



UNFCCC COP-7 HIGHLIGHTS

WEDNESDAY, 7 NOVEMBER 2001

The High-Level Segment of COP-7 opened in the morning with speeches from representatives of UN bodies and specialized agencies, and a welcoming ceremony. It continued in the afternoon and evening with presentations from youth representatives and statements from 44 ministers and other heads of delegation. Negotiations also continued on the mechanisms, Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information), and LDCs.

HIGH-LEVEL SEGMENT

STATEMENTS BY UN BODIES AND SPECIALIZED

AGENCIES: The High-Level Segment opened with statements by UN bodies and specialized agencies. The WMO highlighted the IPCC's Third Assessment Report (TAR), noting new and stronger evidence of the contribution of human activities to climate change. UNEP urged ratification of the Protocol prior to the World Summit on Sustainable Development (WSSD) and underlined the need to address the two global crises of ecological degradation and extreme poverty. The GEF: underlined its commitment to supporting capacity building, technology transfer and adaptation; acknowledged the need for a more consultative process in the GEF Council; and undertook to address the concerns raised in the recent evaluation of its performance. Emphasizing the links between development and climate change, the UNDP noted, *inter alia*, that its country-office presence is being reinforced. UNITAR outlined its various training and networking activities relating to climate change. The CCD highlighted the importance of improving synergies between the Rio Conventions. The IPCC summarized key findings of the TAR, noting that developing countries will suffer disproportionate impacts, and highlighted the existence of barriers to more widespread implementation of technological adaptation and mitigation options.

WELCOMING CEREMONY: Following these statements, an official welcoming ceremony was held. UNEP Executive Director Klaus Töpfer delivered a speech on behalf of UN Secretary-General Kofi Annan, in which he: highlighted the environment and development elements of climate change; noted the need for significant long-term changes in social and economic behaviors; expressed appreciation for the work of COP-6 President Pronk, noting that Pronk would serve as his special envoy to the WSSD; and underlined the importance of multilateralism.

Prince Moulay Rachid of Morocco, speaking on behalf of King Mohammed VI, underlined the need for internationally-shared ethical values, and urged that "hatred and rejection of the 'other' must not be reduced and oversimplified by a vision that is blurred

by emotion on the spur of the moment to the extent that it divides the world by concentrating the 'good guys' on just one side of it." Urging international solidarity in addressing environmental concerns, he called for technology transfer, new and additional financial resources, and reducing external debt burdens.

STATEMENTS BY YOUTH REPRESENTATIVES: On Wednesday afternoon, MOROCCO'S CHILDREN'S PARLIAMENT, FRANCOPHONE YOUNG PEOPLE'S PARLIAMENT, and the WORLD YOUTH ORGANIZATION ON CLIMATE CHANGE gave presentations, with the final speaker urging a move toward a low carbon-emitting future, entry into force of the Protocol as the start of a "long path" in combating climate change, and completion at COP-7 of decision texts without weakening the Bonn Agreements.

STATEMENT BY UNFCCC EXECUTIVE SECRETARY:

In his final speech in a high-level segment, UNFCCC Executive Secretary Michael Zammit Cutajar congratulated the Secretariat staff on their dynamism and commitment, and thanked Parties for their trust and for not engaging in micro-management. Noting that this treaty relates to sustainable development of the global economy as well as climate change, he wished delegates well in moving the UNFCCC forward. Delegates thanked him for his contribution with a standing ovation.

STATEMENTS BY PARTIES: Forty-four ministers and heads of delegation made statements. Many speakers highlighted the importance of maintaining the environmental integrity of the Protocol. Parties also drew attention to success on Tuesday in negotiations on compliance, and called for completion at COP-7 of work under the Buenos Aires Plan of Action, with many stating that this would support ratification and entry into force in time for the WSSD in September 2002. In addition, several speakers noted that the events of 11 September demonstrate the need for multilateral solutions to global problems that cannot be tackled by just one country. A number of delegates drew attention to the IPCC TAR, which demonstrates the need for urgent action to address climate change, and paid tribute to both COP-6 President Pronk and UNFCCC Executive Secretary Michael Zammit Cutajar.

On the current negotiations at COP-7, SWITZERLAND said it could not accept changes that weaken the Bonn Agreements, and stated that no country can shirk its responsibilities, especially if it is a major country in the ratification process. IRAN, for the G-77/CHINA, underscored its approach of "principled flexibility," and stated that neither COP-7 nor the WSSD was the appropriate forum for raising the issue of new commitments for developing countries. BELGIUM, for the EU, highlighted outstanding issues on the mechanisms requiring resolution, including the election of the Executive Board of the CDM. BULGARIA, for CG-11, CYPRUS

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and MALTA, noted the special circumstances of these individual countries in fulfilling their commitments. CANADA highlighted the need to be responsive to those whose participation is critical to entry into force of the Protocol. SWEDEN said success in Marrakesh would constitute a powerful pledge for the US to reconsider its decision to be part of a global coalition to combat climate change.

On mechanisms, JAPAN cautioned against too many constraints on their use. The REPUBLIC OF KOREA said the full potential of the mechanisms should be realized, including unilateral CDM. UKRAINE said JI should be given priority and that the main goal should be the reduction, rather than the redistribution, of emissions. On LULUCF, CHINA cautioned against any loopholes.

