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CLIMATE CHANGE CONVENTION COP-1 HIGHLIGHTS: THURSDAY, 30 MARCH 1995

PLENARY

The Plenary heard statements from governments, intergovernmental organizations, UN agencies and NGOs.

UNDP: Administrator James Gustave Speth called for the immediate negotiation of a protocol to reduce CO₂ emissions. The necessary fossil fuel emission reductions are achievable if the appropriate technologies are disseminated. UNDP will support developing countries in getting these technologies.

South Africa: Dr. F. Hanekom said that although a national monitoring system and database exist, foreign funding will allow South Africa to establish a national monitoring center for GHGs that would benefit the entire region. **Ukraine:** Yuriy I. Kostenko, Minister for Environmental Protection and Nuclear Safety, highlighted the difficulties in the countries with economies in transition. The Ukraine will ratify the Convention when it is able to implement its provisions.

UNIDO: Ms. A. Tcheknavorian-Asenbauer said industries in developing countries must be helped to improve competitiveness through energy efficiency, an area where UNIDO can help.

UNESCO: Gisbert Glaser noted that the objectives of the Convention cannot be achieved without science, education, internationally coordinated research and global monitoring efforts. UNESCO can contribute through its programmes on oceans, the earth crust, ecosystems and freshwater resources.

IOC: Dr. Gunnar Kullenberg identified the need to improve knowledge of the role of the oceans in climate change. There are specific areas in the marine environment that need evaluation, including marshes, mangroves, wetlands, shelves, estuaries and coral reefs. **Convention to Combat Desertification:** Executive-Secretary Hama Arba Diallo noted that 103 countries have signed the CCD and Cape Verde is the first to ratify it. The activities carried out by countries affected by desertification will also achieve the Climate Change Convention's objectives.

ECE: Gianluca Sambucini discussed a ten-country study comparing national policies on energy and CO₂ emissions. He highlighted the cooperation between ECE member States and Central and Eastern European States. **IEA:** Executive-Director Robert Priddle said that the IEA ministers have adopted a new statement on energy goals that features environmental considerations. The adoption of policies for tackling energy intensive consumption, improving end-use energy efficiency, technology collaboration, and joint implementation is crucial.

SPREP: Neville Koop supported the AOSIS protocol. He cited the importance of the precautionary approach in climate negotiations and the need for immediate action by COP-1. **Mayor**

of Kampala, Uganda: Christopher Iga, on behalf of the Second Municipal Leaders' Summit on Climate Change, endorsed the AOSIS Protocol. GHG emissions will continue to grow since urban dwellers will comprise half of the global population by 2005. Cities are vulnerable to climate change as well as the arena for the adoption of ecologically sound practices.

Environment NGOs: Pene Lefale, Climate Action Network (Pacific), said the lack of a clear mandate and absence of industrialized countries' support for the AOSIS protocol is disappointing. He urged delegates to tear down the wall of cynicism at COP-1. **Business NGOs:** Clement Malan, International Chamber of Commerce, said that it was premature to set new commitments without better scientific understanding. He welcomed the proposal for a business consultative mechanism.

COMMITTEE OF THE WHOLE

REVIEW OF THE ADEQUACY OF COMMITMENTS:

Dr. Miguel Bautista of the European Network of Climate Support said that temperature variations are not yet large enough to attribute to anthropogenic causes. **Micronesia** called for adoption of the AOSIS protocol, emphasizing that climate change is already threatening the economy, resources and culture of small island States. **Algeria**, on behalf of the African Group, said in light of the Convention's principles of joint but differentiated responsibilities, the polluter pays and the right to development, African countries are not willing to accept any new commitments that hinder economic development.

Uganda noted that because many Annex I Parties have cited the inadequacy of commitments, COP-1 should now discuss strengthening them. New commitments, however, should not include developing countries, and the AOSIS proposal provides a good starting point. **Venezuela** emphasized that the Parties have not yet reached agreed emissions caps. Parties must honor existing commitments before pursuing a protocol. **The UK** observed that some delegations have drawn attention to scientific uncertainty, but warned against underestimating what is already known. Commitments that only go to 2000 are inadequate, and are not reason enough to avoid setting a new time frame.

Mauritius supported the AOSIS proposal and noted that while some States still harbor doubt, precaution alone should warrant action. **Papua New Guinea** said action on new commitments must focus on the AOSIS protocol, and that there is very little point in discussing about anything else if island countries are going to disappear due to inaction. **Uruguay** endorsed charting a course on a protocol and establishing a working group at COP-2, including oil producing countries.

Nigeria faces triple vulnerability: environmental impacts of climate change, the socioeconomic aspects of climate policy, and an economy dependent on oil revenue. Additional burdens not already in the Convention are unacceptable. **Sri Lanka** said developing countries should not have to share new commitments.

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IPCC Chair Bert Bolin concluded the discussion by noting that the relationship between political and scientific arms of the Convention must be strengthened. The Chair then announced that further consultations under the coordination of Amb. Bo Kjellén (Sweden) would begin on Friday. The Philippines, on behalf of the G-77 and China, said that consultations on adequacy of commitments should focus only on Annex I countries.

JOINT IMPLEMENTATION: The Chair introduced document A/AC.237/91/Add.1, which contains the text of proposals from the G-77 and China, the EU and the US. **The Philippines**, on behalf of the G-77 and China, reiterated points contained in their proposal submitted at INC-11, including the application of emission limits to only Annex I Parties and the distinction between joint activities and joint implementation. **Brazil** defined JI as a proposed system that allows industrialized countries to have developing countries reduce emissions in their place, and said that some developing countries will accept any terms rather than miss an opportunity for technological growth.

