

Report: AGBM and AG13 negotiating sessions on Climate Change, Bonn, July 31 - August 7, 1997

SUMMARY: Substantive focus of the AGBM was to develop further the draft negotiating text for the Protocol or legal instrument covering post-2000 climate change commitments. The session took the form more of an exchange of views, rather than a negotiation, and most countries are still developing their proposals on concrete targets and timeframes for stabilization and reductions (QELROS) of emissions. Result was to formulate a basis of negotiation for crunching during the next session in October and its preceding intersessional period. Focus was primarily on "non-target" issues, which are nonetheless central, as they frame how Parties are to implement their commitments and what types of flexibility mechanisms will be open to them. Principal developments included an agreement in principle for coverage including a broader range of gases than just CO<sub>2</sub>, development of options for defining the basis for targets and their type and nature, and the elaboration of a list (for negotiation) of possible policies and measures. A good exchange of views took place on the key flexibility mechanisms of banking, borrowing, emissions trading and joint implementation which helped to identify difficult outstanding questions (although much more work needs to be undertaken on specifics and on breaking political logjams). The key concept of differentiated commitments for different parties remains to be cracked. Central issues under the rubric of institutions and mechanisms emerged as: the possibility of an entry into force trigger based on percentage of global emissions (which could help ensure that key Parties ratify before the instrument enters into force), and defining a possible compliance package (not including trade measures). Discussion of developing country commitments focused on reporting requirements and the elaboration of possible policies and measures, with developing countries calling for increased financing. Thorny financing issues were also raised in the context of an OPEC-inspired proposal for compensation for impacted countries and a Brazilian proposed fund to be financed by non-complying parties. While possible future developing country commitments were not discussed explicitly, view amongst key OECD delegations is that efforts should be made to ensure that the COP in Kyoto elaborates a process for securing them in the future. Generally, discussions focussed on developing a common understanding of positions and crafting a basis for negotiations which identifies key options and choices. However, with only one dedicated formal meeting left to take place before the Kyoto conference, pressure is on parties to deliver on specifics and be prepared for crunch negotiations.

REPORT: Substantive focus of the AGBM was to develop further the draft negotiating text for the Protocol or legal instrument covering post-2000 climate change commitments. The discussion focussed on the various sections of the draft negotiating text (AGBM/1997/3/add.1) including developed country commitments, developing country commitments under Article 4.1, and issues