



# Earth Negotiations Bulletin

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## REPORT OF THE SIXTH SESSION OF THE AD HOC GROUP ON THE BERLIN MANDATE: 3-7 MARCH 1997

The sixth session of the *Ad Hoc* Group on the Berlin Mandate (AGBM-6) of the UN Framework Convention on Climate Change met from 3-7 March 1997 in Bonn, Germany. AGBM-6 focused its deliberations on the Framework Compilation, which incorporated the textual proposal from Parties as well as other proposals for elements of a protocol or other legal instrument. AGBM-6 also convened informal roundtables on new proposals from Parties and differentiation, as well as “non-groups” to exchange views and merge different proposals.

Delegates “streamlined” the compilation text by merging or eliminating some overlapping provisions within the myriad of proposals contained in the Framework Compilation and brought the process one step, albeit a small one, closer to fulfilling its mandate. Much of the discussion centered on a proposal from the EU for a 15% cut in a “basket” of greenhouse gases by the year 2010 compared to 1990 levels. Nonetheless, other proposals emerged at in the eleventh hour, signaling that AGBM-6, despite the hopes of many observers, has yet to foster much progress on several fundamental points. As one participant noted, this meeting did not necessarily eliminate the number of proposals on the table, it simply straightened and sorted them. Another commented while discussing differentiation that indicators can be read two ways and indeed indicators of progress at AGBM-6 are equally equivocal. Whether these indicators signal that the AGBM is making slow, solid progress or slouching toward Kyoto seems a matter of one’s expectations.

### OPENING PLENARY

On 3 March, AGBM Chair Raúl Estrada-Oyuela (Argentina) noted the considerable number of new proposals and called for long-term sustained efforts from industrialized countries. He said changes would be neither easy nor inexpensive, but added that the costs resulting from inaction far outweigh the costs of preventative measures. He also welcomed Dan Reifsnyder (US) as rapporteur.

FCCC Executive Secretary Michael Zammit-Cutajar noted that AGBM-6 marks the last session prior to the six-month deadline for circulating a draft protocol. The negotiating text must “contain the seeds” of the final outcome and there should be no surprises after 1 June 1997.

The secretariat introduced the documentation for the session: “Framework Compilation of Proposals” (FCCC/AGBM/1997/2 and Add. 1); “Implementation of the Berlin Mandate: proposal from Parties” (FCCC/AGBM/ 1997/Misc.1) and “Comments from Parties” (FCCC/AGBM/ 1997/Misc.2). Regarding the organization of work, the Chair urged delegates to produce, elaborate on and streamline a negotiating text to be ready by 1 June. He proposed establishing two “non-groups”—a term coined by the Chair to describe informal discussion groups with a mandate of “streamlining” certain parts of the text contained in the Framework Compilation. One non-group was to focus on institutions and processes, final elements, definitions and the preamble. The other non-group was to work on continuing to advance commitments in Article 4.1. He said the main purpose of the non-groups is to exchange views, rather than negotiate, and to merge different proposals into one text in order to facilitate adoption of a negotiating text.

The WORLD COUNCIL OF CHURCHES appealed to delegates to act now and noted that delayed action will involve

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even higher demands. He said climate change is an issue of global justice and called on the AGBM to promote lifestyle changes in developed countries. CHINA, IRAN and MOROCCO, on behalf of the African Group, requested clarification on the division of tasks between non-groups and asked whether the non-groups would address policies and measures (P&Ms) and quantified emissions limitation and reduction objectives within specified time frames (QELROs). The G-77/CHINA, supported by the EU, MALAYSIA and the AFRICAN GROUP, urged that only a limited number of additional groups be established, given the constraints facing small delegations. CHINA also cautioned the AGBM not to "waste time" on issues related to institutions and definitions. The Chair responded that P&Ms and QELROs would be addressed in Plenary and noted the value of institutions and legal systems.

The EU urged countries to provide input in legal language and streamline the Framework Compilation by focusing on achievable options. The EU also suggested that the Chair develop a protocol or other legal instrument by 1 June, if the AGBM does not complete this work by the end of the week. IRAN said the EU proposal was premature and SAUDI ARABIA urged that the AGBM complete a negotiating text and not leave work for the Chair. The Chair reminded delegates that the non-groups would be open only to Parties and would not involve negotiation.

Meetings were scheduled so that no more than two meetings took place at any one time. The non-groups reported back to Plenary, which adopted their reports as a basis for the negotiating text at AGBM-7. The non-group on institutions, mechanisms and any other clauses was chaired by Takao Shibata (Japan). The non-group on elements related to continuing to advance the implementation of existing commitments in Article 4.1 was chaired Evans King (Trinidad and Tobago).

## **STRENGTHENING THE COMMITMENTS IN ARTICLE 4.2 (a) and (b)**

### ***POLICIES AND MEASURES***

On 5 March, the Chair opened the second meeting of AGBM-6 by stating that this meeting is not intended for negotiating but for refining and consolidating similar proposals contained in the Framework Compilation of Proposals (FCCC/AGBM/1997/2 and Add.1) to set out clear alternatives for negotiation at AGBM-7.

Annex I Expert Group Chair Ian Pickard (UK) reported on studies, carried out in cooperation with OECD and IEA, on carbon and energy taxation, P&Ms to encourage innovation in transport and technology and international greenhouse gas emissions trading. Document FCCC/AGBM/1997/Misc.2 contains an executive summary of these studies.

The Chair called on the AGBM to consider the submissions on general commitments and guiding objectives for P&Ms. SAMOA called for a coordination mechanism to assist Annex I Parties in implementing their commitments, as proposed in the protocol submitted by the Alliance of Small Island States (AOSIS). The mechanism would provide advice on a full range of measures including taxes and subsidies and would report regularly to the "Meeting of the Parties." The mechanism would be multi-disciplinary and open to participation by all Parties, government representatives, NGOs and scientists with relevant expertise. SAMOA also noted the need to avoid duplication of tasks, but expressed concern that existing subsidiary bodies may not be appropriately equipped to address technical issues.

SAUDI ARABIA and CHINA said the comments from Parties contained in document FCCC/AGBM/1997/2/Add.1 should be included in the Framework Compilation. CHINA also expressed confusion regarding references to Annexes X, A and B in the proposals and urged Parties to refrain from developing new

categories. JAPAN suggested that Annex I Parties adopt P&Ms according to national circumstances, in the areas of efficient use of energy, low-carbon energy, technological development and cooperation, and enhancement of sinks. The "Meeting of the Parties" shall decide on indicators for P&Ms.

