CRS Report for Congress

Received through the CRS Web

Global Climate Change: Adequacy of Commitments Under the U.N. Framework Convention and the Berlin Mandate

October 25, 1996

Wayne A. Morrissey Science and Technology Information Analyst Science, Technology, and Medicine Division

Global Climate Change: Adequacy of Commitments Under the U.N. Framework Convention and the Berlin Mandate

Summary

The second session of the Conference of Parties (COP-2) to the United Nations Framework Convention on Climate Change (FCCC) convened July 8-19, 1996, in Geneva, Switzerland. On July 18, 1996, the Ministers and other heads of delegations present at COP-2 crafted and released a Ministerial Declaration, also called The Geneva Declaration. It was based on a U.S. policy statement delivered July 17th at COP-2 which: 1) recognized and endorsed the Second Assessment Report of the Intergovernmental Panel of Climate Change (IPCC) as currently the most comprehensive and authoritative assessment of the science of climate change, 2) called for parties to set "legally binding, medium-term targets" for limitations and significant overall reductions of their emissions of greenhouse gases, and 3) rejected commitments for developed country parties regarding "common or harmonized" policies and measures in favor of flexibility in applying policies and measures to achieve emissions limitations and reductions. The Chairman of COP-2 called for FCCC parties to "take note" of the Ministerial Declaration, and to agree as a body to consider a "future decision [containing these elements] which would be legally binding on all parties under the FCCC."

Some in the U.S. Congress have voiced concerns about the principles of common but differentiated commitments and responsibilities, as well as respective capabilities, under FCCC for developed versus developing countries. Specifically, questions have been raised about whether continued adherence to these principles in any protocol or other legal instrument negotiated for the post-2000 period could disadvantage the United States economically and competitively in world markets. Among some Members and the committees of relevant jurisdiction in the House and Senate, a need has been expressed to be better informed about what exactly the United States potentially may be agreeing to during the current Analysis and Assessment Phase called for in the Framework Convention's 1995 Berlin Mandate, as well as what the economic impact would be of future decisions the United States might make *vis a vis* other FCCC parties in future climate protection negotiations.

Contents

Introduction
A U.S. Response to the Ministerial Declaration and Future Directions 1
Continuation of Assessment and Analysis
Joint Implementation (Activities Implemented Jointly) 3
Congressional Interest
Differential Commitments
U.S. Analysis and Assessment
Next Steps 6
Appendix I: Review of the Implementation of the Convention and of Decisions of the First Session of the Conference of Parties
 Appendix II: The Berlin Mandate: Review of the adequacy of Article 4, paragraph 2 (a) and (b), of the Convention, including proposals related to a protocol and decisions on follow-up
Appendix III: Parties to the U.N. Framework Convention on Climate Change . 13

Global Climate Change: Adequacy of Commitments Under the U.N. Framework Convention and the Berlin Mandate

Introduction

The Ministerial Declaration of the Second Conference of Parties (COP-2) to the UN Framework Convention on Climate Change (FCCC), adopted July 18, 1995,¹ arose out of consideration of two draft decision options for future negotiations to protect Earth's climate. One was presented by the United States² and the other by the European Union (EU). The Declaration is predominantly influenced by the U.S. position which 1) accepts the science of climate change proffered by the Intergovernmental Panel on Climate Change (IPCC), 2) rejects uniform "harmonized policies" in favor of flexibility and, 3) calls for "legally-binding medium-term targets," which many COP-2 parties claim symbolizes an earnest commitment to protect "dangerous anthropogenic interference with Earth's climate system," in the post-year 2000 period.

In essence, the Declaration represents a request by the Chairman of COP-2, Chen Chimutengwende of Zimbabwe, for FCCC parties to "take note" of these proposals and, as such, by agreeing to it expresses the sense of ministerial participants at COP-2 that, as a body, they do not object to a "future decision which would be binding on all parties under the FCCC," even though some parties expressed their reservations which were included for the record. The details of that "decision," however, have yet to be determined, and will be the subject of negotiations over the coming months to culminate at the Third Meeting of COP, scheduled for December 1997, in Kyoto, Japan.

