

INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
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PREPARATION OF A FRAMEWORK CONVENTION ON CLIMATE CHANGE

Set of informal papers
provided by delegations, related to the preparation
of a framework convention on climate change

Note by the secretariat

Addendum 12

This addendum contains material received from Norway.

List of informal papers

32. NORWAY: Proposals on principles and commitments (submitted 13/9/91)

I. OBJECTIVES AND TARGETS

1. Objectives.

- 1.1 The long-term objective of the Convention is to achieve, through preventive action based on coordinated policies, stabilization of GHG concentrations in the atmosphere at levels which sustain development of societies, minimize damages to ecosystems and ecological processes, and maintain climatic conditions essential for the functioning of the biosphere.
- 1.2 Climate policies shall be combined with policies to foster economic growth to combat poverty, safeguarding the development priorities of developing countries and creating the necessary resources to combat local and regional environmental degradation. Climate policies should balance the potential ecological and socioeconomic consequences of climate change, and the costs of abatement policies and adaptation measures.

2. Global and/or regional targets.

- 2.1 With a view to realizing the objectives of the Convention, the Parties agree to the following global and/or regional targets to be achieved by the year (2000):

Emissions of GHGs: (I.a. provisions for OECD countries to stabilize individually or jointly, as a first step, CO₂ emissions at 1989 levels by the year 2000).

- 2.2 The implementation of the targets shall be reviewed before the year (2000) and new targets formulated for further (10 year) periods until the objective of the Convention is met.

II OPERATIONAL PRINCIPLES

1. Universality

All Parties shall participate in the global effort to realize the objectives of this Convention.

2. Equity

Policies to counter climate change shall recognize the "polluter pays"-principle, the different circumstances of countries, including the particular circumstances of developing countries and countries which will be abnormally affected, as well as differences in economic structures between countries at the same level of development.

3. Financial resources and technology.

Additional financial resources to cover incremental costs of abatement and adaption measures, and costs of appropriate technological cooperation, shall be provided for developing countries and countries which will be abnormally affected by measures to counter climate change.

4. Precaution.

In order to achieve sustainable development, climate policies shall be based on the precautionary principle. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing measures to prevent unwarranted impact on climatic conditions. High priority shall be given to solving the remaining major uncertainties regarding causes and effects of climate change as well as the efficiency and adequacy of abatement and adaptation measures.

5. Cost-effectiveness.

Climate policies should be cost-effective to ensure global benefits at lowest possible costs. To achieve this, climate policies should be comprehensive, include all relevant sources and sinks of GHGs, comprise all economic sectors, and may be implemented in cooperation with other Parties.

III COMMITMENTS

COMMITMENTS ON SOURCES AND SINKS

Commitments related to decision 1, para 6 (a)

1. General

- 1.1 The Parties shall, based on agreed methodologies, monitor/estimate and register emissions and absorption of GHGs. Such systems should be comprehensive, taking due account of all relevant sources and sinks under the Parties' jurisdiction.
- 1.2 The Parties shall develop national policies to counter or adapt to climate change. Such policies should, inter alia, identify:
 - all relevant sources and sinks of GHG emissions within each Party's jurisdiction,
 - appropriate measures and mechanisms to reduce net emissions,
 - means to reduce the potential detrimental impacts of climate change.
- 1.3 The Parties are encouraged, where appropriate, to develop and implement their national climate policies in cooperation with other Parties.
- 1.4 The Parties shall implement national measures which are justified in their own right and in addition will have mitigating effects on climate change.
- 1.5 Measures to combat climate change should be subject to environmental impact assessments in order to avoid detrimental social and environmental risks and effects.
- 1.6 The Parties undertake, as appropriate, to initiate and cooperate, directly or through competent intergovernmental or international bodies, in the conduct of research, and scientific and socio-economic assessments to increase knowledge about causes and effects of climate change, to form a qualified basis for development of strategies to implement abatement, adaptation and other policy measures.

2. Harmonization of policies.

The Parties shall, in conformity with the provisions of GATT, implement climate policy measures, such as

- Coordination and, as appropriate, harmonization of subsidies, taxes and charges that affect net greenhouse gas emissions.
- Coordination and, as appropriate, harmonization of other relevant instruments aimed at limiting net greenhouse gas emissions.

The means and modalities of such measures, including GHG-related taxation, shall be outlined in an Annex to this Convention.

3. Limitation and reduction of greenhouse gases.

3.1 In order to meet the global and/or regional targets referred to in Section I.2, Parties to the Convention shall commit themselves to measures to limit and reduce GHG emissions in accordance with the criteria for the distribution of commitments among countries set out in Annex to the Convention.

3.2 The comparable national commitments by industrialized countries referred to in Annex to limit and reduce GHG emissions, to the extent possible on a net basis, shall be based on national strategies. Other Parties shall, as a minimum, establish national strategies to limit GHG emissions, to the extent possible on a net basis, to be financed in accordance with the provision of Section III. Decisions to base limitations and reductions of GHG emissions on the concept of net emissions shall be based on the best available scientific knowledge, as agreed by the Scientific Committee.

