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Framework Convention on Climate Change (FCCC)
Subsidiary Body for Scientific and Technological Advice (SBSTA)
Subsidiary Body for Implementation (SBI)

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FIFTH CONFERENCE OF THE PARTIES

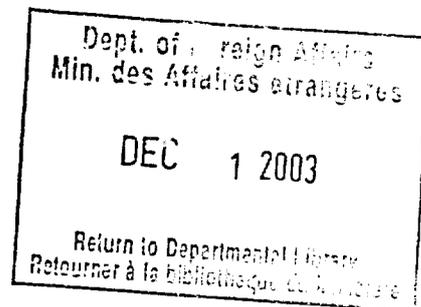
OCTOBER 25- NOVEMBER 05, 1999

BONN

DELEGATION REPORT

DFAIT/AEC

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SUMMARY REPORT— CoP5—FIFTH MEETING OF THE CONFERENCE OF THE PARTIES OF THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE (FCCC)

BONN, GERMANY, OCTOBER 25-NOVEMBER 5, 1999

- 1. Summary:** In general, CoP5 met and to some extent exceeded expectations as a critical staging point for CoP6. Progress was maintained in developing the Buenos Aires Action Plan established at CoP4 and clear signals of commitment were generated by most parties to make CoP6 the decisive meeting which would lead to early entry-into-force of the Kyoto Protocol. Candel was successful in meeting its objectives for CoP5 and progress was made on key Canadian priority areas, notably the Kyoto mechanisms, compliance and sinks. Much of the success for CoP5 is due to five factors: a) effective management of expectations by all parties prior to CoP5; b) early and effective signals by Annex 1 (developed countries) to the G-77 & China expressing interest in addressing their main issues; c) rapid isolation of Saudi Arabia-led OPEC which continues to do whatever it can to slow down the process of agreement on the Kyoto Protocol; d) the lack of prominence of divisive issues between EU and the Umbrella Group such as supplementarity; and e) the surprisingly effective High Level Segment (HLS), which gave needed political impetus to the meeting as an essential staging point for critical decisions at CoP6.
- 2.** The success of CoP5 must be tempered by the fact that most issues of tension between North and South and between the Umbrella Group (UG) and the EU have essentially been deferred to the all-important CoP6, to be held in the Hague, 13 to 24 November 2000. To respond to this challenge, and to continue the elaboration of the central issues of the Kyoto mechanisms, the compliance system and sinks, CoP5 agreed to a grueling preparation process for CoP6. The road to CoP6 now involves additional negotiating time (achieved by splitting the subsidiary bodies into two one week sessions, each preceded by one week of (uninterpreted) contact group meetings, in June and September 2000), as well as a significantly increased number of issue-specific workshops. In addition to responding to this heavy international schedule, Canada will further need to promote effective coordination within the Umbrella Group and wherever possible between Annex 1 countries, as well as undertake a much strengthened domestic consultation process with stakeholders and the provinces in preparation for CoP6.
- 3. Report:** Good progress was made on the three key issues for Canada, the Kyoto mechanisms, the emerging compliance system and sinks.
- 4. Kyoto mechanisms:** Canada's key objectives for the Kyoto Mechanisms were met at CoP5. The overall tone of the discussion was remarkably constructive, with Parties from all blocs actively participating in an exchange of views on all three mechanisms. A consolidated text that will serve as a basis for further negotiations on principles, modalities, rules and guidelines was provided on the last day of the negotiations. However, due to OPEC concerns that parallel progress be made on their priorities, the document has no official status and instead is only referred to as the "Chairman's Note". While the Decision explicitly recognizes that priority be given to the CDM, it also reflects the principle of parallel progress supported by Canada, with a

view to taking decisions on all Mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol at CoP6. In order to meet the objective of having decisions on the Kyoto Mechanisms in place by CoP 6, there will likely be two workshops held over the next year, in addition to the multiple subsidiary body sessions already being planned. In addition, the UG will likely convene on a number of occasions to discuss substance and tactics for the ongoing negotiations on the mechanisms.

5. Compliance: A second key Canadian objective for CoP5, was to identify and agree on a number of the elements that would be contained in a compliance system. A substantive discussion took place in the Joint Working Group on Compliance (JWGC) and co-operation on this issue was clearly strengthened both from a North-South point of view and between UG and EU Parties. The outcome of the work of the JWGC is significant in that the decision adopted contains a stronger commitment than previously agreed to resolve this issue at CoP6 and Parties (except OPEC countries) have shown a clear commitment to accelerate their work. A workshop related to a compliance system under the Protocol will be held in March 2000 and Parties agreed that a paper by the co-Chairs, setting out the "elements of procedures and mechanisms" will serve as a basis for the further negotiation on compliance issues at SBI/SBSTA 12.

6. Sinks: CoP5's sinks outcome was also positive for Canada with a somewhat stronger and clearer decision than that made in Buenos Aires. The decision agreed to by the CoP endorses a framework for decision-making and a work program for the next year to ensure that adequate consideration is given to the IPCC Special Report before any decisions are taken. It recommends that decisions be taken at CoP6 on both definitions related to article 3.3 activities, and on how and which additional activities might be included. This is in keeping with Canada's objective that a decision be taken on further activities (including agricultural soils) at CoP 6. Candel was also successful in highlighting the importance of guiding principles and criteria in making decisions and in ensuring that the provision of national data would not prejudge any decisions related to the inclusion of additional activities.

7. Much of the success for CoP5 is due to five factors: a) effective management of expectations by all parties prior to CoP5; b) early and effective signals by Annex 1 (developed countries) to the G-77 & China expressing interest in addressing their main issues; c) rapid isolation of Saudi Arabia-led OPEC which continues to do whatever it can to slow down the process of agreement on the Kyoto Protocol; d) the lack of prominence of divisive issues between EU and the Umbrella Group such as supplementarity; and e) the surprisingly effective High Level Segment (HLS), which gave needed political impetus to the meeting as an essential staging point for CoP6.

8. Managing expectations prior to CoP5: Coming into CoP5, a series of ministerial/high level meetings such as one held in Warsaw in September (Ref AEC) as well as the Ministerial meeting on the Kyoto mechanisms held in Canada held 8-9 October had helped set the tone for CoP5. Thanks to these meetings, the agenda and the *enjeux* were clear. In addition most parties understood at the outset that CoP5 was not to be a high-profile decision-making session worthy of significant world media attention, but rather a workman-like (although essential) meeting of the parties to prepare the way for agreement on the basis for ratification of the Kyoto Protocol at

CoP6. This said, failure at Cop5 would have certainly have doomed prospects for a positive outcome at Cop6.

9. Developing Countries: As the Executive Secretary of the UNFCCC, Michael Zamit-Cutajar had outlined in Warsaw and Ottawa, the main challenge of CoP5 was to find a balance between issues of primary importance to the Annex 1 countries (including Canada) connected to the Kyoto Protocol, such as the mechanisms, the emerging compliance regime and sinks on one hand, and issues connected to the Convention essential for developing countries, such as technology transfer, capacity building, adaptation and "compensation" (articles 4.8 & 4.9) and communications by non-Annex 1 parties. Once again, the negotiations featured increased engagement from AOSIS and African delegations. Behind the scenes, Canada, in close cooperation with France, set in place a dialogue amongst Francophone nations aimed at increasing the capacity of this group (composed for the most part of a large number of African countries) to participate in the convention and protocol (notably the CDM). Francophone countries will now work together as a group in a series of workshops and meetings in the year leading up to CoP6.

10. Given the inherent difficulties of dealing with articles 4.8/4.9, where Annex 1 countries wanted to demonstrate interest in dealing with the concerns of the least developed and most vulnerable countries (notably found in Africa and AOSIS) while conceding a very minimum to the OPEC countries led by Saudi Arabia, special effort was placed on sending early, positive signals on a decision on capacity building. In addition to its ongoing influential position shepherding progress on technology transfer, Candel played a central role in formulating decisions on both non-Annex 1 communications and capacity building. The latter, which the G-77 & China had spent considerable effort developing prior to the CoP, was of particular importance. The marked progress and good spirit evident in the initial debate and throughout the contact groups and "friends of the chair" meetings in the first week helped promote a positive working atmosphere across the wide range of negotiations, notably those addressing the mechanisms, where visible progress at Cop5 was essential. It will be essential to continue this positive spirit through progress in workshops and negotiations in the subsidiary bodies over the coming year. One important but yet unknown factor will be the role of Nigeria, which at CoP5 intervened primarily as an OPEC country (as opposed to a member of the African Group), but which will assume the chair of the G-77 & China for the year 2000.

11. To some extent, the good will which prevailed at CoP5 between Annex 1 and the developing countries was made possible by the absence of confrontation on the issue of voluntary commitments by developing countries. The issue of the adequacy of commitments (article 4.2 a & b), used intensively to place voluntary commitments on the table(although ultimately without success) at CoP4 was placed in abeyance at CoP5 by the G-77 & China through procedural means. Kazakhstan's bid to join Annex 1 was also successfully thwarted as the G-77 & China indicated late in the proceedings that they would be unable to join consensus on the issue. Finally, the question of a voluntary target for Argentina, which created so much furor at CoP4, made hardly a ripple at CoP5, as the outgoing administration in Argentina took a low profile approach in presenting its scheme for a voluntary target.

12. Isolating OPEC: Led by Saudi Arabia, the OPEC countries played a highly disruptive role across-the-board at CoP5, attempting to tie up key issues such as compliance in order to slow down progress and leverage a decision in their favour on 4.8/4.9. However, the experience of CoP5 demonstrates that OPEC is increasingly isolated within the G-77 & China group and amongst the parties overall. This was evidenced at a decisive moment in the contact group on 4.8/4.9, when Zimbabwe took the floor on behalf of virtually all developing countries, including the Saudi's traditional allies China, to contradict the OPEC position. While OPEC got very little in terms of concessions at CoP5, the continuing format of workshops addressing their issues (albeit in an extremely limited way) does provide the Saudi's with enough rationale to continue to be insistent on those issues of most importance to them within an overall negotiations "package" at CoP6. Despite the relative isolation of the OPEC countries after CoP5, the combination of OPEC demands which remain anathema to Annex 1 countries (and hence makes them an effective bargaining tool) and the very skillful negotiating tactics of the Saudis which enable them to slow down or block consensus, makes for a very risky situation at CoP6. In this sense, CoP5 confirmed that the success of CoP6 will hinge to a great extent on deliberations on articles 4.8/4.9 where the concerns of the least developed and most vulnerable countries clash with those of OPEC.

13. EU-UG relations: One of the main features of CoP5 was the absence of conflict between EU and the Umbrella Group (UG). Prior to the CoP, then EU had signaled that it would not be pressing the flashpoints of capping the mechanisms (supplementarity) or coordinated policies and measures and therefore there was not much cause for friction between the two groups. EU and UG delegates worked especially well on the Kyoto Mechanisms, as was evident by the fact that, for the first time, EU and UG members formally agreed to establish working groups on technical issues related to registries and reporting, baselines and project certification/validation. EU and UG delegates also worked in close cooperation on key developing country issues throughout CoP5. However, a meeting of the Common Interest Group (Annex 1) chaired by Canada during the first week of the CoP confirmed that relations between the two groups continue to be underlined by lack of trust, even in dealing with issues of shared concern. It appears likely that divisive issues such as supplementarity and coordinated policies will come to the forefront once again, particularly when France assumes the EU presidency from July 2000, continuing through CoP6.

14. High Level Segment: Ironically, the awkward compromise meeting formula for the HLS (forced by Saudi Arabia, China, India and the Philippines at the subsidiary body meetings in June 1999), designed to defeat effective dialogue, actually contributed to showcasing a display of much needed political will. To the surprise of most parties and the clear displeasure of those who had sought to undermine it, the High Level Session, in which Hon. David Anderson, Minister of Environment participated actively, was particularly successful, resulting in an animated discussion and clear signals from Parties of their political commitment to the process and to maintaining momentum for the Kyoto Protocol to come into force as soon as possible. Many Parties called for ratification by 2002 (10 years after the agreement of the UNFCCC at the Rio Earth Summit in 1992).

15. The HLS was also critical in securing Decision 1/CP.5 which directs the subsidiary bodies to intensify the preparatory work required to enable CoP6 decisions and provides the President of the CoP (Jan Szyszko of Poland) with additional leeway to advance the process over the next year through use of a facilitator, task group, or other means, at his discretion. In addition, a number of Parties noted the importance of civil society in the process and their expectations of increased public pressure for decisions at CoP6. The HLS also included extensive presentations of current domestic action being undertaken by Parties. The wide range of domestic activities outlined indicates that Annex I Parties are making considerable efforts towards early action on climate change, although developing countries and the European Union pointed out that this was by no means sufficient to respond to the challenge set out in the Convention and Protocol. It was also positive to note that despite having no greenhouse gas reduction commitments, many non-Annex I countries are also keen to be engaged in climate change mitigation efforts.

16. The Road to CoP6: Parties agreed that CoP6 will be held in the Hague, the Netherlands, from 13 to 24 November 2000. Additional intersessional meetings and an intensified work plan including a number of workshops on specific issues were also approved. SBSTA/SBI meetings are scheduled: from 12-16 June 2000, 11-15 September, and 13-24 November with the June and September sessions each preceded by one week of informal meetings, including workshops.

**UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE
FIFTH MEETING OF THE CONFERENCE OF THE PARTIES
OCTOBER 25 – NOVEMBER 5, 1999, BONN**

Report on the Second Week of the Session (November 5, 1999)

Pierre A. Guimond, Canadian Electricity Association

The second week of negotiations ended with stronger than expected language in decisions on most key issues. The effect of CoP-5 will be to accelerate the pace and intensity of the negotiations in the year 2000. Parties have agreed to develop the negotiating text on the flexibility mechanisms and on compliance in order to have decisions made at the sixth meeting of the Conference of the Parties (CoP) to be held in The Hague in November 2000.

Overview

CoP-5 will be remembered as the meeting where developed countries worked with developing countries and where the Africans and Latin Americans pressed the G-77 plus China to have the work programme of Buenos Aires Plan of Action move ahead. Developing countries now see how they will gain from the flexibility mechanisms and this will make the year 2000 a very busy one for the international negotiations. The OPEC countries are more isolated than ever. While still very influential, they are less able to slow or stop progress given the G-77 and Annex 1 push for decisions.

The meeting had a generally positive tone. Whereas at previous meetings negotiators set a slow pace and then asked ministers to make last minute decisions, negotiators at this meeting had cleared away most of the business before ministers arrived. Ministers then gave the negotiators a clear message to speed up the process. The contribution made by developing countries and the better co-operation with and among developed countries caused this change. The African and Latin American delegations (except for Venezuela) pressed for faster progress on the Clean Development Mechanism and in so doing isolated Saudi Arabia who preferred having no negotiating text. China and India, usually the dominant leaders within the G-77, either supported or chose not to oppose the African and Latin American approach.

An informal agreement between the Umbrella Group countries and the EU resulted in fewer divisive exchanges on the substantive issues and this allowed G-77 Parties to have more confidence in the potential of the flexibility mechanisms. The informal agreement also allowed additional emphasis to be placed on moving the process forward. An example of this particular tactic was the chair of the Contact Group on Mechanisms repeatedly asking Parties to "walk through my garden noting the issues but not dwelling on them". This skilfully executed approach produced fifteen draft conclusions for the Subsidiary Body for Scientific and Technological Advice (SBSTA) by Monday night. The Subsidiary Body for Implementation (SBI) also made progress and another fifteen draft conclusions were ready Tuesday morning. By the time the plenary session of the CoP was held on Thursday, draft conclusions had been produced for all remaining issues.

Some of the draft conclusions contained reservations and they needed to be lifted to have agreement. Saudi Arabia relented in the face of a wide consensus and set aside its reservation on the compliance issue. China reminded Parties that it could and would block progress if its developing country issues were not addressed. This is where the ministerial statements and roundtable discussions proved to be useful reminders to China that there was a general will to make progress. By Friday morning, all remaining issues had been negotiated out of the way and the session closed with a feeling of achievement.

Progress and goodwill notwithstanding, the divergences among the groupings of Parties will re-emerge. If the range of expectations concerning the flexibility mechanisms is not met, the go-slow approach on each and every clause will return. With this in mind, the CoP agreed to modify the schedule of meetings for the year 2000 to give negotiators more opportunity to work out and reconcile differences. The subsidiary bodies will meet in formal sessions for a week in June and again in September. Both sessions will be preceded by a week of informal meetings (no simultaneous interpretation).

The sixth meeting of the CoP will take place in November and is expected to have the negotiating text after the four weeks of preparatory meetings and a series of special workshops. Privately, veteran negotiators from Umbrella Group wonder how they will manage the accelerated work plan and make quality decisions. They once worried that they were going too slow and making poor decisions along the way because the key issues were delegated up to ministers for late night and last minute rulings. Cutting corners at this speed and at this stage in the development of the flexibility mechanisms and the compliance regime could well invite disaster.

Ministerial session

- The ministerial statement portion of the meeting was uneventful, as ministers were not asked to make in camera decisions or resolve problems created by negotiators. The statements by ministers (some 110 statements at 3 minutes each) contributed to reassuring Parties that actions are already underway in many countries to reduce GHG emissions. The clear message emerged from the statements that Parties wanted progress now and decisions at CoP-6.
- The Secretary General of the UN did not attend but the speech read on his behalf asked Parties to press on and aim at ratification by 2002 to coincide with the tenth anniversary of the Earth Summit in Rio. Some EU countries picked up on this theme but the Umbrella Group countries declared that entry into force of the Kyoto Protocol should be at the earliest possible date and did not specify a date.
- Argentina announced it would voluntarily take on a reduction commitment but did not want to join Annex B of the Protocol. It pledged to reduce GHG emissions by 2 to 10% from business as usual and specified how the baseline was calculated.
- In the roundtable portion of the ministerial session, non Annex1 countries joined the debate and talked about preparing their national communications and implementing conservation strategies. This was taken as an indication that developing countries

wanted to participate in reducing emissions and needed to build the "capacity" to do so. The Buenos Aires Plan of Action would allow them such opportunities.

Kyoto Mechanisms

The text produced by the Secretariat last summer (the Second Synthesis of Proposals) will be augmented by further submissions and consolidated into a basic text for further negotiations next June and September. The language adopted by CoP-5 makes it clear that the text will be the negotiating text and specifies that there will be inter-session meetings and workshops "to assist in undertaking preparatory work for the CoP-6". CoP-6 will consider the consolidated text as a basis for further negotiations on principles, modalities, rules and guidelines, with priority given to the clean development mechanism and with a view to taking decisions on all mechanisms under Articles 6, 12 and 17. In fact, the consolidated text will need considerable discussion before agreement can be reached at CoP-6. A range of views exists on almost all aspects of CDM and Parties did not discuss issues at length at this meeting. However, the messages from the inter-session meetings held since the tenth meeting of the subsidiary bodies in June 1999, including the ministerial meeting in Ottawa in October, made it clear to developing countries that CDM is not official development assistance (ODA). CDM is largely investment from the private sector where a rate of return and value are required. If the projects do not generate profits and provide value, no investments will be made.

Sinks

The key issue in sinks is that not all sinks are included in the Protocol and depending on what is finally included, some Parties could meet their target commitments. This could tilt the playing field in terms of trade. Because of this, the politics behind the issue of sinks are becoming more apparent. Japan placed a reservation on the language of the draft conclusion on the basis of the words "initial decision". The language of the final CoP decision is stronger than in past sessions and requests an initial decision from CoP-6. This makes the path to further decisions by subsequent meetings of the CoP more manageable.

Technology transfer

The development and transfer of technologies is identified as an obligation of the Annex II Parties to the Framework Convention and has been reaffirmed in the Kyoto Protocol. The central issue is the term "transfer". What does it mean to "transfer" technology? Who will bear the costs and will the "transfer" be facilitated? The consultative process established at CoP-4 and the workshops held subsequently underscored that technology is owned by the private sector and it is not the prerogative of governments to provide technology at low/no cost. Two more workshops are planned next year and a final report from the consultations will be developed for CoP-6. There seems to be a consensus on the importance of the goal of technology development and transfer. However, the issue may eventually be linked to efforts to support capacity building in developing countries and may be linked to activities to facilitate, promote and finance the transfer or sale of environmentally sound technologies to developing countries. This issue will evolve further at future sessions.

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.

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

those nation's emissions would have been in the absence of a target. The Argentine proposal of tying the target to economic growth and commodity prices has merit in this regard, but must be carefully and critically scrutinized. Scrutiny should ensure that other factors, such as endogenous improvements in energy efficiency and fuel mix are also factored into the target. Targets can be set at levels that benefit Argentina and Kazakhstan, but only due to increased international investment in emission reductions.

One mechanism that could potentially be used to accommodate the Argentinian floating target is to treat the target the baseline in a CDM project (the project being the Argentine economy). However, whatever mechanism Argentina or Kazakhstan proposes, they should be subject to equivalent reporting and monitoring regime as Annex B nations.

LULUCF

Canada needs to, in the build up to COP6, re-assess its position on sinks. In the absence of full information on how different methodologies might impact on the efficacy of the Kyoto Protocol (i.e. to what extent will proposed approaches allow counting of non-additional sequestration) addition of new activities under 3.4 is irresponsible. It is also possible that a hurried, ill-thought addition of new activities under 3.4 could increase the stringency of Canada's target in much the same way as Article 3.3 appears to. However, it is unclear whether the current workplan can accommodate adequate consideration of the implications of adding additional activities using various methodologies and definitions, prior to COP6. Given the likely inability to add additional activities in both a rational way and within a timeframe that accommodates ratification by 2002, the ENGO community believes no new additional activities should be added until the Second Commitment Period.

Adequacy of Commitments

The inability to even get review of the adequacy of existing commitments on the agenda at COP5, represented the biggest failure at COP-5. A review of adequacy of commitments tied to the Third Assessment Report is essential. Canada should show flexibility in order to overcome developing nations' concerns that binding targets will limit their development.

- The Subsidiary Bodies should be required to outline and assess different models for the allocation of global emissions (this issue will need to be addressed in some way if some key developing countries are to adopt future emission reduction obligations).
- SBSTA should be required to identify the issues and factors relevant to a definition of what constitutes "dangerous" anthropogenic interference with the climate (this is required to determine what level of commitments ultimately will be required and only governments can do this),

Canada should also explore other innovative ways to break the impasse between the developing and developed world. Consideration should be given to a small fee on JI and emission trading transactions that could be used to fund capacity building and mitigation in the developing world.

National Reporting

The ENGO community believes proposals for adjusting national inventories with default emission factors are worthy of further consideration. However, if the primary purpose of the inventories is to trigger compliance responses, (in particular restrictions on AAU sales where a nation is out of compliance with reporting mechanisms) it will be essential that the default factors represent the absolute high end of potential emissions. Otherwise, nations would be encouraged to compare actual emissions against defaults and use the default wherever it is lower.

Other

To fulfill the Buenos Aires Plan of Action, all nations, including Canada, must carefully assess whether existing positions and alternate positions will ensure environmental effectiveness of the Kyoto Protocol. In addition to the issues raised above, it is important to focus on the following key issues.

- Rules ensuring that the CDM is a credible, effective mechanism. To ensure credibility it is essential that certified emission reductions represent emission reductions that would not have occurred in the absence of the CDM. In the opinion of the ENGO community, the setting of project by project baselines with no limits on the types of project acceptable under the CDM is unlikely to ensure additionality. The setting of stringent benchmarks for a limited range of project types that are "additional" in the vast majority of cases is likely to be far more effective in ensuring the environmental integrity of the CDM.
- Rules ensuring that the methods for calculating JI emission reduction units are rigorous and credible. Because ERU vendors may be permitted to sell ERUs when their nation is out of compliance with reporting requirements, rigorous rules for ERU creation are essential to guard against nations "end-running" restrictions on emissions trading that will almost certainly exist when a nation is out of compliance with reporting requirements. As noted above, use of default factors will not solve this problem unless they represent the upper limit of possible emissions.
- Rules for the sharing of liability between buyers and sellers that ensure that emissions trading does not reduce the environmental effectiveness of the Kyoto Protocol. Rules must avoid the risk that cash strapped nations or nations with poor domestic monitoring systems will oversell their emission rights. The international system is likely to react too slowly to effectively restrict overselling. And the nations most likely to oversell (Russia and the Ukraine) are unlikely to have the economic wherewithal to remedy non-compliance through trading. Thus, it appears that the only way to ensure trading does not reduce the Protocol's effectiveness is through a joint buyer/seller responsibility approach to emissions trading.
- Rules to effect the "supplementarity" requirements. Although only Articles 6 and 17 specifically deal with supplementarity, in order for the Kyoto Protocol to provide an effective incentive for new technologies and shifts in energy production and consumption patterns, it is essential that all flexibility mechanisms be supplemental to domestic action.
- Rules clarifying that investments under the CDM, trading in emission rights, or domestic restrictions or taxes on the purchase of emission rights, CERs or ERUs are not subject to existing or future international agreements on trade or investment.

Environmental groups will want to be actively involved in the development of Canada's positions on these issues and encourage Canada to play a leading role in ensuring that the Kyoto mechanisms do not simply become 'loopholes' that weaken the environmental integrity of the Protocol.

Finally, we would like to emphasize that the fact that the Kyoto Protocol (in particular, the Kyoto mechanisms) will not be fully elaborated until COP-6 in no way should be used as a rationale for delaying the design and implementation of Canada's domestic climate change action plan. The government has been clear that Canada will meet the majority of its Kyoto obligations through actions at home. If we are to meet this objective, meaningful action is required immediately.

This report was prepared by Chris Rolfe (West Coast Environmental Law Association)

Rapport de la reunion des pays de la francophonies

Subject: AEC0123; Coopération avec les pays francophones dans le cadre des négociations sur le Changement Climatique: activités récentes et programme d'activités

Sommaire: AEC a participé a récemment participé à cinq rencontres reliées à notre stratégie d'engagement des pays francophones dans le cadre des négociations sur le Changement Climatique. Ces rencontres ont été organisées en collaboration avec le gouvernement français et l'Institut de l'énergie et de l'environnement de la Francophonie (IEPF), avec la participation de représentants du gouvernement du Québec, et se sont réalisées autour de la tenue de la 5ième Conférence des Parties (CdP) de la Convention Cadre des Nations Unies sur le Changement Climatique (CCNUCC). Un peu plus d'une cinquantaine de pays francophones d'Organisations Internationales (OI) et d'Organisations Non Gouvernementales (ONG) ont participé aux rencontres les plus importantes. Ces dernières ont permis de renforcer le dialogue politique avec les pays participants, notamment avec les pays d'Afrique francophone, ainsi que d'élaborer un programme d'activités conjointes d'ici la tenue de la 6ième CdP de la CCNUCC, du 13 au 24 novembre 2000. La participation des pays africains est essentielle au succès de la 6ième CdP, laquelle est une étape cruciale dans la mise en œuvre de la CCNUCC.

2. Rapport: Faisant suite au désir des pays francophones d'améliorer leur capacité à suivre l'évolution des négociations reliées à la CCNUCC et à mettre en oeuvre rapidement chez eux les éléments pertinents de la Convention, le Canada, la France et l'IEPF ont réalisé une série de rencontres autour de la tenue de la CdP5.

3. La première rencontre s'est déroulée à Paris le 22 octobre dernier. La rencontre avait pour thème la préparation de la CdP 5, laquelle devait se dérouler du 25 octobre au 5 novembre à Bonn. La rencontre a été organisée par la Mission interministérielle française de l'effet de serre (MIES) et l'IEPF présidée par le Canada. Un quinzaine de pays francophone ont participé, ainsi que le gouvernement du Québec et deux OI. La rencontre a permis aux trois groupes de négociations formels de la CCNUCC (Union Européenne, Groupe Parapluie et Groupe des 77) de présenter leur positions sur les thèmes de discussions à être abordées lors de la CdP5, puis d'entamer des échanges informels sur celles-ci. Les discussions ont mis en évidence l'importance accordée par les pays francophones du G-77 au renforcement des capacités et aux transferts de technologies, ainsi que sur leur besoins en matière de préparation pour l'adaptation aux impacts du Changement Climatique. Elles ont souligné la perception chez les G-77 que la phase pilote des Activités Mises en Oeuvre Conjointement (AIJ en anglais) de la CCNUCC n'avait été que peu satisfaisante pour l'Afrique en raison du peu de projets réalisés, laissant entrevoir des doutes sur la possibilité du Mécanisme de Développement Propre (MDP) d'être l'unique véhicule apte à satisfaire tous les besoins des pays les moins démunis face au défi du Changement Climatique. La rencontre a conclu à la pertinence du dialogue politique entre pays francophones membres de différents groupes de négociations, ainsi que l'utilité de préparer un programme de rencontres et d'ateliers devant conduire à la CdP 6 en novembre 2000. Une première ébauche de programme de travail comprenant trois ateliers (Communications Nationales, Mécanismes de Kyoto (prévu au Maroc), formulation de projets) et une série de rencontres préparatoires et en marge des négociations sur la CCNUCC fut alors préparé.

4. Un deuxième série de quatre rencontres, convoqués par le Canada en tant que hôte du dernier sommet de la Francophonie, sont déroulées en marge de la CdP5. La première rencontre a eu lieu jeudi le 28 octobre et a rassemblé une cinquantaine de pays francophones, d'Organisations internationales et d'ONG, ainsi que le Québec dans le cadre de la délégation canadienne. La rencontre avait pour objectifs de présenter les résultats de la rencontre de Paris, de faire un bilan de l'avancement des négociation de la CdP 5 à ce jour et de présenter l'ébauche de programme de travail pour l'années à venir. L'assemblée a appuyé les conclusions de la rencontre de Paris

mais la présentation de l'ébauche de programme a donné lieu à un débat long et animé. Les délégués africains francophones ont souhaité ajouter un atelier sur la formulation de politiques et de stratégies de négociations face au Changement Climatique qui tiendraient compte des particularités de leurs pays au plan culturel, social et économique. Plus particulièrement, on souhaitait ne pas limiter l'atelier prévu au Maroc à une présentation sur les Mécanismes de Kyoto mais l'étendre au champ des discussions sur les politiques et stratégies de négociations. L'assemblée a alors convenu de constituer un groupe de travail afin de préparer une proposition de programme de travail. La rencontre du groupe de travail a donné lieu à son tour à un vif débat sur les objectifs de l'atelier du Maroc. Le groupe de travail s'est à son tour subdivisé en deux sous-groupes de travail, l'un portant sur la composante relative aux mécanismes de Kyoto et l'autre sur les politiques et stratégies de négociations. Plusieurs sessions de travail ont permis de formuler un programme de travail pour l'an 2000 qui satisfaisait aux attentes de chacun. Le programme fut présenté le 01 novembre à l'assemblée des pays francophones, Organisations Internationales et ONG, et approuvée par tous après une discussion soutenue qui a apportée les correctifs nécessaires.