A U.S. Response to the Ministerial Declaration and Future Directions

Some have described the U.S. position which, in large part, forms the basis for the Ministerial Declaration, as being evident of its taking a leadership role in the postyear 2000 period. State Department officials have also commented that U.S. leadership has encouraged future movement toward a concerted international policy

¹ UN Framework Convention on Climate Change. Conference of Parties, Second session, Geneva, 8-19 July 1996 (agenda item 5) [see appendix I]. Review of the implementation of the convention and of Decisions of the First session of the Conference of Parties: Ministerial Declaration (FCCC/CP/1996/L.17, July 19, 1996).

² The Honorable Timothy E. Wirth, Undersecretary of State for Global Affairs on behalf of the United States of America. Presentation to the Second Conference of Parties, Framework Convention on Climate Change, Geneva, Switzerland, July 17, 1996.

to protect climate. However Russia, and the OPEC³ bloc of countries objected to the Declaration outright, while Australia and New Zealand, noting the Declaration, voiced concern that the term "legally-binding" in the Ministerial Declaration is not adequately defined. U.S. State Department representatives characterized the Declaration's movement toward medium-term legally binding targets as getting away from rhetorical, empty pledges which have been the hallmark, so far, of negotiations toward climate change protection. They believe that legally binding targets force FCCC parties to gain a realistic sense of what needs to be done, which in the long run can help to equalize the differential interest and involvement among Annex I and other FCCC parties.⁴ (See Appendix III)

An official U.S. response to the Geneva Declaration was issued on July 19, 1996. to clarify how a legally binding medium range target might be achieved. Flexibility in how one attains emissions-reduction targets, which is a key concept of the Declaration, assumes a menu of policy options which U.S. negotiators believe would make potential solutions affordable. This would be accomplished through implementation of measures, including global emissions trading schemes, joint implementation projects (see Joint Implementation below) and U.S. bilateral efforts, such as the U.S. Country Studies program and environmental technology trade initiatives sponsored by the Environmental Protection Agency jointly with the Department of Energy. In this respect U.S. negotiators believe that such an approach would not put OECD countries⁵ at an economic disadvantage, but perhaps allow them to implement climate protection measures that may eventually pay for themselves or provide a return on investment. A flexible approach, they claim, could also allow for either rolling or cumulative targets based on periodic assessments of progress and the state of climate science. They emphasized that any medium- or long-term goals that the U.S. is likely to support would require the participation of all developed and developing countries.

State Department officials also described the adoption of a standardized basis for reporting of international sources and sinks of greenhouse gas emissions, which was

⁵ The Organization for Economic Cooperation and Development (OECD) includes Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany. Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, and United States, and currently represent about three-fourths of total global emissions of greenhouse gases.

³ The Organization of Petroleum Exporting Countries (OPEC) is made up of the following members: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

⁴ Under the UN Framework Convention on Climate Change (FCCC), <u>Annex I Countries</u> include economically developed countries and "other parties" which are former centrallyplanned economies now in transition to market-based economies. <u>Annex II Countries</u> are economically developed countries which have added responsibilities under FCCC such as fiscal and technological assistance to economically developing countries which would to help the latter meet Commitments incumbent upon all FCCC parties. All Annex II Countries are also Annex I Countries. All remaining parties under the FCCC, not classified as either Annex I or Annex II, are considered to be economically <u>Developing Countries</u>.

agreed to by all parties at COP-2, an indication of further progress in bringing more developing countries into and contributing to the FCCC process.

