

WORLD TRADE ORGANIZATION

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Committee on Trade and Environment

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Note by the Secretariat

1. The third Conference of Parties (COP) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC) was held in Kyoto, Japan, from 1-10 December 1997. The Kyoto Protocol, a text which incorporates legally binding commitments for the implementation of the UNFCCC, was adopted by consensus at the COP. Included below is a summary of the Protocol's key provisions prepared by the Secretariat of the UNFCCC.

2. Upcoming meetings of the UNFCCC include a meeting of its subsidiary bodies from 2-12 June 1998 in Bonn, Germany. The subsidiary bodies will prepare for the next COP, which is scheduled to take place from 2-13 November 1998 in Buenos Aires, Argentina.

3. **The Kyoto Protocol to the United Nations Framework Convention on Climate Change strengthens the international response to climate change.** Adopted by consensus at the third session of the Conference of the Parties (COP-3) in December 1997, it contains new emissions targets for Annex I (developed) countries for the post-2000 period. By arresting and reversing the upward trend in greenhouse gas emissions that started in these countries 50 years ago, the Protocol promises to move the international community one step closer to achieving the Convention's ultimate objective of preventing "dangerous anthropogenic [man-made] interference with the climate system".

4. **The developed countries commit themselves to reducing their collective emissions of six key greenhouse gases by at least five per cent.** This group target will be achieved through cuts of 8 per cent by Switzerland, most Central and East European states, and the European Union (the EU will meet its target by distributing different rates to its members states); 7 per cent by the U.S.; and 6 per cent by Canada, Hungary, Japan, and Poland. Russia, New Zealand, and Ukraine are to stabilize their emissions, while Norway may increase emissions by up to 1 per cent, Australia by up to 8 per cent, and Iceland 10 per cent. The six gases are to be combined in a "basket", with reductions in individual gases translated into "CO₂ equivalents" that are then added up to produce a single figure.

5. **Each country's emissions target must be achieved by the period 2008-2012.** It will be calculated as an average over the five years. "Demonstrable progress" must be made by 2005. Cuts in the three most important gases - carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) - will be measured against a base year of 1990 (with exceptions for some countries with economies in transition). Cuts in three long-lived industrial gases - hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆) - can be measured against either a 1990 or 1995 baseline.

6. **Since emissions levels would increase without a Protocol, actual emissions reductions will be much larger than 5 per cent.** If compared to the year 2000, the total cuts will equal about 10 per cent. This is because many industrialized countries have not succeeded in meeting their earlier non-binding aim of returning emissions to 1990 levels by the year 2000, so that their emissions have in fact risen since 1990. Compared to the emissions levels that would be expected by 2010 without emissions-control measures, the Protocol target represents a 30 per cent cut.

7. **Countries will have a certain degree of flexibility in how they make and measure their emissions reductions.** In particular, an international "emissions trading" regime will be established allowing industrialized countries to buy and sell emissions credits amongst themselves. They will also be able to acquire "emission reduction units" by financing certain kinds of projects in other developed countries. In addition, a "clean development mechanism" will enable industrialized countries to finance emissions-reduction projects in developing countries and to receive credit for doing so. The operational guidelines for these various schemes must still be further elaborated.

8. **They will pursue emissions cuts in a wide range of economic sectors.** The Protocol encourages governments to cooperate with one another and to improve energy efficiency, reform the energy and transportation sectors, promote renewable forms of energy, phase out inappropriate fiscal measures and market imperfections, limit methane emissions from waste management and energy systems, and protect forests and other carbon "sinks". The measurement of changes in net emissions (calculated as emissions minus removals of CO₂) from forests is methodologically complex and still needs to be clarified.

9. **The Protocol will advance the implementation of existing commitments by all countries.** Under the Convention, both developed and developing countries agree to take measures to limit emissions and promote adaptation to future climate change impacts; submit information on their national climate change programmes and inventories; promote technology transfer; cooperate on scientific and technical research; and promote public awareness, education, and training. The Protocol also reiterates the need to provide "new and additional" financial resources to meet the "agreed full costs" incurred by developing countries in carrying out these commitments.

10. **The new agreement will be periodically reviewed.** The Parties will take "appropriate action" on the basis of the best available scientific, technical, and socio-economic information. The first review will take place at the second COP serving the Protocol. Talks on commitments for the post-2012 period must start by 2005.

11. **The Conference of the Parties (COP) of the Convention will also serve as the meeting of the Parties (MOP) for the Protocol.** This structure is expected to reduce costs and facilitate the management of the intergovernmental process. Parties to the Convention that are not Parties to the Protocol will be able to participate in Protocol-related meetings as observers.

12. **The Protocol was opened for signature for one year starting 16 March 1998.** It will enter into force 90 days after it has been ratified at least 55 Parties to the Convention, including developed countries representing at least 55 per cent of the total 1990 carbon dioxide emissions from this group. In the meantime, governments will continue to carry out their commitments under the Climate Change Convention. They will also work on many practical issues relating to the Protocol and its future implementation at their regular COP and subsidiary body meetings.