5. Le programme de travail approuvé comprend les éléments suivants:

a) Atelier régional sur la préparation des communications nationales des pays francophones non annexe 1

L'atelier se déroulera du 19 au 21 janvier 2000 à Dakar, Sénégal, et sera organisé sous l'égide du Programme des Nations Unies pour le Développement. La venue d'un délégué par pays francophone africain sera défrayé par le PNUD alors que la France a offert de financer la venue de délégués francophones des pays non annexe 1 d'Amérique et d'Asie. Des observateurs des pays de l'annexe 1 seront invités. L'atelier offrira une présentation du cadre formel de la préparation des Communications nationales, un bilan de l'expérience acquise dans la préparation des inventaires nationaux dans les pays non annexe 1, des études de cas de communications nationales en Afrique francophone, une session sur la formulation de stratégies nationales pour la mise en oeuvre des politiques et mesures proposées dans les communications nationales ainsi que des ateliers sur l'identification des besoins de renforcement des capacités pour les pays africains pour la préparation des communications nationales.

b) Atelier sur les politiques et stratégies de négociations dans le cadre du Changement Climatique et l'identification de projets dans le cadre des Mécanismes de Kyoto

L'atelier se déroulera à Marrakech, Maroc, du 29 février au 03 mars 2000, et sera organisé conjointement par le Maroc, l'IEPF, la France et le Canada. Pour l'instant, deux délégués par pays africain francophone sont prévus, bien que l'extension de l'invitation aux pays francophones d'Amérique et d'Asie soit à l'étude. L'atelier comprendra trois sessions. La première portera sur le bilan de la CdP 5, une seconde sur des présentations sur les mécanismes de Kyoto et l'identification sectorielle de projets MDP potentiels, et une troisième sur l'élaboration d'une stratégie de négociation pour la CdP 6 pour les pays participants. Une participation active de la Belgique, de la Suisse, du Luxembourg et de Monaco est recherchée.

c) Atelier sur la formulation de projets dans le cadre du Mécanisme de Développement Propre (MDP)

L'atelier se déroulera possiblement à Québec, en juillet, et sera organisé conjointement par le Québec et le Canada, avec l'appui de la France et de l'IEPF. Cet atelier est conçu comme une suite à l'atelier précédent, où les pays participants présenteront et évalueront les projets MDP nationaux identifiés à Marrakech.

d) Sessions préparatoires aux négociations de la CCNUCC

Une session préparatoire d'une journée est planifiée avant la tenue de chaque négociation majeure, afin de présenter les positions des différents groupes de négociations sur les thèmes à venir et d'échanger informellement sur ceux-ci. Trois réunions sont prévues, soit avant chaque rencontre des Groupes Subsidiaires de juin et de septembre 2000 à Bonn, ainsi qu'avant la CdP6 à La Haye. Les rencontres, organisées par la France, le Canada et l'IEPF, se dérouleront un jour avant le début des négociations.

e) Sessions bilan en marge des négociations de la CCNUCC

Une ou des sessions seront organisées en marge des rencontres des Groupes Subsidiaires afin de permettre de faire le point sur l'avancement des négociations et favoriser un échange informel entre pays francophones. Ces rencontres seront convoquées par le Canada, en tant que président actuel du groupe des pays francophones.

6) *Conclusion*: Le dialogue politique entre les pays francophones impliqués dans les négociations sur la CCNUCC a permis non seulement d'éclaircir les positions réciproques mais également de définir des convergences sur des sujets complexes et controversés comme l'utilisation des puits dans le cadre des projets MDP et le renforcement des capacités institutionnelles en fonction des défis posés par le Changement Climatique. De plus, des actions concrètes devant favoriser la mise en oeuvre de la CCNUCC ont été définies. Enfin, les activités entreprises ont renforcé la concertation et la solidarité entre pays francophones dans un dossier aux implications multiples. Le programme d'activité prévu pour l'an 2000 devrait assurer une participation active des pays francophones à la CdP 6 et une convergence accrue des positions entre les différents groupes de négociations.

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CONFERENCE OF THE PARTIES

REPORT OF THE CONFERENCE OF THE PARTIES ON ITS FIFTH SESSION,
HELD AT BONN FROM 25 OCTOBER TO 5 NOVEMBER 1999

Addendum

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
AT ITS FIFTH SESSION

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Decision 1/CP.5

Implementation of the Buenos Aires Plan of Action

The Conference of the Parties,

Recalling its decision 1/CP.4, by which it expressed its determination to strengthen the implementation of the United Nations Framework Convention on Climate Change and prepare for the future entry into force of the Kyoto Protocol and to maintain political momentum towards these aims,

Further recalling its resolve to demonstrate substantial progress on each of the issues encompassed by the Buenos Aires Plan of Action in accordance with their respective time-frames,

Encouraged by the substantial progress achieved in the work specified in the Buenos Aires Plan of Action,

1. *Resolves* to continue this work in the spirit of progress demonstrated at its current session;
2. *Requests* its subsidiary bodies to intensify the preparatory work required to enable it to take decisions at its sixth session on issues included in the Buenos Aires Plan of Action;
3. *Requests* its President, with the assistance of the Bureau, to provide guidance to the subsidiary bodies; to take all necessary steps to intensify the negotiating process on all issues; and to recommend an effective organization of the work of its sixth session, in order to provide the basis for the decisions to be taken at that session, as called for in the Buenos Aires Plan of Action, with the aim, *inter alia*, of bringing the Kyoto Protocol into force as early as possible;
4. *Invites* all Parties to contribute to this preparatory work, substantively and, as appropriate, financially, *inter alia* to support adequate participation of developing countries, in particular the least developed countries and the small island developing states;
5. *Requests* the Executive Secretary to make the necessary arrangements and provide substantive support for this intensified work programme.

*8th plenary meeting
4 November 1999*

Decision 2/CP.5

Date and venue of the sixth session of the Conference of the Parties

The Conference of the Parties,

Recalling Article 7.4 of the United Nations Framework Convention on Climate Change,

Recalling General Assembly resolution 40/243 of 18 December 1985 entitled Pattern of conferences,

Having received an offer from the Kingdom of the Netherlands to host the sixth session of the Conference of the Parties in The Hague and to cover the related costs,

1. *Accepts with gratitude* the generous offer of the Kingdom of the Netherlands to host the sixth session of the Conference of the Parties;
2. *Decides* that the sixth session of the Conference of the Parties shall be held in The Hague, the Netherlands, from 13 to 24 November 2000;
3. *Requests* the Executive Secretary to conclude a host country agreement with the Government of the Netherlands on arrangements for the sixth session of the Conference of the Parties.

*9th plenary meeting
4 November 1999*

Decision 3/CP.5

Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories

The Conference of the Parties,

Recalling the relevant provisions of the United Nations Framework Convention on Climate Change, in particular Article 4, Article 10.2 and Article 12,

Recalling its decision 3/CP.1 on preparation and submission of national communications from Parties included in Annex I to the Convention, 4/CP.1 on methodological issues, 9/CP.2 on communications from Parties included in Annex I to the Convention: guidelines, schedule and process for consideration and 11/CP.4 on national communications from Parties included in Annex I to the Convention,

Recognizing that anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol should be reported in a transparent, consistent, comparable, complete and accurate way,

Noting that the revised guidelines for the preparation of national communications by Parties included in Annex I to the Convention, annexed to decision 9/CP.2, need to be updated to improve the transparency, consistency, comparability, completeness and accuracy of the reported national greenhouse gas inventories and other information,

Noting the ongoing process of improvement in guidance to Parties on the reporting of greenhouse gases inventories, in particular the work of the Intergovernmental Panel on Climate Change related to good practice in national inventory preparation, including managing uncertainty,

1. *Adopts* the guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories;¹

2. *Decides* that Parties included in Annex I to the Convention should use these UNFCCC guidelines on annual inventories for reporting inventories due by 15 April each year, beginning in the year 2000;

¹ See FCCC/CP/1999/7.

3. *Invites* Parties included in Annex I to the Convention to submit separately, by 1 July 2001, information to the secretariat on experiences with using these guidelines, in particular the common reporting format, in the years 2000-2001;

4. *Requests* the secretariat to prepare a report on the use of these guidelines, in particular the common reporting format, taking into account, *inter alia*, experiences gained by Parties in using the guidelines, and by the secretariat in processing the common reporting format, and input from the Intergovernmental Panel on Climate Change, for consideration by the Subsidiary Body for Scientific and Technological Advice at its fifteenth session in considering possible revisions to these guidelines;

5. *Decides* that revisions to these guidelines, particularly the common reporting format, shall be considered by the Subsidiary Body for Scientific and Technological Advice at its fifteenth session with a view to submitting a decision for adoption by the Conference of the Parties at its seventh session.

*9th plenary meeting
4 November 1999*

Decision 4/CP.5

Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications

The Conference of the Parties,

Recalling the relevant provisions of the United Nations Framework Convention on Climate Change, in particular Articles 4, 6, 7.2, 9.2(b), 10.2, and 12 thereof,

Recalling its decisions 9/CP.2 and 11/CP.4 on national communications from Parties included in Annex I to the Convention,

Having considered the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice and of the Subsidiary Body for Implementation,

Noting that the revised guidelines for the preparation of national communications by Parties included in Annex I to the Convention annexed to decision 9/CP.2 need to be updated to improve the transparency, consistency, comparability, completeness and accuracy of the information reported,

1. *Adopts* the guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications;¹
2. *Decides* that Parties included in Annex I to the Convention (Annex I Parties) should use Part II of the UNFCCC reporting guidelines for the preparation of their third national communications due by 30 November 2001, in accordance with decision 11/CP.4;
3. *Requests* Annex I Parties to provide a detailed report on their activities in relation to systematic observation, in accordance with the UNFCCC reporting guidelines on global climate observing systems adopted by decision 5/CP.5, in conjunction with their national communications;
4. *Urges* those Annex I Parties that have not submitted their first or second national communications, including those that were included in Annex I by decision 4/CP.3, to do so as soon as possible;

¹ See FCCC/CP/1999/7.

5. *Urges* Parties included in Annex II to the Convention to assist Annex I Parties with economies in transition, through appropriate bilateral or multilateral channels, with technical aspects of the preparation of national communications.

*9th plenary meeting
4 November 1999*

Decision 5/CP.5

Research and systematic observation

The Conference of the Parties,

Recalling Articles 4.1(g), 4.1(h) and 5 of the United Nations Framework Convention on Climate Change,

Recalling also its decisions 8/CP.3, 2/CP.4, and 14/CP.4,

1. *Recognizes* the need to identify the priority capacity-building needs related to participation in systematic observation;
2. *Invites* the secretariat of the Global Climate Observing System, in consultation with relevant regional and international bodies, including the Global Environment Facility, to organize regional workshops on this issue;
3. *Urges* Parties to actively support and participate in these regional workshops;
4. *Invites* the secretariat of the Global Climate Observing System to continue to assist and facilitate the establishment of an appropriate intergovernmental process to identify the priorities for action to improve global observing systems for climate and options for their financial support;
5. *Requests* the secretariat of the Global Climate Observing System to report on this matter to the Subsidiary Body for Scientific and Technological Advice at its twelfth session;
6. *Urges* Parties to address deficiencies in the climate observing networks and invites them, in consultation with the secretariat of the Global Climate Observing System, to bring forward specific proposals for that purpose and to identify the capacity-building needs and funding required in developing countries to enable them to collect, exchange and utilize data on a continuing basis in pursuance of the Convention;
7. *Adopts* the UNFCCC reporting guidelines on global climate observing systems;¹

¹ See FCCC/CP/1999/7.

8. *Invites* all Parties to provide detailed reports on systematic observation in accordance with these guidelines, for Parties included in Annex I to the Convention in conjunction with their national communications, pursuant to decision 4/CP.5, and on a voluntary basis for Parties not included in Annex I;

9. *Invites* the Convention secretariat, in conjunction with the secretariat of the Global Climate Observing System, to develop a process for synthesizing and analysing the information submitted in accordance with the UNFCCC reporting guidelines on global climate observing systems.

*9th plenary meeting
4 November 1999*

Decision 6/CP.5

**Guidelines for the technical review of greenhouse gas inventories
from Parties included in Annex I to the Convention**

The Conference of the Parties,

Recalling the relevant provisions of the United Nations Framework Convention on Climate Change, in particular Articles 4 and 7 thereof,

Recalling its decision 11/CP.4 on national communications from Parties included in Annex I to the Convention,

Having considered the relevant recommendations of the Subsidiary Body for Implementation,

Recognizing the need to enhance the in-depth review of greenhouse gas inventories,

1. *Adopts* for a trial period covering inventory submissions due in 2000 and 2001 the guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention;¹

2. *Requests* the secretariat to conduct annual initial checks and an annual synthesis and assessment of greenhouse gas inventories for all Parties included in Annex I to the Convention (Annex I Parties) beginning in 2000, in accordance with the above-mentioned guidelines for the technical review;

3. *Requests* the secretariat to conduct, during the trial period, individual reviews of the greenhouse gas inventories for a limited number of Annex I Parties which have volunteered to be reviewed, in accordance with the above-mentioned guidelines for the technical review;

4. *Requests* the secretariat to use different approaches to individual reviews by coordinating specifically:

(a) Five to seven desk reviews per year and two centralized reviews per year, each covering five to ten inventories, and

(b) Three or four in-country reviews per year;

¹ See FCCC/CP/1999/7.

5. *Requests* the secretariat to produce a report on the technical reviews, assessing, *inter alia*, the advantages and disadvantages of different approaches, including human and financial resource requirements, for consideration by the Subsidiary Body for Implementation (SBI) as soon as practicable after the end of the trial period;
6. *Requests* the SBI to evaluate, on the basis of the secretariat report, the experience with the technical review, with a view to adopting revised guidelines for the technical review of inventories at the eighth session of the Conference of the Parties;
7. *Invites* Annex I Parties which are in a position to do so to volunteer to subject their inventories to an individual review during the trial period and to designate a government focal point for the coordination of the review;
8. *Urges* Annex I Parties to facilitate the review of their inventories by responding to the secretariat's requests for additional information or comments in a timely manner;
9. *Encourages* Parties to ensure that experts participating in the technical review of inventories have adequate time and, as appropriate, financial support to participate in the reviews;
10. *Requests* the secretariat to report to the SBI, at its thirteenth session, on progress with the implementation of this decision;
11. *Decides* to initiate the individual review of inventories for all Annex I Parties in 2003.

*9th plenary meeting
4 November 1999*

Decision 7/CP.5

First compilation and synthesis of initial communications from Parties not included in Annex I to the Convention

The Conference of the Parties,

Recalling the relevant provisions of the United Nations Framework Convention on Climate Change, in particular its Articles 4.1 and 10.2(a) and Article 12.1, 12.4, 12.5, 12.6 and 12.7,

Recalling also its decisions on initial communications from Parties not included in Annex I to the Convention (non-Annex I Parties), in particular decisions 10/CP.2, 11/CP.2, and 12/CP.4,

Noting that, pursuant to decision 10/CP.2, the national and regional development priorities, objectives and circumstances of non-Annex I Parties should, in accordance with Article 4.1 of the Convention and provisions of Article 3 and Article 4.3, 4.4, 4.5, 4.7, 4.8, 4.9 and 4.10 of the Convention, be taken into account by the Conference of the Parties in considering matters related to their initial communications,

Noting that, from its first session onward, in accordance with Article 12.7 of the Convention, the Conference of the Parties has arranged for the provision to developing country Parties of both technical and financial support, on request, in compiling and communicating information under that Article, as well as in identifying the technical and financial needs associated with proposed projects and response measures under Article 4 of the Convention,

Having considered the first compilation and synthesis of initial communications from Parties not included in Annex I to the Convention,¹ prepared by the secretariat pursuant to decision 12/CP.4,

Having considered the relevant recommendations of the Subsidiary Body for Implementation,

1. *Requests*, in accordance with Article 12.5 of the Convention, each Party not included in Annex I to the Convention which has not made its initial communication within three years of the entry into force of the Convention for that Party, or of the availability of financial

¹ See FCCC/SBI/1999/11.

resources in accordance with Article 4.3 of the Convention, to do so as soon as possible, it being understood that Parties that are least developed countries may make their initial communications at their discretion;

2. *Requests* the Convention secretariat:

(a) To prepare the second compilation and synthesis of initial national communications from Parties not included in Annex I to the Convention (non-Annex I Parties), based on submissions received from such Parties by 1 June 2000, and to make that report available to the subsidiary bodies with a view to its consideration by the Conference of the Parties at its sixth session;

(b) In preparing that compilation and synthesis, to report on problems encountered in using the guidelines for the preparation of initial national communications by non-Annex I Parties, and on other issues raised by non-Annex I Parties, with a view, among other things, to enhancing further the comparability and focus of the communications;

3. *Concludes*, with respect to the reporting of information by non-Annex I Parties that have submitted their initial national communications, that:

(a) Non-Annex I Parties are fulfilling their commitments under Article 4.1(a) of the Convention to make available to the Conference of the Parties national inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol;

(b) Non-Annex I Parties are generally following the UNFCCC guidelines with a varied level of detail across the different communications;

4. *Concludes* that, in view of the problems encountered in the preparation of initial national communications, namely difficulties relating to the quality and availability of data, emission factors and methodologies for the integrated assessment of the effects of climate change and impacts of response measures, there is a need for maintaining and enhancing national capacities in non-Annex I Parties for the preparation of national communications;

5. *Concludes* that, although limitations have been encountered, the current guidelines facilitate reporting by Parties; that Parties have found ways to overcome these problems by providing additional information, particularly in relation to greenhouse gas inventories; and that further analysis of the problems in the use of the guidelines will be required when additional national communications are submitted;

6. *Concludes*, with respect to the implementation of the Convention by non-Annex I Parties, that, as described in the first compilation and synthesis of initial communications from Parties not included in Annex I to the Convention,² the reporting Parties are taking measures to address climate change and its adverse impacts.

*9th plenary meeting
4 November 1999*

² See footnote 1 above.

Decision 8/CP.5

Other matters related to communications from Parties not included in Annex I to the Convention

The Conference of the Parties,

Recalling the relevant provisions of the United Nations Framework Convention on Climate Change, in particular its Articles 4.1, 4.3, 4.7, 10.2(a), 12.1 and 12.5,

Recalling also its decisions on communications from Parties not included in Annex I to the Convention (non-Annex I Parties), in particular decisions 10/CP.2, 11/CP.2, 2/CP.4 and 12/CP.4,

Reaffirming that the Global Environment Facility should provide funding for developing country Parties which are particularly vulnerable to the effects of climate change, for activities related to the assessment of vulnerability and adaptation options, in accordance with decisions 10/CP.2 and 2/CP.4,

Having considered the views of Parties on the provision of financial and technical support, on matters related to the consideration of communications from non-Annex I Parties and the timing of second national communications,¹

Drawing attention to paragraph 1 (d) of decision 11/CP.2 on guidance to the Global Environment Facility, in which it is stated that the preparation of national communications is a continuing process,

Noting the concern expressed by non-Annex I Parties that lack of support for activities subsequent to the submission of national communications has seriously disrupted the implementation of the Convention at the national level,

Encouraging non-Annex I Parties to complete and submit their initial national communications, keeping in mind the timetable set in Article 12.5,

Reiterating the importance of sharing national experience in the preparation of national communications by non-Annex I Parties,

¹ See FCCC/SBI/1999/MISC.3, FCCC/SBI/1999/MISC.4 and Add.1.

Noting further the importance of providing a forum for non-Annex I Parties to share national experience in the preparation of their national communications,

Reiterating the primary importance of providing financial and technical support for the preparation of such national communications,

1. *Decides:*

(a) That the consideration of national communications from Parties not included in Annex I to the Convention (non-Annex I Parties) shall be carried out in accordance with the relevant provisions of decision 12/CP.4;

(b) That the guidelines for the preparation of initial national communications by non-Annex I Parties contained in the annex to decision 10/CP.2, together with the guidance provided to the operating entity of the financial mechanism given in decision 11/CP.2, shall continue to be valid for all initial national communications;

(c) That a process of reviewing the guidelines for the preparation of national communications shall be initiated with the aim of improving them by the seventh session of the Conference of the Parties, taking into account information on the use of the guidelines contained in the compilation and synthesis report comprising a representative and meaningful number of national communications from non-Annex I Parties;

(d) That all Parties that have submitted their initial national communications before the adoption of revised guidelines for national communications, and wish to start the preparation of their second national communications before the seventh session of the Conference of the Parties, may do so using the initial guidelines; that the Global Environment Facility (GEF) shall provide funding for the preparation of the second national communications of such Parties, following the guidance to the GEF set out in decisions 11/CP.2 and 2/CP.4; and that Parties which start to prepare their second national communications after adoption of the revised guidelines shall use the revised guidelines;

2. *Decides further* that the frequency of submission of national communications by non-Annex I Parties shall be determined at its seventh session; for this purpose, adequate information from the operating entity of the financial mechanism on the effective availability of financial resources to non-Annex I Parties and the timing of disbursement of these resources to developing countries for the preparation of initial national communications will be necessary to determine the timetable for non-Annex I Party submissions, in accordance with Article 4.3 of the Convention;

3. *Decides also* to establish a consultative group of experts on national communications from Parties not included in Annex I to the Convention with the objective of improving national communications from non-Annex I Parties, in accordance with the annex to this decision;

4. *Decides* to reconsider the terms of reference of the consultative group of experts at its seventh session;

5. *Requests* the Convention secretariat to facilitate the work of the consultative group of experts in accordance with Article 8.2(c) of the Convention and decision 10/CP.2, paragraph 1 (a), by:

(a) Coordinating meetings of the consultative group of experts and compiling reports on its regional workshops and meetings for consideration by the subsidiary bodies;

(b) Making information on those experts, by expertise and region, available on the roster of experts on the UNFCCC web site, indicating their role as experts on non-Annex I Party communications;

(c) Exploring ways to enhance communication among those experts, including through the development of an electronic bulletin board where appropriate;

6. *Invites* the GEF to include in the report on its activities to the Conference of the Parties at its sixth session specific references to the implementation of decisions 2/CP.4 and 10/CP.2.

*9th plenary meeting
4 November 1999*

Annex

**TERMS OF REFERENCE OF THE CONSULTATIVE GROUP OF EXPERTS
ON NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED
IN ANNEX I TO THE CONVENTION**

1. The consultative group of experts on national communications from Parties not included in Annex I to the Convention (non-Annex I Parties) shall have the objective of improving the process of preparation of national communications by non-Annex I Parties.
2. The consultative group shall be composed of experts drawn from the roster of experts with expertise in greenhouse gas inventories, vulnerability assessment and adaptation, abatement issues and preparation of national communications.
3. The experts shall be appointed as follows: five experts from Africa, five experts from Asia, five experts from Latin America and the Caribbean and six experts from Annex I Parties. The experts representing each developing region shall be appointed by the Parties from that region in order to ensure geographical balance. The experts from Annex I Parties shall be appointed by the Parties included in Annex I to the Convention. In addition, up to three experts from organizations with relevant experience shall be selected by the secretariat to participate in the group. The Chairmen of the subsidiary bodies shall be notified of these appointments.
4. The consultative group shall meet twice in the year 2000, each time immediately prior to meetings of the subsidiary bodies.
5. The consultative group of experts shall be mandated to:
 - (a) Exchange experience and information on the preparation of national communications, including consideration of subregional experience, through the meetings referred to in paragraph 4 above and paragraph 7 below, on the basis of agendas to be decided by consultation among the participants at each level of meetings;
 - (b) Consider, as appropriate, the needs for and availability of financial resources and technical support, and the identification of barriers to and gaps in this support;
 - (c) Consider, as appropriate, information in national communications from non-Annex I Parties in accordance with the guidelines for the preparation of initial national communications by Parties not included in Annex I to the Convention contained in the annex to decision 10/CP.2;

(d) Review existing activities and programmes to facilitate and support the preparation of national communications by non-Annex I Parties with a view to identifying gaps and making recommendations to better coordinate these activities and programmes in order to enhance the preparation of national communications;

(e) Identify the difficulties encountered by non-Annex I Parties in the use of the guidelines contained in the annex to decision 10/CP.2 and in the use of the Intergovernmental Panel on Climate Change (IPCC) methodologies and other models, and make recommendations for improvement where appropriate;

(f) Identify the analytical and methodological issues, including technical problems in the preparation and reporting of greenhouse gas inventories, in particular with respect to the improvement of data collection, the development of local and regional emission factors and activity data, and the development of methodologies, where appropriate, with a view to enhancing the quality of future inventories;

(g) Examine national communications, in particular greenhouse gas inventories, submitted by non-Annex I Parties, with a view to arriving at recommendations on ways of overcoming difficulties in the use of the IPCC methodologies and the UNFCCC guidelines relating to inventories contained in the annex to decision 10/CP.2, and on possible innovations, and produce reports thereon;

(h) Encourage interaction among experts from all Parties.

6. Recommendations of the consultative group on these matters shall be forwarded to the subsidiary bodies for their consideration.

7. Each year there will be one workshop in each of the regions referred to in paragraph 3 above to consider both regional and subregional experience. The five non-Annex I Party experts from their respective regions will conduct these workshops. The agendas for the workshops will be developed by the participating experts, in consultation with the UNFCCC secretariat, and will ensure adequate coverage of the issues identified in paragraph 5 above. Experts/resource persons at these workshops will be drawn from the roster of experts, and limited to an additional 15 experts from the region, and five Annex I Party experts.

8. The secretariat shall coordinate these workshops and facilitate the preparation of a report by the experts on each workshop, which will be made available to the Parties.

Decision 9/CP.5

Development and transfer of technologies: status of the consultative process

The Conference of the Parties,

Recalling the relevant provisions of the United Nations Framework Convention on Climate Change, in particular its Article 4.1, 4.3, 4.5, 4.7, 4.8 and 4.9 and Articles 9.2, 11.1, 11.5, 12.3 and 12.4,

Noting the progress made by the Intergovernmental Panel on Climate Change on its special report on methodological and technological issues in technology transfer,

Having considered the progress report presented by the Convention secretariat on the development and transfer of technologies,¹

Reaffirming its decisions 13/CP.1, 7/CP.2, 9/CP.3, 4/CP.4 and relevant provisions of its decision 1/CP.4 on the Buenos Aires Plan of Action,

1. *Takes note* of the conclusions of the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its eleventh session on the development and transfer of technologies;
2. *Agrees* to extend, until its sixth session, the consultative process referred to in decision 4/CP.4 and to request the Chairman of the SBSTA, with the assistance of the secretariat, to complete the regional workshops by early 2000, resources permitting, and to report on the outcome of the regional workshops in the Asia and the Pacific region and in the Latin America and the Caribbean region at the twelfth session of the SBSTA;
3. *Requests* the Chairman of the SBSTA, with the assistance of the secretariat, to hold a meeting with experts and representatives of Parties before the twelfth session of the SBSTA, resources and time permitting, to consider the progress of the consultative process and the possible elements of a framework for meaningful and effective actions to enhance the implementation of Article 4.5 of the Convention identified by the Chairman;
4. *Invites* the Chairman of the SBSTA to hold consultations among Parties in August 2000 regarding the outcome of the consultative process, resources and time permitting;

¹ See FCCC/SBSTA/1999/11.

5. *Requests* the Chairman of the SBSTA, with the assistance of the secretariat, to make available at the thirteenth session of the SBSTA a report on the outcome of the consultative process incorporating a draft text on a framework for meaningful and effective actions to enhance the implementation of Article 4.5 of the Convention, with a view to adopting a decision at its sixth session;

6. *Invites* Parties not included in Annex I to the Convention that have not already done so to report their technology needs, in their national communications, to the extent possible;

7. *Urges* Parties included in Annex II to the Convention to give particular attention to reporting on technology transfer activities, as specified in part II of the revised guidelines for reporting by Parties included in Annex I to the Convention.

*9th plenary meeting
4 November 1999*

Decision 10/CP.5

Capacity-building in developing countries (non-Annex I Parties)

The Conference of the Parties,

Recalling Article 4.1, 4.3, 4.5, and 4.7, in the context of Article 3, and also Articles 5 (c) and 6 (b) of the United Nations Framework Convention on Climate Change,

Recalling further the provisions relating to capacity-building for developing countries contained in its decisions 10/CP.2, 11/CP.2, 9/CP.3, 2/CP.4, 4/CP.4, 5/CP.4, 6/CP.4, 7/CP.4, 12/CP.4 and 14/CP.4,

Welcoming the submissions by Parties on the subject of capacity-building,¹

Affirming that capacity-building is critical to the effective participation of developing countries in the Convention and Kyoto Protocol processes,

Recognizing the importance of taking stock of existing activities in the field of capacity-building, including the enabling activities of the Global Environment Facility,

Acknowledging that work has begun on implementing provisions for capacity-building contained in decisions 4/CP.4, 7/CP.4 and 14/CP.4, but that substantial work still remains to be done,

Recognizing that the constraints to implementing the Convention in developing countries include the lack of financial resources and appropriate institutions; the lack of access to necessary technologies and know-how, including information technology; and the lack of regular opportunities to exchange information and views among developing countries,

Recognizing also that developing countries, in particular the least developed countries and small island developing States amongst them, because of their vulnerability to the adverse effects of climate change, require special capacity-building initiatives,

Underlining that capacity-building for developing countries must be country-driven, reflecting their national initiatives and priorities, and that it is primarily to be undertaken by developing countries and in developing countries in partnership with developed countries, in accordance with the provisions of the Convention,

¹ See FCCC/SB/1999/MISC.9 and FCCC/SB/1999/MISC.11.

