



UNITED NATIONS NON-GOVERNMENTAL LIAISON SERVICE/NGLS

UN Framework Convention on Climate Change: COP-4, Buenos Aires

INTRODUCTION

The Fourth Conference of the Parties (COP-4) to the United Nations Framework Convention on Climate Change (UNFCCC) was held 2-14 November 1998 in Buenos Aires (Argentina). On the last day of COP-4, delegates from over 160 countries adopted the Buenos Aires Plan of Action. The Plan of Action will guide work on the convention and the Kyoto Protocol issues (see *E&D File*, Vol. III, No. 16) in order to strengthen implementation of the convention, ensure the future entry into force of the Kyoto Protocol, and to maintain political momentum toward these aims. It also manifests the Parties' resolution to demonstrate substantial progress in specific areas, namely the financial mechanism, development and transfer of technologies, and/or the impact of the implementation of response measures, activities implemented jointly under the pilot phase and the flexible mechanisms of the Kyoto Protocol (emissions trading, joint implementation and the Clean Development Mechanism). In addition it establishes deadlines for finalizing outstanding details of the Kyoto Protocol and addresses work on compliance issues, and policies and measures. The Plan of Action gives priority to the establishment of the Clean Development Mechanism, which will provide credits for financing emissions-avoiding projects in developing countries.

Some 5,000 participants attended the various meetings connected with the conference. Delegates discussed the implementation of commitments under the convention, including adequacy of commitments, national communications, and activities implemented jointly (AIJ). Delegates also deliberated on outstanding issues related to the Kyoto Protocol including land-use change and forestry, emissions reduction units, the Clean Development Mechanism and emissions trading. There was extensive discussion on the inclusion of voluntary commitments on emissions reductions by developing countries at the outset of COP-4, but the item was not included in the official agenda.

Over 100 ministers and heads of delegations delivered statements at the high-level segment on 12 November. Speakers expressed their sympathy for hurricane victims in Honduras and Nicaragua, and the French Minister for the Environment, Dominique Voynet, announced the cancellation of those countries' debt to France. During this segment the Under Secretary of State of the United States, Stuart Eizenstat, announced the signing of the Kyoto Protocol by the US and explained that the treaty "will serve our environmental, economic and national security goals." He also clarified that the protocol must still be ratified by the US Senate before it can become legally binding for the US. Unless there is "meaningful participation" by key developing countries, Mr. Eizenstat noted, it will not be sent for ratification. President Carlos Menem of Argentina announced his country's intention to take on a voluntary binding emissions target under the protocol. Kazakhstan expressed its intention to join the group of industrialized countries and accept a legally binding target.

BACKGROUND

There have been warnings as far back as 1898 that carbon dioxide emissions could lead to global warming. However, it was not until the 1970s that a greater understanding of the atmospheric system and its relationship with the changing environment led to broader interest and concern. In 1988 in an effort to provide the public as well as policy makers with more informed data, the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) established the Intergovernmental Panel on Climate Change (IPCC). The IPCC was given the mandate to assess the state of existing knowledge about the climate system and climate change; the environmental, economic, and social impacts of climate change; and the possible response strategies.

In 1990 the Second World Climate Conference called for a framework treaty on climate change, and later in December of that year the UN General Assembly

approved the start of treaty negotiations. The Intergovernmental Negotiating Committee for a Framework Convention on Climate Change met for five sessions, and after 15 months the UNFCCC was adopted in New York on May 1992. In June of that year it was signed by 154 states and the European Union at the Earth Summit.

The convention establishes a procedure for dealing with climate change, including a system in which governments report information on their national greenhouse gas (GHG) emissions and climate change mitigation strategies. The convention supports the principle of climate change as a common concern of humankind; the importance of equity; the common but differentiated responsibilities of the states Parties to the convention; sustainable development; and the precautionary principle. The industrialized countries (Annex I countries) agreed to promote the transfer of funding and technology to help developing countries respond to climate change. In addition they undertook non-binding commitments aimed at reversing their emissions to 1990 levels.

