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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Ad Hoc Group on the Berlin Mandate
Second session
Geneva, 30 October - 3 November 1995

IMPLEMENTATION OF THE BERLIN MANDATE

Comments from Parties

Note by the secretariat

Addendum

In addition to the submissions already received and contained in document FCCC/AGBM/1995/MISC.1 and Add.1 and 2, the secretariat has received additional submissions from Canada, Denmark, Iceland, the Philippines (on behalf of the Group of 77 and China) and Spain (on behalf of the European Community). The secretariat has also received the English version of the submission by France contained in document FCCC/AGBM/1995/MISC.1/Add.1 and the Spanish version of the submission by Spain (on behalf of the European Community) contained in document FCCC/AGBM/1995/MISC.1/Add.2.

These submissions are attached and, in accordance with the procedure for miscellaneous documents, are reproduced in the language(s) in which they were received and without formal editing. Any further submissions will be issued in another addendum.

FCCC/AGBM/1995/MISC.1/Add.3

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PAPER NO. 1: CANADA

Letter dated 1 November 1995 from the Chairman, Annex I
Experts Group on the UNFCCC to the Executive Secretary

On behalf of the Annex I Experts Group on the Framework Convention on Climate Change, we are pleased to submit the following document "Draft Framework for Assessment and Analysis of Common Actions". This document represents work in progress that will be subject to revision once Annex I Parties have had an opportunity to fully consider its contents. In addition, several Annex I Parties wish to consult with interested groups outside of the government for their comments.

Noting the Chair's and Secretariat's desire to move forward on these matters, this interim document is presented to provide useful input into the AGBM process at this point in time. However, Annex I Parties would like to emphasise that future inputs to the AGBM would need to go through a full review process as described in our intervention at the second session of the AGBM on 30 October.

It is our expectation that a revised version of this document will be submitted to the AGBM at its third session. We regard this framework for analysis as a living document that will continue to evolve as the work on the analysis of common actions progresses.

(signed)
Douglas Russell
Chair, Annex I Experts Group on the FCCC

Draft Framework for Assessment and Analysis of Common Actions¹

Progress Report on the Common Action Study

Annex I Expert Group on the Framework Convention on Climate Change

Interim Report to AGBM2

Overall goal

The goal of the common action study is to broadly assess the relative potential of a range of policies and measures for common action by countries² and Parties listed in Annex I to the FCCC with a view to bringing forward this analysis to the Ad Hoc Group on the Berlin Mandate.

Context

A description of sectoral emissions trends and sectoral policy trends will be given where appropriate to set the context for assessment of each measure. The revised framework below provides the full range of information desired for broad assessment of selected measures. It may not always be possible to adhere to the framework fully as at times it may be beyond the resources of the project to find all of the necessary information (for example if modelling studies are needed).

Policy objectives

A brief description of the various policy objectives to which the measure is expected to contribute will be given. Policy objectives will not necessarily be primarily or wholly climate related, and can be expressed at various levels of specificity, and may vary from country to country.³

Approach and methodology

A brief description will be given of the approach used to assess the measure, and general methods used e.g. survey of the literature, modelling, or analysis based on estimates and expert judgement. In

¹ The range of definitions for common action includes the following:

- common actions could be specific policies and measures implemented by a group of countries together under some form of agreement, to increase the effect of the measure;
- common actions could involve co-ordination of action to implement the same or similar measures together;
- common action could be an agreement to take actions in a sector towards a given aim or target; or
- common action could simply be successful policies and measures that could be replicated by other Parties.

² Where this document refers to “countries” or “governments” it is also intended to include “regional economic organisations,” if appropriate.

³ For example policy objectives for the measure “voluntary agreements with electricity utilities to purchase more wind energy” could be:

- reduced CO₂ emissions from energy (a general objective); or
- increased share of wind energy in electricity supply (a more specific objective); and
- greater diversity in electricity supply (a non-climate objective).

addition, methods used for specific aspects of the analysis such as the costs and effects of the measure will be described in those sections of the report, as indicated below.

Full Description of Measure

Each measure will be described as specifically and concretely as possible. This description will include information about any "package" the measure is part of - that is other measures that are associated with the measure being studied. The more carefully specified the measure, the more useful the analysis of its costs, effect, and other key criteria will be. The description will include the following information, where relevant, including a range of implementation options (e.g. how it is implemented, when it is implemented):

- A. level/rates at which it is applied;
- B. products/activity the measure applies to;
- C. extent and type of commonality;
- D. whether it is mandatory/voluntary;
- E. monitoring and enforcement details;
- F. other measures that are necessary or desirable for the success of the action;
- G. options for how any revenue is used;
- H. any incentives for compliance.

Rationale for common action

A brief description of ways the measure could be implemented will be given, including variations on the extent and type of commonality, to provide insights on the relative advantages and disadvantages of common action. Examples will be given of how the measure might be implemented at various: broad scale level, by all Annex I Parties, by a sub-set of countries; or as a national measure. The extent and type of commonality addressed will depend on what levels are feasible for the measure.

Analysis on how the measure performs at different levels of is important, but may be conceptual rather than quantitative if information is not readily available. The ideas about how the measure might be implemented and how effective it could be, with respect to the extent and type of commonality, are more useful than trying to provide uncertain numbers. Some possible advantages/disadvantages from common action are:

- A. changes in relative competitive advantage of an industry or the economy;
- B. increase/reduction in trade distortions, reduction in free-riding;
- C. greater collective effect if co-ordinated;
- D. measure may not be undertaken otherwise;
- E. reduce "leakage" of emissions (e.g. from industries moving off-shore);
- F. lower cost;
- G. lower barriers;
- H. increased political feasibility.

Possible participants and vehicles for action

Options for possible participants will be suggested for the measure, including consideration of the extent and type of commonality as described in the previous section. In many cases, measures will be implemented by governments; in other cases through private sector participants. Measures could also involve private sector participation or public/private partnerships.

Options for vehicles for action will be given considering variations on the extent and type of commonality. In some cases governments might achieve a policy objective directly through the instruments available to government. Even if industry or local government are to be the main implementers of the measure, governments may still need to harness their input through negotiating voluntary agreements, providing information on the benefits of the action, or passing a law requiring action. In these cases, the vehicle for their action needs to be clearly specified (e.g. business consultative mechanism, business partnerships through industry associations, twin city agreements by municipal governments). In some cases, the measure could be carried out by either government or non government participants or both, with each scenario involving different vehicles for action. Vehicles could be existing and/or new institutions that could be used to implement the measure. Examples of vehicles are:

- A. International organisations eg IEA implementing agreements on energy efficiency partnerships;
- B. Co-ordinating body eg International Organisation of Standardisation (ISO 14000 project);
- C. Legal framework eg European Union directives,
- D. International treaties eg Energy Charter;
- E. Voluntary business partnerships;
- F. Industry associations eg IATA.
- G. National government or inter-governmental agreements

Greenhouse gas emissions reduction potential⁴

The following information will be provided (including variations on the extent and type of commonality for each measure to be studied):

- A. assumptions about the emissions path if the measure were not implemented);
- B. the key assumptions underlying the estimates;
- C. the level of confidence associated with the estimates (in the analyst's opinion, or from a sensitivity analysis);
- D. the information that is needed for the estimates and whether it is available or not;
- E. the type of analysis or modelling that is relevant to assessing the effects of the measure.

Preliminary estimates of the effects of the measure on emissions will be made. Where information is available, the incremental emissions reduction potential of the measure will be presented as estimates of individual greenhouse gases in tons of CO₂ equivalent per year for the years 2000, 2005, 2010, and 2020. If possible, the full technical potential of the measure will also be given and

⁴ Other environmental benefits are covered under "other policy goals."

indirect effects of the measure on the greenhouse gas emissions, such as flow on effects to other sectors, or possible effects in countries not participating in the common action, will be discussed. Where relevant, specific examples of these indirect effects will be given.

Costs and macro-economic effects⁵

The following information will be provided (including variations on the extent and type of commonality for each measure studied):

- A. the key assumptions the cost estimates are based on;
- B. the level of confidence associated with the cost estimates (in the analyst's opinion, or from a sensitivity analysis);
- C. the information that is needed for the cost estimates and whether it is available or not;
- D. information on the variation of costs from country to country and factors influencing these differences;
- E. the type of analysis or modelling that is relevant to assessing the costs of the measure.

Preliminary assessments of the cost (e.g. high/medium/low) will be given. Where information is available, the incremental cost of the measure will be estimated in US dollars per ton CO₂ equivalent. The type of costs included in the analysis will be specified: cost to governments of implementing and enforcing the measure; cost to industry; cost to the general public; macro-economic effects (including effects on employment and trade, GDP, and investment). In some cases there may be economic benefits associated with the measure, which will be noted.

Political feasibility

The study will discuss political and institutional issues associated with the measure, such as whether the measure is likely to be politically sensitive (to governments, other participants, interest groups). Where relevant, the analysis will identify the political feasibility of measures (including variations on the extent and type of commonality), in different national and regional contexts, and comment on the relative merits of the measure for the groups most affected by it (governments, industry, interest groups).

