

## ENGO COP-5 DELEGATION REPORT

Although no major substantive decisions were made, the negotiations at COP5 built momentum towards the coming into force of the Kyoto Protocol by 2002. COP5 was significant for its elaboration of a process and timetable for the coming into force of the Kyoto Protocol. Notwithstanding blocking tactics from a few countries, the COP re-affirmed and even strengthened the significance of November 2000 as a deadline for negotiating complex matters such as emissions trading and compliance. Just as important, COP5 agreed on a process that can potentially deliver decisions in the next year. The ENGO campaign calling for the entry into force by the tenth anniversary of the Rio Earth Summit in 2002, also gathered steam with support from not only Europeans but also Japan. The ENGO representatives see all of the above as positive developments.

### Compliance

ENGO representatives were pleased with Canadian COP5 interventions that supported consideration of the Compliance Fund concept and interventions supporting an apolitical compliance regime. ENGOs see a Compliance Fund as a realistic way of maintaining environmental integrity while giving nations a "flexibility mechanism of last resort."

On the negative side, environmentalists were disappointed by Canada's support for consideration of borrowing. ENGOs are concerned that borrowing ultimately undermines the Protocol by delaying the day of reckoning for nations that are out of compliance.

In the lead up to COP6, the Canadian government will need to assess whether its positions on compliance are congruent with the recommendations of the Kyoto Mechanisms Table regarding a strong compliance regime. The ENGO community believes that both borrowing and lack of trade sanctions as the ultimate recourse are incompatible with a strong compliance regime.

### CERs for Nuclear and other Non-Sustainable Project

The ENGO community also urges Canada to reassess its position on eligibility of nuclear and other unsustainable emission reduction projects under the CDM. The ultimate purpose of the CDM is supposed to be to help host countries achieve sustainable development. Given the environmental risks associated with nuclear and the dependence of the industry on heavy subsidies, support for credit from nuclear is difficult to reconcile with the CDM's supposed purpose. Moreover, with the possible exception of Japan, Canada is isolated in its support for CERs from nuclear projects.

CDM purposes related to avoiding dangerous human interference with the climate and achieving sustainable development also suggest that non-sustainable technologies and projects that lock developing countries into patterns of high emissions should not be used to produce CERs. Establishing such conditions for CDM projects should not be seen as unacceptable interference with the development choices of developing countries, but simply a condition of eligibility comparable to conditions associated with bilateral and multilateral aid.

### Argentine and Kazakhstan Proposals

The ENGO community was disappointed by the lack of substantive discussion regarding Argentine and Kazakhstan proposals for voluntary accession to emission reduction targets. While Russian 'hot air' is a more significant problem than Argentinian 'hot air', the target established for Argentina and Kazakhstan will set an important precedent for all developing countries. This precedent could destroy the integrity of the Kyoto Protocol for several commitment periods.

At the next meeting of the subsidiary bodies, Canada should make it a priority to establish mechanisms that scrutinize 'voluntary' commitments prior to their being accepted. Whether fixed or floating commitments, the international community must ensure that if either Argentina or Kazakhstan are able to trade CERs, AAUs or ERUs from reductions below voluntary targets, the targets must unequivocally be below what