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THE WHITE HOUSE

WASHINGTON

GLOBAL CHANGE STRATEGY TASK FORCE

AGENDA

November 7, 1991

1. Welcome

Welcome and thanks for coming today to continue our discussions of the policy implications of the new scientific findings from the International Ozone Assessment.

Last Week

Last week Bob Watson provided us with a detailed briefing on the scientific results from the Ozone Assessment to lay the groundwork for further discussions of the policy implications on both the ozone issue itself as well as the climate change issue.

Bob and Dan Albritton of NOAA, the 2 US representatives to the International Ozone Assessment have come back this week to make themselves available during our policy discussions to answer detailed questions on the atmospheric chemistry and process studies. We appreciate your coming to provide the important scientific background information.

2. Change in Agenda - Ozone issue first

I would like to suggest that we make a slight change in the agenda for today's meeting and address the Ozone issue first.

3. Ozone

As you all know, the US has, from the beginning, played a strong leadership role in the international activities to protect the ozone layer. It is important that we continue this positive and proactive stance.

After our discussions last week on the science, I tasked EPA and NASA for an analysis of the present situation regarding our policy on ozone-depleting substances in light of the new science and to provide suggestions for a response to the new science information.

Call on EPA (Eileen Claussen) to present Options for Response on Ozone

3. Climate Change

This issue is, of course, far more difficult and complex. However, with the new science results, we need to address our position in the climate negotiations to be sure we are consistent with the underlying science. We hope that we can be creative and use this situation to try to improve our situation in the negotiations.

As you will recall, Bob Reinstein had agreed to come to provide us with a status report on the INC negotiations and, then, to provide us with some suggestions for possible actions we may be able to take in the context of this new science.

Call on Bob Reinstein

(discussion)

Ask if there are any other agencies who might have other ideas or proposals regarding the climate change issue and the negotiations.



SEPT. 12, 1991, NAIROBI

Thank you, Mr. Chairman.

We have listened with interest to the statements of various delegations regarding commitments to be included in the convention on reducing net emissions of GHGs, in particular the statements of certain countries and groups calling for specific targets and timetables for reduction of CO₂ emissions. We have some initial comments which we would like to share for consideration by other delegations.

First of all, the United States believes the convention should not only provide a framework for future cooperation with regard to global climate change but should also commit to long-term goals and objectives for combatting human-induced climate change and its adverse consequences and should set the direction for national and international efforts in support of these goals. Among the objectives which we might consider are:

- The stabilization of GHG concentrations at a level that would prevent dangerous anthropogenic interference with climate.
- The stabilization of net GHG emissions as soon as feasible, recognizing differences among countries in a number of respects.
- The development and dissemination of methods for adapting to climate change, due to either natural or anthropogenic causes.
- The development of specific national action plans or strategies for responding to global climate change and, in particular, for carrying out the obligations of the convention.
- The identification and encouragement of actions in specific sectors, such as energy, forestry, agriculture and transportation, which will contribute in a meaningful and effective way to limiting net GHG emissions (including the enhancement of sinks) or adapting to climate change, particularly those actions which will have other benefits as well.
- The identification and mobilization of ways and means of providing technical and financial assistance to countries less able to respond to global climate change, in particular, to developing countries.
- The enhancement of cooperative efforts to reduce scientific, technical and economic uncertainties regarding climate change.

The United States firmly supports the development of a convention that will incorporate commitments such as these. The convention must be structured so that it encourages the broadest number of countries to join in this effort. It thus must reflect the differing factors and situations that each country faces, and must do so in a flexible way.

In this regard, in the United States we have examined a number of possible approaches to addressing the goal of reducing net GHG emissions, including the proposal to stabilize CO2 emissions at 1990 levels by the year 2000 and to further reduce these emissions by 20 percent by 2010. Quite frankly, Mr. Chairman, we have indications, based on our analysis completed to date, that the costs of achieving these targets may be quite high for the United States, given our high dependence on our domestic coal resources for basic energy supply. Other studies seem to show that the costs could be lower. We have found that estimating these costs is a very complex task which must take into account many factors and elements of uncertainty. We are interested in comparing our results with those of other countries which seem to show that some targets can be achieved rather easily at relatively low cost. It would appear to us that the relative ease and cost of these results varies considerably from country to country.

At the same time, the benefits of taking these actions, while clearly in the right direction, are still uncertain with respect to their magnitude because of continuing scientific and economic uncertainties. Moreover, if only industrialized countries take these short-term actions, the effect on global atmospheric GHG concentrations, and on climate change, is likely to be small and transitory. Thus, we do not really know the costs of these actions, and we do not really know the benefits.

The analysis of costs and benefits of possible actions to respond to climate change, even though fraught with uncertainties, should be carried out by each country so that it can assess for itself what makes sense in its specific national situation. It should be clear that results will differ from country to country. This is one reason why we cannot accept a single quantitative limit on CO2 emissions, or GHG emissions in general, uniformly applied and to be met in a specific year. It simply does not seem to us to make practical sense at this time in light of the uncertainties to which I have referred. The unequal effects of such a limit would create trade distortions and other kinds of economic disruption, and would as a result constitute a major disincentive for countries disadvantaged in this way to join in such a common approach.

Rather, the United States believes we should be approaching the goals mentioned earlier in a more flexible, "bottom-up" manner, identifying and evaluating specific actions which can make a significant contribution to reducing net GHG emissions or to adapting to climate change in a cost-effective way -- actions which make sense, actions which will have other benefits as well, such as addressing other environmental goals, improving industrial

competitiveness, or enhancing energy security. In our future discussions, as we hear how each country is prepared to respond, we can determine how useful our total set of commitments would be in meeting global reductions.

A careful analysis of possible response options to assess technical, economic and market feasibility would enable each country to identify its best strategy for action. For developing countries and other countries with special circumstances, technical and financial assistance, possibly including assistance in country studies, would help facilitate this process of each country evolving a national strategy. The important point, Mr. Chairman, is for each country to understand as fully as possible its own situation and the implications for it of various possible actions. We have to know what our starting point is before we can determine how to reach our goal, and we have to know how to walk in the chosen direction before we begin to run.

The commitments we agree upon in the convention should give a clear signal to industry and consumers -- to all segments of the population engaged in activities associated with causing net GHG emissions -- as to the long-term direction of government policies and actions regarding responses to climate change. The signal should be steady and should be soundly based on scientific, technical and economic analysis. Industry in particular must be an integral part of the solution and not be viewed merely as part of the problem. The technologies needed for the long-term effective response to the problem will, in most cases, be developed by industry rather than governments. A clear and reasonable signal is essential in this regard, particularly as industry will be reluctant to make major investments if it perceives government policies as subject to change according to constantly shifting political winds. Targets and timetables for reductions in emissions of specific GHGs are one kind of signal, but by no means the only kind of signal, and, in our view not necessarily the most appropriate signal at this stage.

In formulating our commitments to responses to global climate change, we need to be concerned about the conditions to which future generations will be subjected, with a goal of providing as favorable quality of life as possible for our descendants. In this regard, we must recognize that environmental protection and economic development and well-being are interdependent. The basic activities necessary for achieving an acceptable quality of life for all peoples must be carried out in an ecologically -- and economically -- sustainable manner.

Thank you, Mr. Chairman.

Thank you Mr. Chairman.

I would like to make just a few comments on the subject of technical and financial assistance to developing countries and other countries to facilitate their participation in the convention.

I should first note that a number of countries will be in need of some form of assistance in order to take actions in responding to the threat of global climate change. These include the developing countries but also those countries with economies in transition. Moreover, among developing countries there are clear differences in regard to ability to take actions on climate change, and these differences should be taken into account as well. Other delegations, notably Australia, have emphasized differences even among industrialized countries affecting relative ability to take actions to come at climate change.

We prefer the term "technology cooperation" to the term "technology transfer" because the former includes a much broader range of aspects which we consider essential to the long-term response to global climate change, such as technology needs assessment, technology development, training and other institution building, and so forth, as well as technology transfer in the more narrow, traditional sense. A considerable number of activities are now underway or have already taken place involving technology cooperation on climate change related matters and are being carried out not only by several U.S. Government agencies but also by several U.S. and multinational industries.

With regard to financial resources and mechanisms, we noted in June the importance of making maximum use of existing resources and multilateral and bilateral mechanisms before considering the creation of new entities. At the same time, we stressed that resources for purposes of addressing climate change and other environmental issues must be integrated within overall economic decision-making in such a way that support for general development purposes is in no way diminished. We found many points in the interventions of the EC, Japan and Canada that could facilitate further discussion on this question.

I might note that the United States is already engaged in financing many activities in developing countries related to climate change. We have made a significant financial contribution to the Montreal Protocol fund (I am aware of this because I personally signed the transmittal letter). We have financed a number of country studies related to climate change and will undertake more of such studies. We have committed to develop the Inter-American Institute for Global Change Research to cooperate on global climate research in the Western Hemisphere. All of these and other activities are in addition to the normal development aid provided through our regular assistance programs.

I would like to emphasize in particular the role of a country-study process not only as an aspect of financial assistance in itself, but more importantly as a tool for identifying and clarifying financial needs associated with responses to climate change. This process may also have benefits for general development planning purposes, since in principle it may cover energy, agriculture, forestry, transportation and certain industrial activities, all of which are obviously related to economic development.

Finally, Mr. Chairman, I would note that the logical connection of issues, as it seems to us, would flow from establishment of commitments, to identification of technology needs, to estimation of costs associated with these needs and other aspects of responses to climate change under the convention, and then to ways and means of meeting these financial needs. Thus, the resolution of each of these issues will be linked so that the final agreement will "cover in an integrated manner all areas of common concern" in accordance with Decision 1/1 of this Committee.

Thank you, Mr. Chairman.

