



THE FOURTH MEETING OF THE CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE 2-13 NOVEMBER 1998

The Fourth Meeting of the Conference of the Parties to the UN Framework Convention on Climate Change (COP-4) will be held from 2-13 November 1998 in Buenos Aires, Argentina. Delegates will discuss the implementation of commitments of the Convention, including national communications, development and transfer of technology, the second review of the adequacy of commitments and activities implemented jointly (AIJ). Delegates will also debate matters related to the Kyoto Protocol, including land-use change and forestry, Article 6 (certified emissions reductions), Article 12 (clean development mechanism) and Article 17 (international emissions trading). Delegates will also discuss voluntary commitments by non-Annex I Parties. A high-level segment is scheduled from 12-13 November 1998.

A BRIEF HISTORY OF THE FCCC AND THE KYOTO PROTOCOL

COP-1: The first meeting of the Conference of the Parties to the FCCC (COP-1) took place in Berlin from 28 March - 7 April 1995. In addition to addressing a number of important issues related to the future of the Convention, delegates reached agreement on what many believed to be the central issue before COP-1 - adequacy of commitments, the "Berlin Mandate." The result was to establish an open-ended Ad Hoc Group on the Berlin Mandate (AGBM) to begin a process toward appropriate action for the period beyond 2000, including the strengthening of the commitments of Annex I Parties through the adoption of a protocol or another legal instrument.

COP-1 also requested the Secretariat to make arrangements for sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI). SBSTA would serve as the link between scientific, technical and technological assessments, the information provided by competent international bodies, and the policy-oriented needs of the COP. During the AGBM process, SBSTA addressed several issues, including the treatment of the IPCC's Second Assessment Report (SAR). SBI was created to develop recommendations to assist the COP in the review and assessment of the implementation of the Convention and in the

preparation and implementation of its decisions. SBI also addressed several key issues during the AGBM process, such as the national communications and activities implemented jointly.

The Ad Hoc Group on Article 13 (AG13) was set up to consider the establishment of a multilateral consultative process available to Parties to resolve questions on implementation. AG13-1, held from 30-31 October 1995 in Geneva, decided to request Parties, non-Parties, and intergovernmental and non-governmental organizations (NGO) to make written submissions in response to a questionnaire on a multilateral consultative process (MCP). Delegates continued their discussion over the course of three meetings. At their fifth session, they agreed that the MCP should be advisory rather than supervisory in nature and AG13 should complete its work by COP-4.

AD HOC GROUP ON THE BERLIN MANDATE: The AGBM met eight times between August 1995 and COP-3 in December 1997. During the first three sessions, delegates focused on analyzing and assessing possible policies and measures for the strengthening of the commitments of Annex I Parties, how Annex I countries might distribute or share new commitments, and whether commitments should take the form of an amendment or protocol. AGBM-4, which coincided with COP-2 in Geneva in July 1996, completed its in-depth analysis of the likely elements of a protocol and States appeared ready to prepare a negotiating text. At AGBM-5, which met in December 1996, delegates recognized the need to decide whether or not to allow mechanisms that would provide Annex I Parties with flexibility in meeting quantified emission limitation and reduction objectives (QELROs).

During the sixth and seventh sessions of the AGBM, in March and August 1997, respectively, delegates "streamlined" a framework compilation text by merging or eliminating some overlapping provisions within the myriad of proposals. Much of the discussion centered on a proposal from the EU for a 15% cut in a "basket" of three greenhouse gases by the year 2010 compared to 1990 levels.

In October 1997, as AGBM-8 began, US President Bill Clinton included a call for "meaningful participation" by developing countries in the negotiating position he announced in Washington. With those words, the debates that shaped agreement back in 1995 resurfaced, with an insistence on G-77/China involvement once again linked to the level of ambition acceptable by the US. In response, the G-77/China distanced itself from any attempts to draw developing countries into agreeing to anything that could be interpreted as new commitments.

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COP-3: The Third Conference of the Parties (COP-3) to the FCCC was held from 1 - 11 December 1997 in Kyoto, Japan. Over 10,000 participants, including representatives from governments, intergovernmental organizations, NGOs and the press, attended the Conference, which included a high-level segment featuring statements from over 125 ministers. Following a week and a half of intense formal and informal negotiations, including a session that began on the final evening and continued into the following day, Parties to the FCCC adopted the Kyoto Protocol on 11 December.

In the Kyoto Protocol, Annex I Parties to the FCCC agreed to commitments with a view to reducing their overall emissions of six greenhouse gases (GHGs) by at least 5% below 1990 levels between 2008 and 2012. The Protocol also establishes emissions trading, "joint implementation" between developed countries, and a clean development mechanism (CDM) to encourage joint emissions reduction projects between developed and developing countries. As of 29 September 1998, 57 countries had signed the Kyoto Protocol.