Other policy goals

The effects (benefits and costs) of the measure on other social, economic, environmental policy goals will be discussed for each extent and type of commonality studied.

Barriers to successful implementation and options for addressing them

The case study will address questions related to the implementation of the measure, for example: whether there is a market for new technology developments; whether the necessary institutions exist; whether new infrastructure or behaviour change is needed before the measure can be successful; and what additional barriers might be relevant.

⁵ Other costs are covered under "other policy goals."

Time period

The case study will address the length of time it might take to implement the measure (e.g. to negotiate the voluntary agreement, or have legislation in place for standards); and when the effects of the measure are likely to be realised: now, to the year 2000, 2005, 2010 and 2020. This section will address whether measures are expected to give short-term emission reduction only, long-term emission reduction potential only, or a mixture of short and long term effects (for example a measure may have some effect on emissions in the short term but much greater effect in the longer term).

Impact on other countries

The impact of the measure on non-Annex I countries and non-participating Annex I countries, in terms of costs, trade impacts, greenhouse gas reduction, social, environmental and other impacts will be assessed to the extent possible.

Conclusion

The conclusion will focus on whether the measure is a good candidate for common action and why.

PAPER NO. 2: DENMARK

AGBM 2
30 October - 3 November 1995
Danish Delegation
31 October 1995

**Statement by Denmark on Item 3b:
Quantified emission limitation
and reduction objectives within
specified time frames.**

Denmark fully supports the statement by the European Union, presented by Spain, on quantified emission limitation and reduction objectives within specified time frames, and wishes to reiterate a few points.

As mentioned by Spain, we have noted with some interest that the IPCC WGII has recognized the existence of a significant technological potential for reductions of greenhouse gas emissions in the near future. A large part of these reductions could, in our opinion, be realized now, even while we are still working on the Berlin Mandate.

To take an example, one of the elements of twenty years of ambitious Danish energy policy has been the development of high-efficiency, solid fuel fired power plants, which have then been used in combined heat and power systems. This development has certainly been one of the key elements in the emission reductions realized up till now.

We have mentioned power plant technologies here, because investments in this sector have long-ranging consequences. A power plant built today, with even only a few percent less than the optimum energy efficiency obtainable today will add unnecessarily to CO₂ emissions to the atmosphere for maybe 20 -30- 40 years. How can this be avoided?

From our point of view, one answer is that we would certainly want to develop targets and timetables which necessitate the earliest possible application of the best available technology. And we think that this can be brought about if initially we focus discussions within the Berlin Mandate on the establishment of aggressive reduction objectives in the earliest possible part of the time frame. This means focussing on the year 2005, and it could take the form of the 20% reduction by 2005, the Toronto target, which still forms the basis for the Danish energy policy - but we will certainly also encourage discussions on the development of incentives, that specifically encourage early action, as suggested by the Netherlands.

In Denmark, we are now working on energy planning for the years 2010 and 2020, but we are at the same time doing our utmost to ensure that decisions taken today and tomorrow give us a maximum of climate benefits. And we would like to see the AGBM, in its work, send a similar signal: Only by setting the highest standards for today can we realize the potentials available to us, and only by recognizing the importance of decisions taken now can we establish the foundations for the best possible limitation and reduction objectives for the longer term - be it the time frame of the BM protocol or the protocols to follow.

Paris, 20 September 1995

PAPER NO. 3: FRANCE

**French contribution to the work
of the Ad hoc Group on the Berlin Mandate (AGBM)**

(UNOFFICIAL TRANSLATION)

I. Introduction.

1. The Berlin Mandate has given a framework to the work of the AGBM in order to lead to a next step towards the ultimate objective of the United Nations Framework Convention on Climate Change.

2. For this purpose, the Berlin mandate considers necessary that :

- the developed country/other Parties included in annex I (Annex I Parties) should *"elaborate policies and measures as well as set quantified limitation and reduction objectives within specified time-frames - such as 2005, 2010, 2020 - for their anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, taking into account the differences of these Parties as to their starting points ..."* and *"the manner in which the Annex I Parties coordinate among themselves ... the appropriate economic and administrative instruments ..."* should be examined;
- the Parties not included in Annex I *"reaffirm existing commitments in article 4.1. and continue to advance the implementation of these commitments in order to achieve sustainable development"*.

3. The Berlin Mandate states that *"the process will include in its early stages an analysis and assessment to identify policies and measures for Annex I Parties which could contribute to limiting and reducing emissions by sources and protecting and enhancing sinks and reservoirs of greenhouse gases"*.

II. Analysis and assessment of policies and measures.

4. In order to contribute to the analysis and assessment of policies and measures, France would firstly like to recall the main points of the energy policy it has pursued since the first oil crisis. This policy indeed allowed it to reduce very considerably its CO₂ emissions and therefore its contribution to the human induced greenhouse effect already before 1990¹. These results were obtained owing to the combination of a strict energy economy policy and a vast nuclear power programme. The development of the nuclear park has made it possible to divide by ten the CO₂ content of a kWh.

Among the energy-saving policies and measures adopted, mention can be made of the following, for example :

- definition of strict regulations aimed at encouraging energy conservation. Thermal regulations for housing are a good example in this respect ;
- fiscal policy. High fuel taxes, higher than in most developed countries, have in the past greatly helped hold down carbon dioxide emissions. At the same time many tax incentives designed to improve energy efficiency were instituted as early as 1974, particularly in the housing and industrial sectors ;
- a major energy conservation and energy efficiency programme. To implement these actions France has had an Energy Conservation Agency (Agence pour les économies d'énergie) since 1974 which has influenced final demand and been active in working with industry. This structure has developed over the years into a centre of specialized skills and expertise.

A thorough national assessment is currently being made of these energy-saving policies and measures.

5. In accordance with subparagraph 4.2.a), France has adopted policies and measures to limit further its net emissions of greenhouse gases. It also wishes to draw the attention of the Parties to the lessons it has learnt from the elaboration of its national communication:

¹ The scope of this policy allowed France, between 1980 and 1990, to reduce its CO₂ emissions per capita more than any other European Union Member State (-26% as against a Community average of -19.3%) ; within the OECD, only Sweden (today a member of the E.U.) has witnessed a greater reduction of this ratio.

- in order to introduce consistency in the measures to be taken in the various sectors of the economy and regarding the different greenhouse gases, France has endeavoured to examine, at national level, all the actions whose cost is lower than or equal to a reference level expressed in ecus per ton carbon equivalent whose emission can be avoided (or which has been removed from the atmosphere).
- this examination has also led to the adoption of measures designed to modify the long-term trends of net anthropogenic emissions of greenhouse gases, even if the latter had only a quite low impact by the year 2000. This is particularly the case of measures aimed at strengthening the thermal regulation of buildings or encouraging storage of carbon in forests and in wood products.
- the experience of the European Union internal market demonstrates that many measures cannot be implemented effectively unless they are coordinated in a sufficiently large area. Therefore initiatives which are today a matter for Community level are particularly important and effective in many areas such as transports, taxation on fuels, various regulations (notably in environmental matters) and the Common Agricultural Policy.
- bearing in mind the policies and measures adopted and those which will have to be introduced at European Union level, emission forecasts allow it to be estimated that France should reduce to their 1990 level its net aggregated greenhouse gas emissions (CO₂, CH₄, N₂O) in 2000. It is however to be emphasized that there is a considerable margin of uncertainty regarding the forecasts of CO₂ emissions by the year 2000, in the order of more or less 7%. *Irrespective of the programme adopted*, this uncertainty is tied, inter alia, to economic growth, the price of oil, the availability of nuclear plants and the climate. For the other greenhouse gases (CH₄, N₂O), assessment uncertainties make emission forecasts even more imprecise.

III. Other conclusions drawn from the experience acquired while fulfilling the current commitments and gathered from the available analysis work (notably the elements produced during the elaboration process of the second assessment report by the IPCC).

6. Based on a quantitative objective for the limitation of greenhouse gas emissions, and fixed a priori without prior examination of what each Party could reasonably hope to accomplish, in other words heedless of "national circumstances" (notably the different starting points of the Parties), the present form of the commitments applying to the Annex I Parties leads to weakened results (cf. the first examination of national communications made by the Convention Secretariat, or the declaration by the USA at the first session of the AGBM) ; however, on the face of it, this was an "easily" achieved first stage ;

The main advantage of the present form of the commitments is the simplicity of their expression ; on the other hand, they do not respect some criteria the importance of which is underscored in many analyses :

- *efficiency criterion* : seeking to minimize the global cost of the climate change strategy implemented ;
- *fairness criterion* : leading to an acceptable burden sharing between the Parties concerned ;
- *criterion of compatibility with the rules of international trade* : avoiding distortions of competition between companies of the various Parties, notably in international markets.

7. Further, it must be recognized that present scientific knowledge does not allow the elaboration *on an objective basis* of emission scenarios which countries could undertake to respect (the accent is currently on a rougher indicator, the aggregated level of greenhouse gas emissions over the next hundred years, about which experts are not able to reach a precise decision moreover) ; in this context, the major trends of emission evolution really are important (the aim is to obtain a progressive inflexion in the trajectories of greenhouse gas emissions of the various countries, hence the greater importance to be granted to the evolution of "derivatives" rather than "arrival points" in a near future²).

