

43463
CO

DCI/DEC _____ IB 97-003 _____

TIER
~~Secret~~
[Redacted]

(b)(1)
(b)(3)



International Environmental Intelligence Brief

DCI Environmental Center

14 October 1997

Special Issue: The Road to Kyoto

Contents	Page
Articles	
EU Infighting Over Emissions Targets [Redacted]	1
[Redacted]	
India Taking Kyoto Seriously [Redacted]	2
[Redacted]	
China: Preparing for Hard Line on Climate Change	3
[Redacted]	
Australia Opposing Emission Reduction Targets	4
[Redacted]	
Brazil Proposing Compromise on Climate Change	5
[Redacted]	
Tokyo's Kyoto Conference Stance Under Fire	6
[Redacted]	
Venezuela: Weighing Stance on Climate Change [Redacted]	7
[Redacted]	
Matrix: Selected Developed Countries' Carbon Emissions Targets	8



DEC IB 97-003

[Redacted]
~~Secret~~

APPROVED FOR RELEASE
DATE: 17-May-2011

EU Infighting Over Emissions Targets

[redacted]

Some EU member states are showing signs of stepping back from the EU agreement last spring on a 10-percent cut—from a 1990 baseline—in carbon emissions by 2010,

[redacted] They are concerned that Japan and the US will make a separate deal for more modest targets, preventing agreement at the Kyoto climate change convention in December.

— [redacted] the Netherlands admits it cannot reach the EU target or its own 5-percent target by 2000 because of rising emissions caused by a robust economy, and The Hague wants to negotiate a compromise with the US.

The Environment Directorate of the European Commission, however, opposes softening the EU stance on the 10-percent target [redacted] It views the technical experts meeting as a US ploy to undermine the Commission's legal competence on the climate change issue and will not participate unless EU member states are excluded from the discussion.

—Trade Commissioner Brittan opposes the 10-percent target and wants the US to defer announcing a decision on targets without discussing it first with the Commission to avoid blindsiding the EU. [redacted]

The EU dispute over reductions targets is being thrashed out at the expert level in nearly continuous meetings in Brussels. The debate will work through the Permanent Representatives level and will reach the Environment Council meeting this month in Luxembourg; it probably will not be resolved before the next round of multi-lateral climate talks in Bonn starting 20 October. [redacted]

India Taking Kyoto Seriously

New Delhi is likely to support the broad objectives of the Kyoto Conference on Climate Change.

- New Delhi is taking the Kyoto summit seriously and intends to take an active role in moving the climate change treaty ahead.
- New Delhi has a long history of supporting environmental issues and is genuinely worried about its own environmental problems.

India's goals at Kyoto will differ from those of the US despite good bilateral relations on other environmental issues. It is likely to join other less developed countries in opposing emission reduction obligations for LDCs and supporting them for developed countries.

- India will be on the look out for efforts to erect trade barriers against its goods under the guise of environmental protection.

New Delhi suspects developed countries of dodging their responsibility to cut emissions through such "loopholes" as carbon trading and what the climate change treaty calls Activities Implemented Jointly—emission reduction projects in developing countries funded by developed country governments or firms. The influential Tata Energy Research Institute, however, publicly has said AIJ treaty provisions should be judged on their own merits,

China: Preparing for Hard Line on Climate Change

Beijing probably will resist proposals to reduce carbon emissions by a specific amount at the Kyoto conference on climate change. China has long been reluctant to impose tight controls on carbon emissions for fear of undermining economic growth.

- Beijing prefers the language in the UN Framework Convention on Climate Change that requires each country to find a solution to its own emissions problems.

Beijing's strategy is to buy time before the majority of countries reach an agreement, which China would then sign to avoid being left out of the control regime.

China and the developing nations oppose commitments on emissions reductions by developing countries, arguing that on a per capita basis, the developed countries—particularly the US—are the major problem and should resolve the issue among themselves.

Recent statements by senior Chinese officials hint at increasing flexibility over time. Faster economic growth than anticipated may

provide some room for the Chinese leadership to consider more effective environmental regulations.

- Beijing has expressed interest in the Joint Implementation program, which lets overachieving countries transfer greenhouse emissions credits to poorer performers.

- The State Science and Technology Commission has been considering a proposal to accept a US-sponsored pilot under the Joint Implementation program.

China is committed to using its coal reserves for generating electric power.

if coal and oil consumption trends remain unchanged, China will surpass the US as the major producer of carbon emissions by 2015. If coal use continues to rise at current rates, carbon emissions would almost triple during that time.

