

A quick guide to the climate negotiations in Marrakech 29 October – 9 November 2001

The 7th Conference of the Parties (COP7) of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) begins on 29 October in Marrakech, Morocco. The Framework Convention was agreed at the Earth Summit in Rio de Janeiro, Brazil in 1992, and has been ratified by 186 countries. Its ultimate objective is the 'stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system', and states:

"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 affects thereof."

The UNFCCC is, as its name implies, a 'framework' convention, and envisages subsidiary legal instruments (e.g. protocols) to effect those goals. It had a non-binding target, which called for industrialised countries to bring their emissions back to 1990 levels by 2000. Recognising that this was inadequate, the Parties to the convention established a process in Berlin in 1995 to negotiate a protocol with binding targets and timetables "as a matter of urgency" by 1997. The result was the Kyoto Protocol, agreed in December of 1997.

The Kyoto Protocol specifies legally binding targets and timetables for reductions of greenhouse gases by the developed countries listed in Annex B of the Protocol, amounting to a nominal 5% reduction of emissions by 2008-2102 relative to 1990 levels. To date, 84 countries have signed the Protocol and 40 have ratified (see *table*), with one, Romania, being an industrialised country. The ratification by most of the major industrialised countries is contingent upon agreement of the 'rules' for the implementation of the Protocol, a process for which was agreed at Buenos Aires in 1998 under the 'Buenos Aires Plan of Action'. The Buenos Aires plan was scheduled to conclude at The Hague in November 2000. At COP5 in late 1999, a large groundswell of countries called for the Protocol to be ratified and enter into force by the time of the World Summit on Sustainable Development, to be held in Johannesburg in 2002. This symbolic date was chosen because it would be ten years after the adoption of the UNFCCC at the Rio Earth Summit.

The Hague meeting, which was the Sixth Conference of the Parties, or COP6, failed to conclude its business and was reconvened some seven months later in Bonn, in July 2001 at COP6*bis*. A ground breaking political agreement, the 'Bonn Agreement' covered all of the so-called "crunch" issues that had blocked progress in The Hague. With the Bonn Agreement, nearly all industrialised countries had the green light to start ratification in order to meet the deadline of the World Summit on Sustainable Development, in Johannesburg 2002.

While there was political agreement on all of the main crunch issues, there was not time at COP6*bis* to conclude negotiations on all of the technical details and legal language, whose resolution in many cases depended on the political agreement. Finalising the technical and legal language the remainder of these rules is the main goal for COP7. The remaining 'Kyoto Business' is centered around:

- the details of how emissions shall be monitored, verified and reported;
- details of the compliance regime;

- the unresolved issues for the use of Kyoto 'mechanisms', and the 'sinks' issues

These issues (the *Kyoto Business*) and other important issues to be discussed at COP7 are examined in more detail below. Most countries have set a target date of no later than 2002 for the ratification and entry into force of the Protocol and are moving towards this date. Most countries are now able to proceed with ratification, but a few including Australia, Canada and Japan are still holding out on the final details before ratifying. The United States, which signed and ratified the Framework Convention in 1992, and signed the Kyoto Protocol in 1997, continues to state that it no longer intends to ratify or implement the Protocol. (see *The Climate Cannot Wait for Bush*)

The Kyoto Business

Emissions Monitoring, Verification and Reporting: Articles 5, 7 and 8 of the Kyoto Protocol outline the complex technical procedures for monitoring and reporting on a country's emissions, reductions, and inventory of allowable 'sinks' (credit for carbon uptake of forests – see below); as well as providing for the independent verification of these reporting requirements. While arcane, these issues are essential to the environmental integrity of the Protocol. Indeed, they are the backbone of the treaty, without which it cannot function effectively to protect the climate. Throughout the negotiations, Greenpeace has been and will continue to argue for mandatory, rigorous, and annual reporting and verification requirements, for both emissions and sinks.

Compliance Mechanism: The Kyoto Protocol is unique. It is both an environmental treaty, and an economic treaty, having a significant impact on the global economy. To be both effective and fair, a legally binding compliance system is essential. While the fact that there should be a compliance system with clear, binding penalties for non-compliance was agreed in political terms at COP 6bis in Bonn last July, some parties, including Australia, Canada, and Japan immediately sought to undermine this decision as soon as the Ministers left the conference hall. Legally, the compliance system cannot be put into full effect until it is formally agreed at the first Conference of the Parties acting as a Meeting of the Parties (COP/MOP) of the Kyoto Protocol, which will be the first meeting after the ratification and entry into force of the Protocol, probably in 2003. Nevertheless, COP7 has the responsibility and legal power to adopt the compliance system that would be recommended to the first COP/MOP of the Protocol. All efforts to by Australia, Japan, Canada and others to undermine the political agreement in Bonn must be resisted.

