



## ***Beginners' Guide***

# ***To the UN Climate Change Negotiations***

28 November 2007

This guide presents a short overview over the architecture and the topics that will be important during and beyond the UN Bali Climate Change Conference.

### ***COP or MOP? UNFCCC and Kyoto Protocol***

The UN conference on climate change in Bali, from 3 to 14 December 2007, integrates meetings of different relevant bodies:

- ❑ The Conference of the Parties (COP, 191 countries) to the UN Framework Convention on Climate Change (UNFCCC), the treaty established in 1992 at the Earth Summit in Rio de Janeiro and entered into force in 1994.
- ❑ The Meeting of the Parties (COP/MOP, 175 countries) of the Kyoto Protocol to the Convention, setting binding and absolute emission reduction targets for industrialized countries, creating the carbon market instruments such as the Clean Development Mechanism, and generating funding for adaptation to climate impacts, agreed ten years ago in Kyoto (11 December is the Kyoto Protocol's anniversary), and entering into force on 16 February 2005. The detailed rules for its implementation were adopted at COP 7 in Marrakech in 2001, and are called the "Marrakech Accords."
- ❑ In addition, the Convention Subsidiary Bodies (SBs) will meet in Bali. The SB for Scientific and Technological Advice (SBSTA) advises on methodologies for issues such as technology transfer, and emissions from deforestation. The SB for Implementation (SBI) advises the Convention for instance on emission inventories or financial matters. The SBs prepare decision for adoption by the COP and the COP/MOP.

#### **Note:**

The industrialized countries with emission reduction or limitation commitments are listed in ANNEX B of the Kyoto Protocol. The list is mostly identical with the list of industrialized countries under the Convention (confusingly named ANNEX 1 there), but notably the US is one key country that appears in Annex 1 but is missing from the Annex B list. Australia is expected to re-join Annex B with the newly elected government.

Countries such as India or China did ratify the Kyoto Protocol and are part of the process, with some obligations but no emission reduction commitments for the first commitment period (2008 to 2012).

### ***Two tracks in negotiations – Dialogue and AWG***

At the UN Climate Conference in Montreal (December 2005) Parties agreed to tackle the UN climate talks along two tracks:

**CONVENTION TRACK:** An informal DIALOGUE was to explore options for future cooperation on emission reductions and adaptation for all Parties to the UNFCCC (including emerging economies such as Brazil, China, and India, and also the US and Australia who are not yet Parties to the Kyoto Protocol). With Bali, the Dialogue is with Bali coming to an end after having met four times. The Bali COP is to consider conclusions based on the report back from the Dialogue Co-Chairs.

**KYOTO TRACK:** An open ended AD-HOC WORKING GROUP (AWG) under the Kyoto Protocol's Article 3.9 is to negotiate new targets for Annex I countries (industrialized countries) in order to update the Kyoto Protocol's Annex B. This AWG has also met four times, and in Bali is expected to discuss its work programme and timeplan for the next years, as well as the appropriate range of targets for the group of Annex I countries, that according to the IPCC is required to avoid dangerous warming. Based on this, individual country targets would have to be developed over the next two years. Target setting also has implications for the overall architecture of the Protocol and its mechanisms and provisions, which WWF is asking to also review under the AWG work programme.

A further part of the Kyoto Track is the review of the Kyoto architecture to be undertaken as part of the Protocol's Article 9. In Bali governments will discuss what the scope of that review should be.

### ***Bali COP/MOP - Purpose and Outcome***

WWF believes what is needed by 2009 is a single, coherent and fair post-2012 agreement on global emission reductions, with commitments and actions adequate to address the enormity of the challenges presented by climate change.

Over the next two years, governments need to conduct **credible and ambitious negotiations** consisting of a series of **intersessional** meetings that **cover all issues** needed to agree by **2009**, to achieve a **binding** post-2012 agreement that builds on the Kyoto Protocol. The objective of the agreement is a **comprehensive, fair and equitable** framework that puts the world on a path to prevent dangerous climate change well below 2°C warming compared to pre-industrial levels, enables sustainable development, and protects the poor and vulnerable from the worst impacts to come.

The Bali Mandate (road map) must set a framework for negotiations to deliver a new agreement that will achieve the emissions reductions needed for preventing dangerous anthropogenic interference with the climate system. The latter is the ultimate objective of the UN Framework Convention “*stabilization of greenhouse gas*

*concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system” (UNFCCC Article 2).*

### ***The 2°C danger threshold***

Scientific evaluation of impacts of climate change at different temperatures, including that in the recent IPCC Fourth Assessment Report, indicates that global average temperatures must be kept as far below 2°C as possible, compared to pre-industrial levels, for Parties to honour the commitment to avoid dangerous climate change they made fifteen years ago.

To ensure the environmental integrity of the international response to climate change, a global emissions pathway consistent with the 2°C threshold must be agreed. This means that global emissions must peak well before 2020 and decline thereafter. This requires a radical shift everywhere as the current global trend still shows emissions increasing.

