

UNITED NATIONS DEVELOPMENT PROGRAMME

Bureau for Development Policy
Environment and Energy Group



Summary and Analysis of UNFCCC Climate Change Conference in Durban, South Africa 28 November – 9 December, 2011

Governments gathered in Durban, South Africa for the United Nations Framework Convention on Climate Change (UNFCCC) Conference from 28 November – 9 December. Six negotiating tracks were convened, including the 17th Conference of the Parties (COP 17), the 7th Meeting of the Parties for the Kyoto Protocol (CMP 7), the Subsidiary Body of Implementation (SBI) and Subsidiary Body for Scientific and Technical Advice (SBSTA), as well as the two Ad-Hoc Working Groups on Long-term Cooperative Action (AWG-LCA) and Kyoto Protocol (AWG-KP). Over 20,000 participants came to Durban, representing governments, intergovernmental and non-governmental organizations, academia, the private sector and the media.

The conference took place as the global community faces substantial challenges – economic, political, and social. Climate change conferences in recent times have had impacts beyond the issues under negotiation and the outcome of Durban is no exception. The agreement will help to lay the groundwork for how countries, large and small, deal with the opportunities and challenges of transitioning their economies toward low-emission and climate-resilient development. The way forward that Durban has established will no doubt have impacts for processes such as Rio+20 and other regional and global efforts to bring greater certainty and stability to the international scene.

While providing a political summary and analysis of the Durban Conference, this report also assesses the status of negotiations across the different themes under discussion and describes side events that UNDP hosted and participated in.

Overall Summary: An historic step forward

Despite relatively low expectations for the conference and overrunning by well over a day, in its final hours Durban produced an ambitious outcome. Governments faced extremely difficult questions on a new legal regime for climate change, as well as the future of the Kyoto Protocol and operational issues such as the Green Climate Fund. Durban produced a major step forward on all these issues.

There were four main parts to the package of negotiations in Durban:

1. ***The future of the Kyoto Protocol:*** a second commitment period to the Kyoto Protocol was agreed in Durban, including mitigation targets for those that sign on. This will not include the United States, Japan, Russia and Canada, who all entered the negotiations in Durban unwilling to sign onto a 2nd commitment period. However, the impending limit of the first commitment period of the Kyoto Protocol at the end of 2012 provided political pressure on other governments, particularly the EU, to come to a decision on the future

of the Kyoto Protocol—a decision that had not been resolved clearly in either of the two previous COPs in Copenhagen or Cancun. As a result of this decision, the EU, plus a number of other developed countries, will now move ahead with “KP2”.

2. ***A Roadmap to a single new legal instrument—the “Durban Platform”***: in the four years prior to Durban, governments engaged in negotiations on a long-term architecture for climate change beyond the second commitment period with a broader scope of countries. In Durban this was formalised in an agreement to put in place a new, single legal instrument to limit greenhouse emissions that will come into force in 2020. While delayed, this action is a highly significant move geopolitically. For the first time it will not differentiate between developed and developing countries in the need to undertake mitigation actions. All governments have now agreed to work toward a legal “protocol, legal instrument, or an agreed outcome with legal force” through a new round of negotiations over the next four years: the Ad-Hoc Working Group on the Durban Platform for Enhanced Action.
3. ***Implementation of the Cancun Agreements***: discussions on the various operational issues agreed in Cancun, such as the Technology Mechanism and Adaptation Framework, progressed well in Durban and agreement was reached on the technical elements of many (see details below).
4. ***The Green Climate Fund (GCF)***: following an intergovernmental design process in 2011, Durban launched the GCF as a new fund under the Convention. This Fund was launched using the design documents produced in 2011 without change and will be set up by its Board in 2012. This is highly significant and will reshape the international climate finance landscape.

A New Legal Regime

The Durban package together represents arguably the most significant collective outcome from the UNFCCC process for some time. Governments have struggled since COP13/CMP3 in Bali to address the question of how mitigation actions should be shared among countries, with developing countries strongly resisting legal obligations. Through a combination of the second commitment period of the Kyoto Protocol and the Durban Platform, a large part of this question has been resolved. From 2013, the Kyoto Protocol—for those that undertake obligations within it—will provide new emissions targets; alongside this the “pledge and review” process launched for all countries in Cancun in 2010 will give transparency on national actions. Then from 2020 a new, single legal instrument covering mitigation in all countries will come into force. This is a major step forward, and represents a major shift in position for larger developing countries, particularly the so-called “BASIC” group. For the US and many developed countries, a new legal architecture post-2020 may well be domestically supported now that it includes mitigation in major emerging economies. For SIDS and LDCs, mitigation targets for all countries a package that includes the operationalization of the GCF is a significant step forward.

In 2012, governments will launch these negotiations, as well as a number of technical details on the Durban package including the length of the Kyoto Protocol second commitment period, given the context of the new road toward a post-2020 package.

Green Climate Fund (GCF)

The GCF was agreed in Durban and in 2012 will be launched as a major new fund under the umbrella of the UNFCCC process. Agreement on the GCF is a highly significant development for the international climate and development finance architecture. Predicted to provide very large volumes of finance (tens of billions of dollars per year), the GCF would significantly increase the volume of multilateral finance flowing through under the UNFCCC umbrella.