Continuation of Assessment and Analysis

U.S. negotiators believe that an analysis and assessment phase called for in the April 1995 Berlin Mandate, at the First COP, has not yet yielded sufficient information whereby they could confidently prescribe emissions levels or a staged decrease in emissions to reach a near term emissions reduction target (by 2005). Instead they call for a focus on medium-term goals, where medium-term is described as occurring between 2010-2020. The levels of reduction would be negotiable. Such goals, they believe, would better synchronize with developed countries' economic and environmental interests, and are sensitive to the life cycle/turnover rate of existing capital stock and equipment in developed countries and with investment cycles that govern replacement of that stock and equipment.

Undersecretary of State for Global Affairs Tim Wirth has noted that it is unreasonable, at this time, to consider long-term goals before COP-3, when taking into account the current partitioning of global emissions, the largest proportion of which are currently produced by OECD countries. However, a State Department spokesman has indicated that U.S. negotiators would probably concede the necessity of including an acknowledgment of long-term goals and binding commitments as part of any legally binding text (instrument) that might be opened for signature at COP-3. Long-term goals look toward the next 50-100 years and are also sensitive to corporate time tables for investment. State Department officials believe this will send a positive signal to companies to invest in the future. Also, Undersecretary Wirth, in his statement asserted that the U.S. would reject any rapid transition strategies suggested in the European Union (EU) and Association of Small Island States (AOSIS) proposals,^{6,7} which, he affirmed, would interrupt economic growth in the United States or compromise economic interests of energy producing industries.

Wirth's statement goes further to reject the imposition of "harmonized" policies and measures on developed countries, such as uniform Corporate Average Fuel Efficiency (CAFE) standards and energy taxes, but rather would consider implementing more flexible, market based approaches, such as an emissions trading scheme similar to that found in the U.S. Clean Air Act.

Joint Implementation (Activities Implemented Jointly)

Joint Implementation (JI) is a keystone of what Undersecretary Wirth has called a flexible approach to climate protection in the post-year 2000 period. The United States, and some other nations have advocated an unrestricted policy of joint implementation (JI), whereby any country, by merit of their ability to provide

⁶ The EU Proposal (German Proposal at COP-1) seeks to reduce emissions of Annex I parties 10% below 1990 levels by 2005 and 15% to 20% below 1990 levels by 2010.

resources to any other country for the purposes of helping them to reduce their greenhouse gas emissions, could concomitantly earn some credit toward their own domestic greenhouse gas reduction goals. Joint Implementation (JI) was a leading topic for debate at COP-1, in April 1995, and activities which occurred prior to and at COP-1 were described by the U.S. delegation as being very fruitful. However, the scope and nature of an international joint implementation initiative (activities implemented jointly) under FCCC, i.e., has been contentiously debated, especially the issue of assigning credits for emissions reductions.

The U.S. position on JI has been criticized by the "Group of 77" (actually about 130 developing countries) as a tactic by which rich, industrialized countries could shirk their commitments to reduce emissions at home. Other FCCC parties, most notably the European Union, claim that such a use of joint implementation runs contrary to the original spirit of the terms of the climate convention. Many developing countries have argued that it is more important for the industrialized countries to pursue actions that would help to reduce their currently larger share of global greenhouse gas emissions, at their source. However, not all developing countries were on record as being opposed to JI; some anticipated its implementation as a sole means for them to comply with their obligations under FCCC, to inventory their sources and sinks of greenhouse gases and prepare national communications.

The United States is currently engaging both developing countries and those in economic transition (in Central Europe) in its US Initiative on JI (USIJI) pilot programs. However, at COP-1, a majority of parties agreed that emissions credits would not be allotted during the international pilot phase. The German government, however, suggested a possible ending date of 1999, for all pilot projects, and stated that, companies investing in successful joint implementation projects will likely be able to take credit thereafter. In March 1995, in Santiago Chile, U.S. negotiators, developed new JI agreements with some Latin American countries. Consequently, they were also somewhat satisfied that preliminary agreements on international JI, forged at COP-1, provided for all FCCC parties to participate. Unlike, the provision of the FCCC, the United States had considered offering business and industries involved in activities under the U.S. Climate Change Action Plan (CCAP) credits which they would be able to count towards domestic emissions reductions. The United States has also been holding a series of outreach programs to involve the business community, non-governmental organizations, and other private stakeholders directly in future international climate negotiations to the extent that they occur. Furthermore, the Clinton Administration is supporting development of an international "Climate Technology Initiative," which would help industrialized countries to facilitate transfer and dissemination of environmental technologies to the developing world.