The EU, supported by SWITZERLAND, favored legally-binding P&Ms and highlighted its proposed Annex A (common P&Ms), Annex B (coordinated P&Ms that receive high priority) and Annex C (priority P&Ms for inclusion in national programmes). The EU proposal contains P&Ms on: renewable energies; energy efficiency standards; labelling and other product-related measures; transport sector; economic instruments; energy policies; industry sector emissions; agriculture sector; forestry; and fluorocarbons. Several delegations commented on the EU proposal and some noted alternative approaches and priorities. POLAND and the RUSSIAN FEDERATION supported a menu approach, which takes account of various economic structures and attempts to maintain a high and stable rate of economic growth. The G-77/CHINA, supported by SAUDI ARABIA, stressed that P&Ms should not have adverse impacts on developing country Parties. He also expressed concern about new annexes that would impose new commitments on non-Annex I Parties. The EU reiterated that its proposal provides flexibility through Annex B, which lists P&Ms to be applied according to national circumstances.

The US and SAUDI ARABIA did not support inclusion of specific P&Ms. The US also noted that sound information is not available for controlling greenhouse gases not listed in the proposed Annex C and suggested elaborating on P&Ms under the section on reporting. SAUDI ARABIA also warned that P&Ms undertaken by Annex I countries could negatively affect trade with developing countries. IRAN stressed the need for a section on general commitments and guiding measures in the protocol.

The EU clarified that energy efficiency, standards and labelling, as well as P&Ms related to fluorocarbons, should be the highest priority. He also noted that paragraphs proposed by a number of Parties, including Norway, Iceland, New Zealand and Switzerland, could be integrated into the EU proposal. He said some developed countries, particularly the US, have not included binding measures in their proposals and emphasized the EU's conviction that P&Ms should be included to fully encompass the Berlin Mandate and the Geneva Declaration.

CHINA reiterated that the Berlin Mandate requires an elaboration of P&Ms whose objectives should be clear at this stage. He said the EU proposal is too complicated and supported a proposal by the Chair to use three "groups" rather than annexes on objectives, common but coordinated P&Ms and national P&Ms. The US also cautioned against including too many details and cited a number of examples illustrating the difficulties of proposed P&Ms related to specific products.

The EU did not support the groupings proposed by the Chair and noted they were difficult to distinguish. He said objectives should not be separated from mechanisms and measures, and proposed listing all of them in Annex A. He also said that relevant details related to specific products must be considered because they are traded in the international market and an international agreement is needed to ensure results.

The EU also reported that the EU Council had reached a common position on QELROs. The EU proposed that Parties to the Berlin Mandate will reduce emission levels for carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) by 15% by 2010 with a reference year of 1990. The EU also proposed an interim target for 2005.

The Chair also requested delegates to consider a proposal regarding countries with economies in transition who are requesting a specific annex because of their particular

circumstances. The EU did not support a separate annex and noted that the concerns of these countries could be addressed elsewhere, such as in an introductory section. The Chair, supported by IRAN, said these concerns are better addressed when considering QELROs.

On 6 March, the Chair presented his draft conclusions on P&Ms, which represent a streamlined version of Section II of the Framework Compilation on strengthening the commitments in Article 4.2 (a) and (b). The draft conclusions contain four elements: proposals regarding policies and measures; general proposals; proposals relevant to the nature and mix of policies and measures; and lists of policies and measures.

“Proposals regarding policies and measures,” address: adoption of coordinated P&Ms; preparation of National Action Plans; national and regional programmes for climate change mitigation and protection; and enhancement of sinks and reservoirs. Some of the proposals refer to P&Ms with different priority levels, while others cite specific items such as removal of coal subsidies, technology development and transfer and promotion of renewable energy sources.

The “General proposals” support: identification of environmental and socio-economic impacts of P&Ms; compatibility between P&Ms and national development programmes; and cost-effective P&Ms. Some entries in “Proposals relevant to the nature and mix of policies and measures,” call for individual, rather than coordinated, fulfillment of commitments and protection for developing countries, especially oil producing States. The section on “Lists of policies and measures” begins with a proposal from the Chair that contains three lists regarding: policy objectives for all Annex I Parties; possible mechanisms for implementation of P&Ms and a menu of P&Ms from which Parties could choose according to their national circumstances. The Chair’s proposal is followed by entries from several Parties including Canada, the EU, Switzerland and Japan. Each entry contains specific P&Ms.

The Chair said some Parties have submitted “negative” proposals, which note that they object to the inclusion of specific issues. He proposed including a general chapeau noting their objections and said that all ideas retained in the negotiating text do not have to be included in the Protocol. The proposal also contains several symbols and letters and the Chair said values would be attributed to them in future sessions. IRAN inquired about the possibility of elaborating on each proposal. The Chair noted that other proposals could be submitted later and asked delegates to refrain from making substantive statements.

POLAND requested that each reference to a new Annex specify which Parties will be included. NEW ZEALAND deleted its proposal calling for compulsory phasing out of fossil fuel subsidies. The G-77/CHINA noted its intention to submit a proposal on P&Ms. The EU requested that certain items from its proposed list of P&Ms also be noted in the Chair’s proposed list of P&Ms. The EU said it would submit “List C,” containing P&Ms to be given priority by Parties listed in Annex X, as appropriate to national circumstances. The RUSSIAN FEDERATION requested retaining its proposals. One states that a protocol or other legal instrument should not change or replace statements of the Convention, including its principles. The other states that Parties to the protocol are guided by principles of the Convention.

Delegates also commented on the Framework Compilation (FCCC/AGBM/1997/2 and Add.1). The EU deleted several paragraphs submitted by its member States because these submissions were superseded by the common EU proposal. The Chair noted that a section on education, training and public awareness, included in the addendum, would also be included in the negotiating text.

## **QUANTIFIED EMISSIONS LIMITATION AND REDUCTION OBJECTIVES**

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 dioxide emissions by 2005. The US and EUROPEAN BUSINESS COUNCILS FOR SUSTAINABLE ENERGY proposed as priorities: setting clear near-term targets and time frames; 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.

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 CO<sub>2</sub> 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. The EU’s 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. The EU 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. 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. 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 carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), and to add hydrofluorocarbon (HFC), perfluorocarbon (PFC) and sulphurhexafluoride (SF<sub>6</sub>) 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 CO<sub>2</sub> equivalents 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 global warming potential (GWP) or inability to accurately measure emissions or removals. HUNGARY supported the US's long-term goal for reduction of atmospheric greenhouse gas concentrations.