In 2011 a Transitional Committee designed the GCF and the work of this group was adopted as the governing instrument of the GCF without any changes (for further information please see EEG/BDP summary of the fourth meeting of the Transitional Committee). Key elements of the GCF as agreed include:

- A new, independent, institution and secretariat with its own legal personality established in a host country to be selected by the GCF Board in 2012¹
- Two initial funding windows—mitigation and adaptation, as well as a private sector facility
- Access through direct access, including provision for enhanced direct access, as well as through multilateral entities, including UN agencies
- A programmatic approach to financing, focussed on sector-level activities rather than project level interventions
- A focus on readiness, including support for the development of climate strategies and national institutional arrangements to manage climate finance

The launch of the GCF will take place through several steps. In early 2012 governments will agree on the members of the Board (12 members for developed countries; 12 members for developing countries). This Board will oversee the start up of the GCF over a two year period. During this time the GCF will be supported by an interim secretariat. This was one of the major areas of negotiation in Durban, with significant disagreement between developed and developing countries over the makeup of the Board and which institution should host the interim secretariat for the next two years. The US strongly advocated for a role for the GEF secretariat; the G77 by contrast fiercely pushed for the UNFCCC Secretariat. The compromise solution is that, while the unit will be set up by the UNFCCC secretariat and GEF secretariat, it will be an autonomous group that will have its own director and will report directly to the GCF Board. Furthermore, it will be located at the UNFCCC's premises in Bonn. After two years the interim secretariat will be disbanded and a permanent, independent secretariat will be established in the host country of the GCF.

Significant Steps Forward on Technical Issues

On the technical issues, parties put in place the operational and governing elements of many of the mechanisms of the Cancun Agreements and other instruments. While this progress was in the shadows of the large political issues, parties were able to reach common ground on a number of key issues.

On **mitigation by developed countries**, parties agreed to continue the process of clarifying developed countries' mitigation targets by May 2012. They further elaborated the guidelines for

¹ The World Bank will provide limited interim trustee functions for the GCF as it does with many other climate funds, such as the GEF and Adaptation Fund.

biennial reporting, with the first reports requested by January 2014. International Assessment and Review (IAR) will occur two months after the submission of the first round of biennial reports.

On **mitigation by developing countries**, parties are encouraged to develop low-emission development strategies and submit information on nationally-appropriate mitigation actions. Guidelines were agreed for biennial update reports and parties are to submit their first biennial update report by December 2014. Parties also agreed to develop modalities for the registry that will facilitate the matching of NAMAs to financial, technical and capacity building support. Guidelines for International Consultation and Analysis (ICA) of biennial reports were also adopted.

On **adaptation**, parties established a 16-member Adaptation Committee that will be the overall advisory body on adaptation. It will promote the implementation of enhanced action on adaptation in a coherent manner. The Committee will provide technical support and guidance, strengthen information sharing, promote synergies, consider information communicated by parties on monitoring and review of adaptation actions.

Also, after lengthy negotiations, parties agreed to establish a global support programme for the National Adaptation Plan process that would facilitate the provision of financial and technical support to Least Developed Countries through the LDCF.

On **technology development and transfer**, the modalities and procedures for the Technology Executive Committee were established. Moreover, the Climate Technology Centre and Network (CTCN) was further elaborated by requesting the CTCN to develop Terms of Reference for its operation. A call for proposals to host the CTCN will be issued by 16 January 2012, with proposals to be submitted by March 2012.

Within the **REDD+** discussions, negotiators agreed on a number of methodological issues, including safeguards and reference levels. They also discussed financing of results-based REDD+ actions, a key policy issue left out from the Cancun Agreements. Significantly, a “Joint Declaration of Intent on REDD+ in the Congo Basin,” was agreed by 15 Central African and donor countries. UNDP and the UN-REDD programme played a critical role in the negotiation and adoption of this joint agreement.

On **capacity building**, there was a breakthrough as parties agreed that a Durban Forum would be established where parties could have in-depth discussions on their experiences and lessons learned. This forum would further enhance the monitoring and review of the effectiveness of capacity building.

On **finance**, the role of the Standing Committee was further clarified. It will assist the parties by improving coherence and coordination of the delivery of climate change finance. For long-term finance, a work programme was established that will contribute to the on-going work to scale up the mobilization of climate finance after 2012. The work programme will, among other functions, analyze options for the mobilization of resources from a variety of sources and draw upon the High-Level Advisory Group on Climate Financing.

The Future of the UNFCCC Negotiations

It was announced that COP 18/CMP 8 would be held from 26 November – 7 December in Qatar. With the Chair of G77 rotating to Algeria in 2012, the road to Qatar will be driven strongly by the Arab group of countries.

Negotiations will focus on continuing the implementation of the mechanisms from Cancun, but will also now need to resolve remaining details regarding the Kyoto Protocol second commitment period and begin the long road toward agreeing on the new post-2020 legal instrument by a deadline of 2015.