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DRAFTED BY: OES/EGC: JPERSHING
APPROVED BY: OES/EGC: DREIFSNYDER
OES/EGC: SSKINNEY
L/OES: SBINIAZ
S/P: CDWSON (INFO)
DOE: HGRUENSPECHT (INFO)
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SUBJECT: CLIMATE CHANGE NEGOTIATIONS: THIRD NEGOTIATING SESSION
WRAP-UP
REF: (A) 91 NAIROBI 22795 (NOTAL), (B) 91 NAIROBI 23202 (NOTAL)

1. SUMMARY THIS CABLE IS A FINAL REPORT ON THE THIRD SESSION OF THE INTERGOVERNMENTAL NEGOTIATING COMMITTEE (INC) FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE (FCCC), WHICH MET IN NAIROBI FROM SEPTEMBER 9-20, 1991. DETAILED REPORTING ON THE FIRST WEEK'S SESSIONS IS CONTAINED IN REFTELS. DURING THE SESSION, REAL PROGRESS WAS MADE IN SHAPING MATERIALS FOR A FUTURE NEGOTIATING TEXT, AND IN CLARIFYING THE POSITIONS OF COUNTRIES AND GROUPS OF COUNTRIES. THE INC IS BEGINNING TO FOCUS ON THE STRUCTURE AND ORGANIZATION OF THE CONVENTION, AS WELL AS ON A MORE CONCISE PRESENTATION OF THE PRIMARY ISSUES -- THE NATURE OF PRINCIPLES AND COMMITMENTS (INCLUDING THE ISSUES OF TARGETS AND TIMETABLES), TECHNOLOGY TRANSFER, FINANCIAL RESOURCES, AND INSTITUTIONAL ARRANGEMENTS.

2. THE EC CONTINUED TO PUSH HARD FOR TARGETS AND TIMETABLES FOR INDUSTRIALIZED COUNTRIES, ALTHOUGH SOME FISSURES MAY BE DEVELOPING IN ITS SOUTHERN FLANK. DIVISION MAY ALSO EXIST WITHIN THE EC ON THE QUESTION OF HOW TO DEAL WITH FINANCIAL RESOURCES: THE UK HAS CALLED FOR A MORE CONSERVATIVE APPROACH THAN COUNTRIES LIKE FRANCE AND THE NETHERLANDS, WHICH SUPPORTED THE CONCEPT OF "NEW AND ADDITIONAL" RESOURCES FOR DEVELOPING COUNTRIES. DEVELOPING COUNTRIES SEEMED TO HAVE HARDENED THEIR POSITIONS ON TECHNOLOGY TRANSFER AND FINANCIAL RESOURCES.

3. THERE WAS NO PUBLIC SUPPORT FOR THE U.S. POSITION ON TARGETS AND TIMETABLES, BUT MANY NOTED THAT THE TONE OF U.S. STATEMENTS IN WORKING GROUP I ON COMMITMENTS AND TECHNOLOGY TRANSFER HELPED PROMOTE A MORE CONSTRUCTIVE DISCUSSION. THERE WAS MORE SUPPORT AMONG INDUSTRIALIZED COUNTRIES FOR OUR APPROACH ON TECHNOLOGY COOPERATION AND FINANCIAL ASSISTANCE. DEVELOPING COUNTRIES REMAINED ADAMANT THAT THEIR PARTICIPATION DEPENDS ON STRONG ACTION

4. INFORMAL MEETINGS AND INTERSESSIONAL CONTACTS HAVE BEEN SCHEDULED BETWEEN NOW AND DECEMBER IN AN EFFORT TO PRODUCE A NEGOTIATING TEXT BY THE END OF THE DECEMBER SESSION (SCHEDULED FOR DECEMBER 9-20 IN GENEVA). FOLLOWING THE DECEMBER SESSION, THE INC WILL MEET IN NEW YORK CITY FROM FEBRUARY 18-28, 1992. END SUMMARY.

WORKING GROUP I: PRINCIPLES, COMMITMENTS AND FINANCES

5. DEBATE IN WORKING GROUP I (WGI) WAS PRIMARILY BASED ON DOCUMENTS PREPARED BY THE CO-CHAIRS, MR. E. DE ALBA OF MEXICO AND MR. N. AKAO OF JAPAN. THESE LENGTHY DOCUMENTS WERE REVISED SEVERAL TIMES DURING THE SESSION, SO THAT DELEGATIONS RETURNED TO CAPITALS WITH A MORE CONCISE VERSION FOR FUTURE CONSIDERATION. THESE CONFERENCE ROOM PAPERS LAID OUT THE VARIETY OF ALTERNATIVES PROPOSED IN ORAL AND WRITTEN PRESENTATIONS BY COUNTRIES IN THE NAIROBI AND PREVIOUS SESSIONS, AND WERE DIVIDED INTO SECTIONS ON PRINCIPLES, COMMITMENTS ON SOURCES AND SINKS, COMMITMENTS ON FINANCIAL RESOURCES AND TECHNOLOGY COOPERATION, AND ON

THE SPECIAL CIRCUMSTANCES OF DEVELOPING COUNTRIES.

6. PRINCIPLES. IN GENERAL, THE DEVELOPED COUNTRIES OPPOSED THE INCLUSION OF A SEPARATE SECTION ON PRINCIPLES IN THE FORMAL CONVENTION DOCUMENT, ON THE BASIS THAT ANY RELEVANT MATERIAL COULD BE SUBSUMED INTO THE PREAMBLE OR INTO A SECTION ON SPECIFIC OBLIGATIONS AND THAT THE LEGAL STATUS OF SUCH PRINCIPLES WAS NOT CLEAR. HOWEVER, DEVELOPING COUNTRIES STRESSED THEIR DESIRE TO SEE A DETAILED FORMULATION OF PRINCIPLES TO UNDERPIN COUNTRY COMMITMENTS. THEY CALLED FOR "EQUITY BASED ON COMMON PER CAPITA EMISSIONS"; "THE RESPONSIBILITY OF INDUSTRIALIZED COUNTRIES TO TAKE ACTION FIRST"; "POLLUTER PAYS"; "ADEQUATE, NEW AND ADDITIONAL FINANCIAL RESOURCES"; AND "THE RIGHT OF DEVELOPING COUNTRIES TO INCREASE EMISSIONS." THESE PROPOSALS WERE SUPPORTED BY INDIA, MEXICO, CHINA, MALAYSIA, MAURITANIA, "COLUMBIA AND VANUATU (SPEAKING ON BEHALF OF THE ALLIANCE OF SMALL ISLAND STATES, AOSIS).

7. WITHOUT PREJUDICE TO WHETHER A SECTION ON PRINCIPLES WILL ULTIMATELY BE INCLUDED, INDUSTRIALIZED COUNTRIES AGREED TO DISCUSS THE INCLUSION OF A SECTION ON PRINCIPLES, AND INDICATED THOSE THEY CONSIDERED MOST IMPORTANT. COUNTRIES SPEAKING IN SUPPORT OF ACCEPTING A REDUCED LIST OF PRINCIPLES WERE THE NETHERLANDS (SPEAKING ON BEHALF OF THE EC), GREECE, FINLAND, BRAZIL, NORWAY, THE USSR, AUSTRIA, AUSTRALIA AND JAPAN. IN ITS LIST, THE EC INCLUDED THE CONCEPT OF "DIFFERENTIATED RESPONSIBILITIES", "POLLUTER PAYS", "COMPREHENSIVE APPROACH", "FLEXIBILITY" AND "COST EFFECTIVENESS."

8. WGI DID NOT REACH CONSENSUS ON PRINCIPLES TO BE INCLUDED IN A CONVENTION, IF PRINCIPLES ARE INCLUDED. SOME COUNTRIES, (PARTICULARLY CHINA AND SAUDI ARABIA, WHO WERE VIEWED IN MANY QUARTERS AS WANTING TO SLOW OR STALL THE PROCESS) INSISTED THAT THE PRINCIPLES SECTION BE FULLY DEVELOPED BEFORE CONSIDERING SPECIFIC OBLIGATIONS. WGI CONCLUDED THAT THE CO-CHAIRS SHOULD REDRAFT THE SECTION ON PRINCIPLES FOR CONSIDERATION AT THE DECEMBER INC SESSION.

9. COMMITMENTS. THE DOCUMENT USED FOR THE DISCUSSION ON COMMITMENTS WAS DIVIDED INTO FOUR SECTIONS: (I) OBJECTIVES, (II) COMMITMENTS, (III) DIFFERENTIATED

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COMMITMENTS, AND (IV) SOURCES AND SINKS. THERE WAS BROAD AGREEMENT THAT THE CO-CHAIRS' TEXT WAS CONFUSING, REDUNDANT AND REQUIRED SUBSTANTIAL REORGANIZATION. NOTING THAT THE FINAL TEXT ON COMMITMENTS MUST BE WRITTEN BY GOVERNMENTS, NOT BY THE SECRETARIAT, COUNTRIES AGREED THAT A REVISED TEXT THAT REFLECTED GOVERNMENT VIEWS SHOULD BE PREPARED BY THE SECRETARIAT FOR COUNTRIES TO STUDY DURING THE INTERSESSIONAL PERIOD.

10. THE MAJOR SUBSTANTIVE DEBATE CENTERED ON THE NATURE OF COMMITMENTS. MOST DELEGATIONS SPOKE IN FAVOR OF COMMITMENTS BY INDUSTRIALIZED COUNTRIES TO STABILIZE AND/OR REDUCE GHG EMISSIONS, AND VIRTUALLY ALL SUPPORTED A COMPREHENSIVE APPROACH COVERING ALL GHGS. THE EC, WITH SUPPORT FROM JAPAN, AUSTRALIA, CANADA, NEW ZEALAND AND THE SCANDINAVIANS, SPOKE STRONGLY FOR SPECIFIC TARGETS AND TIMETABLES TO ACHIEVE THESE GOALS, FAVORING STABILIZATION OF GHG EMISSIONS AT 1990 LEVELS BY THE YEAR 2000.

