**PROTOCOL ARTICLES 5, 7 & 8:** Delegates convened to resume consideration of guidelines under Protocol Articles 5, 7 and 8. Following opposition by SAUDI ARABIA to holding "informal informal" consultations among Parties to develop new text, delegates agreed that the Co-Chairs would present a new text during the week, as far as possible without brackets and based on discussions within the group and from informal consultations. The group then agreed to proceed on the basis of the Co-Chairs' further elaborated text. Because of the linkages with other groups, Co-Chair Plume said some elements of the guidelines would not be finalized at COP-6. She then presented a list of important issues requiring resolution, to which delegates made several additions.

On first order problems, GERMANY and the US, opposed by the G-77/CHINA, suggested including reference to this issue in the draft decision on Article 7 rather than in the guidelines under this article. The US explained that annual reports include information

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on both inventories and the assigned amount and, opposed by the G-77/CHINA, suggested that first-order problems only refer to the former.

On “[initial] assigned amounts,” the US and JAPAN stressed that the terminology was dependent on the outcome of the mechanisms group. BRAZIL, supported by the G-77/CHINA, said the terminology was rather related to Protocol Article 3.1 (assigned amount) and stated that it will submit a written proposal clarifying the terminology. On the timing for reporting and review, discussions focused on the deadline for the submission of information under Article 7 and highlighted the linkages with the mechanisms group. The US, JAPAN, NEW ZEALAND and the EU supported 1 January 2007 as this deadline, while SAMOA preferred the year 2005 so as to allow a pre-first commitment period review and determination of eligibility to participate in the mechanisms. The EU and NEW ZEALAND said the possibility of this participation provided a sufficient incentive for Parties to submit information earlier than 1 January 2007.

On the annual or periodic reporting and review of Protocol Article 3.14 (adverse effects), Co-Chair Plume said the Co-Chairs would, with the participation of Saudi Arabia, the US and EU, consult with the Co-Chairs of the contact group on adverse effects and explain the difficulties in completing the guidelines without the latter group having finished its work.

On demonstrable progress, the EU expressed support for a strong obligation for each Party to demonstrate, in its national communication, progress in meeting its commitments by 2005. SAMOA requested clarification on how to indicate demonstrable progress by 2005 if the Protocol has not already entered into force by that time. The US said that it did not support a separate reporting system for demonstrable progress beyond what is currently required to be included in the national communications.

**LULUCF:** Co-Chair Thorgeirsson introduced the new Chairs’ text on LULUCF, as developed based on Party input during SBSTA-13 Part I and informal consultations held in October. He said smaller informal groups would be invited to consult on specific issues, as little time remained, and assured delegates that the process would remain transparent. He said the main points to be resolved included definitions, accounting and reporting rules, and limitation of credits. Distinguishing between bottom-up limitations of eligible activities and top-down limitations of credits, he invited Parties to provide comments on the section of the new text relating to limitation of credits (additions and subtractions from Parties’ assigned amounts), noting limitation of credits could apply overall or in the form of a cap, threshold or discounting. The US and CANADA presented a proposal for the phase-in of forest management under Article 3.4 (additional activities), stressing that it contained incentives to implement additional sequestration activi-

ties. Under this approach, a certain amount of carbon would be credited, after which a discount would be applied. After a second threshold, full crediting would again be permitted.

BOLIVIA, opposed by BRAZIL and PERU, called for simultaneous forward movement on the issue of sinks in the CDM in the contact groups on both LULUCF and the mechanisms. INDONESIA said accounting rules for Annex I countries should be applicable also within the CDM and called for incorporation of social and cultural dimensions. TUVALU, on behalf of AOSIS, questioned the status of the new text, noting that some submissions had not been incorporated. COLOMBIA and BOLIVIA cautioned against a “pick-and-choose” approach under Article 3.4, under which Annex I Parties could account for additional activities that sequester carbon but ignore additional sources.