The first meeting of the Conference of the Parties (COP-1) to the UNFCCC was held 28 March-7 April 1995 in Berlin (Germany). The discussions revolved around adequacy of commitments and resulted in a decision known as the Berlin Mandate, which stated that commitments in the convention were not adequate. An open-ended Ad Hoc Group on the Berlin Mandate (AGBM) was established to begin a process that would define appropriate action beyond the year 2000 and that would ensure the commitments undertaken by Annex I countries would be strengthened by the adoption of a protocol or another legal instrument. COP-1 also requested that there be a Subsidiary Body for Scientific and Technological Advice (SBSTA) and a Subsidiary Body for Implementation (SBI) to serve as links between the scientific knowledge and the policy-oriented concerns within the process, and to assess the implementation of the convention. The SBSTA and the SBI are the bodies within which discussions and negotiations take place before bringing decisions to the COP. The Ad Hoc Group on Article 13 (AG-13) was established to carry out a multilateral consultative process to enable Parties to resolve questions on implementation. The work of the AG-13 was concluded at the last subsidiary body meetings (see *Go Between* 69).

The adoption of the Kyoto Protocol at COP-3 was the culmination of work of the Berlin Mandate. The protocol was drafted by streamlining a variety of proposals, many of which revolved around the EU proposal for a 15% emissions cut in industrialized countries of three major greenhouse gases by the year 2010, with emissions in 1990 as baseline. Meanwhile the US insisted on "meaningful participation" by developing countries, which continued to reject any new and/or binding commitments. Under the Kyoto Protocol, industrialized countries must reduce their combined emissions of the six main greenhouse gases by at least 5% compared to 1990 levels by the period 2008-2012. For

the protocol to enter into force, it must be ratified by 55 Parties to the convention, "including developed countries accounting for at least 55% of the total 1990 carbon dioxide emissions from this industrialized group."

The subsidiary body meetings held on 2-12 June 1998 in Bonn set the stage for the negotiations in Buenos Aires. In Bonn delegates agreed to conclusions on cooperation with relevant international organizations, education and training, national communications, the financial mechanism and the second review of adequacy of Annex 1 Party commitments. The AG-13 finished its work on the multilateral consultative process, but some outstanding issues remained in the draft text.

COP-4

The meeting was opened by Hiroshi Ohki, Minister of the Environment of Japan and the outgoing president of the COP, who noted the need to review existing economic structures and re-examine lifestyles. The Secretary of Natural Resources and Sustainable Development of Argentina, Maria Julia Alsogaray, was elected president of COP-4. She said that "developing countries have the conditions—and the ethical duty—to face social, economic and technological progress models that guarantee sustainable development."

Michael Zammit Cutajar, Executive Secretary of the UNFCCC, said COP-4 presented an opportunity to revitalize the Framework Convention on Climate Change, perhaps through strengthening the transfer of technology, know-how and financial support. He envisioned a plan of action with strict deadlines to result from the conference, and said that in Buenos Aires governments would try to establish the rules of the game for reaching the Kyoto targets. "These rules are critically important," he stressed, "because they will affect the economic costs of cutting emissions over the next decade as well as the debate on future commitments for both developed and developing countries."

The election of COP-4 officers followed, resulting in two vice-presidents from each region and a rapporteur (see box on page 3). Some delegates voiced their concerns about the same delegates being elected several times at different meetings; they said this jeopardizes balance in the discussions.

During consideration of the provisional agenda, the discussion focused on inclusion of voluntary commitments by non-Annex I (non-industrialized) countries. However no consensus was reached on this issue since it is very sensitive, and the item was not included in the agenda. The plenary then went on to review reports on the work of the subsidiary bodies and the AG-13 at the June 1998 sessions. The COP allocated many of its agenda items to the subsidiary bodies for their consideration.

