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GCC [Global Climate Change] Interagency Meetings Sandalow

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g. tech. issues

B, A, workshop submissions

Feb 1 Art 3.4

Mar 1 Flex Mech
+ compliance

Apr 1 Flex Mech

VP + POTAS travel mtgs

Review visit in Jan.

Sandaglow, Lincoln Rm.
12/21/98

1. BA Plan of Action -- Winter '99 Submissions

- A. February 1 - Article 3.4
- B. March 1 - Flex Mechs, Compliance
- C. April 1 - Flex Mechs
- D. Constituency Process

2. POTUS/VP Meetings and Travel

- A. Menem State Visit
- B. POTUS Mexico/Central America
- C. VP/S. Africa
- D. VP/Russia

GCC
Sandalow - Kimble

12/21/98

Lincoln Rm.

calendar

DS This mfr

Feb 1 34 stocks

2 Mary O uspm

(nk/DS/DHale) we'll ask their (WOS) suggestions for questions to cover.

Mar 1 Flex Meds

DH Jennifer Macdonald 20-page outline on top of com (-)

Agenda for workshop
com

Compliance

London
Sup B.
D. Doniger

Baselines + benchmarking
leader
D. Gaudinier
Hazar

eligible
for program
category
com
CEA, DOE, EPA, FDA, GNP

700
J
C

constitency process

Big mty.

year level on submissions
input to other units

Jan 11 Menem VST

Arqs. won't meet again til Mar. summer vacatn.

Also going cong.

Mex 1 day outside Mex. city

D. Hales

2-3 days C. Amer.

G-7 will continue to raise
Rising eds out of
emissions trading.

is in 2nd wk
of Jan

formulation target
growth sandalor

Dan Doniger

230

Summary table of upcoming deadlines for the submission of**views or information by Parties**

Umbrella Group wty wkq-group Austria Jan 20-22

Item	Deadline
Views on possible means of promoting the implementation of Article 6 of the Convention (Education, training and public awareness). (see document FCCC/SBSTA/1998/6)	14 December 1998
Submissions answering the questionnaire on clarifications, additions and/or amendments to the revised guidelines for the preparation of Annex I Party national communications. (see document FCCC/SBSTA/1998/6)	1 February 1999
Submissions on other issues to be considered at the second SBSTA workshop Ayuda - setting. items taken up last Apr. early May (to focus on issues related to Article 3.4). (see document FCCC/SBSTA/1998/9)	1 February 1999
Views on the scope of third national communications from Annex I Parties. (see document FCCC/SBI/1998/7)	1 February 1999
Activities implemented jointly (AIJ) (see decision 6/CP.4): - Inputs concerning Parties' experience in using the AIJ uniform reporting format; and - Views on the process and information and experience gained and lessons learned with activities implemented jointly (AIJ) under the pilot phase.	12 February 1999
Proposals on principles, modalities, rules and guidelines for the mechanisms under Article 6, 12 and 17 of the Kyoto Protocol. (see decision 7/CP.4)	28 February 1999, for use as input to the technical workshops; additional inputs, 31 March 1999
Views on matters relating to compliance under the Kyoto Protocol. (see decision 8/CP.4)	1 March 1999
Submissions on the requirements necessary to fulfil the provisions of the first sentence of Article 3.4 of the Kyoto Protocol. (see decision 9/CP.4)	1 March 1999
Submissions on policy and procedural issues associated with Article 3.3 and 3.4 of the Kyoto Protocol. (see decision 9/CP.4)	1 March 1999
Information on elements of a review process related to greenhouse gas emission inventories. (see document FCCC/SBSTA/1998/9)	1 March 1999
Additional information related to the options addressed in document FCCC/SBSTA/1998/8. (see FCCC/SBSTA/1998/9)	1 March 1999

Upcoming deadlines for submissions by Parties

Note: The conclusions of the workshop on methodological issues (Bonn, 9-11 December 1998) will be made available as document by 7 February 1999, to enable Parties to take the outcome of the workshop into consideration when preparing their submissions on this issue.

(Initial information on this matter was requested for 1 December 1998)

Analysis of the responses, provided during COP 4, of the delegation of Iceland (FCCC/CP/1998/MISC.11 and Add.1) to questions from three Parties. (see document FCCC/SBSTA/1998/9)

1 March 1999

Views on the scope and the modalities of the review process for third national communications from Annex I Parties, including in-depth reviews, in the

1 March 1999

context of the Kyoto Protocol. (see document FCCC/SBI/1998/7)

Development and transfer of technology (see decision 4/CP.4):

15 March 1999

- Information on projects and programmes on cooperative approaches to technology transfer, which could serve as models for improving the diffusion

and implementation of clean technologies under the Convention; and

- Submissions responding to the questions identified in the annex to the COP 4 decision on development and transfer of technology.

Views on the consideration of communications from non-Annex I Parties, as

31 March 1999

well as the timing of second national communications, taking into account

Article 12.5 of the UNFCCC. (see decision 12/CP.4)

Views and concerns relevant to the GEF's review of enabling activities on climate change. (see decision 12/CP.4)

31 March 1999

National inventory data on emissions by sources and removals by sinks for 1997, or 1998 if available (Annex I Parties only). (see decision 12/CP.4)

15 April 1999

Views on the issues to be discussed in an expert workshops on the implementation of Article 4.8 and 4.9 of the UNFCCC. (see decision 5/CP.4)

30 April 1999

New reports or updates on AIJ under the pilot phase, endorsed by designated national authorities for AIJ, using the uniform reporting format adopted by decision 10/CP.3. (see decision 6/CP.4)

8 June 1999 (for consideration in the third synthesis report)

Information on available and potential ways and means of limiting emissions of hydrofluorocarbons and perfluorocarbons, including their use as replacements for ozone-depleting substances. (see decision 13/CP.4)

15 July 1999

Information on "best practices" in policies and measures. (see decision 8/CP.4)

15 August 1999

Upcoming deadlines for submissions by Parties

<http://www.unfccc.de/fccc/mj99/partyfax.html>

Requests for additional submissions

The following Annex I Parties have not submitted national inventory data (which were due by 15 April 1998): Bulgaria, European Community, Estonia, Finland, Hungary, Ireland, Italy, Lithuania, Luxembourg, Portugal, Romania, Russian Federation, Spain, Ukraine. They are requested to do so as soon as possible.

