



Earth Negotiations Bulletin

A Reporting Service for Environment and Development Negotiations

Vol. 12 No. 11 Published by the International Institute for Sustainable Development (IISD) Monday, 20 February 1995

SUMMARY OF THE ELEVENTH SESSION OF THE INC FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE: 6-17 FEBRUARY 1995

The eleventh session of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC/FCCC) met from 6-17 February 1995 at UN Headquarters in New York. This final meeting of the INC was supposed to complete the preparations for the first Conference of the Parties in Berlin from 28 March - 7 April 1995.

During the two-week session, delegates addressed a wide range of issues including arrangements for the first session of the Conference of Parties (COP), location of the Permanent Secretariat, Rules of Procedure for the COP, matters relating to commitments, matters relating to arrangements for the financial mechanism, and provision of technical and financial support to developing country Parties. While delegates did agree to maintain the Global Environment Facility (GEF) as the interim entity operating the financial mechanism and to finance mitigation activities, little concrete progress was made on other important issues before the Committee. Delegates were unable to take action on the adequacy of commitments or to begin negotiations on a draft protocol submitted by the Alliance of Small Island States (AOSIS). There was no progress on joint implementation (JI). Delegates had little time to address technical and financial support to developing countries. The location of the Permanent Secretariat remains pending, although the four countries offering to host the Secretariat (Canada, Germany, Switzerland and Uruguay) have been asked to negotiate among themselves so that a single nomination is presented to the COP in Berlin. Finally, delegates were unable to reach agreement on the Rules of Procedure, a problem that will haunt the Parties at COP-1, who may find their substantive work hampered by the lack of agreement on voting procedures and the allocation of seats on the COP Bureau.

A BRIEF HISTORY OF THE FRAMEWORK CONVENTION ON CLIMATE CHANGE

Increasing scientific evidence about the possibility of global climate change in the 1980s led to a growing awareness that human activities have been contributing to substantial increases in the atmospheric concentrations of greenhouse gases. Concerned that anthropogenic increases of emissions enhance the natural greenhouse effect and would result on average in an additional

warming of the Earth's surface, the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) responded by establishing the Intergovernmental Panel on Climate Change (IPCC) in 1988. The Panel focused on: assessing scientific information related to the various aspects of climate change; evaluating the environmental and socioeconomic impacts of climate change; and formulating response strategies for the management of climate change. In 1990, the Second World Climate Conference and the adoption of the first IPCC assessment focused further attention on climate change.

ESTABLISHMENT OF THE INC/FCCC

On 11 December 1990, the UN General Assembly adopted resolution 45/212 establishing the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC/FCCC). Supported by UNEP and WMO, the mandate of the INC/FCCC was to prepare an effective framework convention on climate change. The INC held five sessions, between February 1991 and May 1992. Participants from over 150 states met to discuss the difficult and contentious issues: binding commitments; targets and timetables for the reduction of carbon dioxide emissions; financial mechanisms; technology transfer; and "common but differentiated" responsibilities of developed and developing countries. The INC sought to achieve a consensus that could be supported by a broad majority, rather than drafting a treaty that dealt with specific policies that might limit participation.

IN THIS ISSUE

A Brief History of the FCCC	1
INC-11 Report.....	3
Plenary	3
Working Group I	5
Working Group II	
Closing Plenary	7
A Brief Analysis of INC-11	8
Things to Look For in Berlin	10

This issue of the *Earth Negotiations Bulletin*© <enb@igc.apc.org> is written and edited by Chad Carpenter <carpente+aWWFUS%WWFUS@mcimail.com>, Pamela Chasek <pchasek@pipeline.com>, Anilla Cherian <cherian@titan.ucs.umass.edu>, Langston James Goree VI "Kimo" <kimo@pipeline.com> and Steve Wise <swise@igc.apc.org>. General funding for the *Bulletin* has been provided by the International Institute for Sustainable Development (iisd@web.apc.org), the Government of Denmark and the Pew Charitable Trusts through the Pew Global Stewardship Initiative. Funding for this volume of the *Bulletin* has been provided by the Interim Secretariat for the Framework Convention on Climate Change. The authors can be contacted at their electronic mail addresses and by phone and fax at +1-212-888-2737. IISD can be contacted by phone at +1-204-958-7700, by fax at +1-204-958-7710. The opinions expressed in *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in other publications with appropriate citation. Electronic versions of the *Bulletin* can be found on the gopher at <gopher.igc.apc.org> and in searchable hypertext through the *Linkages* WWW-server at <http://www.iisd.ca/linkages/> on the Internet. This volume of the *Bulletin* is uploaded into the APC conferences <enb.library> and <climate.news>.

ADOPTION AND ENTRY INTO FORCE

The United Nations Framework Convention on Climate Change was adopted on 9 May 1992, in New York, and opened for signature at the UN Conference on Environment and Development in June 1992 at Rio, where it received 155 signatures. The Convention entered into force on 21 March 1994 (90 days after the 50th ratification).

Since the adoption of the Convention, the INC has met six times. The sixth session of the INC (INC-6) identified those tasks specified in the Convention to be carried out by the COP at its first session (COP-1) and decided that these tasks would form a large part of INC work in preparing for COP-1. During these INC sessions, scientific work was done on improving the methodologies for measuring emissions from various sources, but the larger scientific problem of choosing the best methodology to measure the removal of carbon dioxide by "sinks" remains. The other major task before negotiators was to work on the difficult issue of financial support for implementation, particularly for developing country Parties who will require new and additional resources to obtain data and implement necessary measures.

INC-7

INC-7 was held in New York from 15-20 March 1993. Delegates began to discuss matters relating to the implementation of Article 11 (Financial mechanism), as well as the interim arrangements provided under Article 21.3. The INC decided to focus on matters related to the functional linkages between the COP and the operating entity or entities of the financial mechanism and considered the provision of guidance to the financial mechanism on policies, programme priorities and eligibility criteria. Working Group II members were requested to submit proposals on these subjects at INC-8. The INC also considered it important that the ongoing replenishment of the GEF for the period 1994-1996 take full account of the Convention's needs. The Executive Secretary proposed a joint project with UNEP to establish an information exchange system that would be a first step in support of Article 12.7 (provision of technical and financial support to developing country Parties in compiling and communicating information). INC-7 decided that Working Group I should start consideration of matters relating to methodologies for calculations/inventories of emissions and removals of greenhouse gases; criteria for joint implementation; and first review of information communicated by Annex I Parties at INC-8.

INC-8

The eighth session of the INC was held in Geneva from 16-27 August 1993. Working Group I held a preliminary discussion on methodologies for calculations/inventories of emissions and removals of greenhouse gases. The INC recognized 1990 as the appropriate base year for inventories, taking into account the situation of countries with economies in transition. Working Group I also held preliminary discussions on criteria for joint implementation of commitments by Annex I Parties. Given the limited amount of time before the first review of information by Annex I Parties, INC-8 concluded that the Interim Secretariat provide draft guidelines ensuring transparency, consistency and flexibility. Working Group II focused on matters relating to the implementation of Article 11 (financial mechanism). There was general agreement that the financial mechanism shall function under the guidance and be accountable to the COP, and only Parties to the Convention would be eligible to receive funding upon the Convention's entry into force. Some of the preliminary conclusions reached by INC-8 on the "modalities for the functioning of operational linkages between the COP and the operating entity of the financial mechanism," included: the COP will communicate to the governing body of the operating entity relevant policy guidance

on issues relating to policies, programme priorities and eligibility criteria; the governing body of the operating entity has the responsibility of ensuring that funded projects conform with the policies, programme priorities and eligibility criteria established by the COP; and the COP should receive and review reports from the operating entity or entities.

