



## SEVENTH CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE: 29 OCTOBER TO 9 NOVEMBER 2001

The Seventh Conference of the Parties (COP-7) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC) begins today at the Palais des Congrès in Marrakesh, Morocco. Delegates will focus on finalizing an agreement on the operational details for commitments on reducing emissions of greenhouse gases under the 1997 Kyoto Protocol. In seeking such an agreement, they will continue negotiations held over the past three years, and will base their discussions on political principles - the Bonn Agreements - approved by ministers and other senior government officials at COP-6 Part II in July in Bonn, Germany.

Delegates will take up these matters in the COP as well as in sessions of the COP's subsidiary bodies and in formal and informal negotiating groups. In addition, a high-level segment will be held from 7-9 November. COP-7 is expected to close on 9 November with the adoption of decisions and conclusions.

### A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

Climate change is considered 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. Despite some lingering uncertainties, a majority of scientists believe that precautionary and prompt action is necessary.

The international political response to climate change took shape with the development of the UNFCCC. Adopted in 1992, the UNFCCC sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases at a level that would prevent human-induced actions from leading to "dangerous interference" with the climate system. The UNFCCC entered into force on 21 March 1994. It now has 186 Parties.

**THE KYOTO PROTOCOL:** In 1995, the *Ad Hoc* Group on the Berlin Mandate was established by COP-1 to reach agreement on a further step in efforts to combat climate change. Following intense negotiations culminating at COP-3, in Kyoto, Japan, in December 1997, delegates 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 specific targets varying from country to country. The Protocol also provided the basis for three mechanisms to assist Annex I Parties in meeting their national targets cost-effectively - 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 (developing country) Parties.

It was left for subsequent meetings to decide on most of the rules and operational details that will determine how these cuts in emissions are achieved and how countries' efforts are measured and assessed. Although 84 countries have signed the Protocol, most have been waiting for the negotiation of the operational details before deciding whether 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. To date, 40 Parties have ratified the Protocol, including one Annex I Party, Romania.

**THE BUENOS AIRES PLAN OF ACTION:** COP-4 met in Buenos Aires, Argentina, in November 1998, to set out a 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 decision known as the Buenos Aires Plan of Action (BAPA). The critical deadline under the BAPA was COP-6, where Parties were to reach agreement on a package of issues. Critical Protocol-related issues needing resolution included rules relating to the mechanisms, a regime for assessing Parties' compliance, and accounting methods for national emissions and emissions reductions. Rules on crediting countries for carbon sinks were also to be addressed. Issues under the UNFCCC requiring resolution included questions of capacity building, the development and transfer 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.

Numerous formal and informal meetings and consultations were held during 1999 and 2000 to help lay the foundations for an agreement at COP-6. However, as COP-6 drew near, political positions on the key issues remained entrenched, with little indication of willingness to compromise or move forward.

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Emily Boyd <emily@iisd.org>, Lisa Schipper <lisa@iisd.org>, Malena Sell <malena@iisd.org>, Chris Spence <chris@iisd.org> and Juliette Voinov <cedrickohler@msn.com>. The Digital Editor is Franz Dejon <franz@iisd.org> and the photographer is Leila Mead <leila@iisd.org>. The Operations Manager is Marcela Rojo <marcela@iisd.org> and the On-Line Assistant is Diego Noguera <diego@iisd.org>. The Editor is Pamela S. Chasek, Ph.D. <pam@iisd.org> and the Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are the Netherlands Ministry of Foreign Affairs, the Government of Canada (through CIDA), the United States (through USAID), the Swiss Agency for Environment, Forests and Landscape (SAEFL), the United Kingdom (through the Department for International Development - DFID, and the Foreign & Commonwealth Office), the European Commission (DG-ENV), the Danish Ministry of Foreign Affairs, and the Government of Germany (through the German Federal Ministry of Environment - BMU, and the German Federal Ministry of Development Cooperation - BMZ). General Support for the *Bulletin* during 2001 is provided by the Ministries of Foreign Affairs and Environment of Finland, the Government of Australia, the Ministry of Environment and the Ministry of Foreign Affairs of Sweden, the Ministry of Foreign Affairs and Trade of New Zealand, the Ministries of Foreign Affairs and Environment of Norway, Swan International, and the Japan Environment Agency (through the Institute for Global Environmental Strategies - IGES.) The *Bulletin* can be contacted by e-mail at <enb@iisd.org> and at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted by e-mail at <info@iisd.ca> and at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada. The opinions expressed in the *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in non-commercial publications only and only with appropriate academic citation. For permission to use this material in commercial publications, contact the Director of IISD Reporting Services. Electronic versions of the *Bulletin* are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca>. The satellite image was produced by The Living Earth, Inc. <http://livingearth.com>. For information on the *Earth Negotiations Bulletin* or to arrange coverage of a meeting, conference or workshop, send e-mail to the Director, IISD Reporting Services at <kimo@iisd.org>.



**COP-6 PART I:** COP-6 and the resumed thirteenth sessions of the UNFCCC's subsidiary bodies were held in The Hague, the Netherlands, from 13-25 November 2000. During the second week of negotiations, COP-6 President Jan Pronk, Minister of Housing, Spatial Planning and Environment of the Netherlands, attempted to facilitate progress on the many disputed political and technical issues by convening high-level informal Plenary sessions to address the key political issues, which he grouped into four "clusters" or "boxes," as follows: (a) capacity building, technology transfer, adverse effects and guidance to the financial mechanism; (b) mechanisms; (c) land use, land-use change and forestry (LULUCF); and, (d) compliance, policies and measures (P&Ms), and accounting, reporting and review under Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information).

