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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

AD HOC GROUP ON THE BERLIN MANDATE

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IMPLEMENTATION OF THE BERLIN MANDATE

Proposals from Parties

Note by the secretariat

1. In addition to the proposals already received (see FCCC/AGBM/1997/MISC.1 and Add. 1-7), a further proposal has been received from the United Republic of Tanzania, on behalf of the Group of 77 and China.
2. In accordance with the procedure for miscellaneous documents, this proposal is attached and is reproduced in the language in which it was received and without formal editing.

FCCC/AGBM/1997/MISC.1/Add.8

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PAPER NO. 1: UNITED REPUBLIC OF TANZANIA
(On behalf of the Group of 77 and China)

**POSITION PAPER OF THE GROUP OF 77 AND CHINA
ON A CONSOLIDATED NEGOTIATING TEXT**

Note: A text on “institutions and mechanisms” (Part I) will be submitted later.

- PART II -

POLICIES AND MEASURES

Articles 2.1 (a), (b) and (d) in document FCCC/AGBM/1997/7

1. Each of the Parties included in Annex 1 shall:
 - a. Adopt and implement policies and measures in achieving commitments regarding quantified emissions and reduction objectives under Article 3, in order to promote sustainable development, such as the following, in accordance with its national circumstances:
 - i) Enhancement of energy efficiency in all sectors of the national economies.
 - ii) Protection and enhancement of sinks and reservoirs of greenhouse gases not controlled by the Montreal Protocol.
 - iii) Promotion, development and increased use of renewable forms of energy and of innovative environmentally sound technologies.
 - iv) Phasing out of market imperfections, fiscal incentives, tax exemptions and subsidies in all GHG emitting sectors, that run counter the objective of the Convention.
 - v) Providing a continuous balance between those policies and measures aimed at reducing emissions of greenhouse gases in emitting sectors and those aimed at reducing consumption of their products;

The Conference of the Parties to the Convention shall review the application of these policies and measures.

- b. Implement policies and measures under this Article in such a way as to avoid adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Articles 4.8 and 4.9, taking into account Article 3.5 of the Convention.¹ The Conference of the Parties to the Convention may take further action, as appropriate, to promote the implementation of the provisions of this subparagraph;
- c. Co-operate with other such Parties to enhance the individual and combined effectiveness of their policies and measures adopted and implemented under this Article, in accordance with Article 4.2(e)(i) of the Convention. To this end, these Parties shall take steps to share their experience and exchange information on policies and measures, including developing ways of improving their comparability, transparency and effectiveness. The Conference of the Parties to the Convention shall, as soon as practicable, consider ways to facilitate such co-operation, taking into account all relevant information.

Notes: *The Group of 77 & China rejects the introduction of new Annexes, for different reasons. In this case, the inclusion of a list of policies and measures in an Annex is restrictive. In addition, the amendment of an Annex is a difficult procedure that may represent a barrier for the implementation of some policies and measures.*

¹ This matter is linked with the issue of a compensation fund. Cross referencing may be introduced once the actual place for the text on a compensation fund is proposed. The Group of 77 and China reserves the right to revert to this subparagraph.

- PART III -

**QUANTIFIED EMISSION LIMITATION AND REDUCTION OBJECTIVES
(QELROS)**

Articles 3-11 of the Chairman's text in document no FCCC/AGBM/1997/7

(Note: This should be read as supplementary to G-77 and China's text on QELROs as contained in FCCC/AGBM/1997/Misc.1/Add.6.)

1. Article 3 - The whole of Article 3 and Annexes A, B and Attachment 1 should be deleted. The specific proposal on targets and timetables is reflected in para. 3 of document no. Misc.1/add.6 containing the G-77 and China proposal on QELROs.

Reasons:

- the article is not based on quantified emission limitation and reduction objectives (QELROs) agreed in the Berlin Mandate. Significant QELROs is the core of the Berlin Mandate. Contrary to the Berlin Mandate, Article 3 is based on the budget concept and related concepts including emissions allowances, banking, borrowing, emissions trading, etc. which are concepts outside the scope of the Berlin Mandate.
- the budget and related concepts cannot lead to the reduction and limitation of ghg emissions for achieving the objective of the Convention.
- QELROs have to be transparent, identifiable and verifiable.
- these issues have neither been examined nor discussed in the Subsidiary bodies of the Convention.
- introduction of these issues into the negotiating process will adversely affect the chances of agreement at Kyoto.

2. Article 4 Paragraph 3, dealing with Global Warming Potential (GWP) should be deleted.

Reasons:

- the uncertainty of estimating GWP and the frequent changes made in the values of GWP by IPCC.
- introduction of GWP into QELROs will dilute the commitments of Annex I Parties.

3. Article 5 The whole article should be deleted.

Reasons:

- emissions trading and any regime pertaining to tradeable emission permits is outside the scope of the Berlin Mandate.
 - emissions trading implies trading in unused emissions rights. Until the subject of emissions rights or entitlements has been discussed and addressed equitably, emissions trading cannot be discussed.
 - the legal, institutional, organizational, and methodological issues are very complex and have not been addressed at all.
 - emissions trading will not lead to limitation and reduction of ghg emissions for attaining the objective of the Convention.
 - it seeks to transform government commitments on QELROs into commercial transactions, thereby shifting domestic actions for achieving QELROs overseas.
 - it seeks to maintain the current unsustainable patterns of consumption and production in Annex I countries at the cost of global environment.
4. Article 6 The whole Article on "Joint Implementation" as it stands should be deleted.