INC-9

INC-9 was held in Geneva from 7-18 February 1994. INC-9 continued its examination of matters relating to commitments, including the adequacy of commitments. The need for broader action beyond the year 2000 on commitments in Article 4.2(a) and (b) was considered based on the understanding that the provisions of Article 4.2(a) and (b) refer to the present decade.

In its discussions on matters relating to the financial mechanism and for technical and financial support to developing country Parties, the Committee continued to focus on the implementation of Article 11, approaches to determine full incremental costs, and institutional matters. With regard to procedural matters, INC-9 recommended that INC-10 deal with the Rules of Procedure of the COP and its subsidiary bodies. There was general support for a cost-effective arrangement for the Permanent Secretariat that would encourage collaboration with other secretariats. It was agreed that the Permanent Secretariat would start operating on 1 January 1996 and, in the interest of continuity, be built along the lines of the Interim Secretariat.

INC-10

INC-10 was held in Geneva from 22 August-2 September 1994. Delegates adopted the guidelines on the first review of information communication by Annex I Parties. Some countries expressed the need for a cautious approach to the review of the adequacy of commitments because the scientific and technical information underlying existing commitments was basically unchanged. Some countries also said that COP 1 would be an opportunity to make progress on the elaboration of additional commitments. On the issue of joint implementation, comments were invited on: objectives, criteria and operational guidelines, institutional arrangements, communication and review and early experiences.

On matters related to the financial mechanism, countries agreed to stage-by-stage funding modality for adaptation measures. An agreement on the temporary arrangements between the Committee and the GEF was adopted. The Committee concluded that the issue of "incremental costs" was complex and that further discussion was needed. It was also concluded that the concept should be flexible and applied on a case-by-case basis. The Interim Secretariat was requested to prepare a paper on the transfer of technology. On the subject of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), the provisional recommendation to the COP is that the SBSTA will be the link between the scientific and technical assessments provided by international bodies and the policy-oriented needs of the COP. The SBI will develop recommendations to assist the COP in its assessment and review of the implementation of the Convention. With regard to procedural and legal matters, the Committee decided to continue its consideration of the draft Rules of Procedure at INC-11. On institutional matters, a Contact Group composed of five members of the Bureau, one from each of the five regional groups, was established to consider the various offers to host the Permanent Secretariat and make recommendations for consideration at INC-11.

Subsequent to INC-10, the Alliance of Small Island States submitted a draft protocol to the Interim Secretariat, which was subsequently distributed to other Parties. The protocol calls for a reduction of emissions of GHGs by Annex I Parties by "at least 20% by the year 2005."

INC-11 REPORT

INC Chair Raúl Estrada-Oyuela opened INC-11 by noting a sense of satisfaction that 118 States and the EEC had ratified the Convention. He said that one of the most important tasks of this session is the review of the first 15 national reports submitted by Annex I developed countries. With regard to commitments, he stated that while some believe that after the year 2000 countries can increase their CO₂ emissions, this is not the case. Annex I countries are legally bound to reduce their emissions to 1990 levels by the year 2000. If this is not enough to stabilize greenhouse gas concentrations, new commitments will be necessary. Agreement on these new commitments will not be easy and may require greater involvement of large developing countries.

INC Executive-Secretary Michael Zammit Cutajar then introduced the provisional agenda (A/AC.23/77), which delegates adopted. The Committee then adopted the schedule of work (A/AC.23/77, Annex II), as amended orally.

In his opening statement, Bert Bolin, Chair of the Intergovernmental Panel on Climate Change (IPCC), raised three issues: recent findings regarding radiative forcing of the atmosphere and the interpretation of the emission scenarios in the IPCC 1994 Special Report; the intensified general debate concerning knowledge about climate change; and the role of the IPCC in the future work of the Convention. With regard to the latter, he said that it is most important that the future status of the IPCC relative to the COP be clarified so that countries can decide on ways and means to support the IPCC financially.

Mohamed El-Ashry, CEO and Chair of the Global Environment Facility (GEF), noted that the Interim Secretariat of the Convention and the GEF have reached agreement on GEF arrangements to fund enabling activities and preparations for national communications. At its first meeting in July, the GEF Council approved a two-track programme of work. The first track will produce an overarching operational strategy, as well as specific strategies for the focal areas. The second will allocate limited resources to a relatively small number of activities on which guidance is fairly clear. He added that the GEF, in its replenished and restructured form, responds to the requirements of Articles 21(3) and 11 of the Convention, and is ready to serve as the permanent financial mechanism for the Convention.

PLENARY

The Plenary was responsible for discussing arrangements for COP-1, status of ratification of the Convention, review of annexes to the Convention, designation of a Permanent Secretariat and the Rules of Procedure.

AGENDA ITEM 2 — ARRANGEMENTS FOR COP-1: On Friday, 10 February 1995, the Interim Secretariat introduced document A/AC.23/78, on arrangements for the COP-1 and invited delegates to comment on the establishment of a sessional Committee of the Whole, participation in the debate during the ministerial segment and duration of statements. The Chair reported on preliminary consultations concerning the election of officers for COP-1 and the subsidiary bodies. The head of the German delegation will serve as President. Pending the outcome of negotiations on Rule 22 of the Rules of Procedure (Officers), there will be seven Vice-Presidents, a Rapporteur and the Chairs of the two subsidiary bodies. Later in the week, it was announced that the regional groups had nominated their candidates for the Bureau, including: India, Japan, Mauritania, Zimbabwe, the Russian Federation, Hungary, Argentina and Antigua and Barbuda, Germany, Australia and Samoa.

On Wednesday, 15 February 1995, delegates adopted draft decision A/AC.23/L.25, which notes the allocation of tasks, statements and admission of organizations as observers to the COP.

The Committee's report will also reflect the following: the Committee noted the agreement between the Interim Secretariat and Germany for the COP; heads of organizations have been invited to speak; and the Committee has requested the Secretariat to draft the provisional agenda for COP-1.

AGENDA ITEM 3 — STATUS OF RATIFICATION OF THE CONVENTION: The Committee addressed the status of ratification of the Convention (A/AC.23/INF.15/Rev.2) on Monday, 6 February 1995. The Secretariat noted that 118 States and the EEC had deposited their instruments of ratification in time to participate in COP-1. Thailand, Kuwait, the Russian Federation, the Solomon Islands, Saudi Arabia and Mali announced that they had recently ratified the Convention. Tanzania expects to ratify the Convention before the first COP. Turkey has not signed the Convention because it is considered an Annex I country. Colombia expects to ratify the Convention soon. It was later announced that the instruments of ratification had been received from Kiribati and Lesotho (7 February 1995) and Oman (8 February 1995), bringing the total to 121 States and the EEC.

AGENDA ITEM 4 — REVIEW OF ANNEXES TO THE CONVENTION: On Wednesday, 8 February 1995, the Czech Republic announced that his Government should be prepared to amend Annex I at COP-2. In response to a question from Japan, the Chair said Czechoslovakia was an Annex I country and since it has been succeeded by two countries, the annex has to be amended accordingly.

AGENDA ITEM 5 — DESIGNATION OF A PERMANENT SECRETARIAT: This agenda item consisted of three sub-items that were discussed separately. A Contact Group was established at INC-10 to consider this item and its conclusions were circulated in document A/AC.23/79/Add.5.