Unresolved Kyoto Mechanisms Issues: The mechanisms in the Kyoto Protocol which are designed to use the power of the market to help countries meet their emissions reduction targets are:

1) Emissions trading: Article 17 of the Kyoto Protocol envisages 'trading' of emissions reductions between Annex 1 countries. It does this by creating a market whereby reductions countries make in excess of their own reduction requirements can be 'sold' to other countries to help them to meet their commitments under the Protocol.

2) Joint Implementation: Article 6 of the Protocol allows Annex I countries to obtain emission credits for projects undertaken in another Annex I country. This is known as joint implementation (JI). Joint Implementation can be a tool to transfer environmentally sound technology, e.g., to enhance energy efficiency.

3) The Clean Development Mechanism: Article 12 envisages the establishment of the Clean Development Mechanism (CDM), which is designed to give industrialised (Annex 1) countries emissions credits for emissions reduction projects in developing (non Annex 1) countries.

While the majority of the work on these mechanisms was completed in Bonn, there are still important issues to be hammered out. These most important are:

4) The rules for eligibility to use the mechanisms. Greenpeace argues that countries must have ratified the Kyoto Protocol, be in full compliance with the emissions monitoring, verification and reporting requirements, and have accepted the compliance regime, in order to make use of the mechanisms.

5) Public Participation.__The requirements for transparency and public participation have not yet been agreed, and most parties seem to view this as an unnecessary hindrance. Greenpeace will continue to argue that public participation and transparency are essential for the effective functioning of the market mechanisms.

6) CDM forestry and other LUCF (Land Use Change and Forestry) issues. Claiming credit for carbon stored in forests and other vegetation is one of the most contentious and problematic issues in the Kyoto Protocol (see 'Sinks' below). Unless there are strong provisions protecting bio-diversity and acknowledging that these sinks are not permanent, a number of perversities could arise. For instance, we could see ancient forests cut down and replaced with eucalyptus plantations in the name of climate protection, and see a country's overall emissions actually rise while nominally meeting their Kyoto obligations through the use of such subterfuges. Greenpeace will be arguing for stringent environmental controls and scientific monitoring and review of all 'sinks' matters.

'Sinks'

Under the terms of the Kyoto Protocol certain kinds of land use change and forestry activities which can sequester or store carbon are allowed to be counted towards meeting the emission reduction obligations of the Protocol. The theory is that if a tonne of carbon is stored in a tree (a so called 'sink' for carbon) and hence removed from the atmosphere, then a country would be allowed to add a tonne of carbon to its allowed emissions of carbon from the burning of fossil fuels. Unfortunately, carbon stored in trees is not permanently removed from the atmosphere and there is a high probability that the tonne of carbon counted as stored in the tree probably would have found its way there anyway. The result is that the atmosphere is worse off from this accounting system. As a consequence of these and other concerns, it was agreed in Kyoto that the use of 'sinks' would be very limited. Since Kyoto however a number of countries have sought to expand the range of 'sink' activities that can be counted.

The whole theory that creating 'sinks' in forests, plants and soils whereby carbon dioxide is taken out of the climate system can allow for greater emissions and not affect the climate system is, Greenpeace finds, quite wrong. There are large uncertainties in the science of how carbon dioxide 'sequestered' by the biosphere behaves, how much of it is taken up by the biosphere in the first place, how it is

released back into the atmosphere, and how long it is held in these sinks and therefore isolated from the climate system. For a very good independent analysis of this question see the recent report by the Royal Society (UK) "The Role of Carbon Sinks in Mitigating Global Climate Change", available at <http://www.royalsoc.ac.uk/files/statfiles/document-150.pdf>

The main point, however, is that most of the increased carbon dioxide from burning fossil fuels will end up in the atmosphere eventually, and that the use of 'sinks' in the emissions accounting under the Kyoto Protocol will, at best, buy us some time. The goal of the Protocol is to reduce emissions, not to create mechanisms for avoiding reductions. Greenpeace seeks to minimise the use of sinks in the Protocol as much as possible, and notes that a number of countries have already pledged that they will not take advantage of this loophole.

Other issues to be considered at COP 7

Intergovernmental Panel on Climate Change (IPCC) Third Assessment Report (TAR):

What is dangerous climate change?

The primary and ongoing obligation on countries signatory to the Climate Convention, is to prevent dangerous climate change. With the publication of the IPCC's Third Assessment Report in September 2001, we have new and up-to-date information on the likely extent and impacts of climate change. However, it is the obligation of the Convention Parties to come to the fundamentally political decision as to what is 'dangerous' climate change. Pertinent questions arising out of the TAR might be:

- Is the meltdown of the Greenland ice sheet dangerous, leading as it would to several metres sea level rise? This is likely above global 1-3°C global mean warming, according to the IPCC.
- Is putting 300 million people more at risk of malaria dangerous? There is a medium to high confidence of this a for 2-3°C global mean warming.
- Are significant damages to crop production in tropical and subtropical countries, which could among other things reverse agricultural self-sufficiency progress in many developing nations dangerous? There is medium confidence of this for 1-2°C global mean warming.
- Are losses of unique ecosystems and substantial damage to coral reefs dangerous? There is medium to high confidence of this for 2-3°C global mean warming.