3.3 Implementation of the commitments shall be permitted on a comprehensive CO₂ equivalent basis for GHGs which are included in GHG Forcing Index in Annex to this Convention. All measurable limitations and reductions of net GHG emissions shall be credited a Party's commitments under this Convention in accordance with the best available scientific knowledge, as agreed by the Scientific Committee.

- 3.4 Countries shall have the option to implement specific emission commitments individually or jointly in cooperation with another Party. This cooperation may take place on a bilateral, regional and global level. When Parties cooperate in implementing commitments, the net reduction in emissions shall be credited their respective commitments under this Convention in accordance with agreement between the cooperating Parties, and subject to criteria approved by the Parties.
- 3.5 To encourage international cooperation to achieve cost-effective implementation of commitments a Clearing House mechanism shall be established. The Clearing House shall assess and recommend projects presented by Parties and match them with funding provided by Parties who wish to implement commitments outside their own territories. The Clearing House shall be an integral part of the Financing Mechanism under the Convention in accordance with Section IV C.

COMMITMENTS ON FINANCIAL RESOURCES, TRANSFER OF
AND COOPERATION ON TECHNOLOGY.

Commitments related to decision 1, para 6 (b)

1. General.

The Parties being OECD countries commit themselves to provide new and additional financial resources to enable Parties being developing countries to meet agreed incremental costs in fulfilling the commitments referred to in ----- and to facilitate transfer of technology. Countries with an abnormal burden shall receive reasonable compensation.

2. New and additional financial resources.

The Parties being OECD countries commit themselves to provide contributions in convertible currency according to those countries' obligations under an adjusted UN scale of assessment, or principles of burden sharing in accordance with criteria decided by the Parties, in order to provide funding for Parties being developing countries to meet all agreed incremental costs in implementing their obligations under the Convention. An indicative list of categories of incremental costs is attached in Annex (---) to this Convention. Contributions shall be additional to other financial transfers to Parties listed in Annex (---) and separate from development aid budgets.

3. Transfer and Cooperation on Technology.

The Parties shall take every practicable step to ensure:

- (a) that environmentally safe and sound technologies are expeditiously transferred to Parties being developing countries or countries with economies in transition; and
- (b) that the transfers referred to in sub-paragraph (a) occur under fair and most favourable conditions.

NORWAY

Convention on Climate Change/Cost-effective Implementation of Commitments across National Borders / Proposal for a new Partnership in Development Funding related to the Financial Mechanism.

Climate change is a truly global problem requiring a global, long-term solution and global participation in a comprehensive approach addressing all sources and sinks through cost-effective measures across national borders.

The point of departure of the proposal is that the framework convention must contain elements that point towards a global long-term solution in introducing the criteria of cost-effective implementation measures. One such element should be the provision that specific country commitments on limitations of emissions may be implemented either individually, jointly or in co-operation with other countries. The proposal is based on a Climate Convention containing specific quantitative emission limitation commitments including national implementation strategies for OECD countries.

In order to ensure a cost-effective allocation of net emissions on a global basis, countries should have the option to implement part of the limitations they have committed themselves to either domestically or abroad, in co-operation with other countries. This can be done by allowing for exchange of emission commitments between countries with specific quantitative limitation commitments and/or in co-operation with countries without quantitative commitments. This cooperation could take place through a multilateral mechanism, covering bilateral and regional arrangements.

The mechanism would be part of the convention machinery and under the authority of the Parties. The mechanism would function as a clearing-house and appraise and select projects for reducing net emissions according to their cost-effectiveness, and co-ordinate funding for these projects in areas such as energy efficiency (industry/power sector), forestry and agriculture/soil management. Projects submitted by developing countries as an integral part of their development strategy should be given priority.

The net reduction in emissions resulting from any specific project should be credited the country or countries that contribute to the implementation of this project and deducted from their national commitments under the Climate Convention in accordance with agreement between the cooperating countries and subject to criteria approved by the Parties to the Climate

Convention. Such crediting/ verification would take place in the review process to be instituted as part of the framework convention. The mechanism would have a large portfolio of potential projects, thereby facilitating a more efficient matching of projects and funds than a system of purely bilateral exchanges.

Even if some groups of countries would not have quantitative emission targets in the initial framework convention, the proposed system might be of great value. Countries with specific emission commitments would still have the option to finance emission reductions in other countries as an alternative to more expensive reductions in their own countries, thereby facilitating measures of high environmental, economic and developmental value.

The Norwegian proposal aims at adding a new source for financial and technology transfer/co-operation and represents a concrete example of moving to a "second generation" of environmental agreements.

Due to the mutual benefits resulting from the proposed arrangement a true partnership can be achieved giving rise to a flow of funds and technology that might otherwise not be forthcoming. This would be an important supplement to other financial mechanisms and could become a very substantial new source of development funding through the transfer of financial and technological resources. The proposed arrangement must be part of the Financial Mechanism to be established under the Climate Convention whose other function will i.e. cover the incremental costs of developing countries.