² It is to be emphasized that the "return of greenhouse gas emissions to their 1990 level before the end of the decade", at the heart of the current commitments, does not guarantee that the Parties will make real headway towards the ultimate objective of the Convention ; this commitment may indeed be kept by means of measures having only a transitional effect and in no way modifying the determinants of the long term evolutions of emissions.

IV. Proposals by France for the Protocol or the other legal instrument to which the work of the AGBM should lead.

IV.1. Strengthening of the commitments of the Annex I Parties.

8. The cost of the new measures which may well be implemented by the Annex I Parties after the year 2000 is very different from one country to another bearing in mind in particular the intensity of the efforts already accomplished and the results obtained in energy policy matters. France believes these starting point differences between the Annex I Parties will have to be fully taken into account when determining new commitments, in accordance with the Berlin Mandate.

9. Further, in the light of the analysis factors presented above, France considers the future protocol should comprise commitments by the Annex I Parties on a set of policies and measures which they will decide to implement. The elaboration of quantified objectives with a phased timetable is useful in sizing policies and measures. However the uncertainties concerning emission forecasts will probably make any precise commitment on emission levels in the medium or long term very difficult, not to say impossible.

10. In its statement made in the name of the European Union during COP1, France gave, for guidance purposes, a list of policies and measures aimed at limiting the net emissions of greenhouse gases. The negotiation taking place within the framework of the AGBM should address first and foremost the policies and measures requiring coordination at international level for reasons of competitiveness or in order to raise their efficiency, and the implementation of which would allow significant progress towards the ultimate objective of the Convention. France considers the following as priorities in this framework :

- recourse to economic instruments including taxation on products emitting CO₂ and suppression of direct or indirect subsidies encouraging consumption of fossil fuel energy ;

- introduction of arrangements aimed at improving the energy efficiency of certain products whose markets are open to international competition (vehicles, combustion equipment, domestic appliances, etc.). These measures would allow the public authorities to raise the efficiency of fiscal instruments in sectors where the markets suffer various imperfections (lack of information, constraint on the financing capacities, etc.)³.

Further, it will be necessary to take into account the non-energy sector, and to consider measures concerning the other greenhouse gases (emissions of CH₄ by the agricultural sector and landfills, emissions of N₂O by the agricultural and industrial sectors, emissions of HFCs, etc.).

11. France has always considered that both the most efficient and also the most equitable manner of sharing the effort to reduce CO₂ emissions among developed nations is to get all the emission reductions whose cost is lower than a common reference level carried out in all these countries. The simplest way to achieve this result, the least ambiguous for all the actors involved and the least costly in terms of administrative management costs, is to institute in the tax regimes of all these countries a progressive tax on CO₂ at rates coordinated between them. This approach is also that which makes it possible to minimize in each country the CO₂ emission reduction cost. This fiscal approach is to be introduced within a geographic area that is large enough to encompass the zone of economic competition of the activities involved.

It should also be underscored how important it is to eliminate in all countries subsidies that encourage the consumption of fossil fuels. These subsidies may exist in the form of domestic fuel prices lower than world rates, or consist in selling electricity below cost price or in subsidizing certain activities that are heavy consumers of fossil fuel energy, for example in the transport sector, not charging road users for all the costs (infrastructure, congestion, insecurity, etc.) they cause.

³ It can be pointed out that while the prices of fossil fuel energy include a component internalizing the negative effects of climate change, it is in the interest of a country (on grounds of efficiency in the strict sense, leaving aside concerns about climate change) to implement such "side" measures and see to their success.

These positions are in keeping with the lessons of the work by the experts of Group 3 of the IPCC who, in the chapter devoted to the economic assessment of policies and measures to combat climate change, underscore the interest of eliminating, as a priority, all economic distortions encouraging greenhouse gas emissions and emphasize the fundamental role economic instruments should play in the global strategy for the prevention of climate change⁴.

12. The procedures adopted to organize the global effort must be defined with the concern to preserve fair competition between companies within the framework of international trade. It would be opportune for similar provisions to those of article 4 of the Montreal Protocol on CFCs to be adopted in order to prevent non-Party countries from drawing an unjustified benefit in international trade owing to the fact that they would not be participating in the collective effort to protect the atmosphere. Relocations which could arise from such practices would indeed be both unfair and ineffective, if not even prejudicial to the prevention of climate change.

13. As for policies and measures not requiring coordination at international level for reasons of competitiveness, France considers that the protocol should provide a list of them for guidance purposes and also recommendations concerning the criteria making it possible to determine the scope of the measures selected. Among these criteria, France reaffirms the important role which it would like economic aspects to play (in particular in comparison with purely political considerations) : a maximal common reference level could therefore be set for the cost of these measures per tonne greenhouse gas avoided expressed in carbon equivalent ; national statements, detailing the reasons why certain policies and measures have not been adopted and providing as transparent as possible an assessment on the cost of the selected ones, would make it possible to judge the efficiency as well as the fairness of the burden sharing among Annex I Parties.

⁴ The economic instruments considered by the IPCC experts comprise fiscal instruments (harmonized tax system) and negotiable permits (or quotas) which suppose binding commitments with respect to emission levels. In addition to the arguments developed above, the fact that the satisfactory operation of a negotiable permits market cannot in practice be guaranteed also strengthens France's conviction that it is preferable to pay greater attention to fiscal instruments at this stage.

IV.2. Progress in the fulfilment of the commitments of the Parties not included in Annex I.

14. The Berlin mandate clearly reaffirms that developed country Parties should take the lead in combating climate change; at the same time, it recognizes the need for the Parties not included in Annex I to continue to advance in the implementation of their present commitments, in other words, in particular, to also implement climate change mitigation measures.

France considers that participation, as soon as possible, of the greatest number of countries in the global climate change prevention effort is desirable for several reasons :

- the broader the intervention basis and the fewer the restrictions on actions which can be taken, the lower the global prevention cost ;
- the efficiency of the actions taken by developed countries to reduce greenhouse gas emissions is likely to be considerably lowered if they lead to higher emissions in countries steering clear of the prevention effort, either owing to the relocation of production activities or as a consequence of a fall in the world price of fossil fuel energy ;
- most prospective analyses demonstrate that the Convention's ultimate objective cannot be reached if there is no inflexion in the rhythm at which greenhouse gas emissions are rising in developing countries⁵. In the countries in the process of industrialization, given the inertia and even the irreversibilities imposed by certain technological choices (notably in the energy sector or the transport sector), it is certainly more efficient to consider already today development trajectories using little fossil fuel.

15. The manner in which the Parties not included in Annex I can make headway in the fulfilment of their commitments must be the subject of a serious analysis which should be made at the same time as the analysis concerning the contribution of Annex I Parties ; concrete proposals from the latter, directly concerned Parties, would be an essential contribution to the process.

⁵ CO₂ emission projections by the IEA for the 1990-2010 period reckon on an increase of 1.2 to 2.5 billion tonnes CO₂ in the OECD countries and 6 to 7 billion tonnes in developing countries. By the year 2010, the CO₂ emissions of developing countries could be higher than those of the OECD.

France, for its part, wishes to make the following proposals for consideration by the participants in the process started by the Berlin Mandate. In order to make headway in implementing their commitments, the Parties not included in Annex I could :

- develop, as quickly as possible, with the support of GEF, "country studies" to define an effective national climate change prevention strategy ;
- progressively implement those of the identified policies and measures which also favour economic development of these countries ;
- participate in possible coordinated actions started by Annex I countries, in accordance with procedures to be specified on a case per case basis, in order to prevent companies located in countries not included in Annex I from drawing unjustified benefit from that fact in international trade.

16. In accordance with article 4.7 of the Convention, France recognizes that the Parties not included in Annex I will all the more advance in the implementation of their commitments if Annex I Parties carry out in an effective manner their commitments regarding financial resources and technology transfer. This assistance commitment should fulfilled either through multilateral action (contribution to the financial mechanism) or bilateral action (mention can be made of the French initiative that led to the creation of the Fonds français pour l'environnement mondial - French Fund for Global Environment).

France considers that, regarding the contribution of developed countries to the prevention of a global pollution in developing countries, the burden sharing among developed countries should evolve in the future in such a way as to take into account simultaneously the GDP of donor countries and the extent of global environment impairment (in particular the level of CO₂ emissions) caused by them.

Letter dated 14 September 1995 from the Head,
International Affairs Division, Ministry for
the Environment, to the Executive Secretary

With reference to the conclusion of the first meeting of the Ad-hoc Group on the Berlin Mandate, Iceland would like to identify the following issues that would benefit from analysis and assessment:

1.

Fishing and fish processing is the main pillar of the Icelandic economy. Emissions from fishing vessels constitute over one third of the total emission of CO₂ in Iceland. Thus, comprehensive efforts to curb the emission of greenhouse gases in Iceland are likely to seriously affect the fishing sector and will have significant consequences for the economy as whole.