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 CO<sub>2</sub>. 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 CO<sub>2</sub> only. The MARSHALL ISLANDS, on behalf of AOSIS, stressed the need for hard targets for CO<sub>2</sub> 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 CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O 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 called for separate and short-term targets for reducing the level for CO<sub>2</sub> 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. This 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.

On 4 March, 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 and incorporated 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 both 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. 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 G-77/CHINA called for 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; and JI can also take place with non-Parties to the Protocol. PERU requested retaining JI in the text, until the review at year's end.

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.

On 7 March, the Chair introduced "Draft text by the chairman, strengthening the commitments in Article 4.2(a) and (b): quantified emission limitation and reduction objectives within specified time frames (QELROs)." This document includes six sections: introductory elements by the Chair; atmospheric concentration; level and timing; flexibility; possible impacts on developing countries of new commitments in the new instrument/socio-economic injuries sustained by developing countries; and measurement, reporting and communication of information. The section on level and timing includes: proposals for specific flat-rate targets and timetables for CO<sub>2</sub> and other greenhouse gases; support for such targets and timetables without reference to specific numbers; differentiation via various indicators; provisions for regional economic integration organizations; emissions budgets; emissions based on a cumulative emissions basis; and joint implementation.

NEW ZEALAND requested that its proposal on sinks contained in Addendum 1 to the Framework Compilation be included in the additional proposal section on "level and timing." The draft text was accepted for inclusion in the negotiating text.

### **CONTINUING TO ADVANCE IMPLEMENTATION OF EXISTING COMMITMENTS IN ARTICLE 4.1**

On 6 March, Chair Evans King (Trinidad and Tobago) presented a report from the non-group on "Continuing to advance the implementation of existing commitments in Article 4.1." He said that the non-group held two meetings on 4 and 5 March in which a collegial atmosphere facilitated frank dialogue. Discussions led to a streamlined text with narrative sections and allowed proposal authors to see how other countries viewed their proposals.

The report contains a streamlined text of the section in the Framework Compilation on continuing to advance the implementation of existing commitments in Article 4.1. It consists of proposals requesting all Parties, *inter alia*, to implement

programmes containing measures to address emissions by sources and removals by sinks of all gases. It states that the process will reaffirm and continue to advance implementation of commitments in Article 4.1. and will not introduce any new commitments for non-Annex I Parties.

Non-Annex I Parties' implementation of Article 4.1 is contingent upon developed country Parties fulfilling commitments related to financial resources and technology transfer for: systematic observation and research; assessment at the national level of economic and social impacts of climate change and of various response strategies; national education and training programmes; integrated plans for management of coastal zones, water resources, agriculture, conservation and enhancement of sinks; data for initial national communications; and formulation, implementation, publication and updating of programmes containing measures addressing climate change. The necessary resources for the implementation of these activities are to be provided by the operating entity of the financial mechanism.

The report also contains proposals requesting all Parties to: regularly update national programmes that include P&Ms for increasing energy efficiency and improving the transport sector and industrial process efficiency; provide annual greenhouse gas inventory data on the basis of IPCC compatible methodologies; and make available to the COP strategies for mitigating climate change and national inventories of technology needs.

Proposals included in the report would also require Parties to foster bilateral, regional and global cooperation for: development of national inventories and indicators; development, application and diffusion of technologies; voluntary participation in AII; participation in the work of international bodies and programmes on climate change mitigation and adaptation; strengthening of legal and institutional frameworks; investment in climate-friendly technologies; and reporting on public education and participation.

Proposals would also require that in-depth reviews of Annex I Parties' communications include a formal opportunity for other Parties to ask questions. Parties proposed that non-Annex A or Annex B Parties would submit to the secretariat: annual inventories of greenhouse gas emissions; measures implemented; and quantified effects of actual and potential measures. Proposals would also require that all Parties establish a process for reviewing communications.

### **INSTITUTIONS, MECHANISMS & OTHER CLAUSES**

Mr. Takao Shibata (Japan) chaired the non-group on elements related to institutions, mechanisms and other clauses, which met from 4-5 March. On 7 March, Mr. Shibata presented the report of the non-group. He explained that this document is based on sections of the Framework Compilation dealing with preamble and definitions, institutions and processes, and final elements. Section I on introductory elements concerns preamble and definitions. Section II addresses the following institutions and processes attendant to the protocol: conference of the Parties/meeting of the Parties; secretariat; subsidiary bodies; coordination mechanism; financial mechanism; review of information and review of implementation and compliance; a multilateral consultative process; and dispute settlement. Section III on final elements contains several parts including decision making, amendments, relationship with the Convention, adoption and amendment of annexes, right to vote, relationship to other agreements, signature, ratification and entry into force.

He reported that, in adhering to its "non-mandate" to streamline proposals, the non-group produced a document that he was confident the AGBM would approve. Although the non-group did not complete its work on "final elements," the group entrusted Mr. Shibata and the secretariat to finish work on this section.

## **ROUNDTABLES**

### **ROUNDTABLE ON NEW PROPOSALS FROM PARTIES**

This roundtable was convened on 3 March to give delegates who had not presented their submissions to the Framework Compilation the opportunity to elaborate on their proposals and respond to questions. AGBM Vice-Chair Suphavit Piamphongsant (Thailand) opened the roundtable and noted that 18 new proposals had been submitted.

The proposal by POLAND, BULGARIA, ESTONIA, LATVIA and SLOVENIA stated that QELROs should be legally-binding. Proposed criteria for QELROs include: GDP per capita; each Party's contribution to global emissions; and emissions per capita and/or emissions intensity of GDP. They also preferred the "menu approach" for establishing measures to be adopted by Parties.

The EU proposal includes a general commitment for Parties listed in "Annex X," which would consist of OECD members and countries with economies in transition. It groups P&Ms into Annex A (mandatory), Annex B (high priority) and Annex C (priority). The proposal allows for joint implementation and voluntary application by non-Annex X Parties.

The G-77/CHINA urged the AGBM to adhere to the Convention and the Berlin Mandate and refrain from developing new commitments for non-Annex I Parties. The G-77/CHINA proposal calls for: ensuring that P&Ms have no adverse socio-economic impacts on developing countries; establishing a concrete compensation mechanism for damage in developing countries arising from implementation of response measures; and setting QELROs within specified time frames, such as 2005, 2010 and 2020.