OFFERING A SLIGHTLY DIFFERENT (OR IN SOME CASES SUPPLEMENTAL) SUGGESTION, SEVERAL NATIONS, INCLUDING THE U.S., JAPAN, AND POLAND, ADVOCATED "NATIONAL STRATEGIES" AS AN APPROACH TO MAKING EFFECTIVE COMMITMENTS.

11. DEVELOPING COUNTRIES UNIFORMLY REJECTED ACCEPTING ANY COMMITMENTS TO REDUCE THEIR OWN GHG EMISSIONS, AND SOME ALSO OBJECTED TO MAKING COMMITMENTS TO STABILIZE THEIR EMISSIONS. LEADING PROponents OF THIS DEVELOPING COUNTRY VIEW WERE CHINA, INDIA AND MEXICO, WITH CONSIDERABLE SUPPORT FROM THE ARAB UNION COUNTRIES, AND THE AFRICAN STATES. AS PART OF THEIR ARGUMENT, MANY DEVELOPING COUNTRIES STRESSED INDUSTRIALIZED COUNTRY RESPONSIBILITY FOR CLIMATE CHANGE. ALONG WITH "BLAME" FOR THE PROBLEM, THEY ARGUED, WENT RESPONSIBILITY FOR CORRECTING IT; DEVELOPING COUNTRIES HAD NO RESPONSIBILITY TO TAKE ANY ACTION BECAUSE THEY DID NOT CONTRIBUTE TO EMISSIONS IN THE PAST.

12. SOME DEVELOPING COUNTRIES FURTHER ARGUED THAT THEY DESERVED COMPENSATION FOR THE GLOBAL DAMAGE INVOLVED IN THE FORM OF AN ENTITLEMENT TO "ADEQUATE, NEW AND ADDITIONAL FINANCIAL RESOURCES", AND TECHNOLOGY TRANSFER ON A "NON-COMMERCIAL AND CONCESSIONAL BASIS". INDIA MADE THE PHILOSOPHICAL POINT THAT ALL NATIONS SHOULD ATTEMPT TO REACH A COMMON PER CAPITA EMISSIONS RATE. THIS WOULD HAPPEN IF RICH COUNTRIES REDUCED EMISSIONS, WHILE ALLOWING POORER COUNTRIES ROOM FOR GROWTH.

13. NOT ALL DEVELOPING COUNTRIES WERE AGREED. THE ALLIANCE OF SMALL ISLAND STATES (AOSIS), ARGUED THAT,

ALTHOUGH DEVELOPING COUNTRIES HAVE DIFFERENT RESPONSIBILITIES, THEY TOO MUST TAKE ACTION TO CURB EMISSIONS GROWTH, A POINT WITH WHICH AUSTRALIA, THE U.S., AND KOREA ALL AGREED. IN AN EVEN STRONGER STATEMENT RESPONDING TO HARD-LINE DEVELOPING COUNTRY POSITIONS, JAPAN STRESSED THE IMPORTANCE OF COMMITMENTS BY DEVELOPING COUNTRIES, AND POINTEDLY STATED THAT FINANCIAL AND TECHNICAL ASSISTANCE WOULD NOT BE FORTHCOMING IN THE ABSENCE OF THEM.

14. WHILE THERE WAS CONSIDERABLE SUPPORT FOR THE "NET EMISSIONS APPROACH" (INCLUDING FROM THE U.S., NORWAY, KUWAIT, SAUDI ARABIA, AND THE USSR), SEVERAL COUNTRIES NOTED THAT MORE RESEARCH MIGHT BE NEEDED TO DEFINE THE "SINK" SIDE OF THE EQUATION. HOWEVER, LANGUAGE ORIGINALLY INTRODUCED BY THE U.S. IN THE FIRST NEGOTIATING SESSION IN FEBRUARY 1991 REGARDING THE "COMPREHENSIVE APPROACH" WAS INCORPORATED INTO MOST COUNTRY STATEMENTS. NORWAY (ALONG WITH THE U.S. AND THE SAUDIS) URGED A COMPREHENSIVE

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APPROACH SO THAT NATIONS COULD FASHION THEIR OWN COST-EFFECTIVE STRATEGIES TO LIMIT NET EMISSIONS. NORWAY FURTHER ARGUED THAT NATIONS SHOULD BE ABLE TO ACHIEVE EMISSIONS LIMITS THROUGH ACTIONS ABROAD AS WELL AS AT HOME. TO THIS END, NORWAY PROPOSED A SCHEME OF "COOPERATIVE ARRANGEMENTS" BETWEEN CONSENTING PARTNER NATIONS, WITH A CLEARINGHOUSE TO FACILITATE SUCH ARRANGEMENTS.

15. FINANCIAL ISSUES. QUESTIONS ON FINANCIAL COMMITMENTS REVOLVED AROUND THE ISSUES OF WHAT OBLIGATIONS COUNTRIES SHOULD ASSUME EITHER WITH RESPECT TO PROVIDING FUNDS, OR

IN RETURN FOR ACCEPTING FUNDS. ALTHOUGH TECHNICALLY IN THE MANDATE OF WORKING GROUP II ON MECHANISMS, WGI ALSO ADDRESSED BOTH DEBT-FOR-ENVIRONMENT SWAPS, AND THE GLOBAL ENVIRONMENT FACILITY IN RELATION TO THE ISSUE OF FINANCIAL ASSISTANCE.

16. UNLIKE THE CASE OF COMMITMENTS ON SOURCES AND SINKS OF GHGS, THERE WAS SOME DEGREE OF AGREEMENT BETWEEN NORTH AND SOUTH IN THE QUESTION OF FINANCIAL RESOURCES. THE NETHERLANDS, SPEAKING FOR THE EC, SUPPORTED NEW AND ADDITIONAL RESOURCES FOR DEVELOPING COUNTRIES, PROVIDED THEY ARE LINKED TO CONVENTION COMMITMENTS, AND THAT EXPLICIT PROVISION IS MADE FOR THEM IN THE CONVENTION. THE NETHERLANDS, ON BEHALF OF THE EC, WAS LARGELY SUPPORTIVE OF MANY OF THE PROPOSALS OF THE DEVELOPING COUNTRIES, WHICH DEFINED FINANCIAL RESOURCES AND TECHNOLOGY TRANSFER COMMITMENTS AS THE CORNERSTONE OF AN EFFECTIVE CONVENTION IF DEVELOPING COUNTRIES ARE TO PARTICIPATE.

17. SIGNIFICANT DIFFERENCES EMERGED, HOWEVER, IN THE DISCUSSION OF PARTICULARS. CHINA, STRONGLY SUPPORTED BY MEXICO, COLOMBIA, SENEGAL, AND GHANA (SPEAKING ON BEHALF OF THE G-77), INSISTED ON EXPLICIT AND PRECISE COMMITMENTS BY "DEVELOPED COUNTRY PARTIES" TO PROVIDE "ADEQUATE, NEW AND ADDITIONAL" FINANCIAL RESOURCES AND TO "INSURE" THE TRANSFER OF TECHNOLOGY ON A "FAIR AND MOST FAVORABLE, NON-COMMERCIAL BASIS." CHINA ALSO SUPPORTED A CLIMATE FUND UNDER THE AUTHORITY OF THE CONFERENCE OF THE PARTIES, NOTING THAT THE GEF WAS TOTALLY INADEQUATE (A CONSIDERABLE DIVERGENCE FROM THE PREVAILING DEVELOPED COUNTRY VIEW).

18. SPECIAL SITUATIONS. SEVERAL COUNTRIES SPOKE TO THE SPECIAL SITUATIONS OF PARTICULAR DEVELOPING COUNTRIES, NOTING THE GREATER POTENTIAL PHYSICAL DAMAGE THEY MIGHT SUSTAIN (IN THE ISLAND AND LOW-LYING COASTAL STATES), OR THE ECONOMIC IMPACTS ON FUTURE GROWTH OF REDUCED ACCESSIBILITY TO INEXPENSIVE (EVEN IF ENVIRONMENTALLY UNSOUND) ENERGY TECHNOLOGIES. HOWEVER, THE DEBATE SOON TURNED INTO A "FREE-FOR-ALL", WITH VARIOUS GROUPINGS OF DEVELOPING COUNTRIES SCRAMBLING TO RECEIVE "SPECIAL" STATUS, AND EACH DETERMINED THAT ITS BASE OF FINANCIAL AID NOT BE COMPROMISED BY NOT BEING "SPECIAL" ENOUGH.

19. SUCH GROUPINGS INCLUDE THE PACIFIC AND CARIBBEAN ISLAND COUNTRIES (AOSIS), PARTICULARLY CONCERNED WITH THE PROSPECT OF SEA-LEVEL RISE FROM CLIMATE CHANGE AS THE WORLD'S OCEANS EXPAND IN RESPONSE TO INCREASED GLOBAL MEAN TEMPERATURE, AND ACTIVELY PROMOTING RESPONSES THAT WOULD ENABLE THEM TO ADAPT; THE DROUGHT-PRONE COUNTRIES OF AFRICA; DEVELOPING COUNTRIES THAT ARE HEAVILY DEPENDENT ON EXPORTS OF PETROLEUM; DEVELOPING COUNTRIES THAT ARE HEAVILY DEPENDENT ON EXPORTS OF FORESTRY PRODUCTS; THE "LEAST DEVELOPED COUNTRIES;" AND THE SO-CALLED EASTERN EUROPEAN "ECONOMIES IN TRANSITION." SIGNIFICANTLY, BRAZIL, CHINA AND INDIA ARGUED THAT THERE WERE ONLY TWO

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CATEGORIES OF COUNTRIES INVOLVED -- DEVELOPED AND DEVELOPING -- A POSITION NOT CALCULATED TO REASSURE ANXIOUS GROUPS OF DEVELOPING COUNTRIES WITH PARTICULAR CONCERNS AND PERSPECTIVES. AUSTRALIA, REFLECTING THE VIEW OF MOST OF THE DEVELOPED COUNTRIES, RECOMMENDED THAT THE SPECIAL SITUATION CONCEPTS BE INTEGRATED INTO THE GENERAL

AND SPECIFIC COMMITMENTS; NO FINAL RESOLUTION OF THIS ISSUE WAS ACHIEVED IN THE SESSION.

