

**INDUSTRY VIEWS OF THE KEY OUTCOMES  
OF THE SECOND CONFERENCE OF THE PARTIES  
UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE  
JULY 8-19, 1996, GENEVA, SWITZERLAND**

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The Second Conference of the Parties (COP-2) had been predicted to be largely a stock-taking exercise, with an attempt to resolve some of the procedural issues so that substantive negotiations could begin. However, the addition of a Ministerial portion to the proceedings, together with the well-timed release of some new studies related to potential climate change, gave the process a renewed sense of vigour.

**Ministerial Segment**

Work on the "Ministerial Declaration" quickly became the focal point of the meeting. Although the Declaration was not formally adopted by the COP and cannot change the mandate agreed to in Berlin, the call for a "legally binding" target may very well affect the political dynamic as we move forward. This outcome owed much to an apparent shift by the **United States**, which had resisted such precise commitments at Rio and Berlin. However, a closer reading of the American statement shows how carefully the message was designed for maximum political advantage in an election year, while at the same time maintaining the traditional insistence on the sovereignty of U.S. domestic policy.

Of note were the formal reservations registered by **Australia and New Zealand**, who could not accept the commitment to a "legally binding" target without knowing what that target would be and how it would be achieved. The new government in Australia has shifted more definitely towards protection of their economic and trade interests. They have undertaken a careful assessment of the impact of proposed targets and found them not to their liking. And they have more clearly than anyone else taken the European Union to task for its attempt to impose country-by-country reduction targets for other OECD countries, while continuing to shelter EU members under a collective target.