Emphasizing that capacity-building is a continuous process aimed at strengthening or establishing, as appropriate, relevant organizations, institutions and human resources in order to provide expertise in all areas relating to the implementation of the Convention,

Emphasizing further that an integrated approach should recognize the responsibility of individual Parties to promote conditions that are conducive to the development of human, institutional and technical capacity, and that every effort should be made to improve the coordination and effectiveness of existing efforts and promote participation of a wide range of actors and constituencies, including governments at all levels, international organizations, civil society and the private sector,

Emphasizing also the importance of creating an enabling environment for investment, which promotes capacity-building activities in developing countries,

Noting that capacity-building activities are conducted by United Nations agencies, international organizations and bilateral and multilateral institutions, including the Global Environment Facility as an operating entity of the financial mechanism,

1. *Decides* that:

(a) Financial and technical support for capacity-building activities for implementing the Convention in developing countries, in particular the least developed countries and small island developing States, should be provided through the financial mechanism and through bilateral and multilateral agencies, as appropriate;

(b) Capacity-building activities related to the implementation of the Convention and its Kyoto Protocol should take fully into account the provisions of this decision;

(c) Existing capacity-building activities and programmes should be comprehensively assessed to determine their effectiveness and to identify gaps and weaknesses in ongoing efforts, and that the special needs of developing countries should be further elaborated in accordance with this decision, through a country-driven process, so as to take a comprehensive decision at its sixth session;

(d) UNFCCC national focal points or national authorities designated to handle climate change in developing countries should play a key role in the assessment referred to in paragraph 1(c) above and urges Parties included in Annex II to the Convention (Annex II Parties), the secretariat, the Global Environment Facility (GEF) and relevant international organizations to assist in strengthening them for this purpose;

(e) The assessment should consider, *inter alia*, the following ways and means for capacity-building:

- (i) Strengthening the UNFCCC national focal points or national authorities designated to handle climate change;
- (ii) Building expertise and strengthening institutions, including collaborating centres, in developing countries which can undertake capacity-building activities at the national, subregional and regional levels, so as to enable them to collect, analyse and provide information on climate change relevant to policy- and decision-making, using state-of-the-art information technology;
- (iii) Supporting the networking of these institutions among themselves, and between them and relevant institutions in developed country Parties;
- (iv) Using, as appropriate, national experts or consultants to undertake studies and to design, and implement projects at the national level;
- (v) Conducting training, seminars and exchange programmes for the personnel of developing country institutions and of relevant institutions in other developing countries and in developed countries;

2. *Invites* Parties not included in Annex I to the Convention (non-Annex I Parties) to elaborate their specific needs and priorities for capacity-building by 1 March 2000;

3. *Requests* Annex II Parties to supplement the information contained in their national communications on activities and programmes which facilitate capacity-building in developing countries in the area of climate change, by 1 March 2000;

4. *Invites* relevant intergovernmental organizations to provide the secretariat with information on their ongoing capacity-building activities by 1 March 2000;

5. *Requests* the secretariat:

(a) To compile information contained in initial national communications from non-Annex I Parties relating to capacity-building activities, programmes and needs, and to make it available in both printed and electronic formats prior to the twelfth sessions of the subsidiary bodies;

(b) To compile information contained in national communications of Annex II Parties on activities and programmes implemented to facilitate capacity-building in developing countries relevant to the implementation of the Convention, as well as the information referred to in paragraphs 2, 3 and 4 above, and to make it available in both printed and electronic formats prior to the twelfth sessions of the subsidiary bodies;

(c) To further elaborate the specific capacity-building needs and priorities of non-Annex I Parties, taking fully into account the list provided by those Parties and contained in the annex to this decision, and the results of the inter-sessional workshops, including workshops on the consultative process for technology transfer, held prior to the twelfth sessions of the subsidiary bodies;

(d) To develop in accordance with this decision, in close consultation with Parties at the twelfth sessions of the subsidiary bodies, and based on the information compiled and synthesized, elements of a draft framework for capacity-building activities, including elements related to capacity-building emerging from discussions of other issues under the Convention and its Kyoto Protocol, for consideration by the subsidiary bodies at their thirteenth sessions;

(e) To coordinate closely with, and seek the assistance of, the GEF, as an operating entity of the financial mechanism, and the secretariats of relevant United Nations agencies and international organizations, and bilateral and multilateral institutions, in preparing the elements of the draft framework referred to in subparagraph (d) above; to continue to coordinate with these agencies, organizations and institutions regarding their climate change capacity-building activities in support of the implementation of the Convention and its Kyoto Protocol; and in reporting on this coordination, to include information on the financing of these activities, at regular intervals;

(f) To report to the subsidiary bodies, at their twelfth sessions, on progress in the review by the GEF of its enabling activities, its capacity-building activities in its normal work programme, its Country Dialogue Workshops and its Capacity Development Initiative.

*9th plenary meeting
4 November 1999*

Annex

**LIST OF CAPACITY-BUILDING NEEDS OF DEVELOPING
COUNTRY PARTIES¹**

1. **Institutional capacity-building**

- Strengthening of national UNFCCC focal points or national authorities designated to coordinate climate change activities
- Strengthening of relevant and key academic and research institutions and non-governmental organizations

2. **Capacity-building under the clean development mechanism**

- Establishment of institutional linkages required for implementation of the clean development mechanism
- Project identification, formulation and design
- Monitoring, verification, auditing and certification of project activities
- Development of criteria, including for sustainable development indicators, e.g. for adaptation
- Development of baselines
- Project negotiation skills
- Clean development mechanism demonstration projects to enhance capacity-building (learning by doing), including assessment of costs and risks (long- and short-term)
- Data acquisition and sharing

3. **Human resource development**

- Fellowships and scholarships for formal training at higher levels, specialized training and informal training
- Development of a "pool" of expertise and skills
- Studies such as climate change detection and climate variability, impact assessment, vulnerability and adaptation studies, and policy analysis
- Workshops (including workshops to discuss the implementation plan)
- Exchange programmes among Parties
- Integration of climate change into educational curricula
- Networking and coordination at local, national, regional and international levels

4. **Technology transfer**

- Identification and assessment of appropriate technologies
- Appropriate technology information needs, including support for office and other relevant equipment

¹ See FCCC/SB/1999/MISC.9, annex (proposed by Gambia on behalf of the Group of 77 and China).

- Analysis of constraints to the transfer of technology (non-Annex I and Annex I Parties).
 - Exchange programmes
5. **National communications**
- Development of local emission factors
 - Data collection, analysis and archiving
 - Establishment of a technical assistance group, such as a non-Annex I Party expert group
 - Vulnerability assessments, including scoping, modelling, analysis, method selection and reporting
6. **Adaptation**
- Development of adaptation project guidelines
 - Case studies of extreme weather events, documentation and dissemination of study reports
 - Capacity-building and capacity-enhancement in the marine sector, such as coastal zone management
 - Identification and promotion of traditional knowledge, skills and practices which enhance adaptation
7. **Public awareness**
- Development of public awareness programmes
 - Development and production of public awareness materials
 - Workshops
 - Involvement and consultation
8. **Coordination and cooperation**
- Coordination programmes at the individual, community, local, government, non-government, national and regional levels
 - Involvement and consultation
 - Linking and learning
9. **Improved decision-making**
- Awareness and knowledge
 - Research, data and information
 - Technical and policy
 - Integrating climate change policies into national development strategies and plans

Decision 11/CP.5

Capacity-building in countries with economies in transition

The Conference of the Parties,

Recalling Articles 4.1, 4.5, 4.6 and 6 of the United Nations Framework Convention on Climate Change,

Recalling further the provisions relating to capacity-building for countries with economies in transition contained in decisions 6/CP.4 and 7/CP.4,

Affirming that capacity-building is critical to the effective participation of countries with economies in transition in the Convention and Kyoto Protocol processes and must be comprehensively addressed,

Underlining that capacity-building for countries with economies in transition must be country-driven, reflecting their national initiatives and priorities, and that it is primarily to be undertaken by countries with economies in transition and in countries with economies in transition in partnership with Parties included in Annex II to the Convention, in accordance with the provisions of the Convention,

Emphasizing that capacity-building is a continuous process aimed at strengthening or establishing, as appropriate, relevant organizations, institutions and human resources in order to provide expertise in all areas relating to the implementation of the Convention,

Emphasizing further that an integrated approach should recognize the responsibility of individual Parties to promote conditions that are conducive to the development of human, institutional and technical capacity, and that every effort should be made to improve the coordination and effectiveness of existing efforts and promote the participation of a wide range of actors and constituencies, including governments at all levels, international organizations, civil society and the private sector,

Emphasizing also the importance of creating an enabling environment for investment, which promotes capacity-building activities in countries with economies in transition,

1. *Decides* that:

(a) Financial and technical support for capacity-building for countries with economies in transition for implementing the Convention and to prepare for participation in activities under Articles 5, 6, 7 and 17 of the Kyoto Protocol should be provided through bilateral and multilateral channels and the private sector, as appropriate;

(b) Existing capacity-building activities and programmes should be comprehensively assessed to determine their effectiveness and to identify gaps and weaknesses in ongoing efforts, and that the specific needs of Parties with economies in transition should be further elaborated in accordance with this decision, to enable the Conference of the Parties to take a comprehensive decision at its sixth session;

2. *Invites* Parties included in Annex I but not included in Annex II to the Convention to identify their needs and priorities for capacity-building by 1 March 2000;

3. *Requests* the secretariat:

(a) To compile and synthesize the information submitted in accordance with paragraph 2 of this decision for consideration at the twelfth sessions of the subsidiary bodies;

(b) To develop in accordance with this decision, in close consultation with Parties at the twelfth sessions of the subsidiary bodies, and based on the information compiled and synthesized, elements of a draft framework for capacity-building activities, including elements related to capacity-building emerging from discussions of other issues under the Convention and its Kyoto Protocol, for consideration by the subsidiary bodies at their thirteenth sessions.

*9th plenary meeting
4 November 1999*

Decision 12/CP.5

Implementation of Article 4, paragraphs 8 and 9, of the Convention and matters relating to Article 3, paragraph 14, of the Kyoto Protocol

The Conference of the Parties,

Recalling its decision 5/CP.4 entitled Implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol),

Recalling also its decision 8/CP.4 on preparations for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recognizing the specific needs and concerns of developing country Parties referred to in Article 4.8 of the Convention, and the specific needs and special situations of the least developed countries referred to in Article 4.9,

Recognizing also the concern for sustainable development of the countries referred to in Article 4.8 and 4.9 of the Convention,

Taking note of the report of the expert workshop referred to in the programme of work contained in the annex to decision 5/CP.4, which was held in Bonn from 21 to 24 September 1999,¹

Recognizing that the identification of initial actions necessary to address the adverse effects of climate change and/or the impact of the implementation of response measures needs to be based on sufficient information and analysis within a clearly-defined process,

Acknowledging the efforts already made by Parties towards meeting the specific needs and concerns of developing country Parties, in particular the least developed countries, with regard to adaptation,

Having considered the report of the above-mentioned workshop regarding the specific needs and concerns of developing country Parties, and the specific needs and special situations of the least developed countries where widespread poverty limits adaptive capacity, particularly in relation to the impacts of the adverse effects of climate change on socio-economic conditions, including, *inter alia*, water resources, agriculture and food security, economic activities, coastal

¹ See FCCC/SB/1999/9.

zones and health, and the impact of the implementation of response measures on, *inter alia*, terms of trade, international capital flows and developmental efforts,

1. *Decides* to continue the process of implementation of Article 4.8 and 4.9 of the Convention, as established by decisions 3/CP.3 and 5/CP.4, and to assess the process at its sixth session and, as appropriate, at subsequent sessions;

2. *Decides* that the process referred to in paragraph 1 above shall address information-gathering on initial actions needed to address the specific needs and concerns of developing country Parties referred to in Article 4.8 of the Convention, and the specific needs and special situations of the least developed countries referred to in Article 4.9 of the Convention, arising from the adverse effects of climate change and/or the impact of the implementation of response measures;

3. *Decides* that the process shall also identify what actions are necessary under the Convention, including actions relating to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country Parties referred to in Article 4.8 of the Convention and the specific needs and special situations of the least developed countries;

4. *Requests* the subsidiary bodies, at their twelfth and thirteenth sessions, giving special attention to the situations of the least developed countries in accordance with Article 4.9 of the Convention, and reaffirming, in particular, the need for support for capacity-building and technical assistance, to continue their consideration of the implementation of Article 4.8 and 4.9 of the Convention, and in particular of the examples of initial actions listed in subparagraphs (a) to (e) below, and encourages Parties to respond positively where adaptation measures are identified by developing country Parties as priorities:

(a) Information on the adverse effects of climate change, based on country-specific data, drawn from the national communications of Parties not included in Annex I to the Convention and other sources;

(b) Information on the impact of the implementation of response measures, drawn from the national communications of Parties not included in Annex I to the Convention and other sources;

(c) Information on policies and measures undertaken to respond to climate change, drawn from the national communications of Parties included in Annex I to the Convention;

(d) Consideration of the importance and extent of efforts to diversify the national economies of developing countries referred to in Article 4.8 and 4.9 of the Convention, and of how the international community could best support such efforts;

Decision 12/CP.5

Implementation of Article 4, paragraphs 8 and 9, of the Convention and matters relating to Article 3, paragraph 14, of the Kyoto Protocol

The Conference of the Parties,

Recalling its decision 5/CP.4 entitled Implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol),

Recalling also its decision 8/CP.4 on preparations for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recognizing the specific needs and concerns of developing country Parties referred to in Article 4.8 of the Convention, and the specific needs and special situations of the least developed countries referred to in Article 4.9,

Recognizing also the concern for sustainable development of the countries referred to in Article 4.8 and 4.9 of the Convention,

Taking note of the report of the expert workshop referred to in the programme of work contained in the annex to decision 5/CP.4, which was held in Bonn from 21 to 24 September 1999,¹

Recognizing that the identification of initial actions necessary to address the adverse effects of climate change and/or the impact of the implementation of response measures needs to be based on sufficient information and analysis within a clearly-defined process,

Acknowledging the efforts already made by Parties towards meeting the specific needs and concerns of developing country Parties, in particular the least developed countries, with regard to adaptation,

Having considered the report of the above-mentioned workshop regarding the specific needs and concerns of developing country Parties, and the specific needs and special situations of the least developed countries where widespread poverty limits adaptive capacity, particularly in relation to the impacts of the adverse effects of climate change on socio-economic conditions, including, *inter alia*, water resources, agriculture and food security, economic activities, coastal

¹ See FCCC/SB/1999/9.

zones and health, and the impact of the implementation of response measures on, *inter alia*, terms of trade, international capital flows and developmental efforts,

1. *Decides* to continue the process of implementation of Article 4.8 and 4.9 of the Convention, as established by decisions 3/CP.3 and 5/CP.4, and to assess the process at its sixth session and, as appropriate, at subsequent sessions;

2. *Decides* that the process referred to in paragraph 1 above shall address information-gathering on initial actions needed to address the specific needs and concerns of developing country Parties referred to in Article 4.8 of the Convention, and the specific needs and special situations of the least developed countries referred to in Article 4.9 of the Convention, arising from the adverse effects of climate change and/or the impact of the implementation of response measures;

3. *Decides* that the process shall also identify what actions are necessary under the Convention, including actions relating to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country Parties referred to in Article 4.8 of the Convention and the specific needs and special situations of the least developed countries;

4. *Requests* the subsidiary bodies, at their twelfth and thirteenth sessions, giving special attention to the situations of the least developed countries in accordance with Article 4.9 of the Convention, and reaffirming, in particular, the need for support for capacity-building and technical assistance, to continue their consideration of the implementation of Article 4.8 and 4.9 of the Convention, and in particular of the examples of initial actions listed in subparagraphs (a) to (e) below, and encourages Parties to respond positively where adaptation measures are identified by developing country Parties as priorities:

(a) Information on the adverse effects of climate change, based on country-specific data, drawn from the national communications of Parties not included in Annex I to the Convention and other sources;

(b) Information on the impact of the implementation of response measures, drawn from the national communications of Parties not included in Annex I to the Convention and other sources;

(c) Information on policies and measures undertaken to respond to climate change, drawn from the national communications of Parties included in Annex I to the Convention;

(d) Consideration of the importance and extent of efforts to diversify the national economies of developing countries referred to in Article 4.8 and 4.9 of the Convention, and of how the international community could best support such efforts;

(e) Consideration of how adaptation measures can be integrated into national strategies for sustainable development and could help to form a basis for action in multilateral and bilateral development programmes;

5. *Decides* that a workshop be organized, under the guidance of the Chairmen of the subsidiary bodies, on the consideration of initial actions, including actions related to funding, insurance and the transfer of technology, needed to meet the specific needs and concerns of developing country Parties, and the specific needs and special situations of the least developed countries, arising from the adverse effects of climate change on, *inter alia*, water resources, agriculture and food security, economic activities, coastal zones and health. The workshop shall consider, among other issues, the following:

(a) Enhancing capacity for monitoring, systematic observation and vulnerability assessment in developing countries;

(b) Capacity-building in environmental management and integrated assessment;

(c) Identifying adaptation options and facilitating adaptation where near-term climate change impacts are understood and adaptation measures are feasible;

6. *Decides* that a workshop be organized, under the guidance of the Chairmen of the subsidiary bodies, on methodological approaches and what actions are necessary under the Convention relating to the impact of the implementation of response measures on, *inter alia*, terms of trade, international capital flows and developmental efforts, in accordance with Article 4.8 and 4.9 of the Convention and in the light of matters related to Article 3.14 of the Kyoto Protocol. The workshop shall consider, among other issues, the following:

(a) The nature and content of information needed;

(b) The sources of information;

(c) Procedures and modalities for the provision of information;

(d) What actions are necessary, including those relating to funding, insurance and the transfer of technology;

7. *Decides* that the workshops referred to in paragraphs 5 and 6 above shall be organized in two consecutive, equal time periods before the end of March 2000, and requests the Chairmen of the subsidiary bodies to present a report in two parts thereon to the subsidiary bodies at their twelfth sessions;

8. *Invites* the subsidiary bodies, at their twelfth and thirteenth sessions, to consider the report in two parts referred to in paragraph 7 above, and to make recommendations to the Conference of the Parties at its sixth session;

9. *Decides* to consider further, at its sixth session, matters related to Article 3.14 of the Kyoto Protocol, as an input to the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, taking into account its ongoing discussions on the implementation of Article 4.8 and 4.9 of the Convention.

*9th plenary meeting
4 November 1999*

Decision 13/CP.5

Activities implemented jointly under the pilot phase

The Conference of the Parties,

Recalling its decisions 5/CP.1, 1/CP.4, 6/CP.4 and 7/CP.4,

Taking note of the conclusions of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation at their eleventh sessions on the issues addressed in the comprehensive review of the pilot phase of activities implemented jointly, as well as of the third synthesis report on activities implemented jointly,¹

Noting that activities implemented jointly under the pilot phase have made some contribution to meeting the ultimate objective of the United Nations Framework Convention on Climate Change,

Noting that, by virtue of decision 5/CP.1, activities implemented jointly under the pilot phase are undertaken within the framework of the Convention,

Acknowledging the importance of learning-by-doing through activities implemented jointly under the pilot phase and of providing new opportunities for activities implemented jointly to those Parties that have not yet had experience with projects under the pilot phase,

1. *Decides* to conclude the review process and, without prejudice to future decisions, to continue the pilot phase of activities implemented jointly beyond the end of the present decade; during the continuation of the pilot phase the issue of geographical imbalance, in particular the lack of projects in Africa and small island developing States, should be addressed;
2. *Invites* Parties to provide proposals for the improvement of the draft revised uniform reporting format² by 31 March 2000;
3. *Requests* the secretariat to prepare a further draft revision of the uniform reporting format and a set of guidelines for its use, for consideration by the subsidiary bodies at their thirteenth sessions;

¹ See FCCC/SB/1999/5 and Corr.1 and Add.1.

² Contained in document FCCC/SB/1999/5/Add.1.

4. *Encourages* Parties involved in activities implemented jointly under the pilot phase to submit further information using the uniform reporting format, the deadline for the submission of such information to be considered in the fourth annual synthesis report being 30 June 2000;

5. *Urges* Parties reporting on activities implemented jointly under the pilot phase to submit joint reports through the designated national authority of one Party, which should provide proof that the designated national authorities of all the other Parties involved concur with the reports.

*9th plenary meeting
4 November 1999*

Decision 14/CP.5

Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decision 7/CP.4 on the work programme on mechanisms of the Kyoto Protocol,

Having considered the conclusions of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation at their eleventh sessions,

1. *Requests* the Chairmen of the subsidiary bodies to revise their note entitled "Synthesis of proposals by Parties on principles, modalities, rules and guidelines",¹ to incorporate further proposals by Parties and to consolidate a text for further negotiation, in accordance with comments by Parties;
2. *Invites* Parties to submit further proposals, consistent with the existing framework in the note by the Chairmen, on principles, modalities, rules and guidelines in relation to mechanisms by 31 January 2000;
3. *Requests* the Chairmen of the subsidiary bodies to convene inter-sessional meetings and workshops to assist in undertaking preparatory work for the Conference of the Parties at its sixth session, drawing on technical expertise, as appropriate, taking into account the need for transparency and regional balance in representation, and the need for Parties to review the work of the experts;
4. *Requests* the subsidiary bodies, at their sessions prior to the sixth session of the Conference of the Parties, to take forward the consolidated text as a basis for further negotiations on principles, modalities, rules and guidelines, with priority given to the clean development mechanism, with a view to the Conference of the Parties taking decisions on all the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol at its sixth session, including, where appropriate, recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session.

*9th plenary meeting
4 November 1999*

¹ See FCCC/SB/1999/8 and Add.1.

Decision 15/CP.5

Future work of the Joint Working Group on Compliance

The Conference of the Parties,

Recalling its decision 1/CP.3 on the adoption of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Recalling also its decisions 1/CP.4 and 8/CP.4,

Recognizing with appreciation the work done by the Joint Working Group on Compliance on the development of elements of procedures and mechanisms relating to a compliance system under the Kyoto Protocol,

Having considered the report of the Joint Working Group on Compliance submitted through the subsidiary bodies,¹ and the valuable progress made by the Joint Working Group,

1. *Decides* that the Joint Working Group on Compliance shall continue its work beyond the fifth session of the Conference of the Parties, based on the mandate contained in decision 8/CP.4;

2. *Requests* the Joint Working Group on Compliance to continue to make substantial progress for the purpose of completing its work and fulfilling its mandate and to provide a report on its findings to the Conference of the Parties at its sixth session, through the subsidiary bodies, so as to enable the Conference of the Parties to adopt a decision on a compliance system under the Kyoto Protocol at that session.

*9th plenary meeting
4 November 1999*

¹ See FCCC/SBI/1999/14, annex I.

Decision 16/CP.5

Land-use, land-use change and forestry

The Conference of the Parties,

Recalling its decisions 1/CP.3, 8/CP.4 and 9/CP.4,

1. *Decides* to endorse a work programme and elements of a decision-making framework to address the conclusions on land-use, land-use change and forestry adopted by the Subsidiary Body for Scientific and Technological Advice at its eleventh session, as requested by decision 9/CP.4, with a view to the Conference of the Parties, at its sixth session, recommending draft decisions relating to decision 9/CP.4, paragraphs 3 and 4, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session, taking into account the Intergovernmental Panel on Climate Change *Special Report on Land-use, Land-use Change and Forestry*, considerations by the Subsidiary Body for Scientific and Technological Advice, ongoing methodological and other work by the Intergovernmental Panel on Climate Change, and necessary continuing considerations by the Subsidiary Body for Scientific and Technological Advice;

2. *Recognizes* that, at subsequent sessions, it may be required to recommend further relevant decisions for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session.

*9th plenary meeting
4 November 1999*

Decision 17/CP.5

**Relationship between efforts to protect the stratospheric ozone layer
and efforts to safeguard the global climate system**

The Conference of the Parties,

Recalling its decision 13/CP.4 entitled Relationship between efforts to protect the stratospheric ozone layer and efforts to safeguard the global climate system: issues related to hydrofluorocarbons and perfluorocarbons,

Having considered the information submitted pursuant to decision 13/CP.4 by Parties, by intergovernmental organizations, in particular the Intergovernmental Panel on Climate Change and the Technology and Economic Assessment Panel under the Montreal Protocol, and by non-governmental organizations, on potential and available ways and means of limiting emissions of hydrofluorocarbons and perfluorocarbons,¹

1. *Invites* each Party to give consideration to this information on available and potential ways and means of limiting emissions of hydrofluorocarbons and perfluorocarbons, taking into account, *inter alia*, health, medical, environmental and safety considerations, energy efficiency and associated emissions in carbon dioxide equivalent, and technical and economic considerations;
2. *Requests* the Intergovernmental Panel on Climate Change to take into account this information in the elaboration of its third assessment report;
3. *Requests* the Subsidiary Body for Scientific and Technological Advice to give further consideration to information aspects of this issue at its first session following the sixth session of the Conference of the Parties.

*9th plenary meeting
4 November 1999*

¹ See FCCC/SBSTA/1999/MISC.6 and Add.1; see also information available on the UNFCCC web site and its 1999 CD-ROM version.

Decision 18/CP.5

Emissions based upon fuel sold to ships and aircraft engaged in international transport

The Conference of the Parties,

Recalling that the Subsidiary Body for Scientific and Technological Advice, during its tenth and eleventh sessions, held an exchange of views and adopted conclusions on emissions based upon fuel sold to ships and aircraft engaged in international transport during its tenth and eleventh sessions,¹

1. *Expresses its appreciation* to the International Civil Aviation Organization for requesting, and to the Intergovernmental Panel on Climate Change for preparing, the *Special Report on Aviation and the Global Atmosphere* relating to the effects of aircraft emissions on the climate and atmospheric ozone;
2. *Welcomes the Special Report on Aviation and the Global Atmosphere* as a comprehensive assessment of the effects of aircraft emissions on the climate and atmospheric ozone;
3. *Requests* the secretariat to continue to develop its cooperation with the secretariats of the International Civil Aviation Organization and the International Maritime Organization and participate in their meetings on climate change related issues;
4. *Requests* the Subsidiary Body for Scientific and Technological Advice to continue its current work on methodological issues related to reporting on emissions based upon fuel sold to ships and aircraft engaged in international transport, including those that may be contained in the Intergovernmental Panel on Climate Change report on good practice in national inventory preparation, including managing uncertainty.

*9th plenary meeting
4 November 1999*

¹ See FCCC/SBSTA/1999/6 and FCCC/SBSTA/1999/14.

Decision 19/CP.5**Cooperation with the Intergovernmental Panel on Climate Change**

The Conference of the Parties,

Noting the conclusions of the Subsidiary Body for Scientific and Technological Advice at its eleventh session,¹

1. *Expresses its appreciation* to the Intergovernmental Panel on Climate Change, particularly its authors and scientists, for the high quality of its work;
2. *Notes with concern* the urgent appeal for additional resources by the Chairman of the Intergovernmental Panel on Climate Change;
3. *Urges* Parties, intergovernmental organizations and other organizations in a position to do so, to contribute financial support early and generously to the work of the Intergovernmental Panel on Climate Change, to enable it to complete its third assessment report and special reports, in view of their importance to advancing the Convention process;
4. *Invites* the Subsidiary Body for Implementation to consider, at its twelfth session, the issue of support to the Intergovernmental Panel on Climate Change, in the context of recommending additional guidance to the Global Environment Facility.

*9th plenary meeting
4 November 1999*

¹ See FCCC/SBSTA/1999/14.

Decision 20/CP.5

Programme budget for the biennium 2000-2001

The Conference of the Parties,

Recalling paragraph 4 of the financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change,¹

Having considered the proposed budget for the biennium 2000-2001 submitted by the Executive Secretary,²

Noting the annual contribution of the host Government, DM 1.5 million, which offsets planned expenditures,

1. *Approves* the programme budget for the biennium 2000-2001, amounting to US\$ 25,286,000, for the purposes specified in table 1 below;
2. *Adopts* the indicative scale of contributions for 2000 and 2001 contained in the annex to this decision;
3. *Approves* a drawing of \$2 million from the unspent balances or contributions (carry-over) from previous financial periods to cover part of the 2000-2001 budget;
4. *Approves* the staffing table for the programme budget, as contained in table 2 below;
5. *Approves* a contingency budget for conference servicing, amounting to \$5,661,800, to be added to the programme budget for the coming biennium in the event that the General Assembly of the United Nations decides not to provide resources for these activities in the United Nations regular budget for the biennium 2000-2001 (see tables 3 and 4 below);
6. *Approves* additional resources for secretariat support for the work on matters related to the consideration of national communications from Parties not included in Annex I to the Convention, amounting to \$1,263,200, to be added to the programme budget for the biennium 2000-2001, of which \$363,200 will be drawn on available resources, including unspent balances or contributions from various financial periods (see tables 5 and 6 below), on the understanding that additional voluntary contributions to the Trust Fund for Supplementary

¹ See decision 15/CP.1, annex I.

² See FCCC/CP/1999/INF.1; FCCC/SBI/1999/4 and Add.1, and FCCC/SBI/1999/8.

Activities will be needed in order to cover activities in relation to the work of the consultative group of experts established by decision 8/CP.5;

7. *Requests* the Executive Secretary to report to the Subsidiary Body for Implementation at subsequent sessions on the implementation of paragraph 5 above, as necessary;

8. *Authorizes* the Executive Secretary to make transfers between each of the main appropriation lines set out in table 1 below, up to an aggregate limit of 15 per cent of total estimated expenditure for those appropriation lines, provided that a further limitation of up to minus 25 per cent of each such appropriation line shall apply;

9. *Decides* to maintain the level of the working capital reserve at 8.3 per cent of the estimated expenditure;

10. *Invites* all Parties to the Convention to note that contributions to the core budget are due on 1 January of each year in accordance with paragraph 8 (b) of the financial procedures and to pay promptly and in full, for each of the years 2000 and 2001, the contributions required to finance expenditures approved under paragraphs 1 and 6 above, as offset by the contributions noted in the third paragraph of the preamble to this decision and a drawing approved in paragraph 3 above, and any contributions required to finance the expenditures arising from the decisions referred to in paragraph 5 above;

11. *Takes note* of the funding estimates for the Trust Fund for Participation in the UNFCCC Process specified by the Executive Secretary (\$3,691,800 for the biennium 2000-2001), and invites Parties to make contributions to this fund (see table 7 below);

12. *Takes note* of the funding estimates for the Trust Fund for Supplementary Activities under the United Nations Framework Convention on Climate Change specified by the Executive Secretary (\$6,178,900 for the biennium 2000-2001), and invites Parties to make contributions to this fund (see table 8 below);

13. *Requests* the Executive Secretary to report to the Conference of the Parties at its sixth session on income and budget performance, and to propose any adjustments that might be needed in the Convention budget for the biennium 2000-2001;

14. *Authorizes* the Executive Secretary to make a complementary contribution, from available resources, to the Intergovernmental Panel on Climate Change of \$300,000 during the biennium 2000-2001;

15. *Authorizes* the Executive Secretary to incur additional expenditures of up to \$1 million to offset part of the costs of activities arising from the preparatory process leading to the sixth session of the Conference of the Parties, drawing on available resources, including unspent balances or contributions from previous financial periods, on the understanding that additional voluntary contributions to the Trust Fund for Supplementary Activities and the Trust Fund for Participation in the UNFCCC Process of up to \$2 million will be needed in order to cover all activities envisaged in the preparatory process for the sixth session of the Conference of the Parties.

Table 1. Programme budget for the biennium 2000-2001
(thousands of United States dollars)

	2000	2001	Biennium total
Expenditures			
I. Programmes*			
Executive Direction and Management	749.5	773.7	1 523.2
Planning, Coordination and Emerging Issues	1 232.6	1 214.8	2 447.4
Science and Technology	2 170.6	2 173.6	4 344.2
Implementation	2 591.3	2 747.1	5 338.4
Information, Outreach and Administrative Services ^a	1 546.5	1 643.7	3 190.2
Intergovernmental and Conference Affairs ^b	2 752.6	2 704.0	5 456.6
Subtotal (I)	11 043.1	11 256.9	22 300.0
II. Payments to the United Nations			
Overhead charge ^c	1 435.6	1 463.4	2 899.0
Subtotal (II)	1 435.6	1 463.4	2 899.0
III. Working capital reserve^d	69.2	17.7	86.9
Subtotal (III)	69.2	17.7	86.9
TOTAL BUDGET (I+II+III)	12 548.0	12 738.0	25 286.0
Income			
Contribution from the host Government	810.8	810.8	1 621.6
Unspent balances or contributions from previous financial periods (carry-over)	1 000.0	1 000.0	2 000.0
TOTAL INCOME	1 810.8	1 810.8	3 621.6
INDICATIVE CONTRIBUTIONS	10 737.2	10 927.2	21 664.4

*As a result of a transfer of responsibility for administrative services in the secretariat following the fifth session of the Conference of the Parties, the name of the Information and Outreach programme has been changed to Information, Outreach and Administrative Services and the name of the Conference Affairs and Resource Management programme has been changed to Intergovernmental and Conference Affairs.

^a Includes resources required to cover the computer needs of all programmes.

^b Includes resources required to cover a number of secretariat-wide expenditures for non-staff-related items.

^c Standard 13 per cent applied by the United Nations for administrative support of which part is returned to the secretariat for administrative costs.

