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HIGHLIGHTS FROM THE MEETINGS OF THE FCCC SUBSIDIARY BODIES 23 OCTOBER 1997

Delegates to the eighth session of the *Ad Hoc* Group on the Berlin Mandate (AGBM-8) met in "non-group" sessions on quantified emission limitation and reduction objectives (QELROs), advancing the implementation of Article 4.1 and institutions, mechanisms and compliance. The Subsidiary Body for Scientific and Technical Advice (SBSTA-7) held an informal meeting with the Intergovernmental Panel on Climate Change (IPCC). The Chair of the AGBM conducted a briefing for observers on the progress of negotiations.

OBSERVER BRIEFING

AGBM Chair Raúl Estrada-Oyuela (Argentina) reported that AGBM-8 delegates should focus on producing consensus, but noted that many were still "playing games with brackets." He also said that a new "non-group" (QELROs-2) chaired by Bo Kjellén (Sweden) was established to address some aspects of QELROs, as well as articles related to, *inter alia*, emissions trading, joint implementation, voluntary commitments, review of national communications and review of commitments. The non-group Chairs gave brief statements on the upcoming work of their groups.

Responding to questions regarding the US position, announced by President Clinton on Wednesday, he noted that a number of questions would need to be answered. He characterized the position as a "modest" offer but said he was impressed that the US President had taken up the issue himself. He said the outcome will depend upon the reaction of other delegations, but noted that a position issued from a Head of State does not leave much room for flexibility.

NON-GROUP ON QELROS-1

The US introduced its position as announced by President Clinton on Wednesday. The position contained three elements. The US will commit to a binding target of returning emissions to 1990 levels in a budget period between 2008 and 2012, to reducing net emissions of all GHGs below 1990 levels in the five-year period thereafter (between 2013 and 2018), and working for further reductions in the years beyond that. It also called for a series of flexible market mechanisms, including emissions trading and joint implementation. The US will not assume binding obligations unless key developing countries meaningfully participate. He said this posi-

tion reflects the fact that if the entire industrialized world reduces emissions while developing countries continue to grow at their current pace, GHG concentrations will continue to climb.

The US also recalled that President Clinton announced a domestic program, including a US\$5 billion series of tax incentives and research investments to encourage energy efficiency and the use of cleaner energy. He also proposed the creation of a domestic market-based system for reducing emissions that will tie national efforts into a global emissions market.

On the discussion of the consolidated negotiating text, there was agreement that "each" of the Annex I Parties would take on commitments regarding targets. Delegates discussed whether Annex I Parties would "reduce," "limit" or "stabilize" anthropogenic emissions of GHGs with a "net" or "aggregate" approach and whether they would do it individually or jointly. A regional group favored reducing or limiting emissions of GHGs jointly and with an aggregate approach, but met objection from one country. A group of countries proposed that commitments for Annex I Parties be spelled out within the text instead of appearing in an attachment.

NON-GROUP ON INSTITUTIONS AND MECHANISMS

Delegates in the non-group on institutions and mechanisms agreed that there was no need to recapitulate elements from the FCCC in the preamble. On the article listing definitions, delegates agreed to delete text on the role of the Meeting of the Parties. A regional group introduced a new draft article based on the IPCC's scientific findings. Non-group Chair Takao Shibata (Japan) invited a number of delegations to consult on a substantive proposal to insert references to the FCCC objectives in the negotiating text. There was some resistance to a follow-up suggestion that the negotiating text also refer to FCCC principles. Of the two proposals contained in the negotiating text on the senior body to oversee the Protocol, the alternative which describes the Conference of the Parties as the supreme body of the Protocol attracted most support. The Chair offered to incorporate a number of points raised by one delegation into a fresh version of the preferred text. There was general support for institutional economy through which the existing institutions serve the purposes of the Protocol, and negotiators will endeavor to detail any new COP functions arising from new responsibilities.

NON-GROUP ON ARTICLE 4.1

The non-group on advancing existing commitments in Article 4.1 chaired by Evans King (Trinidad and Tobago) met in the morning and discussed the chapeau and second paragraph of the

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AGBM Chair's draft. There was some support for adding a reference to common but differentiated responsibilities. Delegates could not agree on whether to advance commitments "in accordance with" Convention Articles 4.3, 4.5 and 4.7 as favored by developing countries or "taking into account" those articles as proposed by developed countries. Delegates disagreed about a portion of a consensus text offered by the non-group Chair in which parties would work toward sustainable development. A delegation suggested replacing the chapeau with Convention and Berlin Mandate language.