Reasons:

- it seeks to establish rules and regulations on "transfer or receipt of credits", and also seeks to replace the ongoing pilot phase of AIJ in contravention to the decision taken at COP2 to continue the pilot phase of AIJ.
 - it seeks to lay down a number of "conditions" for the so-called joint implementation projects without any discussion through the Convention's established process.
5. Article 7 The whole Article should be deleted.

Reasons:

- the Article attempts to introduce, under the guise of reporting, issues such as "budget period", "emissions allowed and emission credits", etc., which are not acceptable for the reasons mentioned above.
6. Article 8 G-77 and China have agreed to the text with the necessary amendments.
7. Article 9 It deals with non-compliance with the provision of the Protocol/another legal instrument. This Article needs further consideration and negotiations.

8. Article 10 This Article deals with voluntary commitments by non-Annex I Parties. The Article should be deleted along with its cross-references in all other articles.

Reasons:

- it is contrary to the provisions of the Berlin Mandate.
- it seeks to impose "the level of limitation or reduction" of emissions on non-Annex I Parties.
- the above conditionality will endanger the national interests of those non-Annex I Parties which intend to join AIJ pilot phase.
- it attempts to create a new category of country Parties outside the Convention and goes beyond the Berlin Mandate.

9. Article 11 - This article should be deleted.

Reasons:

- Article 4.2 (d) of the Convention has clear provisions on the review of adequacy of commitments of Annex I Parties.
- this article makes attempts to circumvent the review of adequacy as stipulated in Article 4.2 (d) of the Convention.

Submission by United Republic of Tanzania for the Group of 77 and China on QELROS

1. Each Party included in Annex 1 shall achieve the quantified emission limitation and reduction objectives (QELROS) within the time frames such as 2005, 2010 and 2020 for its anthropogenic emissions by sources and removals by sinks of CO₂ and other greenhouse gases not controlled by the Montreal Protocol. (based on subparagraph II .2(a) of Decision 1/CP.1)

2. The QELROS shall be adopted and reviewed periodically by the COP to the Convention, as the supreme body of the Convention, in the light of the best available scientific information and assessment on climate change and its impacts, as well as relevant technical, social, environmental and economic information.

3. Each Party included in Annex 1 shall:

- i. return its anthropogenic emissions of all GHGs not controlled by the Montreal Protocol to its 1990 levels by the year 2000;

- ii. reduce its anthropogenic emissions of CO₂, CH₄ and N₂O each by at least 7.5% of its 1990 levels by the year 2005;
- iii. reduce its anthropogenic emissions of CO₂, CH₄ and N₂O each by at least 15% of its 1990 levels by the year 2010;
- iv. further reduce its anthropogenic emissions of CO₂, CH₄ and N₂O each by at least an additional 20% of its 1990 levels by the year 2020, thus leading to a total reduction of 35% of each of these 3 GHGs from the 1990 levels by the year 2020;
- v. make efforts to control and phase out other greenhouse gases, including HFCs, PFCs and SF₆, etc.;
- vi. achieve its QELROS primarily through domestic action in its own country.

4. Each included in Annex 1 shall fulfil the above commitments mentioned in paragraph 3 in such a way as to minimise adverse social, environmental and economic impacts on developing country Parties, particularly those included in Articles 4.8 and 4.9 of the Convention. A Compensation Fund shall be established by the Conference of Parties to compensate the developing country Parties which may suffer social, environmental and/or economic loss as a result of actions taken to meet the QELROS.

5. A Clean Development Fund shall be established by the Conference of Parties to assist the developing country Parties to achieve sustainable development and contribute to the ultimate objective of the Convention. The Clean Development Fund will receive contributions from those Annex 1 Parties found to be in non-compliance with its QELROS under the Protocol. The Clean Development Fund will also be open for voluntary contributions from Annex 1 Parties.

FCCC/AGBM/1997/Misc.1/Add. 6
(dated 23 October 1997)

- PART IV -

**CONTINUING TO ADVANCE THE IMPLEMENTATION OF EXISTING
COMMITMENTS UNDER ARTICLE 4.1**

Articles 12 and 13 of FCCC/AGBM/1997/7

Basic position:

The position of the Group of 77 and China is guided by the provisions of paragraph 2 (b) of Decision 1/CP.1, the Berlin Mandate, and the "chapeau" of Article 4.1. These state that:

1. the article will not introduce any new commitments for Parties not included in Annex I;
2. but reaffirm existing commitments in Article 4.1;
3. and continue to advance the implementation of these commitments in order to achieve sustainable development;
4. taking into account Articles 4.3, 4.5 and 4.7;
5. for all Parties, taking into account their common but differentiated responsibilities; and
6. and their specific national and regional development priorities, objectives and circumstances.

Related positions:

1. Article 4.1 commitments are commitments under the Convention, and cannot be subsumed in a protocol for the limited implementation of specific articles (4.2-a and 4.2-b) of the Convention;
2. Provisions on the sub-paragraphs under Article 4.1 shall be fully consistent with the Convention, its Articles and the decisions of the Conference of the Parties. Nothing in the Protocol/another legal instrument can dilute, weaken or distort the provisions of the Convention;
3. For developing countries, "continuing to advance implementation" means overcoming the obstacles to this implementation, and this is the need for financial resources and transfer of technology or the means for implementation;
4. Article 4.1 is divided into those sub-paragraphs meant for national level implementation (a, b, f, and j); and those for promotion and cooperation (c,d,e, g,h,i) among all Parties. This difference must be followed closely.

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