Technical development concerning vessel design and fuel efficiency are brought forward by forces outside Iceland's jurisdiction. This fact limits the scope of action that can be taken with the aim of improving the energy efficiency of the fishing fleet.

In view of this, Iceland would like to request an assessment of the current technical potential for increasing fishing vessel's energy efficiency.

Further, there is a need to analyse the feasibility of an internationally co-ordinated action that could promote the use of more energy efficient technology in fisheries.

2.

Soil erosion in Iceland has resulted in significant loss of vegetated cover and soil. Through a comprehensive programme of action, the National Soil Conservation Strategy initiated in 1991, this process is about to be reversed. In light of the potential for binding CO₂ in plants and soil, the reclamation and reforestation has become a high priority task for Iceland. Consequently, Iceland would like the quantification of increasing carbon sink capacity, including the effect of different soil reclamation practises, addressed in the assessment process.

3.

Transportation by motor vehicles is a major source of emission of greenhouse gases in Iceland. Due to the geography and the size of the country, the distribution of human habitat as well as the economic structure, the prospect for reducing current emissions from transportation are bleak, given the technology currently available. Consequently, Iceland would like to see the AGBM assess how technological development can be expected to have an impact on the energy efficiency of transport by motor vehicle in the years to come. Further, there is a need to assess if co-ordinated international action could promote the development of cleaner technology for motor vehicles.

4.

Iceland has great potential to increase the use of renewable hydroelectric as well as geothermal energy sources. Currently only about 10 per cent of the economically feasible production capacity has been utilised. Consequently, there are vast opportunities for investments, both in power plants and industrial plants for energy intensive production. The Government would like to see these opportunities exploited. However, increase in industrial production will unavoidably lead to growth in the emission of greenhouse gases in Iceland, and this is a matter of grave national concern. Iceland would like to see these emissions viewed from a global perspective, as new industrial installation of similar production capacity in countries where energy would be provided through conventional thermal power plants, would result in considerably more emissions. For instance, the construction and operations of an aluminium plant using hydroelectricity only yields 10 per cent of the emission that similar production would yield where fossil fuels must be utilised.

The promotion of further use of clean and renewable energy is in accordance with the intentions of the FCCC and Agenda 21 (9.11). Consequently, Iceland finds it important to analyse and assess how future protocol, or other legal instruments, for limiting the emissions of greenhouse gases, can be formed without obstructing further exploitation of clean and renewable energy sources. In other words, it is important to secure that future obligations under the FCCC do not cause a conflict between local and global targets for the emissions of greenhouse gasses.

(signed)
Tryggvi Felixson
Head, International Affairs Division

PAPER NO. 5: PHILIPPINES
(On behalf of the Group of 77 and China)

STATEMENT BY THE PHILIPPINES
ON BEHALF OF THE GROUP OF 77 AND CHINA
First session of the Ad hoc Working Group
on the Berlin Mandate,
Geneva, 22 August 1995

I am honored to speak on behalf of the Group of 77 and China, and to reaffirm the support and cooperation of the Group to you, Mr. Chairman, in the performance of the difficult tasks before us at this first meeting of the AGBM.

At the outset, and since this is the first statement made on behalf of the Group, please allow me to express the grave concern of the Group on the lack of funding for the participation of developing countries, which sorely hampers the effective participation of these countries at this important first meeting. We feel that, if continued, this would be detrimental to the process itself, and we therefore hope that this funding through the Voluntary Fund would be given careful consideration for the continuation of this process.

The Group of 77 and China would like to underline two of the basic positions we have taken on this process:

Firstly, we would like to reaffirm our support for the carefully balanced text contained in Decision 1/CP.1 in its entirety, this being the only legal basis for this Working Group.

Secondly, we would like to recall that the consensus reached on this decision was based on the recognition, as stated in the preambular paragraphs, that Article 4, para. 2 (a) and (b) are not adequate, and that therefore, we have embarked upon this process to render adequate these commitments taken by Annex I countries.

We underline therefore what is stated in para. 2 (b) of the Decision, "that the process will not introduce any new commitments for Parties not included in Annex I", and would ensure that the discussions on analysis and assessment that will now take place would not in any way detract from this fundamental position.

G-77 and China remain committed to the fulfilment of Article 4.1 obligations for all Parties, and to "advance" the implementation of these commitments, not with reference for any timeframe, but with reference to taking forward the implementation of these obligations. We reemphasize that this commitment to implement these obligations is contingent upon the fulfilment of Annex I Parties of all obligations undertaken under Article 4 as a whole, in particular the Articles mentioned in para. 2 (b) of the decision.

These are the basic positions of the Group of 77 and China, and we join these discussions with these considerations in mind.

PAPER NO. 6: SPAIN
(On behalf of the European Community)



Statement of 22 August 1995 on analysis and assessment*

Es un gran honor para mi, como representante de España, tomar la palabra en nombre de la Unión Europea. Ante todo, desearía felicitarle Sr. Estrada, por su elección como Presidente de este grupo y agradecer a través suyo al Secretariado la rápida organización de la 1ª sesión del grupo Ad hoc del Mandato de Berlín.

Berlín ha conducido a un compromiso equilibrado acerca de las etapas a cubrir en relación con el período posterior al año 2000. El texto del Mandato de Berlín que fue aceptado por todos los participantes debe ser el punto de partida de nuestro trabajo futuro. La Unión Europea confía en que en todas las negociaciones, se mantenga el espíritu de la reunión de Berlín y se trabaje conjuntamente con el fin de avanzar cuanto sea posible en esta sesión del grupo Ad hoc. Nuestra tarea está clara: tenemos que negociar un protocolo u otro instrumento jurídico que incluye el reforzamiento de los compromisos de las partes incluidas en el Anexo I de la Convención, enunciados en los incisos a y b del párrafo 2 del artículo 4, lo antes posible en 1997, a fin de que los resultados puedan ser aprobados en la 3ª Conferencia de las Partes.

La Unión Europea entiende que el trabajo de este grupo se centra en tres elementos, de acuerdo con lo establecido en los párrafos 2 (a) y (b) del Mandato de Berlín. Estos tres elementos son:

- elaboración de políticas y medidas para las partes del Anexo I.
- establecimiento de objetivos cuantificados de limitación y reducción en unos

* For the statement in English, see document FCCC/AGBM/1995/MISC.1/Add.2



plazos determinados para las partes del Anexo I.

- reafirmación e impulso continuo del cumplimiento de los compromisos existentes para las partes no incluidas en el Anexo I.

La Unión Europea reconoce la importancia del trabajo de este grupo. El programa de trabajo sugerido ofrece importantes elementos para el proceso hasta la COP 2 así como hasta la COP 3.

En referencia al punto 3 (c) sobre Análisis y Evaluación, la Unión Europea recuerda que, tal como establece el Mandato de Berlín, la etapa inicial del proceso no sólo incluirá análisis y evaluación sino también, negociaciones en paralelo. Los resultados del análisis y evaluación han de ser tenidos en cuenta durante el proceso de las negociaciones; la Unión Europea, también quiere recordar la Sexta decisión de la 1ª Conferencia de las Partes sobre los órganos subsidiarios establecidos por la Convención, que determina en su párrafo (a), que el Organismo Subsidiario de Asesoramiento Científico y Tecnológico será el punto de enlace entre las evaluaciones científicas, técnicas y tecnológicas y la información facilitada por los órganos internacionales competentes y las necesidades de orientación normativa de la Conferencia de las partes.

Por estas razones la Unión Europea sugiere que durante el proceso de trabajo del grupo Ad hoc del Mandato de Berlín y tan pronto como sea posible, se identifiquen las políticas y medidas y posibles impactos y consecuencias con referencia a los



horizontes temporales en base a la compilación de material disponible tal como ofrece el Secretariado en el documento AGBM/1 párrafo 20. Para información más específica, el grupo Ad hoc del Mandato de Berlín puede pedir al Organo Subsidiario de Asesoramiento Científico y Tecnológico y a cualquier panel técnico asesor que provea evaluaciones y análisis adicionales, así como al Organo Subsidiario de Implementación que provea material en relación a su examen de las comunicaciones nacionales, con el fin de ser incluidos en el proceso ulterior de negociaciones.

Con relación a la cuestión suscitada por el punto 18 de las anotaciones a la Agenda (Doc. AGBM/1), tengo que hacer los siguientes comentarios :

- El análisis y evaluación de las políticas y medidas es útil para proporcionar la información adecuada y crear una imagen común de cuáles son las políticas y medidas para las Partes del Anexo I y cuál será el impacto posible. Estos aspectos podrían ser relevantes para su eventual aplicación e implementación.

Para las políticas y medidas, se debería tener en cuenta una serie de aspectos en cualquier decisión relativa a su aplicación e implementación. Como aspectos importantes, en este contexto, consideramos :

- Impactos medioambientales del cambio climático o de los gases de efecto invernadero



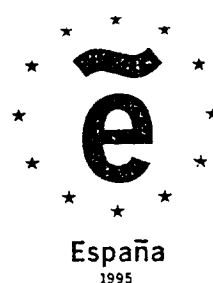
- otros impactos medioambientales
- aspectos técnicos y tecnológicos
- aspectos económicos y de mercado
- aspectos sociales y financieros
- aspectos institucionales y legislativos

Especialmente en aquellos casos en los que exista experiencia de las partes acerca de estas medidas, se puede obtener información válida para ser utilizada a estos efectos.