OFFICERS OF THE COP-4

Maria Julia Alsogaray, COP-4 president (Argentina, Secretary of Natural Resources and Sustainable Development); John Ashe (Antigua and Barbuda); Ole Plougmann (Denmark); Papa Cham (Gambia); Tengiz Gzirishvili (Georgia); Kok Kee Chow (Malaysia); Espen Rønneberg (Marshall Islands); Harald Dovland (Norway); Maciej Sadowski (Poland); Mohamed Al Sabban (Saudi Arabia); and Bakary Kante (Senegal).

Subsidiary Body on Scientific and Technological Advice (SBSTA)

Among the many issues discussed in the SBSTA sessions, chaired by Kok Kee Chow (Malaysia), were land-use change and forestry, the impact of single projects on emissions, scientific and methodological aspects of a proposal by Brazil, development and transfer of technology, the issue of hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs), and linkages with the Montreal Protocol on Substances that Deplete the Ozone Layer (see *E&D Treaty Series*, No. 9).

Land-Use Change and Forestry

The SBSTA needs to clarify instructions for the IPCC Revised Guidelines for national greenhouse gas inventories in the Kyoto Protocol. One delegate noted that this specific issue could undermine the Kyoto Protocol if the COP were to make the wrong decision on how to account for the influence of forestry on greenhouse gas concentrations. The capacity of soils to sequester carbon, although credits for carbon sinks may be added to or subtracted from the Party's assigned amount for the period 2008 to 2012, does not affect the fact that forests as a whole remain considered as a sink for greenhouse gases. It was also stressed that there were supplementary benefits to sequestration activities and that exclusion of these would be contrary to the convention. The COP adopted a decision that, at the request of some delegations, reads "land-use, land-use change and forestry." This decision sets out a work plan for the implementation of land-use change and forestry provisions in the Kyoto Protocol.

Impact of Single Projects on Emissions

The delegation of Iceland submitted a draft decision providing for emissions from a single project coming into operation after 1990, and contributing more than 5% to the total greenhouse gas emissions of the assigned amount of an industrialized country in the period 2009-2012 to be reported separately and not included in national totals. This would allow countries to exceed their assigned amounts in Annex B of the Kyoto Protocol, provided that the total emissions of the Party are less than 0.05% of the emissions in 1990. Discussion included views that special arrangements before the protocol enters into force are an incentive to increase emissions in Annex I countries, which could set a precedent affecting the integrity of the protocol; that differentiation in assigned amounts in the protocol allows for differences in national circumstances; and caution should be taken against granting exemptions before the protocol's entry into force. The decision adopted on this matter requests the SBSTA to report on additional information to COP-5, where a conclusive decision, as appropriate, will be taken.

Scientific and Methodological Aspects of the Proposal by Brazil

At COP-3 Brazil presented a proposal described as the allocation of responsibilities among different emitters based on their actions as measured by the increase in

global temperatures, rather than by emissions. Delegations stated that monitoring of GHGs needs further enhancement, and temperature change as the sole indicator of responsibility ignores relevant socio-economic factors. The SBSTA invited Brazil to present results of an upcoming seminar on this issue at the body's tenth session on 31 May-11 June 1999 in Bonn, when the SBSTA continues to consider scientific and methodological aspects of this proposal.

Development and Transfer of Technology

Delegates discussed the issues at length and noted that: without technical know-how, technology transfer would be impossible; adaptation and mitigation need to be considered; the private sector should be the main vehicle for technology transfer; and technology transfer should be based on country-specific needs and reference should be made to successful programmes. There was consensus on capacity building, with calls for efforts to enhance endogenous capacities and provide enabling environments. Delegates adopted a decision that requests the SBSTA to establish a consultative process to consider a list of issues and questions and make recommendations on how they should be addressed, in order to achieve agreement on a framework for action to enhance implementation of technology transfer under the convention.

Methodological Issues

The SBSTA decided to ask the COP to request the International Maritime Organization and International Civil Aviation Organization to present at its tenth session a report on emissions due to bunker fuels, which currently do not have to be included in the national communications. This was perceived as a step forward in comprehensive accounting of GHGs.

The SBSTA also recommended a decision to the COP setting out a step-by-step process for greater cooperation with the Montreal Protocol on the question of HFCs and PFCs, which are used as substitutes for chlorofluorocarbons (CFCs) currently being phased out under the Montreal Protocol. This decision was seen as an important step in the process.