(a) Institutional Linkages: At INC-10, the Chair was requested to invite the UN Secretary-General to advise INC-11 on an institutional arrangement for the Permanent Secretariat. The advice from the Secretary-General is annexed to document A/AC.23/79/Add.1. Additional documents to facilitate consideration of this matter included the conclusions of the Contact Group (A/AC.23/79/Add.5) and a note by the Executive Secretary on support for the Convention (A/AC.23/79/Add.6).

In the brief discussion on this matter, the EU supported the recommendation that the Secretariat should be attached to the UN without being incorporated into any department or programme. Australia supported a partnership between UNEP, UNDP and the DPCSD, but asked for assurance of Secretariat autonomy. The Chair suggested recommending that the COP request the Secretary-General to propose a concrete arrangement for the administrative management of the Secretariat.

(b) Financial Rules: Documentation for this item included A/AC.23/79/Add.2 and corrigenda 1 and 2, on the draft financial procedures. The Interim Secretariat introduced Annex 1 to A/AC.23/79/Add.2 and commented that the Committee must reach agreement on the deadline for drawing up the administrative budget and the review of the budget — the COP could establish a Financial Committee or avail itself of the UN Advisory Committee on Administrative and Budgetary Questions (ACABQ). He noted the Contact Group preferred the first alternative, with advice from the ACABQ.

The Chair reported that in A/AC.23/79/Add.5, the Contact Group on the Permanent Secretariat analyzed both the financial procedures and the budget outline for 1996/97. The Contact Group supported the establishment of a Finance Committee, consisting of 10-15 Parties, which could meet during sessions of the COP or the subsidiary bodies. The Contact Group also proposed establishing a small group at this session to study the 1996/97 budget outline. This Group met during INC-11.

The EU and the US suggested that the scale of contributions to the budget be more explicit. Benin recommended establishing a floor as well as a ceiling for contributions from the Parties. Developing countries noted that two considerations must be taken into account: the determination of developing country contributions on the ability to pay; and the principle that no developing country must pay more than any developed country.

With regard to reviewing the budget, the EU noted that the composition of the ACABQ did not coincide with the Parties to the Convention. The Interim Secretariat replied that the ACABQ, a standing body, was only included to alleviate concerns about the new Secretariat and that more guidance was needed from the Parties before they could develop a detailed budget. The Russian Federation thought consultations with the ACABQ would be useful. The EU, Japan and Australia expressed doubts about bringing this matter before the ACABQ.

With regard to funding for the IPCC, the Executive Secretary said that consultations are underway on the type of services the IPCC is expected to deliver and that the Secretariat would possibly contribute 10-15% of the IPCC budget. Australia and New Zealand supported setting aside Secretariat funds for the IPCC.

On Wednesday, 16 February 1995, the Chair introduced document A/AC.237/L.26 on financial rules. The G-77 and China agreed with the draft decision, but reserved the right to revisit the paragraphs on contributions and funds. Japan and the US asked questions about the voluntary nature of contributions. The Plenary will recommend the financial rules to the COP and all comments will be recorded in the report.

(c) Physical Location: During the initial discussion on this matter on Wednesday, 8 February 1995, the Chair gave the floor to the representatives of the countries offering to host the Secretariat. The information about each offer is contained in A/AC.237/79/Add.4. Canada explained that Toronto is a leader in environmental protection and a multicultural city well suited to host the Secretariat. Germany outlined its proposal to host the Secretariat in Bonn, which has excellent communications and transportation facilities and is a major academic, scientific and cultural center. Switzerland said that the choice for the Secretariat's location should be based on effectiveness, not finance or prestige, and that Geneva, as a UN center, would be the most effective. While Uruguay could not offer monetary subsidies or financial assistance to developing countries, the low cost of living and services in Montevideo would amply offset the absence of generous subsidies. Kenya announced that it has withdrawn its offer to host the Secretariat.

The Contact Group recommended that the Committee take three criteria into account in assessing the offers to host the Permanent Secretariat: convenience of access by delegations to the Permanent Secretariat and meetings; possible budgetary savings by locating the Secretariat near other UN offices or secretariats; and the contribution offered by the potential host government in cash and/or in kind.

Italy and Poland supported Bonn. Mexico supported Toronto. Australia supported Geneva, because co-location of secretariats allows cross-fertilization among secretariat personnel and saves costs. It also saves costs for governments that would be able to maintain fewer diplomatic missions. For similar reasons, the US, New Zealand and Norway also prefer Geneva. Nigeria said that economics and co-location are logical considerations, but hoped that this would not prevent developing countries from hosting other UN secretariats. Canada added that the logic of the Contact Group's report is that if a city is not a UN center, it should not apply.

By the conclusion of the session, the Contact Group was unable to make a recommendation and asked Canada, Germany,

Switzerland and Uruguay to hold consultations among themselves before COP-1 to facilitate a decision on the issue.

AGENDA ITEM 6 — RULES OF PROCEDURE: On Friday, 10 February 1995, the Chair of the informal consultations on the Rules of Procedure, Amb. T.P. Sreenivasan, proposed that delegates exchange views on the outstanding issues in A/AC.237/L.22/Rev.1 and then establish a drafting group to work out the details. The drafting group met on Monday, 13 February 1995, and was able to reach agreement on some of the rules. Consensus remained elusive on Rule 42 (Voting). One delegation put forward new amendments to Rule 22 (Officers) and Rule 27 (Subsidiary Bodies), which were not discussed until Tuesday, 14 February 1995. In addition, Japan raised concern once again with Rule 54 (Languages). At the closing Plenary, the Chair announced that there was still no agreement on Rules 22, 42 and 54 and that he would have to submit the Rules, brackets and all, as contained in A/AC.237/L.22/Rev.2, to the COP. The following is the current status of the Rules of Procedure.

Rule 4 (Dates of Sessions): At the start of the session, there was a bracketed sentence prohibiting COP sessions during religious holidays of a significant number of delegates. Saudi Arabia, Kuwait and Sudan called for its retention. The EU, Fiji, Australia, Kenya, Benin and the UK, while sympathetic, worried about setting a precedent. The final compromise reached by the drafting group is "The Conference of the Parties should endeavor not to hold such a session at a time which would make the attendance of a significant number of delegations difficult."

Rule 6 (Observers): Delegates agreed to remove the brackets so that "any international entity or entities entrusted by the COP pursuant to Article 11 of the Convention with the operation of the financial mechanism" can be represented at the COP as observers.

Rule 12 (Agenda): Two issues remained at the start of the session: should the Secretariat consult with the President or the Bureau when submitting additional items for the agenda, and should there be a time limit. The agreed language reads as follows: "The secretariat shall, in agreement with the President, include any item which is proposed by a Party and has been received by the secretariat after the provisional agenda has been produced, but before the opening of the session, in a supplementary provisional agenda."

Rule 22 (Officers): The last-minute amendment proposed to this rule would add a representative from the oil exporting countries to the Bureau. The US, the EU, Australia, Canada and New Zealand objected to this proposal because there are many categories of special needs countries, besides AOSIS (which has had a seat on the INC Bureau), and opening the Bureau to one will require opening it to the others. The EU added that the small island States face a physical threat, whereas the OPEC countries face only economic adjustments like every other Party. There was no agreement.

Rule 42 (Voting): The major issues to be resolved include the general rule on matters of procedure, deviations from that rule, the general rule on matters of substance, the rule on the adoption of protocol, and the rule on financial matters. There was disagreement on whether matters of substance and/or protocols should be decided by consensus or, if that fails, by a 2/3 or a 3/4 majority.