The following Annex I Parties have not submitted second national communications (which were due by 15 April 1997 or 15 April 1998): Italy, Lithuania, Luxembourg, Romania and the Russian Federation. They are requested to do so as soon as possible.

7/23/98/1pm

GCC agenda

The Report

release date...

Qs & As

Congressional briefings -- JY and staff

Web posting -- JA Posting on JF's. Friedman's + Enzi

WEB article -- JA

validators -- JF

implications for Becky?

Joe Yomawan

TS, Viet, MM, Gailin, Angholis

Staff

Sanjibou + JA
w TS

enurus / business

Amu

Sachs

2nd round Thurs

Randy's current projects

→ McIntosh questions

Casten proposals

other?

oms server Rept.
Electricity
OAG Max Sit call
Steve

- Eloc. very. write him
- clean Air Act
- Federal facilities manager
- new source review requires by EPA holds up construction until after approval is granted

Strategy for Buenos Aires etc.

steering group mtg. 7/30?

Re Europeans:

G8 mtg & trading limits

Formalizing umbrella group (baseball bat option?)

LDC options

Abandoning LDC targets for Cop4?

Sinks

buyer-seller liability (a hard line? Joint with Treasury)

Steve mtg.

Outreach

-- past

Last China-Korea trip -- JY & JA

HIID -- JF

Executives from sectors coming to WH -- JY

-- future

Mr. Mo, OECD -- JY?

Paris OECD research agenda (9/17) -- JF or JA?

Visit to GM -- SP?

Kimble trip to China-Korea -- SP?

NBER (8/4) -- JF

Snomass (8/10-14) -- JA/JF?

write out what they should focus on

EIA report

Domestic

Early action credit (meeting next week?)

POTUS radio address

Personal

goodbye to Randy

Zodiac

need
further
discuss.

for
next
mtg.

Sandalow

S

3/18/98

Star Reitsinger working groups
Wendy Sherman - TUE. mths.

472.000
= move senior (A.S. at most)

5 papers in progress

USAID on LDCs / meaningful partnership
USDA, etc. ... similar

→ post in paper for Bonn

Mar. 25 1st draft of 5 papers available

AS group will discuss one by one.

goal Apr 15 turn papers into demarches

- E. trade
- Int. env. (SS)
paper presentation.
- CDM
- compliance
- IFIs

Th. statement. | G8

India upcoming diplomatic opportunities

could do LDCs now
probably ready...

Pres decr
= 58% of DoD emissions
military operations + training not subject exempt

EU

Kimble mtg. cont.

8/5/98

Wt/C

paper at B. A.

re Linda H

OECD research

Dep. Sec. Gen. doesn't like rapr either

Oct. Ministerial mtg.s

Tokyo

Canada

"cold air" = inadvertent
springing

Kimble - Sandalwood

7/25/98

Liability China

Comby going.

Steve?

2 mtg

Bob Perzicoffi Asst. Dir.

Day 1 Bus (Coral Surf). Energy Presumptn was buyer liab.

Day 2 WHCTF Presumptn. was reverse. seller liab.

- Escrow optn. some portion of proceeds

held in escrow acct. (in \$ or tons)

If deal went bad, would pay diff out of it.

- Insurance vehicle

Don

Sam Boldwin

Scott Ritt DJ

Campbell Commerce

Bill Sharon

Europeans favor buyer liability

Melinda } problems
Sue B. }

Glanville up
main staff
Susan Snyder

D.S. : seems like buyer liab. fatally flawed

but pure seller liab. depends on assumption of compliance.

Ann Rouse...

Seller "plus"

hybrid

Overnight mtg. Th 12. unclear. maybe early next wk. instead.

Umbrella group mtg. in Auckland Wellington NZ Sept 7-8

n. Hambley umbrella group came together. Paper well-received.
Russians with us, not EU

Cardier ^{EPAY} friendly formalism of umbrella
Hambley.

Auckland possibility

4. 1. Announcement
~~that~~ ^{that} the global trading
 choice, we intend if not possible
 to take among our subset (open to membership to
 others)
3. 2. New umbrella paper.
 over next yr will look into opportunities for trade
 ending ourselves
1. 3. coord. positions. bilateral "unhappy
 option"
5. 4. SE. INTENT;
 (with no mention of global rules as 1st choice)

LDCs No plausible prospects of rejoining.

- Brazilian proposal
- Argentine prop: voluntary commitments. (barely on the agenda now)

Adequacy of commitments.

DS "consensus: can't push LDC targets at B.A."? He I don't agree

CDM

will have
 with from Mar. mtg.
 Mon. liability issues
 principals mtg?
 tent Th. & Fri
 with from

7/20/98

CEQ/STAR CC mtg.

SINKS

present options to the unilateral decision
(def. of forestam...)

what 3.3 means

(sinks)

3.4 and new examples

we now serve (y.B. def)

difficult for us to claim
right to our interpret.

sept 345 workshop

principals/activities to

If open at B1, will get decision

... until cop 6

or inevitable not to our liking

mtg. with VE ENVIRONS support

100 caps elect. resn., but no senators

Posit. currently

Forest

conservn + soils should be m.
if practical

will take IPCC at least 2 yrs.

we don't know ^{even} if soils + conservn is "plus" or "minus" overall.

Umbrella paper

(mtg. by COB Tue) (or 003 Wed)

DS

• umbrella

• Buyer/seller liability

• sinks

• LDC strategy

4 issues
to discuss
for BT
strategy

D. Gaudin and • COM

Dan R.

Saudis want compensation [for oil producer], lining up support

with from
Thur

desight mty
some decision

not

Umbrella

buyer/seller liability

program on mtg?

+ LDCs

CC staff

4/5/98

Jonathan P Bonn mty. rpt (Mark Hambley)

Especially, Anq., cable proposal voluntary entry into force of Annex B

No sense of urgency.

all: JZ should be higher priority than int. trade at COP 4

An. TR use overall review to bring in LDCs?

Sinks see B

CDM

Kimble

SECRETARY.

Staff

Simon
Roberts

Justice

"

many of them
OSTC

Ag

Bill Whiteley

Doniger

3 EAR, concerns
with policy

- what know is in Russia & Ukraine
- size of Russian budget (not air)
- liability issue

Spencer Treas: seller liability more likely to fit in rules of contracts
than buyer liability.