Subsidiary Body for Implementation

Discussion and negotiation were especially difficult during the SBI sessions in Buenos Aires, and many issues were forwarded to the COP and later to high-level consultations behind closed doors. Draft decisions were then presented at the final plenary.

SBI discussions focused, among other things, on implementation of UNFCCC Articles 4.8 and 4.9, national communications from Annex I Parties, national communications from non-Annex I countries, and the financial mechanism.

Implementation of UNFCCC Articles 4.8 and 4.9

Chair Kante convened a contact group to work on these articles and the related articles in the Kyoto Protocol (2.3 and 3.14). Delegates called for this issue to be considered in a non-political manner. The co-chairs for this group

“It is not true, as some commentators maintain, that developing countries have done little to reduce their emissions. With assistance from organizations such as the United Nations Development Programme, they are adopting energy conservation measures and new technologies that could help fuel their development without contributing to global warming.

A number of developing countries are taking a serious look at expanding renewable energy options to provide electricity to more than 1.5 billion people living outside conventional power grids. In Zimbabwe, for example, an entire solar industry is being created to provide energy services to rural communities. Brazil, a pioneer in the use of ethanol, is developing new methods to harness biomass.

China, home to 21% of the world’s population, has sharply reduced subsidies for coal and has improved energy efficiency in its industrial sector by modernizing or closing down highly polluting enterprises.

Without these and other actions, China’s emissions of carbon dioxide, a principal greenhouse gas, would be 50% higher than they are today. China emits 13.5% of global carbon dioxide emissions. That is second only to the United States (25%) and China has been projected to overtake the US in carbon dioxide emissions by 2020 at its current rate of economic development. China’s accumulated concentrations of carbon dioxide in the atmosphere, however, may not catch up to those of the United States until the middle of the next century.

While some will no doubt use such trends to argue that industrialized countries should not accept new targets for lowering their greenhouse gas emissions if developing countries do not do the same, the reasoning does not hold water.

Developing countries continue to use far less energy and pollute less than their wealthier counterparts in absolute terms and on per capita basis. And their lack of access to energy for normal household and productive tasks reinforces the poverty that imprisons more than a billion people.”

—James Gustave Speth, Administrator
United Nations Development Programme
from article in the *International Herald Tribune*
13 November 1998

drafted a decision stating that the basic elements for further analysis should include the identification of adverse effects; determination of the impacts of implementation measures in developing countries; identification of specific needs and concerns of developing country Parties arising from such adverse effects and impacts; and determining necessary actions related to funding, insurance and technology transfer to meet the needs of developing countries. The draft decision, which was adopted with only two amendments, focuses on obtaining and compiling information and continuing the analysis of adverse effects. It also includes a work plan with deadlines.

National Communications from Annex I Parties

Delegates discussed the full compilation and synthesis of second national communications from Annex I Parties. The secretariat provided a review of documentation and discussed gaps in data and reporting. A decision was taken at the final plenary requesting Annex I Parties to submit their third national communications by 30 November 2001; subsequent communications will be due at three- to five-year intervals.

National Communications from Non-Annex I Parties

Discussion on this issue focused on, among other things, the need for capacity building in the non-industrialized countries, financing, and adequate and additional financial resources for inventories; and whether national communications would be subject to evaluation and if there would be a process of on-going evaluation. Delegates said that communications should be considered on a country-level basis, and that more frequent workshops would be beneficial. The final decision establishes, *inter alia*, that national communications shall be considered in a non-confrontational, open and transparent manner; and that the COP will continue to address consideration of communications from non-Annex I Parties at its fifth session with a view to taking a further decision on this matter.

Financial Mechanism

It was agreed that the restructured Global Environment Facility (GEF) shall serve as an operating entity of the financial mechanism of the convention; provide new and additional funds for addressing climate change; fund adaptation measures and facilitation of access to information; and meet full costs for initial and subsequent national communications.