Venezuela, Kuwait, Colombia, Saudi Arabia, Nigeria, Iran, China and Zaire preferred Alternative B in A/AC.237/L.22/Rev.2, which ensures that substantive decisions, including the adoption of protocols, are taken by consensus. The EU, Australia, Japan, Canada, Czech Republic, Brazil, Switzerland, South Africa and Slovakia expressed favor for Alternative A, provided that a decision to adopt a protocol would be taken by a 3/4 majority. New Zealand and the US preferred Alternative A but were flexible on either a 2/3 or 3/4 majority. Trinidad and Tobago (on behalf of AOSIS) the Marshall Islands, Samoa, Micronesia, Norway,

Mauritius, Solomon Islands and Cuba preferred Alternative A, provided that protocols are adopted by consensus or, as a last resort, a 2/3 majority vote. Both options remain bracketed.

Rule 54 — Languages: Japan proposed that the official languages of the COP should be English, French and Spanish. The Russian Federation and China objected and threatened to bracket the entire document unless all six UN languages are listed. During the final Plenary discussion on this matter, Japan proposed instead that Rule 54 remain unaltered, but that a second paragraph or a footnote should be included stating, “The lack of documentation or interpretation in any these languages due to budgetary constraints shall not interrupt the smooth proceeding of COP and its subsidiary bodies.” The Russian Federation, supported by the EU, China and Kuwait, said this proposal was unacceptable.

AGENDA ITEM 10 — REVIEW OF ACTIVITIES OF THE INTERIM SECRETARIAT: The Interim Secretariat introduced document A/AC.237/80, a review of Secretariat activities and extrabudgetary funds. He explained the geographic diversity of the staff, estimates for funding needs and contributions to the Special Voluntary Fund. The EU, supported by Germany, Switzerland and Canada, proposed a working group to address budgetary matters and asked that it review both the 1995 and 1996/97 budgets.

WORKING GROUP I

Working Group I dealt with matters relating to commitments, including first review of national communications, adequacy of commitments, joint implementation, methodological issues, and the roles of the subsidiary bodies established by the Convention.

AGENDA ITEM 7(a) — FIRST REVIEW OF NATIONAL COMMUNICATIONS: This item was divided into two sub-items: a review of the compilation and synthesis of national reports and the process for the ongoing review of communications from Annex I Parties.

(i) Review of a compilation and synthesis, including the overall effects of policies and measures: The Secretariat presented A/AC.237/82, the compilation and synthesis of the first national communications from Annex I Parties. The report reviewed 15 national communications from countries representing 41% of global greenhouse gas emissions. The report showed that CO₂ accounts for 75% of reported emissions. Parties reported approximately 700 policies and measures. Compared to 1990 levels, nine Parties projected increased CO₂ emissions in 2000 without additional measures, five projected stabilization or a decrease and one projected a decrease by 2005. For CH₄, all but two Parties projected a decrease.

(ii) Process for the ongoing review of first communications from Annex I Parties: Delegates debated whether the proposed biannual national communications and annual reports were too frequent or would be too expensive to complete. Poland, Switzerland, Hungary and the Czech Republic recommended a longer period between reports. The US, Norway, Japan, New Zealand, Australia and Argentina supported the Secretariat’s recommendation. Another issue was whether to name Parties in the synthesis reports, or leave references anonymous to preserve a non-confrontational approach. The US opposed naming Parties. Switzerland, Norway and Argentina said naming Parties would be acceptable, and the EU recommended flexibility in naming Parties. The US and EU also urged that national communications cover all gases, not just CO₂.

The Working Group adopted document A/AC.237/WG.1/L.27 along with a second document on reporting guidelines for developing countries. The decision urges Annex I Parties that have not submitted national communications to do so. It requests a second communication from Annex I Parties by 15 April 1997, and

sets an annual requirement for emissions inventories. The Secretariat will produce a second synthesis report in “non-confrontational” language and name Parties “as appropriate.”

The document on developing countries’ reporting takes note of the G-77 and China’s document A/AC.237/Misc.40, and directs subsidiary bodies to develop a set of reporting guidelines for non-Annex I communications. The guidelines are to be prepared by COP-2.

AGENDA ITEM 7(b) — REVIEW OF THE ADEQUACY OF COMMITMENTS:

In Plenary on Wednesday, 8 February 1995, Amb. Annette des Iles (Trinidad and Tobago) introduced A/AC.237/L.23, the draft protocol submitted on behalf of AOSIS in September 1994, in accordance with Article 17 of the Convention. She noted that the protocol does not impose any additional obligations on developing country Parties. Its specific provisions include the following: The **Preamble** emphasizes that the burden of achieving the Convention’s objectives rests with the developed States. In **Article 1** (Definitions) Sections (1), (7) and (8) differentiate between “Parties” to the Protocol and “Parties to the Convention.” **Article 2** (Basic Commitment) restates the core of the commitment contained in Article 4(1)(b) of the Convention. **Article 3** (Targets for greenhouse gas reductions) is based on the “Toronto target.” It requires developed country Parties to the Protocol who are included in Annex I to reduce their CO₂ emissions by 2005 to a level at least 20% below that of 1990 and to establish timetables for controlling emissions of other greenhouse gases. Article 3(1)(b) requires that Annex I Parties adopt specific targets on other greenhouse gases. Article 3(2) (Review and revision of targets) authorizes the Meeting of the Parties to “review and revise” both the CO₂ targets and timetable and the controls for other greenhouse gases. Article 3(3) (Accession of non-Annex I Parties to the specific commitments) says the commitments are binding only on the Annex I Parties. **Article 4** (Coordination Mechanism) creates a subsidiary body to provide advice to the Meeting of the Parties. **Article 5** (Reporting Requirements) includes a new reporting requirement in Article 5(2) that Annex I Parties provide a cost/benefit analysis of measures undertaken. **Article 6** (Institutional Arrangements) uses institutions established under the Convention. **Article 7** (Technology transfer) requires that the “best available technologies...are expeditiously transferred to developing countries” under “fair and most favourable conditions.” **Article 8** establishes a Meeting of the Parties with powers to review the Protocol’s implementation. **Article 9** (Dispute settlement) states that disputes are to be settled in accordance with the Convention. **Article 10** establishes the same procedure for amendments to the Protocol as amendments to the Convention.

Dr. Michael von Websky (Germany) introduced A/AC.237/L.23/Add.1 and noted that the proposal addresses targets and timetables, as well as policies and measures. He said ambitious reduction targets for CO₂ and other greenhouse gases, such as methane and N₂O, would make it possible to formulate clear political objectives. He suggested the broader application of economic instruments, increasing energy efficiency, increased use of renewable energy sources, the preservation, sustainable management and improvement of existing forests, and afforestation. He said a consensus was required at the COP on a commitment by Annex I Parties to stabilize their CO₂ emissions, individually or jointly, at 1990 levels by 2000.

Following the introduction of the AOSIS protocol and the German elements paper in the Plenary, Working Group I discussed the adequacy of commitments. The Secretariat invited comments on A/AC.237/Misc.43, a compilation of scientific studies, and A/AC.237/L.23 and A/AC.237/L.23/Add. 1, the AOSIS protocol and the German proposals. Developing countries said that current commitments were inadequate but opposed new commitments.

OECD countries also termed current commitments inadequate and recommended negotiating a protocol or other future commitments. The G-77 and China warned against shifting responsibilities from Annex I Parties to developing countries through new commitments. Saudi Arabia and Kuwait urged caution in accepting new commitments. China said protocol negotiations were premature and said Annex I Parties should meet existing commitments before considering new ones. Japan said protocol negotiations should be completed by COP-3. Switzerland and Australia called for completion of negotiations by 1998.