Congressional Interest

Many Members in the U.S. Congress have expressed concerns about how commitments under FCCC for developed and developing countries have been and would continue to be applied differently. They also want to be better informed about what the United States potentially may be agreeing to during the current Analysis and Assessment Phase called for in the Berlin Mandate. Furthermore, many are concerned about what future direction the United States may take *vis a vis* other FCCC parties in future climate protection negotiations, and what the potential implication for U.S. economy of both possible medium-term and long-term actions may be.

Differential Commitments

Many have contended that the Berlin Mandate, issued in April 1995, at COP-1⁸, was flawed because it perpetuated different commitments for countries which are economically developed, in economic transition, or developing countries. The Geneva Declaration reaffirms and extends, after the year 2000, those commitments now incumbent upon all FCCC parties. State Department officials have commented that this differential approach has been consistent from the very beginning, as set forth in <u>Article 4</u> of the Framework Convention (Commitments), and has been recognized by FCCC parties as a way Annex I countries could draw developing countries into the system for inventory, reporting and complying with their express commitments under FCCC. Many have pointed out that, to a certain extent, Annex I countries rely on commitments currently incumbent upon developing countries, in order that the former may be able to more realistically assess what their emission reduction goals might need to be in the near term. This can only be accomplished with the help of an accurate assessment of *global* sources and sinks of greenhouse gases.

However, others have noted that the Declaration makes no provision for a "transitioning" of developing countries into Annex I status, which would more realistically reflect the latters' changing economic developments and their potential for growth of emissions. Nevertheless, U.S. representatives at COP-2 were particularly encouraged that plans to compensate or provide exemptions for certain developing countries were rejected. Undersecretary Wirth is on record as supporting what he believes should be a developing nation's "graduation to compliance," which is made possible through "implementing polices and measures," such as those mentioned above which justify developing country participation in the FCCC process.

U.S. Analysis and Assessment

Eileen Claussen, Assistant Secretary for Oceans and International Environmental and Scientific Affairs at the State Department stressed that any future legally binding agreement to which the United States would consider becoming a party would be open to a wide spectrum of national interests for peer review, and all comments would be taken into consideration. Toward this end, Undersecretary of Commerce, Everett Ehrlich, is heading up a U.S. Government team of experts who will attempt to analyze what constitutes reasonably achievable emissions-reduction targets and over what time frame. This team will also assess for the business and industry

⁸ UN Framework Convention on Climate Change. Conference of the Parties, First session, Berlin, 28 March - April 7 1995 (Agenda item 6 (c)). Conclusion of outstanding issues and adoption of decisions: Proposal on Agenda item 5 (a) (iii), submitted by the President of the Conference: Review of the adequacy of article 4, paragraph 2 (a) and (b) of the Convention, including proposals related to a protocol and decisions on follow-up (see Appendix II)

communities, and the Nation as a whole, the economic implications for the United States of an agreement which would include legally binding emissions reductions targets. A number of possible scenarios were presented in economic papers prepared for a June 1996, Climate Change Analysis Workshop, hosted by the Departments of Agriculture, Commerce, Energy, and State, and the Environmental Protection Agency (EPA). EPA issued a notice of the beginning of a 90-day comment period on these proceedings, which closed October 28, 1996.⁹

Next Steps

Still to be worked out, but not specifically addressed at COP-2, are possible compliance enforcement measures, whether they would be "hard or soft," and by whom compliance would be enforced. Next steps after COP-2 will be pursued at two upcoming meetings, one December 8-18, 1996, in Geneva, and one February 24-March 7, 1997, in Bonn, Germany. During these meetings, U.S. representatives will set out to:

- Establish specific greenhouse gas emissions reduction targets ("medium-term" emissions and a long-term concentration goal);
- Set timetables for achieving targets;
- Craft rules for bringing developing countries into the climate treaty; and
- Define rules for an international emissions trading regime.¹⁰

At the February 1997 meeting, FCCC parties hope to have the final text of a legally-binding agreement ready for international review which would then be opened for signature at COP-3.

