



Brussels, 7 December 2000  
p:\A2Staff\Peter\ECCP\Record5

**SUMMARY RECORD OF FIFTH MEETING:  
ECCP WORKING GROUP 1  
6 DECEMBER 2000**

Present: see list attached (as Annex 1)

Chaired by Peter VIS (DG ENV.A.2)

**1. Adoption of agenda**

The draft agenda was adopted without amendment.

**2. Adoption of record of previous meeting**

The draft records of the fourth meeting of the Working Group was adopted.

**3. Exchange of views on the outcome of the 6<sup>th</sup> session of the Conference of Parties to the UNFCCC, and its impact on the work of the Group**

The Chairman made a presentation to the meeting on the first part of COP-6 and next steps. An electronic copy of the presentation can be obtained from the Secretary upon request. It was followed by an exchange of views in which several representatives from industry expressed their concerns that the Kyoto process had suffered a very serious set-back, and that the wrong signal was being sent to proactive industry. Industry still lacked sufficient clarity on how the mechanisms would operate in practice. There was agreement that COP-6*bis* represented a considerable challenge, especially in the light of the likely US election result.

**4. Discussion on further work (c.f. Organisation of Work – document 1)**

The organisation of the Group's further work was discussed on the basis of the above document and in the light of the previous discussion. It was agreed to swap the subjects proposed for the meetings to be held on 14 February and 14 March respectively. The subjects to be discussed in the 9<sup>th</sup> and 10<sup>th</sup> meetings would be confirmed nearer the time. One additional meeting was agreed at which the JI-CDM subgroup would report back to the full group. The content of this "wrap-up meeting" of the Working Group would be further discussed. The Chairman also outlined the idea of a "general assembly" of all Working Groups being held in the latter half of June 2001 to discuss the Final ECCP Report.

**5. First exchange of views on Background Document 5: “The project mechanisms of the Kyoto Protocol and Community competence”**

There was an exchange of views on project eligibility. The “Green NGO” representatives felt that, given that the EU advocated limited project eligibility within the context of the UNFCCC negotiations, then EU governments should be willing to restrict access to the projects mechanisms in a similar way (including the right to buy credits from particular types of projects). Industry representatives had strong misgivings about any such move, arguing that any unilateral restriction of project eligibility by the EU would harm competitiveness if companies in the rest of the industrialised world did not have the same constraints. Germany raised the idea of using EU standards as a Community benchmark for defining good projects. Clear distinction should be made between project eligibility and the project cycle. On the latter, it was generally agreed that the EU would not benefit in adding requirements if the UN rules were sufficient to guarantee environmental integrity.

Doubts were expressed by some government representatives about the suitability of the European Community funding projects and acquiring credits, even if the question of what happened to the credits was left aside. The “moral hazard” dilemma was acknowledged. Paragraph 5.5 of the Background document would be shortened.

Business representatives felt that if access to the project mechanisms differed between entities in different Member States, then competition would be distorted within the internal market. The Chairman maintained, as described in Background Document 5, that if Member States want to make it harder for their own entities, there was little that the Commission could do about it in the absence of any Community framework. Participants generally felt that the EC’s primary role should be “facilitative”, helping Member States and EU entities in using the project mechanisms.

The setting up of a sub-group on JI and CDM was discussed, along with a draft mandate that was distributed at the meeting. There were a number of comments regarding the mandate (that should not concentrate exclusively on funding), the work programme for the subgroup and the provisional list of participants. The mandate would be further revised before being submitted for adoption to the ECCP Steering Committee. Written comments on the draft mandate were invited by the year-end. It was specifically requested that the Subgroup report back to the main Working Group 1. The Chairman agreed that every effort would be made to accommodate this request, if necessary by the holding of an additional meeting to be held in the latter part of May.

Some members from industry were anxious that the subgroup look at how a start can be made on JI and CD projects before the Protocol enters into force. Others were interested in exploring ways whereby “Kyoto like” mechanisms could be integrated into a Community emissions trading regime in the case that the Kyoto Protocol were never to enter into force.

It was pointed out that if any Member State were to accept CERs and ERUs towards fulfilment of obligations of entities that were also participating in a

Community emissions trading regime, then these entities could still be able to sell their surplus emissions trading allocations to entities in other Member States.

6. **Continuation of exchange of views on Background Document 2 (rev.2):  
“Allocation methodologies and recognition of early action”**

A further exchange of views took place on Background Document 2. A number of drafting changes were suggested. It was agreed that these would be integrated and the document circulated again by e-mail for written comments only. Time did not allow this document to be re-visited during the future meetings.

7. **Any other business**

Copies of the “Pronk document” dated 23 November 2000 (07.04 P.M.) were made available.

Attention was drawn to the publication on 7 November 2000 of the UK’s Consultation Document “A Greenhouse Gas Emissions Trading Scheme for the United Kingdom”. Copies can be obtained from the DETR (and an electronic version from the Secretary of the Working Group). The deadline for submissions is 12 January 2001.

Following the October meeting with Member States on the state aid guidelines, a new version had been put into interservice consultation by DG Competition. This was shorter on the Kyoto mechanisms than the previous version had been.

Date of next meeting would take place on 10 January 2001 (10h00 until 18h00). It will take place in Room 0/C at the offices of DG Environment: 5, Avenue de Beaulieu, B-1160 Brussels.

Peter VIS  
Principal Administrator  
Secretary to Working Group 1

**Annex 1****ECCP Working Group 1****Fifth meeting: 6 December 2000**

NAME	Organisation
VIS Peter (Chairman)	DG Environment, Unit A2
WEMAËRE Matthieu	DG Environment, Unit A2
RUNGE-METZGER Artur	DG Environment, Unit A2
MAJLATHOVA Ludmila	DG Environment, Unit A2
HAYDEN Mark	DG Economic & Financial Affairs
KARLSTRÖM Håkan	DG Transport and Energy, Unit A3
GARCIA-RODRIGUEZ Jaime	DG Transport and Energy, Unit A3
LORENZ-MEYER Stefan	DG Enterprise, Unit E2
KOSONEN Katri	DG Research
FÜHR Vivien	DG Transport and Energy, Unit A3
LOWEN James	Department of Environment, Transport and the Regions, United Kingdom
SCHAFHAUSEN Franz-Jozef	BMU
BROCKHAGEN Dietrich	BMU
JOHANSSON Niklas	Swedish National Energy Administration
LEANDER Asa	Swedish National Energy Administration
LAMPORT Christopher	Environment Ministry, Austria
BERTHIER Jean-Pierre	Ministry of Environment, France
CANEILL Jean-Yves	EURELECTRIC
DE LANNOY Rose	EURELECTRIC
KYTE Bill	Emissions Trading Group, United Kingdom
BOYD Chris	European Round Table (ERT)
WRIGLESWORTH Mike	Union of Industrial and Employers' Confederations of Europe (UNICE)
HEERINK Bertil	European Chemical Industry Council (CEFIC)
HEIN Joachim	BDI
BALOCCO Francesco	International Federation of Industrial Energy Consumers (IFIEC)
BRADLEY Rob	Climate Network Europe (CNE)
KENBER Mark	World Wildlife Fund (WWF)
LEFEVERE Jürgen	Foundation for International Environmental Law and Development (FIELD)