The Co-Chairs' draft decision included a recommendation that the COP establish a follow-up process. Trinidad and Tobago, on behalf of AOSIS, said the recommendations to COP-1 should include initiating negotiations on a protocol. Argentina, Fiji, Colombia, Mauritius, Chile, Malaysia and Bolivia supported the AOSIS protocol. Germany emphasized the need for a protocol on greenhouse gas reduction in all countries. The US highlighted the need for "new aims" and strengthening the process of negotiations through the SBI in the post-2000 era.

Working Group I and the Plenary adopted A/AC.237/WG.I/L.28, a review of the adequacy of commitments in Article 4.2(a) and (b). After intense negotiations, delegates agreed that the decision would describe Article 4.2(a) and (b) as "only a first step in meeting the ultimate objective of the Convention" and "subject to review at the first session of the Conference of the Parties." The decision transmits the AOSIS and German proposals and recommends that the COP "take appropriate action" based on the report of INC-11.

AGENDA ITEM 7(c)— CRITERIA FOR JOINT IMPLEMENTATION: Delegates discussed A/AC.237/Misc.44 and A/AC.237/Misc.44/Add.1 on Criteria for Joint Implementation (JI). Three different draft decisions were proposed on JI. The US, supported by Japan, Australia and Canada, introduced both draft language for a decision on JI and an appendix on criteria (A/AC.237/WG.I/L.32). The US draft establishes a pilot phase for JI beginning immediately after COP-1 and open to all Parties. The SBSTA would develop monitoring and evaluation modalities and report to the SBI and the COP. The criteria include that JI is voluntary, does not modify commitments, is financed outside existing ODA or Annex II GEF contributions, addresses any gases, sources or sinks, and includes data and methodological information to compare emissions with and without the JI measure. The US tied negotiations on JI to the negotiation of "new aims" on strengthening of the Convention.

The EU draft (A/AC.237/WG.I/L.31) initiates a JI pilot phase immediately after COP-1 open to Annex I Parties and others that volunteer to participate. The EU's criteria include that JI "in no way modifies the commitments" of participating Parties, shall be financed independently of Convention obligations, can deal with any gases, sources or sinks, excludes crediting during the pilot phase, and shall bring about measurable benefits assessed by environmental, economic and social effects. An annex to the EU proposal establishes guidelines for reporting on JI activities.

The G-77 and China proposal (A/AC.237/WG.I/L.30) emphasizes that only Annex I Parties are obligated to limit GHG emissions, and that developing country Parties have no such obligations. It separates JI activities undertaken between Annex I and developing country Parties, placing those under Article 4.5, and links JI to national activities in capacity building and technology transfer. It recommends that: JI is applicable only to Annex I Parties; crediting to Annex I Parties is prohibited in the pilot phase; and COP-1 should develop criteria for JI implementation.

The Philippines, on behalf of the G-77 and China, noted that JI should not allow for the shifting of specific commitments of Annex I Parties to developing countries. Saudi Arabia, supported by

Kuwait, Iran and Nigeria, said that the pilot phase of JI should be limited to Annex I Parties. Chile accepted the idea of a pilot phase with a certain percentage of credits for developed and developing countries. Despite a contact group and informal consultations that lasted past midnight, delegates were unable to resolve differences between the various proposals. Document A/AC.237/WG.I/L.29, which recommends that COP-1 consider all three draft texts, was finally adopted.

AGENDA ITEM 7(d) — METHODOLOGICAL ISSUES: Discussion began with document A/AC.237/84. The EU suggested continued use of draft IPCC guidelines for national communication and collaboration between subsidiary bodies. The EU, Japan, Australia and the US supported use of global warming potentials (GWPs). Australia said countries should have flexibility in applying their own guidelines if they were comparable to those of the IPCC. Japan said non-Annex I Parties could apply the IPCC guidelines. China said the IPCC guidelines were too complicated for developing countries, who should develop their own simplified guidelines. Developed countries expressed concern over what simplification would mean and how it would effect comparability and transparency of national communications.

The draft decision on this item, A/AC.237/WG.I/L.25, states that the IPCC guidelines or simplified default methodologies "should be used by non-Annex I Parties, as appropriate and to the extent possible." It also states that Parties may use GWPs to express their inventories and projections in CO₂ equivalents, using the IPCC 1994 Special Report's 100-year time horizon.

AGENDA ITEM 7(e) — THE ROLES OF THE SUBSIDIARY BODIES ESTABLISHED BY THE CONVENTION: The Secretariat presented document A/AC.237/85 on the roles of the subsidiary bodies. The EU said adequacy of commitments should be the responsibility of an *ad hoc* committee under the SBI. The US said adequacy and review of national communications were the responsibility of the SBI, and that the SBSTA should develop guidelines for national communications. The G-77 and China said that the SBSTA should work out guidelines for the IPCC report and that the SBSTA should not be subordinated to the SBI. Kuwait and Saudi Arabia suggested adding socioeconomic reviews to scientific and technical considerations by SBSTA. The G-77 and China said the number of meetings of the subsidiary bodies should be limited to save money and permit participation of developing countries.

The draft decision adopted on subsidiary bodies, A/AC.237/WG.I/L.26, directs the SBSTA to: summarize scientific, technical, socioeconomic and other information provided by competent bodies, including the IPCC; consider scientific, technical and socioeconomic aspects of the in-depth reviews; and carry out various tasks related to technology transfer. SBSTA will also deal with methodologies for inventories, projections, effects of measures, impact/sensitivity analyses and adaptation. The SBI will consider policy aspects of in-depth reviews, effects on emissions trends of steps taken by Parties and any further commitments, and advise the COP on the financial mechanism, technology transfer, and adequacy of commitments including conducting negotiations on resolutions, amendments and protocols.

WORKING GROUP II

Working Group II considered matters relating to arrangements for the financial mechanism, including implementation of Article 11 and maintenance of interim arrangements for the mechanism, and reviewed programmes providing technical and financial support to developing country Parties. The Group also considered issues of technology transfer and the format for communication of information by non-Annex I Parties.

AGENDA ITEM 8 — MATTERS RELATING TO ARRANGEMENTS FOR THE FINANCIAL MECHANISM:

This item was divided into two sub-items.

(a) Implementation of Article 11, paragraphs 1-4 —

(i) Guidance on the operating entities, including programme priorities, eligibility criteria and policies and “agreed full incremental costs”: This section outlines the duties and issues of the financial mechanism. It also contains guidance on priorities for funding, eligibility criteria for receiving funds, and the determination of “agreed full incremental costs” (A/AC.237/Misc.41).

Developed and developing countries disagreed over how specific the Group’s guidance should be regarding the nature of developing projects to be funded. Developed countries wanted to maintain draft language that listed specific elements of national programmes, such as mitigation measures and an inventory of sources and sinks. Developing countries, however, stressed the need for generality at this stage. The Group agreed to retain only a general reference to activities of the developing country Parties to address climate change.

On mobilization of funds, Parties disagreed on whether the proposed language shifted responsibility for ensuring the predictability of resources onto the funding mechanism. The EU offered substitute language that clarified the mechanism’s role, which was amended and accepted.

On activities undertaken outside the framework of the financial mechanism, some Parties wanted to delete the entire paragraph because it was irrelevant, and others thought it “micro-managed” the operating entity. Developing countries were particularly concerned about retaining language that prohibits new forms of conditionality, while developed countries preferred retaining instruction on information from financial institutions outside the Convention.