⁹ Notice of 90-Day Comment Period on the Proceedings of the Climate Change Analysis Workshop. Environmental Protection Agency (EPA) Notice. Federal Register, v. 61, no. 146, July 29, 1996: 39453.

¹⁰ Personal Communication, The Business Council for Sustainable Energy. Washington, DC, August 1, 1996.

Appendix I¹¹: Review of the Implementation of the Convention and of Decisions of the First Session of the Conference of Parties

Distr. LIMITED FCCC/CP/1996/L.17 18 July 1996

Original: ENGLISH

CONFERENCE OF THE PARTIES Second session Geneva, 8 - 19 July 1996 Agenda item 5

Ministerial Declaration

The Ministers and other heads of delegations present at the second session of the Conference of the Parties to the United Nations Framework Convention on Climate Change,

Noting that this, our meeting at Ministerial level under the Convention, is a demonstration of our intention to continue to take an active and constructive role in addressing the threat of climate change,

- 1. **Recall** Article 2 of the Convention; the principles of equity and of common but differentiated responsibilities and respective capabilities in Article 3.1 of the Convention; and the provisions of Article 3.3 concerning precautionary measures; as well as the specific national and regional development priorities, objectives and circumstances of the Parties to the Convention;
- 2. **Recognize** and **endorse** the Second Assessment Report of the IPCC as currently the most comprehensive and authoritative assessment of the science of climate change, its impacts and response options now available. Ministers believe that the Second Assessment Report should provide a scientific basis for urgently strengthening action at the global, regional and national levels, particularly action by Annex I Parties to limit and reduce emissions of greenhouse gases, and for all Parties to support the development of a Protocol or another legal instrument; and **note** the findings of the IPCC, in particular the following:
 - The balance of evidence suggests a discernible human influence on global climate. Without specific policies to mitigate climate change, the global average surface temperature relative to 1990 is projected to increase by about 2C (between 1C and 3.5C) by 2100; average sea level is projected to rise by about

¹¹ This text was introduced by the President at the 6th plenary meeting, on July 18, 1996.

50 centimetres (between 15 and 95 centimetres) above present levels by 2100. Stabilization of atmospheric concentrations at twice pre-industrial levels will eventually require global emissions to be less than 50 per cent of current levels;

- The projected changes in climate will result in significant, often adverse, impacts on many ecological systems and socio-economic sectors, including food supply and water resources, and on human health. In some cases, the impacts are potentially irreversible; developing countries and small island countries are typically more vulnerable to climate change;
- Significant reductions in net greenhouse gas emissions are technically possible and economically feasible by utilizing an array of technology policy measures that accelerate technology development, diffusion and transfer; and significant no regrets opportunities are available in most countries to reduce net greenhouse gas emissions;
- 3. **Believe** that the findings of the Second Assessment Report indicate that the continued rise of greenhouse gas concentrations in the atmosphere will lead to dangerous interference with the climate system, given the serious risk of an increase in temperature and particularly the very high rate of temperature change;
- 4. **Recognize** also the need for continuing work by the IPCC to further reduce scientific uncertainties, in particular regarding socio-economic and environmental impacts on developing countries, including those vulnerable to drought, decertification or sea-level rise;
- 5. **Reaffirm** the existing commitments under the Convention, including those intended to demonstrate that Annex I Parties are taking the lead in modifying longer-term trends in emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, and **agree** to strengthen the process under the Convention for the regular review of the implementation of present and future commitments;
- 6. **Take note** that Annex I Parties are fulfilling their commitments to implement national policies and measures on the mitigation of climate change. **Also take note** that this is not the only commitment that Annex I Parties have made and that many of these Parties need to make additional efforts to overcome difficulties that they face in achieving the aim of returning their emissions of greenhouse gases to 1990 levels by 2000;
- 7. Acknowledge the considerable work done by the Ad Hoc Group on the Berlin Mandate (AGBM) since the first session of the Conference of the Parties, including the substantive proposals presented by a number of Parties, and call on all Parties to come forward with proposals to facilitate substantive negotiations beginning at the fifth session of AGBM in December 1996;