Doniger true, that's how we do SO₂. But harder to monitor emissions internationally.



cc: JA
RL
Am
Jif

White House Climate Change Task Force

734 Jackson Place, N.W. • Washington, DC 20503

June 10, 1998

MEMORANDUM TO DISTRIBUTION

FROM: Dirk Forrister, Chair *DF*

SUBJECT: Meeting on Status of Industry Consultations

Todd Stern and I will convene a meeting on **Friday, June 19, 1998** to provide an overview of the status of the industry consultations. The meeting will take place at **2:30 p.m. in Room 180 of the Old Executive Office Building.**

The draft agenda is as follows:

- I. Update on Scoping Meetings
--Dirk Forrister
- II. Approach to Developing Agreements
--Todd Stern
- III. Next Steps

I look forward to seeing you there. Please fax your Social Security Number and Date of Birth to the attention of Amy Kirschenbaum at (202) 343-1162 to be cleared into the building. Please call before selecting substitutes if you are not able to attend or if you would like to bring additional staff (space is limited). If you have any other questions, you may call me (202) 395-2310 or Beth Arner at (202) 586-1803.

Distribution:

		Phone	Fax
EOP	Todd Stern	456-2702	456-2215
CEA	Jeff Frankel	395-5046	395-6947
CEQ	David Sandalow	456-6543	456-2710
DOD	Sherri Goodman	703/695-6639	703/693-7011
DOE	Mark Mazur	586-7700	586-9626
DOE	Dan Reicher	586-9220	586-9260
DOL	Ed Montgomery		219-4902
EPA	David Doniger	260-7400	260-5155
EPA	David Gardiner	260-4332	260-0275
NEC	Bill Antholis	456-2198	456-5334
OMB	T.J. Glauthier	395-4561	395-4639
OPL	Cheri Carter	456-2682	456-6218
OSTP	Rosina Bierbaum	456-6202	456-6025
OSTP	Henry Kelly	456-6033	456-6023
PCSD	Tamara Nam	408-5296	408-1655
State	Victoria Greenfield	647-6985	647-0217
Treasury	Jon Gruber	622-0563	622-2633
USAID	David Hales	712-1750	216-3174
USDA	Margo Anderson	720-4164	690-4915
USTR	Jeffifer Haverkamp	395-7320	395-4579

Total Pages: 2



United States Department of State

*Bureau of Oceans and International
Environmental and Scientific Affairs*

Washington, D.C. 20520

May 12, 1998

54
JA
CC
RL
AM

MEMORANDUM

TO: Distribution

FROM: OES - Susan Gordon

SUBJECT: Cancellation of Assistant Secretaries
Meeting

The Assistant Secretaries Meeting is canceled for
Wednesday, May 13, 1998, and you will be notified of
the next meeting.

DISTRIBUTION:

Organization	Name	Fax	Phone
State	Melinda Kimble	647-0217	647-1554
	Rafe Pomerance	647-0217	647-2232
Commerce	Jeffrey Hunker	482-4636	482-6055
OSTP	Rosina Bierbaum	456-6025	456-6077
CEA	Jeff Frankel	395-6947	395-5046
Treasury	Jon Gruber	622-2633	622-0563
	Bill Schuerch	622-2536	622-0154
	Bob Boorstin	622-9373	622-0486
Justice	Lois Schiffer	514-0557	514-2701
Interior	Brooks Yeager	208-4561	208-6182
	Brooke Shearer	208-1873	208-6291
OMB	T.J. Glauthier	395-4639	395-4561
	Phil DuSault	395-3307	395-4776
USTR	Jennifer Haverkamp	395-4579	395-7320
USDA	Linda Delgado	720-5437	720-6158
	Joe Glauber	720-6185	690-4915
DOE	Dan Reicher	586-9260	586-9220
	Mark Mazur	586-9626	586-7700
EPA	David Doniger	260-5155	260-2865
	David Gardiner	260-0275	260-4332
	Bill White	260-4852	260-4724
DOT	John Lieber	366-7127	366-4544
OVP	Pete Jordan	456-9500	456-9513
CCTF	Dirk Forrister	343-1162	343-1060
	Steve Seidel	343-1162	343-1060
USAID	David Hales	216-3174	712-1750
DOL	Ed Montgomery	219-4902	219-5108
DOD	Sherri Goodman	703-693-7011	703-695-6639
	Garry Parks	703-614-1158	703-697-1887
NEC	Peter Orszag	456-2223	456-5358
	Bill Antholis	456-5334	456-2198
CEQ/NSC	David Sandalow	456-2710	456-6224

05/12/98 16:17
MAY-12-1998 15:07

202 736 7336

OES/STH
OES FRONT OFFICE

202 647 0217
003/003
F.02/02

State	Victoria Greenfield	647-5713	647-6985
	Sue Biniaz	647-1370	736-7115
CEA	Adele Morris	395-6870	395-5012
USDA	Margot Anderson	690-4915	720-6186

Rosina M. Bierbaum

04/09/98 10:17:02

Record Type: Record

To: Robert J. Tuccillo/OMB/EOP, Joseph E. Aldy/CEA/EOP, Peter W. Backlund/OSTP/EOP
cc: David B Sandalow/CEQ/EOP
Subject: Re[2]: Your paper

I wanted to remind you all that we advised EPA against putting new world emissions numbers out now from the US. In official testimony (Janet and Stu) and the CEA annual report, the US numbers are the IPCC numbers. The new EPA paper was alluded to yesterday at the Asst Sec'y mtg and will likely come up today. I may not be at the 12-2 meeting today, but you should all loudly voice an opinion on this!!!! Below is DOE's added voice to OSTP, CEA and OMB's concern. I suspect CEQ would agree! Thanks, Rosina

----- Forwarded by Rosina M. Bierbaum/OSTP/EOP on 04/09/98 10:07 AM -----



mark.mazur @ hq.doe.gov

04/09/98 09:43:00 AM

Record Type: Record

To: Rosina M. Bierbaum/OSTP/EOP
cc:
Subject: Re[2]: Your paper

Rosina,
I read through the messages and began to skim the paper and I am surprised at the results. They may be accurate, but you are right to be concerned about the implications. First off, releasing these figures will complicate the international negotiators lives immensely, because some of the developing countries (e.g., Brazil) will argue with the land use estimates. Second, any paper called "U.S. Policy on Climate Change" actually should be written by people who are charged with developing and deciding on the policy -- and workers in the Policy Office at EPA do not really fit either category (in my opinion). Third, we really need some quality control checks to make sure the entire U.S. climate change team is in agreement with these new estimates. This reminds me of the Argonne Study, where one segment of an agency went off on its own and caused a lot of grief (and set back the overall process) for everyone.