- *With an aggressive coal substitution plan, China could decrease its coal consumption by nearly 30 percent from what it would be otherwise by 2015.*

- *Such measures would decrease annual carbon emissions by 10 percent, but coal use would still almost double.*

**Australia Opposing Emission Reduction
Targets** [redacted]

Canberra is threatening to withdraw from the UN Climate Convention unless the Kyoto conference provides alternatives to large, mandated reductions in greenhouse gas emissions [redacted]

Australian officials publicly claim uniform emission cuts would impose economic burdens on Australia's resource-based economy 20 times larger than on Europe and six times larger than on North America.

— Canberra has cited studies placing Australia's cost through 2020 of mandated emission cuts at \$150 billion—or \$9,000 per capita—with 90,000 lost jobs, according to press reports.

— Local environmental groups publicly have challenged the government's estimates, argued that Australia easily could meet emission targets by reducing land clearing, and warned that Canberra risks being sidelined in Kyoto.

[redacted]

Canberra has been unable to persuade other OECD countries to adopt emission reduction targets adjusted for each country's economic circumstances. [redacted]

Australia reportedly may support alternative approaches such as combining flexible reduction targets with tradable emission quotas. [redacted]

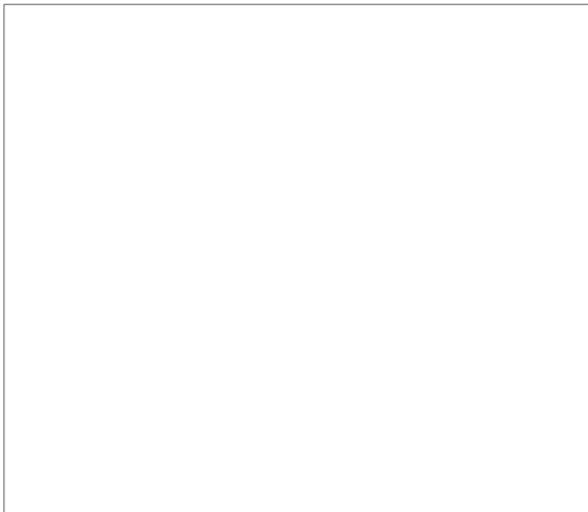
Brazil Proposing Compromise on Climate Change [redacted]

Brasilia is suggesting flexible emission targets as a compromise between developed and major developing countries [redacted] [redacted] OECD countries failing to meet emission reduction goals would pay a penalty used to finance energy-efficient technology transfers to LDCs.

— A recent Brazilian Government survey indicates less than 1 percent of the public gives priority to environmental issues, according to press reports. [redacted]

— Brasilia's proposal and its willingness to invest in energy-efficient technologies suggest it is seeking to be a key player at Kyoto. [redacted]

Brazil's compromise approach also reflects a trend of more selectively choosing the issues to confront Washington [redacted] [redacted] Brasilia split from the Group of 77 position on emission targets by backing away from mandated reduction targets and a 0.7 percent of GNP spending target to fund aid and technology transfers. [redacted]



[Redacted]

**Tokyo's Kyoto Conference Stance Under
Fire** [Redacted]

The proposal Japan announced last week for a 5-percent cut in greenhouse gas emissions is coming under increasing domestic criticism.

- Members of the ruling Liberal Democratic party's two allies—the Socialists and Sakigake—have urged the government to adopt a 12 percent target, according to press reports. Opposition parties are pushing for up to 15 percent. [Redacted]

[Redacted]

Hashimoto has been open to other formulas. In the end, the US response to Tokyo's proposal will be critical in deciding what direction he takes. Japanese officials see Washington's support as crucial to the success of the Kyoto conference [Redacted]

[Redacted]

Venezuela: Weighing Stance on Climate Change [redacted]

Venezuela—the world's fifth-largest oil producer, fourth-largest oil exporter, and third-largest refiner—has taken an active interest in negotiations to establish global standards for greenhouse gas emissions. Caracas has yet to adopt a firm position, however.

Like most developing countries, Venezuela's economic development goals outweigh its environmental concerns, and Caracas has for the most part associated itself with the Group of 77 position on climate change. As an active OPEC member, Venezuela has been working with Saudi Arabia to promote a formula to reimburse oil-producing countries for income lost if new environmental regulations cause a drop in oil exports.

