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HIGHLIGHTS FROM THE FCCC AD HOC GROUP ON THE BERLIN MANDATE 31 JULY 1997

The seventh session of the Ad Hoc Group on the Berlin Mandate (AGBM) of the Framework Convention on Climate Change (FCCC) opened on 31 July 1997 in Bonn, Germany. Delegates gave opening statements in a morning Plenary session and attended closed meetings in the afternoon to discuss the topic of continuing to advance implementation of existing commitments in Article 4.1 and quantified emissions limitation and reduction objectives (QELROS).

PLENARY

Chair Raul Estrada-Oyuela (Argentina) opened the seventh session of the AGBM and said that as COP-3 approached, he remained optimistic despite expected difficulties. He noted that the G-7+1 meeting in Denver and UNGASS demonstrated new interest in climate change problems. He pointed out that, although some criticized the scope of the Berlin Mandate, AGBM is not competent to change it. He noted that under FCCC, developed countries committed themselves to take the lead in reducing emissions and not until this occurred, would developing countries be able to assume greater responsibilities. He acknowledged progress toward an agreement, and pointed to the EU commitment and proposal as a step forward. He noted that two Parties' definitions on targets would be crucial to the process.

FCCC Executive Secretary Michael Zammit-Cutajar indicated that, at Kyoto, he expected a clear agreement on the understanding of Annex I country commitments under FCCC. The result from Kyoto should be a "strong punch" against "business as usual." It should send a signal to the real economic actors that things will change in a way that is compatible both with their interests and with sustainable development. It should be possible to monitor implementation. Although optimistic, he recognized the difficulty in reducing the proposals on the table to the sort of signal he described. He urged delegations to enter into a negotiating mode proving that they are able to go beyond "playing with text."

TANZANIA, on behalf of the G-77/CHINA, said that the basis for action and for an agreement must be strict adherence to the Convention and to the Berlin Mandate. He indicated that an agreement entailed advancing commitments for Annex I Parties, while avoiding new ones for non-Annex I Parties. He referred to UNGASS outcomes, highlighting that in addition to establishing targets, there was widespread agreement that it will be necessary to achieve them taking into account the adverse effects of response measures on all countries, especially the developing countries.

IPCC Chair Bert Bolin remarked on the Second Assessment Report, which states that "the balance of evidence suggests a discernible human influence on global climate." He stated that enhanced GHG concentrations correspond to a change in global mean temperature of 0.7-2.1°C, but are limited to 0.2-1.1°C by aerosol concentrations and climate system inertia. He stated that global warming for the full range of IPCC emission scenarios and climate sensitivities was estimated to be in the range 1.0-3.5°C by the year 2100. He noted that recent analysis shows that Annex I

countries were responsible for 64% of the total CO₂ emissions in 1996, down from 75% in 1985. Although most of the increased emissions stem from non-Annex I countries, they will not reach 50% of the total emissions until at least 15-20 years from now. He noted that stabilization of CO₂ in the long-term requires efforts by all countries. He stated the efficient use of energy is the prime and most obvious short-term measure to be considered both by Annex I and non-Annex I countries.

LUXEMBOURG, on behalf of the EU, recalled its proposal that "Annex X" Parties, individually or jointly, in accordance with the Berlin Mandate, should reduce emission levels for CO₂, CH₄ and N₂O together (weighted total, using Global Warming Potential with a 100-year time horizon) by 2005 by at least 7.5% below 1990 levels. He also proposed that HFC, PFC and SF₆ should be added no later than 2000 to the "basket" of gases for these reduction objectives. He said that developed countries must face up to their responsibilities and take the lead. However, all Parties must realize that in the longer term an increasingly global effort is needed to tackle the issue.

BRAZIL summarized its proposal (FCCC/AGBM/1997/MISC.1/Add.3) by calling for a direct and objective link to be established between the annual rate of GHG emissions and the increase in global mean surface temperature. He proposed that reduction targets be established in terms of temperature change. He called for the establishment of a mechanism to guarantee that non-Annex I countries address climate change. He called for the development of quantitative targets for non-Annex I countries as they reach appropriate levels of well-being. He proposed that the Clean Development Fund receive mandatory contributions from Annex I Parties in proportion to their overall non-compliance. He noted four points of negotiation: reduction targets of Annex I Parties expressed in temperature change; time of performance review for Annex I countries; initial year of consideration for historical emissions; and value of assessed contribution to the Clean Development Fund. He requested that the proposal be formally submitted to the COP-3.

ZIMBABWE, for the African Group, expressed hope that the AGBM will accelerate the negotiating process and reach agreement by the end of the next session. She noted that African countries are often marginalized by the interim funding mechanism process. She expressed concern with the lack of progress made in political deliberations and urged that the policies and measures (P&Ms) and quantified emissions limitation and reduction objectives within specified time frames (QELROs) contain provisions for socio-economic impact assessments. She noted that any decision reached should not increase the socio-economic and environmental burdens placed on Africa. She stated that an agreement should include commitment of financial resources and technologies for African countries.

The RUSSIAN FEDERATION said the outcome should go through the same ratification process as the Convention and that CO₂ reduction targets must be considered alongside goals for removal. SLOVENIA signaled its preparation to eventually join Annex I Parties in complying with legally binding commitments and supported an EU proposal for GHG reductions.