On three sub-paragraphs describing national inventories and related methodologies and cooperation, delegates debated whether the text constituted a new commitment for developing countries or was a clarification of existing common but differentiated commitments. A regional group suggested combining sub-paragraphs on inventories or methodologies. Another group suggested replacement text for all three. A delegation proposed deleting all references to the Convention and to financial resources. A small group was convened in the evening to try to address the various recommendations.

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNICAL ADVICE

Dr. Robert Watson introduced a paper containing 16 decisions of the IPCC taken at its September meeting. He noted that the Third Assessment Report (TAR) would cover a range of scientific, technical, economic and social issues. It will consist of reports of IPCC Working Groups I (scientific aspects), II (vulnerability of systems) and III (mitigation), and will focus heavily on regional aspects. The three Working Group reports, which will be approved by late 2000 or early 2001, will be integrated into a policy relevant Synthesis Report, which will be completed by the second quarter of 2001.

The Synthesis Report will be written in a non-technical style suitable for policymakers and will address a broad range of key policy relevant questions. The IPCC Chair and the Working Group Co-Chairs will develop these questions in consultation with the President of the COP and chairs of other FCCC bodies. The questions will be circulated to governments for comment, and the IPCC will approve them at its Fourteenth Session.

The IPCC also took decisions on enhancing participation of experts from developing countries and countries with economies in transition, as well as business and development organizations. Other decisions related to: scope of the working groups and nominations of lead authors; peer-review process for the Working Group Reports and the TAR; the editorial review process; utilization of non-English language literature; the structure of the IPCC Bureau; publication and translation procedures; and the financial task team.

SBSTA delegates asked a number of questions regarding IPCC decisions, such as: whether the IPCC would consider developing an overall environmental objective for the FCCC processes; whether existing long-term observation and satellite systems were adequate; and whether the IPCC deadlines for comments were flexible. Other questions raised were: whether the "business as usual" scenario changes by applying IPCC recommendations; what impact would developing countries' actions have in changing it; and whether reducing emissions sooner rather than later would "buy" greater climatic resilience and certainty.

On the TAR, delegates asked: whether uncertainties in projections and conclusions would be addressed; whether research methodologies and techniques would be adequately spelled out; and whether several options and scenarios would be included to allow the reader to draw her own conclusions. Delegates also asked whether: the TAR would include adaptation options and impacts, particularly for developing countries; rely heavily on numerical models or use historical models as well; whether the synthesis report would address policy questions made by SBSTA; would the link, if any, between "El Niño" and global warming be addressed; and how would IPCC and SBSTA coordinate their schedules to ensure that TAR was sufficiently informed by SBSTA.

IN THE CORRIDORS

Reactions to the US positions were the order of the day in the corridors. Some "disappointed" EU delegates agreed with many of the facts underlying the US position, but said these facts were not properly reflected in the proposed targets. Recalling that the IPCC science calls for early action and indicates the need for significant reductions below 1990 levels, many said the US target, which is even lower than Japan's "inadequate" target, is a "long way" from this and intensive dialogue with all Parties was needed.

Some developing countries delegates were not surprised by the US position and said the G-77/China proposal was intended to counter-balance it. One developing country observer noted that the US, in promoting its containment policies, has played several unilateral cards worldwide as of late and speculated that inflexibility in this forum could lead to failure. Another said that no protocol is better than a protocol with new developing country commitments.

Environmental NGOs have begun preparing their strategic response, determined to "salvage" the AGBM process and ensure that a reported "celebration" by the business lobby on Wednesday evening was premature. Given the high-level nature of the US announcement, NGOs will focus their efforts on attempts to convince other Heads of State, such as British Prime Minister Blair and Germany's Chancellor Kohl to engage the White House. Japan will also face intense lobbying, as some NGOs have suggested that the host government for COP-3 had paved the way for the US announcement with its own "extremist" position.

The AGBM process is set to continue along parallel negotiating tracks, with "megaphone diplomacy" punctuating the formal talks in Bonn and beyond. One NGO speaker underlined his colleagues' determination to pursue the negotiators to the bitter end in December, with the thought that "it's not over 'til the fat lady sings."

THINGS TO LOOK FOR TODAY

OBSERVER BRIEFING: The observer briefing will be held at 9:30 am.

QELROs-2 NON-GROUP: This non-group will meet at 10:00 am.

SBSTA: SBSTA will meet at 10:00 am.

P&Ms NON-GROUP: The non-group on policies and measures will meet at 3:00 pm.

QELROs-1: This non-group will meet at 3:00 pm.