On programme priorities, Parties disagreed over the type of activities to be assisted and the manner of assistance. Developed countries argued that funding should not go to new or existing institutions, but rather to discrete projects. Developing countries, however, stressed the need for funding new institutions to facilitate technology transfer. It was agreed that the operating entity should finance the formulation of national programmes addressing climate change issues in developing countries.

Little progress was made on technology transfer, as well as “full incremental costs.” Many developing countries commented that they wanted to be enabled, not simply given technology. China suggested that the Secretariat develop an inventory of technology transferable free of costs, but many developed country Parties objected that this was premature.

On the communication of information by non-Annex I Parties, developing countries stressed the need for guidelines to ensure compatibility. Some wanted the freedom to develop broad guidelines according to their capabilities, and others stated they had no resource base to build upon and requested at least some type of guidance.

(ii) Modalities for the functioning of operational linkages between the COP and the operating entity or entities of the financial mechanism: The Group did not make much progress on the determination of funding needs. Parties generally agreed that there should be a Memorandum of Understanding (MOU) between the operating entity and the COP. Both developed and developing countries stressed the need for clear roles between the two bodies for funding decisions and reconsideration of those decisions. The Group recommended that the Committee adopt A/AC.237/WG.II/L.10, which requests the Secretariat of the Convention to consult with the Secretariat of the GEF to draft arrangements for consideration by the SBI.

(b) Maintenance of the interim arrangements referred to in Article 21, paragraph 3: Working Group II reviewed a report by the GEF on the interim arrangements, which asserted that the GEF fulfills all the requirements stipulated in the Convention.

Developed countries argued that the restructured and replenished GEF had met all of the criteria for the operating entity and urged that it be established as the permanent entity entrusted with the financial mechanism. Developing country Parties expressed dissatisfaction with their representation within the GEF and added that the GEF needed additional funds before it could be designated the permanent entity. They also reminded developed countries that the Group did not have to make a decision regarding the GEF’s permanent status at this meeting.

The INC adopted document A/AC.237/WG.II/L. 9, recommending that the GEF continue as the interim entity, with a review in four years.

AGENDA ITEM 9 — PROVISION TO DEVELOPING COUNTRY PARTIES OF TECHNICAL AND FINANCIAL SUPPORT: Working Group II reviewed progress reports on the three elements of the Climate Change cooperation programme (CC:COPE), including the Climate Convention information exchange programme (CC:INFO), the Climate Convention training programme (CC:TRAIN) and several technical coordination and advisory activities. Developing countries raised questions regarding the type of assistance to be provided, the composition of staffs and whether the programmes involved technology transfer. Developed countries stressed the importance of financing programme efforts, documentation of expenditures and results. The Group recommended an addition to the report of the Committee that summarizes the discussion and requests the Interim Secretariat to continue to facilitate the provision of technical and financial support.

CLOSING PLENARY

The final session of the Plenary convened at 12:00 pm on Friday, 17 February 1995. The Chair first invited the Co-Chair of Working Group I, Cornelia Quennet-Thielen (Germany), to present the draft decisions prepared by the Working Group. She announced that on review of information, methodological issues and subsidiary bodies, the Group agreed to recommend three decisions to be adopted at COP-1. On the two remaining issues, which are much more political — review of adequacy of commitments and joint implementation — the Group could not agree on comparable full-fledged decisions. Thus, the Group recommended that further discussion take place at COP-1. The Plenary then adopted A/AC.237/WG.I/L.27 on the first review of information communicated by Parties, as orally amended. Poland, Estonia and Hungary reserved their right to revisit this decision in Berlin.

On the review of adequacy of commitments, A/AC.237/WG.I/L.28, the EU considered the decision to be entirely insufficient stating that every successive IPCC report has demonstrated that the commitments in the Convention are inadequate. This statement was supported by Germany, the US, Samoa, Australia, Hungary, New Zealand, Canada, Norway, Japan, Argentina, Switzerland, Trinidad and Tobago (on behalf of AOSIS) and Equatorial Guinea. Kuwait responded that the Parties must also address the socioeconomic impacts of current commitments and any future commitments and that it was premature to decide if the commitments are inadequate because there is insufficient information. The Plenary then adopted L.28, as orally amended by the Co-Chair.

The Plenary also adopted A/AC.237/WG.I/L.29, on criteria for joint implementation, A/AC.237/WG.I/L.25, on methodological issues, and A/AC.237/WG.I/L.26, on the roles of subsidiary bodies.

The Co-Chair of Working Group II, James T. Stovall III, (Micronesia) introduced the draft decisions submitted by the Working Group. He noted that the decisions on technology transfer were limited by the lack of time available to the Working Group. The Plenary then adopted the following decisions: A/AC.237/WG.II/L.9, on maintenance of the interim arrangements with the GEF; A/AC.237/WG.II/L.10, on modalities for the functioning of operational linkages between the COP and the entity or entities operating the financial mechanism; A/AC.237/WG.II/L.11, on initial guidance on policies, programme priorities and eligibility criteria to the operating entity or entities of the financial mechanism; and A/AC.237/WG.II/L.12, on temporary arrangements between the Committee and the GEF.

At 2:15 pm, the Chair suspended the meeting to allow for further consultations on the Rules of Procedure. The Plenary did not resume until 4:40 pm, when the Chair announced that there was still no agreement. He recommended that the Committee send the documentation on the rules, including A/AC.237/L.22/Rev.2, to the COP for its consideration. Kuwait, supported by Iran, Saudi Arabia, Libya and Nigeria, announced that it would not adopt the Rules of Procedure until all rules are agreed upon. The Russian Federation stated that if the COP modifies the standard UN practice on languages, the Rules of Procedure cannot be adopted. The Philippines, on behalf of the G-77 and China, said that they do not want to eliminate any of the six languages in Rule 54. The Plenary decided however, that the INC could recommend electing the head of the host country's delegation as President at the start of COP-1.

The Rapporteur, Maciej Sadowski (Poland) then introduced the draft report, as contained in A/AC.237/L.24 and three addenda. He went through the report section-by-section. The first section that generated any comment was Section VIII. A. Rules of Procedure of the Conference of the Parties, and of the subsidiary bodies established by the Convention. Algeria, China, Kuwait, Iran, Saudi Arabia and Benin did not agree with listing the number of countries in favor of each alternative in Rule 42 (Voting). India, supported by Venezuela, proposed replacing "22 countries" and "eight countries" with "some countries." The Russian Federation and the EU supported the text as drafted, because it shows that a larger number preferred Alternative A to B. The Chair said that he had listed the numbers because he wanted to enable "people on the street" to understand the report of the Committee. Since the consensus was to maintain the "conservative lack of transparency," he said that the text will be revised, as proposed by India.

After adopting the entire report, the Chair and the Executive Secretary expressed their thanks to everyone for their cooperation and work over the past four years. The Chair then announced that in order to avoid further speeches he would adjourn the meeting. With this final gavel, the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change came to a close.

A BRIEF ANALYSIS OF INC-11

The INC for a Framework Convention on Climate Change is the first negotiating body of an international environmental convention that continued to meet after the Convention was adopted. The convening of six additional sessions of the INC enabled delegates to begin the difficult process of operationalizing the Convention even before it entered into force.

This phase of the negotiating process is often referred to as "post agreement negotiations." The purpose of post-agreement negotiations is to continue the dialogue to push forward the development of the Convention and its implementation. These additional negotiations are often aimed at settling disputes, handing misunderstandings, dealing with future adjustments to the

Convention and the management of the day-to-day governance of the Convention among the signatories.

