

TWELFTH CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE AND SECOND MEETING OF THE PARTIES TO THE KYOTO PROTOCOL: 6-17 NOVEMBER 2006

From 6-17 November, a series of climate change meetings are taking place at the UN Office at Nairobi, Kenya. The "UN Climate Change Conference – Nairobi 2006" will include the second Conference of the Parties serving as the Meeting of Parties to the Kyoto Protocol (COP/MOP 2) and twelfth Conference of the Parties (COP 12) to the UN Framework Convention on Climate Change (UNFCCC).

At COP/MOP 2, parties are expected to take up issues relating to the Protocol's flexible mechanisms, particularly the Clean Development Mechanism and Joint Implementation. Delegates will also discuss Parties' compliance with the Protocol and a proposed amendment to the Protocol, as well as capacity building, a proposal by Belarus to amend the list of countries with commitments under the Protocol, and a proposal by the Russian Federation on procedures to approve voluntary commitments under the Protocol. A review of the treaty is also mandated for COP/MOP 2 under Article 9 of the Protocol. In addition, work will be undertaken to finalize the Adaptation Fund, while a number of financial, administrative and other matters will also be taken up.

COP 12's agenda includes a review of implementation of commitments and various other provisions of the Convention relating to such matters as the financial mechanism, national communications, technology transfer, capacity building, and the adverse effects of climate change and of implementing the Convention (Article 4.8 and 4.9). Various other topics, including administrative, financial and institutional matters, will also be taken up. A joint COP and COP/MOP high-level segment will take place from 15-17 November.

Other groups meeting in parallel with COP 12 and COP/MOP 2 include the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), which are convening for their 25th sessions. At the same time, a third, recently established subsidiary body – the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG) – will hold its second session. In addition, a second

workshop under the recently convened "Dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention" will take place from 15-16 November. This workshop is likely to focus on "advancing development goals in a sustainable way" and "realizing the full potential of market-based opportunities," and to consider the new Stern Review on the Economics of Climate Change.

In addition to these official meetings, an estimated 130 "side events" will be held on a range of climate change topics.

A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

Climate change is considered to be one of the most serious threats to sustainable development, with adverse impacts expected on the environment, human health, food security, economic activity, natural resources and physical infrastructure. Scientists agree that rising concentrations of anthropogenically-produced greenhouse gases in the Earth's atmosphere are leading to changes in the climate. According to the Intergovernmental Panel on Climate Change (IPCC), the effects of climate change have already been observed, and scientific findings indicate that precautionary and prompt action is necessary.

The international political response to climate change began with the adoption of the UNFCCC in 1992. The UNFCCC sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid "dangerous anthropogenic interference" with the climate system. Controlled gases include methane, nitrous oxide and, in particular, carbon dioxide. The UNFCCC entered into force on 21 March 1994, and now has 189 parties. The parties to the UNFCCC typically convene annually in a COP, and twice a year in meetings of the subsidiary bodies – the SBI and SBSTA.

THE KYOTO PROTOCOL: In December 1997, delegates at COP 3 in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits developed countries and countries in transition to a market economy to achieve emissions reduction targets. These countries, known under the UNFCCC as Annex I parties, agreed to reduce their overall emissions of six greenhouse gases by an average of 5.2% below 1990 levels between 2008-2012 (the first commitment period), with specific targets varying from country to country. The Protocol also establishes three flexible mechanisms to assist Annex I parties in meeting their national targets cost-effectively: an emissions trading system; joint implementation (JI) of emissions-reduction projects between Annex I parties; and the Clean Development Mechanism

(CDM), which allows for emissions reduction projects to be implemented in non-Annex I parties (developing countries). Following COP 3, parties began negotiating many of the rules and operational details governing how countries will reduce emissions and measure their emissions reductions. To date, 166 parties have ratified the Kyoto Protocol, including Annex I parties representing 61.6% of Annex I greenhouse gas emissions in 1990. The Kyoto Protocol entered into force on 16 February 2005.

Buenos Aires Plan of Action: The process for finalizing the rules and operational details of the Protocol was agreed at COP 4 in 1998 in a document known as the Buenos Aires Plan of Action (BAPA). The BAPA set COP 6 as the deadline for finalizing these details and strengthening implementation of the UNFCCC. In November 2000, parties met at COP 6 in The Hague, the Netherlands, to complete these negotiations. They were not successful, and COP 6 was suspended until July 2001, when it reconvened in Bonn, Germany. After further talks, parties adopted the Bonn Agreements, a decision that provided high-level political direction on the implementation of the Kyoto Protocol. But delegates were still unable to finalize text on some issues, and agreed to forward all the draft decisions to COP 7 for final resolution.