### ***Emission reduction targets – global and industrialized countries***

According to WWF this implies emissions reductions targets of:

- At least -30% domestic reductions by industrialized countries by 2020, with a 1990 base year;
- -80% reductions for industrialized countries by 2050, with a 1990 base year;
- At least -50% globally by 2050, with a 1990 base year; the IPCC suggests a range of -50% to -85% by 2050 with a 2000 base year. -50% will in all likelihood not be sufficient.

IPCC has shown that the cost of reducing emissions at that level globally is more than bearable: According to IPCC working Group 3, the maximum loss of annual GDP up to 2030 would be at 0.12%.

The AWG in Bali must confirm the Vienna AWG decision of a -25 to -40% range by 2020 for emission reductions for industrialized countries, compared to 1990. This was put forth by the IPCC Working Group 3 in its 450 ppmv scenario and is in line with the necessary global emissions pathway to stay below 2°C. However, this still only awards the planet a 50/50 chance of keeping warming below the danger threshold of 2°C. Therefore industrialized countries will have to make reductions at the higher end of this range, which is why the at least 30% reduction target that WWF is calling for will have to be domestic reductions.

The Parties in Bali need to confirm the necessity for a peak and decline of global emissions well before 2020.

### ***Emerging economies and Least Developed Countries***

Every country has to do its fair share, with industrialized countries taking on deeper absolute reduction targets, some newly industrialized countries joining this grouping with their own national targets, and the emerging economies enhancing actions by building on what they are already doing. The emerging economies should receive

support from the industrialized countries for their enhanced actions. All countries will continue to be eligible to do projects under the Clean Development Mechanism. Least Developed Countries will focus on building capacity and establish programs on adaptation to climate impacts.

Industrialized countries committing to ambitious but achievable emission reduction targets help make the case for action by the emerging economies and other developing countries. Fair and credible action from the rich nations is a necessary condition to get consent from non-Annex I countries for a Bali package.

One controversial point is whether the emissions reduction range may include the use of carbon markets and external credits such as for instance credits from the Clean Development Mechanism. WWF advocates a 30% DOMESTIC reduction target for the group of Annex B countries. Trading of offset credits is additional. But Bali is not the place where the question of external credits will be discussed.

### ***Key topics to be negotiated in Bali and beyond***

In Bali governments will have to focus on setting up an ambitious negotiation process, and a timetable and the work programme that will have to cover all key building blocks. In addressing the following building blocks they will also have to set a “first direction” in form of parameters.

- ❑ SCIENCE AND GLOBAL VISION: A shared vision to reach the ultimate objective of the Convention - to prevent dangerous human-induced climate change;
- ❑ MITIGATION: Addressing emissions from international aviation and maritime transportation that are not being deal with under the current Kyoto Protocol
- ❑ TARGETS: Deeper absolute emission reduction commitments by industrialized countries (as currently negotiated under the AWG);
- ❑ MITIGATION & EMERGING ECONOMIES: Facilitating further fair and effective contributions by developing countries based on each doing their fair share and providing them with mechanisms for positive incentives for action and support
- ❑ CARBON MARKETS & NEW TOOLS: Extending the carbon market, including new flexible mechanisms; especially for supporting low carbon development in developing countries.
- ❑ TECHNOLOGY & FINANCE: Increasing cooperation on technology; Research-Development-Demonstration (RD&D), and technology transfer; discussion on generating more money for low carbon development.
- ❑ ADAPTATION: Enhancing efforts to address and finance adaptation;
- ❑ FOREST LOSS: Reducing emissions from deforestation in tropical countries.

### ***Time table and Process***

The **timetable** will agree when the negotiations will conclude so that the new climate change deal can be ratified by national governments before the end of 2012 and a gap in carbon markets is avoided. Due to the amount of time needed to secure ratification by countries and entry into force of the agreement a 2009 end date of the negotiations will need to be set in Bali and a workplan to meet that deadline will need

to be agreed. The **process** decisions will cover the organisational and procedural arrangements to get to this result (including an intensive meeting schedule), including whether to turn the Dialogue into negotiation under the Convention track, and strengthening the Kyoto Track. This will all be put in place by the COP and the COP/MOP making decisions that governments and their ministers will prepare in the two weeks. A bone of contention will also be how these decisions and tracks can be linked to each other. While the Kyoto markets will remain the largest source of funding for low carbon investments, the USA and some developing countries are resisting linking the negotiations on support to developing nations in exchange for enhanced action under the Convention to the negotiations on commitments under Kyoto beyond 2012.

### ***Mandate or Road Map?***

Some governments do not speak of a Bali “mandate”, instead preferring the word “road map.” A roadmap is not necessarily weaker than a mandate: what Bali needs to deliver is to launch formal negotiations under both the Convention and the Kyoto Protocol. By whatever name, we seek a set of COP and COP/MOP decisions that launch formal negotiations with a specified timetable and end date, that cover all relevant elements and does support the creation of legally binding instrument that builds on the Kyoto Protocol.

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This document presents an overview on the topics and principles crucial for success at the UN Climatic Change Conference in Bali, 3 to 14 December 2007. It gives WWF International’s views; the full responsibility remains with WWF.

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