However, by Thursday, 23 November, negotiations appeared stalled, and President Pronk distributed a Note containing his proposals on key issues in an attempt to encourage a breakthrough. After almost 36 hours of intense talks on the President's proposals, negotiators could not achieve an agreement, with financial issues, supplementarity in the use of the mechanisms, compliance and LULUCF proving to be particular sticking points. On Saturday afternoon, 25 November, President Pronk announced that delegates had failed to reach agreement. Delegates agreed to suspend COP-6, and expressed a willingness to resume their work in 2001.

**PREPARATIONS FOR COP-6 PART II:** A number of meetings and consultations were convened after COP-6 Part I in an effort to get negotiations back on track. In late June, President Pronk presented a consolidated negotiating text to delegates at informal high-level consultations held in Scheveningen, the Netherlands. The text was intended as a tool to help negotiators reach a compromise. However, while some participants expressed the opinion that positions did not appear to have shifted since COP-6 Part I, others suggested that positions had possibly widened on issues such as LULUCF, sinks in the CDM, and funding.

In addition to official preparations for COP-6 Part II, there were a number of political developments following the meeting in The Hague. In March 2001, the US administration declared its opposition to the Protocol, stating that it believed it to be "fatally flawed," as it would damage its economy and exempted developing countries from fully participating.

**COP-6 PART II:** COP-6 Part II and the fourteenth sessions of the UNFCCC's subsidiary bodies met in Bonn, Germany, from 16-27 July 2001. From 16-18 July, delegates met in closed negotiating groups to reduce differences on texts for decisions on a range of issues related to the Protocol and the UNFCCC, including financial issues, the mechanisms, compliance, and LULUCF.

On Thursday, 19 July, the high-level segment of the resumed COP-6 began, with participants striving to make a breakthrough by achieving agreement on a "political" decision on key outstanding issues. On Saturday night, after protracted consultations, President Pronk presented his proposal for a draft political decision outlining agreements on core elements of the BAPA. However, in spite of several Parties announcing that they could support the political decision, disagreements surfaced over the section on compliance.

President Pronk held ongoing consultations on this section until Monday morning, when the ministers finally agreed to adopt the original political decision from Saturday, with a revised section on compliance. The political decision – or "Bonn Agreements" – was approved by the ministers in Plenary late Monday morning, and formally adopted by the COP on Wednesday evening, 25 July.

High-level discussions over the weekend also resulted in a Political Declaration by a number of developed countries, in which they pledged additional funding for climate change activities for developing countries.

During the remainder of the second week, delegates attempted to clear all remaining brackets in the outstanding texts held over from COP-6 Part I, based on the political guidance set out under the Bonn Agreements. Although draft decisions were approved on several key issues, delegates were unable to complete all their work on the mechanisms, compliance and LULUCF. Since not all texts in the entire "package" of decisions were completed, all draft decisions were forwarded to COP-7, where delegates will attempt to conclude their negotiations.

### **INTERSESSIONAL HIGHLIGHTS**

**PREPARATIONS FOR COP-7:** A number of meetings and consultations have taken place since COP-6 Part II in preparation for COP-7, including workshops on good practices in P&Ms, held from 8-10 October in Copenhagen, and on Protocol Articles 5, 7 and 8 held from 4-6 October in Bonn. These workshops provided an opportunity for government experts to consider these matters further, including the outstanding draft decisions held over from COP-6 Part II. In addition, the Intergovernmental Panel on Climate Change (IPCC) met for its 18th Plenary Session in London from 24-29 September to adopt the Synthesis Report of its Third Assessment Report.

**RECENT DEVELOPMENTS:** In recent weeks, a number of senior government and UN officials, including COP-6 President Jan Pronk and COP-7 President-designate Mohamed Elyazghi, have expressed the hope that success at COP-7 would pave the way for entry into force of the Kyoto Protocol by the World Summit on Sustainable Development in Johannesburg, South Africa, in September 2002. In other related news, the European Commission confirmed late October its position that EU members should ratify in time for the Johannesburg Summit.

**NEGOTIATING TEXTS:** Negotiations will be held on the basis of negotiating texts carried over from COP-6 Part II (see FCCC/CP/2001/5 and Add.2). These texts include draft decisions still under negotiation and forwarded to COP-7 for further elaboration, completion and adoption. The outstanding texts relate to LULUCF, the work programme on the mechanisms, compliance, P&Ms, and Protocol Articles 5, 7 and 8. In addition, a number of unbracketed decisions on issues such as capacity building, technology transfer and funding under the Kyoto Protocol, have also been forwarded to COP-7. Although negotiations on these issues were completed at COP-6 Part II, they are part of the "package" to be adopted at COP-7 once all outstanding texts have been finalized and approved.

Other issues to be considered at COP-7 include input to the World Summit on Sustainable Development and a second review of the adequacy of UNFCCC Article 4.2 (a) and (b) (review of commitments).

### **THINGS TO LOOK FOR TODAY**

**COP OPENING PLENARY:** COP-7 will open at 10:00 am at the Palais des Congrès with a statement by COP-6 President Jan Pronk. The COP is then expected to elect Mohamed Elyazghi, Morocco's Minister of Territory Planning, Urban Management, Housing and Environment, as COP-7 President, and will hear other opening statements and address organizational matters.

**SB-15 OPENING MEETING:** The fifteenth sessions of the subsidiary bodies will start their work following the COP Plenary.