Ratification and entry into force of the Kyoto Protocol by WSSD in September 2002

In conjunction with the main objective to resolve all Kyoto business, COP7 should reinforce momentum to bring the Kyoto Protocol into force by the 1Johannesburg World Summit on Sustainable Development (WSSD) in September of 2002. It should urge all Parties, including the USA, to ratify the Protocol as a matter of urgency.

UNFCCC Input into the World Summit on Sustainable Development.

The UNFCCC has been asked by the UN General Assembly to contribute to the World Summit of Sustainable Development (WSSD) in 2002. In view of the urgency of the threats to development identified in the IPCC Third Assessment

Report from rapid human induced climate change, particularly to developing countries, COP 7 should seek the endorsement of WSSD for **accelerating the negotiations for the second commitment period of the Kyoto Protocol**. COP7 should demand that industrialised countries are established on an emissions reduction trajectory with a goal of at least 80% reduction by 2050. Given the rapid growth of unsustainable fossil fuel combustion in developing countries and the fact that 2 billion people do not currently have modern energy services, COP7 should recommend that **the WSSD establish a commitment for major a global program on the rapid expansion of renewable energy**. The G8 established a renewable task force in 2000 to report on this issue and its report provides a solid framework for action that if implemented would go a long way towards meeting the energy needs of a billion people in the developing world by 2010.

The G8 task force recommendations would also help establish the industrialised countries on a pathway towards large long-term emission reductions.

Conclusion

Greenpeace will continue to argue in favor of environmentally effective implementation of the Kyoto Protocol, with a minimum use of loopholes, and for ratification and entry into force of the Kyoto Protocol by no later than the Johannesburg Summit in September of 2002. For the Protocol to enter into force it must be ratified by 55 countries including enough Annex 1 countries to account for 55% of the 1990 CO₂ emissions from Annex 1 countries. None of the 'benefits' of the Kyoto Protocol such as the Clean Development Mechanism or carbon trading will be achieved until the Protocol enters into force. The Protocol remains the only international legal instrument designed to start the world on the road towards the massive reductions in greenhouse gas emissions that are needed this century to avoid disastrous climate change.

Signatories to the Kyoto Protocol: Annex B Countries are in *Bold Italics*. Countries that have ratified are marked 'R'.

ANTIGUA AND BARBUDA - R	DENMARK	ITALY	NAURU – R	SAMOA - R
ARGENTINA - R	ECUADOR - R	JAMAICA – R	NETHERLANDS	SENEGAL - R
AUSTRALIA	EGYPT	<i>JAPAN</i>	<i>NEW ZEALAND</i>	SEYCHELLES
AUSTRIA	EL SALVADOR - R	KAZAKHSTAN	NICARAGUA – R	SLOVAKIA
AZERBAIJAN - R	R	KIRIBATI – R	NIGER	SLOVENIA
BAHAMAS - R	EQUATORIAL GUINEA - R	LATVIA	NIUE – R	SOLOMON ISLANDS
BARBADOS - R	ESTONIA	LESOTHO – R	NORWAY	SPAIN
BELGIUM	EUROPEAN COMMUNITY	LIECHTENSTEIN	PALAU – R	SWEDEN
BOLIVIA - R	FIJI – R	LITHUANIA	PANAMA - R	SWITZERLAND
BRAZIL	FINLAND	LUXEMBOURG	PAPUA NEW GUINEA	THAILAND
BULGARIA	FRANCE	MALAYSIA	PARAGUAY - R	TRINIDAD AND TOBAGO - R
CANADA	GAMBIA - R	MALDIVES – R	PERU	TURKMENISTAN - R
CHILE	GEORGIA - R	MALI	PHILIPPINES	TUVALU - R
CHINA	GERMANY	MALTA	<i>POLAND</i>	UKRAINE
COOK ISLANDS - R	GREECE	MARSHALL ISLANDS	PORTUGAL	UNITED KINGDOM
COSTA RICA	GUATEMALA – R	MAURITIUS – R	REPUBLIC OF KOREA	UNITED STATES OF AMERICA
CROATIA	GUINEA – R	MEXICO – R	<i>ROMANIA - R</i>	URUGUAY - R
CUBA	HONDURAS- R	MICRONESIA (FED. STATES OF) - R	<i>RUSSIAN FEDERATION (THE)</i>	VANUATU - R
<i>CZECH REPUBLIC</i>	INDONESIA	MONACO	SAINT LUCIA	VIET NAM
CYPRUS – R	IRELAND	MONGOLIA – R	SAINT VINCENT AND THE GRENADINES	UZBEKISTAN - R
	ISRAEL			ZAMBIA