20. CLEARINGHOUSES. TWO DISTINCT CLEARINGHOUSE IDEAS WERE PROPOSED TO FACILITATE FINANCIAL AND TECHNOLOGY TRANSFER. ONE, PROMOTED BY THE NORWEGIANS, WOULD BE A "BROKERAGE HOUSE" AT WHICH COUNTRIES COULD BE LINKED WITH ORGANIZATIONS WILLING TO PROVIDE TECHNICAL AND FINANCIAL ASSISTANCE. THE SECOND CLEARINGHOUSE CONCEPT WAS ONE IN WHICH INFORMATION REGARDING APPROPRIATE TECHNOLOGIES WOULD BE COLLECTED AND DISSEMINATED, MORE OF AN INFORMATION CENTER THAN A BROKERAGE. WHILE SEVERAL COUNTRIES SPOKE TO THE CLEARINGHOUSE PROPOSALS (KOREA ADDED THE NOTION OF COMPULSORY LICENSING OF TECHNOLOGY TO ITS CLEARINGHOUSE PROPOSAL, AND AUSTRALIA RECOMMENDED USING EXISTING MECHANISMS TO IMPLEMENT THE IDEA), NO CLEAR UNDERSTANDING EMERGED OF HOW THE CLEARINGHOUSE CONCEPT WOULD BE REALIZED. IN OFF-LINE CONVERSATIONS, IT WAS APPARENT THAT DELEGATES BELIEVED THE CLEARINGHOUSE IDEA DID HAVE CONSIDERABLE MERIT; IT SEEMS LIKELY THAT THE NEXT NEGOTIATING SESSION WILL SEE FURTHER DISCUSSIONS ON THIS TOPIC.

WORKING GROUP 11: MECHANISMS

21. IN MUCH THE SAME WAY AS WORKING GROUP 1, THE DISCUSSION IN WG 11 ON MECHANISMS REVOLVED AROUND A TEXT PREPARED BY THE CO-CHAIRS. INASMUCH AS THE ISSUES DEALT WITH WERE CONSIDERABLY LESS CONTENTIOUS, AND MANY OF THE

LEAST AGREED UPON ISSUES NEEDED TO BE POSTPONED UNTIL AFTER DECISIONS WERE MADE IN WG1, THERE WAS MORE APPARENT PROGRESS IN WG11 THAN IN WG1. THIS ENABLED WG11 TO DRAFT SOME LANGUAGE, AND ALLOWED THE NARROWING OF OPTIONS IN SEVERAL AREAS WHICH, HOPEFULLY, WILL FACILITATE ADDITIONAL DRAFTING IN SUBSEQUENT NEGOTIATING SESSIONS.

22. INSTITUTIONS. THE DISCUSSION ON INSTITUTIONS FOCUSED ON THE NEED FOR A FORMAL CREATION OF A CONFERENCE OF THE PARTIES, AND A SECRETARIAT, AND DISCUSSION (ALTHOUGH NO FINAL AGREEMENT) ON THE NEED FOR A SCIENCE COMMITTEE, A REVIEW COMMITTEE, AND AN EXECUTIVE COMMITTEE. THERE WAS UNANIMOUS ACCEPTANCE OF THE NEED FOR BOTH A CONFERENCE OF THE PARTIES, AND A SECRETARIAT, AND WITH REGARD TO THE FORMER, THAT IT SHOULD BE THE DECISION-MAKING BODY OF THE CONVENTION. CONCERN WAS EXPRESSED THAT THE LIST OF FUNCTIONS FOR THE CONFERENCE OF THE PARTIES BE LEFT FLEXIBLE ENOUGH FOR THEM TO OPERATE EFFECTIVELY. DESPITE STRONG SUPPORT FOR AN INDEPENDENT SECRETARIAT, THERE WAS SOME DEBATE REGARDING WHETHER THE SECRETARIAT SHOULD BE DESIGNATED IN THE CONVENTION OR CONSTITUTED AT THE FIRST MEETING OF THE CONFERENCE OF THE PARTIES, WITH AN INTERIM SECRETARIAT SET UP PENDING ENTRY INTO FORCE OF THE CONVENTION, PERHAPS BY UNEP OR JOINTLY BY UNEP AND WHO. DESPITE AGREEMENT ON THE NEED FOR A SECRETARIAT, VIEWS DIVERGED CONSIDERABLY REGARDING THE FUNCTIONS OF THAT BODY.

23. SEVERAL DELEGATIONS PROPOSED ESTABLISHING AN EXECUTIVE COMMITTEE WITH EXTENSIVE AUTHORITY UNDER THE CONVENTION. IN A FRENCH PROPOSAL, THE EXECUTIVE COMMITTEE

WOULD BE RESTRICTED TO FIFTEEN MEMBERS, WOULD ASSURE IMPLEMENTATION OF THE CONVENTION, AND WOULD BE RESPONSIBLE FOR LEGAL AND POLITICAL DECISIONS ON BEHALF OF THE CONFERENCE OF THE PARTIES. A NORWEGIAN PROPOSAL, MORE RESEMBLING THAT FOR AN IMPLEMENTATION COMMITTEE THAN AN EXECUTIVE BODY, SUGGESTED THAT THE OPEN-ENDED COMMITTEE REVIEW AND MAKE RECOMMENDATIONS ON PARTIES' NATIONAL STRATEGIES. THE NORWEGIAN PROPOSAL ALSO CALLED FOR THE EXECUTIVE COMMITTEE TO MAKE RECOMMENDATIONS ON COMPLIANCE CONTROL AND VERIFICATION.

24. SEVERAL COUNTRIES, INCLUDING THE UK, NEW ZEALAND AND CHINA REMAINED UNCONVINCED OF THE NEED FOR AN EXECUTIVE COMMITTEE. REFERRING TO "INSTITUTIONAL MINIMIZING", THE UK ARGUED THAT AN EXECUTIVE COMMITTEE WOULD DUPLICATE THE WORK OF OTHER MORE APPROPRIATE CONVENTION ORGANS.

25. ANOTHER INSTITUTIONAL ORGAN THAT WAS PROPOSED BY SEVERAL DELEGATIONS WAS AN IMPLEMENTATION COMMITTEE OR A REVIEW PANEL. THE UK, SPEAKING AT GREAT LENGTH AND PROVIDING CONSIDERABLE DETAIL ON THE NATURE AND RESPONSIBILITY OF SUCH A BODY, SUGGESTED THAT A REVIEW PANEL WOULD BE RESPONSIBLE FOR: (1) ASSISTING COUNTRIES (IN PARTICULAR DEVELOPING COUNTRIES) IN THE PREPARATION OF REQUIRED NATIONAL STRATEGIES; (2) ENSURING THAT THESE STRATEGIES CONFORMED TO A CONVENTION-REQUIRED FORMAT; (3) DETERMINING WHETHER ACTIONS TAKEN BY A COUNTRY IN ITS NATIONAL STRATEGY WERE SUFFICIENT TO MEET ITS OBLIGATIONS UNDER THE CONVENTION, AND IN PARTICULAR TO CARRY OUT THEIR NATIONAL STRATEGIES; (4) REVIEWING THE ADEQUACY OF THE OVERALL INTERNATIONAL RESPONSE; (5) DISSEMINATING

INFORMATION, PARTICULARLY TO DEVELOPING COUNTRIES, ON BEST PRACTICE TECHNOLOGIES; AND (6) ASSISTING WITH THE INTERNATIONAL HARMONIZATION OF APPROPRIATE MEASURES. THE UK ARGUED THAT THEIR APPROACH SHOULD BE SEEN AS ONE PROMOTING CONSULTATION AND COOPERATION (AS OPPOSED TO BEING ADVERSARIAL IN NATURE), WITH AS OPEN A PROCESS AS POSSIBLE. IN THE UK FORMULATION, SUCH A PANEL WOULD BE APPOINTED BY AND REPORT TO THE CONFERENCE OF THE PARTIES.

26. IT WAS LARGELY IN THE CONTEXT OF THIS DISCUSSION THAT COUNTRIES TABLED IDEAS ON THE CONCEPT OF NATIONAL REPORTING. SOME DELEGATIONS MENTIONED CONCERNS ABOUT THE APPROPRIATENESS OF REPORTING, WHILE OTHERS SUPPORTED REPORTING BY THE PARTIES ON THEIR ACTIONS OR PLANS AND STRATEGIES TO IMPLEMENT THEIR COMMITMENTS. THE NEED FOR DIFFERENTIATED REPORTING BETWEEN DEVELOPED AND DEVELOPING COUNTRIES WAS MENTIONED FREQUENTLY, AS WAS THE NEED TO PROVIDE FINANCIAL RESOURCES TO DEVELOPING COUNTRIES TO ENABLE THEM TO PREPARE ANY REPORTS. THERE WAS ALSO A DIFFERENCE OF VIEW ON THE EXTENT TO WHICH NON-GOVERNMENTAL ORGANIZATIONS SHOULD/COULD BE INVOLVED IN THE PROCESS.