The US said the AGBM agreement must maintain legally binding targets, provide maximum flexibility, include credible and realistic levels, include mechanisms for national compliance and involve all countries. He said it was not possible to decide what kind of numerical target might be undertaken without knowing what constraints would be imposed on such a target. The US had introduced proposals on emissions trading, joint implementation, a budget process and a banking process to increase flexibility and reduce costs. In this regard he outlined two new proposals, which he said are critical in determining the agreement structure. He explained that a legally binding agreement would require a compliance mechanism to which flexibility concepts could be added, although these were currently tinged with some political heat. He also called for a comprehensive approach including all GHGs, sources, sectors and sinks. Where countries failed to use the enabling IPCC methodology to adopt such an approach they should be penalized. On all-country participation, he called for an improved definition of Article 4.1 and the Berlin Mandate. While there is a difference between Annex I and non-Annex I countries it was unreasonable to expect that there was nothing to be done between the Annex I and non-Annex I commitments. To address this the US had proposed some middle ground. The US proposal includes a recommendation for a long-term process toward the objective of the Convention including all countries and seeking evolution. A new negotiation would certainly follow the AGBM and within that timeframe all countries must participate.

UZBEKISTAN said the countries in transition require investment in new technologies. SAUDI ARABIA addressed contradictions in Annex I policies, such as increased fossil fuel production by developed countries in the event of lower consumption, leading to lower imports, and subsidies provided to some fossil fuel sectors while taxing the use of other fossil fuels. He asked for consideration of compensation in the event of negative economic impacts on some States.

The Chair outlined the organization of work (Item 2(b)) and introduced documentation, including the main negotiating text compiled at AGBM-6 (FCCC/AGBM/1997/3/Add.1) and proposals from Parties received after AGBM-6 (FCCC/AGBM/1997/MISC.1/Add.2,3,4, and 5). The Chair stated that delegates would meet in closed sessions in the afternoon: continuing to advance implementation of existing commitments in Article 4.1, chaired by Evans King (Trinidad and Tobago); and QELROS, chaired by Luiz Gylvan Meira Filho (Brazil). Closed non-group sessions on Article 4.1 will continue on Friday. A non-group on institutions, mechanisms and other clauses, chaired by Takao Shibata (Japan) will begin on Friday. Briefings for observers will be held each morning.

The Chair invited a number of Parties with new proposals to make presentations. JAPAN called for: a SBSTA study on the removal of carbon dioxide via sinks before the issue is taken up under QELROS; a review process to reflect the latest science; and for linkage between entry into force of an agreement and the total aggregate emissions of ratifying countries.

GEORGIA called for improved financial mechanisms for the energy sector and to encourage private sector participation in AIJ.

SAMOA, for the ALLIANCE OF SMALL ISLAND STATES, outlined proposals to fully reflect the precautionary principle in the work of the AGBM. He said a guiding objective of the AGBM agreement should be to ensure that global sea level rise resulting from climate change does not exceed 20 cm above 1990 levels, and that the average global temperature does not exceed 2°C above the pre-industrial level.

IN THE CORRIDORS

NON-GROUP ON ARTICLE 4.1 (COMMITMENTS): In the non-group meeting on Article 4.1, delegates agreed to negotiate on the basis of a paper proposed by Chair Evans King (Trinidad and Tobago). The first four paragraphs of the chapeau were discussed, which refer to advancing the implementation of commitments and the Berlin Mandate. Some non-Annex I countries reportedly sought to include references to the Berlin Mandate along with a number of other elements from the FCCC, including a specific reference to no new non-Annex I commitments, but some Annex I countries objected. Some delegations were reluctant to include a reference to the principle of common but differentiated responsibilities. There were proposals to delete paragraphs that conditioned advancement of commitments by non-Annex I Parties on the provision of financial resources and transfer of technology by developed countries. One developed country put forward an alternative draft paper that would commit Parties to advance implementation of Article 4.1 and to a strengthen collaboration.

NON-GROUP ON QELROS: The first meeting of the non-group on QELROS, chaired by Luiz Gylvan Meira Filho (Brazil), considered two questions: which greenhouse gases (GHGs) to include in the agreement and whether to adopt a gross or net approach. A draft paper is to be produced to reflect the two main arguments put forward regarding the gross approach. On the question of which GHGs are to be covered, a group of developed country favored a "basket" approach while other developed countries supported the inclusion of all gases. The possibility of amending a protocol or legal instrument over time to bring new gases into the agreement was raised, as was the alternative approach of dealing with sources of gases rather than the gases themselves. The Chair's draft text is expected for the next meeting. Another approach would reportedly address all gases but adopt a schedule for tackling different GHGs over time.

THINGS TO LOOK FOR TODAY

OBSERVER BRIEFING: A briefing for observers is scheduled for 9:45 am.

NON-GROUP SESSIONS:

The non-group on Article 4.1 will meet at 10:00am and 1:00pm.

The non-group on institutions, mechanisms, and other elements will meet at 10:00am.

The non-group on QELROs will reconvene at 3:00pm.

AGBM: AGBM is scheduled to meet Monday at 10:00 am.