FRANCE proposed differentiating the commitments of Annex I Parties according to present emission levels of greenhouse gases per inhabitant and per GDP. He proposed coordinating P&Ms at an international level and considering joint measures between Annex I and non-Annex I Parties. ICELAND proposed differentiation and the following parameters for identifying differences in national circumstances: greenhouse gas (GHG) emission intensity and level, share of renewable energy sources and GDP per capita. He supported the formula Norway presented at AGBM-5, amended to account for the share of renewable energy. MALAYSIA commented that parameters are changing regularly. MAURITIUS inquired about a supervisory mechanism for this formula. VENEZUELA, supported by COSTA RICA, suggested "historical responsibility" as an additional criterion for differentiation. SWITZERLAND added "past efforts" by countries to reduce greenhouse gas emissions as another criterion.

IRAN's proposal opposes CO<sub>2</sub> taxes, energy taxes and new commitments for non-Annex I countries. His suggestions for reducing GHG emissions include: a focus on all GHGs; market-determined energy prices; removal of subsidies on coal and polluting energy sources; development of renewable energy sources; enhancement of sinks; and attention to production and consumption sector activities and industrial processes. IRAN also proposed a compensation mechanism for adverse impacts of response measures. Responding to ZIMBABWE, IRAN noted that its proposed compensation mechanism is designed to compensate countries that incur losses due to policies and measures stipulated by the AGBM legal instrument and does not provide funds for countries that incur damages resulting directly from climate change. The US suggested that the proposal requires the AGBM to project the consequences of non-action and asked what methodology would be used to make such a projection. IRAN replied that further details would be supplied at a later date.

AUSTRALIA proposed: a collective reduction objective for "Annex A" Parties, which are those listed in Annex I of the FCCC; mitigation activities that result in equal percentage changes in per capita economic welfare among "Annex A" Parties; differentiated commitments; use of indicators in the negotiation process; and further consideration of market-based approaches such as emissions trading and joint implementation. The proposal also supports a regular review process that Parties may activate with regard to their own commitments. Responding to MALAYSIA, AUSTRALIA said formula approaches are too simplistic to account for wide variations among countries' circumstances and emphasized that differentiation is not a means to delay action, but to achieve fairness. AOSIS asked why supporters of differentiation had not pooled their proposals and requested information on how differentiation would work in practice. CHINA expressed concern that emissions trading would replace government commitments with activities of firms and individuals.

KUWAIT, NIGERIA and SAUDI ARABIA supported the proposal by the G-77/CHINA. They expressed concern about economic and social consequences of developed country Parties' policies and measures and requested adequate compensation for developing countries. They recalled Article 4.8(h), which refers to countries whose economies are highly dependent on income generated from fossil fuels, and Article 4.10, which states that Parties shall take into consideration the specific needs and concerns of fossil fuel producing countries and adverse effects resulting from the implementation of commitments. They noted that developed country Parties should take the lead in combating climate change.

The US asked whether: developed countries that export fossil fuel or suffer from increased oil prices are eligible for compensation; developers of solar power are liable for injury; and developed countries that take action to prevent damage in developing countries are also liable under this proposal. SAUDI ARABIA reiterated that developed country Parties should bear more of the burden and accommodate such effects through measures like differentiation. ITALY pointed out that the Convention does not include a compensation mechanism. SAUDI ARABIA, supported by IRAN, noted Article 4.8, stating that funding action be considered in regard to the specific needs of developing countries. KUWAIT noted his disappointment that the developed countries' proposals do not mention any provision for developing countries' compensation.

CANADA noted that economic change resulting from changes in energy sources has occurred over the past century and will continue regardless of a protocol. SAUDI ARABIA emphasized that it is the right of every Party to try to minimize the adverse impacts of an international legally-binding agreement according to provisions given in the Convention. NEW ZEALAND emphasized the importance of flexibility with respect to time (multi-year average emissions limitations); place (emissions trading); and coverage (all GHGs and sinks).

The US proposal contains: emissions budgets (banking and borrowing emissions); and annual reports on measurement, reporting and compliance by "Annex A" and "Annex B" countries. Annex B would contain countries that have voluntarily entered before protocol adoption. Other elements of the US proposal are: non-compliance measures (e.g. denial of opportunity to engage in emissions trading or loss of voting rights); continuing to advance implementation of Article 4.1, particularly "no regrets" measures; and emissions trading between Parties with budgets, and joint implementation between all Parties. Several countries noted the complexity of the US proposal. In response to the EU, the US highlighted the ability of countries to determine their own budgets and the penalty for emissions borrowing. THAILAND suggested that the AGBM not spend time discussing emissions trading.

UZBEKISTAN proposed differentiation for Annex I Parties, according to the level of economic development and GDP per capita. He called for flexibility regarding obligations of countries with economies in transition, and developed country support for non-Annex I country activities.

### **ROUNDTABLE ON DIFFERENTIATION**

This roundtable was convened following a request by AGBM-5 to allow delegates to informally exchange views on differentiation. Chair Chow Kok Kee (Malaysia) welcomed the speakers on differentiation and called for a non-confrontational process that promotes understanding rather than political positions. Mr. Harald Dovland (Norway) said that differentiation provides for a more equitable and ambitious goal than the lowest common denominator agreement allowed by a flat-rate approach. He highlighted single and multiple criteria approaches to differentiation and emphasized that differentiation formulas are not necessarily meant to determine binding targets, but to provide tools for guiding negotiations.

He cited the EU's proposed goals as an ambitious example for differentiation and cautioned that flexible instruments, such as joint implementation, are not a replacement for differentiation.

The US did not support the suggestion that progress can be achieved through differentiation and said that under a flat rate countries could accomplish more. He questioned the "trade-off" between differentiation and a flat rate and asked if a system of differentiation is necessary. The Chair then introduced other panelists, who spoke in their individual capacity.

Mr. Akihiko Furuya (Japan) said that differentiation is indispensable for achieving fairness and noted that the Berlin Mandate calls for taking into account the different starting points of countries. He discussed a "formula-based approach," under which QELROs can be divided according to specific indicators. He also noted the "selective approach," under which countries could use GDP as an indicator, and the "negotiation approach," under which each country would negotiate its QELROs with other countries.