On the eve of the first meeting of the Conference of the Parties, it is useful to see what these post-agreement negotiations have accomplished thus far. At INC-11 delegates seasoned from previous INCs were faced with an agenda full of items that needed urgent consideration and action prior to COP-1. As the first week wore on, the initial mood of cautious optimism was eroded by the ensuing gridlock in discussions on criteria for joint implementation, adequacy of commitments, voting rules, and the location of the Permanent Secretariat. By the second week it was clear that although some progress had been made in clearing the procedural undergrowth, to prepare for Berlin several matters would have to be postponed until COP-1: Rule 22 (Officers) and Rule 42 (Voting) in the Rules of Procedure, criteria on joint implementation and review of adequacy of commitments by Annex I Parties. It was hoped that clear decisions would be made on voting rules, given the additional implications of negotiations on a protocol, and the location of the Permanent Secretariat. It is useful to note that in negotiations on the Biodiversity Convention the COP was unable to resolve both of these matters. Despite valiant efforts to resist the trend set in the Biodiversity COP, Climate Change negotiators seem caught in the same dilemma.

While there were some acrimonious exchanges on the issues of review of adequacy of commitments and JI, INC-11 demonstrated that there was general agreement that the GEF should continue to be the interim entity entrusted with the operation of the financial mechanism. Some progress was made in providing guidance to the financial mechanism regarding programme priorities, policies and eligibility criteria, but the issues of technology transfer and "full incremental costs" did not see any substantial progress. Substantive discussion also occurred on the roles of the subsidiary bodies. It is left to COP-1 to provide a new impetus for negotiations and constructive work on the following issues.

INTRODUCTION OF THE AOSIS PROTOCOL AND THE GERMAN PROPOSAL

During the first week of INC-11, Trinidad and Tobago, on behalf of AOSIS, introduced a draft protocol submitted in September 1994, and Germany also introduced a proposal for further elements of a protocol. The AOSIS draft protocol does not impose any additional obligations on developing countries and emphasizes that the burden of achieving the Convention's objectives rests with the developed States. The heart of the protocol is its targets for greenhouse gas reductions (Article 3) based on the "Toronto target," which requires Annex I Parties to the Protocol to reduce their CO₂ emissions by 2005 to a level at least 20% below that of 1990 and to establish timetables for controlling emissions of other gases. The German proposal suggests a consensus on a commitment by Annex I Parties to stabilize their CO₂ emissions, individually or jointly, at 1990 levels by 2000. The German proposal included a provision that would work toward further reporting commitments for non-Annex I countries, "and commitments to limit the rise of emissions in the case of certain more advanced developing countries." The G-77 and China repeatedly refuted the possible implication of the proposal, which would extend their commitments and/or create a new class of developing countries.

The introduction of the AOSIS protocol and the German proposal have significant implications not only for the negotiations but also for the future implementation of the Convention. Despite an initial discussion in the Plenary, the debate of the protocol was confined to the discussion on adequacy of commitments. Developing countries expressed concerns about a protocol given the inability of Annex I Parties to meet their current commitments. Initially only some developing countries expressed support for the

AOSIS draft protocol while OPEC countries and China said that protocol negotiations were premature since neither the best available scientific information nor the review of Annex I Parties communications provided a sufficient basis for negotiations.

OECD countries in general supported a comprehensive protocol on all GHGs, stating that negotiations should begin at COP-1. The US said only that it supported the need to consider the need to consider "new aims" through negotiations under the SBI for the post-2000 period, generally avoiding the word "protocol."

Nordic countries supported stronger action. Countries with economies in transition said it was premature to take on new commitments and that the German proposal did not include provisions for them. Debate revolved largely around how the protocol and the proposal would be dealt with and reflected in the report of INC-11. Despite a cautious start, towards the end of INC-11 there was considerable vocal support for a mechanism to begin negotiations on the AOSIS draft protocol, but little evidence that the proponents of the protocol could achieve consensus to initiate these negotiations. Debate at INC-11 confirmed the general agreement that the current commitments are inadequate, but the language to "take appropriate action" at COP-1 was the strongest to which delegates to agree. It remains to be seen how delegates will respond to both initiatives at the upcoming COP and whether more serious consideration and discussion will be attempted.

REVIEW OF ADEQUACY OF COMMITMENTS

The discussion on this issue was more positive than expected after INC-10 where the debate was more negatively charged. The fact that no substantive discussion was undertaken on the AOSIS protocol limited the debate on the adequacy of commitments. Even though developed countries agreed that current commitments were inadequate, they chose not to push the terms of the debate further. Again, developing countries interpreted any attempts to consider new commitments as a possible move to impose new responsibilities on them, and argued that Annex I Parties must first meet their current obligations. At INC-11 it appeared as if both developed and developing countries resisted the temptation to engage in substantive discussions on the adequacy of commitments, preferring to go along with compromise language, at least until COP-1. The last week of the INC demonstrated that entrenched positions resulted in arduous negotiations with little movement from either side.

REVIEW OF NATIONAL COMMUNICATION BY ANNEX I PARTIES

There was extensive debate on the review of Annex I Parties' national communications. Developing countries expressed disappointment with the 15 submissions to date stating that many lacked adequate documentation and evaluation of policies. The key points of disagreement among developed countries were the periodicity of emissions inventory updates, which GHGs should be inventoried, and whether the Parties should be named in the synthesis report. Some Annex I Parties argued for annual CO₂ emissions inventory updates with the optional inclusion of other GHGs, others argued for the inclusion of all GHGs, requested flexibility on submissions and did not support naming Parties, while still others argued that the synthesis report indicated that more action was needed to meet the Convention's objectives. A few developed countries urged the development of guidelines for national communications from developing country Parties. Developing countries warned again that this should not become a means of imposing new commitments on non-Annex I Parties.

THE ROLES OF SUBSIDIARY BODIES

The significant part of the discussion revolved around the relationship between subsidiary bodies and non-FCCC bodies. The

role of the IPCC was the principal subject of debate with divergent views expressed on maintaining its scientific objectivity. Developing countries argued that the SBSTA should serve as the link between the SBSTA and the COP and that the SBI not assume responsibility for the SBSTA, since they are both parallel bodies under the Convention. Developed countries endorsed the SBSTA's two technical advisory panels but disagreed on whether the review of adequacy of commitments should be given to an *ad hoc* committee, an *ad hoc* committee under the guidance of the SBI, or be the SBI's responsibility. A proposed technical panel to consult with the business community also fueled heated exchanges. Environmental NGOs expressed serious concern regarding the move to undermine the scientific findings and role of the IPCC through the lobbying efforts of some industry groups and certain developing countries.

Progress was made in detailing the terms of reference for the SBSTA and the SBI. The new proposal on the business consultative mechanism was placed in the list of matters to be considered by the subsidiary bodies. The compromise is that a workshop in 1996, open to all Parties and interested NGOs, will discuss the need for and possible scope of non-governmental advisory committees and/or a business consultative mechanism and report to COP-2.

CRITERIA FOR JOINT IMPLEMENTATION

The issue of Joint Implementation was first placed on the agenda at INC-7. It is clear from Article 4.2(a) that JI can take place between Annex I Parties. Discussion on broadening JI to include developing countries was first initiated at INC-8, raising developing countries' fears about its potential implications and impacts. Developing countries have tended to view JI with varying degrees of caution, concerned that Annex I Parties not use JI as a means to avoid national action to meet current commitments under the Convention. The additional concern was that JI be supplemental and not substitute for funding and financial mechanisms established under the Convention.