- 8. **Instruct** their representatives to accelerate negotiations on the text of a legally-binding protocol or another legal instrument to be completed in due time for adoption at the third session of the Conference of the Parties. The outcome should fully encompass the remit of the Berlin Mandate, in particular:
- commitments for Annex I Parties regarding:

* policies and measures including, as appropriate, regarding energy, transport, industry, agriculture, forestry, waste management, economic instruments, institutions and mechanisms;

* quantified legally-binding objectives for emission limitations and significant overall reductions within specified time frames, such as 2005, 2010, 2020, with respect to their anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol;

- commitments for all Parties on continuing to advance the implementation of existing commitments in Article 4.1;
- a mechanism to allow the regular review and strengthening of the commitments embodied in a Protocol or other legal instrument;
- commitments to a global effort to speed up the development, application, diffusion and transfer of climate-friendly technologies, practices and processes; in this regard, further concrete action should be taken;
- 9. Welcome the efforts of developing country Parties to implement the Convention and thus to address climate change and its adverse impacts and, to this end, to make their initial national communications in accordance with guidelines adopted by the Conference of the Parties at its second session; and call on the GEF to provide expeditious and timely support to these Parties and initiate work towards a full replenishment in 1997;
- 10. **Recognize** that the continuing advancement of existing commitments by developing country Parties, in the context of their national priorities for sustainable development, requires determined and timely action, in particular by Annex II Parties. Access to financial resources and to environmentally-sound technologies consistent with Articles 4.3, 4.4, 4.5 and 4.7 will be most critical;
- 11. **Thank** the Government of the Swiss Confederation for its contribution to the work of the second session of the Conference of the Parties in Geneva and **look forward** to meeting again at the third session in Kyoto, in 1997, thanks to the generous offer of the Government of Japan.

Appendix II: the Berlin Mandate: Review of the Adequacy of Article 4, Paragraph 2 (A) and (B), of the Convention, Including Proposals Related to a Protocol and Decisions on Follow-up

I. Decisions Adopted by the Conference of the Parties Decision 1/CP.1

The Conference of the Parties, at its first session, *Having reviewed* Article 4, paragraph 2(a) and (b), of the United Nations Framework Convention on Climate Change, and *Having concluded* that these subparagraphs are not adequate, *Agrees* to begin a process to enable it to take appropriate action for the period beyond 2000, including the strengthening of the commitments of the Parties included in Annex I to the Convention (Annex I Parties) in Article 4, paragraph 2(a) and (b), through the adoption of a protocol or another legal instrument:

Ι

The process shall be guided, *inter alia*, by the following:

- a. The provisions of the Convention, including Article 3, in particular the principles in Article 3.1, which reads as follows: "The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Accordingly, the developed country Parties should take the lead in combating climate change and the adverse effects thereof;"
- b. The specific needs and concerns of developing country Parties referred to in Article 4.8; the specific needs and special situations of least developed countries referred to in Article 4.9; and the situation of Parties, particularly developing country Parties, referred to in Article 4.10 of the Convention;
- c. The legitimate needs of the developing countries for the achievement of sustained economic growth and the eradication of poverty, recognizing also that all Parties have a right to, and should, promote sustainable development;
- d. The fact that the largest share of historical and current global emissions of greenhouse gases has originated in developed countries, that the per capita emissions in developing countries are still relatively low and that the share of global emissions originating in developing countries will grow to meet their social and development needs;
- e. The fact that the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective

and appropriate international response, in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions;

- f. Coverage of all greenhouse gases, their emissions by sources and removals by sinks and all relevant sectors;
- g. The need for all Parties to cooperate in good faith and to participate in this process.