Este proceso de análisis y evaluación podría conducir a los siguientes resultados, en base, entre otros, a las comunicaciones nacionales y a las revisiones en profundidad :

- evaluación de objetivos/resultados que pueden ser alcanzados por políticas y medidas.
- identificación de aquellas políticas y medidas que resultan tener éxito o potencialmente pueden tenerlo.
- determinación de políticas y medidas que pueden ser apropiadas para una acción coordinada.

Particularmente en aquellas áreas donde se requiere coordinación internacional, tales como en aspectos referentes a la competitividad, se debería otorgar prioridad



a aquellos aspectos relacionados con políticas y medidas que requieren coordinación internacional.

- medidas relacionadas con aspectos de competitividad.
- medidas concernientes a sectores industriales de orientación global
- medidas en sectores en los que las decisiones pueden tener efectos adversos sobre el cambio climático.
- medidas relativas a productos comercializables.

Quedamos en espera de las conclusiones de 2º Informe de Evaluación del IPPC para proporcionar orientaciones a los objetivos cuantificados de limitación y reducción.



PAPER NO. 7: SPAIN
(On behalf of the European Community)

Statement of 23 August 1995 on requests for inputs to subsequent sessions of the AGBM*

España en representación de la Unión Europea, desea contribuir al punto 3.d) del Programa -Solicitudes de aportaciones para los períodos de sesiones posteriores del Grupo Especial- con una respuesta en forma de tabla que se está distribuyendo en estos momentos.

Esta tabla clasifica, para cada uno de los órganos considerados, las aportaciones al proceso de negociación de este grupo, en tres categorías :

- políticas y medidas
- objetivos y horizontes temporales
- progreso de la puesta en práctica de los compromisos existentes establecidos en el artículo 4.1.

La tabla facilita también los plazos propuestos para la presentación de estas aportaciones a las sucesivas sesiones del Grupo.

* For the statement in English, see document FCCC/AGBM/1995/MISC.1/Add.2

Aportaciones al proceso de negociación, órganos a los que concierne su consideración y calendarios propuestos.

	Políticas/medidas	Objetivos/Horizontes temporales	Avance en la ejecución de los compromisos existentes art. 4.1
SBSTA	<p>* Resumen de recomendaciones del segundo informe IPCC (CPG/anex I/A 1.a) 3ª sesión AGBM</p> <p>* Evaluación de los efectos de las medidas ya tomadas (a partir del informe de síntesis y revisiones en profundidad) (CP6/annex I/A 1.b) 5ª sesión AGBM</p> <p>* Identificación de tecnologías/experiencia innovadoras, eficientes y de acuerdo con el estado del arte (CP6/annex I A.3) 5ª sesión AGBM</p> <p>* Análisis de sectores específicos provenientes de los paneles, inter alia, en las áreas mencionadas en las conclusiones del Consejo de la Unión Europea presentadas al COP.1 por la Presidencia Francesa 3ª sesión AGBM</p>	<p>* Resumen de recomendaciones del segundo informe IPCC (CPG/anex I/A 1.a) 3ª sesión AGBM</p> <p>* Compilación/síntesis de información sobre situación global de IPCC y otros 3ª sesión AGBM</p>	<p>* Informe de progreso sobre las comunicaciones nacionales (CN) de las partes no incluidas en el Anexo I 5ª Sesión AGBM</p> <p>* Identificación de tecnologías experiencia innovadoras eficientes y de acuerdo con el estado del arte (CP6/annex I/A.3) 5ª sesión AGBM</p>



SBI	<p>* Evaluación de los informes de revisión en profundidad de las comunicaciones nacionales del Anexo I (CP6/annex I/B.1) 5ª/6ª sesiones AGBM</p> <p>* Segundo informe de síntesis sobre comunicaciones nacionales del Anexo I 5ª sesión AGBM</p> <p>* Evaluación del efecto agregado de los pasos dados en la dirección del objetivo del Convenio (CP6/annex I/B.2) 3ª/4ª sesiones AGBM</p>		<p>* Informe de progreso sobre las comunicaciones nacionales disponibles de las Partes no incluidas en el Anexo 1 5ª sesión AGBM</p>
AGBM Trabajos existentes y en curso	<p>* Recopilación comentada de la información técnica y económica existente:</p> <ul style="list-style-type: none"> - OCDE/AIE Estudio de acciones comunes - PNUMA/RISO Estudios de costes - Comisión Europea Documento de trabajo : opciones de políticas - Primer informe de síntesis sobre comunicaciones nacionales - Otros <p>(Secr.: AGBM/1/parr- .20)</p>	<p>* Recopilación comentada de la información existente sobre objetivos/horizontes temporales</p> <ul style="list-style-type: none"> - Propuesta AOSIS - Propuesta alemana de elementos para el protocolo - Propuesta ONG - Otras <p>2ª sesión AGM</p>	<p>* Informe de progreso sobre las comunicaciones nacionales de las Partes no incluidas en el Anexo 1 5ª sesión AGBM</p>

<p>AGBM Trabajos existentes y en curso</p>	<p>* Elementos de las conclusiones del Consejo de la UE de marzo, presentadas al COP-1 por la Presidencia Francesa</p> <p>2ª sesión AGBM</p> <p>* Compilación de las comunicaciones MISC (Secr. AGBM/1 parr.20)</p>	<p>* Compilación de las comunicaciones MISC (Secr. AGBM/1 parr. 20)</p>	
<p>AGMB Trabajos adicionales (*)</p>	<p>* Análisis adicional de posibles políticas/medidas</p> <p>* Resultados de los análisis mediante el empleo de enfoques ascendentes tales como modelos de evaluación integrados</p>	<p>* Evaluación de posibles objetivos/horizontes temporales y sus consecuencias para avanzar hacia el objetivo último (art. 2)</p> <p>* Evaluación de posibles estrategias de limitación y reducción de gases de efecto invernadero que sean efectivas desde el punto de vista de los costes y de métodos de minimización de costes</p> <p>* Evaluación de la viabilidad de "objetivos de segundo orden"</p> <p>* Resultados de los análisis mediante el empleo de modelos descendentes</p>	

(*) La segunda sesión del AGBM debería especificar los trabajos necesarios e indicar quien los realizará y fijar plazos.

PAPER NO. 8: SPAIN
(On behalf of the European Community)

Statement of 30 October 1995 on the structure of a protocol
or other legal instrument and on policies and measures

La Unión Europea cree que, con el fin de avanzar en estas discusiones del AGBM, es importante tener clara la idea sobre el posible producto final. A tal fin presentamos hoy un posible esquema para estructura de un protocolo u otro instrumento legal que nos gustaria proponer al resto de las Partes y que se está repartiendo en estos momentos.

Lo que presentamos es únicamente un esquema. No contiene propuestas específicas sobre políticas y medidas particulares, o sobre objetivos y calendarios. Eso queda para una discusión posterior. Sin embargo, esperamos que definiendo la posible estructura del producto que emane de estas discusiones, podríamos ayudar a centrar y clarificar la reflexión, y nos permitiría avanzar más rápidamente en el tiempo limitado del que disponemos para nuestra tarea derivada del Mandato de Berlín. Asimismo, puede proporcionar un marco útil para el posterior trabajo de análisis y evaluación.

A la hora de redactar la propuesta nos han guiado tres principios fundamentales:

- primero, la coherencia con el Mandato de Berlín;
- segundo, la importancia de establecer un instrumento dinámico dotado de flexibilidad para desarrollarse y evolucionar en el tiempo, reconociendo que existen límites prácticos a lo que se puede lograr antes de la Tercera Conferencia de las Partes; y
- tercero, enlazar lo más estrechamente posible el instrumento a los principios, procedimientos y mecanismos del actual Convenio de forma que no se pierda tiempo renegociando lo que ya está acordado, así como evitando el posible solapamiento y confusión entre los dos instrumentos legales.

El tercer principio nos permite concebir un instrumento bastante corto. Allí donde sea posible y apropiado se aplicarían las disposiciones del Convenio existente. Dando un ejemplo, la información acerca de la ejecución de cualquier nuevo compromiso derivado de un protocolo estaría mejor incluida en las comunicaciones que hay que suministrar de acuerdo al artículo 12 del Convenio, no en una comunicación separada y paralela.

Un elemento clave de la propuesta son los anexos que contienen listas de políticas y medidas. El modelo que concebimos tendría por el momento tres anexos. El primero incluiría políticas y medidas cuya adopción e inclusión en sus programas nacionales acuerden todas las Partes del Anexo I. El segundo contendría una lista de políticas y medidas respecto de las cuales haya acuerdo en que una temprana coordinación internacional sería beneficiosa; y a las que se daría una

consideración prioritaria para su inclusión en los programas nacionales. El tercero incluiría políticas y medidas que hayan sido identificadas como de probada efectividad y potencialidad, y cuya inclusión en los programas nacionales se debería considerar de forma apropiada a las circunstancias nacionales.