Although some developed countries have been pushing hard to secure endorsement of a joint implementation pilot phase, the most notable shift at INC-11 was the initial position of certain developing countries away from cautious skepticism towards cautious acceptance. There were some developing countries who favored limiting the JI pilot phase to Annex I Parties and others who were more amenable to the voluntary and equitable participation of developing countries viewing it as a means of technology transfer. However, as INC-11 continued, developing countries positions on JI once again hardened because of old fears that JI be a means to avoid fulfilling Annex I Parties commitments resurfaced. There appeared to be considerable support for avoiding the thorny problem of "credits" by excluding the allotment of greenhouse gas abatement credits during the pilot phase. Overall, the negotiations on JI reflected a strategy to carry differences forward to the COP. The procedural compromise was that the proposals of the G-77 and China, the EU and the US will be transmitted to the COP for further consideration.

LOCATION OF THE PERMANENT SECRETARIAT

As with the Biodiversity Convention, delegates have had difficulty deciding the location of the Permanent Secretariat. Practical, financial and political considerations have all come into play as delegates listened to the offers from Canada (Toronto), Germany (Bonn), Switzerland (Geneva) and Uruguay (Montevideo). While some delegates' initial preferences resulted from a fairly deliberative process, others came to INC-11 without clear positions. There was also concern that postponing the decision until COP-1, would leave no choice but to place the Secretariat in Bonn. Others felt that postponing the decision until

after COP-1 would call the scheduling and location of COP-2 into question. The Bureau's suggestion that the four potential host countries consult and reach an agreement among themselves, may be the solution, but in the end could be at a high cost to the victor.

FINANCIAL MECHANISM

Perhaps some of the greatest progress during the interim period was made in the area of the financial mechanism. At INC-11, delegates agreed that the GEF shall continue to be the international entity entrusted with the operation of the financial mechanism. While there is still doubt among some developing countries that the restructured GEF has met all of the requirements stipulated in the Convention, there was no argument that the interim arrangements should be maintained for the next four years. Delegates also asked the Secretariat of the Convention, in consultation with the Secretariat of the GEF, to prepare draft arrangements between the COP and the financial mechanism. The draft arrangements will be introduced at COP-1 and adopted at COP-2. With respect to guidance on policies, programme priorities and eligibility criteria, delegates agreed that the financial mechanism should support agreed activities to mitigate climate change, in addition to the national programmes to address climate change. If the INC had not met during the interim period, it is possible that many of these issues would not have been agreed upon until COP-2, effectively postponing the operation of the financial mechanism and many national programmes to address climate change. The agreements reached at INC-10 and 11 should facilitate the effective implementation of the Convention beginning at COP-1.

RULES OF PROCEDURE

Since the INC was unable to adopt the Rules of Procedure and send them to Berlin as a *fait accompli*, the COP will have a number of initial procedural hurdles to overcome before it can even discuss some of the important substantive issues. The three major outstanding issues are composition of the Bureau, voting procedures, and official languages. With regard to the first two, the oil producing developing States stood firm on language that would give them a seat on the Bureau and force all protocols to be adopted by consensus. These two amendments would, in effect, negate the AOSIS seat on the Bureau and ensure that the AOSIS draft protocol, as currently drafted, would have difficulty being adopted because it is unlikely to achieve consensus. For many observers, the inability to reach consensus on these rules raises suspicion that the sole purpose of some Parties' accession to the Convention was to play an obstructionist role. The challenge for Berlin is to ensure that there is swift agreement on these rules so that COP can begin to address the challenging issues related to climate change.

CHALLENGES FOR BERLIN

Many delegates, NGOs and other observers left New York with a feeling that INC-11 had failed to take the necessary forward-looking action with regard to the AOSIS protocol, strengthening commitments and joint implementation. Nevertheless, the last six sessions of the INC have made great progress in beginning the difficult process of operationalizing and strengthening the Convention. On the eve of COP-1, the Parties are in a position to quickly adopt most of the procedural matters and immediately turn to ensuring that the Convention is effectively implemented and strengthened. While the lack of consensus on the Rules of Procedure may still hinder substantive progress in Berlin, the work of the INC on subsidiary bodies, the financial mechanism, reporting and methodological issues should enable this to be one of the most productive first COP in environmental convention history.

THINGS TO LOOK FOR IN BERLIN

CONFERENCE OF THE PARTIES: The first session of the COP of the UN Framework Convention on Climate Change will be held in Berlin from 28 March - 7 April 1995. During the first segment of the COP, from 28 March - 4 April 1995, delegates will continue negotiations on any issues that were not resolved at INC-11. The ministerial segment of the COP will be held from 5-7 April 1995. The list of speakers for the ministerial segment opened on 15 February 1995. Statements will be limited to those by ministers of the States participating at the first COP and heads of delegations of Parties to the Convention. The agenda will be prepared and circulated by the Secretariat in advance of the COP.

NGO ACTIVITIES: The NGO Community is planning a large number of events to coincide with COP-1 in Berlin. For further information about these events, contact Klimaforum '95, Behrenstrasse 23, 10117 Berlin, Germany. E-mail <klimaforum@lpn-b.comlink.apc.org>; Tel. +49-30/202/ 203-0; Fax. +49-30/202 203-33.

CLIMATE CHANGE HOMEPAGE: The International Institute for Sustainable Development (IISD), publisher of the *Earth Negotiations Bulletin*, has created a "point of presence" on the Internet for the Framework Convention on Climate Change, which is accessible through Mosaic or similar World Wide Web (WWW) software. The Climate Change Homepage contains a searchable index to the issues of the *Earth Negotiations Bulletin*, links to the text of the Convention, official documents and background information. If you have Mosaic or other WWW software installed on your computer, point your WWW browser at <<http://www.iisd.ca/linkages/>>.

STATES THAT HAVE RATIFIED THE CONVENTION AS OF 8 FEBRUARY 1995

Albania	Burkina Faso	Egypt	India	Malaysia	Nigeria	San Marino	United Kingdom
Algeria	Cameroon	Estonia	Indonesia	Maldives	Norway	Saudi Arabia	United States
Antigua & Barbuda	Canada	Ethiopia	Ireland	Mali	Oman	Senegal	Uruguay
Argentina	Chad	EEC	Italy	Malta	Pakistan	Seychelles	Uzbekistan
Armenia	Chile	Fiji	Jamaica	Marshall Islands	Papua New Guinea	Slovakia	Vanuatu
Australia	China	Finland	Japan	Mauritania	Paraguay	Solomon Islands	Venezuela
Austria	Comoros	France	Jordan	Mauritius	Peru	Spain	Vietnam
Bahamas	Cook Islands	Gambia	Kenya	Mexico	Philippines	Sri Lanka	Zaire
Bahrain	Costa Rica	Georgia	Kiribati	Micronesia	Poland	Sudan	Zambia
Bangladesh	Côte d'Ivoire	Germany	Kuwait	Monaco	Portugal	Sweden	Zimbabwe
Barbados	Cuba	Greece	Lao People's DR	Mongolia	Republic of Korea	Switzerland	
Belize	Czech Republic	Grenada	Lebanon	Myanmar	Romania	Thailand	
Benin	DPR of Korea	Guinea	Lesotho	Nauru	Russian Federation	Trinidad & Tobago	
Bolivia	Denmark	Guyana	Li echtenstein	Nepal	St. Kitts & Nevis	Tuvalu	
Botswana	Dominica	Hungary	Luxembourg	Netherlands	St. Lucia	Tunisia	
Brazil	Ecuador	Iceland	Malawi	New Zealand	Samoa	Uganda	