



HIGHLIGHTS FROM THE FIFTH CONFERENCE OF THE PARTIES TO THE FRAMEWORK CONVENTION ON CLIMATE CHANGE MONDAY, 25 OCTOBER 1999

On the opening day of the Fifth Conference of the Parties (COP-5) to the Framework Convention on Climate Change (FCCC), delegates met in Plenary to hear opening addresses and consider organizational, administrative, financial and other matters. The Subsidiary Body for Scientific and Technological Advice (SBSTA) considered Annex I communications and land use, land-use change and forestry (LULUCF). The Subsidiary Body for Implementation (SBI) considered Annex I and non-Annex I communications and the financial mechanism.

PLENARY

COP-4 President Maria Julia Alsogaray welcomed delegates to COP-5. She said the Buenos Aires Plan of Action (BAPA) had generated new momentum and stressed the need for political will to fulfill the BAPA and allow for the Protocol to enter into force by Rio+10 in 2002.

Jan Szyszko, Minister of Environmental Protection, Natural Resources and Forestry, Poland, was elected President of COP-5. He said the operation of the flexibility mechanisms, compliance and guidance on the COP acting as the Meeting of the Parties to the Protocol should be settled by COP-6. He referred to concerns by some developing countries on the Protocol's impact on their development efforts and noted the need to find alternatives that lower implementation-related costs for developing countries.

Gerhard Schröder, Federal Chancellor of Germany, said the vision for sustainable development articulated at the Rio Summit had not become a reality as quickly as hoped. He noted that, despite the establishment of the FCCC, there had been setbacks in the climate process, including the inability of most industrialized countries to reduce their CO₂ emissions to 1990 levels by the year 2000. He outlined Germany's efforts to reduce GHG emissions, including a reduction target it had set itself of 17% by 2005 and an "eco-tax" that raises energy consumption costs. He said the Protocol should enter into force by 2002 and urged Parties to implement their pledges in international fora.

FCCC Executive Secretary Michael Zammit-Cutajar, on behalf of Kofi Annan, UN Secretary General, stressed the need for urgent action if the Kyoto commitments were to be met. He called for sensitivity to the needs of vulnerable countries and financial empowerment of developing countries. Assuring the COP of UN support, he said the global community wished to see the CDM activated after COP-6 and the Protocol ratified by 2002.

On organizational matters, the COP adopted the agenda, with the exception of Agenda Item 5, as consensus had not been reached on a G-77/China proposal to amend the item to read "Review of the adequacy of implementation of Articles 4.2 (a) and (b) of the FCCC" (policies and measures by Annex I Parties), rather than "Second Review of the adequacy" of these articles.

The COP elected its Bureau members. The Vice-Presidents elected were: Papa Cham (The Gambia), Phillip Gwage (Uganda), Mohamed Al-Sabban (Saudi Arabia), Liu Zhenmin (China), Olexander Bielov (Ukraine), Yvo De Boer (Netherlands), Neroni Slade (Samoa). The COP elected Antonio Vallini Guerreiro (Brazil) as Rapporteur, John Ashe (Antigua & Barbuda) as Chair of SBI and Harald Dovland (Norway) as Chair of SBSTA. Delegates then adopted the proposed organization of work for COP-5.

On administrative and financial matters, the COP adopted a draft decision stating that the institutional linkage of the FCCC Secretariat to the UN will be continued. Delegates agreed to President Szyszko's proposal to continue consultations on the constitution of the proposed Multilateral Consultative Committee.

SBI

SBI Chair John Ashe introduced Vice Chair Mohammed Reza Salamat (Iran) and Rapporteur Klaus Radunsky (Austria). The provisional agenda was adopted as amended by the Plenary.

On Annex I communications, the US recommended that only Part I (general description of guidelines) be negotiated through a contact group and adopted during COP-5. SWITZERLAND, with the EU and AUSTRALIA, supported adopting the guidelines at COP-5. AUSTRALIA said the guidelines may be applicable to Protocol inventories.

SBI discussed the first synthesis report of non-Annex I initial communications. On obstacles to producing non-Annex I communications, the G-77/CHINA called for provision of adequate financial resources, technical assistance and capacity-building to support non-Annex I countries in collecting data and identifying national emission factors and methodologies for adaptation assessment. The EU, opposed by CHINA, said the GEF had provided most non-Annex I Parties with funding for national communications. UZBEKISTAN noted that constraints included lack of research and data on emissions factors. IRAN noted that countries also have needs determined by their unique circumstances.

On the advantages of producing non-Annex I communications, the G-77/CHINA said that despite difficulties in identifying significant trends, the synthesis of initial non-Annex I communications was a first step in considering information related to FCCC implementation by non-Annex I Parties. The EU, CANADA and



MICRONESIA noted the usefulness of the compilation and synthesis report in better understanding the difficulties faced by non-Annex I Parties.

On guidelines for non-Annex I communications, the G-77/CHINA opposed changing the guidelines, as many non-Annex I countries have not finalized their first communications. AOSIS noted the need to modify IPCC guidelines for small island developing states because they are not always applicable to their special circumstances. Since many countries had expressed an interest in initiating second national communications, the EU said guidelines should be reviewed. SWITZERLAND said there is a need for one unified reporting format for all FCCC Parties and for the use of IPCC guidelines.