Mr. Maciej Sadowski (Poland) said that the preferred approach involves differentiation by countries and noted that aggregation into groups could be effective. He underscored the political difficulties in agreeing on a common set of criteria and proposed concentrating on the target to be achieved by each Party.

Amb. Louet (France) noted that differentiation is not a result of theoretical considerations, but of unavoidable practical necessity. He noted that the EU has adopted a common position and explained that a greenhouse gas emissions reduction of 30% for Luxembourg and 25% for Germany, could be offset by Portugal's and Greece's respective greenhouse gas emissions increase of 30% and 40%, which account for differences in starting points. He noted that even countries favoring the flat-rate concept recognize the need for flexibility. He cautioned that a tradable permit system would give premium to the biggest producer of greenhouse gases.

The EU underlined the differences in countries' ability and costs associated with meeting commitments. As a regional group, it is taking on joint commitments and will engage in internal burdensharing. A number of EU countries are willing to commit themselves to reduce emissions. SWITZERLAND stressed that there is no good unique indicator that can take into account national circumstances and said that the logical starting point of the discussion is agreement on the quantity to differentiate.

The US suggested focusing on targets, outcomes and QELROs so that overall reductions can take place while Parties who find targets burdensome can trade emissions with others. GERMANY urged countries to enrich progress by making concrete proposals regarding numbers for significant overall reductions and the contributions that countries intend to make toward these goals.

Amb. Howard Bamsey (Australia) stressed that differentiation is necessary for reflecting different national circumstances. He noted there are a large number of proposals, but a small number of indicators. He outlined common groups among proposed indicators: those based on economic structures and resource bases; those based on emission reduction tasks including population growth, economic growth and per capita resources; and others based on trade impacts.

GERMANY stated that differentiation within the EU was not based on indicators, because indicators do not reflect political reality. She noted that Germany, Denmark and Austria accepted the largest shares of the reduction burden because they are convinced that combating climate change is important. The US noted that the EU collectively argued in 1990 that they would reduce emissions drastically. He said this reduction would have been possible with a flat-rate.

GERMANY, referring to the EU experience, suggested making a joint commitment for a future protocol, setting common targets for Annex I Parties and deciding how to share them. AUSTRALIA asked how differentiation was achieved within the EU and noted this could set an example for Annex I countries on the road to Kyoto. ICELAND stressed the need to reach conclusions on differentiation before Kyoto.

## CLOSING PLENARY

AGBM Chair Raúl Estrada-Oyuela opened the final meeting of AGBM-6 by instructing delegates to focus attention on the three draft texts that reflect efforts to streamline the Framework Compilation and its Addendum: the report of the non-group on elements related to institutions, mechanisms and other clauses; the Chair's draft text on QELROs; and the Chair's draft text on elements related to objective, principles, review of commitments, education, training and public awareness, evolution and annexes.

The Chair introduced his draft text on "Elements related to objective, principles, review of commitments, education, training and public awareness, evolution and annexes." Section I of the document addresses objective and principles. The four proposals on objective reflect a range of views: while one proposal calls for QELROs, another simply refers to Article 2 of the Convention and paragraph 2 of the Berlin Mandate.

Proposals in the section on principles note difficulties of countries dependent on fossil fuel production, coordination between climate change responses and socio-economic development, and transfer of technology.

Proposals in Section II, Review of Commitments, address timing, criteria, mechanisms and the scope of reviews, as well as a Party's ability to activate the review process with regard to its own commitments. Section III, Education, Training and Public Awareness, refers to Article 6 of the Convention. Section IV, Evolution, addresses conditions under which future commitments should develop. Section V, Annexes, contains proposals concerning listing of Parties, QELROs and methodological issues. Delegates agreed the draft text will be included in the negotiating text.

Regarding the organization of future work, he informed the AGBM of an extension of the deadline for new proposals to 1 April 1997. The negotiating text will be available in the six official UN languages by 1 June. It will replace narrative sections of the text with legal language. CHINA stressed that the AGBM has not started negotiating yet and requested retention of the title "draft text by the Chairman" for the new document. The Chair did not accept this request and refused to hear any further comments on this matter. CHINA, supported by HUNGARY, also requested that any text submitted after the deadline should be included in the addendum of the new text. The CENTRAL AFRICAN REPUBLIC supported China's proposal and called for an addendum for new

proposals rather than integration into the Chair's draft text. The EU also called for clarification on this matter. The Chair responded that late submissions will be published in full in Miscellaneous documents. The Chair said that any new proposals should be structured like the framework compilation and should be clearly derived from proposals already on the table. The Chair noted that the next session, scheduled from 28 July to 7 August 1997 in Bonn, will be more difficult as Parties will have to engage in negotiations. He announced that there will be two teams of interpreters to allow two meetings to convene in parallel and repeated that the session will start on Thursday 31 July, rather than Friday, 1 August. He requested Parties to review the negotiating text before the next session and emphasized that Annex I Parties must review QELROs and policies and measures, stressing that without agreement among themselves negotiations will be blocked. He recalled that Annex I Parties should take the lead, show the will to advance the process, and fill in the "blanks" long before Kyoto. Participants also decided to request the rapporteur, with the support of the secretariat, to prepare the report of the session. The Chair said that the negotiating text will be added to the report as an addendum.

The G-77/CHINA stressed that all proposals outside the Berlin Mandate should be "off the table" at AGBM-7. He also stated that there should be agreement on QELROs before issues of implementation are further discussed. He reiterated that articles of the Convention should apply to the protocol or other legal instrument and announced that, in addition to proposals made in December 1996, they would like to table further proposals. These should be read together with proposals previously submitted. They said that former proposals would be complementary but not inconsistent with the new proposal. On the suggestion of CHINA, the Chair agreed to include the G-77/China proposal in a Miscellaneous document.

PERU pointed out that Annex I Parties' proposals lack numbers and that in this sense the meeting was a "disappointment". She noted the lack of figures for 2005 in the EU proposal and submitted a proposal that includes a demand for Annex I Parties to reduce emissions by 15% in 2005. The Chair apologized for interrupting the statements of many Parties but added that he is "trying to conduct the business in the best way" and warned that the number of Parties he will interrupt at the next session may be even greater.

AGBM-6 was adjourned at 12.15 pm on Friday, 7 March 1997.