Joint SBSTA and SBI Sessions

Flexibility Mechanisms

The COP adopted a decision that included a work programme on mechanisms that gives priority to the Clean Development Mechanism, and it set a deadline for decisions on emission reduction units, the CDM and emissions trading for COP-6. The COP also requested the secretariat to prepare a plan for facilitating capacity building for developing country Parties to participate in the CDM, especially for small island states and the least developed countries. The work programme includes a list of issues to be discussed.

Activities Implemented Jointly (AIJ)

At the final plenary delegates adopted a decision to continue the pilot phase of the AIJ and said it should

provide developing country Parties, in particular the least developed and small island developing states and Parties with economies in transition, with the opportunity to enhance their capacity building and gain further experience with activities implemented jointly for all Parties. It also invites Parties to make submissions of projects and begin a process of review to enable decisions to be made by the end of this decade.

AG-13

The AG-13 finalized its work on the Multilateral Consultative Process during the subsidiary body meetings in June 1998. The text was adopted by the COP with the exception of those issues still in brackets, which will be reviewed at COP-5.

Presidential Ceremony

On 11 November COP-4 held a presidential ceremony, where President Carlos Menem of Argentina addressed participants. Nitin Desai, Under-Secretary-General for Economic and Social Affairs, said on behalf of UN Secretary-General Kofi Annan that the "Kyoto Protocol is the most far-reaching agreement on environment and sustainable development ever adopted. Drawing on the best available science, and on new concepts in international law and diplomacy such as the precautionary principle, the protocol offers a new, more sustainable path for industrial economies. Its adoption demonstrates just how far the community of nations has come in accepting responsibility for its shared stewardship of the earth. The next step is to translate this written agreement into reality by signing and ratifying it quickly, so that it enters into force within two or three years."

President Menem announced that the Kyoto Protocol had been approved by Argentina's Senate, and was under consideration in the lower house. He said that at COP-5 Argentina would make a voluntary commitment to lower emissions for the first commitment period.

Following reports from the UNFCCC bodies, the COP president proposed convening a group of "friends of the president" at the ministerial level to address unresolved matters from these bodies. UNFCCC Executive Secretary Michael Zammit Cutajar conveyed Jordan's offer to host COP-5, which will be held 25 October-5 November 1999. Some intergovernmental organizations made statements, followed by non-governmental organizations.

High-Level Segment

At the high-level segment on 12 November, ministers and other high-level officials presented domestic climate change mitigation activities and urged delegates to make progress at COP-4 to ensure prompt ratification of the Kyoto Protocol. During this segment, various speakers expressed their solidarity with Honduras and Nicaragua resulting from the devastation caused by Hurricane Mitch. The Minister of Ecology and Natural Resources of Kazakhstan expressed his country's willingness to undertake obligations and enter into Annex B of the Kyoto Protocol through Annex I of the UNFCCC. Four more countries signed the Kyoto

Protocol: Peru, Thailand, Tuvalu and the United States. The US signature of the protocol was perceived as a meaningful step forward.

Closing Plenary

Following long hours of closed high-level negotiations, informal consultations and regional meetings, the closing plenary began with Ms. Alsogaray, COP-4 president, calling on Parties to draft a resolution expressing solidarity with Central American countries facing devastation from Hurricane Mitch.

Delegates adopted decisions on outstanding issues, noting that some of the processes for reaching decisions lacked transparency. They argued that although small groups are necessary to enable discussions to flow more easily, the creation of such groups should be democratic and transparent. The bureau and the secretariat were called upon to draft a proposal to elaborate an open and interactive mechanism for establishing working groups. The UNFCCC Executive Secretary acknowledged the delegates' concern, as well as NGO views on the style of negotiations. He said that he wanted the process to be inclusive and committed to work on the issue. The Buenos Aires Plan of Action, with firm deadlines for results over the next two years, was announced as the main result of COP-4.

NGO PARTICIPATION

Over 150 business and environment and development non-governmental organizations participated in official COP-4 meetings as well as parallel events hosted by environmental, energy, finance and industry organizations. Chairman Kok Kee Chow, on behalf of the bureau, held and chaired informal consultations with governments, NGOs and business.

