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HIGHLIGHTS FROM THE SIXTH SESSION OF THE AD HOC GROUP ON THE BERLIN MANDATE WEDNESDAY, 5 MARCH 1997

Delegates to the sixth session of the Ad Hoc Group on the Berlin Mandate (AGBM-6) continued consideration of elements related to strengthening commitments in Article 4.2 (a) and (b) and focused specifically on quantified emission limitation and reduction objectives (QELROs) within specified time frames. In the afternoon, AGBM convened "non-group meetings" on advancing the implementation of existing commitments in Article 4.1 and on institutions and mechanisms.

QELROs

Prior to consideration of QELROs, delegates heard statements from non-governmental organizations (NGOs). CLIMATE ACTION NETWORK, on behalf of environmental NGOs, asked delegates if they had the political will and moral character to act in the best interest of all the citizens of the world. She also called for a 20% reduction in carbon emissions by 2005. The US and EUROPEAN BUSINESS COUNCILS FOR SUSTAINABLE ENERGY proposed as priorities: setting clear near-term targets and timeframes; using market-based tools to account for "external costs" of energy, which would allow each Party to select suitable options; and reducing and eliminating institutional barriers, such as subsidies and tax exemptions.

The INTERNATIONAL PETROLEUM INDUSTRY ENVIRONMENTAL CONSERVATION ASSOCIATION, on behalf of European industries, noted that the years 2005 and 2010 are impracticably close deadlines. He said developing countries are expected to generate two-thirds of global greenhouse gas emissions by 2025 and urged delegates to secure worldwide agreement. The AMERICAN FEDERATION OF LABOR-CONGRESS OF INDUSTRIAL ORGANIZATIONS, on behalf of labor groups, expressed concern that "harsh, arbitrary" flat-rate reductions in greenhouse gas emissions are being proposed without regard to their impact on working people. He urged delegates to remember that they hold the power to destroy jobs and incomes of millions.

The INTERNATIONAL COUNCIL FOR LOCAL ENVIRONMENTAL INITIATIVES, on behalf of local governments, announced that the World Summit for Cities for Climate Protection will meet in Nagoya, Japan to raise awareness at the local level of the importance of combating climate change.

Following these statements, delegates discussed aspects of the proposals on QELROs contained in the Framework Compilation (FCCC/AGBM/1997/2 and Add.1).

On "guiding objectives," the EU stated that eventual reduction of CO₂ emissions to 50% of their current levels is required to keep global average temperature from increasing more than two degrees above its pre-industrial level. He recalled the recent decision of the EU Council of Environment Ministers, which established a common position on a reduction target for the year 2010. His proposal states that, in the longer term, more sophisticated methods to allocate reduction targets shall be implemented and will eventually lead to a convergence of emission levels based on appropriate indicators. He could not accept IRAN's proposed condition that QELROs for Annex I Parties must not affect international trade or national incomes of developing countries, particularly those exporting fossil fuels.

The EU also suggested that the US proposal regarding establishment of long-term goals could be incorporated into the new EU submission and should be deleted. The US responded that this change should await a written submission from the EU.

On "legal character" of QELROs, the EU reiterated its support for QELROs for significant overall reductions and noted that P&Ms should also be legally binding. He noted that proposals by Germany, France and the UK on legally binding reduction objectives are already contained in the other proposals and can be deleted. SWITZERLAND stressed that each Annex I Party should adopt legally binding QELROs. NIGERIA requested the deletion of a reference to the Geneva Ministerial Declaration, which calls for legally-binding QELROs for Annex I Parties within specified time-frames with respect to sources and removal of sinks of greenhouse gases not controlled by the Montreal Protocol. He emphasized that the Declaration was not adopted and noted that the G-77/CHINA proposal to set "realistic and achievable QELROs in a comprehensive manner" reflects its substance. PERU referred to the Geneva Declaration and called for reduction target for the year 2005.

On "coverage," the EU proposed covering CO₂, CH₄ and N₂O and to add HFC, PFC and SF₆ to the "basket" of gases by 2000. P&Ms to reduce emissions of these gases should be included in the protocol. The US proposed merging paragraphs on Annex I commitments based on the CO₂ equivalence of their emission contributions to the atmospheric stock of greenhouse gases and on the exception of sources and sinks for which there is insufficient knowledge of the GWP or inability to accurately measure emissions or removals. HUNGARY supported the US's long-term goal for atmospheric greenhouse gas concentrations.

This issue of the *Earth Negotiations Bulletin*© <enb@iisd.org> is written and edited by Chad Carpenter, LL.M. <chadc@iisd.org>, Anja Janz <anja@iisd.org>, Marybeth Long <mlong@ksgrsch.harvard.edu> and Silke Speier. The Editor is Pamela Chasek <pam@dti.net> and the Managing Editor is Langston James "Kimo" Goree VI <kimo@iisd.org>. The sustaining donor of the *Bulletin* is the International Institute for Sustainable Development <reception@iisdpost.iisd.ca>. General support for the *Bulletin* for 1997 is provided by the Overseas Development Administration (ODA) of the United Kingdom, the Ministry of Foreign Affairs of Denmark and the Swiss Federal Office of the Environment. Partial support for coverage of this meeting has been provided by the UNFCCC Secretariat. The authors can be contacted at their electronic mail addresses or at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada; tel: +1-204-958-7700; fax: +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* are automatically sent to e-mail distribution lists (ASCII and PDF format) and can be found on the gopher at <gopher.igc.apc.org> and in hypertext through the *Linkages* WWW-server at <http://www.iisd.ca/linkages/>. For further information on ways to access, support or contact the *Earth Negotiations Bulletin* send e-mail to <enb@iisd.org>.