^d In accordance with paragraph 14 of the financial procedures (see decision 15/CP.1, annex I). This will bring the level of the working capital reserve to \$916,600 in 2000 and \$934,300 in 2001 (see paragraphs 17-19 of the financial procedures).

Table 2. Programme budget staffing table 2000-2001

	2000	2001
A. Professional category and above		
Executive Secretary	1	1
D-2	3	3
D-1	4	4
P-5	9.75	10
P-4	10	10
P-3	15	16
P-2	8.25	9
Subtotal (A)	51	53
B. General Service category	27.75	28
TOTAL (A+B)	78.75	81

Table 3. Resource requirements for the conference services contingency
(thousands of United States dollars)

Item of expenditure	2000	2001	Biennium total
A. Meeting servicing ^a	987.1	1 015.1	2 002.2
B. Documentation ^b	1 326.8	1 340.1	2 666.9
Subtotal	2 313.9	2 355.2	4 669.1
C. Overhead charge ^c	300.8	306.2	607
D. Contingencies and exchange rate fluctuations ^d	78.4	79.8	158.2
E. Working capital reserve ^e	223.5	4	227.5
TOTAL	2 916.6	2 745.2	5 661.8

^a Includes interpretation and conference assistance.

^b Includes revision, translation, typing, reproduction and distribution of pre-, in- and post-session documentation (regular and temporary staff, travel, and contractual services).

^c Standard 13 per cent applied by the United Nations for administrative support.

^d Calculated at 3 per cent.

^e In accordance with paragraph 14 of the financial procedures. The 2000 amount has been calculated as 8.3 per cent of the subtotal and the overhead charge; the 2001 amount has been calculated as the amount required to bring the carried-over 2000 reserve to 8.3 per cent of the subtotal and overhead charge for 2001.

Table 4. Staffing requirements for the conference services contingency

	2000	2001
A. Professional category and above		
P-4	1	1
Total Professional category and above	1	1
B. Total General Service category	5	5
TOTAL (A+B)	6	6

Table 5. Additional resources for matters related to consideration of communications from non-Annex I Parties
(thousands of United States dollars)

Item of expenditure	2000	2001	Biennium total
A. Staff costs	457.6	466.4	924
B. Consultants	44	44	88
C. Travel on official business	33	33	66
Subtotal	534.6	543.4	1 078.0
D. Overhead charge ^a	69.5	70.6	140.1
E. Working capital reserve ^b	44.4	0.7	45.1
TOTAL	648.5	614.7	1 263.2
Income			
Unspent balances or contributions from previous financial periods (carry-over)	198.5	164.7	363.2
TOTAL INCOME	198.5	164.7	363.2
INDICATIVE CONTRIBUTIONS	450	450	900

^a Standard 13 per cent applied by the United Nations for administrative support.

^b In accordance with paragraph 14 of the financial procedures. The 2000 amount has been calculated as 8.3 per cent of the subtotal and the overhead charge; the 2001 amount has been calculated as the amount required to bring the carried-over 2000 reserve to 8.3 per cent of the subtotal and overhead charge for 2001.

Table 6. Staffing requirements for matters related to consideration of communications from non-Annex I Parties

	2000	2001
A. Professional category and above		
P-4	1	1
P-3	2	2
Total Professional category and above	3	3
B. Total General Service category	1	1
TOTAL (A+B)	4	4

**Table 7. Trust Fund for Participation in the UNFCCC Process:
Estimated resource requirements
(thousands of United States dollars)**

Item of expenditure	2000	2001
A. Support for eligible Parties to participate in one two-week session of the subsidiary bodies	630	630
B. Support for eligible Parties to participate in one two-week session of the Conference of the Parties and its subsidiary bodies ^a	855	855
Subtotal	1 485.0	1 485.0
Overhead charge ^b	193.1	193.1
Operating cash reserve ^c	167.8	167.8
TOTAL	1 845.9	1 845.9

^a Includes funding for a second delegate from least developed countries and small island developing States, in accordance with the practice followed at all meetings of the Conference of the Parties to date.

^b Standard 13 per cent applied by the United Nations for administrative support.

^c Calculated at 10 per cent.

Table 8. Trust Fund for Supplementary Activities: Estimated resource requirements^a
(thousands of United States dollars)

Item of expenditure	2000	2001
Estimated resource requirements	2 500.0	2 620.2
Overhead charge ^b	325	340.6
Operating cash reserve ^c	375	18
TOTAL	3 200.0	2 978.9

^a Additional information to be included in the revised version of document FCCC/SBI/1999/4/Add.1.

^b Standard 13 per cent applied by the United Nations for administrative support.

^c Calculated at 15 per cent.

*9th plenary meeting
4 November 1999*

Annex

**INDICATIVE SCALE OF CONTRIBUTIONS TO THE CORE BUDGET OF THE UNFCCC
FOR THE BIENNIUM 2000-2001**
(United States dollars)

Party name	Indicative scale 2000	Indicative contributions	Adjustments 2000	Actual contributions	Indicative contributions	Adjustments 2001	Actual contributions
Albania	0.003	336	-10	325	341	-10	331
Algeria	0.086	9621	-292	9329	9784	-297	9487
Antigua and Barbuda	0.002	224	-7	217	228	-7	221
Argentina	1.103	123395	-3751	119643	125491	-3815	121675
Armenia	0.006	671	-20	651	683	-21	662
Australia	1.483	165906	-5044	160862	168724	-5129	163594
Austria	0.942	105383	-3204	102180	107173	-3258	103915
Azerbaijan	0.011	1231	-37	1193	1251	-38	1213
Bahamas	0.015	1678	-51	1627	1707	-52	1655
Bahrain	0.017	1902	-58	1844	1934	-59	1875
Bangladesh	0.010	1119	-34	1085	1138	-35	1103
Barbados	0.008	895	-27	868	910	-28	883
Belgium	1.104	123507	-3755	119752	125604	-3819	121786
Belize	0.001	112	-4	108	114	-4	110
Benin	0.002	224	-7	217	228	-7	221
Bhutan	0.001	112	-4	108	114	-4	110
Bolivia	0.007	783	-24	759	796	-24	772
Botswana	0.010	1119	-34	1085	1138	-35	1103
Brazil	1.471	164564	-5003	159561	167359	-5088	162271
Bulgaria	0.011	1231	-37	1193	1251	-38	1213
Burkina Faso	0.002	224	-7	217	228	-7	221
Burundi	0.001	112	-4	108	114	-4	110
Cambodia	0.001	112	-4	108	114	-4	110
Cameroon	0.013	1454	-44	1410	1479	-45	1434
Canada	2.732	305634	-9292	296343	310825	-9449	301376
Cape Verde	0.002	224	-7	217	228	-7	221
Central African Republic	0.001	112	-4	108	114	-4	110

Party name	Indicative scale 2000	Indicative contributions	Adjustments 2000	Actual contributions	Indicative contributions	Adjustments 2001	Actual contributions
Chad	0.001	112	-4	108	114	-4	110
Chile	0.136	15215	-463	14752	15473	-470	15003
China	0.995	111313	-3384	107929	113203	-3442	109,762
Colombia	0.109	12194	-371	11823	12401	-377	12024
Comoros	0.001	112	-4	108	114	-4	110
Congo	0.003	336	-10	325	341	-10	331
Cook Islands	0.001	112	-4	108	114	-4	110
Costa Rica	0.016	1790	-54	1736	1820	-55	1765
Côte d'Ivoire	0.009	1007	-31	976	1024	-31	993
Croatia	0.030	3356	-102	3254	3413	-104	3309
Cuba	0.024	2685	-82	2603	2731	-83	2648
Cyprus	0.034	3804	-116	3688	3868	-118	3751
Czech Republic	0.107	11970	-364	11606	12174	-370	11804
Democratic People's Republic of Korea	0.015	1678	-51	1627	1707	-52	1655
Democratic Republic of the Congo	0.007	783	-24	759	796	-24	772
Denmark	0.692	77415	-2354	75062	78730	-2393	76337
Djibouti	0.001	112	-4	108	114	-4	110
Dominica	0.001	112	-4	108	114	-4	110
Dominican Republic	0.015	1678	-51	1627	1707	-52	1655
Ecuador	0.020	2237	-68	2169	2275	-69	2206
Egypt	0.065	7272	-221	7051	7395	-225	7170
El Salvador	0.012	1342	-41	1302	1365	-42	1324
Eritrea	0.001	112	-4	108	114	-4	110
Estonia	0.012	1342	-41	1302	1365	-42	1324
Ethiopia	0.006	671	-20	651	683	-21	662
European Community	2.500	279680	-8776	270904	284430	-8925	275505
Fiji	0.004	447	-14	434	455	-14	441
Finland	0.543	60746	-1847	58900	61778	-1878	59900
France	6.545	732202	-22260	709942	744638	-22638	722000
Gabon	0.015	1678	-51	1627	1707	-52	1655
Gambia	0.001	112	-4	108	114	-4	110
Georgia	0.007	783	-24	759	796	24)	772
Germany	9.857	1102722	-33524	1069198	1121451	-34093	1087357
Ghana	0.007	783	-24	759	796	-24	772
Greece	0.351	39267	-1194	38073	39934	-1214	38720

Party name	Indicative	Indicative	Adjustments	Actual	Indicative	Adjustments	Actual
	scale 2000	contributions	2000	contributions	contributions	2001	contributions
Malta	0.014	1566	-48	1519	1593	-48	1544
Marshall Islands	0.001	112	-4	108	114	-4	110
Mauritania	0.001	112	-4	108	114	-4	110
Mauritius	0.009	1007	-31	976	1024	-31	993
Mexico	0.995	111313	-3384	107929	113203	-3442	109762
Micronesia (Federated States of)	0.001	112	-4	108	114	-4	110
Monaco	0.004	447	-14	434	455	-14	441
Mongolia	0.002	224	-7	217	228	-7	221
Morocco	0.041	4587	-139	4447	4665	-142	4523
Mozambique	0.001	112	-4	108	114	-4	110
Myanmar	0.008	895	-27	868	910	-28	883
Namibia	0.007	783	-24	759	796	-24	772
Nauru	0.001	112	-4	108	114	-4	110
Nepal	0.004	447	-14	434	455	-14	441
Netherlands	1.632	182575	-5550	177025	185676	-5645	180031
New Zealand	0.221	24724	-752	23972	25144	-764	24379
Nicaragua	0.001	112	-4	108	114	-4	110
Niger	0.002	224	-7	217	228	-7	221
Nigeria	0.032	3580	-109	3471	3641	-111	3530
Niue	0.001	112	-4	108	114	-4	110
Norway	0.610	68242	-2075	66167	69401	-2110	67291
Oman	0.051	5705	-173	5532	5802	-176	5626
Pakistan	0.059	6600	-201	6400	6713	-204	6508
Panama	0.013	1454	-44	1410	1479	-45	1434
Papua New Guinea	0.007	783	-24	759	796	-24	772
Paraguay	0.014	1566	-48	1519	1593	-48	1544
Peru	0.099	11075	-337	10739	11263	-342	10921
Philippines	0.081	9062	-275	8786	9216	-280	8935
Poland	0.196	21927	-667	21260	22299	-678	21621
Portugal	0.431	48217	-1466	46751	49036	-1491	47545
Qatar	0.033	3692	-112	3580	3754	-114	3640
Republic of Korea	1.006	112543	-3421	109122	114455	-3480	110975
Republic of Moldova	0.01	1119	-34	1085	1138	-35	1103
Romania	0.056	6265	-190	6074	6371	-194	6178
Russian Federation	1.077	120486	-3663	116823	122532	-3725	118807

Party name	Indicative scale 2000	Indicative contributions	Adjustments 2000	Actual contributions	Indicative contributions	Adjustments 2001	Actual contributions
Rwanda	0.001	112	-4	108	114	-4	110
Saint Kitts and Nevis	0.001	112	-4	108	114	-4	110
Saint Lucia	0.001	112	-4	108	114	-4	110
Saint Vincent and the Grenadines	0.001	112	-4	108	114	-4	110
Samoa	0.001	112	-4	108	114	-4	110
San Marino	0.002	224	-7	217	228	-7	221
Saudi Arabia	0.562	62872	-1911	60961	63940	-1944	61996
Senegal	0.006	671	-20	651	683	-21	662
Seychelles	0.002	224	-7	217	228	-7	221
Sierra Leone	0.001	112	-4	108	114	-4	110
Singapore	0.179	20025	-609	19416	20365	-619	19746
Slovakia	0.035	3916	-119	3796	3982	-121	3861
Slovenia	0.061	6824	-207	6617	6940	-211	6729
Solomon Islands	0.001	112	-4	108	114	-4	110
South Africa	0.366	40945	-1245	39700	41641	-1266	40375
Spain	2.591	289860	-8812	281048	294783	-8962	285821
Sri Lanka	0.012	1342	-41	1302	1365	-42	1324
Sudan	0.007	783	-24	759	796	-24	772
Suriname	0.004	447	-14	434	455	-14	441
Swaziland	0.002	224	-7	217	228	-7	221
Sweden	1.079	120710	-3670	117040	122760	-3732	119028
Switzerland	1.215	135924	-4132	131792	138233	-4202	134031
Syrian Arab Republic	0.064	7160	-218	6942	7281	-221	7060
Tajikistan	0.004	447	-14	434	455	-14	441
Thailand	0.170	19018	-578	18440	19341	-588	18753
The former Yugoslav Republic of Macedonia	0.004	447	-14	434	455	-14	441
Togo	0.001	112	-4	108	114	-4	110
Tonga	0.001	112	-4	108	114	-4	110
Trinidad and Tobago	0.016	1790	-54	1736	1820	-55	1765
Tunisia	0.028	3132	-95	3037	3186	-97	3089
Turkmenistan	0.006	671	-20	651	683	-21	662
Tuvalu	0.001	112	-4	108	114	-4	110
Uganda	0.004	447	-14	434	455	-14	441
Ukraine	0.190	21256	-646	20609	21617	-657	20960
United Arab Emirates	0.178	19913	-605	19308	20251	-616	19636

Decision 21/CP.5

Income and budget performance in the biennium 1998-1999 and arrangements for administrative support to the Convention

The Conference of the Parties,

Having considered the report of the Subsidiary Body for Implementation on its work on administrative and financial matters at its tenth and eleventh sessions,

Having taken note of the reports by the Executive Secretary on the related subjects,¹

1. *Expresses its appreciation* to the Parties that made their indicative contributions to the core budget in a timely manner, as well as those that made additional voluntary contributions to the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities of the UNFCCC;
2. *Also expresses its appreciation* to the Government of Germany for its special contribution to cover costs of events held in Bonn or in developing countries (the Bonn Fund);
3. *Expresses concern* at the continuing trend towards late payment of contributions, some still outstanding from 1996 and 1997, and encourages all Parties that have not yet paid their contributions to do so without further delay;
4. *Requests* the Executive Secretary to present, through the Subsidiary Body for Implementation (SBI) at its twelfth session, possible options to respond to the situation of late payment of contributions for consideration at its sixth session;
5. *Authorizes* the Executive Secretary to enter into commitments up to the level of the approved budget, drawing on available resources, including unspent balances or contributions from the previous financial period, pending an overall review at its sixth session of the issue of the carry-over balance from the 1996-1997 biennium, to be undertaken on the basis of a recommendation from the SBI;
6. *Takes note* of the developments reported by the Executive Secretary in his discussions with the United Nations regarding administrative arrangements for the Convention;

¹ See FCCC/SBI/1999/3, FCCC/SBI/1999/10 and Add.1; FCCC/SBI/1999/INF.5, FCCC/SBI/1999/INF.9 and FCCC/SBI/1999/INF.11.

7. *Requests* the Executive Secretary to continue with these discussions in order to achieve a more rational and efficient approach to the administrative arrangements between the Convention secretariat and the United Nations, and to report to the SBI at its twelfth session on progress made in implementing the new administrative arrangements;

8. *Takes note* of the continuing action taken by the Executive Secretary to implement the recommendations made by both the internal and external auditors of the United Nations and invites the Executive Secretary to complete their implementation.

9th plenary meeting

4 November 1999

Decision 22/CP.5

Institutional linkage of the Convention secretariat to the United Nations

The Conference of the Parties,

Recalling its decision 14/CP.1 whereby it decided that “the Convention secretariat shall be institutionally linked to the United Nations, while not being fully integrated in the work programme and management structure of any particular department or programme”, and decided further “to review the functioning of the institutional linkage of the Convention secretariat to the United Nations, not later than 31 December 1999, in consultation with the Secretary-General, with a view to making such modifications as may be considered desirable by both parties”,

Recalling also General Assembly resolution 50/115 of 20 December 1995,

Taking note of the information provided by the Executive Secretary that the institutional linkage is working satisfactorily and is being adapted to changing circumstances,

Taking note also of the expression of intent by the Secretary-General to seek the endorsement of the General Assembly at its fifty-fourth session for continuation of the institutional linkage,

1. *Invites* the United Nations General Assembly to decide at its fifty-fourth session on the issue of meeting the conference-servicing expenses of the Convention from its regular budget, taking into account the views expressed by Member States;

2. *Approves* the continuation of the institutional linkage of the Convention secretariat to the United Nations, subject to review not later than 31 December 2001, in consultation with the Secretary-General, with a view to making such modifications as may be considered desirable by both parties.

*2nd plenary meeting
25 October 1999*

II. OTHER ACTION TAKEN BY THE CONFERENCE OF THE PARTIES

1. Calendar of meetings of Convention bodies, 2000-2003

At its 9th plenary meeting, on 4 November 1999, the Conference of the Parties adopted the following calendar of meetings of Convention bodies for the period 2000-2003 (see Part One, section II, H, paras. 31-32, of the present report):

- First sessional period in 2000: from 12 to 16 June 2000, preceded by one week of informal meetings, including workshops;
- Second sessional period in 2000: from 11 to 15 September 2000, preceded by one week of informal meetings, including workshops;
- Third sessional period in 2000: from 13 to 24 November 2000;
- First sessional period in 2001: from 21 May to 1 June 2001;
- Second sessional period in 2001: from 29 October to 9 November 2001;
- First sessional period in 2002: from 3 to 14 June 2002;
- Second sessional period in 2002: from 28 October to 8 November 2002;
- First sessional period in 2003: from 2 to 13 June 2003; and
- Second sessional period in 2003: from 1 to 12 December 2003.

2. Recommendation of the Subsidiary Body for Scientific and Technological Advice

At its 9th meeting, on 4 November, on the proposal of the President, the Conference of the Parties took note of the conclusions of the Subsidiary Body for Scientific and Technological Advice at its eleventh session on the question of the scientific and methodological aspects of the proposal by Brazil,¹ in which it noted that a revised version of the proposal by Brazil was now available and called for further work on this question, including a review of the proposal by experts selected from the roster of experts (see Part One, section IV, H, para. 57 of the present report).

¹ See FCCC/SBSTA/1999/14, section IX, E.

3. Proposals to delete the name of Turkey from the lists in Annexes I and II to the Convention

At the 10th plenary meeting, on 5 November, the Conference of the Parties took note of the efforts of Turkey to advance the implementation of the objective of the Convention even at a time when it was not a Party. The Conference of the Parties was encouraged, in particular, by the efforts made by Turkey to implement policies and measures that could lead to a meaningful limitation of greenhouse gas emissions in comparison with a business-as-usual scenario.

In recognition of the efforts made by Turkey, the Conference of the Parties requested the President to intensify his search for a satisfactory solution and decided to consider the matter again at its sixth session under an item entitled "Review of information and possible decisions under Article 4, paragraph 2 (f), of the Convention". The Conference of the Parties requested the Executive Secretary to place the item on the provisional agenda for that session (see Part One, section VI, A, paras. 62-63 of the present report).

4. Proposal by Kazakhstan to add its name to the list in Annex I to the Convention

At the 10th plenary meeting, on 5 November, the Conference of the Parties noted that any Party may propose amendments to the Convention and its annexes in accordance with Articles 15 and 16 of the Convention. It further noted that any Party not listed in Annex I to the Convention had the right to seek to join Annex I pursuant to those articles. The Conference of the Parties took note that Kazakhstan maintained its proposal for an amendment to add its name to the list in Annex I and was willing to undertake additional consultations to facilitate a decision on the proposal at the sixth session of the Conference of the Parties.

The Conference of the Parties decided to consider the amendment proposed by Kazakhstan at its sixth session, with a view to taking action thereon (see Part One, section VI, B, paras. 67 and 69 of the present report).

5. Institutional linkage of the Convention secretariat to the United Nations

At its 9th meeting, on 4 November, the Conference of the Parties endorsed the conclusions of the Subsidiary Body for Implementation at its eleventh session on its agenda item 12 (d),² in which it decided that consideration of the juridical personality of the Convention secretariat on the international plane should be deferred and taken up in 2001 in conjunction with the review of the international linkage of the Convention secretariat to the United Nations, which was to be completed by 31 December of that year (see Part One, section VIII, C, para. 82 of the present report).

² See FCCC/SBI/1999/14, section XII, D.

**FIFTH CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK
CONVENTION ON CLIMATE CHANGE (COP5)**

OPENING STATEMENT
by
Jan Szyszko, President of COP5

Bonn, Germany, 25 October – 5 November 1999

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**Your Excellency Chancellor Gerhard Schroeder, Lord Mayor Dieckmann,
Distinguished Delegates, Ladies and Gentlemen,**

I wish to thank you for the confidence and trust given to me in electing me to this high and important position of the President of the Conference of the Parties. I also wish to especially thank the members of the Eastern European Group for nominating Poland to assume this task on its behalf.

I realize that this position bears a tremendous burden of responsibility - a responsibility of making substantial progress towards COP-6, but also a much greater responsibility for our well-being and that of our children.

The responsibility is passed by my predecessor as the President of COP 4 Ms. Maria Julia Alsogaray. I pay tribute to her for her great negotiating skills and for her commitment to the cause of climate change.

Please let me also very warmly welcome our special distinguished guest, His Excellency Chancellor Gerhard Schroeder. His presence here is a clear signal that climate change issues are given a special priority by Heads of Government.

Global warming, as a result of climate change observed over the last decades, is currently considered worldwide as the main environmental challenge for the forthcoming years. The targets related to the stabilization and further reduction of greenhouse gas emissions, already set in the Climate Change Convention and its Kyoto Protocol, still require that urgent and effective actions be taken by the Parties. The need for such actions has already been fully recognized last year in Argentina, where the Buenos Aires Plan of Action was adopted with a view to taking important decisions during COP-6. This Bonn Conference is commonly recognized as a milestone towards implementation of key aspects of the Buenos Aires Plan of Action, which are:

- additional guidance to the financial mechanism;
- development and transfer of technology;

- actions related to mitigating the adverse impacts of climate change and the implementation of response measures;
- review and assessment of Activities Implemented Jointly;
- guidelines on mechanisms under the Kyoto Protocol, and
- further progress in preparation for the first session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol

Your Excellency Mr. Chancellor, Distinguished Delegates,

We were not idle between the last and this session of the COP. A number of workshops were held and the subsidiary bodies meeting made considerable progress on issues on our agenda at their June sessions. Even more encouraging is that in my informal consultations with other Ministers. I have learned that Ministers wish to build on the momentum generated in Buenos Aires. The message I received from Ministers was clear. COP-5 has to provide, the greatest extent possible, progress on areas of convergence, clear problems of technical aspects and avoid introducing new, controversial issues while putting the whole emphasis on the implementation of the Buenos Aires Plan of Action.

I hope we will be able to present to the Ministers and high level officials coming to Bonn next week that we have lived up to their expectations.

We all no doubt know that during this Conference we are facing a full agenda of difficult political and technical issues progress that will determine how the international community goes about minimizing emissions of carbon dioxide and other greenhouse gases over the critical first decade of the 21st century. Significant progress should be made here to achieve successful outcome of COP-6 Decisions to be taken at COP-6 will have to satisfy on the one hand, Annex I Parties, and trigger their ratification of the Protocol, and on the other hand to offer constructive incentives to developing countries to enhance their active participation in the process.

This Conference must build confidence in a successful outcome at The Hague by adopting important technical decisions, sending positive signals to business and industry, and engaging Ministers and other officials fully in the task of focusing and

speeding up the negotiations. The COP-6 outcome must include a strong technical component, indicating inter alia how the Kyoto Protocol mechanisms will work in practice and what compliance and non-compliance rules should be.

However, much of the work on the key issues lies ahead and will have to be accomplished under intense time pressure if it is to be completed by COP-6. During this Conference we should be able to draw a clear line on what much be achieved at COP-6 and what can be safely left until later. We should be ready here to agree upon pieces of the COP-6 outcome and, what is even more important, to find ways to engage ministers and senior officials more deeply in actions towards success at COP-6. I do expect we will be able to take a number of decisions and prepare bracketed texts on other issues, which are to be adopted at COP-6.

I would like to underline the role of active participation by non-governmental observers in climate change process. A growing body of opinion in business and industry views the private sector contribution to limiting emissions as inevitable, essential and even profitable. We also appreciate the increasing contribution of intergovernmental organizations, particularly those of the UN family, to implementation of commitments and capacity building issues.

Your Excellency Mr. Chancellor, Dear Colleagues,

We fully understand that developed countries are deeply concerned about the economic implications of rapid transition to a lower-emissions economy, including the potential impact on trade competitiveness, both among themselves and between them and those developing countries that are now industrializing. The Kyoto Protocol will only enter into force and become legally binding when at least 55 countries, including developed countries accounting for at least 55% of developed country emissions, have ratified it. The Bonn negotiations should significantly contribute to the rules by which developed countries could lower the costs of meeting their targets by reducing emissions in other countries through the Kyoto Protocol mechanisms. A related issue will be determining the consequences of non-compliance for the Parties. At the same time I believe that our discussions must open the way for

developing countries in the context of their sustainable development, to become more involved in addressing climate change in the future.

As the President of the Fifth Conference of the Parties, I am fully aware of the great challenge standing before us here in Bonn. I would like to assure you that I will do my utmost to facilitate our talks in a most effective way, building confidence in further negotiations toward successful outcomes at COP-6. I wish to all of us a fruitful discussion during our meetings in the spirit of friendship and consensus.

Thank you very much for your attention.

Speech
by Herr Gerhard Schröder,
Chancellor of the Federal Republic of Germany,
at the opening of the
5th Session of the Conference of the Parties to the
Framework Convention on Climate Change

Bonn, 25 October 1999

Translation of advance text
Embargoed until delivery

Mr President, Excellencies, Ladies and Gentlemen,

I would like to cordially welcome you to the 5th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change here in Bonn, the home of the Convention Secretariat.

This is Bonn's first major climate conference. During the last few months the Convention Secretariat, with the support of the city and many other helpers, has worked non-stop. I would like to thank everyone who has lent a hand to ensure the smooth organization of this conference.

Bonn is Germany's first UN city. It is currently evolving into a centre for environmental and development policy. In addition to the Secretariats of the Framework Convention on Climate Change and the Convention on the Conservation of Migratory Species of Wild Animals, the Secretariat of the Convention to Combat Desertification has now commenced work in the Federal city on the Rhine.

The establishment of these Secretariats in Bonn has created favourable conditions for enhanced cooperation among the various United Nations environmental conventions. A department of the World Health Organization will follow shortly. And Bonn would like to host further UN secretariats.

With the extension and redesign of the former plenary area of the German Bundestag we intend to firmly establish Bonn as a venue for international conferences. In doing so we will also create better working conditions for the Convention Secretariat and an excellent environment for international conferences. The German Government will therefore continue its campaign to bring more United Nations organizations to Bonn.

Ladies and Gentlemen,

In a few days' time, on 9 November, it will be ten years to the day since the Wall was torn down in Germany. The fall of the "Iron Curtain" also marked the ending of the East-West conflict. This global conflict had shaped international politics for more than four decades following the Second World War.

Many people suffered during this conflict. Its ending has raised expectations of an additional peace dividend. For we have been given a chance to pay much closer attention to one of humanity's core tasks for the future: preserving the sources of life.

At the Rio de Janeiro Conference in 1992 the international community has demonstrated its determination to grasp this opportunity and to work together to find solutions to global environmental problems. You will recall that this conference evoked a vision - the vision of sustainable development. For many people around the world Rio was a beacon of hope.

Today we are forced to admit that this vision has not been realized as fast as many had hoped. On the threshold to the next millennium we must ask ourselves: Where do we stand today? What is the state of the global environment?

A look at trends in the global environment confronts us with a hard reality: the loss of forests, desertification, drinking water shortages and, above all, global warming all continue undiminished. These developments affect humanity's vital nerve.

Against this background the question arises: What tangible progress towards worldwide protection of our sources of life have we achieved together since Rio? The latest United Nations Environment Programme report published last month gives a sobering reply: despite continued efforts and initiatives, despite an increase in environmental awareness throughout the world, we have not yet attained our goals.

To be sure, there have been positive developments, e.g. in the protection of the ozone layer. The climate negotiations held during the last few years did achieve a measure of success. What is more, many states have made considerable progress in air quality control and water protection. However, not least due to meteoric population growth, this progress in individual spheres is quickly cancelled out by increasing burdens in other areas.

Ladies and Gentlemen,

In identifying further causes we must turn our attention to the globalization of the world economy. As a result of global markets the economic basis is changing faster than ever before.

On the one hand, integration into world trade and economic cooperation can open up new windows of opportunity, particularly for developing countries. On the other hand, there is a danger that globalization will be accompanied by overexploitation of natural resources and neglect of environmental protection. The fire clearance of forests and overfishing of the seas do not bode well.

However, environmental protection is not a luxury. Only if we safeguard humanity's sources of life can there be viable and lasting economic development. This applies to individual countries just as much as to the world as a whole. Anything else would be a dangerous miscalculation.

This is nowhere more evident than in the warming of the Earth's atmosphere and the greenhouse effect: no other environmental problem poses such a major threat to all of humanity.

And for this very reason we must ask ourselves at the beginning of the 5th session of the Conference of the Parties: What is the current state of climate protection? The international discussion on this issue has been going on for twenty years now. And it can be said that much that was initially regarded as inconceivable has been achieved.

The Framework Convention on Climate Change negotiated in Rio forms the basis under international law for worldwide climate protection. The necessary institutions have been created. In the 1997 Kyoto Protocol, the industrialized countries made their first ever binding commitment under international law to considerably reduce their greenhouse gas emissions. This is undoubtedly a genuine breakthrough.

However, there have also been setbacks: The commitment by the industrialized countries to reduce carbon dioxide emissions to 1990 levels by next year will not be kept by many major countries.

And this affects the core of our international efforts. It must be clear to us all that people all over the world have been following the consultations of the international community with growing interest, particularly since Rio. And they rightly expect that what has been agreed upon in lengthy and difficult negotiations is now actually put into practice. Anyone wishing to remain credible in the debate on climate policy must therefore show the world that they really are making every effort. They must implement at home what they have pledged on the international stage.

Ladies and Gentlemen,

This call goes, of course, also out to my country. The Federal Republic of Germany declared at the First Conference of States Parties in Berlin in April 1995 that it would reduce its CO₂ emissions by 25% down from its 1990 level by the year 2005. This remains an ambitious target. We have already achieved a reduction of 13.2 %.

This success is partly due to structural changes in the new federal states but also to massive investments in improving energy efficiency. The industrial sector and power stations deserve particular mention in this connection. With the measures agreed upon hitherto we will achieve an overall reduction of roughly 17 % by the year 2005.