[redacted] Caracas favors delaying implementation of the EU's proposed common energy-efficiency measures and policies until after 2000 and advocates programs to transfer technology to developing country oil producers to help them reduce carbon emissions. [redacted]

Thus far, the powerful Ministry of Energy and Mines has overshadowed both the Foreign Ministry and—to an even greater degree—the Environment Ministry on climate change policy. The MEM has questioned the scientific evidence of global warming, [redacted] and has argued that some developing countries will not forego their economic modernization plans to meet environmental targets set by the developed world.

—The MEM will seek to guarantee that the oil sector is not harmed by any policy adopted at Kyoto that seeks to control emissions. [redacted]

The MEM will dominate the debate in the runup to Kyoto but is likely to soften its tone somewhat to address efforts by other parts of the administration—the Foreign and Environment Ministries, in particular—to accommodate Washington. [redacted]

[redacted] the US position as Venezuela's primary oil consumer has made Caracas sensitive to Washington's economic and environmental interests, and it has sought to find common ground on such issues in the past.





Selected Developed Countries' Carbon Emissions Targets	
Australia	Disavowed 1992 national target to stabilize carbon emissions by 2000 (from 1988 baseline) and reduce 5 percent by 2005. Advocates differentiated target (unspecified) according to national circumstances such as fossil fuel-intensity of GDP, per capita emissions, population growth. Heavily dependent on fossil fuels in GDP and export trade.
Austria	Accepted 25-percent reduction of carbon emissions by 2010 as contribution to EU "bubble" (burden-sharing scheme in which some member states compensate others that have increasing emissions).
Belgium	Accepted 10-percent reduction by 2010 as part of EU "bubble."
Canada ^a	Backed away from 1992 national target to reduce all greenhouse gas emissions 20 percent by 2000 (from 1990 baseline) in favor of a "promise" to redouble efforts to stabilize emissions. Western provinces heavily dependent on fossil fuel exports.
Denmark	Adheres to 1992 national commitments to reduce 20 percent by 2005 (from 1990 baseline) and reduce transport sector emissions 25 percent by 2030 (from the same baseline). Accepted 25-percent reduction by 2010 under EU "bubble."
Finland	Not accepted any reductions of carbon emissions for EU "bubble" mainly due to dependence on fossil fuels for electricity generation.
France	Previous government did not accept any reductions of carbon emissions for EU "bubble" due to 80-percent dependence on nuclear reactors for electricity generation. Jospin Government expected to change this position by advocating a reduction in auto emissions and expanding use of public transport and electric vehicle alternatives.
EU	Adopted 10-percent target for carbon emissions reductions by 2010 (from 1990 baseline) for the EU as a whole, using the "bubble."
Germany	Reaffirmed 1995 national commitment to 25-percent reduction by 2005 (from 1990 baseline). Accepted 25-percent reduction for 2010 as contribution to EU "bubble."
Greece	Received allowance for 30-percent increase in emissions growth by 2010 (from 1990 baseline) under the EU "bubble" in line with general subsidy policy of EU toward Greece.

^a Ottawa has not set a specific target for carbon emission reductions.

Selected Developed Countries' Carbon Emissions Targets	
Ireland	Received allowance for 15-percent increase in emissions growth by 2010 (from 1990 baseline) under the EU "bubble" in line with EU's general subsidy policy of EU for Ireland.
Japan	Recommends 5-percent reduction of carbon emissions by 2010 (from 1990 baseline) for OECD countries but leaves room for Japan to reduce less than 5 percent on the basis either of the energy intensity of its GDP, per capita emissions, or population growth, but in no case less than stabilization at 1990 levels .
Luxembourg	Accepted 30-percent reduction by 2010 as contribution to EU "bubble."
Netherlands	Abandoned 1992 national targets to stabilize carbon emissions by 1995 (from 1989 baseline) and reduce 3-5 percent by 2000. Accepted 10-percent reduction by 2010 as contribution to EU "bubble."
Portugal	Received allowance for 40-percent increase in emissions growth by 2010 (from 1990 baseline) under the EU "bubble" in line with EU's general subsidy policy of EU for Portugal.
Spain	Received allowance for 17-percent increase in emissions growth by 2010 from 1990 baseline) under the EU "bubble" in line with EU's general subsidy policy for Spain.
Sweden	Received allowance for 5-percent increase in emissions by 2010 (from 1990 baseline) under the EU "bubble" probably due to over 50-percent dependence on nuclear reactors for electricity generation.
UK	Committed to 20-percent reduction in emissions by 2010 (from 1990 baseline). Accepted 10-percent target for 2010 under the EU "bubble."