The G-77/CHINA called for an expert review of non-Annex I communications by non-Annex I Party experts. The EU and others highlighted the need for an expert review and consideration of non-Annex I communications and said all countries could benefit from this exercise. AOSIS opposed technical assessment processes for individual national communications. ARGENTINA supported regional groups of experts. The REPUBLIC OF KOREA added that expert review teams should focus on identifying solutions to obstacles in preparing communications and sharing experiences.

On the timing of second national communications, the G-77/CHINA noted that there is a differentiated timetable under the FCCC for submission of national communications by Annex I and non-Annex I Parties. She said submissions of non-Annex I Parties' communications were contingent on the availability of financial resources. The US, supported by CANADA and SWITZERLAND and opposed by CHINA, said the revision of guidelines was fundamental to improving second national communications. A contact group will be convened on non-Annex I communications.

SBSTA

Delegates adopted the agenda, as amended by the COP Plenary, and the organization of work. Lambert Gnapelet (Central African Republic) and Andrej Kranjc (Slovenia) were re-elected as SBSTA Vice-Chair and Rapporteur respectively.

On cooperation with relevant scientific organizations, Robert Watson, Chair of the Intergovernmental Panel on Climate Change (IPCC), reported on progress on the Third Assessment Report (TAR) and three special reports on technology transfer, emissions scenarios of GHGs and aerosol precursors, and LULUCF. He highlighted IPCC's budgetary constraints due to the large number of special reports, the enhanced regional emphasis and increased participation of experts from developing countries and countries with economies in transition. He expressed concern over the poor financial response from the majority of governments and urged Parties to resolve this issue.

On Annex I communications, the EU noted the need to include indicators such as emissions per capita or emissions per unit of output. Regarding the draft guidance for reporting on Global Climate Observation Systems (GCOS), the EU, with MONGOLIA, recommended that Annex I Parties prepare separate reports on global climate observation and include in their national communications a summary based on general reporting requirements. AUSTRALIA suggested that projections of the effect of policies and measures on future trends of GHG emissions and removals be developed by sector. The MARSHALL ISLANDS and JAMAICA supported detailed and rigorous reporting. The US said the quantity and level of detail should balance needs for comparability, transparency and practicality. A contact group chaired by Jim Penman (UK) and Mark Mwandosya (Tanzania) will meet to consider this issue.

On LULUCF, Watson presented provisional findings from the Special Report on LULUCF. He said key decisions should be made with respect to definitions, the accounting system, monitoring and reporting systems and inventory guidelines, before the Protocol could be implemented. The G-77/CHINA said any consideration of the LULUCF process should begin after the release of the IPCC Special Report. JAPAN, with AUSTRALIA, called for the establishment of a decision-making framework at COP-5. AUSTRALIA stressed that the key question is not "whether" but "how" additional sink activities could be included in the Protocol. CANADA said the decision-making framework should be based on consistency between the provisions of the Kyoto Protocol.

Regarding additional activities, the US said there should be transparency in reporting and verifiability. According to the EU, the IPCC Special Report and country specific data should provide the basis for future discussions and decisions. A contact group will consider this issue further.

On national systems, adjustments and guidelines under Protocol Articles 5 (methodology), 7 (communications) and 8 (review of information), Taka Hiraishi, Vice-Chair, IPCC Inventories Task Force, reported on the work being undertaken on uncertainties and good practice in inventory preparation.

Regarding guidelines for national systems, the EU, with JAPAN, said they should be flexible in order to reflect different national circumstances. The US highlighted the incorporation of IPCC good practice guidance. AUSTRALIA proposed including, *inter alia*, quality assurance and quality control procedures, links between national systems and emissions trading systems and links with the transfer and acquisition of assigned amounts. SWITZERLAND said guidelines should include criteria for national enforcement systems to comply with relevant guidelines, and the establishment and treatment of data related to Protocol mechanisms.

Regarding adjustments, AUSTRALIA said they are intended as an element of the Protocol's compliance system. The EU and JAPAN stated that further discussion on technical aspects should only occur after the completion of IPCC's work on good practice. CANADA noted the lack of clarity in what an adjustment would be. With NEW ZEALAND, he expressed support for a technical review process of inventories, noting that this is fundamental to the development of an adjustment process. Helen Plume (New Zealand) will conduct informal consultations.

IN THE CORRIDORS

An unexpected delay in Monday morning's Plenary led to expressions of pessimism by some participants at what can be expected from COP-5. Some said the failure by the G-77/China and the EU to agree on a proposed reformulation of an agenda item on the review of adequacy of commitments served as a telling reminder of the persistently contentious issues that can be expected to feature during the next two weeks.

THINGS TO LOOK FOR TODAY

JOINT SBI/SBSTA: SBI and SBSTA will meet in Plenary at 10:00 am and 3.00 pm.

INFORMAL CONSULTATIONS: Informal consultations are expected to be held in morning, afternoon and evening sessions. Consult the announcement board for details.