NORWAY and ICELAND withdrew their proposals, as they were contained in other proposals. SAUDI ARABIA insisted on references to sinks and greenhouse gases other than CO₂. CHINA said that the text should only include issues on which agreement has been reached. JAPAN did not agree and called for retention of its proposal that QELROs would be set for CO₂ only. MARSHALL ISLANDS, on behalf of AOSIS, stressed the need for hard targets for CO₂ reductions.

On "level and timing/emissions budgets," the EU urged early stabilization of greenhouse gases. He noted that sections of the EU proposal in the Framework Compilation should be replaced with the new EU common position. The position states that Annex X Parties, individually or jointly, in accordance with the Berlin Mandate, shall reduce emission levels for CO₂, CH₄ and N₂O together (weighted total, using GWP, with a 100-year time horizon) by 15% by 2010 with a reference year of 1990. An interim target for 2005 will also be set. The EU opposed the concept of borrowing and the consideration of emissions budgets without QELROs and timetables. He favored flexibility regarding the base year for countries with economies in transition.

The G-77/CHINA called for: flexibility for Annex I countries due to their differences in starting points; no adverse effects of P&Ms on developing countries; and no further commitments for developing countries. CHINA called for all other Annex I countries to propose QELROs with time frames as the EU has done. He opposed emissions borrowing and, with HUNGARY, opposed a new category for countries that are rapidly developing. The RUSSIAN FEDERATION highlighted his proposal that new commitments of Parties do not cancel, reconsider or prolong commitments adopted by Annex I Parties for the period before the year 2000. He supported 2010 as a target and said that 2005 as an intermediate target seems unrealistic. The MARSHALL ISLANDS urged for separate and short-term targets for reducing the level for CO₂ emissions.

The US stressed that the Berlin Mandate does not preclude emissions budgets. He noted that the EU proposal does not specify whether countries should abide by QELROs individually or jointly. He also suggested that the EU proposal include Table 1 of the decision by the EU Council of Environment Ministers. The table specifies emission reduction targets for each EU country. The EU responded that the Council decision is not part of the EU proposal for the protocol.

Chair Chow Kok Kee (MALAYSIA) reported on the roundtable on differentiation. He noted a growing consensus that indicators will be useful in negotiating QELROs. He also acknowledged divergent views on whether or not the EU Council of Environment Ministers' decision illustrates a differentiation practice applicable outside the EU.

The EU requested more time to determine whether proposals from individual EU countries could be deleted via incorporation into the EU's new proposals. NORWAY noted that ambitious targets via legally binding commitments can only be achieved through efforts such as differentiation, equitable burden sharing, comprehensive treatment of sources and sinks, and coordination of economic instruments. He also noted that the EU decision illustrates how differentiation facilitates more ambitious targets. He stated that a 10 to 15% reduction for Annex I countries by the

year 2010 would be ambitious and realistic. The US restated that a differentiated approach would not be appropriate. AUSTRALIA insisted that its complete text on differentiation be reproduced in the document.

On the issue of "flexibility," MALAYSIA, supported by CHINA, requested deletion of the entire section on flexibility. He said that the issue was already covered under differentiation and QELROs. The EU noted the high improbability of reaching agreement on a trading system in time for COP-3. He cited disagreement on the use of procedures for monitoring and verification and the use trading as a substitute or delaying mechanism for domestic action.

On "Joint Implementation" (JI), the G77/CHINA urged the deletion of the entire section. UZBEKISTAN called for the retention of text noting that JI can serve as an instrument to allow technology transfer on a more beneficial basis. The EU said that Germany's proposal that "a certain portion yet to be determined may be met through JI, whereby a significant part of the commitments must be met through measures within each Party's own territory" should be retained for now. SWITZERLAND supported retaining its proposal that: JI may contribute up to 50% to meeting a country's fulfillment of commitments; JI may begin in 2000; JI can also take place with non-Parties to the Protocol. PERU requested retaining JI in the text, until the review at the end of the year.

Delegates also discussed impacts that new Annex I commitments may have on developing countries. SAUDI ARABIA and NIGERIA requested retaining paragraphs relating to loss of income. The EU did not support a compensation mechanism for financial losses of oil producing countries.

Proposals in the Framework Compilation related to measurement, reporting and communication of information and voluntary application of commitments by non-Annex I Parties were accepted without amendment.

IN THE CORRIDORS

AGBM delegates reported on the progress, or non-progress, of the non-groups. One participant reported that the non-group on advancing existing commitments stalled when participants attempted to cut out anything more than simple duplications in the proposals. Another participant stated that one group of countries opposed even the rearrangement of its proposals. Participants of the non-group on institutions and mechanisms reported that the session agreed on a preamble, definitions, and institutions and processes, but other elements could not be finalized. Another participant said the Chair would still conduct "technical streamlining" of outstanding issues.

THINGS TO LOOK FOR TODAY

AGBM: Plenary will convene at 10:00 am in the Plenary I Hall to consider agenda item 3, on strengthening commitments and advancing existing commitments. In the afternoon, AGBM will continue its consideration of agenda item 3.

Non-group: The non-group on institutions and mechanisms will meet at 3:00 pm in Room A.