PERU, BRAZIL and PAPUA NEW GUINEA stressed the need to preserve the integrity of the Protocol and the importance of emissions reductions in Annex I countries. The US, opposed by CHINA, AOSIS and PERU, supported a decision on Article 3.3 and 3.4 as a package at COP-6, arguing that this is critical for the success of the Protocol. NEW ZEALAND noted the need for consistency with Decision 9/CP.4 (LULUCF), and stated that the distinction between Article 3.3 and 3.4 is becoming blurred.

**ADVERSE EFFECTS:** Co-Chair Mohamad Reza Salamat (Iran) opened the contact group by introducing the draft proposal on the special considerations for least developed countries (LDCs), which he said could possibly replace the third section of the draft decision on adverse effects being considered in this contact group. He noted that the draft decision remains entirely bracketed after Part I of SB-13.

On whether to have one decision on both UNFCCC Article 4.8 and 4.9 and Protocol Article 3.14 (adverse effects), or two separate decisions, Co-Chair Salamat reported that legal advisers to the UN had indicated that two separate decisions would be appropriate, since the UNFCCC and Protocol are two distinct legal instruments, but that the decision on this issue ultimately rests with the Parties. A decision on this matter was deferred until later in the week.

SAUDI ARABIA said he would provide a new proposal for the preamble to the draft decision at the next meeting, after consulting with the G-77/China. On the first section of the draft text, the G-77/CHINA opposed text qualifying the assessment and evaluation of action related to adaptation. The G-77/CHINA and some Annex I Parties agreed to meet separately to seek consensus on this text.

**POLICIES AND MEASURES (P&Ms):** Delegates continued negotiations on the text developed during SB-13 Part I. The EU bracketed reference to the decision that the relevant task requested by the Buenos Aires Plan of Action has been completed. HUNGARY announced the establishment of a new negotiating group - the “Central Group Eleven,” comprising various Central and Eastern European countries - and expressed a preference for the establishment of a “consultative process.”



Delegates then considered the EU's proposed text on the decision to facilitate cooperation of Annex I and other interested Parties to enhance the individual and combined effectiveness of P&Ms. The G-77/CHINA requested reference to enhancing the effectiveness of P&Ms under Protocol Article 2 (P&Ms) in its entirety, while CANADA, the US, JAPAN and AUSTRALIA urged limiting reference to Article 2.1(b) (Cooperation on P&Ms). Reference to the Article remains bracketed. The US, CANADA, AUSTRALIA and JAPAN queried a proposal by the G-77/CHINA and SAUDI ARABIA to bracket reference to "other interested Parties." After discussion on alternative wording, the reference was removed.

Chair Roméro asked delegates not to reopen discussions on unbracketed text in subsequent discussions. The EU, US and JAPAN supported this proposal, while SAUDI ARABIA and VENEZUELA opposed it. SAUDI ARABIA rejected the Chair's proposal to establish a Friends of the Chair group to develop compromise text, and threatened to withdraw support for a similar proposal in the contact group on mechanisms. The contact group will reconvene on Wednesday.

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

This contact group considered the Co-Chairs' revised text on a framework to enhance the implementation of UNFCCC Article 4.5 (development and transfer of technologies). Following discussion on the text, delegates heard a brief presentation by the Secretariat on a technology transfer clearinghouse. The new Co-Chairs' text also contains three additional appendices relating to: an international clearinghouse; capacity-building activities on technology transfer; and preliminary ideas for Terms of Reference for the "international panel of experts on technology transfer" or the "advisory group of experts on technology transfer."

On the overall approach, some participants questioned the meaning of an integrated approach, whether to specify "state of the art" environmentally-sound technologies and the need to also focus on development of technology. CHINA and GHANA underscored a sectoral approach to technology transfer. On POLAND's suggestion to reflect the priorities of economies in transition in the text, BRAZIL said this was not explicitly reflected in UNFCCC Article 4.5, which refers to developing countries in particular.

On technology needs assessment, the EU supported referring to existing activities and to reporting. TRINIDAD & TOBAGO preferred a broader reference to environmentally-sound technology rather than specifying mitigation and adaptation technologies. On the use of experts, the EU said it would be difficult to charge experts with defining country-driven approaches. The US said the experts should work on guidelines for developing such approaches.