Es precisamente este elemento de la propuesta, los anexos sobre políticas y medidas, lo que pretende en particular dotarle de una estructura dinámica. Prevemos que los anexos serán revisados y actualizados con frecuencia, si no continuamente, a la luz de análisis y evaluaciones posteriores, el progreso tecnológico, y los acuerdos alcanzados sobre la coordinación de instrumentos en este o en otros foros internacionales. Asimismo, prevemos que se podrían añadir a los anexos a lo largo del tiempo políticas y medidas adicionales, así como enmiendas y especificaciones adicionales a las ya existentes.

Nos gustaría asimismo llamar la atención sobre otro elemento importante de la estructura propuesta: los objetivos cuantitativos de limitación y reducción en plazos específicos. La Unión Europea siempre ha estado comprometida con un enfoque combinado, entendiendo que el protocolo u otro instrumento legal debería contener compromisos tanto referentes a políticas y medidas como a objetivos cuantitativos de limitación y reducción en plazos específicos. Este enfoque se haya recogido en los apartados (a), (b) y (c) del artículo 1 de nuestra propuesta.

Otras características de la estructura propuesta, a nuestro parecer, se explican por sí mismas y son coherentes en gran medida con los conceptos y enfoques recogidos en el Convenio. También se pretende que sean completamente coherentes tanto con el espíritu como con la letra del Mandato de Berlín.

Haciendo referencia más específicamente al tema de políticas y medidas, la Unión Europea querría recordar su declaración anterior en la primera sesión del Grupo Ad Hoc del Mandato de Berlín (AGBM) referente a la petición de aportaciones para sesiones subsiguientes del AGBM. En este contexto, nos gustaría reiterar la necesidad de adoptar en esta reunión una decisión que especifique los trabajos adicionales necesarios e indique quién los debe realizar y los plazos de ejecución.

Nuestra propuesta incluía dos cuestiones principales:

El primer punto se refería al análisis adicional de las políticas y medidas potenciales. La Unión Europea desearía informar al AGBM de que desarrolla actualmente el proceso de preparación del análisis sobre políticas y medidas potenciales específicas. Hemos basado nuestro trabajo en la lista indicativa de políticas y medidas que la Unión Europea presentó en Berlín. Confiamos en que nuestro trabajo pueda resultar útil al del AGBM y presentar un informe sobre su desarrollo a la Tercera sesión del AGBM. En este contexto, acogemos favorablemente el trabajo que está llevando a cabo sobre políticas y medidas para acción común el Grupo de Expertos del Anexo I sobre el Convenio Marco del Cambio Climático, apoyado conjuntamente por la Organización de Cooperación y Desarrollo Económicos y la Agencia Internacional de la Energía. Como hemos indicado al explicar nuestra propuesta para la estructura del protocolo, prevemos estructurar las políticas y medidas en tres anexos.

Nuestro segundo punto se refería a los resultados de los análisis de abajo a arriba tales como los Modelos Integrados de Evaluación.

Esperamos las aportaciones que sobre estas dos importantes cuestiones pueda proporcionar el Segundo Informe de Evaluación del Panel Intergubernamental sobre Cambio Climático (IPCC) que surga de la reunión a celebrar en Roma el próximo mes de Diciembre.

Otras aportaciones útiles podrían ser la presentación a la Tercera sesión del AGBM de un informe sobre el desarrollo de las

actividades de la Iniciativa Tecnológica sobre Cambio Climático (CTI) por las Partes del Anexo II y un informe del Secretariado sobre las posibilidades de cooperación con el Protocolo de Montreal, la Organización Internacional de Aviación Civil y la Organización Marítima Internacional.

Asimismo nos gustaría recordar que el AGBM pidió al Organo Subsidiario de Asesoramiento Científico y Tecnológico (SBSTA) y a cualquier grupo intergubernamental de asesoramiento técnico que el SBSTA pueda establecer que le proporcione informes, conclusiones y asesoramiento sobre cuestiones específicas sobre el trabajo del AGBM. Asimismo, esperamos que el AGBM requiera al SBSTA que proporcione información técnica adicional y trabajo preparatorio sectorial realizado por grupos de expertos. En este contexto, concedemos gran importancia al pronto establecimiento de los paneles como grupos de trabajo de expertos técnicos con el fin de terminar nuestro trabajo a tiempo para la Tercera Conferencia de las Partes.

(UNOFFICIAL TRANSLATION)

EU STATEMENT ON THE STRUCTURE OF A PROTOCOL
OR OTHER LEGAL INSTRUMENT

The EU believes that in order to make progress in these AGBM discussions it is important to have a clear idea of the possible end product. To that end we have tabled today a possible outline for the structure of a protocol or other legal instrument, which we would like to commend to other Parties.

What we have proposed is an outline only. It does not make specific proposals on particular policies and measures, or on objectives and timeframes. These are for separate discussion. But we hope that by defining a possible structure for the outcome of those discussions, this may help to focus and clarify thinking, and to enable us to make more rapid progress in the limited time we have available for completing our task under the Berlin Mandate. It may also provide a useful framework for further analysis and assessment work.

In drawing up the proposal we have been guided by three main principles:

first, consistency with Berlin Mandate;

second, the importance of setting in place a dynamic instrument, which has the flexibility to develop and evolve over time - recognising that there are practical limits to what can be achieved ahead of our COP3 deadline; and

third, linking the instrument as closely as possible to the principles, procedures and mechanisms of the existing Convention - so that we do not have to waste time renegotiating what is already agreed, and so as to avoid the potential for overlap and confusion between the two legal instruments.

The third principle allows us to envisage a rather short instrument. Wherever possible and appropriate the existing provisions of the Convention would be cross-applied. To give just one example, information about the implementation of any new commitment in a protocol would best be included in the communications already to be supplied under Article 12 of the Convention, not in separate, parallel communications.

A key element of the proposal are the annexes containing lists of policies and measures. The model we envisage would for the time being have three such annexes. The first would include policies and measures which all Annex I Parties agreed to adopt and include in their national programmes. The second would contain a list of policies and measures which it was agreed would benefit from early international coordination, and which should be given high priority consideration for inclusion in national programmes. The third would include policies and measures which are identified as having proven effectiveness or potential, and which should be considered for inclusion in national programmes as appropriate to national circumstances.

It is this element of the proposal, the annexes on policies and measures, which is intended in particular to give it a dynamic structure. We envisage that the annexes would be frequently, if not continually, reviewed and up-dated in the light of further analysis and assessment, technological progress, and agreements reached on the coordination of instruments in this or other international fora. We envisage further policies and measures could be added to the annexes over time, and existing ones further specified or amended.

Let me also shortly touch on another important element of our proposed structure: the quantified limitation and reduction objectives within specified timeframes. The EU has always been committed to a combined approach meaning that the protocol or other legal instrument should contain both commitments regarding policies and measures as well as quantified limitation and reduction objectives within specified timeframes. This approach is reflected in our proposed elements (a) to (c).

Other features of the proposed structure are, I hope, self-explanatory and are largely consistent with concepts and approaches already found in the Convention. They are also, as I have indicated, intended to be fully consistent with both the spirit and the letter of the Berlin Mandate.

Copies of our proposal are being circulated. We would be interested to have the comments of other Parties on it.

Geneva, 30 October 1995

EU PROPOSAL

OUTLINE OF POSSIBLE PROTOCOL STRUCTURE

ARTICLE 1

Commitments by developed country and other Annex I Parties:

(a) General commitment regarding policies and measures

- Commitment to adopt policies and take measures within national ⁽¹⁾ programmes referred to in FCCC Article 4.1(b) to limit and reduce greenhouse gas emissions from all relevant sectors, and to protect and enhance sinks and reservoirs.

(b) Further commitments regarding policies and measures

- Policies and measures in Annex A shall be common to all national programmes of Annex I Parties and applied as set out in the annex
- Policies and measures in Annex B shall be given high priority consideration for inclusion in national programmes; requirement to work towards early coordination of such policies and measures
- Policies and measures in Annex C shall be given priority consideration for inclusion in national programmes as appropriate to national circumstances.

(c) Commitment regarding limitation and reduction objectives

- Quantified limitation and reduction objectives to be set within specified timeframes, such as 2005, 2010 and 2020 for anthropogenic emissions by sources and removals by sinks

⁽¹⁾ This includes policies and measures adopted by regional economic integration organisations.

(d) Commitments regarding communication of information related to implementation

- Annex I Parties to include in communications under Article 12 of FCCC detailed description of the policies and measures adopted and considered to implement commitments under (a) to (c), specific estimates of their effects, and resulting projected anthropogenic emissions .
- Date of next communication and periodicity thereafter.
- Communications to include results of reviews of national policies and practices referred to in Article 4.2 (e) (ii) and any significant changes identified.

(e) Voluntary application by non-Annex I Parties

- Based on Article 4.2 (g) of FCCC.

(f) Possible annexes on methodological questions

- eg list of GWPs, effects of measures, projection of emissions

ARTICLE 2

Commitments by all Parties

Provisions on continuing to advance the implementation of existing commitments by all Parties.

