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HIGHLIGHTS OF FCCC COP-2 WEDNESDAY, 17 JULY 1996

The Plenary met on the eighth day of the Second Conference of the Parties (COP-2) to the Framework Convention on Climate Change (FCCC) to convene the Ministerial Segment. In the afternoon, a high-level Ministerial Round Table met.

PLENARY

MINISTERIAL SEGMENT: COP President H.E. Chen Chimutengwende (Zimbabwe) introduced the high level segment of the Plenary. He said high level input will be instrumental in advancing the Berlin Mandate process. A new impetus is needed in the work of the *Ad Hoc* Group on the Berlin Mandate so that negotiations can begin. FCCC Executive Secretary, Michael Zammit Cutajar, invited Ministers to: undertake additional efforts; endorse the SAR; start urgent negotiations on the Berlin Mandate; address developing country Party needs for financial support; and ensure serious review of implementation of future commitments.

SWITZERLAND: Ruth Dreifuss, Federal Councillor and Head, Federal Department of the Interior, recommended that the COP endorse the SAR and invited countries whose economic development is sufficient to join the OECD to voluntarily fulfill Annex I responsibilities. The Swiss GHG inventory indicates that carbon dioxide emissions may stabilize at 1990 levels by 2000.

The G-77/CHINA: Manuel Dengo, Ambassador of Costa Rica to the United Nations, said developed country Parties must strengthen their commitments in Articles 4.2 (a) and (b), including elaboration of policies and measures and QELROs with specified time frames. They are setting a bad precedent by evading responsibilities. The GEF's actions depend on decisions of the COP and not the reverse.

The EU: Brendan Howlin, Minister for the Environment of Ireland, reaffirmed the EU's commitment to an ambitious outcome to the Berlin Mandate. The EU is on course to return CO₂ emissions to 1990 levels by 2000. Carbon dioxide concentration levels lower than 550 parts per million should guide global efforts. He called for a ministerial declaration that endorses the SAR and the precautionary principle, calls for enhanced implementation, and invites new proposals on the Berlin Mandate process, which must be accelerated.

AOSIS: Tuiloma Neroni Slade, Ambassador Extraordinary and Plenipotentiary of Western Samoa to the United Nations, said GHG reductions are technically possible and economically

feasible. He advocated the targets and timetables set out in an AOSIS protocol and endorsement of the SAR.

CENTRAL AMERICA GROUP: Luis Flores Asturias, Vice President of Guatemala, described political changes in the region and said Parties must strengthen commitments in Articles 4.2 (a) and (b) and support the Berlin Mandate process to establish verifiable and time tabled reductions.

POLAND: Stanislaw Zelichowski, Minister of Environmental Protection, said reduced emission levels by economies in transition helped to offset slight increases by OECD country Parties. Some countries may be obliged to increase GHGs to pursue their right to economic and social development.

AUSTRALIA: Robert Hill, Minister of the Environment, voiced his commitment to fulfilling his obligations under the FCCC and acknowledged the importance of the SAR. He said it would be premature to establish a particular point at which levels of GHGs become dangerous. He supported the reduction of CO₂ emissions under the precautionary principle, the enhancement of carbon sinks, the cultivation of AIJ programs and a cooperative and equitable approach.

The US: Timothy Wirth, Under-Secretary of State for Global Affairs, endorsed both the IPCC and the SAR, noting the SAR as a basis for urgent action. He called on countries not to ignore the science nor allow action to be delayed by those "bent on obfuscating the results". He stressed the need to focus on real and achievable targets which incorporate measured adjustments. He opposed mandatory harmonized policies and measures.

GERMANY: Angela Merkel, Federal Minister for the Environment, Nature Conservation and Nuclear Safety, said the SAR confirms the need for more intensive action. The goals of the FCCC can only be achieved through international cooperation that recognizes Parties' "common but differentiated" responsibilities. She stressed the need for flexibility, particularly for economies in transition, as well as legally binding commitments for policies and measures, noting that some measures will only be effective if harmonized among Annex I countries.

JAPAN: Sukio Iwaware, Minister of State, Director General of the Environment Agency, urged the COP to shift its emphasis from analysis and assessment to negotiation by consolidating the points and proposals. He called for the formulation of a legal instrument that reflects: precautionary measures; environmental effectiveness; equitable and efficient distribution of policy efforts; positive direction; creation of a foundation for global

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measures; and the active development and transfer of clean technologies.

INDONESIA: Sarwono Kusumaatmadja, Minister of the Environment, noted his country's efforts to manage GHG emissions, enhance its carbon sink capacity through improved agricultural and land use practices and incorporate precautionary measures into its coastal zone management plan. He called on Annex I countries to increase their efforts to reduce GHG emissions to levels stipulated in the FCCC and urged the COP to adopt its rules of procedure. He welcomed AIJ on a voluntary basis in accordance with the Berlin Mandate, assistance with human resource development and national capacity building, and equitable sharing of benefits and differentiated responsibilities under the Convention.