## OTHER SUBSIDIARY BODIES

### SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

On 6 March, AGBM Chair Estrada announced that progress was made on the election of officers other than the Chair for the SBSTA. MOROCCO, on behalf of the African Group, reported the following nominees: Mr. Soobaraj Nayroo Sok Appadu (Mauritius) as the Vice-Chair of SBSTA and Mr. Alvaro José Rodríguez (Colombia) as Rapporteur. JAMAICA thanked the African Group for this offer and requested that it be recorded. SBSTA Chair Tibor Farago (Hungary) noted that the official election would take place during the next SBSTA session.

### SUBSIDIARY BODY FOR IMPLEMENTATION

On 6 March, SBI Vice-Chair José Romero (Switzerland) reconvened SBI-5 to finish its work from the previous week. He presented the draft conclusions of the informal group on financial and technical cooperation chaired by Manuel Dengo (Costa Rica). On review of the financial mechanism, the SBI welcomed new information provided at this session, including the report prepared by the GEF (FCCC/SBI/1997/2) and two workshops conducted by the GEF. The conclusions note that the Parties requested additional

time for review of this information. The SBI also noted that information from other sources, including Parties, would be particularly important for facilitating a fully-informed review. The SBI added that the report of the UN General Assembly Special Session for the review of the implementation of Agenda 21 would be of interest for reviewing the GEF.

The SBI agreed to guidelines on the review process, invited Parties to submit views on the financial mechanism by 15 May 1997, and requested the secretariat to prepare a compilation and a synthesis report of the submissions for SBI-6. The SBI also highlighted the need for full replenishment of the GEF. The proposed guidelines note objectives, methodology and criteria for the review. The objectives will be to review the financial mechanism and to take appropriate measures regarding its: conformity with Article 11 of the Convention; conformity with the COP's guidance; effectiveness in implementing the Convention and in providing financial resources on a grant or concessional basis, including the transfer of technology; and effectiveness in providing resources to developing country Parties under Article 4.3.

Under methodology, the review shall draw upon the following sources: information provided by Parties on their experiences with the financial mechanism; annual reviews by the COP on how the financial mechanism's activities conform with the COP's guidance; the GEF's annual report to the COP; reports from the GEF monitoring and evaluation programme; reports from the Commission on Sustainable Development and relevant bilateral and multilateral funding institutions; and relevant information provided by other intergovernmental and non-governmental organizations.

Under criteria, the effectiveness of the financial mechanism will be assessed taking into account the following: transparency of decision-making processes; adequacy, predictability and timely disbursement of funds for activities in developing country Parties; responsiveness and efficiency of the GEF project cycle and expedited procedures, including its operational strategy; amount of resources provided to developing country Parties, including financing for technical assistance and investment projects; amount of finance leveraged; and sustainability of funded projects.

The SBI also took note of the information on relevant action by the GEF Council, contained in document FCCC/SBI/1997/Misc.3, and requested the secretariat to provide subsequent SBI sessions with such information as it becomes available. The Vice-Chair thanked delegates for their participation and adjourned SBI-5.

## A BRIEF ANALYSIS OF AGBM-6

Bonn hosted the February/March meetings of the four FCCC subsidiary bodies, marking their first sessions in the secretariat's new home town. SBSTA, SBI and AG-13 met during the first week to continue their work on issues such as budgetary matters, joint implementation, technology transfer and a multilateral consultative process. AGBM-6 set itself the task of "streamlining" its Framework Compilation of proposals into a negotiating text for its next session. In this regard, AGBM-6 was neither a disappointment nor a ripping success. Delegates managed to merge or eliminate some overlapping provisions within the myriad of proposals contained in the Compilation. They also officially gave the Chair a mandate to produce a draft negotiating text. However, other proposals emerged in the eleventh hour, such as one by the G-77 on QELROs, which signaled that AGBM-6 did not foster much progress on several fundamental points, despite the hopes of many observers. This meeting did not necessarily eliminate the number of proposals on the table, it simply straightened and sorted them. AGBM-6 brought the Parties one step, albeit a small one, closer to fulfilling its mandate.

A number of past disagreements did not rear their heads at this meeting, most notably over scientific uncertainty of climate change or the form of the new instrument to be adopted at COP-3. Nonetheless, the meeting unveiled a host of disagreements over the content of the protocol regarding issues such as timetables and targets, policies and measures, and compensation, and foreshadowed a number of battles on the horizon before Kyoto. In short, when it comes to the concepts now on the table, there still seems to be fundamental disagreement. AGBM Chair Estrada, in his opening comments, noted that one serious problem facing these negotiations was disagreement among developed countries on the content and treatment of issues that will form the basis of the protocol.

Indeed several noticeable disagreements, mostly trans-Atlantic, emerged with respect to the targets and timetable for QELROs and the specifics related to policies and measures. Delegates also differed on the idea of differentiating between Annex I Parties with regard to each Parties' goal for lowered emissions. Developing countries, as well, voiced concerns, particularly on proposals containing unspecified new annexes and proposals on JI and trading.

**QELROs:** During the debate over QELROs, Parties voiced a number of diverse, often fundamentally different, perspectives. The EU, Switzerland and Norway were the only Annex I countries proposing specific targets. The strongest of these proposals came from the EU after its Ministerial Council meeting, calling for a 15% reduction across the EU by 2010, replacing a host of individual commitments from members of the EU. According to some, this proposal could overshadow the AOSIS protocol goal of 20% by 2005. The US, on the other hand, proposed emissions trading, multi-year emissions budgets, borrowing of emissions from future budgets and joint implementation with developing countries for credit. Apart from the few delegations who provided specific QELROs proposals, most governments based their proposals for strengthening commitments in Article 4.2 (a) and (b) on a call for flexibility. The aim of differentiation, as it was recurrently stated by its supporters during plenary and roundtable discussions, is to achieve maximum flexibility. Whereas some countries, including the US, Australia and New Zealand continued to insist on flexible measures, such as JI and emissions trading, others used the term "flexibility" for proposing to introduce different levels of commitment.