ARTICLE 3

Conference of Parties to review the adequacy of these commitments in the light of FCCC Article 2, of the implementation of commitments contained in FCCC Article 4, of best available scientific information and assessment of climate change and its impacts, as well as relevant technical, social and economic information.

Date of first review and periodicity thereafter.

Conference of the Parties to take appropriate action within specified deadline

Annexes to be reviewed on entry into force and up-dated regularly (and more frequently) in the light of progress on the coordination of policies and measures between Parties, new scientific or technological advice, and other relevant developments.

ARTICLE 4

Provisions cross-applying relevant articles of FCCC, eg on definitions, secretariat, finance, settlement of disputes, etc.

ARTICLE 5

Provisions on amendments, including simplified procedures for amending the annexes.

ARTICLE 6

Final clauses (entry into force, etc)

ANNEX A

POLICIES AND MEASURES TO BE COMMON TO NATIONAL PROGRAMMES OF ALL
ANNEX I PARTIES

List of policies and measures to be adopted and implemented by
all Annex I Parties.

ANNEX B

POLICIES AND MEASURES TO BE GIVEN HIGH PRIORITY FOR CONSIDERATION

List of policies and measures which would benefit from common or
coordinated application (together with guidance on manner of
application, if appropriate) and which must be given high
priority consideration by Annex I Parties for inclusion in their
national programmes and for early coordination.

ANNEX C

NATIONAL POLICIES AND MEASURES LIKELY TO BE EFFECTIVE IN REDUCING
EMISSIONS TO BE CONSIDERED AS APPROPRIATE

List of policies and measures of proven or potential
effectiveness which should be given priority consideration, as
appropriate, by Annex I Parties for inclusion in their national
programmes (with possible indications of potential).

As regards more specifically the issue of policies and measures, we would like to recall our previous statement at AGBM 1 referring to the request for inputs to subsequent sessions of the AGBM. In this connection, we would like to reiterate the need to adopt, at this meeting, a decision in order to specify the necessary further work and to indicate who will undertake it and set deadlines.

Our proposal included two main issues:

The first point referred to additional analysis of potential policies and measures. The European Union would like to inform the AGBM that it is now in the process of preparing analysis of potential policies and measures on specific issues. We have based our work on the indicative list of policies and measures that the EU tabled in Berlin. We hope our work can be a contribution to the AGBM work and to present a progress report to AGBM3. In this context, we welcome the ongoing work on policies and measures for common action of the Annex I Experts Group supported by the OECD/IEA. As we have explained above, we envisage the policies and measures to be structured in three annexes.

Our second point referred to the results of analysis using bottom-up approaches such as Integrated Assessment Models.

We expect inputs on these two important points from the IPCC Second Assessment Report (Rome, December 1995). Other useful inputs could be a progress report of CTI activities by Annex II Parties at AGBM3, report of the Secretariat on opportunities for cooperation with the Montreal Protocol, ICAO and IMO.

We also recall that the AGBM requested the SBSTA and any intergovernmental technical advisory panels SBSTA may establish to provide reports, conclusions and advice on specific issues related to the work of the AGBM. Furthermore, we expect the AGBM to ask the SBSTA to provide for additional technical information and some preparatory sectorwise work by expert groups. In this context we attach a great importance to the early establishment of panels as technical experts working groups in order to deliver our work in time for CoP3.

PAPER NO. 9: SPAIN
(On behalf of the European Community)

Statement of 31 October 1995 on quantified emission limitation and reduction objectives within specified time-frames

España, en nombre de la Unión Europea, desearía comentar algunos aspectos de este importante elemento del Mandato de Berlín. Somos plenamente conscientes de que nuestra tarea constituye un reto. Los esfuerzos de la Unión Europea para alcanzar la estabilización de las emisiones de CO₂ en su conjunto al nivel de 1990 para el año 2000 se están evaluando anualmente. Actualmente se está preparando la segunda evaluación, que tiene en cuenta los datos más recientes tanto de la Unión Europea como de los distintos Estados Miembros. Los informes de los Estados Miembros de la Unión Europea, basados en los análisis preliminares más recientes de la Comisión Europea, indican que la Unión Europea está en vías de retornar en el año 2000 a su nivel de emisiones de CO₂ del año 1990, aunque aún se requieren esfuerzos ulteriores a nivel nacional y comunitario para asegurar que se alcance el objetivo de estabilización. Los resultados finales de la evaluación estarán disponibles al final de este año. Estos resultados se comunicarán al Secretariado del Convenio Marco sobre Cambio Climático como aportación a este Grupo Ad Hoc compartiendo así nuestra experiencia en lo que se refiere al objetivo de estabilización de CO₂.

1. Comentario General

Como ya indicamos al explicar nuestra propuesta para la estructura del protocolo, la Unión Europea cree firmemente en un enfoque combinado tanto de políticas y medidas, como de objetivos cuantitativos de limitación y reducción de emisiones para las Partes del Anexo I. El Mandato de Berlín es muy claro en este punto. Ya no se trata de discutir si son necesarios los objetivos de emisiones por fuentes y absorciones por sumideros en plazos específicos. La única cuestión es cómo se deben formular estos objetivos y qué marcos temporales deben elegirse.

Los objetivos de limitación y reducción deben ser suficientemente ambiciosos para reflejar el cambio de las tendencias de emisiones de las Partes del Anexo I con el fin de avanzar hacia el objetivo último del Convenio. A la luz de dicho objetivo último, el nivel absoluto de emisiones y eliminaciones debe jugar un importante papel, pero también deberían estudiarse objetivos relativos tales como criterios de eficiencia.

2. Consideración de los gases de efecto invernadero

Otra cuestión que tiene que ser resuelta es cómo se consideran los diversos gases de efecto invernadero. Aunque el Mandato de Berlín indica claramente que todos los gases de efecto invernadero, las fuentes y los sumideros y todos los sectores relevantes deben ser contemplados en el protocolo, hay que optar todavía entre el llamado enfoque gas por gas o aquel en el que los gases se consideran conjuntamente utilizando el Potencial Global de Calentamiento definido por el IPCC para determinar su efecto total. La Unión Europea no ha adoptado todavía una posición definitiva al respecto. Las dos posibilidades se están siguiendo en la Unión Europea.

3. Calendarios específicos

En el tema de calendarios específicos para los objetivos cuantificados de emisiones, el Mandato de Berlín sugiere los años 2005, 2010 y 2020. Hay que considerar dos aspectos importantes:

- 1- En vista del objetivo último de la Convención y al mensaje del IPCC según el cual se requiere que las emisiones globales disminuyan frente a los niveles actuales para alcanzar ese objetivo, el protocolo debería potenciar cambios fundamentales en las tendencias de emisión de gases de efecto invernadero. Para establecer un marco estratégico en el que adoptar decisiones de planificación e inversión, es necesario considerar calendarios a más largo plazo.
- 2- En vista de la necesidad de que las Partes sean fiscalizadas y para facilitar una evaluación periódica de su situación relativa al desarrollo de sus emisiones totales, es importante considerar también plazos más cortos.

Por lo tanto, la Unión Europea considera apropiado incluir en el protocolo los especificados en el Mandato de Berlín: 2005 y 2010 como preferibles, y 2020 como una posible perspectiva a más largo plazo.

4. Incentivos para una pronta acción

En este contexto se debería reflexionar sobre la posibilidad de crear incentivos para una pronta acción de las Partes, especialmente dado que el IPCC indica que son las emisiones acumuladas (suma de las emisiones anuales a lo largo de un período de tiempo) las que determinarán el futuro nivel de las concentraciones de gases de efecto invernadero. La acción temprana sería particularmente relevante en el caso de decisiones de inversión con impacto a largo plazo, tales como la reposición o ampliación de centrales eléctricas, nuevas infraestructuras de transporte y disposiciones sobre eficiencia energética en nuevos edificios. A lo largo de la vida útil de estas inversiones de infraestructura se pueden evitar cantidades significativas de gases de efecto invernadero. Creemos que el AGBM debería explorar en el contexto de su trabajo futuro el potencial y la promoción de estos incentivos.

5. Cuantificación de objetivos

Sr. Presidente, los cuatro puntos anteriores han completado la parte fácil de nuestra declaración. Las cuestiones más difíciles sin duda están relacionadas con la determinación del nivel exacto de los objetivos de limitación y reducción y también con la cuestión de cómo distribuirlos.

Los objetivos cuantitativos de limitación y reducción del protocolo deberían determinarse tanto mediante la necesidad de reducir los riesgos de cambio climático (basados en la evaluación científica del IPCC) como por el potencial técnico para alcanzar reducciones, así como por los costes y el impacto económico. Permítame ahora tratar algunos aspectos de esta cuestión:

¿Qué nos dice la ciencia?

Las evaluaciones científicas del IPCC apuntan a la necesidad de que las emisiones globales de gases de efecto invernadero disminuyan bastante por debajo de los niveles actuales si queremos estabilizar las concentraciones de estos gases a un nivel inferior al triple de los valores preindustriales. Tal vez este nivel es incluso demasiado alto a la vista del objetivo último del Convenio. Podría, por ejemplo, elevar la temperatura media mundial a niveles que la Tierra no ha experimentado en las últimas decenas de milenios. También sabemos que la contribución de los países en vías de desarrollo a las emisiones globales crecerá para alcanzar sus necesidades sociales y de desarrollo.