CANADA: Sergio Marchi, Minister of the Environment, strongly supported the SAR as a basis for urgent action, noting that uncertainties regarding the rate and level of climate change are not grounds for inaction. He said countries need to work "harder, faster and smarter" and encouraged the development and use of clean technologies, projects aimed at energy efficiency and the involvement of governments, international institutions, industry and NGOs in an open and transparent process. He called for the establishment of targets for the year 2000 and beyond.

CHINA: Li Zhaoxin, Vice Minister, Ministry of Foreign Affairs, fully supported the G-77/China. He called for the use of sustainable consumption and production patterns, the development of domestic policies and measures, recognition of Parties' common but differentiated responsibilities, and the need to set GHG emission targets with specific time frames. He commended Annex I countries for their efforts in producing national reports. He sought financial and technological assistance for non-Annex I countries in meeting their responsibilities under the FCCC.

SWEDEN: Anna Lindh, Minister of the Environment, said a continued strategy for reducing CO₂ emissions should include concrete technical measures in a protocol and called for wise transformation of industrial processes, energy systems and transport patterns. She also focused on economic instruments to promote cost-effective measures and noted Sweden's positive experiences with environmental taxes. She recommended harmonized taxation on CO₂ emissions as an effective measure.

THE NETHERLANDS: Margaretha de Boer, Minister of Housing, Spatial Planning and Environment, said she is prepared for serious negotiations on a protocol to the FCCC. She supported the findings of the SAR and expressed confidence that emission reductions can be achieved, provided that industrial countries coordinate their actions. Parties should accept that costs differ from country to country and achieve reductions at the lowest cost. She also reported on the Climate Technology Initiative (CTI) on behalf of the OECD and the EUROPEAN COMMISSION. The CTI is a linked set of international measures to promote awareness of technical responses to climate change and identify and share expertise between countries.

GHANA: Sam P. Yalley, Deputy Minister of the Environment, Science and Technology, noted that the anticipated impact of climate change will be irreversible in his country. Although Ghana has not prepared a national communication, it has prepared an inventory of GHGs and has initiated "no regrets" measures. He highlighted the slowness of the process and called for expeditious funding from the GEF. He expressed strong concern regarding attempts to sway delegates from taking measures recommended by the IPCC, particularly those who based their arguments on economic losses.

The UK: John Gummer, Secretary of State for the Environment, noted that in Rio developed countries agreed that

they had enjoyed the benefits of development, and must now shoulder the burden. Many will not make their emission targets. He disagreed with calls for a long-term GHG regime and said no developed country can avoid taking action now. Developed countries must help by exporting only clean technology. He called for removing subsidies on the use of fossil fuels, introducing competitiveness into energy markets, increasing road fuel duties, improving fuel efficiency in cars, increasing tax on aviation fuel by removing the present exemption and improving domestic efficiency standards. He noted that some of the most inefficient offices are owned by the governments who talk the most about climate change.

PORTUGAL: Elisa Ferreira, Minister of the Environment and Natural Resources, said this Conference is the moment to confirm agreements and to reaffirm the political will to negotiate practical action. She noted a number of measures currently underway in Portugal, and distinguished between the need for economic growth and the need to lower emissions. At the bilateral level, her country will engage in many development projects designed to support the goals of the FCCC.

DENMARK: Svend Auken, Minister for the Environment and Energy, contrasted the need for reductions and the forecast for energy needs for the coming years and noted that even the OECD countries will experience substantial growth. He supported coordinated measures in taxation. He noted that there will be an enormous volume of investment in the energy sector and AIJ must be truly additional to this investment. AIJ must not be a loophole for subsidizing energy exports to developing countries, not a "sorry excuse" for postponing actions needed in developed countries.

IN THE CORRIDORS I

Individuals attending the Ministerial Round Table reported that participants addressed the theme of new scientific findings and opportunities, and discussed whether the SAR provided additional justification for political action, what action is needed to reaffirm the credibility of existing commitments of Annex I Parties and what action is needed to give a new impulse to the negotiating phase of the Berlin Mandate process. One observer reported that the Round Table discussions mirrored those held throughout COP-2, with delegates disagreeing on the weight to be given the SAR. Some delegations strongly promoted both a protocol and a ministerial declaration. It was reported that the Round Table heard many interventions but had limited substantive debate. Observers were unable to state decisively whether the discussions were effected by the increased number of participants or simply reflected how far ministers were willing to go at COP-2.

IN THE CORRIDORS II

Consensus continues to elude COP-2 on a number of issues. Mohamed Ould El Ghaouth, Chair of the Subsidiary Body for Implementation, held separate consultations yesterday with delegates of developed and developing countries to discuss the Annex to the Memorandum of Understanding between the COP and the GEF. Additionally, some observers suggested that the deadlock over the rules of procedure will continue beyond COP-2.

THINGS TO LOOK FOR TODAY

PLENARY: The Ministerial Segment will re-convene at 10:00 a.m. in the Assembly Hall.