27. SEVERAL COUNTRIES STRESSED THE NEED MORE FULLY TO CONSIDER THE IMPLICATIONS OF THE DETAILED INSTITUTIONAL PROPOSALS. THE U.S. SAID THAT IT HAD NOT YET DEVELOPED A POSITION ON CONVENTION ORGANS BEYOND THE CONFERENCE OF THE PARTIES AND A SECRETARIAT, AND WISHED TO HEAR MORE FROM OTHER DELEGATIONS ON THE NEED THEY FORESAW FOR ADDITIONAL ORGANS AND WHAT FUNCTIONS THEY MIGHT HAVE. NEVERTHELESS, THE U.S. AGREED THAT A NUMBER OF THE FUNCTIONS IDENTIFIED BY THE U.K. COULD CONCEIVABLY BE HANDLED BY A TECHNICAL

REVIEW PANEL. AT THE SAME TIME, THE U.S. FIRMLY STATED THAT AT LEAST TWO OF THE FUNCTION IDENTIFIED BY THE U.K., NAMELY, REVIEWING THE ADEQUACY OF THE OVERALL INTERNATIONAL RESPONSE AND WHETHER THE ACTIONS TAKEN BY A COUNTRY IN ITS NATIONAL STRATEGY WERE SUFFICIENT TO MEET

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ITS OBLIGATIONS UNDER THE CONVENTION, WERE ESSENTIALLY POLITICAL, NOT TECHNICAL QUESTIONS, THAT WOULD HAVE TO BE DEALT WITH, IF AT ALL, AT THE LEVEL OF THE CONFERENCE OF THE PARTIES. THE U.S. DID SUPPORT MAKING THE PROCESS COOPERATIVE AND NON-CONFRONTATIONAL, AND URGED THAT IT BE AS TRANSPARENT AND OPEN AS POSSIBLE. WHILE SOME COUNTRIES SPOKE STRONGLY AGAINST THE CONCEPT OF ANY SORT OF EXTERNAL REVIEW OF COUNTRY STRATEGIES AND PLANS, OTHER COUNTRIES RAISED ISSUES REGARDING THE LOGISTICS OF CREATING A REVIEW PANEL, QUESTIONING WHETHER PARTICIPANTS WOULD BE INDIVIDUAL EXPERTS OR EXPERTS APPOINTED BY THEIR GOVERNMENTS, WHETHER THE PROCESS SHOULD BE OPEN, AND WHAT DEGREE OF REVIEW SHOULD BE ALLOWED.

28. ALTHOUGH BY NO MEANS ATTRACTING UNANIMOUS SUPPORT, PERHAPS THE LEAST CONTENTIOUS NEW PROPOSAL WAS FOR THE CREATION OF A SCIENTIFIC REVIEW COMMITTEE, WITH BROAD MULTI-DISCIPLINARY EMPHASIS AND A LARGELY ADVISORY ROLE VIS-A-VIS OTHER CONVENTION BODIES. COUNTRIES SUGGESTED THAT MEMBERS OF THIS COMMITTEE BE ELECTED BY AND REPORT TO THE CONFERENCE OF THE PARTIES. HOWEVER, SEVERAL COUNTRIES, NOTABLY CHINA AND SAUDI ARABIA, QUESTIONED THE NEED FOR ESTABLISHING A SCIENTIFIC REVIEW COMMITTEE, AND CAUTIONED AGAINST RUNNING HEADLONG INTO THIS BEFORE FURTHER STUDY AND CLARIFICATION OF THE CONVENTION'S MANDATE. SAUDI ARABIA PARTICULARLY EMPHASIZED THE NEED TO

EVALUATE WHETHER A SCIENTIFIC REVIEW COMMITTEE WOULD DUPLICATE EFFORTS IN OTHER FORA, FOR EXAMPLE, THE IPCC.

29. FINAL CLAUSES. THERE WAS A USEFUL, ALBEIT PRELIMINARY DISCUSSION REGARDING ENTRY INTO FORCE. FOUR OPTIONS WERE IDENTIFIED FOR ENTRY INTO FORCE: (1) RATIFICATION BY A MINIMUM NUMBER OF PARTIES; (2) RATIFICATION BY COUNTRIES REPRESENTING A FIXED PERCENTAGE OF GLOBAL NET GHG EMISSIONS; (3) THE LATER OF (1) AND (2); AND, (4) THE EARLIER OF (1) AND (2). WHILE NO DECISION WAS TAKEN, THERE SEEMED TO BE AN EMERGING CONSENSUS FOR SOME KIND OF WEIGHTED NET GHG EMISSION MEASURE FOR ENTRY INTO FORCE, ALTHOUGH THE DIFFICULTIES OF DETERMINING NET EMISSIONS AND ESTABLISHING A FORMULA WERE WIDELY NOTED.

30. SEVERAL PROPOSALS WERE TABLED REGARDING COUNTRY POSITIONS ON DISPUTE SETTLEMENT AND ON REFERENCES TO PROTOCOLS IN THE CONVENTION. THE U.S., SUPPORTED BY THE UK AND SEVERAL OTHERS, OBSERVED THAT IT WAS PREMATURE TO TRY TO RESOLVE DISAGREEMENTS BETWEEN THE ALTERNATIVES AT THIS TIME, NOTING THAT APPROPRIATE DISPUTE SETTLEMENT PROVISIONS WILL BE HEAVILY DEPENDENT ON THE ULTIMATE CONTENT OF THE CONVENTION. WGII CONCLUDED BY RECOMMENDING THAT THE CO-CHAIRS REVISE THE TEXT TO SHOW MORE CLEARLY COMMONALITY AND DIFFERENCES BETWEEN LEGAL CLAUSE OPTIONS, AS WELL AS NOTING, IN THE REVISED TEXT, THE LINKAGES BETWEEN DISPUTE SETTLEMENT, COMPLIANCE AND COMPLAINT MECHANISMS.

31. FINANCIAL MECHANISMS. DEBATE ON FINANCIAL MECHANISMS WAS MARKED BY A NORTH-SOUTH SPLIT. DEVELOPED COUNTRIES

WERE NEARLY UNANIMOUS IN THEIR WISH TO AVOID A PROLIFERATION OF FINANCIAL MECHANISMS, AND RECOMMENDED USING AN "EVOLVING" GLOBAL ENVIRONMENTAL FACILITY (GEF) AS THE FINANCIAL TOOL TO DEAL WITH CLIMATE CHANGE ISSUES. AT THE SAME TIME, THE VAST MAJORITY CALLED FOR SIGNIFICANT CHANGES IN THE GOVERNANCE OF THE GEF, PERHAPS ALONG THE LINES OF THE MONTREAL PROTOCOL FUND, OR SUPERIMPOSING THE PARTIES' POLICY DIRECTION ON THE GEF. DEVELOPING COUNTRIES ARGUED STRONGLY FOR THE NEED TO CREATE AN ENTIRELY NEW MECHANISM FOR FINANCIAL ASSISTANCE.

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32. WITHIN DEVELOPED COUNTRY RANKS, THERE WERE SEVERAL AREAS OF DIFFERENCE. SOME COUNTRIES SUPPORTED FUNDING ALL INCREMENTAL COSTS (ALTHOUGH THESE WERE NEITHER DISCUSSED NOR REFINED), OTHERS PROPOSED A MORE LIMITED PROGRAM. SOME COUNTRIES PROPOSED THAT, ALTHOUGH FUNDING SHOULD BE PROVIDED BY THE GEF, IT SHOULD BE MONITORED BY THE CONFERENCE OF THE PARTIES. THE UK SUGGESTED THAT COUNTRIES WOULD APPLY FOR FUNDS FROM THE GEF, BUT THAT THOSE TURNED DOWN COULD APPEAL TO THE CONFERENCE OF PARTIES AS A SORT OF "COURT OF APPEAL." SEVERAL DELEGATIONS NOTED THE LINKS BETWEEN FUNDING MECHANISMS AND A CLEARINGHOUSE, SUGGESTING THAT BECAUSE THE GEF WOULD PROVIDE MONEY, A SEPARATE CLEARINGHOUSE MECHANISM WOULD NOT BE NEEDED. SEVERAL COUNTRIES ALSO SPOKE TO HOW THE GEF WOULD BE FUNDED, WITH PROPOSALS FOR CONTRIBUTIONS ACCORDING TO THE U.N. SCALE OR A MODIFIED U.N. SCALE, OR BY PERCENTAGE OF GHG EMISSIONS. NORWAY THOUGHT THAT THE GEF SHOULD CREATE A SEPARATE TRUST FUND OVER WHICH THE CONFERENCE OF THE PARTIES WOULD EXERCISE POLICY DIRECTION.

33. DEVELOPING COUNTRIES, WHILE DIVIDED OVER THE PARTICULAR DETAILS, WERE NEARLY UNANIMOUS IN OPPOSING THE GEF AS A MECHANISM FOR FINANCIAL ASSISTANCE, AND ADVOCATED THE CREATION OF A NEW FINANCIAL MECHANISM. IN THEIR SCHEME, THE FUND WOULD BE CONTROLLED BY THE CONFERENCE OF PARTIES, AND WOULD DRAW ITS MONEY FROM AN ASSESSMENT OR USER FEE PAID BY EACH OF THE DEVELOPED COUNTRIES. DEVELOPING COUNTRIES ALSO STRONGLY REITERATED THE NEED FOR "NEW, ADDITIONAL AND ADEQUATE" FINANCIAL RESOURCES. INDIA AND MEXICO BOTH ARGUED FOR A FUND TO BE "DEMOCRATICALLY" CONTROLLED TO ENSURE THAT IT MET THE NEEDS OF THE DEVELOPING COUNTRIES. THESE CONCEPTS WERE SUPPORTED BY MALAYSIA, COLOMBIA, KENYA, VENEZUELA, VANUATU, ALGERIA, NIGERIA AND THE PHILIPPINES.

34. NEW ZEALAND WAS ONE OF THE FEW DEVELOPED COUNTRIES TO SUPPORT DEVELOPING COUNTRY PROPOSALS. NEW ZEALAND SPOKE IN FAVOR OF PROVIDING NEW AND ADDITIONAL FUNDS, AND IN A POSITION CLOSELY ALIGNED WITH THOSE OF THE G-77, ALSO STATED THAT DEVELOPED COUNTRIES WERE RESPONSIBLE FOR MOST OF THE GHG PROBLEMS, AND AS SUCH, SHOULD GIVE MONEY TO A DEDICATED FUND TO PAY FOR DEVELOPING COUNTRIES' CONTINUED ENVIRONMENTALLY SOUND GROWTH. SUCH A FUND WOULD BE MANAGED BY ALL THE PARTIES, AND SHOULD ACCEPT IN-KIND CONTRIBUTIONS. ARGENTINA WAS ONE OF THE FEW DEVELOPING COUNTRIES TO SUPPORT ANY PORTION OF THE INDUSTRIALIZED COUNTRY PROPOSALS; WHILE IT SUPPORTED A NEW FUND, IT SUGGESTED THAT SUCH A FUND MIGHT BE AN EVOLVED FORM OF THE GEF.