Can we force this set of estimates into an interagency review process?

Mark

Reply Separator

Rosina M. Bierbaum
04/01/98 05:58:59 PM

Record Type: Record

To: Leggett.Jane @ epamail.epa.gov @ inet

cc: Barbour.Wiley @ epamail.epa.gov

Subject: Re: Your paper

Hi Jane--

OSTP has several concerns about the proposed article. The simple fix is for you to change the title and tone down your new estimates.

Here's the thinking:

First, both OSTP and CEA think the title is really not appropriate. It seems likely that an article titled "US Policy on Climate Change" by an official of the US government is likely to be interpreted as official policy, and to the best of our knowledge, the text has not been put through full USG review. As you know, every agency must tell the WH--weekly--through the Cabinet affairs calls, what new climate info/reports/papers are coming out. So we are in a mode of serious review on anything put out officially with an agency affiliation.

If you really want to keep the title, I think the whole article ought to be submitted for official interagency clearance through OMB to cover yourself.

Second, we've checked and the official USG position at this time is to stick

with the existing IPCC scenarios for future emissions. Senior Administration officials, including CEA Chair Yellen (in early March) have recently testified that the USG estimates that developing nation emissions will surpass those of the developed world by about 2030. The CEA annual report also cites this in their just-released annual report.

Your statement would be a fairly significant deviation from this, and we do not feel this is appropriate at this time, especially since it is based on new runs that have not yet been published, much less blessed by the USG as the right answer. The furthest we think it is appropriate to go at this time is to refer to the existing IPCC estimates for the "crossover," and then to note that new work indicates that this could occur earlier.

The decision to move to a different estimate as the US position requires additional analysis (perhaps through the kind of effort that Wiley outlined in his E-mail to me) and a decision by our bosses. We do not think that having an independent EPA "official" estimate is a good idea, and we are concerned that even your paper could be interpreted as more than technical consideration of the issue.

Finally, we are looking at Wiley's paper right now, but as you know, it is

a big paper and will take us some time to think through. At this time, we are not certain that we agree with the estimates, especially regarding the land cover change and forestry emissions, but we certainly appreciate getting the chance to look at it and we look forward to discussing the results with Wiley and the other authors.

07-23-98 08:42 Climate Change Task Force

P.01

Fax Line
395-6958

White House Climate Change Task Force

734 Jackson Place, N.W. • Washington, DC 20503

FACSIMILE TRANSMISSION SHEET

To		From	Jim Rubin
Office		Date	7-23
Fax Number		Fax Number	395-2311
Office Number		Office Number	395-2310

Comments:

David Wilcox, Treasury 602-2633
Victoria Greenfield, State 647-5713
Jill Aldy - CEA 395-6870
Sharon Salk - EPA 565-2140
Mark Mazur - DOE 586-9626

Just a reminder of Friday's emissions trading meeting at 10am in Room 180 of the Old Executive Office Building. Please only one person from each agency. Included is the letter sent to the industry participants.

Pages: 3, including this cover sheet.

IF TRANSMITTAL IS INCOMPLETE, PLEASE PHONE



White House Climate Change Task Force

734 Jackson Place, N.W. - Washington, DC 20503

July 22, 1998

Dear Colleague:

We are writing to invite you to a small workshop on international emissions trading with senior administration officials. The workshop will be on Friday, July 24 at 10 a.m. in Room 180 of the Old Executive Office Building.

As you know, President Clinton and Vice President Gore have identified global climate change as a major threat to our country's environmental and economic health. To address this threat, the nations of the world recently negotiated a global agreement in Kyoto, Japan. Central features of that agreement are emissions targets for industrial nations and flexibility mechanisms to allow countries to meet their targets cost-effectively.

The Administration believes international emissions trading offers important opportunities and is currently seeking international agreement on rules and guidelines for trading. Where appropriate, we have looked to our sulfur dioxide trading program, established under the Clean Air Act, for a model of a successful trading program.

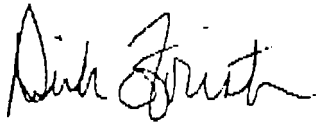
We believe that private sector expertise will be critical in establishing a workable international trading system. We are particularly interested in the perspectives and experience of those involved in financial and market trading. To this end, we are inviting you and others to participate in a small round table discussion with senior Federal officials about the design of specific aspects of an emissions trading system. In this workshop, our purpose is to address three key questions:

1. How best to allocate risk between buying and selling entities (i.e. country parties or private sector) in the event that a selling country defaults on its target obligations, and what effect this allocation of risk would have on private sector participation;
2. How to design a system for registration and accounting of trades among domestic and international entities; and

3. Overall, what elements are needed to build a well-functioning international emissions trading system?

We have set up a meeting for Friday, July 24 from 10 a.m. - 12 p.m. in Room 180 of the Old Executive Office Building, Washington, D.C. I will co-host the meeting with David Sandalow, Associate Director for the Global Environment, White House Council on Environmental Quality and Director for Environmental Affairs, National Security Council. We will also be sending to you additional background material for these discussions as well as specific issues for discussion.

Thank you for your time and we look forward to meeting with you.



Dirk Forrister
Chairman, The White House
Climate Change Task Force

6 July 1998 (Revision 3)

**Framework Convention on Climate Change -- Follow-Up to Kyoto
Calendar of Events**

Note: The following is a list of scheduled meetings, along with some suggestions, marked with the letter "T" which might be useful for pursuing U.S. climate strategy.

July 1998

TBD -- Miami (?): Dates for Brazil follow-up meeting on their proposal

Tues, July 7 to Tues, July 14, Africa: Visit by Transportation Secretary Slater to Senegal, Cape Verde, Ethiopia, Zimbabwe, and Cameroun

Sun, July 12 to Sun, July 19, Africa: Visit by Treasury Secretary Rubin to Ivory Coast, South Africa, Mozambique, and Kenya

Wed, July 22, Washington: Clinton-Hashimoto State Visit

Wed, July 22 to Thurs, July 23, Kiev: Gore-Kuchma; U.S.-Ukraine Binational Commission

(T) Mon, July 27 to Fri, July 31, Buenos Aires/Santiago: Climate Consultations and EPA Modelling Exercise (Hambley, EPA, DOE, USAID?); Possibly add on Mexico.

