

Government negotiators broke into four "non groups" to negotiate on Article 4.1 (general commitments), Quantified Emission Limitation and Reduction Objectives (QELROS), Policies and Measures and Institutions during AGBM 7. The challenge was to reduce the more than 120 pages of Chairman's Negotiating Text, which included every possible proposal, into a single negotiating text. Final versions produced by the four non groups now include 75 pages of heavily bracketed text. Chairman Estrada has received support of the AGBM to proceed with intersessional negotiations and to produce a new Chairman's Text for AGBM 8. While the current text includes every conceivable option, Chairman Estrada revealed where his mind is headed during his press conference on the final day of AGBM 7.

Estrada is reported to have told the press that in his view the AGBM had agreed to:

1. commitments for 2005 and 2010;
2. differentiation, not using mathematical criteria, but political negotiations;
- 3 joint implementation among Annex I Parties;
4. legally binding Qelros;
5. budgets;
6. the use of the Framework Convention's existing objective and principles;
7. no borrowing.

Estrada told reporters that decisions had not yet been made on:

1. legally binding policies and measures;
2. use of the net approach;
3. coverage;
4. emissions trading.

The issue of joint implementation with developing countries (ie. countries with no targets) remains contentious, although strongly supported by Annex 1 countries like the US and Canada. Developing countries "officially" do not support joint implementation, although countries like Costa Rica are participating in projects. The U.S. has said that it intends to commit to emissions reductions only if it also is allowed to engage in emissions trading with countries that have commitments, and in joint implementation with countries that do not have commitments. The Climate Action Network does not support joint implementation with Parties that do not have reduction commitments for technical and security reasons.

Finally, Chairman Estrada has made it clear that while the Berlin Mandate does not allow for the negotiation of emission reduction commitments for developing countries, the Conference of the Parties does have the power to establish a process for negotiating future commitments for developing countries and that decision could be made at the Third Conference of the Parties meeting in Kyoto this December.

Given these elements, what is the basis for concerns that the outcome in Kyoto will not lead to real emissions reductions?

1. Commitments for 2005 and 2010. While no formal decision has been made, rumour has it that legally binding commitments for Annex 1 Parties will only begin in 2010 and that commitments for 2005 will not be legally binding. Instead, any target for 2005 will be monitored using "milestones" or criteria for gauging success such as percentage improvement in energy efficiency, renewable energy supply, etc., (as proposed by Japan). Such an outcome is unacceptable from a climate protection point of view. Progressive industry has made it abundantly clear that without a legally binding commitment for significant emission reductions