35. IN A VARIATION ON THE THEME OF FINANCIAL MECHANISMS,

AOSIS ADVOCATED THE CREATION OF A SEPARATE INSURANCE FUND TO COVER AGAINST CATASTROPHIC EVENTS DUE TO CLIMATE CHANGE. AOSIS ARGUED THAT GOVERNMENTS WOULD NEED TO PROVIDE THIS MONEY, AS PRIVATE INSURERS WOULD NOT.

36. IN ONE OF THE FEW TIMES DURING THE ENTIRE SESSION THAT ANY NON-GOVERNMENTAL ORGANIZATION SPOKE, THE ENVIRONMENTAL DEFENSE FUND (EDF) MADE SEVERAL POINTS ON THE ISSUE OF FINANCIAL MECHANISMS. IT RECOMMENDED THAT INCREMENTAL COSTS BE FUNDED BY THE DEVELOPED COUNTRIES, AND SUGGESTED THAT THESE COSTS BE ASSESSED THROUGH A MANDATORY SCHEME EITHER FOLLOWING THE UN SCALE OR BASED ON PERCENTAGES OF TOTAL EMISSIONS. EDF RECOMMENDED THAT THE FUND SHOULD BE ADMINISTERED DEMOCRATICALLY WITH BALANCED REPRESENTATION. IT ALSO RECOMMENDED THAT NGO'S SHOULD PLAY A ROLE IN TECHNOLOGY TRANSFER AND BE GIVEN FULL AND OPEN ACCESS TO MEETINGS AND INFORMATION. FINALLY, EDF

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NOTED THE UNACCEPTABILITY OF THE GEF, STATING THAT THE
WORLD BANK'S RECORD ON THE ENVIRONMENT AND ON ENERGY
EFFICIENCY HAS BEEN "DISMAL."

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37. TECHNOLOGY COOPERATION/TRANSFER. WHILE MANY
COUNTRIES SPOKE ON TECHNOLOGY COOPERATION/TRANSFER, FEW
ADDRESSED MECHANISMS EXPLICITLY; MOST WERE MORE EXPANSIVE
ON CONCEPTS SUITABLE TO WGI. BREAKING WITH THIS TREND,
CANADA SPOKE OF THE NEED TO USE EXISTING MECHANISMS, AND
REFERRED TO THE U.S. CONCEPT OF TECHNOLOGY COOPERATION.
AUSTRALIA, JAPAN AND KOREA ALL SPOKE TO ENCOURAGE THE USE
OF EXISTING MECHANISMS AND INSTITUTIONAL STRUCTURES.

38. MOST OF THE REMAINDER OF THE COUNTRIES WHO SPOKE TO

THIS ISSUE SUPPORTED INDIA, WHICH INSISTED ON A NEW
STRUCTURE WHICH WOULD BE WHOLLY UNDER THE CONTROL OF THE
CONFERENCE OF THE PARTIES. MEXICO INTRODUCED THE CONCEPT
OF A TECHNOLOGY TRANSFER FACILITY COUPLED TO A FINANCIAL
INSTITUTION THAT WOULD SERVE AS A BROKER FOR PACKAGING
TECHNOLOGY PRODUCTS. IN MEXICO'S PROPOSAL, DEVELOPING
COUNTRIES WOULD PACKAGE THEIR NEEDS FOR CERTAIN
TECHNOLOGIES AND ESSENTIALLY SEEK GROUP DISCOUNTS IN AN
OPEN BIDDING PROCESS. SEVERAL COUNTRIES ALSO SPOKE TO
SUPPORT THE CONCEPT OF A TECHNOLOGY CLEARINGHOUSE.
HOWEVER, WHEN DETAILS OF THE CLEARINGHOUSE CONCEPT WERE
OFFERED, SIGNIFICANT DIFFERENCES EMERGED WITH REGARD TO
INTELLECTUAL PROPERTY RIGHTS, COMMERCIALIZATION, AND
FINANCING.

39. SEVERAL COUNTRIES NOTED THE NEED TO DEVELOP
ENDOGENOUS TECHNOLOGICAL CAPACITY, AND THE NEED FOR ANY
TECHNOLOGY TRANSFER MECHANISM TO SUPPORT IN-COUNTRY
DEVELOPMENT. THE CONCEPT OF ENDOGENOUS CAPACITY WAS
NEARLY ALWAYS LINKED WITH THE NOTION OF "SAFE,
ENVIRONMENTALLY SOUND" TECHNOLOGY, WHICH, DEVELOPING
COUNTRIES INSISTED, SHOULD BE STATE-OF-THE-ART. COUNTRIES
ALSO STRESSED THE NEED TO INVOLVE TRANS-NATIONAL
CORPORATIONS IN THE TECHNOLOGY TRANSFER PROCESS, AND THE
IMPORTANCE OF DEALING WITH THE PARTICULAR NEEDS OF
INDIVIDUAL COUNTRIES WHEN CONSIDERING TECHNOLOGY TRANSFER
ISSUES.

40. SCIENCE. DISCUSSION OF THE SCIENCE ARTICLE AND ANNEX
TOOK PLACE MOSTLY IN OFF-LINE MEETINGS OF AN AD HOC GROUP
OF DELEGATIONS' SCIENTISTS (IN WHICH THE U.S. PLAYED A

CRITICAL PART). THE RESULTS OF THESE MEETINGS WERE
INTRODUCED IN THE FORM OF PROPOSALS FOR A REVISED SCIENCE
ARTICLE AND SCIENCE ANNEX BY THE NETHERLANDS AND
AUSTRALIA, WHICH, AFTER SOME CONCERN WERE EXPRESSED AS TO
THE OPENNESS OF THIS PROCESS, THE FULL WORKING GROUP USED
AS A BASIS FOR DISCUSSION.

41. THERE WAS A GENERAL VIEW THAT THE SCIENCE ARTICLE
NEEDED TO IDENTIFY THE REASONS FOR DOING RESEARCH, AND
VERY BRIEFLY, INDICATE HOW IT WAS TO BE DONE, WITH THE
DETAILS OF WHAT WAS TO BE DONE LEFT TO THE ANNEX. THIS
DECISION WAS NOT REACHED WITHOUT CONSIDERABLE DEBATE:
SENEGAL FAVORED NOT HAVING AN ANNEX AT ALL, SAUDI ARABIA
NOTED ITS CONCERN THAT UNCERTAINTIES WERE NOT ADEQUATELY
ADDRESSED IN EITHER PLACE, AND THERE WAS CONSIDERABLE
DISCUSSION OF THE TITLE OF THE ARTICLE. DUE TO LACK OF
ADEQUATE TIME, THE WG AGREED TO TAKE THE REVISED ARTICLE
AND ANNEX BACK TO CAPITALS, AND REOPEN DISCUSSIONS AT THE
GENEVA MEETING.

42. ONE ISSUE WHICH EMERGED THROUGH THE DISCUSSION
INVOLVED THE KINDS OF INFORMATION THAT MIGHT BE EXCHANGED
PURSUANT TO THE CONVENTION. WHILE THERE WAS CONSENSUS ON

THE DESIRABILITY OF EXCHANGING SCIENTIFIC INFORMATION,
VIEWS DIVERGED ON WHETHER OTHER KINDS OF INFORMATION, FOR
EXAMPLE, INFORMATION RELATED TO ECONOMICS, REPORTING
REQUIREMENTS AND PROPRIETARY DATA SHOULD ALSO BE
ENCOMPASSED, AND IF SO, UNDER WHAT CONDITIONS. WHILE SOME
URGED THAT SCIENTIFIC INFORMATION BE EXCHANGED ON AN
"EQUAL AND FREE" BASIS, THE U.S. URGED, CONSISTENT WITH
U.S. GLOBAL CHANGE DATA POLICY, THAT SCIENTIFIC

INFORMATION BE EXCHANGED ON A "FULL AND OPEN" BASIS.

43. ANOTHER MAJOR QUESTION WHICH EMERGED FROM THE
DISCUSSION REVOLVED AROUND THE ISSUE OF SOVEREIGNTY.
MEXICO OBJECTED TO ALLOWING ONE COUNTRY TO COLLECT
REMOTELY SENSED DATA FROM WITHIN THE BORDERS OF ANOTHER
COUNTRY. SUCH TECHNOLOGY, MEXICO ARGUED, SHOULD BE GIVEN
TO ALL COUNTRIES TO ENABLE EACH COUNTRY TO COLLECT ITS OWN
DATA. WHILE MEXICO WAS ISOLATED ON ITS INTERPRETATION OF
THIS PARTICULAR ISSUE, IT BLOCKED CONSENSUS, AND LED TO
THE CO-CHAIRS CALLING FOR FURTHER DISCUSSION ON THE
SUBJECT AT THE GENEVA INC MEETING.

44. SEVERAL COUNTRIES ALSO SUPPORTED THE NEED TO ASSIST
DEVELOPING COUNTRIES IN IMPROVING THEIR SCIENTIFIC
INFRASTRUCTURE. SUPPORT FOR IMPROVING DEVELOPING COUNTRY
NATIONAL SCIENTIFIC CAPACITY CAME FROM INDIA, CUBA, SAUDI
ARABIA, CHINA, GHANA, THE PHILIPPINES, VANUATU, KIRIBATI,
AND NIGERIA. SIMILAR WIDE-SPREAD SUPPORT EMERGED FOR
SHARING DATA ON GLOBAL CLIMATE CHANGE WITH ALL COUNTRIES.