On funding for the assessment, CANADA and the US preferred not specifying Annex II countries, stating that numerous sources of funding may be involved. THAILAND and CHINA objected,

noting that Article 4.5 specifically refers to Annex II Parties and not other institutions. NIGERIA said technology needs assessment should not depend on the availability of funds.

Delegates then addressed issues relating to the clearinghouse mechanism, including whether the clearinghouse should be virtual and whether it should be a permanent institution. THAILAND noted with concern that the Secretariat was being asked to undertake numerous tasks, while BRAZIL asked whether the Secretariat had the required resources.

The EU noted the role of the private sector in creating enabling environments. THAILAND called for balance with public sector initiated technology transfer, noting that the private sector tends to be biased towards mitigation technologies.

On the implementation of enabling environments, the G-77/CHINA said that the actions of developing countries depend on the implementation of Annex I commitments. The US proposed text encouraging developing countries to "promote efficiently functioning environmentally-sound technology markets through the appropriate structuring of taxes and to promote the accumulation of accurate, timely and reliable information on various elements of their economies where projects may be undertaken under the CDM." BRAZIL, with CHINA and THAILAND, strongly objected to reference to the CDM and the continued attempts to link technology transfer under the UNFCCC to the Protocol. The contact group adjourned into two smaller drafting groups.

**MECHANISMS:** Chair Chow distributed a new two-page draft negotiating text on the role of the Conference of the Parties serving as the meeting of the Parties to the Protocol, and on the Executive Board for the CDM. He noted that the text was the outcome of informal consultations with the Friends of the Chair group. After briefly providing clarification on the text, he suspended the meeting and proceeded to meet in a closed Friends of the Chair group in order to make further progress on the negotiating text.

**CAPACITY BUILDING IN COUNTRIES WITH ECONOMIES IN TRANSITION:** Delegates cleared all of the legal and most of the substantive issues contained in the draft decision as well as the framework for capacity building in economies in transition. The US and EU requested that text on the provision of financial and technical support for the implementation of the framework through the "GEF within its mandate" be bracketed. Co-Chair Uosukainen said he would consult on a proposal by the EU to include Protocol Article 10 (existing commitments) in the preamble of the draft decision. In concluding the session, he expressed satisfaction with the progress achieved and added that he would consult with the Bureau on how the remaining issues should be resolved.



**IN THE CORRIDORS**

A number of observers noted a change in atmosphere on Tuesday, as many negotiators seemed to respond to President Pronk's strong message on the need for urgency. They suggested that efforts by some Parties to prevent delegates from moving forward into "informal informal" consultations could be considered unrealistic and counterproductive.

Some participants have also been discussing the escalating problem one observer referred to as the "ping-pong" effect: the tendency to stall on taking decisions on issues that have linkages to other contact groups. The most obvious example has been the question of sinks within the CDM, with the contact groups on the mechanisms and LULUCF trying to coordinate their respective work, an effort some suggest has been exploited by particular groups to slow talks and "shift responsibility."

**THINGS TO LOOK FOR TODAY**

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

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

JWG will meet at 8:00 pm in Van Gogh Hall to continue negotiations on outstanding issues. Look for new written proposals from Parties, available from the Secretariat in Staten Hall.

**LULUCF:** This contact group will meet in Van Gogh Hall at 10:00 am to continue considerations of the new Chairs' text, starting with definitions.

**PROTOCOL ARTICLES 5, 7 & 8:** This contact group will convene at 3:00 pm in Escher Hall and is expected to continue considering the list of important issues identified for this topic.

**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 to the main contact group at this meeting.

**ADVERSE EFFECTS:** The joint contact group will meet from 5:00 pm in Mondriaan Hall.

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

In addition to these contact group meetings, a number of closed small group meetings, drafting groups and "informal informal" consultations are scheduled.



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**Thursday, November 16  
09:00 - 10:30**

(Check CCTV monitors for location)

**Video depicts climate change  
impacts on High Arctic**



**Climate Change  
Knowledge Network**

<http://cckn.net/>

**Thursday, November 16  
18:00 - 20:00**

(Check CCTV monitors for location)

**"On Behalf of My Delegation, ..." book  
launch and presentation/discussion of the  
Climate Change Negotiators Project**