Marrakesh Accords: In October and November 2001 at COP 7 in Marrakesh, Morocco, delegates reached agreement on the outstanding matters in the Marrakesh Accords. These Accords consisted of a package of draft decisions on many of the details of the flexible mechanisms, reporting and methodologies, land use, land-use change and forestry (LULUCF), and compliance with the Kyoto Protocol, to be adopted by parties at the first COP/MOP. The Accords also addressed support for developing countries, including capacity building, technology transfer, responding to the adverse effects of climate change, and the establishment of three funds – the Least Developed Countries (LDC) Fund, Special Climate Change Fund (SCCF), and Adaptation Fund.

Delegates built on the Marrakesh Accords at COP 8 and COP 9, elaborating on rules and procedures for the CDM Executive Board, and on modalities and procedures for afforestation and reforestation project activities under the CDM. Parties also agreed on two new agenda items focused on adaptation and mitigation. At COP 10 in Buenos Aires in December 2004, delegates followed up on this with an agreement on the Buenos Aires Programme of Work on Adaptation and Response Measures. However, some issues remained unresolved, including items on the LDC Fund, the SCCF, and Protocol Article 2.3 (adverse effects of policies and measures). Meanwhile, lengthy informal negotiations were held on the complex and sensitive issue of how parties might engage on commitments to combat climate change in the post-2012 period. Delegates agreed to hold a Seminar of Governmental Experts in May 2005, although the terms of reference for the Seminar did not refer specifically to the post-2012 period or new commitments. The Seminar took place in May 2005, and started to address some of the broader issues facing the climate change process.

COP 11 and COP/MOP 1: COP 11 and COP/MOP 1 took place in Montreal, Canada, from 28 November to 10 December 2005. At COP/MOP 1, parties discussed and adopted decisions on the outstanding operational details of the Kyoto Protocol, including formally adopting the Marrakesh Accords. Parties also took decisions on a process to discuss post-2012 commitments, which included a decision to establish a new subsidiary body, the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG).

COP 11 addressed issues such as capacity building, technology development and transfer, the adverse effects of climate change on developing and least developed countries, and several financial and budget-related issues. After lengthy negotiations, the COP also agreed on a process to consider future action under the UNFCCC, which would involve a series of workshops that would constitute a “dialogue” on the matter through to COP 13.

SB 24 and AWG 1: The twenty-fourth sessions of the Subsidiary Bodies and first session of the AWG were held in Bonn in May 2006. Prior to these meetings, the first UNFCCC dialogue on long-term action was held, as agreed at COP 11.

In the AWG, delegates exchanged initial views on the process for considering future commitments for Annex I parties for the post-2012 period. After extensive consultations, an agreement was reached on a text setting out the AWG’s plans for its future work.

SBI and SBSTA together adopted 30 conclusions and one draft decision. However, most of these texts did not contain substantive agreements, and instead simply forwarded the issues to SB 25 for further consideration.

INTERSESSIONAL HIGHLIGHTS

MINISTERIAL “INDABA”: A meeting – or “indaba” – of ministers and senior officials from 22 countries was held at Kapama Lodge, Kruger National Park, South Africa from 17-21 June 2006, and was designed to follow on from a similar high-level dialogue held in 2005 in Greenland. Ministers discussed the upcoming Nairobi conference and longer-term action on climate change, as well as a proposal for a Multilateral Technology Acquisition Fund that could buy-out intellectual property rights and disseminate appropriate technologies. They also exchanged views on incentives to reduce emissions from deforestation and on sectoral approaches to mitigation.

G8 MEETING: The G8’s 2006 annual summit was held in St. Petersburg, the Russian Federation, from 15-17 July. The event gave prominence to energy issues, with political leaders supporting energy security and energy efficiency, while also referring to “safe and secure” nuclear power and reaffirming commitments to cut greenhouse gas emissions.

GEF COUNCIL AND ASSEMBLY: These meetings, held in Cape Town, South Africa from 28-30 August, agreed to a fourth replenishment of the Global Environment Facility of US\$3.13 billion to finance environmental projects over the next four years. The Council also agreed on the governance of the climate change funds, specifying, *inter alia*, that decisions of the Council concerning the operations of the Adaptation Fund be taken by consensus among all Council members representing participants that are parties to the Kyoto Protocol.

SECOND GLENEAGLES MINISTERIAL DIALOGUE ON CLIMATE CHANGE, CLEAN ENERGY AND SUSTAINABLE DEVELOPMENT: From 3-4 October, ministers from 20 of the world’s major emitters held talks in Monterrey, Mexico, as part of a process established during the UK’s recent term as president of the G8 in 2005. The meeting considered the economic context of climate change, as well as new technologies and investment issues.

UNFCCC MEETINGS: Various UNFCCC events have been held since SB 24, including a workshop on reducing emissions from deforestation in developing countries (30 August to 1 September, Rome), and several regional training workshops, CDM Executive Board sessions, meetings of the Kyoto Protocol’s Compliance Committee, and meetings of the Joint Implementation Supervisory Committee. As well, the LDC Expert Group (4-6 September, Kampala) and the Expert Group on Technology Transfer (1-3 November, Nairobi) each convened.