



UNFCCC COP-7 HIGHLIGHTS WEDNESDAY, 31 OCTOBER 2001

Delegates to the Seventh Conference of the Parties to the UNFCCC met in the SBSTA to consider UNFCCC Article 6 (education, training and public awareness), activities implemented jointly (AIJ), and other matters. Negotiating groups on compliance and Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information) continued their work. In addition, informal consultations were held on LDCs, the CDM, JI, the Consultative Group of Experts (CGE) on non-Annex I communications, late payments of contributions to the UNFCCC, and a letter from the Central Asia, Caucasus and Moldova Group on their status under the UNFCCC.

SBSTA

UNFCCC ARTICLE 6: On Article 6, MALAYSIA and CHINA stressed the importance of a concrete implementation work programme. The US suggested that a workshop be held on the prioritization of activities and on setting a work programme. SENEGAL and CENTRAL AFRICAN REPUBLIC called for a Climate Change Day. CHINA suggested that each Party should focus on promoting public awareness on the IPCC TAR, and MAURITIUS said Article 6 implementation should take place at the grassroots level in both developed and developing countries. The IUCN offered to contribute to carrying out the necessary work through its Commission on Education and Communication, a global network of experts. Chair Dovland said Parties were clearly calling for more action and noted that informal consultations would be held on the elaboration of draft conclusions.

ACTIVITIES IMPLEMENTED JOINTLY: On the fifth synthesis report of AIJ under the pilot phase, the US provided proposals aimed at capturing the ongoing review of the pilot phase through continuing annual reports, revisiting elements for improvements, and looking at host party experiences of the pilot phase. He suggested that a decision for long-term review be made at the current COP, recommending that Parties submit comments by March 2002. Chair Dovland said informal consultations would be held.

OTHER MATTERS: CANADA reported on a recent meeting in Calgary on the "cleaner or less greenhouse-gas-emitting energy trade," highlighting, *inter alia*, conclusions that: optimal uptake of cleaner or less greenhouse-gas-emitting energy depends not only on domestic emissions reduction strategies, but also on international trade; and that such trade under the Protocol could encounter significant barriers limiting emissions reduction opportunities and could even lead to increased emissions. Supported by many other

Parties, he proposed a follow-up workshop on methodological issues. Chair Dovland referred the matter to informal consultations.

On UNFCCC Article 4.6 (flexibility for EITs), CROATIA stressed the importance of utilizing this Article. Chair Dovland suggested that SBSTA-16 consider this issue, that Parties views could be sent to the Secretariat by 1 February 2002, and that the Secretariat undertake a review of Croatia's national communication.

On a previous COP decision on the relationship between efforts to protect the stratospheric ozone layer and efforts to safeguard the global climate system, the EU suggested it should be a substantive agenda item at SBSTA-16. Chair Dovland said he would prepare draft conclusions.

NEGOTIATING GROUPS

PROTOCOL ARTICLES 5, 7 AND 8: This group took up the draft guidelines for the preparation of the information required under Article 7. On the reporting of supplementary information under Article 7.2 (inclusion of supplementary information in national communications), delegates disagreed over whether Parties should be "required" or "requested" to provide information on the use of mechanisms to supplement domestic action. The matter will be referred to the COP.

Regarding the paragraph on general information to be reported for activities under Protocol Article 3.3 (afforestation, deforestation, reforestation) and 3.4 (additional activities), AUSTRALIA, supported by the ENVIRONMENTAL INTEGRITY GROUP, the RUSSIAN FEDERATION and EU, cautioned that in many instances the guideline text is more detailed than that contained in the draft decision on LULUCF from COP-6 Part II. He stressed that details should be left to be defined in the IPCC good practice guidance. SAUDI ARABIA proposed introducing additional subparagraphs requiring Parties to submit information on, *inter alia*, how the reported activities exclude carbon dioxide removals due to indirect human-induced effects. TUVALU stressed the need to reflect the Bonn Agreements, and not "pick and choose" what to retain in the guidelines. A drafting group on the guideline paragraphs dealing with LULUCF will be convened.

Delegates then turned to the issue of thresholds for non-compliance/mechanisms eligibility. The Secretariat presented an analysis on the matter based on Parties' national communications submitted in 2000/2001. He noted that the thresholds proposed in the draft would ensure that major source categories and the sums of many small adjustments are not omitted. Delegates responded positively, and expressed the hope that the text could be cleared of brackets on Thursday.

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On the draft COP/MOP-1 decision on Article 7 guidelines, Chair Dovland proposed that the chapeau related to the subparagraphs on non-compliance/mechanisms eligibility be considered in a drafting group. Delegates then approved an EU proposal related to timing of review of national systems, and agreed on the paragraphs on financial resources in the section relating to reporting of supplementary information under Article 7.2.

COMPLIANCE: Delegates resumed consideration of the Co-Chairs' non-paper on the status of negotiation, referring the majority of unresolved issues to a drafting group. On the facilitative branch, JAPAN put forward a proposal intended to reflect the language in the Bonn Agreements on the type of questions of implementation to be addressed. The G-77/CHINA said the proposal required further clarification. On the enforcement branch, delegates discussed the need to specify which commitment under Protocol Article 7.4 (establishment of guidelines and modalities for the accounting of assigned amounts) would fall within its mandate.

