



Earth Negotiations Bulletin

.....
A Reporting Service for Environment and Development Negotiations

Vol. 12 No. 67

Published by the International Institute for Sustainable Development

Monday, 1 December 1997

THE THIRD CONFERENCE OF THE PARTIES TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE 1 - 10 DECEMBER 1997

The Third Conference of the Parties (COP-3) to the United Nations Framework Convention on Climate Change (FCCC) will open on 1 December 1997 at the Kyoto International Conference Hall in Kyoto, Japan. Delegates will meet in Plenary, then in a Committee of the Whole (COW) to discuss the adoption of a protocol or another legal instrument. A high-level segment will be convened from 6 - 7 December to hear statements from ministers and other heads of delegation.

The resumed eighth session of the *Ad Hoc* Group on the Berlin Mandate (AGBM-8) met on 30 November 1997. Delegates met informally to discuss the treatment of greenhouse gas (GHG) sinks, and then in Plenary to conclude discussions on the AGBM report to COP-3. Delegates agreed that informal consultations on sinks would continue through COP-3.

AGBM

AGBM Chair Raúl Estrada Oyuela reminded delegates that this meeting represented a continuation of AGBM-8, which began in Bonn a few weeks ago, and noted that the purpose was to address outstanding issues and facilitate the negotiations of COP-3.

The Secretariat reviewed the documents under consideration: the report of AGBM-8 (FCCC/AGBM/1997/8); the revised text under negotiation (FCCC/CP/1997/2 and Add.1); a technical review of the revised text under negotiation (FCCC/CP/1997/CRP.1); a note on measures by non-Annex I Parties to reduce the growth of their emissions (FCCC/AGBM/1997/CRP.5); a note on information submitted by Parties on possible criteria for differentiation (FCCC/AGBM/1997/Misc.3 and Add.1 and 2); responses to a questionnaire on sinks (FCCC/AGBM/1997/Misc.4 and Add.1 and Add.2); and a synthesis of information from Annex I national communications on sources and sinks in the land-use change and forestry sector (FCCC/TP/1997/5).

Chair Estrada highlighted the document on measures taken by non-Annex I Parties to reduce their emissions. He noted that messages coming from many sources, such as the press and governments, seem to deny the mitigation efforts made by developing countries. He said the document shows clear progress and asked delegates to keep this in mind, particularly when some developed

countries that have not fulfilled their commitments under the Convention argue that developing country commitments should be established on a quantitative basis.

He said the technical review paper points out aspects that need to be corrected in the draft protocol. He also noted that the addendum to the draft negotiating text includes a draft amendment to the Convention. The draft is an attempt to reflect the paragraphs prepared for a protocol in a different format. He noted that that adoption of an amendment would be done by three-quarters of the Parties. There is less definition on the way a protocol must be adopted. He said negotiations would continue on the basis of a protocol.

The RUSSIAN FEDERATION presented a proposal on Article 3 (QELROs). The proposal states that Parties included in Annex I shall ensure that their collective net aggregate anthropogenic carbon dioxide equivalent emissions of the GHGs listed in Annex A, expressed in terms of an emissions budget, as tonnes of carbon dioxide equivalent, inscribed in Attachment I, do not exceed [] tonnes. The text also states that each Party included in Annex I shall ensure that its net aggregate anthropogenic carbon dioxide emissions of the GHG listed in Annex A do not exceed its commitments, expressed in terms of emissions budgets, inscribed in Attachment I. The text proposes that commitments for each Party included in Annex I shall be established using the process set out in Annex B and shall be inscribed in Attachment I.

Chair Estrada noted that there were many unresolved issues regarding QELROs and delegates must decide at some point the number of gases to be included in the protocol. He proposed that delegates work from the presumption that the protocol would cover six gases — carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

The UK asked that the distinction between the three-gas and six-gas approaches be maintained. HUNGARY supported using a three-gas basket, and addressing the three additional gases later. EGYPT reserved the right to consult within the G-77/China, which will provide a joint statement. The RUSSIAN FEDERATION preferred the three-gas approach at this stage. He said that if the basket includes more than three gases, then obligations must be considered further and there must be flexibility. TANZANIA highlighted the G-77/China proposal, which would call upon Parties to reduce emissions of three gases and make efforts to control and phase out the other three.

This issue of the *Earth Negotiations Bulletin* <enb@iisd.org> is written and edited by Paola Bettelli <paobe@ix.netcom.com>, Chad Carpenter, LL.M. <chadc@iisd.org>, Deborah Davenport <ddavenp@unix.cc.emory.edu>, Peter Doran <P.Doran@ulst.ac.uk> and Steve Wise <swise@igc.apc.org>. Webmistress Stephanie Sim <stephsim@pacific.net.sg>. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James "Kimo" Goree VI <kimo@iisd.org>. The sustaining donors of the *Bulletin* are the Netherlands Ministry for Development Cooperation, the Government of Canada and the United States of America (through USAID). Support for coverage of this meeting was provided by the UNFCCC Secretariat, the Ministry of Foreign Affairs of Norway, the Canadian Pulp and Paper Association and Keidanren: Japan Federation of Economic Organisations. General support for the *Bulletin* during 1997 is provided by the Department for International Development (DID) of the United Kingdom, the Ministry of Foreign Affairs of Denmark, the European Community (DG-XI), the German Ministry of Environment, Nature Conservation and Nuclear Safety, the Ministries of Environment and Foreign Affairs of Austria, the Ministry of Environment of Sweden, the Swiss Federal Office of the Environment, the Ministry of Environment of Finland and UNDP. During COP-3 the authors can be contacted at +81 (0)75 705 1234 Ext. 2618. 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 the *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 non-commercial publications only and only with appropriate citation. Electronic versions of the *Bulletin* are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca>. The satellite image was taken from 100,000 km above Kyoto, Copyright (c) 1997 The Living Earth, Inc. <http://livingearth.com>. For further information on ways to access, support or contact the *Earth Negotiations Bulletin*, send e-mail to <enb@iisd.org>.