Tues, July 21 to Sat July 25, Manila: ASEAN Ministerial

(T) Late July, Beijing: High Level Follow-up to President's Trip (Kimble, Gordon and senior interagency group)

August 1998

TBD -- Mexico City: Possible follow-on to Jane Leggett's modeling workshop and follow-on to earlier visit

Mon, Aug 3 to Tues, Aug 4, Kuala Lumpur: Non-Annex I Reporting Workshop (Reifsnyder)

(T) Thurs, Aug 6 to Fri, Aug 7: Seoul, Climate Discussions with Korea (Hambley, Reifsnyder)

Tues, Aug 25 to Wed, Aug 26: Copenhagen: U.S.-Nordic Trading Workshop (EB Bass?)

Mon, Aug 24 to Thur, Aug 27: Warsaw: Meeting of Central European Power Generation Officials (USAID-funded, sponsored by U.S. Energy Association) (EB Bass?)

(T) Thurs, Aug 27 to Saturday, Aug 28, Ankara: Visit to Turkey (Hambley/Reifsnyder)

Sun, Aug 30 to Wed, Sept 2, Interlaken, Switzerland: Fourth International Conference on Greenhouse Gas Control Technologies

September 1998

Tues, Sept 1 to Wed, Sept 9, Kuantau: APEC Senior Officials Meeting

Mon, Sept 7 to Tues, Sept 8: Wellington, Umbrella Meeting (Hambley, Reifsnyder, Biniaz)

(T) Wed, Sept 9 to Mon, Sept 21, Somewhere TBD: Commerce Secretary Daley intends to travel abroad during this timeframe

Thurs, Sept 10 to Fri, Sept 11, Paris: Annex I Experts Group (Hambley, Merida, Bloom?)

(T) Sat, Sept 12 to Tues, Sept 15, Ankara: Climate Discussions with Turkey (Hambley, Merida, Wickwire plus EPA/DOE)

Thur, Sept 15 to Fri, Sept 16, Washington: Visit by Central American Environment Ministers (90-minute exchange of views on climate-related issues requested);

Thurs, Sept 17 to Fri, Sept 18, Tokyo: FCCC pre-COP-4 Ministerial (Stu/Frank? Kimble or Pomerance, Hambley, Reifsnyder)

(T) Mon, Sept 20 to Tues, Sept 21, Seoul: Follow-on visit on climate (possibly also to Beijing. (Kimble/Pomerance and/or Hambley/Reifsnyder)

September 21 Rosh Hashanah Begins

(T) Week of Mon, Sept 21, Ottawa: Possible CDM/Trading Ministerial
Week of Mon, Sept 21, Vienna: IPCC/SBSTA Sinks Workshop
Tues, Sept 22 to Wed, Sept 23, Baltimore: USAID Conference on
Urbanization and Climate Change
Mon, Sept 28 to Wed, Oct 7, Vienna: IPCC Plenary
(Pomerance, Reifsnyder)
(T) Mon, Sept 21, New York: President Clinton's address before the
UN General Assembly
Tues, Sept 29 to Thurs, Oct 1: Toronto: Annual Canadian Climate
Conference (AREA); (Hambley)

September 29/30 is Yom Kippur

October 1998

TBD -- Mexico City, An additional follow-up visit might be
envisioned.
Thurs, Oct 1 to Fri, Oct 2, Paris: IEA/UNDP CDM Wrap-up Workshop
(Bradley?)
(T) Fri, Oct 9 to Sat, Oct 10: Buenos Aires: FCCC Extended Bureau
Meeting (Hambley, Reifsnyder)
Mon, Oct 12 to Thur, Oct 15, Dakar: Workshop for African
Negotiators and U.S./African Business (Reifsnyder/Wickwire)
(T) Week of Mon, Oct 19, Brussels, Bonn, Vienna: U.S.-EU High
Level Consultations and other bilaterals (Kimble and TBD)
(T) Fri, Oct 23 to Sun Oct 25, Ankara/Istanbul: Follow-up to
Turkish talks (Kimble/Hambley)

November 1998

Mon, Nov 2 to Fri, Nov 13, Buenos Aires: Fourth Conference of the
Parties to the FCCC; (Eizenstat/Loy(?), Kimble/Pomerance
et. al.)
Thurs, Nov 12 to Wed, Nov 18, Kuala Lumpur: APEC Ministerial and
Heads of State/Government Meeting (Kimble)

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State	Melinda Kimble	647-0217	647-1554
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David Doniger

4/7/98

Emissions Trading Goals, Issues, and Roadmap

Goals:

Agreement at COP4 on a simple set of rules and guidelines for international trading of parts of Parties' assigned amounts (allowances or permits) based on targets adopted at Kyoto. These rules and guidelines should —

- Promote compliance with the Protocol's three most important requirements (accurate monitoring, complete reporting, and keeping emissions within assigned amounts) by linking Parties' trading rights to such compliance.
- Fairly allocate compliance incentives and liabilities between buying and selling Parties.
- Allow (but not require) a Party's private sector to participate in actions leading to trades.

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Rules and guidelines adopted at COP4 need not be much longer or more elaborate than, by comparison, the final Article 6 on Joint Implementation, or the "lost provisions" on emissions trading (draft Article 6 leading up to Kyoto).

- Some issues (e.g., the basic monitoring, reporting, and tracking obligations) can be stated in full in provisions of a sentence or two in length and can be negotiated for adoption at COP4.
- Subsequently, some issues (e.g., details of national monitoring systems) may require further elaboration in more specific technical guidelines. Where necessary, COP4 could request that these might be developed by building on existing work by SUBSTA or the IPCC — or they could be developed through an OECD or G-8 workgroup — for adoption at COP5. See below.

Issues:

1) Monitoring and Reporting. The U.S. believes trading should be linked to, and become a powerful incentive to, compliance with Parties' responsibilities under Articles 4 & 8. A Party should not be allowed to acquire or transfer parts of assigned amounts if it has not established or is not implementing national monitoring systems and reporting procedures in compliance with monitoring and reporting guidelines already adopted by the Parties (including agreed revisions or elaborations).