Chile said clear criteria should address the percentage of reductions of developed countries produced through projects in developing countries, with controls to prevent developed countries from escaping their commitments. JI could be linked with new commitments from developed countries as an item the developing countries could offer. **Poland** supported initiatives to address emissions targets at lowest cost and that create opportunities to negotiate greater commitments. **Bangladesh** said single-country initiatives should not be crowded out or overshadowed by JI, especially those of developed countries.

France, on behalf of the EU, called for a progressive approach beginning with a pilot phase that is transparent, well-defined and credible, with no credits for Annex I Parties. JI should not be used to impose new commitments on non-Annex I Parties. **The Russian Federation** said COP-1 should adopt criteria for JI. He called for equality of participation by all Parties. **Costa Rica** said that JI provides a possibility for enhancing renewable energy. She supported the participation of the private sector, emphasizing the need for transparency.

The Czech Republic said the concept of JI enhances the role of the private sector, as a voluntary mutual cooperation between two or more Parties. **Colombia** said that developing countries should not assume the same obligations as developed countries. JI should be differentiated from the transfer of technology and financial resources. **Argentina** supported the statements of Brazil and Chile and called for clear instructions for a pilot phase that will do away with skepticism.

Germany said that JI may be beneficial for developing countries since cooperative measure may improve access to technologies, trigger investments, and involve an exchange of experience and knowledge. He supported the pilot phase. **Belize** agreed with Costa Rica and Chile. There should be a pilot phase open to non-Annex I Parties. **Peru** said that COP-1 should provide criteria for JI. He called for a pilot phase that accommodates national development plans.

India said a pilot phase could be launched if it was made explicit that no credits would be allocated. JI should also be voluntary, bilateral and directly related to national development priorities. **New Zealand** said that JI is a means for limiting GHGs, assisting technology transfer and promoting sustainable development. He called for the establishment of a pilot phase without credits designed to evaluate criteria and crediting issues. **Switzerland** said the COP should request the SBI to: evaluate the environmental soundness, effectiveness and impacts of pilot phase projects; verify information communicated; and make recommendations for the post-pilot phase period.

The Republic of Korea felt that he was in a meeting of blind men describing an elephant. All interested Parties should go ahead and show the rest of the world the results. The divergence of views in this room should not block a JI trial on a voluntary basis. **The US** said JI has enormous potential to improve flows of environmentally sound technologies between countries and provide cost-effective ways of reducing global emissions. Two key issues that still must be resolved are credit and participation.

Indonesia said that joint activities between developed and developing countries should be based on national priorities of the recipient country and facilitate the transfer technology and financial resources. **Japan** supported a JI pilot phase without credits. JI activities should be voluntary, transparent, open to all Parties, financed independently of existing ODA and provide for technology transfer. **Mali** said that a JI pilot phase should be extended to cover developing countries, but developed countries should not assume a reduction of their commitments through JI.

Australia said that COP-1 should initiate a JI pilot phase with participation open to all Parties. JI should not be used as a means for avoiding commitments, it should be consistent with the principles of sustainable development and crediting should be addressed after a review of the pilot phase in 1998. **Algeria**, on behalf of the African States, said that JI can only be undertaken by Parties with the same obligations and responsibilities. JI should be approached on an experimental basis using pilot voluntary activities fully financed by Annex I Parties. **China** expressed confusion over tradeable rights and other new ideas. Emission reductions should only apply to developed countries. The provision of financial resources for JI projects should not be counted as support for developing country Parties.

Canada supported a phased JI approach as a mechanism to encourage private sector capital and to increase access to technology. JI participation does not impose new obligations on developing countries. **Fiji** supported a pilot phase to help the COP set firm criteria. JI projects should be in line with host country projects. **Cameroon** said supporting a pilot phase appears to endorse a structure which no one really knows anything about. **Kuwait** said that any amendment of the G-77 and China proposal would involve the danger of transferring Annex I Parties' commitments to other countries. He supported initiating a pilot phase in accordance with the G-77 criteria.

The Chair said that COP-1 had to take decisions on criteria for JI implementation. He said he would engage in further consultations on this matter.

REPORT OF THE GEF TO THE COP: The COW then considered the report of the GEF to the COP (FCCC/CP/1995/4). Mr. Tahar Hadj-Sadok of the Interim Secretariat introduced the document. He noted that the report was divided into two sections, the development of an operational strategy and the initial activities undertaken by the GEF, including enabling activities for national communications and project activities. The first section describes a two track approach. COP-1 may adopt a strategy of maximizing short-term cost effectiveness, long term cost effectiveness, or a mixed strategy of short and long-term priorities. The second section describes the initial activities undertaken by the GEF on climate change.

The Chair noted that COP-1 had to decide between the various approaches described. He suggested that the GEF should take fully into account the modalities for the functioning of the financial mechanism. He said he would hold consultations on these matters.

THINGS TO LOOK FOR TODAY

COMMITTEE OF THE WHOLE: The Committee of the Whole will meet at 3:00 pm. The agenda, which will likely be decided at this morning's Bureau meeting, may include Agenda Item 5(a)(iv), Roles of the subsidiary bodies, and the review of progress, including a decision on weekend work.

CONSULTATIONS ON ADEQUACY OF COMMITMENTS: Consultations under the chairmanship of Amb. Bo Kjellén (Sweden) will take place this morning at 10:00 am in Room 7.

DRAFTING GROUP ON THE BUDGET: The drafting group on the budget will meet at 10:00 am in Room 9.

IN THE CORRIDORS: Consultations will continue today on the location of the Permanent Secretariat and the Rules of Procedure. Estrada will also begin consultations on joint implementation.