SELECTED MEETINGS SINCE KYOTO

MEETINGS OF THE FCCC SUBSIDIARY BODIES: The subsidiary bodies of the UN Framework Convention on Climate Change (FCCC) met from 2-12 June 1998 in Bonn, Germany. These were the first formal FCCC meetings since the adoption of the Kyoto Protocol at the Third Conference of the Parties (COP-3) in December 1997. The eighth session of SBSTA (SBSTA-8) agreed to draft conclusions on, *inter alia*, cooperation with relevant international organizations, methodological issues, and education and training. The eighth session of SBI (SBI-8) reached conclusions on, *inter alia*, national communications, the financial mechanism and the second review of adequacy of Annex I Party commitments. In its sixth session, the Ad Hoc Group on Article 13 (AG13) concluded its work on the functions of the Multilateral Consultative Process (MCP). After joint SBI/SBSTA consideration and extensive contact group debates on the flexibility mechanisms, delegates could only agree to a compilation document containing proposals from the G-77/China, the EU and the US.

FOURTEENTH SESSION OF THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC): IPCC's 14th Plenary Session was held in Vienna from 1-3 October 1998. The IPCC approved the chapter outlines for the Special Report on Land Use, Land Use Change and Forestry. SBSTA requested the Special Report from the IPCC at SBSTA-8. The Special Report will be completed around May 2000 under the chairmanship of Dr. Robert T. Watson, Chair of the IPCC. The IPCC took note of the chapter outlines of the reports of the three Working Groups that will form the first three volumes of its Third Assessment Report (TAR). The IPCC also decided on the procedure to approve and adopt the Synthesis Report of its Third Assessment Report. The Synthesis Report will consist of a Summary for Policymakers (5-10 pages) and an underlying longer report (ca. 50 pages). The target date for completing the Synthesis Report is mid-2001. The reports of the three IPCC Working Groups (and their SPMs) will be completed 3-4 months earlier.

The IPCC also reviewed and amended the Principles Governing its Work. It agreed to establish a Task Force for National Greenhouse Gas Inventories (TFI) with a Bureau and a Technical Support Unit (TSU/TFI). The Government of Japan has agreed to establish and maintain the TSU/TFI at the Institute for Global Environmental Strategies, a NGO near Tokyo, and will name a Co-Chair for TFI. The other Co-Chair will be from a developing country. Until IPCC-XVI, the TFI Bureau will consist of 8-12 members, drawn from the countries represented on the IPCC Bureau. For more information contact: IPCC Secretariat, World Meteorological Organization, 41 Ave., Giuseppe-Motta, CP No. 2300, 1211 Geneva 2, Switzerland; tel: (+41 22) 730 8284; fax: (+41 22) 733 1270.

IEA-UNEP PARIS WRAP-UP SESSION: The last of a series of joint IEA-UNEP regional workshops on the CDM took place in Paris, France from 7-8 October 1998 and was attended by approximately 130 participants from 41 countries. Climate Change experts, negotiators, government, NGO and industry representatives exchanged views on what priorities and issues should be addressed at COP-4 and beyond to promote the CDM. Other workshops had been held in Brazil, India, China and Ghana. IEA and UNEP sought to build awareness on the CDM and provide an informal platform for discussion.

Although there were no official conclusions, participants agreed that CDM projects should achieve: sustainable development objectives established by the host developing country; cost effective emission reductions for developed countries; and global GHG emission reductions. Key operational issues that need to be addressed in order to ensure credibility and effectiveness of CDM are: governance procedures; establishment of baselines and definitions of additionality; a good certification process; clear, transparent and consistent rules; and significant capacity building in developing countries in order for them to develop, implement and monitor CDM projects.

Major unresolved issues include: equity in the implementation of the CDM (balance of benefits between Annex I and non-Annex I countries, balance of projects between regions in non-Annex I countries); clear definition of governance procedures, baselines and the certification process; sharing of credits (percentage of CERs between host and investor countries); interconnection between CDM projects and national sustainable development priorities; linkages with other cooperative mechanisms including a possible adaptation fee on all mechanisms and a cap on the use of these mechanisms in meeting Kyoto commitments; and more specificity with respect to capacity building to help develop and implement the CDM--for what, for whom and using what funds.

Participants also highlighted the following risks: devaluation of national commitments in Annex I countries or risk that the Kyoto Protocol will not be ratified (creates a lower demand for CERs); price of CERs influenced by emissions trading and other opportunities for cost-effective actions. Although no consensus was reached (or sought) participants expressed the view that they left the workshop with a better understanding of each other's views and concerns leading into COP- 4. This will enable negotiators to have fewer "surprises" and give them a head start on fixing priorities for work after COP- 4. The IEA and UNEP will be holding a side event at COP- 4 on 6 November from 1:00-3:00 pm to present the results of the regional CDM workshops and inform negotiators of the main outcomes of this joint effort.

THINGS TO LOOK FOR TODAY

PLENARY: Plenary will meet at 10:00 am and continue in the afternoon as necessary. The subsidiary bodies will meet following plenary.