So much remains to be done. And we all know that, not only in the field of environmental protection, the last part of a journey is often particularly difficult. However, we stand by this ambitious target. And, naturally, we also stand by our commitment within the context of EU burden-sharing.

Ladies and Gentlemen,

That is why my Government has mapped out a course for further progress in climate protection.

Firstly, since April Germany has had an eco-tax raising the cost of energy consumption. The revenue generated is being used to ease the tax burden on labor lost.

Secondly, we have not only launched an ecological tax reform. Last summer we also decided upon the steps to be taken in the next few years. For I believe it is crucial that we use a long-term, gradual increase in energy taxes to send a clear message: it is worth everyone's while saving energy. It pays to invest in increasing energy efficiency.

Thirdly, we will continue along this path. In the middle of next year the German Government intends to present a comprehensive national reduction strategy for greenhouse gases which will follow on from the existing programme and lay down any necessary further measures.

Ladies and gentlemen,

As a result of the particular risks of nuclear energy the German Government has decided to phase out this technology. Naturally, we are being asked how we intend to match this decision with our ambitious climate protection targets.

Firstly, I would like to state clearly that phasing out nuclear energy is not, in my view, our prime task. Rather, our aim must be to introduce an ecologically and economically viable energy supply policy. That is the challenge facing us.

We need an efficiency revolution. I am firmly convinced that an appreciable increase in energy efficiency will be one of the key features of a modern economy. We need modern power stations which combine the highest possible efficiency with the lowest possible levels of pollution. We must make more use of the potential of renewable forms of energy. In Germany, for example, we intend to double the share of renewable forms of energy by the year 2010.

What further concrete options do we have to effectively counter the greenhouse effect?

Firstly, we must do something in our own homes. Particularly in older buildings, far too much energy is still being lost. With the aid of an Energy Savings Ordinance we intend to greatly reduce CO₂ emissions in buildings.

Secondly, in the field of transport the number of vehicles on the road, and thus CO₂ emissions, will continue to increase in the coming years. It is imperative to do more here to ensure that the reduction achieved in harmful emissions, for instance in the industrial sector, is not cancelled out again. Let there be no mistake: I am not talking about restricting mobility. Rather, we need vehicles which use much less fuel than at present. The three-litre car recently presented is a good step forward in this respect. And in freight traffic we need a greater shift from transport by road to rail.

Thirdly, there are also still considerable possibilities for saving energy in private consumption. I am thinking here of economical fridges and lights, energy-saving computers, as well as televisions and audio systems. Whether it is a spectacular technical innovation or a merely gradual one: these are the markets of the future. They not only offer opportunities for protecting our environment but also for preserving and creating modern jobs. Those with political responsibility should therefore remember that anyone trying to slow down climate protection or merely failing to make progress will in just a few years' time be out of touch with one of the most important markets of the next millennium.

Ladies and Gentlemen,

1998 was the warmest year since regular temperature records began more than a hundred years ago. The five hottest years since the 15th century have all been in the 1990s. From the international insurance industry we know that most of the damage which must be replaced today is caused by bad weather: storms, hailstones and floods.

In 1998 Hurricane Mitch left behind a trail of destruction and suffering in Honduras and Nicaragua. Hurricane Floyd in September was the most violent ever. Floods in China, Bangladesh and also in Germany, disastrous forest fires in Indonesia: we have every reason to take seriously these natural phenomena, which are possibly an indication of climate change.

That also means that no-one should be allowed to talk their way out of taking action by pointing out remaining uncertainty among scientists. Those who want to truly live up to their responsibility must act now.

And that brings me back to the tasks which you intend to tackle during the coming two weeks. I gladly recall that Kyoto was a great breakthrough. But it is not enough, of course, to simply leave the congress hall with a pile of papers. Rather, the Kyoto Protocol must enter into force as quickly as possible, by the year 2002 at the latest - i.e. ten years after the Rio Conference.

Furthermore, we need effective controls in order to ensure that the Kyoto arrangements really are implemented. It is therefore essential that we establish as quickly as possible how compliance with reduction commitments is to be monitored. The so-called flexibility mechanisms for implementing the reduction commitments agreed upon in the Kyoto Protocol must also be swiftly clarified.

Emissions trading or joint projects by industrialized and developing countries can be a meaningful addition to, albeit no replacement for, the industrialized countries' national climate protection measures, meaning that efforts in one's own country must be the key to implementing the industrialized states' reduction commitments.

For only if we as industrialized nations take the lead in climate protection can we expect developing countries to gradually limit and where necessary reduce their greenhouse gas emissions. Nevertheless, there can be no doubt that developing countries must also undertake their own efforts in the medium term. Although their per capita emissions are still substantially lower than that of industrialized nations, they will increase considerably in future if they push ahead with economic development without climate-protection measures. On the other hand, developing countries are also being presented with considerable opportunities. The chance to enter into joint climate protection projects with the industrialized countries is likely to accelerate the development of a modern infrastructure.

Ladies and gentlemen,

Whether our children, whether coming generations will recall the Kyoto Protocol with appreciation or disappointment will depend partly on this conference. Only if we see the climate protection process as a chance to achieve lasting environment-friendly development worldwide, only if we succeed in tackling problems together in a spirit of sincere solidarity, only then can we successfully master the great challenges. That is why I appeal to you all to bring these climate negotiations to a successful conclusion. On the threshold to the 21st century send a message from Bonn:

We have taken concerted and resolute action to ensure that this world remains one worth living in for future generations.



FRAMEWORK CONVENTION ON CLIMATE CHANGE – Secretariat
CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES - Secrétariat

Fifth Session of the Conference of the Parties of the United Nations Framework Convention on Climate Change

25 October – 5 November 1999, Bonn, Germany

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Not an official document

25 October 1999

Message of the Secretary-General to the Fifth Session of the Conference of Parties to the United Nations Framework Convention on Climate Change

BONN, 25 October (UNFCCC) – Following is the text of the message of United Nations Secretary-General Kofi Annan to the Fifth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Bonn, Germany (25 October to 5 November), delivered at the opening session of the Conference by Michael Zammit Cutajar, Executive Secretary of UNFCCC.

I am pleased to convey my greetings and best wishes to the Parties to the United Nations Framework Convention on Climate Change. The presence of His Excellency Chancellor Gerhard Schröder at the start of these proceedings shows how high this issue can climb on national agendas. I am grateful for his show of support and also to the people of Bonn for welcoming this important meeting.

In the five years since the Convention on Climate Change entered into force, the Parties to it have laid a solid foundation for long-term action to minimize climate change and its consequences. You are building effective institutions and technical capacities at the national level and a credible international system of data-gathering and information-sharing. You have started to set targets and design a system to ensure compliance. You are basing your policy decisions on the best available science, drawing on the respected assessments of the Intergovernmental Panel on Climate Change. You have stressed cost-effectiveness through mechanisms that engage the resources and ingenuity of business and industry. And you have opened your work to the scrutiny of civil society.

These are signs of a maturing international regime. You can take pride in your achievements. But now is no time for complacency. Your efforts will bear fruit only if they are

understood and supported by the people outside this room: the voting and taxpaying citizen, the investor, the business executive, the city official charged with transport or waste management, the national official responsible for forestry or agriculture. That audience is looking to you here in Bonn for a message.

The people outside this room want to hear that developed countries are fully committed to early domestic efforts to achieve their emission targets. Given the time it will take to turn around emission trends, action now is essential if developed countries are to demonstrate progress by 2005 and start hitting the targets by 2008.

The global audience also needs to be reassured that you are working for a fair and inclusive strategy, sensitive to the concerns of vulnerable countries and driven by the need to protect the climate as a global resource.

They want to see the developing countries being empowered, through finance, technology and capacity building, to follow environmentally sound paths of economic development and make their rightful contribution to limiting global emissions.

They want to see evidence that the Clean Development Mechanism, the innovative centrepiece of the Kyoto Protocol, will be ready to be activated immediately after the sixth session of the conference of the parties, to be held next year in the Hague. And they would like to be confident that the climate-friendly decisions and investments being made today will be rewarded by the entry into force of the Kyoto Protocol by 2002 at the latest.

We live in a time of extraordinary technological creativity. Old industries are being turned upside-down or replaced by new ones. The energy and transport sectors, which hold the key to your success, will not remain static over the coming decades. Even if we set aside the issue of climate change, the need to be more competitive and less polluting points to increases in efficiency and a cleaner future. Pioneering firms are already leading the way to green profits. The Convention and the Protocol are moving with this tide.

You have come a long way since the Convention was adopted and signed in 1992. But you have a long way to go yet. The United Nations system is ready to go with you. In that spirit of partnership, please accept my best wishes for the success of your deliberations.

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2 November 1999 (2:33PM)

**Fifth Session of the Conference of the Parties
to the
United Nations Framework Convention on Climate Change**

**HIGH LEVEL SEGMENT
Opening Statement
by Mr Jan Szyszko of Poland
the President of COP 5**

Excellencies, distinguished colleagues, ladies and gentlemen, I have enormous pleasure to welcome you at this high level segment of the fifth session of the United Nations Framework Convention on Climate Change Conference of the Parties. I would like to take this opportunity to thank distinguished ministers and others heads of delegation for your presence here today. It is a sign of your continuing interest in and support for this process. I am especially pleased to see so many ministers here today. In addition to environment, there are also ministers of energy, development and planning, science and technology and the economy. This is a good indication that the climate change process is maturing and that governments are embracing sustainable development. I see this as a positive step for our deliberations. Myself having an environmental background I realise very well that the implications of the Convention are much broader and concern all sectors of the economy.

I am particularly encouraged to see a great number of ministers from developing countries. This is tangible proof that climate change has a truly global dimension. What is even more important is the fact that many developing countries are the most vulnerable to the adverse effects of climate change. Many of them also have a very important advantage in their hands. Their economies can evolve without making the environmental mistakes of previous development practices.

Since the Convention entered into force, implementation of our programs for emissions stabilisation by the year 2000 has helped governments to learn more about emissions and how they can be reduced. We have found that no single technology or policy prescription can stabilise greenhouse gas emissions. We have also seen that some policies have been more successful than others. While governments are still having difficulties in predicting their policy impact on future emissions, there is a prevailing sentiment that there are many economic benefits to a low-emission economy and that we can bring down emissions and keep them down. We may not have been able to do so for 2000 but we have a second chance for the 2008-2012 period. Let us firmly grasp this unique opportunity.

Distinguished colleagues, we are witnessing more and more signs of climate change. The adoption of the Kyoto Protocol two years ago gave us a powerful instrument to reverse the trend of the steady rise of greenhouse gas emissions in developed countries. It was a step in the right direction. We cannot however fail to make it effective and operational as quickly as possible. Last year when we gathered in Buenos Aires we adopted a comprehensive work schedule concerning practical steps to make the Kyoto Protocol implementable. The Bonn Conference is commonly recognised as a milestone towards reaching agreements on the key aspects of the Buenos Aires Plan of Action. I can report to you, colleagues, that we have been working intensively before you arrived. My own

assessment of the progress achieved so far is positive but I truly believe that we cannot have a meaningful outcome in Bonn without the collective will of Ministers to do even more. We have come here to make a difference, not by negotiating the details on complex issues but by pushing our negotiators to do this, by providing political guidance and most of all by injecting fresh momentum into a negotiating process that risks congestion.

My informal consultations with some ministers have already shown that there is a strong determination among them to move the process forward decisively. We must reaffirm our commitment to meeting our COP 6 deadlines. We will all need to keep a close eye on the progress next year. The negotiators will have to take on a tremendous task on working out agreements on a number of outstanding issues, but its only you colleagues that can back those efforts politically and I count on your personal involvement in the process leading us to COP 6. I will propose a short decision for your consideration which we could adopt as a sign of our determination to have a successful outcome in the Hague.

Let me repeat - the early entry into force of the Kyoto Protocol is our political imperative. His Excellency Mr. Gerhard Schroeder the Chancellor of Germany in his speech at the opening of the conference stated very clearly that the "Kyoto Protocol must enter into force as quickly as possible, by the year 2002 at the latest - it means ten years after the Rio Conference". Lets take these words as our motto for this Conference.

I look forward to working with you in the days ahead to bring us close to achieving this goal.

Thank you.

**Statement
at the opening of
the High-level Segment of COP 5
Bonn, 2 November 1999
by
Michael Zammit Cutajar
Executive Secretary, UNFCCC**

Honourable Ministers,

Welcome to COP 5. Your arrival lifts this conference from tactics to vision. It offers you a political opportunity to build confidence in the success of the negotiations on the Buenos Aires Plan of Action. Here are five building blocks:

1. The leading industrial economies can use this opportunity to demonstrate their engagement in early domestic action, as the start of their effort to reach the Kyoto targets. The industrializing developing countries can show their recognition of the developmental gains to be made from a climate-friendly economy. All must be sensitive to the human dimension of vulnerability, tragically underlined by the recent cyclone in India.
2. The Clean Development Mechanism can be made into the cornerstone of a North-South compact at COP 6. This innovative instrument, which seeks to integrate environmental and economic gains, must be made attractive to private sector investment in sustainable development. Business and industry are willing to play the CDM game and are waiting - somewhat impatiently - to know the practical rules. They need to be given positive signals, such as an affirmation that Parties will arrange for an early start to the CDM, in accordance with the Protocol.
3. COP 5 has provided an opportunity to address the bottlenecks in the delivery and consideration of national communications by developing countries. The implementation of this commitment is a meaningful contribution to the objective of the Convention. I welcome the emerging decisions on this subject and that on capacity-building, as well as the effort made by nine non-Annex I Parties to bring their first reports to COP 5. (The total now stands at 22.)
4. The credibility of the Kyoto Protocol regime must remain a central concern. A regime that would permit the Kyoto targets to be achieved solely through "hot air" and "sinks" would undermine the commitment to modify longer-term emission trends. While the mechanisms and compliance are in the limelight, the soundness of national emissions inventories and their technical review must not be overlooked. Progress on these technical matters at COP 5 has been encouraging.

5. A negotiating process needs deadlines. Pressure must be kept up for results at COP 6, with the aim of bringing the Kyoto Protocol into force by 2002. At the same time, it would be beneficial to reach an understanding on what lies beyond COP 6, including the review of the Protocol by COP/MOP 2, the 2005 performance benchmark and the continuation of the Protocol into the second and future commitment periods, without a break.

Climate change policy is a thread in the fabric of global relations, entwined with many other issues, political and economic. The main breakthroughs in your negotiations can only be achieved in that global strategic context. I therefore close with an appeal to Ministers gathered here to integrate the Convention and the Protocol in that broader international agenda, bilateral and multilateral, so that this global venture may advance successfully to COP 6 and beyond.

Canada Country Statement

Mr. President, Executive Secretary and distinguished colleagues:

We are here to tackle one of the most complex challenges facing the world. Like all nations, Canada is vulnerable to the effects of climate change, particularly in the north. In Canada, we are taking action now because climate change will affect the quality of life for Canadians for generations to come.

We all know climate change is a global challenge that requires global solutions. We must all work together to reach meaningful decisions by CoP 6. Here at CoP 5, we must send clear messages to ensure investments and actions now to decrease global emissions.

I would like to share with you three messages that I hope will shape our work here at CoP 5 and build momentum as we move forward to CoP 6.

First, we will not succeed without meaningful domestic action on the part of Annex 1 countries. The responsibility of Annex 1 countries for leadership is clear. We cannot constrain each country's unique opportunities to act. For Canada, our intention is to achieve the majority of our reductions at home.

Today I am distributing *Taking on the Challenge*, a document that describes Canada's actions to date from the Pacific to the Atlantic to the Arctic. It also outlines how we will develop our national strategy, in partnership with our all sectors of our society, to achieve our Prime Minister's recently restated goal – to meet our Kyoto commitments to reduce greenhouse gas emissions. In fact, more than 450 Canadians are involved in developing options to meet our Kyoto target. Our provinces, municipalities, First Nations, industry, environmental organizations and youth - all represented here in Bonn - continue to work together to reduce our emissions in Canada.

My second message is that climate change is a global problem requiring a truly global solution. Forecasts tell us that Annex 1 emission reductions alone will not be enough to reverse the upward trend. Developing countries are taking action. Some are indicating their sovereign intent to limit emissions and Canada encourages the efforts of all countries. We must also facilitate capacity building and adaptation in developing countries, particularly the most vulnerable.

Finally, our priority here and at CoP 6 is to make decisions that lead us to the entry into force of the Kyoto Protocol, at the earliest possible date. We must have concrete substantial progress here in Bonn. There must be an intensified effort by our negotiators over the next year. We need active engagement of Ministers to keep these negotiations on track. Success here and constant momentum in the months to come will ensure actions by all.

We cannot let the opportunity of CoP 5 pass us by. Let us make the right choice for our common future.

Déclaration du Canada

Monsieur le Président, Monsieur le Secrétaire exécutif, chers Collègues,

Nous nous retrouvons ici pour étudier l'un des défis les plus complexes auquel le monde est confronté. Comme tous les pays, le Canada est vulnérable aux effets des changements climatiques, particulièrement dans les régions nordiques. Au Canada, nous agissons maintenant parce que les changements climatiques affecteront la qualité de vie des Canadien(ne)s pour des générations à venir.

Nous savons tous que les changements climatiques constituent un défi planétaire qui exige des solutions à l'échelle planétaire. Nous devons tous travailler ensemble afin d'être en mesure de prendre des décisions significatives d'ici la CdP6. Ici, à la CdP5, nous devons lancer des messages clairs, afin de nous assurer que des investissements seront faits et que des mesures seront prises dès maintenant afin de diminuer les émissions à l'échelle mondiale.

Je souhaiterais partager avec vous trois messages qui, je l'espère, façonneront nos travaux, ici, à la CdP5 et amorceront le mouvement convergeant qui nous amènera à la CdP 6.

En premier lieu, ce processus est voué à l'échec si les pays visés à l'Annexe 1 ne prennent pas de mesures significatives à l'échelle nationale. La responsabilité qui incombe aux pays visés à l'Annexe 1 en matière de leadership est très claire. Nous ne pouvons restreindre les possibilités particulières d'action de chaque pays. En ce qui a trait au Canada, notre intention est de réaliser la majorité de nos réductions au plan domestique.

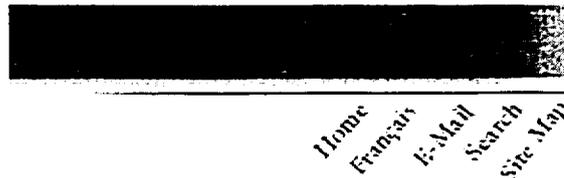
Je vous présente aujourd'hui un document intitulé *Relever le défi* qui traite des mesures que le Canada a mises en œuvre du Pacifique à l'Atlantique en passant par l'Arctique. Il décrit également comment nous entendons formuler notre stratégie nationale, de concert avec tous les secteurs de notre société, laquelle vise à réaliser l'objectif récemment réaffirmé par notre Premier ministre, de remplir notre engagement de Kyoto de réduire nos émissions de gazs à effet de serre. En effet, plus de 450 canadiens sont impliqués dans l'élaboration de solutions qui nous permettront d'atteindre cet engagement. Nos provinces, nos municipalités, nos Premières Nations, nos industries, nos organismes environnementaux et la jeunesse, tous représentés à Bonn, travaillent conjointement à réduire nos émissions.

En deuxième lieu, les changements climatiques constituent un problème planétaire qui nécessite une solution d'envergure planétaire. D'après les projections actuelles, les réductions d'émissions prévues par les pays visés à l'Annexe 1 ne suffiraient pas à elles seules à renverser la tendance à la hausse. Les pays en voie de développement entreprennent des actions concrètes. Quelques uns ont manifesté leur intention souveraine de limiter leurs émissions et le Canada encourage la contribution de tous les pays. Nous devons aussi faciliter le renforcement des capacités et l'adoption de mesures

d'adaptation dans les pays en voie de développement, particulièrement dans les plus vulnérables.

Enfin, notre priorité ici et à la CdP 6 est de prendre des décisions qui nous conduiront à l'entrée en vigueur du Protocole de Kyoto le plus tôt possible. Nous devons réaliser des progrès substantiels ici, à Bonn. Il doit y avoir une intensification des efforts de nos négociateurs au cours de l'année qui vient. Nous devons obtenir un engagement dynamique de la part des ministres pour que ces négociations restent sur la bonne voie. Notre succès ici à Bonn et l'impulsion soutenue au processus de négociation au cours des mois à venir garantiront la réalisation d'action concrètes par tous.

Nous ne devons pas laisser passer l'occasion que nous offre la CdP5. Faisons le bon choix pour notre avenir à tous.

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High Level Segment of the Fifth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change Bonn 2-4 November 1999

Mr. Frank E. Loy
Under Secretary of State for Global Affairs, Department of State
United States of America

It is a great honor to be here in Bonn. For over four decades, this city stood as an emblem of humanity's determination to meet the great challenge of the 20th century - the challenge of preserving and renewing human freedom. Today, we draw on that rich legacy as we rise to meet one of the premier challenges of the 21st century - the challenge of preserving and renewing the earth itself.

The backdrop to our meeting is a growing scientific consensus on the causes and consequences of climate change. Just yesterday, for example, the officials at the International Coral Reef Initiative meeting passed a resolution calling on us to work with them to address the impacts of global warming on these fragile but vital ecosystems. We welcome their commitment.

Two years ago in Kyoto we put in place the basic architecture of an international strategy to address global warming. Last year in Buenos Aires, we laid out a road map for turning Kyoto's broad concepts into working realities. Our task in Bonn is to achieve the steady, solid progress that is necessary to ensure our ultimate success.

On behalf of President Clinton and Vice President Gore, I affirm to you today that the United States is more committed than ever to meeting this profound challenge - both at home and in concert with the nations assembled here.

Over the past year, the President and Vice President have launched significant new actions to reduce our greenhouse gas emissions. The President issued new Executive Orders to dramatically improve energy efficiency within the Federal government and to promote broader use of renewable energy. He also secured record funding for the research, development, and deployment of 21st century clean energy technologies. In addition, new efforts to address climate change are underway at the state and local levels and throughout corporate America. All of these efforts are part of Stage One of the President's larger three-stage plan, which we see culminating in binding domestic emissions targets and a domestic emissions trading system. I look forward to reporting on these efforts in greater detail at the Ministers' session on this topic on Wednesday.

Beyond our robust domestic efforts, our goal is to continue working with other nations to complete the work begun in Kyoto - to construct an international regime that works, to achieve an agreement that can be ratified. Chancellor Schroeder noted the other day that countries must implement at home what they promise abroad. Let us remember also that countries must negotiate abroad what they can ratify at home. For it would do the world little good for negotiators to reach an agreement that is ultimately rejected by our nations.

Many delegates have expressed great concern over the prospects for U.S. ratification of the Kyoto Protocol. I believe the Kyoto Protocol can be ratified by the United States - but I am realistic about what that will take.

It will take, for starters, an agreement that is cost-effective. We need to develop rules on mechanisms, sinks, and compliance that get us the most environmental gain for each available dollar, euro or yen. We need rules that promote integrity and high standards while at the same time avoiding artificial limits so that nations can meet their commitments at a reasonable and predictable cost.

Realism also demands that we have more meaningful participation on the part of key developing countries. And I will say something more about this in a moment.

If we fail to meet these conditions, the treaty will not be ratified. If we do meet these conditions, we believe it will be.

We have been urged to bring this agreement into force by 2002. The United States strongly supports entry into force at the earliest possible date. But that means we must all redouble our efforts - both at this conference and in the period between now and CoP-6.

First of all, over the next few days here in Bonn, we need a consensus on a stepped-up, more intense, more focused process to complete the work outlined in the Buenos Aires plan of action. We must have more inter-sessional work with clear guideposts for our efforts if we are to ensure a successful outcome at COP-6.

Second, we need a mandate from this Conference to develop negotiating text on a number of important issues, including the Kyoto mechanisms. This is a critical point - negotiators need to have actual text soon if they are to get the job done in a timely fashion.

And third, both here and in the months ahead, we need to foster a new, constructive dialogue about developing country efforts.

Let me congratulate Argentina on the leadership and hard work that led to today's announcement. We are very encouraged also by the commitment of Kazakhstan. By taking on an appropriate emissions target that allows them to engage in trading, nations can simultaneously reduce emissions and contribute to their economic growth.

Other developing countries have also begun making impressive progress towards "de-carbonizing" their economic growth - achieving strong economic gains while dramatically slowing the increase in their greenhouse gas emissions. They are abandoning what President Clinton has called the outdated idea of the industrial revolution - that more economic growth means more pollution. We need to build on these successes and look for market-oriented strategies that will reap rewards for developing countries that voluntarily reduce their emissions.

So in addition to ongoing discussions about the timing and nature of developing country commitments, we would like to work together on a complementary track. We would like to open a new dialogue between developed and developing countries about how to use the Kyoto process to more effectively pursue sustainable development opportunities. We need to explore at a high-level, in an appropriate forum the progress that has been made, and how developed and developing countries can cooperate to broaden and strengthen this encouraging trend.

Everyone - both north and south - would benefit from learning more about how this movement towards sustainable growth has been accomplished, and how even greater progress can be achieved.

In summary, let me reiterate that the United States is fully committed to completing the work begun at Kyoto and looks forward to addressing the critical issues of cost and developing country participation, so the treaty can be ratified. But much remains to be done. And if we fail to move forward - both in Bonn and beyond - we risk missing an important opportunity to protect our climate for generations yet to come.

The German statesman Bismarck is reported to have said that "political genius consists of hearing the distant hoof beats of history and then leaping to catch the passing horseman by the coattails as he

thunders by." Here in Bonn we can hear the hoof beats of not only history, but science as well.

Let us muster the political imagination and determination, if not genius, to catch the coattails of the passing horseman, so that we may meet this great challenge and pass on a healthy, livable planet.

Thank you.

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**HIGH-LEVEL SEGMENT OF THE FIFTH SESSION OF
THE CONFERENCE OF THE PARTIES (COP 5) TO
THE UNITED NATIONS FRAMEWORK CONVENTION ON
CLIMATE CHANGE**



Bonn, 2 – 4 November 1999

**Statement by Mrs. Satu Hassi
Minister of the Environment and Development Cooperation,
Finland
on behalf of the European Community and its member States**

Bonn, 2 November 1999

(Ladies and Gentlemen,)

We all have experienced how the climate is changing. In some areas we have lived through the hottest year in decades, while in others it was the rainiest or in yet others the stormiest. Floods which have killed or left homeless thousands of people in India and Bangladesh are the most recent signs of changing climate. Globally speaking we have experienced four exceptionally warm years during the '90s.

The changing climate and its effect on our ecosystems affect us all. Particularly vulnerable are small island states and low-lying countries, which in many cases are already suffering from salination of their drinking water because of the rising sea level. No country is likely to avoid such consequences. So it is in the interests of us all to work actively to control climate change in a way to make its effects manageable.

There is a no absolute scientific consensus of the consequences of increased greenhouse gas emissions in atmosphere, but it is essential to understand that the risks are greater than of anything else that the mankind has faced.

It is not easy to combat climate change. It will cost a lot of money, but it also offers opportunities for the economy and employment policy. And furthermore, negative consequences of climate change would cost even more. Assessment of the sufficiency of the steps taken must appear on the agenda of all COP sessions; and it should be linked to the scientific process. In this context, the IPCC third assessment report, due in 2001, will be of crucial importance.

In many regions, growing drought will reduce crop yields. The number of people going hungry will also be increased by the fact that pest populations are expected to grow as a result of changes in our ecosystems. The most recent reports from the World Health Organization and World Resource Institute, for instance, show that tropical diseases such as malaria will spread into new areas as the earth gets warmer. This could further aggravate the gap between rich and poor, and the income gap could also be joined by a health gap.

The commitment made in Kyoto to curb emissions of greenhouse gases is historic, but we will actually need far more ambitious emission reductions. Assessment of the adequacy of the steps taken must remain on the agenda of the COP; and it should be linked to the scientific process. In this context, the IPCC third assessment report, due in 2001, will be of crucial importance.

According to the view of the European Union, we should develop revised negotiating text on the Kyoto Mechanisms and on compliance regime, so that the sixth session of the Conference of Parties can make the actual decisions. Therefore we need an intensified work plan so as to ensure that by June 2000 there will be bulk of negotiating texts for discussion. In addition to this we need preparatory process at a

ministerial level. We should formulate rules that guarantee really effective action to be taken to reduce emissions, that will be clear and transparent, and also be fair. CDM projects have to be clean and sustainable also in other aspects than greenhouse gas emissions.

We also attach great importance to the work on policies and measures. Therefore we need a clear mandate for the workshop on best practices on policies and measures to be held in Copenhagen in spring 2000.

It is true that we industrialized countries have caused the bulk of past emissions. That is why it is the industrialized countries who must take the lead by reducing their own greenhouse gas emissions. We have the technological capacity and financial resources to grasp the new opportunities open to us. Industrialized countries have to fulfill their commitments mainly by domestic action. The European Union has developed a proposal for the definition of a ceiling on the use of the Kyoto Mechanisms, as a basis for further negotiations with other Parties, and urges them to respond constructively to this proposal in the further deliberations.

We in the European Union have already taken a number of actions to cut our emissions, both at the national level and at the Community level.

The European Union is integrating environmental considerations into all decision-making. Reducing emissions of greenhouse gases is one of the most important issues here. The first environmental strategies will be approved this autumn for energy, transport and agriculture. Environmental indicators are also being worked out for all sectors of policy, which can be used to monitor and guide developments. Here are a few examples of the concrete steps being taken:

- We are moving towards a fuel economy labelling system, and an emission monitoring system for passenger cars;
- We have adopted policies and regulations in the waste sector, which provides a basic framework for diminishing emissions of methane from landfill sites;
- We are pursuing various initiatives to encourage energy saving and energy efficiency, and to promote the use of renewable energy sources.
- Introducing a European wide framework for the taxation of energy is an important goal.
- The voluntary agreement with the non-European automobile industry on manufacture of cars with lower emissions is an indication that the Kyoto Protocol already influences practical decisions and policies, even outside the borders of Europe itself.

Mr. Chairman,

We cannot solve climate change problem without partnership with the developing countries. Even though we industrialized countries acknowledge our responsibility, we cannot close our eyes from future developments globally. The developing countries'

contribution to emissions is increasing rapidly.

The global nature of the climate issue requires a global response. One possible way of making all countries limit their emissions of greenhouse gases is to agree on increasing global participation for the time after the first commitment period.

Another big challenge in the future will be to combine climate policies with the promotion of economically, socially and ecologically sustainable development in the developing countries. This is also a win-win opportunity.

There are studies indicating that some of the more industrialized countries might both protect their environment and strengthen their economic future by limiting their greenhouse gas emissions, for instance by using energy more effectively and by increasing the proportion of renewable energy sources in their energy generation.

In order to reduce emissions, we also need cooperation between various UN organizations, individual countries, industry and NGOs. Particularly least-developed countries and countries with economies in transition should receive assistance in capacity building and technology transfer.

The Kyoto Protocol is the most ambitious intergovernmental agreement aiming at the preservation of a living world for generations to come. In his opening speech, German Chancellor Schröder expressed his appeal for an entry into force of the Kyoto Protocol by Rio +10 in the year 2002. The European Community and its member states believe that major efforts should be made to turn this objective into reality. The EU is willing and ready to ratify the Kyoto Protocol by Rio +10 Conference.