El mensaje está claro: los países industrializados necesitan seguir encabezando la reducción gradual de emisiones durante décadas después del año 2000, lo que conduciría a una significativa reducción a mediados del próximo siglo para el conjunto de dichos países. Sin embargo, basándose en el próximo Segundo Informe de Evaluación del IPCC, las cifras deberían determinarse con mayor precisión con el fin de proporcionar una directriz estratégica al AGBM acerca de la limitación y reducción de las emisiones globales mediante el protocolo.

Potencial técnico

El potencial técnico para la reducción de emisiones está determinado por las tecnologías disponibles. El análisis realizado por el grupo de trabajo 2 del IPCC a este respecto (que recientemente ha sido aprobado por el grupo al completo) indica claramente que hay un potencial técnico significativo para reducir las emisiones de gases de efecto invernadero en el futuro próximo. Este potencial técnico, por lo tanto, no será el factor limitante.

Costes y escenarios económicos

El coste de las políticas y medidas y los impactos económicos (dentro de los países del Anexo I así como en otros países) son muy importantes en un contexto político. Antes de poder alcanzar conclusiones, algunos aspectos necesitan consideración adicional. Dos cosas están claras ya:

Primero, el IPCC confirma sus anteriores mensajes en el sentido de que el cambio climático debería ser considerado como un riesgo serio, que requerirá medidas progresivas de limitación y adaptación a lo largo del tiempo. El grupo de trabajo 3 del IPCC ha confirmado en su informe de síntesis, recientemente aprobado, el amplio potencial existente de políticas y medidas que se justifican por otros motivos, las llamadas "no regret". Por supuesto, este potencial de medidas "no regret" debe ser aprovechado completamente en el protocolo. En vista de los riesgos de cambio climático, políticas y medidas más allá de las "no regret" habrán de ser incluidas en el protocolo igualmente. Y se deberían llevar a cabo las acciones necesarias al menor coste posible, es decir, de una manera eficaz desde el punto de vista de los costes. Segundo, los costes y los impactos económicos que cada Parte tendrá que aceptar serán un elemento importante. Ello requerirá una consideración cuidadosa sobre cómo lograr contribuciones equitativas y apropiadas de cada una de las Partes del Anexo I al esfuerzo global.

6. Naturaleza de los objetivos

Es importante la naturaleza de los objetivos cuantitativos de limitación y reducción en el protocolo. El Mandato de Berlín especifica que deberían incluirse tanto las políticas y medidas como los objetivos cuantitativos. La tarea es seria, así que el protocolo no puede ser construido solamente con buenas intenciones. Es el resultado lo que cuenta: el resultado en términos de control de las emisiones de gases de efecto invernadero. Y ésto solamente puede lograrse a través de compromisos vinculantes de introducir políticas y medidas en el contexto de objetivos cuantitativos de limitación y reducción.

(UNOFFICIAL TRANSLATION)

On behalf of the European Union I would like to address a few aspects of this important element of the Berlin Mandate. We are fully aware of the fact that we are facing a challenging task. The EU's efforts to achieve stabilisation of CO₂ emissions at 1990 levels by the year 2000 in the EU as a whole are being evaluated on an annual basis. The second evaluation, which takes into account the most recent developments at both Community and individual member States level, is in preparation. EU member States' reports, based on the latest preliminary analysis by the European Commission, indicate that the EU is on course to return its CO₂ emissions to 1990 levels in the year 2000 - though further efforts on a national and Community level are still required to ensure that the stabilisation objective is achieved. The final results will be available by the end of this year. They will be submitted to the FCCC Secretariat as a token of the EU's willingness to share its experiences with the AGBM as regards the CO₂ stabilisation target.

General

As we indicated when expressing our views about the structure of the protocol, the EU strongly believes in a combined approach of both policies and measures as well as quantified emission limitation and reduction objectives for Parties included in Annex I. The Berlin Mandate is very clear about this. It is no longer the question whether these objectives for emissions by sources and removals by sinks within specified time-frames are necessary. The only question still is how these objectives should be formulated and what time frames should be chosen.

Limitation and reduction objectives should be ambitious enough to reflect the change in emission trends in Annex I Parties needed in order to progress towards the ultimate objective of the Convention. In the light of the Convention's ultimate objective, the absolute level of emissions and removals must play an important role, but also relative objectives such as efficiency criteria should be explored.

Coverage of greenhouse gases

Another question that has to be resolved is the coverage of the various greenhouse gases. Although the Berlin Mandate clearly indicates that all greenhouse gases, both sources and sinks as well as all relevant sectors should be addressed in the protocol, there is still a choice to be made between a so called gas-by-gas approach and an approach where gases are put in one basket using the IPCC's Global Warming Potential to determine their total. The EU is not taking a formal position on this question at this stage. The two possibilities are being pursued in the EU.

Specified time-frames

On the question of the time-frames to go with quantified emission objectives the Berlin Mandate suggests the years 2005, 2010 and 2020. There are two important aspects to take into consideration:

- (1) in view of the ultimate objective of the Convention and IPCC's message that overall global emissions below the current levels will be required to meet that objective, a protocol should encourage fundamental changes in the trends of greenhouse gas emissions; this would call for longer time-frames to create a reliable strategic framework for planning and investment decisions
- (2) in view of the need for accountability of Parties and to facilitate regular stock taking regarding the development of overall emissions shorter time frames are also important.

The EU therefore considers it appropriate to include in the protocol the time-frames specified in the Berlin Mandate: 2005 and 2010 as preferable and 2020 as a possible longer term perspective.

Incentives for early action

In this context some further thought should be given to the possibility of creating incentives for Parties to take early action, especially since IPCC indicates that it is the cumulative emissions (sum of annual emissions over period of time) that will determine the future level of greenhouse gas concentrations. Early action would be particularly relevant in case of investment decisions with a long-term impact, such as replacement or addition of a power plant, new transportation infrastructure and energy efficiency provisions in new buildings. Over the life-time of such infrastructural investments significant amounts of greenhouse gases can be avoided. We believe that AGBM should further explore in the context of its further work the potential and promotion of these incentives.

Quantification of objectives

Mr.Chairman, this completes the easy part of our statement. The most difficult questions no doubt are related to the determination of the exact level of the limitation and reduction objectives and also to the question of how to distribute them.

Quantified limitation and reduction objectives in the protocol should be determined by the need to reduce the risks of climate change (based on IPCC's scientific assessment), by the technical potential to realise reductions and by the costs and the economic impact. Let me address a few aspects of these issues now:

*** What does the science tell us?**

IPCC's scientific assessments point to the need for overall global emissions of greenhouse gases to go down well below current levels if we are to stabilise greenhouse concentrations at a level below tripling the pre-industrial values. This might already be too high in view of the ultimate objective of the Convention. It could for instance bring the average world temperature to levels the earth has not experienced in the last tens of thousand of years. We also know that the share of

global emissions originating in developing countries will grow to meet their social and development needs.

The message is clear: industrial countries need to continue to take the lead in gradually reducing emissions for decades after the year 2000, leading to a significant reduction by the middle of the next century for all industrialised countries together. But on the basis of the upcoming Second Assessment Report of IPCC the figures should be determined more precisely, in order to provide strategic guidance to the AGBM on the limitation and reduction of overall emissions through the protocol.

* **The technical potential**

The technical potential for emission reductions is determined by the technologies that are available. The analysis done by IPCC Working Group II on this aspect (which was recently accepted by the full Working Group) clearly indicates that there is a significant technical potential to reduce greenhouse gas emissions in the near future. This will therefore not be the limiting factor.

* **Costs and economic impacts**

The costs of policies and measures and the economic impacts (inside Annex-I Parties as well as on other countries) are very important in a political context. Before conclusions can be drawn, some aspects need further consideration. Two things are clear already:

(1) IPCC is confirming its earlier messages that climate change should be considered a serious risk, which will require progressive mitigation and adaptation measures over time. IPCC Working Group III confirmed in its recently approved summary report the large potential of policies and measures that can be warranted on other grounds ("no regret"). This "no regrets" potential needs of course to be fully used in the protocol. In view of the risks of climate change further policies and measures beyond "no regrets" are likely to have to be included in the protocol

as well. And everything should be done to take the necessary action at the lowest possible costs, that is in a cost-effective manner.

(2) The costs and economic impacts a Party will have to accept will be an important element. This will require careful consideration of how to achieve equitable and appropriate contributions by each Annex I Party to the global effort.

Character of objectives

The character of the quantified emission limitation and reduction objectives in the protocol is important. The Berlin Mandate specifies that both policies and measures as well as quantified objectives should be included. The task is serious, so the protocol cannot be built on good intentions alone. It is the result that counts - the result in terms of controlling emissions of greenhouse gases. And that can only be achieved through binding commitments to introduce policies and measures in the context of quantified limitation and reduction objectives.