- This linkage fosters two key objectives: (1) It adds credibility to trading transactions, and (2) it harnesses incentives to trade (opportunities to reduce compliance costs or obtain increased investment) as a strong force for national compliance with Parties' fundamental monitoring and reporting responsibilities.
- These preconditions for trading could be embodied at COP4 in one or two sentences, as in the "lost provisions." Note that current Article 6 contains similar provisions.

- The IPCC is already working on further clarification of certain technical issues regarding its current monitoring guidelines. The IPCC group could be tasked at Bonn with elaborating the current monitoring guidelines to include specifications for national monitoring systems — i.e., what must Parties do to have an acceptable national monitoring system implementing the specific IPCC monitoring methods. Alternatively, an OECD or G-8 group could be charged with this specific task.
- If detailed specifications for national monitoring systems require more time, COP4 could adopt a one-sentence requirement for such systems and endorse a process to elaborate the details by COP5.

2) Registration, Tracking and Reporting. Parties that want to engage in trading should have to adopt a national registry system to assure that trades are legally authorized and to record international transfers and acquisitions of parts of assigned amounts (allowances or permits), as provided in Article 3.

- Registration, tracking, and reporting requirements could be adopted at COP4 in several sentences, based on the “lost provisions.”
- An IPCC, OECD, or G-8 group could be tasked to develop further guidelines for such registration systems, for adoption at COP4. Given the volume of trading that may develop, national registries should be designed from the first to be electronic and compatible. If the details cannot be fully developed by COP4, a decision endorsing the process and calling for adoption of an internationally compatible registry or tracking system at COP5 could be sufficient.¹

3) Limitations on the Right to Trade. Apart from the above requirements, the U.S. believes the

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- The appropriate mix of buyer and seller liability may be especially ripe for resolution by COP4 through an OECD or G-8 workgroup. The outcome very likely can be stated in several sentences in rules and guidelines adopted at COP4.

How about buyer liability for emissions veracity
seller for validity of permit

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ETA copy

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THE WHITE HOUSE
WASHINGTON

April 7, 1998

*CA JAF
Am
RL
JA*

MEMORANDUM FOR DISTRIBUTION

FROM: DAVID SANDALOW

SUBJECT: Climate Change

Melinda Kimble and I will co-chair a meeting tomorrow, Wednesday April 8 from 4:00-5:30 in the Jackson Room of the White House Conference Center. The agenda will be:

1. Update on diplomatic developments

2. Discussion of policy papers

- developing countries
- emissions trading
- CDM

*How to get it (Article 10: voluntary LDC commitments.)
back on the agenda for COP 4. Elsa Kelly is now chair,
would have to amend Annex B, 3/4 of parties. Estrada is out.
"other major polities" means carbon tax*

If you have questions, please call.

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4/7/98

INTERAGENCY PROCESSES: CLIMATE CHANGE POLICY AND DIPLOMATIC DEVELOPMENT

I. Principal Working Groups

1. Interagency Working Group: convened and co-chaired by Mark Hambley (OES) and Dan Reifsnyder (EGC)-DOS, meets Wednesdays 10 a.m. - Noon, at DOS. Technical and policy analysis staff discuss key policy and diplomatic issues, coordinate analytical work, and review negotiation agenda. Contact Angela Barber-Wilson, 647-4069, for location and clearance.
 - Subcommittee on developing country/meaningful participation is supporting and supplementing the work of the internal DOS Task Force, which is preparing developing country profiles.
2. Assistant Secretary Group: convened and co-chaired by David Sandalow (NSC/CEQ) and Melinda Kimble (Acting Assistant Secretary, OES), meets Wednesdays 4 p.m. at OEOB or DOS. Assistant Secretaries (invitation only) consider policy/diplomatic positions (as presented in staff policy papers) and develop recommendations for the high-level decision-makers. Contacts: David Sandalow (456-6224) and Melinda Kimble (647-3004).
3. Eizenstat and Sherman Weekly Meeting: interagency senior level meeting, convened and co-chaired by Undersecretary Eizenstat and Counselor Sherman to manage the government's climate change decision making processes. Counselor Sherman reviews progress on policy and diplomatic fronts; group discusses key issues and determines next steps. Meetings are scheduled weekly and are held at DOS. Staff Contact: Nigel Purvis (647-8745).

II. Subject Specific Working Groups

1. Clean Growth Initiative. Lead by Eizenstat, Lipton, Atwood, this initiative is designed to develop a partnership between the USG, MDBs, and private international banking and energy sectors to encourage "clean growth" power generation alternatives in developing countries, such as India and China. DOS Contacts: Anne Pence-E (647-7513) and Terry Kelly-G (647-8745). A working group (Commerce, Treasury, USAID, DOS) meets periodically.

III. Position and Strategy Papers Under Development

- Policy Papers under development:
 - Trading (OES-EGC)
 - Clean Development Mechanism (CDM) (OES-EGC)
 - Sinks (OES-EGC, with EB, EPA, CEA)
 - Developing Countries Strategy (OES-EGC)
 - Compliance (L)
 - IFIs (Treasury)

Draft Due: Wednesday, March 25
Assistant Sec. Discussion by April 5
Cleared papers by April 15

- Diplomatic Strategy: Country Profiles/Papers under development:
 - Brazil
 - China
 - Indonesia
 - Mexico
 - India

Draft Due: Friday, April 3
Next Steps: TBD

- Additional Papers
 - U.S.-Russia (plus) Bubble Options
 - Non-Paper - Climate Change - G8 (Antholis/DOS), for 3/26-27 Sous Sherpa Meeting in London

IV. Position and Policy Papers Prepared

(See Attached List)

POST-KYOTO DIPLOMATIC POLICY PAPERS

I. Emissions Trading & Umbrella Group

Discussion Paper on Rules for Emissions Trading: Objectives for COP-4 (State-1/20/98)
International Emissions Trading Analysis (EPA/Treasury-1/21/98)
Climate Change: "Umbrella" Group (State-1/27/98)
How International Emissions Trading Would Work (EPA-3/13/98)
Comments on New Zealand Non-Paper (EPA-3/13/98)

