

Activities Implemented Jointly

OECD countries and the economies in transition want to see verifiable projects under the pilot phase of AIJ transition into real credits under JI and CDM. The language of the decision is unfortunately not as strong as it could have been. The US negotiators leading on this matter did not take an aggressive stance and accommodated EU and G-77 interests. This issue will be brought back at the next CoP and will be dealt with at that time with perhaps a more direct approach by the US and other Umbrella Group countries.

Compliance

The Joint Working Group (JWG) established at CoP-4 examined proposals by parties at Cop-5 in preparation for a decision at CoP-6. The first substantive discussion took place on possible "consequences" or "outcomes" as a result of non-compliance. Canada stated its opposition to financial penalties and trade sanctions, however some other OECD countries, notably in Europe, favour financial penalties for clear breaches of a country's reduction commitment.

The decision reached by the Cop-5 re-establishes the JWG and requests that it meets in inter-session workshops to produce a report for CoP-6 to outlining a workable regime. In the meantime, one of the co-chairs released a "no-status paper" to prompt the members of the JWG thinking further along the lines explored at CoP-5. The JWG will be struck very soon and will be given priority and commensurate resources. The environmental groups at the negotiations (as well as Canadians based ENGOs) were quick to claim a seat as observers and or participants under the heading of "civil society". If this request is granted, similar treatment will be given to industry. It should be noted that the environmental community attached the greatest of importance to this aspect of the Protocol and some environmental activists go so far as to claim it as their issue.

Conclusions

- Ministers gave clear signals to negotiators that they were to accelerate and intensify the pace of negotiations in order that decisions could be made at Cop-6 in November 2000. This means that the proposed shape and details of the flexibility mechanisms and compliance regime will become available, probably as early as the spring of 2000. This will make industry's evaluation of the proposals much more concrete.
- The UN Framework Secretariat will allocate resources to make the year 2000 the busiest ever for negotiators. For the federal and provincial governments, this means that the Canadian domestic consultation process leading to the development of the National Implementation Plan must be more closely and clearly linked to the international negotiations. Negotiators will need positions and fall back positions.
- It is now possible that the international regime aimed at achieving the targets and timelines agreed in Kyoto may be established much sooner than anyone thought likely. Moreover, if negotiators did a poor job of providing cogent, economically sound approaches and options for reducing GHG emissions when the pace of negotiations was slow, they may find it equally difficult to proceed at the faster pace agreed to at CoP-5. An agreement reached quickly is not necessarily an acceptable agreement.