This request for "fairness" is based on the Berlin Mandate's call for a consideration of different starting points of countries. If the concept of differentiation would find its way into a protocol or other legal instrument, most Parties would probably present "special circumstances," which could move the debate from its essence — the reduction of GHG emissions — to intractable distribution questions. Poland suggested resolving this problem by aggregating countries into groups. Germany and Russia followed this concept by proposing a certain degree of flexibility for countries with economies in transition. Norway and Iceland put forward a specific formula for differentiation for all countries. Australia, Iran, Japan and Poland proposed indicators or criteria on which differentiation could be based. Not many of these, however, addressed the more practical problems concerning information and quantification to determine a fair and equitable set of commitments. The EU's opposition to differentiating commitments caused some controversy, in particular after the EU presented its Environment Ministers' Council decision to implement its own, quantified targets by taking on board joint commitments and internal burdensharing. Several Parties stated that they viewed the internal burdensharing concept of the EU as a contradiction to their opposition to differentiation. The US, formerly very strongly opposed to alternatives to a flat-rate approach, even suggested including the table with the differentiated reduction targets as a

proposal for the protocol “to have a full range of options.” Having lost strong speakers against differentiation, the debate seems to have moved slightly from whether differentiation is possible, to how differentiation can be accomplished.

The bottom line, however, still is that differentiation needs to be preceded by countries’ firm proposals for firm targets and timetables. A number of developing countries were strongly suspicious of both the US proposal for emissions trading and the EU proposal on P&Ms and argued that both would prove far too complicated for a protocol.

**COMPENSATION:** Developed countries voiced their own concern about a potentially complicated matter as another developing country issue came to the fore: impacts of P&Ms and compensation for these impacts. The G-77, particularly the oil-producing countries, called for concrete compensation mechanisms for adverse impacts on developing countries arising from implementation of response measures. Iran, Nigeria and Kuwait provided some detailed suggestions on these mechanisms, including the establishment of a compensation fund. Uzbekistan proposed to request the IPCC to make recommendations on ways to reduce negative impacts of Annex I commitments on developing countries. Reaction to these requests reflected that some delegations did not take the proposal too seriously and perhaps viewed it as a delaying strategy. One delegate asked if developed countries that suffer from increased oil prices would be eligible for compensation or if developed countries who help with adaptation measures would liable for injury. Within the G-77, AOSIS delegations responded that compensation should not concern lost revenues, but should address damages arising from temperature increases and sea level rise. Some participants expressed surprise that AOSIS did not voice stronger support for this proposal given its vulnerability to the effects of climate change. Others, however, suggested that AOSIS countries are fully aware of the practical problems in measuring, quantifying and billing for the impacts of climate change and a strong stance on this issue would merely be another stone in the road.

Nonetheless, some participants reported that the G-77 proposal announced during the final day will include a reference to compensation. Should support for this idea spread among members, the picture could become even more complicated. The already complicated mix of proposals on QELROs, according to many, raised more questions than it answered: how will JI and emissions trading be squared with QELROs? Under what conditions could developing countries accept AIJ and emissions trading? How will the EU stance against differentiation among Annex I countries square with the fact that emission reduction targets among EU countries range from a 40% increase to a 30% reduction? How closely will the US cling to many of its positions, when a number of delegations appear steadfastly opposed? Nonetheless, one participant reported that the G-77 proposals announced on the final day includes a “weak” reference to compensation. Should this concept become a focus of discussion, it will add another factor to an already complicated picture and delay progress towards a protocol.

**SBSTA:** Discussions in other subsidiary bodies are linked to the AGBM and could provide marker of progress and an indicator for future negotiations. This round of subsidiary body meetings was marked by a relative absence of science-related disagreements. Past SBSTA sessions involved controversies over use of the IPCC Second Assessment Report (SAR). In contrast, during AGBM-6, few if any delegates used scientific uncertainty to buttress their arguments. In fact, the EU cited the SAR’s results in presenting its proposed 15% emissions reduction target for the year 2010. Furthermore, IPCC Chair Bert Bolin created little reaction on the floor in stating that “no reasonable future reduction by Annex I countries would stabilize global emissions.” Absence of a heated

science debate and the methodological tasks SBSTA outlined for the work plan indicate that upcoming activities for the scientific community should focus on questions of implementation. It remains to be seen, however, what role scientists might play in assessing the impacts of P&M implementation by Annex I countries.

**AG13:** AG13’s discussions on a future multilateral consultative process (MCP), while at an early stage, produced what was characterized as its own Framework Compilation from past proposals and, based on discussions, could likely encounter problems similar to the AGBM. While not exactly a microcosm, there is some solid agreement as well as divergent perspectives as AG13 is heading toward a negotiating process. Chair Patrick Széll opened AG13-4 stating that the group cannot continue on a “diet of general statements” and, by the end of the session, noted that the group has achieved more than expected. Unlike the AGBM, delegates displayed a stronger willingness to compromise and incorporate proposals. This was particularly obvious when China and the EU tried to incorporate their proposals into the text. Like the AGBM, however, AG13’s efforts to clarify the form of a future MCP leave many details unclear, particularly in defining its field of expertise and in squaring its work with that of the SBI and SBSTA. Similarly, AG13-4 indicated that some differences will need to be resolved regarding the fundamental question of whether an MCP should have an advisory or a supervisory role.

**SBI:** The SBI’s discussions also indicated some areas of future disagreements. Delegates requested more time and more detailed information on many newly-proposed programmes, and expressed particular concern over the post-Kyoto process. Budget items for peer reviews of developing country national communications and mentions of emissions trading were not popular with developing countries. Developed countries voiced concern over a proposed increase in secretariat staff and the need for more resources. Delegates likewise requested more time to consider details of the GEF review. When discussing arrangements for COP-3, China and several other developing countries complained that negotiations on the Geneva Ministerial Declaration during COP-2 took them by surprise and, as a result, insisted on language noting that any new substantive proposals must be circulated six months prior to COP-3. When other delegations noted that standard UN practice provided ample warning, statements hinting at “conspiracy” and a lack of transparency arose frequently. This debate, waged at length, could prove particularly telling for Kyoto.

**LOOKING TOWARDS KYOTO:** During discussion on differentiation, a statement from the US noted that indicators can be read two ways. The indicators of progress for the climate change negotiations are equally equivocal. Whether these indicators signal that the AGBM is making slow, solid progress or slouching toward Kyoto seems a matter of opinion, as evidenced by participants’ comments.

One noted that the number of meetings will not hasten the progress of real action to combat climate change. Progress will occur when the constituencies that stand to gain from action are mobilized and supportive of the potentially painful measures that could be required. To date, with the exception of small island States, the groups that would benefit directly from action often appear only via general if not vague terms, such as “future generations of mankind” and “global benefit of all.” Those who face immediate monetary losses, however, are far more tangible and frequently waiting in the lobby. Another observer noted that AGBM-6 marked a milestone if only because the number of government delegates was surpassed by the number of NGO representatives, most of whom came from industry.