45. A DRAFT ARTICLE ON EDUCATION, TRAINING AND PUBLIC
AWARENESS WAS PREPARED BY ANOTHER AD HOC GROUP OF
DELEGATES, AND SUBMITTED TO THE FULL WGII FOR DISCUSSION.
BECAUSE THIS ARTICLE HAD NOT BEEN TRANSLATED, IT WAS
DECIDED TO POSTPONE DISCUSSION ON ITS PARTICULARS UNTIL
THE GENEVA DECEMBER SESSION.

WHAT' NEXT?

46. REVIEWING THE PROGRESS THAT HAD BEEN MADE DURING THE
SESSIONS, MR. N. AKAO, WGI CO-CHAIR, NOTED THE VIEWS OF
SOME DELEGATIONS THAT SEVERAL OF THE COMMITMENTS CHAPTERS
WERE BEGINNING TO LOOK LIKE CHRISTMAS TREES AS THEY HAD SO
MANY BRACKETED VIEWS. HOWEVER, AKAO ALSO NOTED THE
CRUCIAL NATURE OF THE ISSUES AT STAKE. AKAO CONCLUDED BY
STATING THAT WGI'S BUREAU WOULD MEET DURING THE MONTH OF
OCTOBER IN GENEVA TO SORT OUT THE MAIN ELEMENTS OF THE
NAIROBI DISCUSSION, AND PRODUCE A STREAMLINED TEXT FOR THE
DECEMBER SESSION THAT COULD BECOME THE BASIS FOR
NEGOTIATIONS.

47. CO-CHAIRS ROBERT VAN LIEROP AND ELIZABETH DOWDESWELL
REPORTED ON PROPOSALS FOR WGII. THEY NOTED THAT BRACKETS
HAD BEEN PLACED AROUND THE ENTIRE EXERCISE, BUT THAT THE
CO-CHAIRS HAVE A MANDATE FROM WGII TO PRODUCE ANOTHER
CO-CHAIRS' TEXT BY THE END OF OCTOBER.

48. THE INC URGED THAT ALL REVISED TEXTS BE SENT TO
CAPITALS NO LATER THAN TWO WEEKS PRIOR TO THE BEGINNING OF
THE DECEMBER ROUND OF NEGOTIATIONS. COUNTRIES WERE GIVEN
UNTIL OCTOBER 15 TO SUBMIT ADDITIONAL LANGUAGE TO THE
CO-CHAIRS FOR INCLUSION IN THESE REVISED TEXTS.

49. INC CHAIRMAN JEAN RIPERT, IN HIS CONCLUDING COMMENTS
REGARDING THE PACE OF THE FRAMEWORK CONVENTION
NEGOTIATIONS, NOTED HIS CONCERN REGARDING THE SLOW
PROGRESS. HE STATED THAT THE NEGOTIATORS NEEDED TO

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APPROVE A DRAFT CONVENTION BY APRIL (AT THE LATEST) THAT
COULD THEN BE SIGNED BY GOVERNMENTS. TO SPEED THE

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PROCESS, RIPERT SUGGESTED THAT GOVERNMENTS BRING "A FRESH EYE" TO THE PREPARATION OF A TEXT AT THE DECEMBER SESSION. HE SUGGESTED THAT THE GUIDELINES FOR THIS NEXT MEETING SHOULD BE TO "CONSIDER, INTEGRATE AND COMPLEMENT" DRAFT TEXTS. AT THE SAME TIME, RIPERT SUGGESTED, THE INC NEEDED TO ORGANIZE ITS WORK, DEVELOPING A STRUCTURE OR OUTLINE FOR ACCOMPLISHING THE REMAINING TASKS. HE SUGGESTED THE NEED FOR COUNTRIES TO ENTER A MORE POLITICAL PHASE TO REDUCE THE GAPS BETWEEN THE POSITIONS, TO MOBILIZE LEGAL EXPERTISE, AND TO STREAMLINE THE TEXT. HE GENTLY CHIDED DELEGATES BY SAYING THEY WERE TOO "SEASONED", AND FOCUSED LESS ON SUBSTANCE THAN ON HOW THINGS WERE SAID. WHAT WAS NEEDED, HE SAID, WAS TO "START DROPPING BRACKETS AND FOCUS ON WHAT IS ESSENTIAL."

50. AFTER PROLONGED DEBATE ON THE SCHEDULE OF INC MEETINGS IN 1992, INC CHAIR RIPERT PROPOSED A FEBRUARY 18-28 NEW YORK MEETING FOR THE FIFTH SESSION IN SPITE OF MANY DELEGATIONS CONCERNS (SEVERAL NOTING THAT THESE DATES WOULD MEAN SEVEN STRAIGHT WEEKS FOR DELEGATES PARTICIPATING IN PREPCOM 4 OF UNCED). IT WAS NOTED THAT IN ORDER TO MEET IN NEW YORK (RATHER THAN IN GENEVA OR NAIROBI AS CONTEMPLATED IN UNGA RESOLUTION 45/212), THE INC WOULD NEED UN GENERAL ASSEMBLY APPROVAL.

51. RIPERT STATED HIS BELIEF THAT IT WOULD BE UNWISE TO SCHEDULE A SIXTH INC SESSION (OR UNDER A DIFFERENT NAME, A RESUMED FIFTH SESSION), AS IT WOULD ACT AS A DISINCENTIVE FOR CONCLUDING NEGOTIATIONS IN NEW YORK. RIPERT STATED THAT HE THOUGHT AN EXTRA SESSION OF THREE TO FOUR DAYS MIGHT BE NECESSARY, BUT ONLY TO SETTLE LAST MINUTE DETAILS

AFTER DELEGATES HAVE CONSULTED THEIR GOVERNMENTS, AND HAVE AUTHORIZATION TO APPROVE THE TEXT.

52. CO-CHAIRS OF BOTH INC WORKING GROUPS SUBSEQUENTLY DISTRIBUTED COPIES OF THEIR REVISED TEXTS IN GENEVA DURING THE IPCC SIXTH PLENARY FROM OCTOBER 29-31. THEY EMPHASIZED, HOWEVER, THAT THIS HAD BEEN DONE TO ASSIST INC DELEGATES, MANY OF WHOM WERE PRESENT IN GENEVA, BUT THAT THE OFFICIAL DOCUMENTS IN ALL UN LANGUAGES (THE GENEVA COPIES WERE MADE AVAILABLE IN ENGLISH ONLY) WOULD BE TRANSMITTED THROUGH DIPLOMATIC CHANNELS.

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WASHINGTON

GLOBAL CHANGE STRATEGY TASK FORCE

AGENDA

November 7, 1991

- 1. Intergovernmental Negotiating Committee (INC) for
a Framework Convention on Climate Change**
- 2. Intergovernmental Panel on Climate Change (IPCC)**
- 3. Policy Implications of the Scientific Assessment of
Stratospheric Ozone, 1991**
- 4. Other Business**

THE WHITE HOUSE

WASHINGTON

11/07/91

STRATEGY TASK FORCE MEETING

ROOM 180 OEOb 3:00 p.m.,

PRINCIPLES ATTENDANCE LIST

<u>MEMBER</u>	<u>ORG</u>	<u>STATUS</u>
BERNTHAL	NSF	COMING
BISSELL	AID	COMING
BOHLEN, Buff	DOS	Reinstein for
BRACKEN	DOI	COMING
BRADFORD	CEA	COMING (w/ Squiteri)
CARD	SUNUNU	INFORMED
DAWSON	DOS	COMING
DEAL	NSC	INFORMED
DELAND	CEQ	COMING
FISK	NASA	COMING (w/Watson, Albritton)
EVANS	USDA	NO
GORMAN	OPD	COMING
GRADY, Bob	OMB	INFORMED
GRAY, BOYDEN	OC	COMING
HABICHT	EPA	Dick Morgenstern for (w/ E. Claussen)
HARTMAN (A)	DOJ	COMING
KNAUSS	DOC	J.R. Spradley for
MOORE	DOE	Peter Saba for
PORTER	DPC	COMING

November 7, 1991
(Revised)

OPTIONS FOR RESPONDING TO SCIENTIFIC DEVELOPMENTS
ON INCREASED DEPLETION OF THE OZONE LAYER

The key findings from the latest scientific assessment on stratospheric ozone, released by WMO and UNEP on October 22, 1991, raised additional concerns about the depletion of the earth's ozone layer. The findings state for the first time that significant depletion has occurred in the spring and summer at mid- and high-latitudes, and that additional ozone losses are likely over the coming years as atmospheric chlorine and bromine increase despite the current limitations called for in the Montreal Protocol. Depending on a number of factors (e.g., whether additional developing countries join the Protocol, the extent to which HCFCs replace CFCs), if no further limitations are imposed, the number of additional skin cancer cases in the United States from current and future ozone depletion could be between 5 - 14 million cases. The additional number of fatalities in the country could be from 84,000 - 230,000 for the population alive today or born through 2030.

CURRENT POLICY FRAMEWORK

A. International Activities

The scientific assessment is one of three such assessments (the others are on technology and economics and environmental impacts) that are being prepared to serve as the analytical backdrop to the next round of negotiations under the Montreal Protocol. Experts from NASA and NOAA co-chair the scientific assessment and an EPA expert co-chairs the technology and economics assessment report. The first negotiating session will take place in April 1992 with the next meeting of the Parties to follow in November 1992.

The United States has historically played a leadership role in international efforts to protect the ozone layer.

- In 1978, the banning of aerosol.
- In 1987, we were instrumental in pushing for strong limits in the original Protocol.
- In 1989, President Bush announced early support for strengthening that original agreement to call for a 2000 phase-out of CFCs and halons.

The Montreal Protocol, as amended by the Parties at their 1990 meeting, now calls for phasing out CFCs, halons and carbon tetrachloride by 2000 and methyl chloroform (MCF) by 2005.