On submissions, AUSTRALIA, supported by the RUSSIAN FEDERATION and opposed by a number of Parties, suggested the deletion of the possibility for a Party to submit a question of implementation with respect to another Party, explaining that it had the potential to create rifts among Parties or could eventually be used for "other reasons," and that the reports from expert review teams (ERTs) provided a thorough triggering process. The EU highlighted that the Party-to-Party triggering option was useful for the effectiveness and balance of the compliance procedures. With IRAN, he said that if questions could be indicated in the reports of ERTs, sovereign states should also have the possibility to make submissions against another Party. SAMOA stressed that procedures are non-adversarial, multilateral in nature and include due-process provisions. JAPAN, opposed by CHINA, suggested that triggering against another Party could be limited to the facilitative branch. Co-Chair Dovland said this issue was not of a drafting nature and would thus be forwarded to the Plenary.

On general procedures, the G-77/CHINA suggested that the ERT reports not be made publicly available before the Party concerned had the opportunity to respond in writing to the relevant branch. The RUSSIAN FEDERATION suggested that the information considered by the branch be made available to the public after the conclusion of the process. SWITZERLAND and NORWAY highlighted the existence of due process provisions in, and the need to be consistent with, the text on Protocol Articles 5, 7 and 8.

On the procedures for the enforcement branch, the RUSSIAN FEDERATION, opposed by the EU, suggested text reflecting the right for the Party concerned to have a closed hearing. SAMOA expressed concern about upsetting the balance between access to information, transparency and public participation, and safeguarding the sovereign rights of the Party.

On expedited procedures, JAPAN said it would submit a proposal on the procedure for reinstalling mechanisms' eligibility. On consequences applied by the facilitative branch, the RUSSIAN FEDERATION, opposed by the G-77/CHINA, called for the deletion of text requiring that UNFCCC Article 4.3 (financial resources), 4.4 (costs of adaptation), 4.5 (technology transfer) and 4.7 (conditionality in the fulfillment of commitments) be taken into account.

On consequences applied by the enforcement branch, JAPAN, opposed by the EU, proposed deleting the paragraphs providing for consequences in case of non-compliance with Protocol Articles 5.1 (national systems), 5.2 (adjustments), 7.1 (annual inventories) and 7.4 (establishment of guidelines and modalities for the accounting of assigned amounts).

INFORMAL GROUPS

CGE: The informal contact group on the Consultative Group of Experts (CGE) on national communications of non-Annex I Parties, chaired by Emily Ojoo-Massawa (Kenya), considered the revision of guidelines for the preparation of national communica-

tions and terms of reference for the CGE, and NAPAs from LDCs. Divergent views between Parties resulted in Chair Ojoo-Massawa proposing to draft text on the issues and reconvene the group on Thursday.

CDM: Informal consultations on the CDM were held in the afternoon chaired by José Miguez (Brazil). Delegates considered project design of the CDM, focusing on the issues of validation, monitoring, and accreditation, with some progress reported on the draft texts. Informal meetings resumed late Wednesday evening on various technical issues.

JOINT IMPLEMENTATION: The informal group on joint implementation reportedly made some progress on technical details of draft text on JI in a meeting held late afternoon.

LATE PAYMENTS: Philip Weech (The Bahamas) chaired informal consultations on possible options to respond to late payment of contributions. The group considered the text outstanding from SB-12, including problems and inconveniences that could be faced by the UNFCCC as a result of late payments to the core budget, and additional options the SBI may wish to consider as a basis for recommendations to the COP. The text was deferred for further informal discussions on Thursday afternoon.

PARTIES' STATUS UNDER THE CONVENTION: These informal consultations, chaired by John Ashe, addressed a letter from the Central Asia, Caucasus and Moldova Group of Parties on their status under the UNFCCC. Participants considered a proposal from relevant Parties seeking a clear definition of the term "developing countries" as used by the UNFCCC. Following concerns expressed by the G-77/CHINA, Chair Ashe suggested deferring consideration of this issue to SB-16 and COP-8. Further informal consultations may take place Thursday.

LDCS: The informal group on matters relating to LDCs met in the evening to begin discussions on NAPA guidelines, the LDC Expert Group, and guidance on the LDC Fund. MALAWI introduced a new proposal containing guidelines for preparing NAPAs, which delegates then examined.

IN THE CORRIDORS

A number of participants have been commenting on the considerable workload at COP-7, pointing to the numerous issues taken up by the subsidiary bodies and the many informal groups formed to address them, all of which is additional to the remaining work of the negotiating groups on the various draft decisions under the Bonn Agreements. While some seemed concerned at the lost opportunity to make significant progress on subsidiary body matters, others said work under the Bonn Agreements must be the priority, especially given the lack of progress so far in the negotiating groups.

In other news, rumors were circulating late Wednesday that work was being undertaken on a Marrakesh Declaration for consideration at next year's World Summit on Sustainable Development in Johannesburg. Meanwhile, some delegates were expressing confusion and concerns over the process for deciding the composition of the CDM Executive Board.

THINGS TO LOOK FOR TODAY

NEGOTIATING GROUPS: Articles 5, 7 and 8: This group will convene at 10:00 am in Fez I to continue its work.

Mechanisms: This group will resume at 10:00 am and continue throughout the day in an attempt to make further progress on its work.

Compliance: This group will convene at 5:00 pm in Plenary II.
INFORMAL GROUPS: Informal groups are expected to meet on the CGE (12:00-1:00 pm and 4:00-5:00 pm in Fez I) and on LDCs (5:00 pm in Plenary II). Drafting groups will also convene to address issues that the negotiating groups were unable to resolve. Consult the monitors for further details.