STATEMENT

BY

MS. ALISON DRAYTON
HEAD OF DELEGATION OF GUYANA
(on behalf of the Group of 77 & China)

**FIFTH SESSION OF THE CONFERENCE OF PARTIES
TO THE UNITED NATIONS FRAMEWORK
CONVENTION ON CLIMATE CHANGE**

Bonn

November 2, 1999

Mr. President, Excellencies, Distinguished Delegates,

On behalf of the Group of 77 & China, I would like to extend our congratulations on your election as President of the Conference of Parties at its Fifth session. We consider that we are well poised for a successful and productive meeting and the Group is working hard to contribute towards positive outcomes on all issues before us.

We were encouraged by the remarks on the opening day by Chancellor Schroeder of the Federal Republic of Germany noting the importance of climate change in this important country. Our appreciation also goes to the Executive Secretary and the Convention Secretariat for their contribution to enable all of us in discussing wide-ranging issues.

Buenos Aires Plan of Action:

The Fourth Conference of Parties in November 1998 adopted the Buenos Aires Plan of Action for implementation of the Kyoto Protocol, turning the leaf from what needs to be done, to how it is to be done. We now have to consider the question of how we are going to initiate action on these various issues and this is likely to take some time to resolve, especially as the task is so enormous. Substantial progress in different elements of the Plan has to be achieved so that the Conference of Parties will be in a position to adopt major decisions at its Sixth session. The Group is confident that the Fifth session in Bonn under your Presidency will make a substantial contribution in our road to the Hague meeting.

Mr. President, I do not have to repeat that the challenge before developing countries is to catalyze sustainable development, while the Annex I Countries have to reign in the enormous levels of greenhouse gases emissions in the past few decades. The UN Framework Convention on Climate Change affirms the principle of common but differentiated responsibilities between the developed and the developing countries. The Convention recognizes that the overriding priority of the developing countries are poverty eradication and social economic development, consequent to which their emissions would grow. The extent to which the developing countries can effectively implement their commitments will depend in large part on the effective implementation by developed countries of their commitments relating to provision of financial resources and transfer of technology.

Recognizing the necessary urgency of action required to mitigate climate change the Group was quick to focus on the three Kyoto mechanisms and provided its position at the Subsidiary Body meetings in June of this year. Now, we have provided our detailed position on the clean development mechanism.

Here in Bonn, the Group, in accordance with the priority agreed by COP-4, has made a submission on the clean development mechanism. Differences in the nature and scope, purpose and participation of the three mechanisms must be born in mind. The Group believes that the principles and nature and scope should be decided first; the operational, methodological and other questions relating to modalities and institutional arrangements could then be decided accordingly. It should be left to the host governments to decide whether or not a particular project meets with their

sustainable development objectives and strategies, including areas and choice of technologies.

AIJ

Concerning AIJ, one of the elements which was identified for inclusion in the review process of the AIJ pilot phase is the geographical imbalance in the distribution of AIJ activities. Recognizing the need to gain practical experience in the hosting of projects, the Group supports the continuation of the AIJ pilot phase.

Very few developing countries have participated in AIJ, and Africa and Small Island Developing States have been particularly disadvantaged in this respect. Even now that attempts are being made to remedy this situation, most of the projects are still in the planning stage and have yet to be implemented. We need particular focus on the necessary institutional framework for project based activities and the support for related capacity-building measures.

On non-Annex I communications:

Mr. President, the successful implementation of the Kyoto Protocol depends upon the provision of national communications, and the Convention provides that the full agreed cost be covered by Annex II Parties. As you may have noted, the provision of financial assistance has not been a smooth affair. Most of the countries find that the resources provided have been insufficient to help them fully fulfil their commitments and many of us have had to draw from already scarce national resources in order to maintain the necessary institutional support for the communications.

Capacity- building

Mr. Chairman, capacity building is an overarching necessity at all levels, for the developing countries to participate adequately in the implementation of the Convention and the Kyoto Protocol. Capacity building including education, training, public awareness and research is critical for the meaningful participation of developing countries in the FCCC and the KP processes. Any capacity building activities should reflect the needs of these countries and should be undertaken within the context of the Convention guided by intergovernmental process.

Parties recognize that capacity building in developing countries, particularly the least developed countries and the small islands states are constrained by, among others, lack of access to necessary technologies and know how; lack of appropriate institutions, lack of financial resources, and lack of regular forums to exchange ideas and build positions amongst ourselves. The G77 and China submits that capacity building is a continuous process that must be undertaken at all levels, including long-term planning, and strengthening relevant institutions like the FCCC focal points, centers of excellences, sub-regional and regional institutions and human resource development in order to provide expertise in the areas relating to the implementation of the Convention and Protocol processes.

Within this context, the G77 and China welcomes the decision to address capacity building needs of developing countries in a comprehensive manner, while taking into

account the special concerns and specific needs of the least developed countries and also the particular vulnerability of these countries and small island states to climate change.

Compliance:

The Group of 77 and China recognizes that extensive work on compliance still needs to be done before COP6 when the Joint Working Group on Compliance is expected to complete its work. Furthermore, the Group emphasizes its view that the establishment of a comprehensive, efficient and fair compliance system is imperative to ensure the successful implementation of the Protocol and as a first priority aim at ensuring that the emission reduction targets set out in Article 3 are met by Annex B Parties.

The discussions in the Joint Working Group have been substantive in nature and indeed fruitful. We do believe that the time spent here on a detailed analysis of the various positions will assist us in the future to reach agreement on a compliance system that would serve the Parties and the Protocol well. It is the intention of the Group of 77 and China to participate constructively in future deliberations.

Mr. President

The developed countries have not achieved any degree of success in fulfilling their commitments under the Convention for reduction of greenhouse gas emissions. The latest data points to the fact that, in most cases, the emissions of Annex I Parties have registered significant increases in the recent years. This can not but give rise to serious doubt regarding their willingness and capacity to adhere to the obligations under the Convention and the Protocol. There has also not been any tangible progress in their extending support to the considerable efforts of the developing countries in dealing with climate change, despite the provisions of the Convention and the Protocol relating to resource transfers and the transfer of technology. The Group of 77 and China would like to reiterate that climate change issues can be discussed only in a framework of equity. The Group stands ready to contribute to your efforts in carrying forward the process.

Thank you, Mr. President.

STATEMENT BY THE HEAD OF THE SECRETARIAT OF NATURAL RESOURCES AND SUSTAINABLE DEVELOPMENT OF ARGENTINA, ENG. MARÍA JULIA ALSOGARAY, AT COP 5 (BONN, 25 OCTOBER-5 NOVEMBER 1999)

ARGENTINA WOULD LIKE TO INFORM THE CONFERENCE OF THE PARTIES THAT IT IS NOW PREPARED TO ADOPT A VOLUNTARY TARGET TO REDUCE ITS GREENHOUSE GAS EMISSION GROWTH RATE, FULFILLING PRESIDENT'S MENEM PLEDGE AT COP4.

SO WE HAVE COME TO THIS FORUM TO ANNOUNCE THE SET OF POLICIES AND MEASURES THAT WILL ENABLE US TO ASSUME THE 'COMMON BUT DIFFERENTIATED' RESPONSIBILITIES DERIVED FROM OUR RATIFICATION OF THE CONVENTION.

WE ALSO BELIEVE THAT DOING THIS WE WILL CONTRIBUTE TO CREATE MORE FAVOURABLE CONDITIONS FOR THE ENTRY INTO FORCE OF THE KYOTO PROTOCOL.

WE CALL ON THE PARTIES TO: i) ESTABLISH A PROCESS TO ACCEPT ARGENTINA'S VOLUNTARY COMMITMENT AND ii) TO CREATE A BRIDGE TO THE CONVENTION THAT WOULD ALLOW ARGENTINA AND OTHER NON-ANNEX I COUNTRIES TO PARTICIPATE IN ALL OF THE KYOTO MECHANISMS.

LET ME STATE CLEARLY: ARGENTINA DOES NOT INTEND TO ABANDON ITS STATUS AS A NON - ANNEX I COUNTRY.

TWO FUNDAMENTAL FACTORS HAVE BEEN TAKEN INTO ACCOUNT FOR THE DEFINITION OF THIS TARGET. FIRST, THAT IT DOES NOT BECOME AN OBSTACLE FOR THE COUNTRY'S SUSTAINABLE DEVELOPMENT AND, SECOND, THAT THE TARGET SHOULD BE CREDIBLE, BASED ON A SOUND, TECHNICAL FOUNDATION AND NOT MEANT TO PRODUCE SO-CALLED "HOT AIR".

THE TASK PERFORMED WAS BASED ON FOUR ISSUES:

- * 1. THE 1997 GREENHOUSE GAS INVENTORY WAS FULLY ELABORATED, AND THE INVENTORIES FOR THE YEARS 1990 AND 1994 WERE UPDATED AND REVIEWED, IN ORDER TO DETERMINE A BASELINE AND BE ABLE TO CARRY OUT A PROSPECTIVE ANALYSIS;
- * 2. A PROJECTION TO THE YEAR 2012 WAS MADE OF THE EMISSIONS THAT WOULD RESULT SHOULD ARGENTINA NOT ADOPT ANY EXPLICIT MITIGATION MEASURES. THIS STUDY WAS DONE UPON THE BASIS OF MACROECONOMIC PROJECTIONS AND SPECIFIC PROJECTIONS FOR THE SECTORS ACKNOWLEDGED AS HAVING A KEY INFLUENCE ON EMISSIONS;
- * 3. SOME OF THE POSSIBLE MITIGATION MEASURES WERE ASSESSED, AS WELL AS THEIR ASSOCIATED COSTS; AND FINALLY,

* 4. BASED ON THE AFORESAID, DIFFERENT POSSIBILITIES WERE ANALYZED REGARDING THE *TYPE* AND *LEVEL* OF THE TARGET TO BE ADOPTED.

THEREFORE, ARGENTINA NOW ASSUMES A VOLUNTARY COMMITMENT NOT TO EXCEED A PREDETERMINED AMOUNT IN ITS NET ANTHROPOGENIC EMISSIONS OF GREENHOUSE GASES.

THIS EMISSIONS TARGET IS DYNAMIC IN ITS DESIGN AND TIED TO OUR GROSS NATIONAL PRODUCT.

WE PROJECT TO ACHIEVE DURING THE PERIOD 2008 - 2012 AN EFFECTIVE REDUCTION OF GREENHOUSE GAS EMISSIONS AND OF ITS INTENSITY, COMPARED TO THOSE THAT WOULD EMERGE IN A BUSINESS-AS-USUAL SCENARIO, NOT CONSIDERING MITIGATION MEASURES. THIS REDUCTION IS ESTIMATED TO BE BETWEEN A 2 TO 10% BELOW BUSINESS-AS-USUAL.

WE BELIEVE THAT THE MITIGATION MEASURES THAT THE ADOPTION OF THIS TARGET IMPLIES WILL ALSO HAVE THE ANCILLARY EFFECT OF REDUCING THE CONCENTRATIONS OF LOCAL POLLUTANTS WHICH WILL, IN TURN, RESULT IN BENEFITS DERIVED FROM AN ENHANCED ENVIRONMENTAL QUALITY AND, CONSEQUENTLY, THE REDUCTION OF HEALTH COSTS.

IT WILL ALSO GIVE US THE POSSIBILITY TO BROADEN OUR POTENTIAL TO RECEIVE AN INFLOW OF INVESTMENT AND TECHNOLOGY TRANSFER, AS WELL AS TO OBTAIN THE ADDITIONAL PROFIT THAT WOULD RESULT FROM THE LOCAL PRIVATE SECTOR BEING ABLE TO REDUCE ITS EMISSIONS, AND TRADE THESE REDUCTIONS IN THE INTERNATIONAL MARKET.

WE BELIEVE THIS CLAIM IS IN ARGENTINA'S SELF INTEREST, WILL ADD MOMENTUM TO THE PROCESS OF FULFILLING THE OBJECTIVES OF THE CONVENTION AND CONSTITUTES OUR CONTRIBUTION TO THE CAUSE OF THOSE REGIONS MOST AFFECTED BY CLIMATE CHANGE, PARTICULARLY, THE SMALL ISLAND STATES.

UPON THE BASIS OF ALL THE AFOREMENTIONED, WE NOW PRESENT TO THE CONFERENCE OF THE PARTIES THIS VOLUNTARY COMMITMENT, EXPECTING IT WILL RECEIVE ITS DUE ASSESSMENT BY THE SUBSIDIARY BODIES OF THE CONVENTION AS SOON AS POSSIBLE.

CANADIAN STATEMENT ON LULUCF

SBSTA 11

Bonn, 25 Oct 1999

Thank you Mr. Chairman:

Canada is pleased to take this opportunity to share its views on a number of challenging issues concerning land-use, land-use change and forestry.

In Kyoto, Canada sought clarity on what, when and how sinks would be included. With a certain understanding of what was and would likely be included, we agreed to a legally binding commitment with real and environmentally responsible targets. Sinks, particularly those resulting from good practices in agriculture, are fundamental to achieving our target.

It is also the understanding of Canada, and many Parties that the IPCC SR will not answer for us all policy and procedural questions. While the report is being prepared, it is therefore necessary that Parties reach a **common understanding** at COP5, on a decision making framework related to LULUCF matters within the Kyoto Protocol in order to facilitate **taking decisions at COP6**. Canada is of the view that along with containing specific timelines for submissions, discussion, and decisions, a decision-making framework should be based on broad underlying principles. Canada believes that there are two fundamental principles upon which all decisions related to LULUCF should be based:

1. **Consistency between provisions of the protocol), and**
2. **Accounting & Definitions based on sound science.**

Let me elaborate on these principles.

The **first principle** is a requirement that **decisions be based on consistency**. The land use, land-use change and forestry provisions of the protocol cannot be operationalised if consistency is not secured throughout the Protocol. As noted in previous submissions by Canada, there are a number of inconsistencies in the Protocol, with respect to LULUCF. There are inconsistencies within Article 3, as well as between Articles 3, 5, 6, and 12. Two examples of note include the higher standards of measurement for which LULUCF are likely to be subjected, and the fact that for agricultural soils, sources are included, whereas sinks are not. Any agreement on definitions of activities and terms in Article 3.3 and 3.4 should be consistent with terminology used in forestry, both within and outside the UNFCCC, sustainable land use practices and in keeping with the spirit under which targets were negotiated.

The **second principle** is that any decisions taken on **accounting and definitions** should be based on **sound science**. It is our view that to ensure the integrity of the Convention, decisions should be based on the most recent and accepted scientific and technical literature. Countries should employ the best practical technical methods for measuring carbon and other greenhouse gas emissions and removals related to land uses and land-use changes, and ensure that the emissions and removals reported can be monitored, measured and verified. While Canada notes that verifiability has to be addressed for sinks activities, as specified in articles 3.3. and 3.4, it must also be dealt with for all sources, consistent with the IPCC good practice guidance now being developed.

SBSTA's role is to ensure that appropriate guidance is provided. In particular, Canada believes SBSTA must define verifiable in the context of Article 3.

In our view, changes in carbon stocks from the LULUCF activities cannot be verified without quantifying the uncertainty. While we **do not see uncertainty being a criteria for including, or excluding an additional activity**, its estimate will contribute to transparent land use, land use change and forestry reporting and will help address the various levels of uncertainties.

As such, Canada proposes the following:

- **SBSTA should agree that uncertainties should be quantified,**

- **Parties should make a decision on how to deal with uncertainties,**
 - Recognizing that additional methodological work is needed to quantify uncertainty,
- Canada urges the SBSTA to give direction to the IPCC upon completion of the IPCC Special Report.**

Should uncertainty be used as a screening criteria for the inclusion of 3.4 activities, it would create a double standard with the activities or sources included under Article 3.3. These activities have been included in Kyoto without any consideration of the uncertainty of their estimates, nor has it been done for any of the emission sources. For example, in the Canadian case, while there still remain uncertainties in the estimates in the agricultural soils category, they are no greater and, in some cases, less than those associated with other sources we report in our inventory.

Canada believes that decisions on Article 3.3 cannot be made in isolation of Article 3.4. It is our view, therefore, that **SBSTA 11 should give initial consideration** to the development of guiding principles and criteria for the land use, land use change and forestry provisions of the Protocol as a whole, with the aim of taking a **decision on guiding principles and criteria at SBSTA 12** and a **decision on definitions, and additional activities at COP6.**

With respect to additional activities, it is our belief that SBSTA11 should begin to discuss **criteria for inclusion of additional activities.** In previous submissions, Canada has already put forward some criteria and still supports them: they include the principles of **consistency and sound science**, but can be expanded to include such things as **minimizing perverse effects, providing appropriate incentives, consistency with the UNFCCC and the Kyoto Protocol and ensuring symmetry in the treatment of sources and sinks**, particularly with respect to article 3.3. Parties should begin to discuss these criteria here at SBSTA 11 and their relationship to the need for country specific data.

Since Kyoto, a number of Parties have made clear their belief that a prerequisite for future discussions on definitions and additional activities that can act as sinks is the requirement for the submission of country-specific data. These data, they suggest, are needed in order to ensure that the agreement reached in Kyoto is not undermined with the addition of other sink activities.

Canada also believes that country specific data are likely to be needed before any decisions are taken. However, for data to be meaningful, it should be based on certain principles in the decision-making framework. Without definitions of the nature, scope, and role of data in a decision-making framework, provision of data on the sink potential in many countries can be extremely misleading.

Finally, Canada would like to express some views on the timing of inclusion of additional activities under article 3.4. Given the fact that we are considering both sources and sinks, in our view, a Party's decision on whether or not to include an activity in the first commitment period must be clear. Similarly, any decision on what is, or is not in, must be clear for future commitment periods. Unilateral decisions to include, or exclude a source or a sink cannot be made simply for the reason that a Party states it can or cannot demonstrate verifiability, reach a certain level of certainty, or meet any reporting obligations. **The decision on additional activities, and the associated timing, that may be made at CoP6, must be definitive in this respect.** Additional activities agreed to will be included by all Annex B Parties in the second and subsequent commitment periods, and will affect future targets. Any decisions taken with respect to sinks must take a long term view, and should not be made simply on the basis of how they might affect the targets in the first commitment period.

Mr. Chairman, Canada will continue to work with Parties to refine the definitions, guidelines and rules for measuring carbon stock and reforestation, afforestation and deforestation activities. Canada is further committed at these meetings to working toward guidelines for ensuring that sink activities are verifiable, transparent, and consistent with the objectives of the Framework Convention and in ensuring that timely decisions can be made. Thank-you.

Canadian Intervention: Articles 5, 7 and 8 of the Kyoto Protocol

October 25, 1999

Canada attaches great importance to the need for enhanced national inventory systems for the purpose of ascertaining compliance with Kyoto targets. We have always considered the revised Framework Convention guidelines for Annex 1 inventories, that should be agreed to at CoP 5, as an intermediary step towards a more comprehensive and detailed system. Canada also believes that these guidelines should be flexible, taking into account national circumstances and the need to ensure that they remain useful into the future. Canada supports the program of work proposed by the Secretariat at the Subsidiary Body for Scientific and Technical Advice at its 11th session.

On the issue of adjustments, there continues to be a lack of clarity on what an adjustment would be. It is Canada's view that the intent of Article 5.2 is that the scope of the adjustments should be narrow. That said, we also support the suggestion of the United States and New Zealand, among other countries, that in the eventuality an Annex B Party's inventory and/or reporting systems are found to be inadequate, a process should commence that results in the inventory being corrected or adjusted to a value that is deemed appropriate - it would be important that such a value be conservatively estimated, thereby providing the relevant Party with sufficient incentive to improve on its inventory and reporting activities in a timely manner.

Canada strongly supports the development of a technical review process for ghg inventories from Annex 1 Parties and regards such a review as playing a fundamental role in any adjustment process under Article 5.2. Thank you Mr.

25 October 1999
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DRAFT CANADIAN INTERVENTION ON THE FINANCIAL MECHANISM AT COP 5

We would like to thank the GEF for the comprehensive report of its activities, including information on how it has responded to COP guidance.

Because of its role in providing necessary assistance to non-Annex 1 countries, the financial mechanism continues to be a vital instrument in the fulfilling the goals of this convention. We have heard some concerns expressed both here and at last June's Subsidiary bodies meeting about a number of implementation issues related to this assistance. We welcome the GEF's initiative to hold a number of side events at this COP to directly address these concerns. Canada also supports the many steps which the GEF has taken towards constructive change and views these improvements as part of a continuous and on-going process. Although GEF's activities cover a range of activities related to climate change, I would like to briefly comment on two particular types are of interest to this COP: non-Annex 1 communications, and capacity building.

While the substance of these two issues will be dealt with in other groups, we would like to recognize the steps that have been taken to streamline the funding process for non-Annex 1 communications. We note the work support the work being done under the GEF's National Communications Support Programme to improve the quality and timeliness of these activities which should speed up the submission of these important documents to the convention. We will look forward to the GEF's forthcoming review of its support for non-Annex 1 communications. This review should not only provide an assessment of the development effectiveness of these activities, but also provide lessons learned to date in capacity building.

Partly in response decision 2/CP.4, the GEF is about to launch a capacity development initiative in partnership with UNDP. This proposal has the potential to address capacity building needs for the global environment more strategically than has been done up to now. Given the interest of this COP in the capacity building needs of developing countries, we appreciate the consultative iterative way in which this initiative will be further developed. We therefore look forward to having regular and comprehensive reporting on the Capacity Development Initiative.

The Kyoto Mechanisms

Canada
SBSTA/SBI 11
October 26, 1999

Thank you Mr. Chairman. Canada appreciates the opportunity to provide our views on the Kyoto Mechanisms. The development of environmentally credible and economically efficient Kyoto Mechanisms is chief priority for us. Timely decisions, in parallel, on the Kyoto Mechanisms by the Sixth Conference of the Parties will be critical to ensuring that the Protocol enters into Force at the earliest possible time and that the right signals are sent to the private sector.

First of all, Canada would like to congratulate the Chair of the Kyoto Mechanisms Group on the excellent job he has done in compiling the second Synthesis of Proposals. In our view, this document provides a solid and comprehensive foundation for the development of a draft negotiating text on the Mechanisms. The development of such a text along with a detailed program of work through to the Sixth Conference of the Parties are priority outcomes for Canada at this session. My delegation trusts that this work can be conducted in a cooperative spirit on the part of all Parties.

We also recognize and support capacity building efforts on the Mechanisms and will provide constructive input in those discussions in a manner that addresses the needs of both developing country parties and parties with economies in transition.

Canada recognizes the hard efforts of the G77&China in understanding and developing their views on the Kyoto Mechanisms. Mr. Chairman, as you noted the negotiations are complex with many technical and political issues to be resolved. As such, we need to shape the document into a form for substantive negotiations to begin. We agree with the views of the G77 that the approach and format of the Synthesis of Proposals works to move us forward in a constructive way.

Mr. Chairman, the Buenos Aires Plan of Action does give priority to the CDM, but also consistent with the Plan of Action, Parties are mandated to take parallel decision on all three Mechanisms by CoP 6. There is an urgency which needs to be addressed and Canada certainly will support the Chair towards reaching a final decision by CoP 6. It must be emphasized that the Mechanisms, if properly designed, will work for the benefit of all Parties.

Thank you, Mr. Chairman.

**Canadian Intervention
Implementation of Article 4, paragraphs (8) and (9)**

Thank you, Mr. Chairman.

Canada had the privilege to participate in the workshop on this important issue held in Bonn last month under the deft guidance of the former chair of SBI and the former chair of SBSTA. My delegation found it very informative, despite the unfortunate political tone of the last day.

There was a wide range of views presented and shared in the discussion. The report captures this range. The lack of convergence on many issues that was witnessed at Bonn, underlines the challenge ahead for us in building our knowledge base on these issues.

Canada took away a clear sense of the need to better understand adaptation challenges, particularly at the regional level. Adaptation to adverse effects of climate change is clearly a priority area and my delegation is sensitive to the urgent need to build capacity in this respect among the least developed and most vulnerable countries. On the other hand, the wide variety of estimates on the direction and magnitude of the impact of response measures clearly suggested a need to further refine our models and understanding.

But the absence of perfect knowledge should not be a barrier to action on adaptation.

Mr. Chairman, there are options to move ahead, as we all desire to.

Strengthening the identification, through the National Communications process, of areas of concern will be an important means of further documenting this issue.

An important area that we may have not focussed adequately on is the area of adaptive capacity and its role. Whether it is an understanding of how traditional societies have coped with change or on economic diversification strategies. This may help us in better supporting the adaptation process, particularly for the least developed and the most vulnerable.

This meeting must also closely follow related discussions on capacity building and technology transfer to ensure an integrated response to the needs of developing countries, again, particularly the most vulnerable and the least developed.

And finally, I have noted, there is a need to focus on research and analytical energies, at this time. The workshop report provides some useful guidance in this area.

Canada is committed to working with other parties in the search for solutions on these elements of the Convention.

CANADIAN INTERVENTION ON CAPACITY BUILDING AT SB 11 AS DELIVERED

Capacity building is a cross-cutting issue which, as the Secretariat's presentation pointed out, touches on many elements on our agenda, and is essential for the participation of developing countries and Economies in Transition in the full implementation of the Convention and the Kyoto Protocol. Canada recognizes that capacity building, writ large, needs to be further developed to promote sustainable development, to fill technical and institutional needs, to reduce vulnerability, and to ensure the robust use of the mechanisms. We acknowledge actions with regard to funding and transfer of technology will need to take into account the specific needs and special circumstances of developing countries, and particularly the least developed countries and small island developing states.

Canada supports a co-ordinated response among existing efforts in capacity building as this may help results in more comprehensive solutions to address the problem of climate change, given its linkages with desertification, bio-diversity and sustainable development. Additional climate change activities and projects should include a focus on capacity building and development to provide hands-on experience for developing countries. These activities should, amongst other things, support developing country's national communications, the development of technical expertise on GHG inventories, identification of technological needs, strengthening human resources and the assessment of mitigation options.

We have a number of papers in front of us, which underline both the complexity and importance of this topic and point out the range of needs to be addressed. In general we would see the way forward as involving three steps:

- The first step would be a comprehensive assessment of capacity building needs as they relate to obligations under the convention and the protocol. In this regard the annex to the paper submitted by the G77 (Document SB/1999/MISC.9) provides a starting point.
- - Secondly a clear overview is needed of actions currently being undertaken by various actors. These should include the convention and its financial mechanism, multilateral and bilateral development institutions, and the private sector.
- And thirdly, a scope for action should be defined with clear priorities identified.

In implementing such an approach, we must keep in mind the need for co-ordination in order to avoid duplication, and we should pay attention to lessons learned from previous capacity building efforts. And, as we live in the real world, priorities will have to be carefully balanced against financial considerations.

Because of its role in providing necessary assistance to non-Annex 1 countries, the financial mechanism continues to be a very important instrument for delivering capacity building assistance under the convention. Partly in response decision 2/CP.4, the GEF is developing a new initiative on capacity building in partnership with UNDP. This proposal has the potential to address capacity building needs for the global environment more strategically than has been done up to now. Given the interest of this COP in the capacity building needs of developing countries, we would urge the GEF to take an iterative approach in the further development of this initiative. We also feel that the GEF-UNDP Capacity Development Initiative therefore should be closely coordinate with the work of this COP on the question of capacity building.



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Points d'intervention

1. Document de synthèse

- Le Canada appuie l'approche formulée au point 3 du document de synthèse, notamment en ce qui concerne la proposition demandant aux coprésidents d'élaborer un texte qui servirait de base aux négociations à venir sur le système d'observance, texte qui tiendrait compte des opinions exprimées par les Parties dans leurs soumissions et des opinions exprimées dans le cadre des travaux du groupe de travail conjoint ainsi qu'à l'occasion de cette cinquième session de la Conférence des Parties.

2. "Objectives, nature and principles"

- Le système d'observance doit contribuer à la mise en œuvre des engagements du Protocole de Kyoto et établir un cadre au sein duquel les questions relatives au respect de ces engagements seront examinées. Afin de remplir cet objectif, il est essentiel qu'un tel système soit axé sur la facilitation et la prévention et qu'il prévoit des méthodes et des solutions pouvant varier selon le type d'obligation et la gravité d'un manquement éventuel.
- Comme l'ensemble des Parties, nous sommes d'avis que le Protocole doit prévoir un cadre au sein duquel les questions d'observance seront traitées dans le respect de la règle du droit, de manière crédible, efficace et impartiale en tenant compte de la nécessité d'assurer à la fois aux Parties et aux entités privées la prévisibilité dont ils ont besoin. Le système doit également être en mesure de traiter des problèmes d'observance au stade le plus approprié et, à cette fin, mettre l'accent sur les mesures préventives et respecter la règle de la proportionnalité.

[SI NÉCESSAIRE, INTERVENTIONS CONCERNANT LES PRINCIPES]

- Le système d'observance ne doit pas établir, en soi, de nouvelles normes ou de nouveaux principes de droit international mais plutôt veiller à ce que les normes et les principes prévus au Protocole soient respectés.
- Ainsi, il est déjà tenu compte du principe des responsabilités communes mais différenciées au sein des dispositions du Protocole établissant des obligations à l'égard des Parties visées à l'annexe I et des autres Parties, notamment à l'article 10 du Protocole.

3. "Coverage"

- L'article 3.1 du Protocole concernant l'engagement chiffré en matière de limitation et de réduction inscrit à l'annexe B du Protocole ainsi que les engagements pertinents relatifs aux inventaires et aux informations que doivent communiquer les Parties visées à l'annexe I constituent les engagements principaux du Protocole et, à ce titre, sont au cœur de son système d'observance.
- Bien sûr, cela s'entend également de l'article 4 du Protocole qui permet aux Parties visées à l'annexe I de se mettre d'accord pour remplir conjointement leurs engagements prévus à

l'article 3.

4. "Functions of a compliance procedure (one body or bodies)"

- Le but premier du système d'observance est de veiller à ce que les Parties remplissent leurs engagements. Toute structure qui est mise sur pied dans le but d'assurer le respect d'engagements obtient de meilleurs résultats lorsque les Parties adhèrent volontairement à leurs engagements. Idéalement, un système d'observance devrait donc être en mesure de signaler aux Parties, à l'avance, le fait qu'elles risquent de ne pas remplir leurs engagements et leur offrir des possibilités de remédier à un manquement éventuel.
- Par ailleurs, certaines Parties peuvent avoir besoin d'une aide technique spécifique pour pallier un manque de ressources ou renforcer leurs capacités.
- Il peut également s'avérer nécessaire qu'un système d'observance dispose des moyens d'imposer, que ce soit de manière contraignante ou non, des conséquences à l'égard des Parties qui ne se prévaudraient pas des possibilités qui leur sont offertes de remplir leurs engagements de manière volontaire.
- Comme l'indique le document de synthèse, le système d'observance doit donc remplir deux fonctions. D'une part, aider les Parties à remplir leurs engagements et, d'autre part, prévoir les conséquences auxquelles seraient exposées les Parties qui ne rempliraient pas leurs engagements.
- Étant donné que ces deux fonctions font appel à un éventail différent de compétences, le Canada estime qu'il serait probablement préférable de créer deux organes distincts constitués d'experts qui possèdent les compétences pertinentes.