II. Clean Development Mechanism

Clean Development Mechanism: Issues (State-1/98)
Clean Development Mechanism: Answers (State-1/15/98)
Points of Consensus, Assistant Secretaries Meeting (State-1/16/98)

III. Developing Country Commitments

Additional Elements of a Post-Kyoto Process to Engage Developing Countries (EPA-1/13/98)
Developing Country Approach (State-1/15/98)
Developing Country Growth Targets (CEA-1/28/98)
Developing Country Participation (CEA-2/98)
Discussion Paper on "Progressive Differentiation" (AID/Commerce-2/17/98)
Proposal for Developing Countries to Cap and Trade Emissions Permits (CEA-3/16/98)
REUSE 3/30/98

IV. Financial Institutions

International Financial Institutions and Climate Change (Treasury-2/17/98)
World Bank's Proposed Carbon Investment Fund (Treasury-3/11/98)
Options for a World Bank Role in Addressing Climate: Proposed USG Positions (Treasury-3/13/98)

V. Sinks

Options for Sinks under JI/CDM (State-2/13/98)
Carbon Sinks: Analysis of the Kyoto Protocol (DoE/CEA/ EPA-2/18/98)
Sinks (Objectives and Strategy) (EPA/CEA-3/13/98)

VI. Compliance and Enforcement

cc: JA

Climate Change Meeting
March 19, 1998
3:00-4:00
Room 7250, Main State Department Building
Agenda

- I. Policy Development -- Melinda Kimble and David Sandalow (15 Minutes)**
- II. Diplomatic Strategy -- Melinda Kimble/Rafe Pomerance (15 Minutes)**
- III. G-8 and Other Diplomatic Events -- Stu Eizenstat and Melinda Kimble (10 Minutes)**
- IV. Validators -- Todd Stern and Jonathan Prince (10 Minutes)**
- V. Other Matters -- (5 Minutes)**
- VI. Next Steps -- (5 Minutes)**

**FAX**

Date

3/19/98

Number of pages including cover sheet

2

TO:

Prof. Jeffrey Frankel

FROM:

Office of the Under
Secretary for Global
AffairsU.S. Department of State
2201 C Street N.W.
Room 7250
Washington, DC 20520

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395-6958

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(202)647-0753

CC:

REMARKS:



Urgent



For your review



Reply ASAP



Please Comment

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2/18/98

CLIMATE CHANGE DIPLOMATIC POLICY
STATUS REPORT

Working groups identified six priority issues: emissions trading, the Clean Development Mechanism, developing country commitments, the role of financial institutions, sinks and compliance/enforcement.

1. Emissions Trading & Umbrella Group

A. Consensus

- *Rules should facilitate private sector participation in emissions trading.
- *Rules should require a Party to be in compliance with measuring and reporting obligations to trade. Rules should also require a national mechanism for certification and verification of trades.
- *Rules should not include restrictions on the amount of a Party's commitment that may be met through emissions trading.
- *Umbrella group should be pursued as a forum for discussing and coordinating positions on climate change generally and on emissions trading in particular.
- *Umbrella group could serve as a non-exclusive trading group, possibly with rules in addition to any rules under the Protocol.

B. Open Questions

- *Whether to promote an exclusive or preferential trading program for members of the umbrella group.
- *Whether the rules should prohibit a Party in excess of its emissions budget from selling emissions allowances.

2. Clean Development Mechanism

A. Consensus

- *Rules should not include restrictions on the amount of a Party's commitment that may be met with CDM project activities, as expressly authorized under Article 12.3(b).

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*The "share of the proceeds" used to cover administrative expenses and assist particularly vulnerable developing countries should be in the range of 2-3%. This percentage should apply to the value of emissions reductions achieved by a project, not to the project's underlying economic value.

*Adaptation funds available through the CDM should be targeted to island states.

*CDM operating entities should not include stock exchanges. Regional development banks are good candidates for this role.

B. Open Questions

*What form should the CDM Executive Board take? Should we use Montreal Protocol Executive Committee as a model?

*What organizations would best serve as "operating entities"?

3. Developing Country Commitments

A. Consensus

*Different developing countries should have different commitments under the climate treaty. No one size fits all.

*Commitments should be a function of wealth and size. Wealthier developing countries (including Argentina, Mexico and Korea) should take on quantified emissions limits. Small, poor countries need not necessarily do so.

*At least two countries (Singapore and Israel) not in Annex I belong there, and should be encouraged to take on reduction targets similar to Annex I countries immediately.

*Targets could be based either on (i) total emissions, (ii) emissions per unit of GDP, or (iii) emissions growth in relation to growth in GDP. However, further analytic work is needed better to define targets based on calculations of GDP. (Issues include adjustments for purchasing power parity, data quality, etc.)

B. Open Questions

*What policy linkages should we pursue in engaging developing countries? How do we establish a framework for decision?

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- *Should we pursue an "Article 10"-type volunteer mechanism for Buenos Aires?
- *Should we pursue a mandate for negotiations over developing country commitments (or Article 7.2(a) review of commitments) for Buenos Aires?
- *Should we support developing country emissions limits based on sectoral targets or per capita emissions?

4. Financial Institutions

A. Consensus

- *The international financial institutions, in particular the World Bank, offer one of the most promising avenues for promoting clean growth in developing country power sectors.
- *Notwithstanding considerable efforts during the past decade, the World Bank has had difficulty in promoting power sector reform and refocusing its own programs toward clean energy.
- *The elimination of subsidies, price controls and inefficient regulations represent an enormous win-win opportunity in many countries. The World Bank and other IFIs recognizes such reforms as central.

B. Open Questions

- *How best to use the attention to Kyoto and political profile of climate change globally to mobilize World Bank resources to this problem.**
- *What internal USG process should be used to elevate these issues.**
- *Whether U.S. should push World Bank to internalize environmental costs of carbon emissions and/or offset carbon emissions from power sector lending.
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- *Should climate change be added to our G-8 initiative on harmonizing environmental standards of export credit agencies?

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DO NOT QUOTE OR CITE*

5. Sinks

A. Consensus

*Any discussion of sinks is mind-numbing.

*Our policy objectives with respect to sinks include reducing compliance costs, slowing the growth of greenhouse gas concentrations in the atmosphere and promoting sound forest management, all in accordance with sound science.