One veteran observer commented that these negotiations were difficult and, given the scale of both the problem and the changes

entailed by a solution, delegates were making considerable progress and will accomplish their assigned task. Another participant summarized the views of many skeptics by noting a certain irony: while Parties talked, positioned and bargained, the Rhein overflowed its banks due to unseasonably warm weather and melting snow in the mountains.

Chair Estrada made ample use of the gavel in the final sessions of AGBM-6 in an attempt to keep Parties focused on the proposals and away from lengthy debate. He noted that he may have to employ a heavy gavel with even more frequency at future AGBM meetings. Of all the signals and indicators regarding future sessions, this one is probably the safest bet.

## THINGS TO LOOK FOR

### CLIMATE CHANGE

**FCCC SUBSIDIARY BODIES:** The next sessions of the subsidiary bodies are scheduled to take place in Bonn from 28 July to 7 August 1997 at the Hotel Maritim. SBSTA, SBI and AG-13 will meet from 28-30 July and will likely meet once more the following week. The AGBM will begin on Thursday, 31 July. The subsidiary bodies are scheduled to meet again from 20-31 October 1997 at a conference facility in Bonn to be determined. At present, all subsidiary bodies except for AG13 are scheduled to meet in October.

**COP-3:** The third Conference of the Parties is scheduled for 1-12 December 1997 in Kyoto, Japan. COP-3 will immediately allocate the completion of decisions of the Berlin Mandate process to a sessional Committee of the Whole, open to all delegations. The political negotiations will be finalized in a ministerial segment, which will be convened from 8-10 December and where the final text of a protocol or other legal instrument will be adopted. For all meetings related to the FCCC, contact the secretariat in Bonn, Germany; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.de. Also try the FCCC home page at <http://www.unfccc.de> and UNEP's Information Unit for Conventions at <http://www.unep.ch/iuc.html>.

### WORKSHOP ON ACTIVITIES IMPLEMENTED JOINTLY IN THE AFRICAN AND MIDDLE EAST REGION:

This workshop will be held in Cairo, Egypt, on a date to be determined, and will be sponsored by the International Centre for Environment and Development (ICED) and the US Initiative on Joint Implementation (USIJI). The workshop intends to contribute to the understanding of the concept of AIJ and international discussions supporting the FCCC, and provide an opportunity for countries to identify and discuss AIJ projects of regional importance. For more information, contact: Eng Hadia El Zayyat; tel: +20-2-304-6032; fax: +20-2-304-6033; e-mail: iced@intouch.com, or Jackie Kreiger; tel: +1-202-586-3487; fax: +1-202-586-3485/861; e-mail: cmst@igc.apc.org.

**METHANE MITIGATION CONFERENCE:** This conference, scheduled from 3-5 June 1997, will be held at the National Agriculture University Campus, in Kiev, Ukraine. The conference intends to educate participants on the technical and economic aspects of methane mitigation. For information, contact Tom Kerr at the US Environmental Protection Agency; tel: +1-202-233-9768; fax: +1-202-233-9569; e-mail: kerr.tom@epamail.epa.gov.

**INTERNATIONAL CONFERENCE ON TECHNOLOGIES FOR ACTIVITIES IMPLEMENTED JOINTLY:** This conference is scheduled from 26-29 May 1997, at

the Westin Bayshore Hotel in Vancouver, Canada. The main aim of the conference is to provide the audience with speakers who have practical experience with technologies suitable for AIJ. They will report on their activities, highlighting achievements and potential pitfalls. For more information, contact Andrea Smith; tel: +44-0-1242-680753; fax: +44-0-1242-680758; e-mail: andrea@ieagreen.demon.co.uk. Also try their WWW site: <http://www.ieagreen.org.uk>.

**INTERNATIONAL CLIMATE CHANGE CONFERENCE AND TECHNOLOGIES EXHIBITION:** This conference is scheduled from 12-13 June 1997 in Baltimore, Maryland, USA, and is sponsored by the International Climate Change Partnership and the US Environmental Protection Agency. The conference will feature two days of conference sessions designed to demonstrate to the private and public sectors that the climate change policy process is moving forward in such a manner that will affect the global economy and, therefore, corporate business practices. For information contact: International Climate Change Conference; tel: +1-703-807-4052; +1-703-243-2874.

**WORLD SUMMIT OF CITIES FOR CLIMATE PROTECTION:** This conference, scheduled from 27-28 November 1997, in Nagoya, Japan, will raise awareness of the importance of combating climate change at the local level. Participants will discuss ways that local governments can effectively reduce their greenhouse gas emissions. For more information contact Philip Jessup, Cities for Climate Protection; tel: +1-416-392-1462; fax: +1-416-392-1478; e-mail: pjessup@iclei.org.

### COMMISSION ON SUSTAINABLE DEVELOPMENT

**CSD:** The fifth session of the CSD is scheduled for 8-25 April 1997. The Special Session of the UN General Assembly for review of the implementation of Agenda 21 is scheduled for 23-27 June 1997. For information on the CSD or the Special Session contact: Andrey Vasilyev, UN Division for Sustainable Development; tel: +1-212-963-5949; fax: +1-212-963-4260; e-mail: vasilyev@un.org. Also try the DPCSD home page at <http://www.un.org/DPCSD> and the Special Session home page at <http://www.un.org/dpcsd/earthsummit/>.

### GLOBAL ENVIRONMENT FACILITY

**GEF:** The proposed schedule of GEF Council Meetings in 1997 includes: 18-19 May, NGO Consultation; 20-22 May, GEF Council Meeting; 2-3 November, NGO Consultation; and 4-6 November, GEF Council Meeting. For more information contact Marie Morgan at the GEF Secretariat; tel: +1-202-473-1128; fax: +1-202-522-3240. Also try the GEF home page at <http://www.worldbank.org/html/gef>.

### TRADE AND ENVIRONMENT

**TRADE AND ENVIRONMENT: CONFLICT OR COMPATIBILITY?:** This conference is scheduled for 11 April 1997 at Chatham House in London and is sponsored by the Royal Institute for International Affairs, the American Chamber of Commerce (UK) and Cameron May Ltd. This conference will provide the first opportunity for businesses, governments representatives, NGOs and academics to analyze the current state of the debate in the wake of the WTO meeting. For more information contact: Sharon Moore, the Conference Unit, Royal Institute for International Affairs; +(44) 171-957 5700; fax: +(44) 171-321 2045. Also try <http://www.riia.org>.