5. "Eligibility to raise issues"

- L'article 8 du Protocole dispose que les informations communiquées en application de l'article 7 par chacune des Parties visées à l'annexe I sont examinées par des équipes composées d'experts. Le processus d'examen permet une évaluation technique complète et détaillée.
- Le troisième paragraphe de l'article 8 prévoit ensuite que les équipes d'examen élaborent un rapport dans lequel, dans un premier temps, elles évaluent le respect par une Partie de ses engagements et, dans un deuxième temps, elles indiquent les problèmes éventuellement rencontrés pour remplir ces engagements et les facteurs influant sur leur exécution.
- Il semble parfaitement clair que les auteurs du Protocole avait l'intention de faire en sorte que le rapport résultant de ce processus d'examen soit la base factuelle à partir de laquelle l'observance des Parties avec leurs engagements inscrits à l'annexe B serait déterminée.
- Il serait donc logique que le passage aux étapes subséquentes du système d'observance dépende des conclusions du rapport de l'équipe d'examen. Si une équipe d'examen évalue qu'une Partie ne respecte pas l'engagement qu'elle a pris au titre de l'article 3.1, cette question de mise en œuvre du Protocole devrait être soumise à l'étape suivante du processus d'observance.
- Considérant l'importance donnée au processus d'examen dans le Protocole, il nous semble que si, au contraire, l'équipe d'examen concluait qu'une Partie respecte l'engagement qu'elle a pris au titre de l'article 3.1, la procédure d'observance devrait alors prendre fin pour ne pas compromettre la crédibilité de du processus d'examen.
- Toutefois, s'il est permis à une autre Partie au Protocole de soumettre une question de

mise en œuvre à l'étape suivante du processus d'observance, il faudra s'assurer qu'un moyen existe permettant de rejeter rapidement les questions sans fondement. Il s'agit de faire en sorte d'éviter que l'on abuse du système d'observance et, encore une fois, de préserver la crédibilité du processus d'examen.

- Bien sûr, une Partie, y compris les Parties qui ne sont pas visées à l'annexe I, doit pouvoir être en mesure de présenter directement une demande d'aide technique à l'organe ou aux organes d'observance.

6. "Structure and Rules of Procedure (of a compliance body or bodies)"

A. The Charts

- While it is crucial that we do not undermine the objectivity of the expert review teams, according to Article 8.3 of the Protocol, the report that results from the review process must assess the implementation of the commitments of a Party and identify any potential problems in, and factors influencing, the fulfilment of these commitments.
- For Canada, if questions of implementation are listed in an expert review team report, Parties should have the opportunity to cure the problem before the matter moves to the next stage of the compliance assessment process. That next stage could be carried out by a Body that would first perform a screening function. The screening function would first assess whether the question of implementation was resolved and, if not, whether it could be addressed through facilitation, advice or assistance.
- As in the Australian chart, if the problem was not resolved beforehand or could not be solved through facilitation, advice or assistance, it should move to the compliance stage for a determination of compliance.
- If a Party is found to be in non-compliance, we believe that the possibility of an appeal to an independent appellate body composed of experts is also an option worth considering. An appeal to the CoP/moP would more than likely politicise a process which was precisely meant to be "depoliticised" through the creation of a compliance body.
- Two additional points. Firstly, the period following the end of the commitment period must be considered to be a true-up period during which a Party would have the opportunity to voluntarily address any compliance problem.
- Secondly, Canada believes that whether an issue moves from the Article 8 review to compliance assessment should not depend on Parties. Compliance assessment is not dispute settlement. We do not want to set up a confrontational system and frankly do not understand on what basis a Party or a group of Parties would decide to act or not to act in any given case. This could lead to a situation where an expert review team found that a Party did not meet its Article 3.1 commitment and no Party proceeded to move this issue further.
- With respect to the provision of information and in order to enable Parties and, possibly, non-Parties to have an input in the process, we might wish to further consider whether they could be allowed to submit information during the expert review stage.

B. Issues listed on the Annex

- L'examen des questions qui sont soulevées au titre de ce point est peut-être encore prématuré à stade. Toutefois, pour les fins de cette discussion, nous souhaitons nous souhaitons que le rapport tienne compte des points de vue suivants.
- Nous envisageons un organe d'observance permanent et constitué d'un nombre limité

mais suffisant d'experts juridiques et techniques lui permettant de remplir ses fonctions de manière efficace. L'organe chargé d'apporter une aide technique serait également permanent et constitué de membres possédant une vaste expérience technique.

- Dans les deux cas, il serait préférable de choisir des experts indépendants agissant à titre personnel afin de réduire le plus possible toute possibilité d'ingérence politique dans les travaux de ces organes.
- Ces experts seraient nommés pour une durée limitée; leur mandat pourrait être renouvelé et on pourrait envisager que la durée des mandats de certains membres soit différente afin d'assurer une certaine continuité.
- La fréquence des réunions devrait dépendre directement de l'utilisation prévue de du système d'observance.
- Conformément aux pouvoirs dont disposent habituellement un organe d'observance, le ou les organes d'observance créés dans le cadre du Protocole doivent être en mesure de faire appel à des consultants externes afin d'obtenir une expertise dont ils pourraient avoir besoin dans des cas particuliers.

7. "Relationship to other bodies under the Protocol (e.g. role of CoP/moP, any mechanism bodies)"

- L'article 8.6 du Protocole prévoit que la Conférence des Parties agissant comme réunion des Parties (la CdP/rdP) prend, sur toute question, les décisions nécessaires aux fins de la mise en œuvre du Protocole. Pour le Canada, cela ne signifie pas nécessairement que la CdP/rdP doit être directement impliquée à toutes les étapes du processus d'observance menant à décision ultime qu'elle doit prendre en ce qui concerne une question d'observance.
- Nous croyons qu'une question d'observance doit être examinée par un groupe composé d'experts compétents et en mesure de faire une détermination objective, impartiale et correcte. Bien sûr, cette détermination serait soumise à l'approbation de la CdP/rdP qui, selon l'article 8.6, prendrait la décision ultime.
- L'alinéa 13.4 h) dispose que la CdP/rdP exerce les fonctions qui lui sont conférées par le Protocole et qu'elle peut, à cette fin, créer les organes subsidiaires jugés nécessaires à la mise en œuvre du Protocole. Cette disposition pourrait servir de fondement juridique à la création d'organes d'observance.
- Pour le Canada, il ne s'agit pas de s'éloigner du texte du Protocole ou de priver la CdP/rdP de ses attributions mais plutôt de permettre à la Conférence des Parties agissant comme réunion des Parties d'exercer les fonctions qui lui sont conférées par l'article 8.6 de la manière la plus adéquate.
- En ce qui concerne les mécanismes, nous croyons que les questions relatives au respect des règles prévues dans les mécanismes devraient être examinées dans le cadre d'un système d'observance unifié.

8. "Outcome"

- In order to take the best possible decision compliance bodies composed of legal and technical experts will examine information, including the expert review team report, determine whether a Party met its Article 3.1 commitment, and propose an appropriate consequence.
- As we all know, Article 8.6 of the Protocol states that the CoP/moP shall take

decisions on any matter required for the implementation of the Protocol. For Canada, this does not necessarily mean that the CoP/moP should be able to reverse the determination of a body of expert by a simple majority vote. Such a procedure would more than likely politicise a process which was precisely meant to be rooted in fact.

- Yesterday, we heard at least one delegation propose that, at this stage, the CoP/moP could take note of a compliance body decision and endorse it. Alternatives include the rule of negative consensus followed by the Dispute Settlement Body of the WTO whereby a compliance body decision would be adopted unless there was unanimous consensus not to adopt it. Super majority voting requirements may also be considered as a way to help ensure that the final outcome be legally and technically sound and not the result of a political debate. However, the latter option appears to be less desirable.

9. "Linkages to Article 19"

- Any compliance system must be designed without prejudice to Article 19 of the Protocol. Canada firmly believes that the purpose of compliance is not to resolve a dispute arising between two or more Parties but to provide means to ensure that Parties meet their commitments.
- In that regard, as we said earlier during the discussion on structure, whether an issue moves from the Article 8 review to a compliance assessment should not depend on Parties. Canada prefers that the findings of an expert review team report determine whether an issue moves to compliance assessment or not.

10. "Consequences"

- Any compliance structure that is established to ensure that commitments are met achieves better results when it contains sufficient means that allow Parties to voluntarily address failure to meet their commitments.
- For that reason, we find that options such as a true-up period and the possibility of a Compliance Fund used, for example, to underwrite reliable greenhouse gases mitigation projects, are interesting and useful.
- "Harder" consequences, whether they are binding or not, may also be necessary with respect to Parties that would not avail themselves of the opportunities that are offered to them to meet their commitments voluntarily.
- However, such consequences should be directly related to the specific breach. Thus, while it may have drawbacks, the idea of "forced borrowing" or "subtracting excess emissions" plus a penalty rate set at a level sufficient to discourage non-compliance may be the consequence that is most directly related to a failure to meet an Article 3.1 commitment. On the other hand, suspending the possibility to participate in the Kyoto mechanisms in the next commitment period, again as a consequence to non-compliance with Article 3.1, may not be the most appropriate consequence given the difficulties it would place on a Party to meet its target in that subsequent commitment period.

[RESPONSIVE]

- Canada is firmly opposed to mandatory financial penalties or trade measures as we believe that they would not directly address any commitment in this Protocol in respect of which a Party would be found in non-compliance.

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SBSTA/SBI 11 and 5th Conference of the Parties of the UNFCCC
Bonn
25th October - 5th November 1999

**CANADIAN INTERVENTION ON NATIONAL COMMUNICATIONS FROM PARTIES
NOT INCLUDED IN ANNEX 1 TO THE CONVENTION
AS DELIVERED**

Agenda item: SBI 9 (a),(b) and 10 (a), (b) of the Provisional Agenda

Let me add a Canadian voice to those who have congratulated you on your election to the chair of this body. We look forward to working with you.

Canada recognizes that non-Annex 1 National Communications have a very important role to play towards strengthening the implementation of the Convention. They not only help to identify capacity-building and technology transfer needs. They also serve as an important information sharing mechanism, and as a basis for the provision of outside assistance.

We welcome the valuable contributions which several Parties made in submitting their National Communications and the compilation and synthesis report prepared by the Secretariat. In our view, this process usefully identifies several key issues and needs of non-Annex 1 Parties. Further work will be needed to technically analyze these reports, and we would welcome a COP discussion on how this could be done. As a first step we would note that Australia's and Japan's suggestions regarding review by an expert group have merit.

At the same time we must also look ahead to the matter of Second National Communications. As a result of COP 4 guidance, the Convention's Financial Mechanism will be able to provide financial support for this second wave of reporting. An important next step therefore will be the development of appropriate guidelines for Second National

Communications. In this regard we would like to associate ourselves with remarks by the United States. Finally, the timing for preparation of Second National Communications is also a matter which needs to be discussed. As our colleague from Senegal and others have noted, there is an important relationship between the timing of technical assistance and the resulting capacity building which has been achieved.

SBSTA 11

Agenda item 9(d) – Impacts of single projects on emissions in the commitment period (decision 16/CP.4)

Statement by Canada
October 27, 1999

Thank you Mr. Chairmen

Canada wishes to commend the Icelandic delegation for the work it has done on *Impacts of Single Projects on Emissions in the Commitment Period*.

Canada shares the view of many, including Iceland, that the use of renewable energy is a means of enhancing efforts to limit global greenhouse gas emissions.

In its submissions included in FCCC/SB/MISC.1/Add.2, Iceland highlighted the importance of recognizing a project's "global benefit", defined as a project's contribution to the ultimate objective of the Framework Convention on Climate Change.

In Canada's submission to the secretariat earlier this year, contained in FCCC/SBSTA/1999/MISC.3, Canada encouraged the Secretariat to study the issue of "global benefits".

Climate change is a global challenge. The influence on the atmosphere of a tonne of greenhouse gas emitted or reduced is the same regardless of where it occurs. Canada believes that the issue of "global benefits" is important and deserves to be explored in a wider context. This would encourage actions and activities that contribute to our collective goal of achieving the ultimate objective of the FCCC.

In the context of global benefits, Canada supports further examination and analysis by the Secretariat.

Mr. Chairmen, at CoP4, Canada registered a series of concerns and these were expanded in our submission. I would like to make it clear that Canada continues to hold reservations on this issue and cannot support the draft decision for the Conference of the Parties tabled by Iceland at CoP4 in document FCCC/CP/1998/MISC.11/Add.1 in its current form as, in our view, it could undermine the environmental integrity of the Protocol.

Furthermore, Canada believes that the Kyoto Mechanisms provide Parties with additional flexibility to undertake emission reductions where it is most cost-effective to do so.

In closing, Canada clearly sees the value of keeping an open dialog in the path leading to CoP6, in order to have a clear assessment of the global environmental impact of the proposal upon which we can make a decision at CoP6 as noted by Iceland just now.
Thank you Mr. Chairmen.

Fe delivered

Canadian Intervention – Roster of Experts October 28, 1999

Thank you, Mr. Chairman.

Canada would like to thank the Secretariat for its useful suggestions and the options concerning the roster of experts.

Given the importance and nature of the review process, as it relates to inventories, and quality assurance and quality control procedures, it is important that there is a roster, or specific identification of appropriate people, for the for the review process and for inventory methodologies. Using a roster that covers a wider area, may not ensure that appropriate candidates are available for specific reports, outlined by the Secretariat. It may also be somewhat inappropriate to mix expertise, for example, expertise for forecasting with expertise in measures, as is currently the case.

Canada does not believe that the current methodology roster, covering a wide range of issues, could serve the needs of the GHG inventory review process, as identified in the conclusion of the Subsidiary Body for Implementation at its 10th Session and would prefer the establishment of a separate roster for the review process.

Having raised these points, we recognize that there are cost efficiency issues for the Secretariat vis-à-vis the roster. If there are technical solutions, as suggested by other parties, that facilitate the work of the secretariat and ensure that the right expertise is available for the right job, then we may be able to overcome, the challenges posed by integration.

Recognizing the value of the tool as a roster for capacity building, Canada would like the report on the use of the roster to include a breakdown of the regional representation on actual participation to ensure that a broader selection of experts are used from various regions.

Canada supports the idea of the creation of a password-protected website that would contain the complete information of each nominee and that can be updated by national focal points. Clearly, prior consent is an issue. As well, some thought must be given to determine which organizations would access to such information.

I thank you, Mr. Chairman.

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General Description of the Argentine Goal for GHG

Buenos Aires, Oct. 99

General Considerations

The Argentine Republic has always participated actively in discussions on climate change. It chaired the ad hoc group on the Berlin Mandate and currently presides over the Fourth Conference of the Parties, which met in Buenos Aires in November 1998.

Its interest in this issue stems from the fact that, apart from concern over the global nature of the consequences of excessive concentrations of greenhouse gases, Argentina is located in a part of the world where variations in the climate have been most severe and which, accordingly, is one of the regions most heavily affected by climate change. This is compounded the marked dependence of the country's productive activities on the climate, which makes its economy and the well-being of its population more vulnerable.

Argentina considers that increased emissions of greenhouse gases - regardless of their country of origin - always have detrimental effects. Therefore, while supporting the principle of common but differentiated responsibility, Argentina believes that measures must be adopted which, while adapted to the specific nature and requirements of each case, involve all countries in a program to curb and mitigate this phenomenon.

It was in this spirit that last November President Menem informed the Fourth Conference of the Parties of Argentina's intention to announce its goals for carbon emissions for the period 2008-2012 at the next meeting of the Parties. The goals were to be set with input from all sectors of society, through a broad debate. The country also sought an alternative within the existing framework that would make its commitment internationally feasible.

As a result, a national commission was established in the Department of Natural Resources and Sustainable Development to prepare and propose the goals for greenhouse gases. This commission, chaired by the minister, was composed of representatives of the six government departments involved (agriculture, external affairs, science and technology, energy, industry and transport) and had an advisory committee with representatives drawn from the private sector, the academic and scientific communities and non-governmental organizations.

The task was approached in the conviction that one of Argentina's priorities is sustainable development and the well-being of its population. The proposal was to maintain growth while lowering carbon emissions.

Experts and private institutions were contracted for the work, whose main tasks included preparation of an inventory of emissions, preparation of socioeconomic scenarios, preparation of projections on emissions for 2008-2012 for the sectors most heavily involved, and preparation of mitigation measures.

Bases of the Argentine commitment to the goals for the emission of greenhouse gases

Like all developing countries, Argentina's socioeconomic progress implies that its levels of

greenhouse gas emissions will grow at a higher rate than in the developed economies. Despite this, in recent decades Argentina has made a considerable effort to achieve clean economic growth. Large public and private investments have been earmarked to boost efficiency in the energy sector, replacing more polluting sources with others that are non-polluting or have lower relative emissions (e.g. natural gas and hydroelectric power instead of oil and coal). In the present decade, the country has undergone sweeping structural changes which, in addition to achieving high growth rates, made for a marked reduction in the intensity of greenhouse gas emissions as compared to GDP. The intensity of emissions, measured as the ratio between emissions (in thousands of tonnes of coal equivalent) and GDP (in millions of 1993 Arg\$), were reduced from 0.33 in 1990 to 0.28 in 1997, i.e. by 24.34%. The energy sector has already achieved very high levels of efficiency and therefore additional reductions in greenhouse gas emissions will chiefly require major efforts in other sectors.

Even so, Argentina, sharing the global concern over the serious ecological, social and economic consequences of climate change and adhering to the principle of common but differentiated responsibility, believes it is necessary to continue adopting new measures which, adapted to its specific situation, will help to reduce greenhouse gas emissions.

One of the greatest challenges in designing goals for the reduction of greenhouse gas emissions for developing countries is to allay risk and uncertainty by constructing targets that will make it possible to reduce emissions without abandoning the goal of sustainable socioeconomic development. Over the last two decades, the Argentine economy first experienced a long period of stagnation followed by one of steady growth, which was interrupted on account of the impact of external recessions that undermined the factors of economic growth. In the 1980s, growth in GDP was close to zero and was sometimes even negative, while from 1990 to 1997, GDP grew at an annual average of 7.3%. This upturn was the consequence of domestic policies, sweeping structural reforms that helped to reverse the earlier cycle of stagnation, and the transmission of external factors that economic liberalization helped to reinforce. Macroeconomic projections for 2008-2012 performed to design the emissions goals point to a wide gap between the scenarios for higher and lower growth in GDP. As a consequence, the projections for greenhouse gas emissions also vary widely, with high levels of uncertainty regarding future emissions.

In Argentina's case, uncertainty regarding future greenhouse gas emissions is driven by the specific features of the agricultural sector in the structure of the economy and in the structure of greenhouse gas emissions, since agriculture's future depends largely on international markets. Although agriculture contributes less than 7% of GDP, the emissions it generates account for 40% of the total. Historical series indicate that changes in the agricultural product and in sector emissions are not correlated with GDP or with total emissions. A large part of the uncertainty regarding future emissions by the agricultural sector lies in the fact that the Argentine cattle herd has recently been declared free from foot-and-mouth disease and can therefore be sold on markets where Argentine exports had previously been banned.

Therefore, it would be inadvisable for Argentina to adopt a fixed goal for greenhouse gas emissions that is not linked to the evolution of its economy. Although the adoption of a relatively undemanding target could reduce the risk of non-compliance, it would also imply a high probability that little or no mitigation of greenhouse gas emissions would be required. On the other hand, a more demanding target could be risky since under certain economic conditions, it might be beyond the country's capacity to mitigate the greenhouse gas emissions that a tougher goal would call for.

Accordingly, one alternative to a fixed goal is a dynamic goal based on some ratio between emissions and GDP. Owing to the relatively large share of total emissions generated by the agricultural sector and based on lower forecast growth in emissions, Argentina's greenhouse gas emissions would be approximately proportionate to the square root of GDP. Therefore, a dynamic goal based on a measurement of intensity that links emissions to the gross product - even though not directly but on the basis of the square root - appears to be an optimum method of attenuating uncertainty while at the same time guaranteeing an effective reduction in emissions.

The goal for emissions would be expressed as $E + I \cdot P$, where emissions (E) are measured in tonnes of

coal equivalent and GDP (P) in 1993 pesos. The value chosen for the index (I) tends to guarantee an effective reduction of greenhouse gases in Argentina in a wide variety of scenarios, including the most probable macroeconomic and agricultural ones. Also, this emission goal would imply a substantial reduction in the intensity of emissions (ratio between emissions and GDP) in the scenarios analysed as compared with 1990 and 1993 values.

The base scenarios for greenhouse gas emissions take account of different hypothesis for growth in GDP and in the agricultural sector. In all cases, the scenarios consider an increase in efficiency owing to the use of more suitable technologies as driven by the market. In the case of energy, the base scenarios consider that power will chiefly be generated using natural gas in a combined cycle. In the case of transportation, the emission scenarios have to be calculated considering certain changes in technology that are expected to occur before or during the projected period. This means that the estimated reductions under the goal selected will be truly effective and will be the product of policies and measures to mitigate greenhouse gas emissions.

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INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE



UNEP

Report to the 11th Session of SBSTA on the Status of the IPCC

Robert T. Watson, IPCC Chairman

October 25, 1999

BNS 99-099

Report to the 11th Session of SBSTA on the Status of the IPCC

Robert T. Watson, IPCC Chairman

October 25, 1999

Distinguished delegates, it is a real pleasure and honor for me to be invited to address you today. All of us associated with the Intergovernmental Panel on Climate Change (IPCC), appreciate the close collaboration that exists between the IPCC and the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), the subsidiary bodies to the UNFCCC, and the Secretariat to the UNFCCC.

Since I last had the opportunity to address you here in Bonn four months ago the IPCC has continued to make significant progress on the preparation of the Third Assessment Report (TAR) and the three Special Reports: (i) Methodological and Technological Aspects of Technology Transfer: Opportunities for Technology Cooperation; (ii) Emissions Scenarios of Greenhouse Gases and Aerosol Precursors; and (iii) Land-Use, Land-Use Change and Forestry.

In my presentation today I would like to update you on the status of each of these reports and on the potentially dire situation of the IPCC budget. Later in this same SBSTA session, I am scheduled to present some of the "provisional findings" from the Special Report on Land Use, Land Use Change and Forestry. These "provisional findings" will be presented in much greater detail by some of the lead authors of the Special Report tomorrow at a special side-event that was requested by SBSTA in June. I must stress that these findings are provisional and subject to change following the government and expert review process, which began late last week.

Let me briefly summarize the current situation regarding the Third Assessment Report and the other Special Reports.

Third Assessment Report

While we are still in the early phase of the preparation of the TAR we are making excellent progress. Each of the three Working Reports will be sent for expert review early next year followed later by a government/expert review. As I noted in June, the philosophy of the TAR will:

- emphasize the regional dimensions of climate change, cross-sectoral issues and adaptation;
- place the issue of climate change more centrally within the evolving socio-economic context; and embrace the concept of sustainable development; and
- identify the synergies and trade-offs between local, regional and global environmental issues.

In addition, the TAR is emphasizing four key cross-cutting issues for which papers have already been prepared to guide each of the Working Groups in their treatment of these issues:

- uncertainties;
- development, sustainability and equity;

- costing methodologies; and
- decision-making frameworks.

Special Reports

Methodological and Technological Aspects of Technology Transfer: Opportunities for Technology Cooperation

The Special Report has already undergone an expert and expert/government review and is currently being revised. Given the number of important review comments on the Summary of Policymakers and the lack of a Technical Summary in the previous version which was peer-reviewed, a technical summary and a revised SPM have been prepared and have been sent out for an additional round of government/expert peer-review. The Plenary to approve/accept this Report is scheduled for March 2000.

This Report examines the flows of knowledge, experience and equipment among governments, private sector entities, financial institutions, NGOs, and research/education institutions, and the different roles that each of these stakeholders can play in facilitating the transfer of technologies to address climate change in the context of sustainable development. The Report provisionally concludes that the current efforts and established processes will not be sufficient to meet this challenge, and assesses:

- the trends in technology transfer;
- the different pathways, stages and barriers to technology transfer and ways to increase the flow and improve the quality;
- government actions that create the enabling environment for private sector technology transfers within and across national boundaries;
- mechanisms for technology transfer; and
- key actions for the transfer of mitigation and adaptation technologies for a range of sectors.

Emissions Scenarios of Greenhouse Gases and Aerosol Precursors

The Special Report has already undergone an expert review and is currently undergoing an expert/government review. The plenary to approve/accept this Report is scheduled for March 2000.

This Report examines a wide range of plausible futures for greenhouse gas and aerosol precursor emissions over the next 100 years using four broad story-lines and a marker scenario within each story-line to illustrate the key features of that story-line. The methodology for developing these new scenarios recognized that there were interactions among the key determinants, e.g., population growth, economic growth, energy demand, energy prices and the level of research and development. The new scenarios do not include any additional climate policies but some do assume sulfur policies in developing countries in accordance with the emerging literature in this area and supported by current initiatives in a number of key developing countries.

Land-Use, Land-Use Change, and Forestry

The Special Report has already undergone an expert review and is currently undergoing an expert/government review. The plenary to approve/accept this Report is scheduled for April/May 2000.

It is well recognized that the Parties to the Kyoto Protocol will need to make a number of key decisions with respect to definitions, the accounting system, a monitoring and reporting system, and inventory guidelines before the relevant Articles of the Protocol can be implemented. Therefore, this Special Report, from which I will present some of the provisional findings later today, provides scientific and technical information that will be useful to the Parties in making these decisions by addressing a series of questions in each of these critical areas. In addition, the Report provides an assessment of the experience to date of land use, land use change and forestry projects (largely AIJ projects), the future potential to reduce the net emissions of greenhouse gases through Articles 3.3, 3.4, 6 and 12, and a framework for assessing sustainable development issues.

Budget

When I last addressed you in June I noted that the IPCC was facing a significant budget problem because of: (i) the large number of special reports, coincident with the preparation of the TAR; (ii) the enhanced regional emphasis, and (iii) the increased participation of experts from developing countries and countries with economies in transition. Unfortunately I cannot report any significant response from the majority of governments. There are numerous OECD countries represented here today that actively request IPCC to undertake Special Reports and play a central role in defining the overall work program, who are contributing little to nothing towards financing the IPCC. Its even more remarkable given that a number of developing countries and countries with economies in transition have already made contributions, including Peru, Mauritius, and Slovenia. This lack of financial commitment from a number of countries is rather disturbing given the incredible effort of the scientific, technical and economic experts who give so freely of their time to assist the Parties to the UNFCCC and the Kyoto Protocol.

If the IPCC is to continue to serve the needs of the Parties additional governments will have to contribute to the IPCC Trust Fund, and some of those who routinely contribute will have to increase their contributions. I have discussed funding with the GEF Secretariat but been told that IPCC assessments are not consistent with the work program defined by the GEF Council and do not represent capacity building in developing countries and hence, the GEF cannot be viewed as a source of potential funding. Again I find this quite remarkable given that the inclusion of developing country experts is an essential feature of the IPCC and that so many of you argue that the work of the IPCC provides much of the scientific and technical basis for your decisions, hence the implementation of the Convention and, if ratified, the Kyoto Protocol. I sincerely hope that the IPCC can deliver the information you need in a timely manner, but if it fails it will not be the fault of the scientific community but many of the governments in this room who are taking a free ride at the expense of others. I appeal to each government representative at this meeting to discuss this serious situation with the relevant agency in your government to help resolve this situation.



**Statement from the
International Civil Aviation Organization (ICAO)
to the Eleventh Session of the UNFCCC Subsidiary Body for
Scientific and Technological Advice (SBSTA)**

(Bonn, 25 October - 5 November 1999)

At the previous SBSTA Session (June 1999), ICAO reported on the substantial activities underway to respond to the role identified for it under Article 2.2 of the Kyoto Protocol¹. This provision requires Annex I Parties to pursue limitation or reduction of emissions of greenhouse gases from aviation bunker fuels, *working through ICAO*.

The highest body of ICAO, the ICAO Assembly, had adopted a resolution in September/October 1998, calling for its subsidiary bodies to "study policy options to limit or reduce the greenhouse gas emissions from civil aviation, taking into account the findings of the IPCC Special Report on Aviation and the Global Atmosphere and the requirements of the Kyoto Protocol" and to report back to the next meeting of the Assembly in September/October 2001². With this clear mandate, the expert group within ICAO that focuses on environment (the Committee on Aviation Environmental Protection, CAEP) had initiated actions aimed at providing the technical and policy basis for decisions on limiting or reducing greenhouse gases that could be taken by the Council of ICAO or at the next Assembly meeting.

Since the SBSTA Session in June, there has been a meeting of the CAEP Steering Group and a number of meetings on emissions at working group or expert level. Today's report will focus on the progress that has been made in developing an Action Plan on aircraft engine emissions and in exploring market-based options as a means of limiting greenhouse gas emissions.

Draft Action Plan

Substantial progress has been made towards developing an Action Plan on aircraft engine emissions that would consolidate the various activities taking place within CAEP and would provide a road map of tasks and targets over the next few years. In view of the interest expressed in ICAO's work plans at the last SBSTA session, the latest version of the Draft Action Plan is attached to this Statement. While it continues to evolve and has yet to be formally approved by the CAEP process, it is in a sufficiently advanced stage to enable SBSTA to see how CAEP is tackling these difficult issues.

The Draft Action Plan addresses all aspects of aircraft engine emissions, both at ground level and at a global level. However, particular emphasis is placed on greenhouse gas emissions, including the development of policy options for consideration by the ICAO Assembly in late 2001.

¹Accessible on the ICAO web site, www.icao.int under Environmental Protection.

²Appendix F to Resolution A32-8, *Consolidated statement of continuing ICAO policies and practices related to environmental protection* (also available on the ICAO web site).

The Draft Action Plan commences with background material on aircraft engine emissions, identifies the principles that guide CAEP's work on emissions, and then describes the tasks that are being undertaken by three working groups. These are focussed on three areas:

- further development of technology and related world-wide standards;
- reducing fuel burn through improved operational measures; and
- analysing the use of market-based options.

Wherever possible, the Draft Action Plan includes an indication of the expected time-frame.

Market-based options

Since the last SBSTA session, progress has been made in all three areas, and especially towards identifying and evaluating the potential role of market-based options. Consideration is being given to the use of market-based options including emission-related levies, emissions trading and voluntary agreements, as a means of limiting greenhouse gas emissions. However, the use of market-based options raises a number of important economic, environmental, legal and administrative issues that must be fully evaluated.

As the IPCC Special Report has indicated, there are several different emissions from aircraft engines that play a role in climate change. However, this tends to complicate the design and evaluation of market-based options. It has therefore been decided to focus on CO₂ emissions only at this stage, while leaving open the possibility of accommodating other emissions later, if appropriate.

In order that different types of market-based options can be evaluated on a consistent basis, an initial set of common assumptions has been developed:

- Initially, two targets for emission reductions will be examined. Starting with a business-as-usual scenario, one target would reflect the average emission reduction required of all developed countries in the Kyoto Protocol for the first commitment period (5% below the chosen base year), while a second target would reflect a reduction of half the projected aviation growth rate in that period.
- Two alternatives for geographic scope will be examined, one assuming implementation on a world-wide basis, the other assuming developed countries only (as defined by Annex B to the Kyoto Protocol).

