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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

CONFERENCE OF THE PARTIES*

Fourth session

Buenos Aires, 2-13 November 1998

Agenda items 4 (f) and 5 (a) (ii)-(iv)

MATTERS RELATED TO DECISION 1/CP.3 PARAGRAPH 5

Article 6 of the Kyoto Protocol

Article 12 of the Kyoto Protocol

Article 17 of the Kyoto Protocol

ACTIVITIES IMPLEMENTED JOINTLY

Compilation of submissions by Parties

Addendum

1. In addition to the submissions contained in FCCC/CP/1998/MISC.7 and Add.1, one further submission has been received.
2. In accordance with the procedure for miscellaneous documents, the submission received is attached and reproduced in the language in which it was received and without formal editing.

* Including the ninth sessions of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation.

FCCC/CP/1998/MISC.7/Add.2

EZE.98-

PAPER NO.1: UGANDA
(On behalf of the African Group)

**AFRICAN COMMON POSITION ON THE CLEAN DEVELOPMENT
MECHANISM**

1. Africa is almost a negligible contributor to global greenhouse gas emissions, under 3%, yet is the most vulnerable to the likely adverse impacts of climate change. Recurrent droughts, land degradation, desertification and overdependence on primary modes of production which amongst others have led to widespread poverty only worsens the continent's capacity to respond to the impacts of Climate Change. The Clean Development Mechanism is taken as a high priority for the continent to better cope with its vulnerabilities and be better prepared to increase its overall socio-economic development;
 - (a) The primary objective of the Framework Convention on Climate Change is to take action domestically to reduce emissions. The use of flexible mechanisms, therefore, should be limited to an agreed percentage of the emissions targets provided in the Kyoto Protocol for Annex I Parties;
 - (b) The purpose of the Clean Development Mechanism is to promote sustainable development in non-Annex I countries and assist with emission reductions in Annex I countries while promoting the ultimate objective of the Climate Change Convention.
 - (c) The Clean Development Mechanism aims to promote sustainable development, but the large external debt of Africa remains the main obstacle to the achievement of that goal. For this reason Africa believes that constructive engagement in discussions relating to debt relief in appropriate world fora is critical to effective engagement in the CDM, since addressing this problem will assist to create an enabling environment for implementing a wide range of CDM projects;

Critical issues

2. In order for the Clean Development Mechanism to succeed in the region and internationally the following actions need to be taken:
 - (a) Regional dialogues should involve the private sector, non-governmental organizations and Governments;
 - (b) The Clean Development Mechanism should be designed in such a way that it is advantageous to Africa and the private sector;

Sustainable development

- (c) Technology development and transfer, capacity building, environmental assessment and environmental improvement are essential for sustainable development.

Functioning of the Clean Development Mechanism

- (d) The Clean Development Mechanism should operate in principle through the market-based mechanisms, but projects should be allocated on an equitable regional/subregional basis, based on common but differentiated responsibilities;
- (e) The Clean Development Mechanism should not be used as a substitute for other mechanisms such as official development assistance and the Global Environmental Facility;
- (f) Credits should be agreed between the investing and host country with 5% of the proceeds retained for the adaptation fund and 2% of the proceeds for the administration of the Clean Development Mechanism;
- (g) Africa is prepared to play a meaningful role to come up with clear and common incentives, baselines, clear and easy rules of entrance and implementation procedures in order to attract Clean development Mechanism projects for the region. Africa would require assistance in developing such incentives for the region.

Governance of the Clean Development Mechanism

- (h) The Executive Board should not be too large, limited to around 11 - 15 members based on a balanced geographical representation with additional representation from the Alliance of Small Island States;
- (i) The Executive Board should be responsible for the approval of projects with some responsibility delegated to regional/subregional bodies, where necessary;

Essential criteria for the Clean Development Mechanism

- (j) Emission reductions/emissions avoidance and sustainable development should be given equal importance;
- (k) Objectives of reducing or avoiding emissions should be understood to mean slowing the rate of growth in emissions from developing countries, not as achieving reductions in absolute terms from current levels;

Baselines, monitoring and verification

- (l) Baselines, monitoring, verification and certification are critical and their methodologies need to be developed nationally and regionally in order to build institutional and human capacity. Africa believes that this will include improvement in the areas of data collection and analyses so as to improve the accuracy of the baselines;

Links with GEF

- (m) The operations of the Clean Development Mechanism should be separated from those of the GEF, in order to ensure financial autonomy. The possibility of GEF assisting to prepare feasibility studies and capacity building as well as creating awareness in terms of the Clean Development Mechanism should be explored;

Financing of the Clean development Mechanism

- (n) The Conference of the Parties to the Convention serving as the meeting of the Parties to the Protocol needs to elaborate on new and additional sources of funds for achieving the objective of the Clean development Mechanism, in particular in Africa;
- (o) An adaptation fund for the poor and most vulnerable countries should be established within the Clean Development Mechanism and contributions should also be sought from other flexible mechanisms of the Protocol of the Convention;
- (p) The Clean Development Mechanism should start with a seed fund to assist African countries to be better prepared for this mechanism;

Clean Development Mechanism Projects

- (q) For Africa to gain maximum benefit from the Clean Development Mechanism, inter alia infrastructure, waste management, renewable energy, energy efficiency, industrial processes (including mining), transport, land- and natural resource use, forestry and agricultural projects as they relate to national, regional and/or subregional priorities should be developed;
- (r) Africa requires training and capacity-building to deal with sustainable development and the development and implementation of Clean Development Mechanism projects;
- (s) African countries should be assisted in initiating demonstration projects in various sectors, commensurate with the development priorities of African countries;

AIJ

- (t) The deadline of the year 2000 is nearing and very little Activities Implemented Jointly (AIJ) experience has been gained by Africa. The pilot phase should therefore be extended to allow African countries to gain experience in the field of partnerships with other countries on projects;

Other flexible mechanisms

- (u) Common methodologies should be applied to verification and certification of all three flexible mechanisms and efforts should be to ensure that part of the proceeds from Joint Implementation and Emissions Trading is also shared for adaptation projects similar to the Clean Development Mechanism.

3. Since the Clean development Mechanism is a high priority for Africa, African countries should endeavour to sign and ratify the Kyoto Protocol.
4. Baselines and methodological issues are to be further explored after the fourth meeting of the Conference of the Parties.