Π

- 2. The process will, *inter alia*:
 - h. Aim, as the priority in the process of strengthening the commitments in Article 4.2(a) and (b) of the Convention, for developed country/other Parties included in Annex I, both
 - (1) to elaborate policies and measures, as well as
 - (2) to set quantified limitation and reduction objectives within specified time-frames, such as 2005, 2010 and 2020, for their anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, taking into account the differences in starting points and approaches, economic structures and resource bases, the need to maintain strong and sustainable economic growth, available technologies and other individual circumstances, as well as the need for equitable and appropriate contributions by each of these Parties to the global effort, and also the process of analysis and assessment referred to in section III, paragraph 4, below;
 - i. Not introduce any new commitments for Parties not included in Annex I, but reaffirm existing commitments in Article 4.1 and continue to advance the implementation of these commitments in order to achieve sustainable development, taking into account Article 4.3, 4.5 and 4.7;
 - j. Take into account any result from the review referred to in Article 4.2(f), if available, and any notification referred to in Article 4.2(g);
 - k. Consider, as provided in Article 4.2(e), the coordination among Annex I Parties, as appropriate, of relevant economic and administrative instruments, taking into account Article 3.5;
 - 1. Provide for the exchange of experience on national activities in areas of interest, particularly those identified in the review and synthesis of available national communications; and
 - m. Provide for a review mechanism.

3. The process will be carried out in the light of the best available scientific information and assessment on climate change and its impacts, as well as relevant technical, social and economic information, including, *inter alia*, reports of the Intergovernmental Panel on Climate Change. It will also make use of other available expertise.

4. The process will include in its early stages an analysis and assessment, to identify possible policies and measures for Annex I Parties which could contribute to limiting and reducing emissions by sources and protecting and enhancing sinks and reservoirs of greenhouse gases. This process could identify environmental and economic impacts and the results that could be achieved with regard to time horizons such as 2005, 2010, and 2020.

5. The protocol proposal of the Alliance of Small Island States (AOSIS), which contains specific reduction targets and was formally submitted in accordance with Article 17 of the Convention, along with other proposals and pertinent documents, should be included for consideration in the process.

6. The process should begin without delay and be conducted as a matter of urgency, in an open-ended ad hoc group of Parties hereby established, which will report to the second session of the Conference of the Parties on the status of this process. The sessions of this group should be scheduled to ensure completion of the work as early as possible in 1997, with a view to adopting the results at the third session of the Conference of the Parties.

9th plenary meeting April 1995.

Appendix III: Parties to the U.N. Framework **Convention on Climate Change**

Annex I Countries and Countries in Annex II Countries **Economic Transition**

Australia	Australia
Austria	Austria
Belarus ^a	Belgium
Belgium	Canada
Bulgaria ^a	Denmark
Canada	European Economic Community
Czechoslovakia ^a	Finland
Denmark	France
European Economic Community	Germany
Estonia ^a	Greece
Finland	Iceland
France	Ireland
Germany	Italy
Greece	Japan
Hungary ^a	Luxembourg
Iceland	New Zealand
Ireland	Norway
Italy	Portugal
Japan	Spain
Latvia ^a	Sweden
Lithuania ^a	Switzerland
Luxembourg	Turkey
Netherlands	United Kingdom of Great Britain and
New Zealand	Northern Ireland
Norway	United States of America
Poland ^a	
Portugal	Developing Countries
Romania ^a	
Russian Federation ^a	Include all remaining FCCC parties
Spain	
Sweden	
Switzerland	
Turkey	
Ukraine ^a	
United Kingdom of Great Britain and	
Northern Ireland	
United States of America	
^a Countries that are undergoing the	

^a Countries that are undergoing the process of transition to a market economy.