*No interpretation of Article 3.3 (“...afforestation, reforestation and deforestation...”) can fully satisfy these objectives.

*Parties should be able to include appropriate categories of forest management, conservation and agricultural soil management in meeting their emissions reduction obligations. This should apply both to domestic activities (see Article 3.4) and to projects under the Clean Development Mechanism or Annex I ji.

B. Open Questions

*What categories of forest management, conservation and agricultural soil management should we seek to include under the Protocol?

*Are there limitations based on measurement methodologies or other factors?

*Should we distinguish between domestic activities and project under CDM/ji?

(*What domestic sinks programs should we promote to take advantage of opportunities under the Protocol?)

6. Compliance/Enforcement

initial work underway

~~Kato~~ GCC

2/26/98

Sanctimon

WH conf. reup

LDLS

Rafe

VP

S. A., India, China

(copy by range basis)

move to market

non Annex B

How would a new range

Alts.

• Amendment to Protocol require $\frac{3}{4}$ countries to approve

or • Amend Article X

Argentina seems to support this

when Buenos Aires?

or COP 5 - could take 2 yd.

or neg. mandate for another round.

Some Axis states have raised,

quantitative target fairly reasonable

process & identity 10

Analytical work with types of limit endemay (us)

Strategy of Article 10 as staff

Trade

E Trade

(int.)

need users perspective on trade - EPA paper

to inform public about trade. to inform ourselves, cos., other countries.

How int. trade would work

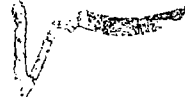
Buenos Aires - what to we want?

Detailed set of requirements.

She has asked for, for Marchend

GCC

2/26/98



CDM

Roll paper for S.E. on objectives for COM.
verification bds. ? ... additionality?
who do it

Sinks

Adelle we're preparing a paper on OPTMS sinks ^{objectivity} terminology
with Bill H.

Have in a wk.

Forest + land use.

IFIs

Treas.

McKen Walsh, Tommy

Clean Air Initiative

shadow costs

targets ^{for} renewables

harmonized...

[+ Fossil fuel subsidies]

Enforcement + Compliance

2/18/98

CLIMATE CHANGE DIPLOMATIC POLICY
STATUS REPORT

Working groups identified six priority issues: emissions trading, the Clean Development Mechanism, developing country commitments, the role of financial institutions, sinks and compliance/enforcement.

1. Emissions Trading & Umbrella Group

A. Consensus

- *Rules should facilitate private sector participation in emissions trading.
- *Rules should require a Party to be in compliance with measuring and reporting obligations to trade. Rules should also require a national mechanism for certification and verification of trades.
- *Rules should not include restrictions on the amount of a Party's commitment that may be met through emissions trading.
- *Umbrella group should be pursued as a forum for discussing and coordinating positions on climate change generally and on emissions trading in particular.
- *Umbrella group could serve as a non-exclusive trading group, possibly with rules in addition to any rules under the Protocol.

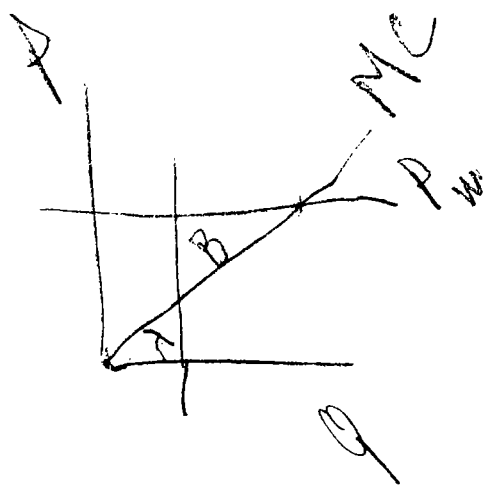
B. Open Questions

- *Whether to promote an exclusive or preferential trading program for members of the umbrella group.
- *Whether the rules should prohibit a Party in excess of its emissions budget from selling emissions allowances.

2. Clean Development Mechanism

A. Consensus

- *Rules should not include restrictions on the amount of a Party's commitment that may be met with CDM project activities, as expressly authorized under Article 12.3(b).



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*The "share of the proceeds" used to cover administrative expenses and assist particularly vulnerable developing countries should be in the range of 2-3%. This percentage should apply to the value of emissions reductions achieved by a project, not to the project's underlying economic value.

*Adaptation funds available through the CDM should be targeted to island states.

*CDM operating entities should not include stock exchanges. Regional development banks are good candidates for this role.

B. Open Questions

*What form should the CDM Executive Board take? Should we use Montreal Protocol Executive Committee as a model?

*What organizations would best serve as "operating entities"?

3. Developing Country Commitments

A. Consensus

*Different developing countries should have different commitments under the climate treaty. No one size fits all.

*Commitments should be a function of wealth and size. Wealthier developing countries (including Argentina, Mexico and Korea) should take on quantified emissions limits. Small, poor countries need not necessarily do so.

*At least two countries (Singapore and Israel) not in Annex I belong there, and should be encouraged to take on reduction targets similar to Annex I countries immediately.

*Targets could be based either on (i) total emissions, (ii) emissions per unit of GDP, or (iii) emissions growth in relation to growth in GDP. However, further analytic work is needed better to define targets based on calculations of GDP. (Issues include adjustments for purchasing power parity, data quality, etc.)

B. Open Questions

*What policy linkages should we pursue in engaging developing countries? How do we establish a framework for decision?

Already
discussed
2

But they
are small.

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- *Should we pursue an "Article 10"-type volunteer mechanism for Buenos Aires?
- *Should we pursue a mandate for negotiations over developing country commitments (or Article 7.2(a) review of commitments) for Buenos Aires?
- *Should we support developing country emissions limits based on sectoral targets or per capita emissions?

4. Financial Institutions

A. Consensus

- *The international financial institutions, in particular the World Bank, offer one of the most promising avenues for promoting clean growth in developing country power sectors.
- *Notwithstanding considerable efforts during the past decade, the World Bank has had difficulty in promoting power sector reform and refocusing its own programs toward clean energy.
- *The elimination of subsidies, price controls and inefficient regulations represent an enormous win-win opportunity in many countries. The World Bank and other IFIs recognizes such reforms as central.

B. Open Questions

- *How best to use the attention to Kyoto and political profile of climate change globally to mobilize World Bank resources to this problem.
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