The US indicated that it had consistently advocated a comprehensive approach regarding the inclusion of a broad spectrum of GHGs within the scope of the protocol or legally binding instrument and, therefore, supported the proposal by the Chair to work on the basis of six GHGs, instead of three. NORWAY noted its support for the proposal by the Chair and said that methodologies were available to work on the basis of six GHGs. CHINA reiterated the G-77/China's preference for a gas-by-gas approach. SWITZERLAND said that it originally made a proposal based on three GHGs, but favored the inclusion of all GHGs not covered by the Montreal Protocol, including HFCs, PFCs, and SF₆. POLAND suggested that additional GHGs could be included at a later stage. BRAZIL noted that long-lived gases required the attention of the AGBM and hoped that consensus could be reached in this respect.

The Chair of the informal group on sinks, Antonio La Viña, (Philippines) reported that the group had worked on a proposal containing four options. According to the first one, QELROs should be calculated on a "net-net" basis, i.e., all sources minus all sinks in both the base year and the target year for the first budget period; the second option proposes that a sink category called "land use change and forestry" (LUCF) not be considered for the establishment of QELROs in the first budget period, but provides for the IPCC to improve methodologies geared to the inclusion of LUCF during the second budget period. The third option proposes the exclusion of LUCF for the establishment of QELROs, with the proviso that they be included at a later stage by the Meeting of the Parties (MOP) on the basis of new modalities and revised IPCC methods. Under the fourth option, the establishment of QELROs excludes the LUCF category, but allows GHG removal by "new activities" to be counted towards compliance if "verifiable." The "new activities" would be defined on the basis of advice from the IPCC and agreed upon by the COP.

The informal group Chair noted that while Parties acknowledged the importance of sinks, they discussed scientific uncertainties regarding sinks' GHG absorption capacity, and methodologies used to calculate this. He noted that options 3 and 4 might serve as a basis for a compromise solution, considering the marked divergence of views on options 1 and 2.

CHINA drew attention to the fact that budget periods appeared under each of the options, and recalled the G-77/China's objection to this concept. BRAZIL and ICELAND indicated that the issue of sinks needed to be sorted out before settling targets for QELROs. BRAZIL noted the value of the third option as a basis for compromise. It was agreed that consultations on the matter would continue during COP-3.

Introducing a discussion on budgets, Chair Estrada noted that the G-77/China favors target years and there is a general trend towards acceptance of the possibility of budgets. The G-77/CHINA said the assumption of a consensus on budgeting could be premature. The budget concept does not appear in the Berlin Mandate. CHINA said the budget concept has been introduced along with a string of extraneous issues. A text submitted by the G-77/CHINA, setting out six reasons for rejecting the budget concept, had been suppressed and did not appear in the Chair's revised negotiating text. Chair Estrada said his revised paper included only those items which had actually been discussed at the AGBM in Bonn. He said the possibility of using budgets is open.

He called for compromise on policies and measures, noting that some delegations are seeking a mandatory approach while others want none. The EU said it had made considerable concessions in Bonn by simplifying proposals on which policies and measures should be mandatory. EGYPT invited the Chair to present a balanced proposal. The RUSSIAN FEDERATION proposed a middle path consisting of national measures. He said the question of policies and measures is linked to other issues including the basket of gases to be adopted and the level of flexibility to be accorded to Russia and other countries with economies in transition. He urged delegations to begin seeking compromise immediately and not to leave all the negotiating work to government ministers. The EU tabled a new proposal, stating that any signatory or Party not included in Annex 1 nor acting under Article 10 may notify the depository that it has opted to adopt and implement some or all of the policies and measures and/or to participate in the coordination process referred to elsewhere in the protocol. The G-77/CHINA objected to the inclusion of a reference to non-Annex I Parties.

The Chair said a title for a possible protocol had been agreed at an expanded Bureau meeting: "The Kyoto Protocol to the UN Framework Convention on Climate Change on Greenhouse Gases." The G-77/CHINA and others said it was premature to decide a name before the content of the protocol. The Chair said that the rapporteur should summarize the day's session for COP-3, noting that he had planned to add conclusions to the AGBM report but no conclusions had been reached. The AGBM adjourned.

IN THE CORRIDORS

The AGBM Chair, Raul Estrada, is expected to take over the task of chairing the QELROs working group during COP-3. The new role - together with his job of chairing the COW - will put Estrada in a key position to pursue his proactive approach to the negotiations and bring his influence to bear on the high level negotiations expected at the end of COP-3. At Sunday's resumed AGBM meeting, Estrada demonstrated his ability to send clear signals to Parties whose demands he views as unsustainable. Drawing attention to a document he commissioned on developing country efforts to address climate change, he called on those developed countries that have not fulfilled their existing commitments to take note.

THINGS TO LOOK FOR TODAY

PLENARY: Plenary will meet at 10:00 am in the Main Hall.

COW: The COW will convene immediately after the completion of Agenda Item 2(f) (organization of work) in Plenary.