B. Domestic Activities

Within the United States, Title VI of the 1990 Clean Air Act entitled "Stratospheric Ozone Protection," calls for the following:

- Reduces the production of CFCs, halons, and carbon tetrachloride by the year 2000 and methyl chloroform by 2003.
- Mandates recycling and safe disposal of ozone-depleting refrigerants, requires warning labels on products made with or containing ozone-depleting, requires EPA to ban nonessential uses of these chemicals, mandates that emissions be reduced to their "lowest achievable level," and that EPA evaluates the acceptability of substitutes.
- Caps the use of HCFCs in the year 2015 and phases them out in 2030.

Section 606 of the Act calls for the EPA Administrator to promulgate a more stringent phase-out schedule if based on an assessment, including Protocol assessments, the Administrator determines (1) that a more stringent schedule may be necessary to protect human health and the environment, (2) that technologically, a more stringent schedule is practicable, or (3) the Montreal Protocol is modified to require more stringent action. The Act allows for citizen petitions seeking an acceleration and in light of the recent scientific findings, several such petitions are likely.

In addition to these regulatory requirements, Congress passed an excise tax on ozone-depleting chemicals as part of the Omnibus Budget Reconciliation Act of 1989. The CFC tax and industries successful efforts in shifting to alternatives have combined to reduce CFC use in the United States to 42 percent below the level allowed under the Montreal Protocol for the 12 month period ending in June 1991.

OPTIONS FOR STRENGTHENING THE PROTOCOL

A. What Makes a Difference?

The UNEP/WMO science assessment includes an analysis of the likely future increases in stratospheric chlorine and what can be done to minimize such increases. It shows that peak chlorine will increase from current levels of 3.3 ppbv to 4.1 ppbv despite the current required reductions under the Montreal Protocol and that the total amount of chlorine above the 3 ppbv level (i.e.,

the area or integral above this level) would equal 22.7 ppbv. This scenario underestimates future increases in chlorine because it assumes that all nations join the Montreal Protocol, that no HCFCs are used to replace CFCs, and that CFCs stored in equipment and products are never released to the atmosphere.

Three different types of policies can be taken to reduce both peak and total chlorine levels:

- an earlier phase-out of CFCs and methyl chloroform along with tighter interim reductions;
- limits on the extent of the use of HCFCs; and
- a reduction in the ten year grace period in meeting reduction targets that the Protocol provides for developing countries.

The magnitude of reductions in chlorine from these actions would be the following:

Chlorine Impacts of Policy Options

Scenario	Peak Chlorine	Total Chlorine (Integral above 3 ppbv)
Baseline (current Protocol)	4.1 ppbv	22.7
1997 CFC and MCF phase-out	-0.21	-10.5
HCFC-22 limits		
- phase-out by 2020/2040	0.00	-2.0
- phase-out by 1997	-0.03	-4.4
HCFC Increases as CFC Substitutes		
- if 20% of CFC use with long (more than 10 years) atm. life	0.01	4.2
- if 20% of CFC use with 0.01 short (less than 10 years) atm. life		0.8

A total reduction in the future atmospheric increases of chlorine of about 60 percent appears possible from the above actions. This amount could be further increased by tighter interim reductions in CFCs and methyl chloroform (as already are occurring) and by reducing the ten year lag now permitted developing countries under the terms of the Montreal Protocol.

B. What Can be Done?

1. Earlier CFC, Halon and MCF Phase-Outs

A. CFCs. Considerable evidence suggests that nations are already well down this path.

-- In 1990 the European Community's Council of Ministers adopted a decision committing its member nations to a July 1997 phase-out date of CFCs.

-- Almost all other developed countries with the exception of the Soviet Union, Japan and the United States have announced at least a 1997 phase-out date for CFCs.

-- Many are moving toward a 1995 phase-out and have already made significant progress along the way.

It is also worth noting that all of these actions were taken prior to either of the two recent scientific findings (April and October 1991) of accelerated ozone depletion.

In the United States, the 42 percent reduction in CFC production to date puts us well ahead of schedule. Du Pont's recent announcement that it will phase-out CFC production by year end 1996 sends a very strong signal throughout industry. The international technology assessment that will soon be released further confirms the rapid progress being made worldwide and the technical feasibility of earlier phase-out dates.

EPA expects that no new equipment or products (with the possible exception of medical aerosols) will be sold in the marketplace after 1995. Thus the key to an earlier phase-out involves maintaining the existing capital stock (e.g., car air conditioners, chillers, refrigerators) that may still require CFCs after the production phase-out date. While the size of this capital stock will be considerable, the following steps are being taken to minimize costs and to avoid the need to prematurely retire this capital.

-- First, an aggressive recycling and recovery at disposal program, as required by the Clean Air Act, will go some but not all of the way to meeting future servicing needs.

- Second, to the extent necessary, retrofits of existing equipment appear possible for cars air conditioning systems, chillers, commercial refrigeration and industrial process refrigeration.

B. HALONS. The Protocol's technology assessment panel on halons examined the future need for this chemical and determined that supply for the foreseeable future could be satisfied primarily from the large existing "bank" of halon if proper steps were taken to effectively manage this vast quantity of stock now contained in existing equipment. The Department of Defense has begun steps to establish a program to effectively manage this bank and NATO has proposed to undertake such a program on an international basis.

In light of this situation, Du Pont's announced phase-out date of end of year 1993 appears viable if proper steps are implemented to ensure that any future needs can be met from the proper management of the halon bank.

EPA has estimated that the total costs of a 1997 CFC and halon phase-out (along with tighter interim cuts) could amount to total annual average costs of roughly \$500 million per year through 2000.

C. METHYL CHLOROFORM. Methyl chloroform was added to the Protocol in 1990 and the Clean Air Act now calls for a phase-out by 2002 (the Protocol stands at 2005). Here too rapid progress has been achieved in shifting to alternatives. Perhaps the most dramatic illustration involves 3M Corporation, which in 1989 raised strong concerns that the lack of substitutes would cause serious economic consequences if limits were placed on this chemical. A little over a year later, work on alternatives, though certainly not complete, had advanced far enough that they were able to publicly announce a corporate goal of completely phasing out their use of MCF by the end of 1993.

While MCF is also used by a large number of small users, most of this is in cleaning applications where acceptable alternatives already exist (e.g., aqueous, terpenes, hydrocarbons) and are fast making significant market penetrations. Based on the rapid technological progress made to date, EPA believes that a 1997 phase-out would cost about \$100 million a year on average through 2000.

2. Limits on the Use of HCFCs

Industry and governments recognize that HCFCs will play a transitional role which allows for the rapid phase-out of CFCs, but which limits their use to only those applications where other substitutes are not viable (e.g., certain insulating foam applications and in several refrigeration applications). Furthermore, the Clean Air Act contains several provisions limiting their use, caps their production in 2015, and phases out production in 2030. In response to this recent scientific information, it appears clear that industry is moving toward faster restrictions on their use (e.g., Du Pont's recent announcement that it phase out HCFC-22 sales for new equipment by 2005).

The scientific analysis also clearly points to the need to distinguish between short and long-lived HCFCs. EPA believes that the long-lived ones may be phased out by as early as 2000 based on the likely availability of substitutes, but that the environmental impacts of the short-lived ones are relatively minor and therefore their use should be permitted throughout the period allowed under the Clean Air Act.

3. Accelerated Reductions by Developing Countries

The third potential policy involves taking steps to encourage developing countries not to use the full ten year grace period accorded then under the Protocol. Substantial progress in this area has already been made in the case of Mexico which has pledged to phase-out on a timetable consistent with the developed countries.

The following steps could be taken to facilitate earlier reductions by developing countries:

- The successful implementation and expanded funding of the Multilateral Fund, created by the Parties in 1990 to support developing countries compliance with the Protocol.
- As the largest contributor and designated Vice-Chair of its Executive Committee (Chair in 1992), the U.S. is in a position to substantially influence the activities of the Fund.
- U.S. bilateral activity under the Fund (allowed up to 20% of its contribution) can also be used to selectively encourage developing nations to accelerate their phase-out plans.

4. Methyl Bromide

The science assessment also raises concerns about the effects of methyl bromide on ozone depletion. While there is uncertainty both on how much methyl bromide emissions have risen and on its sources, reductions in these emissions, if they can be identified and achieved, would have an impact. Interhemispheric differences in concentrations appear to indicate that methyl bromide has contributed the equivalent of 300 ppt of chlorine. Fumigation appears a likely source. Since methyl bromide is short lived (2 years) reductions in emissions would immediately reduce atmospheric loading and risk of additional and continuing depletion over the next ten years. We are beginning an analysis of this, and expect results within 6 months.

PROCESS

EPA is now engaged in the process of discussing various policy options with both the industry and the environmental community. Within industry, there are a number of different points of view on how stringent the Protocol should become, but there is general support for earlier phase out dates for all the ozone depleting substances, similar to the recent Du Pont announcement, and to what we have described earlier in this paper. There is also a willingness to accept the conclusions of the UNEP assessment reports, since U.S. industry played a strong role in their preparation.

At the same time, NRDC is expected to petition EPA under the Clean Air Act to move up the phase out dates in the United States. While they are likely to argue for more stringent dates than the industry is willing to accept, the differences are not likely to be very large.

It will probably take one to two months to complete the ongoing discussions, and the chances of a consensus are very strong. We recommend that the process continue and that we prepare a recommended position at that time. This time frame still puts us significantly ahead of other countries who are beginning to work on their positions for next November's negotiations.

THE WHITE HOUSE

WASHINGTON

November 4, 1991

MEMORANDUM FOR THE GLOBAL CHANGE STRATEGY TASK FORCE

FROM: D. ALLAN BROMLEY 
SUBJECT: Strategy Task Force Meeting

The next Global Change Strategy Task Force meeting will take place on Thursday, November 7, 1991, at 3:00 p.m. in Room 180 of the Old Executive Office Building.

There will be a briefing by the Department of State on the status of negotiations of the Intergovernmental Negotiating Committee (INC) for a Framework Convention on Climate Change and the Intergovernmental Panel on Climate Change (IPCC). In addition, we will continue our discussions of the policy implications of the new science results from the 1991 International Scientific Assessment of Stratospheric Ozone.