Regarding the circumstances and needs of developing countries and LDCs, many speakers underscored the need for capacity building, adaptation and technology transfer. IRELAND and NORWAY highlighted linkages between climate change and poverty. CHINA underlined the principle of common but differentiated responsibilities, and SENEGAL stressed the value of NAPAs and called for greater commitment to the LDC Fund.

On next steps in the climate change process, SAMOA, for AOSIS, said that once work on the BAPA is completed, Parties should review commitments under this regime, and suggested that they be stronger and more extensive. The US said it would continue to play a leading role in addressing climate change and is moving ahead with science-based measures. BRAZIL said it looked forward to negotiations on the second commitment period, taking into account the "Brazilian proposal" based on the share of responsibility for causing climate change. INDIA said it was considering the possibility of hosting COP-8.

NEGOTIATING GROUPS AND INFORMAL CONSULTATIONS

PROTOCOL ARTICLES 5, 7 AND 8: The negotiating group on Articles 5, 7 and 8 met in afternoon and evening sessions. Chair Dovland informed participants of an agreement with the mechanisms group that a separate decision would be issued on Article 7.4 (assigned amounts), with some aspects of the current work on Articles 5, 7 and 8 being covered under this decision.

Noting completion of negotiations on compliance, Chair Dovland made a proposal regarding all issues related to Article 3.14 (adverse effects) whereby reporting problems would not trigger loss of mechanisms' eligibility. JAPAN, AUSTRALIA and CANADA expressed concern with suggested mandatory language on reporting of Article 3.14 implementation. Participants were unable to agree on the proposal and the issue was deferred to ministers.

On reporting on P&Ms in accordance with Article 2.3 (adverse effects of P&Ms) in the draft Article 7 guidelines, Chair Dovland recalled an earlier proposal to delete reference to future COP and COP/MOP decisions, and Parties agreed to this.

Delegates then discussed at length three options on the composition of the expert review teams (ERTs). Chair Dovland proposed adopting an option requesting the Secretariat to select ERT members with a view to achieving balance between experts from Annex I and non-Annex I Parties, without compromising skills requirements. This was supported by the RUSSIAN FEDERATION, EU, JAPAN, and AUSTRALIA. The G-77/CHINA said he needed to consult further within the group, and no agreement was reached.

JAPAN said the issue of reporting on supplementarity relating to mechanisms should be forwarded to ministers for consideration. CHINA highlighted its proposed paragraph specifying the aim of reducing per capita emissions differences between developed and developing countries. The EU noted problems with such reporting,

including lack of relevant developing country data. JAPAN, AUSTRALIA, CANADA and the US opposed the paragraph due to the lack of legal context.

Regarding reporting on Article 4 (joint fulfillment), delegates reported that consultations were ongoing, and the issue was left unresolved.

JAPAN introduced draft COP-7 decision text on its proposal on review for reinstatement of eligibility, requesting SBSTA to take further action. Delegates expressed concern with annexed guideline elements and a proposed ten-week timeline for expedited review. Returning later to the issue, JAPAN stressed the key importance he attaches to the issue. The EU, opposed by the G-77/CHINA, indicated that he could agree to the proposal with minor amendments. The proposal was bracketed in its entirety.

On confidentiality, a drafting group was convened to resolve the issue Thursday. Chair Dovland concluded by expressing "extreme disappointment" at the lack of progress in the group.

MECHANISMS: Secretary of State Philippe Roch (Switzerland) and Minister Valli Moosa (South Africa) facilitated consultations with various regional groups on the mechanisms negotiating group Co-Chairs' new non-paper. Discussions reportedly focused on, *inter alia*, eligibility and reporting on sinks, and carry over of units.

LDCS: In the contact group's final meeting, Chair Gamede noted the three draft proposals under consideration for adoption relating to: the guidelines for the preparation of NAPAs and their annex; establishment of an LDC Expert Group; and guidance on the operation of the LDC Fund. The US stressed a package deal on all three texts, and said they should remain bracketed in their entirety. All other Parties supported removing the brackets. The US said this matter should be decided by ministers, and the entirely bracketed texts were forwarded to the SBI.

The draft proposal on the status of the implementation of UNFCCC Article 4.9 (LDCs) was agreed with brackets remaining around the reference to the three other decisions on LDCs, at the request of the US. The draft proposal will be forwarded to the SBI.

IN THE CORRIDORS

Delegates came down to earth Wednesday as the euphoria with the success on compliance turned to frustration over Article 7.4 and other mechanisms issues. One issue apparently of concern to some delegates was the fact that the actual text on Article 7.4 had not been made available during high-level consultations. However, others suggested this might be an effective strategy at this point in time. Meanwhile, reinstatement of eligibility requirements emerged as a key area of controversy, as the issue, which already was a fundamental element of the compliance package deal, was taken up in talks on Articles 5, 7 and 8. There was also talk of a new document on input to the WSSD that would be circulated Thursday.

THINGS TO LOOK FOR TODAY

HIGH-LEVEL SEGMENT: The High-Level Segment will resume in Plenary I at 10:00 am, with further statements from ministers and other heads of delegation, observers, IGOs and NGOs.

SBI: The SBI will meet in Plenary I to conclude its work following the conclusion of high-level statements in the afternoon.

NEGOTIATING GROUP ON ARTICLES 5, 7 AND 8: This group will meet at 3:00 pm in Fes 1 in an effort to complete its work.