On this basis, the initial set of specifications for the various market-based options were developed.

As regards emission-related levies, the initial options to be evaluated are:

- A fuel tax, with revenue being used by governments to offset other taxes.

- A revenue-neutral charge based on aircraft efficiency, with higher charges on less fuel-efficient aircraft offset by lower charges on more fuel-efficient ones.
- An en-route emissions charge, with revenues recycled to the aviation sector (for example, to defray the costs of the harmful effects of emissions and to support air traffic modernisation, early retirement of aircraft, and research and development activities).
- An en-route emissions tax, with revenues being used to offset other taxes.

For emissions trading, three types of system are being evaluated:

- An open system, in which emissions from all aviation sources (domestic and international) are treated identically to other emissions, and trading may take place between the aviation sector and other sectors.
- A closed system, in which international aviation emissions may only be traded within the aviation sector, with a fixed cap. This would leave domestic emissions subject to whatever national emissions trading rules are introduced in the flexible mechanisms framework agreed by the Conference of the Parties. International emissions would be ring-fenced and treated separately.
- A third system envisages trading of emissions based on an initial distribution of permits in relation to optimised efficiency criteria for the international fleet and the assumption that all additional permits would be bought from the open market.

The voluntary agreements under evaluation would be between industry (airlines and aircraft manufacturers) and authorities (individual governments, groups of governments or international organisations). They would aim for a reduction in specific emissions (that is in grams of CO₂ per unit of traffic), with various options depending on the parties involved and the emissions reductions sought.

CAEP will also consider hybrid options drawing on elements from each of the three approaches under consideration (levies, trading and voluntary agreements).

Now that an initial set of market-based options have been specified, analysis will begin on the associated economic impacts and environmental benefits. Meanwhile, work will continue on refining these options and assessing administrative and legal issues. The assessment and option refinement process will continue over the next several months and beyond, leading to the preparation of an assessment report in time for the next full CAEP meeting in early 2001.

Summary

ICAO's Committee on Aviation Environmental Protection (CAEP) is making progress in studying policy options to limit or reduce the greenhouse gas emissions from civil aviation, in preparation for the next ICAO Assembly session in 2001. We hope that SBSTA finds this report useful and confirm ICAO's willingness to explore ways to further strengthen the exchange of information between ICAO and SBSTA, as envisaged by the SBSTA session in June.

DRAFT ACTION PLAN ON AIRCRAFT ENGINE EMISSIONS

Background

1. Aircraft engines burn fuel, producing emissions that are similar to other emissions resulting from fossil fuel combustion. However, aircraft emissions are unusual in that a significant proportion is emitted at altitude. These emissions give rise to important environmental concerns regarding their global impact and their effect on local air quality.
2. At a global level, the principal concern is aviation's contribution to climate change. The Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) requires developed countries to reduce their collective emissions of greenhouse gases by approximately 5 per cent by the period 2008 – 2012, compared to 1990. These targets do not apply to emissions from international aviation. Instead, Article 2, paragraph 2 of the Kyoto Protocol states that the responsibility for limiting or reducing emissions from international aviation shall fall to the UNFCCC Parties, working through ICAO.
3. At ICAO's request, the Intergovernmental Panel on Climate Change (IPCC) has prepared a *Special Report on Aviation and the Global Atmosphere*. This estimates that aircraft contribute about 3.5 per cent of the total radiative forcing¹ by all human activities. The emissions from aircraft of relevance for climate change include carbon dioxide (CO₂), water vapour, nitrogen oxides (NO_x), sulphur oxides and soot, although CO₂ is the only one covered by the targets established in the Kyoto Protocol. Earlier concerns regarding aviation's possible role in depletion of the ozone layer are not borne out by this report, although this could become an issue if a significant fleet of supersonic civil aircraft were to be developed.
4. The 32nd Session of the ICAO Assembly, in September/October 1998, requested the Council of ICAO, through its Committee on Aviation Environmental Protection (CAEP), to "study policy options to limit or reduce the greenhouse gas emissions from civil aviation, taking into account the IPCC special report and the requirements of the Kyoto Protocol", and to report to the next ordinary session of the Assembly in late 2001.²
5. At ground level, in the immediate vicinity of airports, and regionally, concerns focus on the potential health and environmental effects of emissions such as NO_x, volatile organic compounds and particulates. States are increasingly taking action across a broad spectrum of industries to address such issues. ICAO has adopted a number of measures that directly address local air quality concerns, and indirectly address regional concerns, such as developing engine emissions certification standards (see para 9b) below).
6. Future concerns about aviation's role in both climate change and local air quality are largely due to the projected continued growth in this sector. While past technological improvements have reduced the growth rate of emissions and this progress is expected to continue into the future, total emissions will continue to increase. For example, the IPCC's report projects growth in the sector of 5 per cent per year between 1990 and 2015 with CO₂ emissions growing at 3 per cent annually over the same period.
7. Against this background, ICAO's Committee on Aviation Environmental Protection (CAEP) has developed this Action Plan on aircraft engine emissions. While the Action Plan addresses all aspects of these emissions, particular emphasis is placed on greenhouse gas emissions including the development of policy options for consideration at the next CAEP meeting (CAEP/5) in early 2001 and by the ICAO Assembly in late 2001.

Guiding principles

8. In addressing concerns associated with aircraft engine emissions, CAEP is guided by the following principles:

- a) Measures to address emissions should take into account environmental need, technical feasibility and economic reasonableness.
- b) Measures to address emissions should also take into account any potential implications for safety, which must not be compromised, and for aircraft noise. Measures aimed at one type of emission (for example, CO₂) or one emission-related problem (for example, climate change) should take into account any potential implications for other types of emission or for other emission-related problems.
- c) Measures to address emissions should be developed on a harmonised world-wide basis, wherever possible.

The way forward

9. Further development of technology and related world-wide standards. In the early 1980s, ICAO adopted Standards for the control of aircraft engine emissions through an engine certification scheme (Volume II of Annex 16 to the *Convention on International Civil Aviation*). These Standards, which were originally designed to address concerns regarding local air quality rather than global concerns, establish limits for emissions of NO_x, carbon monoxide and unburned hydrocarbons from new engines during an aircraft's landing and take-off (LTO) cycle. CAEP is therefore:

- a) monitoring advances in technology that might help achieve further reductions in emissions through improved engine or airframe design, in consultation with aircraft and engine manufacturers, and government sponsors of related research and development:
 - ➔ for LTO emissions regulated by the present Annex 16 standards;
 - ➔ for greenhouse gas emissions, notably CO₂;
- b) further developing the ICAO Standards for NO_x to make them more stringent:
 - ➔ in 1993, the Council of ICAO reduced the permitted levels by 20 per cent for newly certificated engines, with a production cut-off on 31 December 1999 and in practice all production engine models are expected to meet this standard by that date;
 - ➔ in 1999, the Council of ICAO further reduced the permitted levels by an average of 16 per cent for engines newly certificated from 31 December 2003;
- c) exploring the further development of Annex 16 to specifically address emissions of global concern:
 - ➔ alternate emission methodologies are being developed that will encompass all phases of flight (climb and cruise emissions, as well as LTO cycle) and take into account fuel efficiency and productivity of the whole aircraft (time-frame: analysis of options and recommendations for further study by CAEP/5, early 2001);

- these emission methodologies may not be needed for CO₂ emissions, which can be determined on the basis of measured fuel consumption;
 - although they may not be needed for CO₂, they are essential for most other emissions and the initial focus is being placed on NO_x as a priority;
 - these emission methodologies could be useful for such purposes as preparing impact assessments, designing policy options and monitoring progress in addressing aircraft engine emissions;
 - new provisions based on these emission methodologies will subsequently be developed for inclusion in Annex 16, if required (time-frame: 2003/2004); and
- d) examining long-term technological options to reduce CO₂ and other gases and the adequacy of existing ICAO emissions control procedures.

10. **Reducing fuel burn through improved operational measures.** Currently aircraft operations often involve indirect routings, delays, and other factors that may contribute to increased fuel burn and associated emissions. CAEP is therefore:

- a) preparing, in consultation with industry, draft ICAO guidance material for States regarding airport and airline best operational practices, so as to enable airports and airlines that have successfully reduced emissions through modifications of operational practices to share their techniques with others (time-frame: CAEP/5, early 2001);
- b) encouraging States to implement new satellite-based Communications, Navigation, Surveillance and Air Traffic Management (CNS/ATM) systems, which are expected to provide more direct routings and reduce delays (time-frame: progressively over next 20 years);
- c) undertaking an initial analysis of the impact on aircraft emissions that planned CNS/ATM enhancements will have and making the results available to those involved in planning future air traffic improvements at a regional level (time-frame: CAEP/5, early 2001); and
- d) preparing, in consultation with industry, draft ICAO guidance material on other possible means to improve operational measures so as to reduce emissions (time-frame: CAEP/5, early 2001).

11. **Analyzing the use of market-based options.** Whereas past efforts in the environmental field have focused on the adoption of technology-based standards, there is a need to broaden the range of approaches and explore the potential role of market-based options, including emission charges, fuel taxes and emissions trading regimes. CAEP is therefore:

- a) identifying and defining a range of potential market-based options including fuel and en-route levies, emissions trading and voluntary programmes, all of which at this stage would target CO₂ emissions (time-frame: late 1999);

- b) developing a framework to evaluate the strengths and weaknesses of the various options that will take account of environmental, economic, legal and administrative issues and also ensure objective and transparent assessment (time-frame: late 1999); and
- c) developing a comprehensive report assessing the options in terms of the evaluation framework (time-frame: late 2000) as a basis for policy decisions on the potential role of market-based options in limiting or reducing CO₂ emissions by the ICAO Assembly in late 2001.

12. **Defining the problems.** While there has been considerable progress in defining the impact of aircraft engine emissions at the global level and at ground level, significant uncertainties remain. For example, the IPCC Special Report identified five key areas of scientific uncertainty that limit the ability to project aviation impacts on climate and ozone.³ CAEP is therefore:

- a) continuing to foster development of a scientific basis for the assessment of the potential impacts of aircraft engine emissions, with resolution of scientific uncertainty as a key objective; and
- b) updating and further developing existing aviation databases and forecasts for possible use in future scientific assessments.

Endnotes:

1. Radiative forcing is a measure of the importance of a potential climate change mechanism.

2. Assembly Resolution A32-8, Appendix F.

3. These five key areas are: the influence of contrails and aerosols on cirrus clouds; the role of NO_x in changing ozone and methane concentrations; the ability of aerosols to alter chemical processes; the transport of atmospheric gases and particles in the upper troposphere/lower stratosphere; and the climate response to regional forcings and stratospheric perturbations.

**United Nations Development Programme
UNDP**

**Statement at the Fifth Conference of the Parties
UNFCCC, Bonn, November 2, 1999**

**On Behalf of the
Administrator of UNDP**

By

Eimi Watanabe

**Assistant Administrator and Director,
Bureau for Development Policy**

Mr. President, Excellencies, Distinguished Delegates, Ladies and
Gentlemen,

On behalf of Mr. Mark Malloch Brown, Administrator of UNDP, I am
pleased to present to you the following statement:

The world community agreed at Rio that climate change objectives,
poverty eradication and sustainable development can and must be
harmonised, and supported by sustained capacity building. While
progress is being made in reconciling these objectives, much remains to
be done.

The solution to these enormous challenges hinges on improved
governance and on participatory decision making processes that involve
all segments of society. This must include better, more targeted
sustainable energy, forestry, and economic policies, institutional
mechanisms and capacity-building programmes. UNDP sees its
comparative advantage--articulated in Agenda 21-- as building the
necessary capacities for, by and in developing countries so that they can
meet their sustainable development objectives while at the same time
contributing to climate change mitigation. Through its network of 136
country offices, UNDP employs thousands of national and regional

professionals to carry out its work. This is reinforced through our work with information technology and networking, including SIDSNET.

UNDP has taken note of the suggestions by delegations at COP5 of the need to improve and accelerate actions for sustained capacity building for the implementation of the Convention. UNDP views capacity building, as articulated by the United Nations Framework Convention on Climate Change, in the broader context of sustainable development. UNDP focuses its work on energy and forestry to make interventions in these areas effective instruments for sustainable development, including the mitigation of climate change and adaptation to it, paying special attention to the needs of small island states and least developed countries.

An important part of UNDP's work is to make climate change operational through its role as an implementing agency for the Global Environment Facility (GEF). UNDP/GEF's current climate change portfolio amounts to about \$450m, of which \$250m are GEF resources and the additional \$200m are mobilized to co-finance projects in the countries eligible under this convention.

In partnership with the World Energy Council and UN-DESA, UNDP has established the World Energy Assessment to improve the understanding

of energy issues in the context of the social, economic and environmental challenges ahead, and building upon earlier initiatives (such as Capacity 21 and UNDP's Initiative on Sustainable Energy). We encourage your participation in this effort.

Moreover, UNDP gives priority to facilitating policy dialogue to clarify and examine views on implementation instruments--such as technology transfer, resource mobilization, and the Mechanisms. We do so in partnership with the Convention Secretariat, UNEP, the multilateral financial institutions, and civil society. In addition to public entities, the private sector is expected to play an important role in the implementation of the Mechanisms. UNDP is also developing partnerships with the private sector for these purposes.

In view of the above, UNDP's contribution to capacity building for CDM and JI could be threefold: to strengthen the developing countries' governmental agencies to perform their regulatory roles in an open and transparent manner; to facilitate the preparation of "bankable" projects; and to serve as a neutral platform to bring together outside financiers with local project proponents.

UNDP looks forward to COP6 putting in place rules and regulations for the Mechanisms. An early operational CDM could facilitate the transfer of technology and additional financial resources to developing countries to implement their sustainable development and to meet their UNFCCC shared but differentiated responsibilities.

Ladies and Gentlemen: We have before us the building blocks to turn a critical environmental challenge into an opportunity to eliminate poverty and to promote accelerated sustainable development. I trust that with steadfast resolve, political will, and committed teamwork, we will move closer to a world with a better quality of life for everyone.

Thank you.



Global Environment Facility

**Statement to the
Fifth Session of the Conference of the Parties to the
United Nations Framework Convention on Climate Change**

By

Mohamed T. El-Ashry

**CEO & Chairman
Global Environment Facility**

**Bonn, Germany
November 2, 1999**

Mr. President, Excellencies, Distinguished Delegates, Mr. Executive Secretary,
Ladies and Gentlemen:

It is a great pleasure to address this distinguished gathering on behalf of the Global Environment Facility.

Last year, when I addressed this gathering in Buenos Aires, I began my statement by sharing my sorrow and sympathy with the victims of climate disasters in Central America. Unfortunately, this year is not any different and once again I begin my statement by highlighting the unfortunate loss of life and property due to climate disasters in the Caribbean and India. What the world needs and expects, Mr. President, from all of us, and from gatherings like this, is action to address both the causes and impacts of climate change. While negotiations on unresolved issues continue, we must recognize that the cost of inaction on climate change is just too high.

Since we last met, I am glad to report that the GEF is even better placed to assist the Parties in addressing the risks posed by global climate change.

With the recent addition of Tajikistan, GEF now has 166 participating states.

In May, the GEF Council opened up new opportunities for regional development banks to execute GEF projects, paving the way for a whole new set of partnerships.

The Council has also taken action to expand GEF's climate change work to promote environmentally sustainable transport and integrated ecosystem management.

GEF is developing a new set of 50 country dialogue workshops. Over the next three years, these fora will provide an opportunity for countries to identify their interests, priorities and concerns; and how the GEF can assist in addressing them. Based on identified needs, our Implementing Agencies can design creative packages of finance that capitalize on the synergy between local, national and global environmental problems.

With COP 4 guidance in mind, we have issued guidelines for additional expedited funding, on an interim basis, for capacity building in a number of priority areas.

Mr. President, capacity building has been increasingly emphasized in international fora, including this COP. From the start, almost all GEF projects contained a capacity building component. Recognizing, however, the broader institutional and technical capacity building needs of developing countries, the GEF Council last May approved a strategic partnership with UNDP to produce a comprehensive approach for developing country-level capacities to meet the challenges of global environmental action.

In contrast to our enabling activities and project components, this initiative will unfold more gradually over the next year or so. We believe it is time to look back, reflect on the lessons learned, and answer the question "capacity for what?" I'm sure you'll agree that previous development and environment capacity building efforts have too often fallen short of their goals. They have sometimes been fragmented and short term, and

lacked a holistic approach and a long term perspective. In considering these lessons, GEF has the collective experience of its three implementing agencies, and numerous other partners, to draw on.

The objective of our initiative is not merely to unleash funding from the GEF, but from other bilateral and multilateral funders as well, in a strategically focused effort to develop long term capacity in developing countries for the global environment and sustainable development. In this way we can move forward toward a common goal together, rather than proceeding down diverse paths that don't take us where we want to go.

In the past, this Conference of the Parties' consideration of the GEF has centered on enabling activities and other specific areas of capacity building. While unquestionably important, too exclusive a focus on these activities does not really allow for a full appreciation of GEF's critical role in addressing the objectives of the Climate Change Convention.

As the financial mechanism of this Convention, GEF has allocated close to \$900 million for more than 200 climate change projects in 130 countries since 1991. This commitment has been matched by more than \$4.7 billion in co-financing, bringing total investment in GEF's climate change portfolio well past \$5 billion.

While these resources are still small in comparison with the problems, they are generating positive global impact -- and making a difference at the local level. More than

80-energy efficiency and renewable energy projects are amassing critical experience as well as results. Impacts are particularly visible in GEF-supported solar home systems, grid-connected wind and biomass power, energy efficient lighting, and fuel switching.

Solar home and rural energy systems installed as a direct result of 20 GEF projects promise to put in place more than 1 million systems over the next few years, significantly expanding the numbers currently installed in developing countries, which are estimated at between 300,000 and 500,000. These rural energy projects offer dual benefits: they mitigate climate change while bringing clean forms of power to the people. They liberate women from backbreaking labor, conserve forests, and stem the tide of migration to urban areas.

GEF is also pioneering technologies with particular relevance for developing countries. Next month, our Council will take up a \$105 million proposed climate change work program which includes support for a new solar thermal plant in Mexico, and the introduction of fuel cell buses in Brazil and electric buses in Egypt -- these last two projects providing mobility while cutting back on health-threatening air pollution in heavily populated urban areas.

This is climate change mitigation. This is technology transfer. This is sustainable development. This is also capacity building.

The GEF has found that in many cases a good way to build capacity is through projects themselves -- through the doing, as it were. Our study of 84 GEF climate change

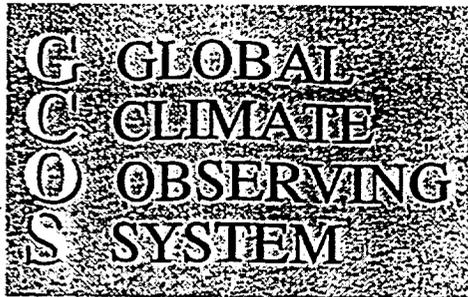
projects made available here found numerous instances of individuals and institutions gaining critical technical, financial/business, and regulatory skills from activities associated with GEF projects. These projects develop the skilled personnel and institutional capacities that are widely recognized as important for technology diffusion.

Finally, the GEF is moving to further engage the private sector at both project and strategic levels by piloting contingent financing to reduce technology financing risks without the need for direct grants and pursuing strategic partnerships to create new opportunities for non-governmental organizations and other stakeholders to participate in projects.

The partnership with the International Finance Corporation (IFC) of the World Bank Group have helped launch the Renewable Energy and Energy Efficiency Fund (REEF) for developing countries and economies in transition as announced here in Bonn last week. REEF is expected to make investments in commercial renewable energy and energy efficiency projects with GEF co-financing available for smaller and riskier projects. The net effect is to attract private investments several times the GEF contribution.

In closing, what this all adds up to is the recognition that GEF can only succeed in its global environmental mission as part of the widest effort: at the country level, at the level of the conventions, and together with the many institutions who share our collective goals. Together, we can encourage and enable people's participation in the global environment through sustainable development measures close to home.

Thank you.



① fax to John Stone/Gordon McKeen
c/o Beth



WMO



IOC



UNEP



IGBP

Global Climate Observing System
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② interview on file

UNFCCC Conference of Parties (5th Session)
Statement by Dr. Alan R. Thomas - Director, GCOS Secretariat
to the Subsidiary Body for Scientific and Technological Advice (11th session)
(During COP 5, contact at room 150 Maritim Hotel)

Mr. Chairman, as the newly appointed Director of the Global Climate Observing System (GCOS) Secretariat, I am pleased to address this Body on behalf of the global observing systems for climate.

Developing a global observing system that will meet the needs of the Convention will be a most challenging task. We appreciate the support that we have received so far and ask for your continuing support to make progress in the future. Today Mr. Chairman, I would like to:

- Present a brief report on recent developments in the observing systems,
- Indicate progress since the milestone decisions from the 4th session of the Conference of Parties (COP) on research and systematic observations,
- Indicate some possible next steps in developing the necessary institutional, financial and scientific infrastructure needed by a global climate observing system to meet the needs of the Convention.

Developments in the Observing Systems

- In the meteorological area, we continue to implement the GCOS Surface Network (GSN) of nearly 1000 stations and GCOS Upper Air Network (GUAN) of 150 stations. I particularly want to mention the contributions of the Deutscher Wetterdienst and the Japan Meteorological Agency in monitoring the real-time GSN data stream and that of the European Center for Medium Range Weather Forecasts (ECMWF) in monitoring the performance of GUAN. The US National Climatic Data Center is performing quality control and data management for both networks. Based on the current stations of the World Meteorological Organization (WMO), these networks have significant deficiencies in some regions of the world, as reported in document FCCC/SBSTA/1999/10.
- The Global Atmosphere Watch has established several new global observatories including a recent one at Mount Kenya. These resulted in part from funding by the Global Environmental Facility (GEF).
- Significant progress has been made in implementing the climate component of the Global Ocean Observing System, which is the ocean component of GCOS.
 1. First, the establishment of the Joint Commission on Oceanography and Marine Meteorology by the Intergovernmental Oceanographic Commission (IOC) and WMO will provide an integrated management function for operational ocean measurements.
 2. Also I would like to report that a major conference (OceanObs99) was held last week in St. Raphael, France. At this conference it became clear that the ocean community is

prepared to implement an integrated global ocean observing system for climate and that the new Argo* floats initiative of GOOS is an essential element to provide insitu ocean observations, especially in data sparse regions. (* Argo is the Array for R/T Geostrophic Oceanography.)

- The terrestrial climate component has initiated 2 networks, jointly with the Global Terrestrial Observing System. The Global Terrestrial Network (GTN) for Glaciers and GTN for Permafrost should provide sensitive indicators of climate change. A third network of terrestrial carbon flux measurements will be central to efforts on the terrestrial carbon cycle.
- In addition, the Global Observing Systems are working closely with the Committee on Earth Observation Satellites (CEOS) to assess the capabilities of integrated satellite and ground based measurements to improve climate measurements, as a part of the Integrated Global Observing Strategy (IGOS).

Mr. Chairman, I would like to briefly describe the progress since the 4th session of the Conference of Parties. We have interacted with the governing bodies of WMO, IOC and the International Council for Science (ICSU) on these issues and worked closely with the UNFCCC Secretariat to provide input to two documents.

Guidance for Reporting on Global Climate Observing Systems (FCCC/SBSTA/1999/13/Add.2)

On behalf of the global observing systems for climate, GCOS has prepared draft guidance for the preparation of national communications on systematic observations by Annex I Parties and where appropriate for non-Annex I Parties. To date, Party reports on systematic observations have used different formats, provided diverse inputs, and been of limited value. This guidance, if adopted, should provide for more uniform and comprehensive information and enable a more useful analysis of the global observing systems for climate, being implemented by the Parties. Moreover use of the guidance by non Annex I Parties could provide a basis for ascertaining both their technical and financial needs.

GCOS Issues related to the Global Climate Observing Systems (FCCC/SBSTA/1999/10)

We have begun the process to respond to the other issues contained in Decision 14, including identification of deficiencies, implementation of regional workshops, and consideration of an Intergovernmental process to address priorities and funding.

1. Mr. Chairman, while I earlier discussed recent positive developments in global observing systems; there are significant deficiencies in the current observing systems. Analyses from WMO, ECMWF and Meteo France respectively indicate shortcomings in the GCOS Surface Network (GSN) and GCOS Upper Air Network and in the coverage of the present surface ocean systems. The problem areas for all systems are regional in nature. The GSN and GUAN include "silent stations" (those that do not report any data) and those that report less than 50% of the time. These problems result from inadequate equipment, need for training of personnel and a shortage of operating funds for personnel, supplies and maintenance.
2. Decision 14 invited agencies participating in the Climate Agenda to initiate an Intergovernmental Process to address priorities for action on global observing systems. This was explored at the third session of the Inter-Agency Committee for the Climate Agenda, at the 13th session of the WMO Congress and through informal consultations at other

international meetings. As you are aware Mr. Chairman, due to the breadth of the climate agenda, no organization or mechanism encompasses all aspects of a global observing system for climate. But making changes is a complex matter given the number of official bodies involved. The GCOS Secretariat therefore is working with a number of interested nations and organizations to better document a process that would serve in an efficient and effective manner. In this regard we would note that Canada has proposed an informal consultation in earlier February next year to address options for an Intergovernmental Mechanism. *

3. Mr. Chairman, due to the shortage of resources, we have only recently begun to address implementation through regional workshops. We have just developed a prospectus on regional workshops which is an attachment to this statement and are seeking comments and advice on this approach from the Parties to this meeting. The purpose of the workshops would be to initiate a process that would lead to the preparation of proposals to overcome observational deficiencies on a regional basis. The workshop would provide information to help Parties identify regional needs (such as training and development), priorities and approaches to addressing these needs. With this information in hand, Parties would be able to prepare a regional proposal for funding by multilateral agreements or international funding agencies such as the GEF. This information would also serve a secondary purpose of being core elements for national plans and communications on systematic observations. We believe, Mr. Chairman, that such a regional approach to addressing the deficiencies in observing systems could be an effective way for implementing GCOS and would seek the support of the Parties for this approach. We believe that the GCOS Secretariat has the capacity to initiate these workshops if we can get the participation and financial support of the Parties.
4. Finally, Mr. Chairman, funding for systematic observations continues to be a concern for almost all nations and international agencies. The recent WMO Congress "agreed that the COP/SBSTA should be informed that significant new funds are required both for the Secretariat to discharge its work load and the Members (of Congress) to be able to implement the atmospheric and hydrological components of the GCOS plan, and that a similar situation existed within the oceanographic and terrestrial domains." In our report, Mr. Chairman, we have discussed the deficiencies in current systems that are primarily in developing countries and lack of financial resource is the underlying problem. In this regard although many of the deficiencies may be addressed by using existing financial mechanism or multilateral agreements, long term funding for ongoing operations is an aspect that must be addressed to have a creditable global observing system for climate. With respect to the international coordination of observing systems, there also are severe financial problems. The GCOS Secretariat is faced with severe financial constraints and is finding it very difficult to respond adequately to the decisions of the Conference of Parties, while continuing the scientific planning and the implementation of a global observing system for climate.

In conclusion, Mr. Chairman, we are prepared, in partnership with interested Parties, to implement the next steps in developing a process to integrate and analyze national reports on systematic observations and to prepare specific actions to address deficiencies in the climate observing systems, including the organization of regional meeting. In these actions, we seek the continued support from SBSTA. I thank you for this opportunity to present some of the issues facing the Parties and agencies involved with the global observing systems for climate.

Canada/John - he apparently got an ok from

A Preliminary Prospectus for Regional Workshops on Improving Global Climate Observing Systems.

Objective To initiate a process to improve the capacity of developing countries to participate in global observing systems for climate.

Background A reliable climate observing system is essential to document climate change, evaluate its impact, assess mitigation and adaptation strategies, and realize the promise of climate predictions and their application on seasonal-to-interannual and longer timescales. Developing countries, in particular, have problems responding to the need for climate-related observations. The problems may vary from station-to-station and country-to-country but are generally known. They include inadequate equipment for measurement, data handling, or communication; lack of adequate training; and the inability to sustain long-term observations. All these ultimately stem in part from inadequate funding. Regions such as Africa, the southwest Pacific, and South America have observational deficiencies that are especially serious, but observation networks in other regions also need to be strengthened.

Approach The Global Climate Observing System (GCOS) Secretariat proposes to organize regional workshops in areas of the world where observational networks are inadequate for global climate-related purposes. The purpose of the workshops would be to initiate a process that would lead to the preparation of proposals to overcome observational deficiencies on a regional basis. The workshops would provide information to assist developing country Parties identify regional needs (such as training and development), priorities among these needs and approaches to addressing these needs. With this information in hand, these Parties would be able to prepare regional proposals to "build capacity for participation in systematic observational networks" for funding by multilateral agreements or international funding agencies, such as the Global Environment Facility (GEF). This information would serve a secondary purpose of providing a core element for national plans and communications on systematic observations. It is important to provide a global framework for regional plans to balance national and international perspectives.

Regional workshops could address specific problems related to meteorological networks, where the deficiencies are better known, with subsequent workshops addressing oceanographic and terrestrial networks. Alternatively, they could address the broader issues of terrestrial and oceanographic, as well as meteorological and atmospheric, observing system needs.

An initial decision would be to select one or more organizations in each region with which to work. Choosing the right partner(s) is important because a regional partner could provide the coordination of individual needs and proposals from Parties. For example, WMO and a number of Parties have worked on a range of regional climate issues with the African Center for Meteorological Applications and Development (ACMAD). We would welcome your assistance in helping us identify appropriate regions and regional partners.

Funding from Parties or multilateral organizations is not guaranteed, but the interest of the UNFCCC makes it probable that well-conceived proposals will receive serious consideration. The workshops we propose are an important first step toward developing successful proposals for making major improvements in observing systems in regions where observations are currently inadequate. The GCOS Secretariat has no preference on where to begin, but suggests it may be wise to hold the first workshop in a region in which local expertise can be most easily mobilized. Future workshops might then benefit from experience gained during the first workshop.

The GCOS Secretariat seeks comments on this proposal by 17 December 1999.

The GCOS Secretariat is ready to initiate a planning process, if it can get the participation and financial support of the Parties. Funding may be available for an initial workshop, but future workshops will require funding from individual Parties, bilateral agreements or international financial organizations, such as the GEF. GCOS also is aware that a single workshop per region may only be the starting point for building the necessary capacity within any one region and that funding for regional activities may be required over several years to develop adequate proposal for the upgrading of observing networks in developing countries.

1 FCCC/SBSTA/1999/10

2 Decision 2/CP.4

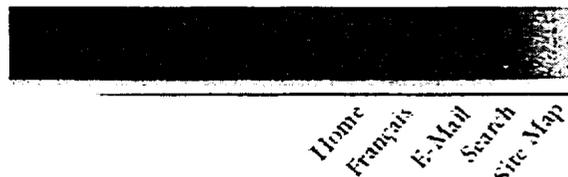
Dr. A Thomas, Director, GCOS Secretariat, WMO
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Canadian Delegation to the Fifth Meeting of the Conference of the Parties to the UN Framework Convention on Climate Change

BONN, GERMANY

OCTOBER 25 - NOVEMBER 05, 1999

***denotes participation primarily at the High Level Segment November 2-4, 1999**

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