SENT BY:Xerox Telecopier 7021 ; 3-15-96 :11:12AH ;

B, C. N. I. →

9476799;# 2

THIRD SESSION OF THE AD HOC GROUP ON THE BERLIN MANDATE

Overview

The third meeting of the AGBM was dominated by a growing emphasis on the conclusions of the Second Assessment Report (SAR) of the Intergovernmental Panel on Climate Change (IPCC), particularly their finding of a "discernible human influence" on the climate. This session also saw a new dimension added as a result of a perceptible shift to the "greener" side of the issue by the United States. However, there was some uncertainty whether this was more than pre-election positioning. Another important signal was the decision by the AGBM to schedule a ministerial portion at the Second Conference of the Parties (COP-2) in July, 1996. Canada originally expressed doubt about the usefulness of a Ministerial meeting at this point in the AGBM process. However, the EU, OASIS, and the United States pushed strongly for a Ministerial. Given the inevitable political impetus to have something for Ministers to announce in July, this will increase the pressure to move toward new targets and timetables.

The AGBM moved beyond the largely procedural issues which had dominated its first two sessions and began to examine seriously the future direction of the Berlin Mandate. The two main issues of interest to Canadlan business are the possibility of future commitments beyond the year 2000 — the so-called "quantifiable emission limitation and reduction objectives" (QELROs) — and the elaboration of policies and measures in furtherance of the commitments contained in Articles 4(a) and 4(b) of the Convention.

Ouantified Emission Limitation and Reduction Objectives

The Berlin Mandate calls for the examination of possible QELROs under the time frame of 2005, 2010 and 2020. Debate ranged from those who preferred to begin setting specific objectives and timeframes for reductions by Annex I parties (some European countries, AOSIS, several developing countries), those who argued for examination of differentiated obligations (Canada, Australia, Norway, Japan), and others who stated that the consideration of new targets was premature (mainly the OPEC countries). There also were differences of view between those, such as Canada, who continued to stress the comprehensive approach versus those who preferred specific targets for individual greenhouse gases.

In a carefully worded intervention, the United States argued for flexibility and an emphasis on cost-effective action, but surprised many by making several references to "targets and timetables", words that previously had been banned from the American vocabulary.

The statement on behalf of the European Union demonstrated that there is still some difficulty in defining a common EU position on QELROs -- in particular a specific reduction objective, and if it should be a flat rate reduction or whether some differentiation among parties could be contemplated. Nonetheless, they did call for "credible and challenging" reduction objectives to be established for early in the next century. The EU pointed to the IPCC contention that significant "no regrets" actions are available, and that on the basis of potential risk significant action beyond no