During the second week of COP-4, UNFCCC hosted a *Roundtable on the Kyoto Protocol Mechanisms—Ministers, Business Chief Executive Officers and Non-Governmental Organizations*. Discussions focused on technology transfer, the Clean Development Mechanism, and the relationship between industry and the signatories to the Kyoto Protocol. William Hare, Greenpeace Climate Policy Director, noted that a compliance mechanism should be conceived and that flexible mechanisms would only have validity if common rules and principles are established. He stressed the importance of compliance and early action, as well as limitations on

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THE CAN PLAN

“The Climate Action Network, consisting of over 250 environmental organizations around the world and representing millions of ordinary citizens, today releases a statement summarizing its views on the major issues which are being addressed this week.

Firstly, the question of equity is inseparable from the question of adequacy—but is also crucially relevant to a whole range of other issues, which cannot be properly addressed without first considering their equity.

Secondly, the subject of compliance has been skimmed over in the negotiations to date. Yet if an effective compliance regime is not introduced, it will vindicate those who claim that the Convention and Protocol have no teeth.

Third, the thorny issue of the ‘flexibility mechanisms’—emissions trading, joint implementation and the Clean Development Mechanism. If no agreement can be reached on how these can be made to work in a way that is both principled and environmentally sound, the future of the whole process is threatened.

Fourth, nuclear energy. It has to be made clear that under no circumstances can the threat of dangerous climate change be dealt with by the use of something which also poses catastrophic threats.

Next, aviation bunker fuels. This is another issue that has been ducked in successive meetings of the Convention. Air transport is one of the fastest-growing sources of emissions, and ICAO has not addressed the problem. It must no longer be ignored.

International Financial Institutions are responsible for huge flows of capital through the developed and developing world, especially with regard to projects that have considerable climate change implications. Ways must be found to make sure that these implications are beneficial.

Last, but by no means least, is the question of technology transfer. If developing countries are to set forth on a climate-friendly development path, they must be able to obtain and adopt the necessary clean technology—the sooner the better.”

—ECO, Issue No. 4, Volume C

the use of flexible mechanisms. Charles Nicholson, President of British Petroleum, said that climate change is a strategic business issue, and industry must be recognized as a natural participant in the UNFCCC process. Other participants spoke about qualification and certification, equity, transparency and liability. Many industries have begun to be pro-active toward reducing emissions due to widespread media coverage, public concern and pressure from governments and NGOs.

NGOs held workshops and parallel events at the COP-4 site, as well as at other venues around Buenos Aires. They also organized stands to distribute information and details about activities related to the UNFCCC process. The 11th session of the Global Biodiversity Forum—Exploring Synergy Between the UNFCCC and the Convention on Biological Diversity, was held 6-8 November with 150 participants from 40 countries. The forum invited COP-4 participants to take part in activities including workshops on forests, national strategies, finance, and sustainable use. The forum was convened by the World Conservation Union (IUCN) together with the United Nations Environment Programme, United Nations Institute for Training and Research, World Resources Institute, African Center for Technology Studies, IUCN National Committee for Argentina, Climate Action Network—Latin America, Biodiversity Action Network, and the Indigenous Peoples Biodiversity Network.

The industry-led, non-profit International Emissions Trading Association (IETA) held its first meeting on 12 November under the joint auspices of the United Nations Conference on Trade and Development (UNCTAD) and the Earth Council. The meeting was chaired by Maurice Strong, chairman of the Earth Council, and included participants from developed and developing countries, private and public sectors, and intergovernmental and non-governmental organizations. The IETA will aim to facilitate education, exchange of experiences and opportunities for emissions trading.

FOLLOW-UP MEETINGS

- n UNFCCC Subsidiary Body Meetings: The subsidiary bodies will reconvene from 31 May-11 June 1999 in Bonn.
- n COP-5: The Fifth Conference of the Parties will be held 25 October-5 November 1999. Jordan has offered to host COP-5, but a final decision has not been taken.

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