



The UN Climate Change Negotiations

COP17 Durban – Sunday, 11th December 2011

The Deal

At 6.22am this morning, the gavel came down for the final time bringing the UN Climate Summit (COP17 / CMP7) to a close. The COP launched a new process, called the Durban Platform for Enhanced Action, “*to develop a protocol, another legal instrument or an agreed outcome with legal force under the United Nations Framework Convention on Climate Change applicable to all Parties*”. The EU got its ‘roadmap’.

The other key decision texts, on the Kyoto Protocol and the Green Climate Fund, do not seem (to me) to have changed fundamentally over the final two or three days of the conference. It was the struggle with the wording of the ‘roadmap’ which brought the summit close to collapse on Friday and Saturday. Crucially, the Durban Platform refers to ‘all Parties’ rather than making the distinction between developed and developing countries. This is perhaps the biggest shift from the decisions taken in Bali in 2007 and in Rio in 1992.

There are 19 COP decision texts and 17 Kyoto Protocol (CMP) decision texts. PwC will distribute more detailed analysis of Durban later in the week. In the meantime, to help filter some of the commentary and analysis in the media, here are some quotes from the three key documents:

1) The Durban Platform for Enhanced Action

“Recognizing that fulfilling the ultimate objective of the Convention will require strengthening the multilateral, rules-based regime under the Convention ... decides to launch a process to develop a protocol, another legal instrument or an agreed outcome with legal force under the United Nations Framework Convention on Climate Change applicable to all Parties”

The Ad hoc Working Group on the Durban Platform “*shall start its work as a matter of urgency in the first half of 2012 and shall ... complete its work as early as possible but no later than 2015 in order to adopt this protocol, legal instrument or legal outcome at the twenty-first session of the Conference of the Parties and for it to come into effect and be implemented from 2020*”

The COP “*decides to launch a workplan on enhancing mitigation ambition to identify and to explore options for a range of actions that can close the ambition gap with a view to ensuring the highest possible mitigation efforts by all Parties*”.

This can be contrasted with text in the 1992 Convention on Climate Change. Article 4: “*All Parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, shall: ... (b) Formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate climate change*”

2) Agreement of a 2nd commitment period under the Kyoto Protocol

The CMP “*decides that the second commitment period under the Kyoto Protocol shall begin on 1 January 2013 and end either on 31 December 2017 or 31 December 2020*”



The CMP takes note of the targets agreed in the Annex of the decision. But these targets are still not clearly defined as QELROs and are conditional on actions by others. The targets will be more precisely defined at the summit in Qatar next year. Annex I lists the targets for the second commitment period. The only significant reduction targets (compared to 1990 levels and to be achieved by 2020) are:

- European Union: 20-30%
- Norway: 30-40%
- Switzerland: 20-30%
- Ukraine: 20%

Europe, Australia and New Zealand

The notes to the Annex provide some further details:

a) Australia is prepared to consider submitting information on its QELRO pursuant to decision 1/CMP.7, paragraph 5, following the necessary domestic processes and taking into account decision 1/CP.17 and decisions on mitigation

h) As part of a global and comprehensive agreement for the period beyond 2012, the European Union reiterates its conditional offer to move to a 30% reduction by 2020 compared to 1990 levels, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities.

l) New Zealand is prepared to consider submitting information on its QELRO, pursuant to decision 1/CMP.7, paragraph 5, following the necessary domestic processes and taking into account decision 1/CP.17, decisions on mitigation (-/CP.17)

Canada , Japan and Russia

But the only unambiguous statements in the notes to Annex I refer to those NOT signing up to KP2:

p) On 8 June 2011, Canada indicated that it does not intend to participate in a second commitment period of the Kyoto Protocol.

q) In a communication dated 10 December 2010, Japan indicated that it does not have any intention to be under obligation of the second commitment period of the Kyoto Protocol after 2012.

r) In a communication dated 8 December 2010 that was received by the secretariat on 9 December 2010, the Russian Federation has indicated that it does not intend to assume a quantitative emission limitation or reduction commitment for the second commitment period.

The issue of carry-over of emissions credits from the first commitment period is also unresolved. The CMP “requests the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol to assess the implications of the carry-over of assigned amount units to the second commitment period”



3) The Green Climate Fund

The COP “*approves the governing instrument for the Green Climate Fund annexed to this decision*” and “*decides to designate the Green Climate Fund as an operating entity of the Financial Mechanism of the Convention*”.

The COP also “*requests the Board to operationalize the Fund in an expedited manner; further requests the Board to balance the allocation of the Green Climate Fund resources between adaptation and mitigation activities*;

invites Parties to make financial contributions for the start-up of the Green Climate Fund, including administrative costs of the Board and its interim secretariat; [and] welcomes the generous offer of the Republic of Korea to contribute to the start-up cost of the Green Climate Fund.”

There were many other significant decisions agreed in Durban such as agreeing the rules for carbon capture & storage projects in the CDM. There was also progress on the Cancun Agreements including on REDD+, adaptation, technology transfer and capacity building.

The reaction

The deal has been hailed as historic. Some have been quoted as saying that the commitment to emission cuts sends a clear signal to business to start investing in green technologies like wind turbines.

Our initial reaction to the outcome (i.e. from Richard, Celine and me) is:

- What we've got is a clear signal that there may be another clear signal in 2015. Durban was more of a victory for the UN process, than for the global climate. Look at the targets and follow the money. There is no more ambition here than what we saw in Cancun or even Copenhagen. Overall, business will shrug its shoulders over Durban and wait for direction from national capitals.
- While we now have a road map and an ambitious timetable, the precise destination remains unclear. Even the length of the second commitment period under the Kyoto Protocol was parked.
- There is still a 40% gap between the 2 degrees climate goal and emissions targets through to 2020. Reaching 2 degrees will require a revolution in how we produce and use energy.
- Durban will be remembered as the birthplace of the Green Climate Fund, it's a critical outcome, particularly for developing countries. It provides a structure for funding to become more ambitious, coherent, effective, transparent and accountable, all of which will be critical during a period of increasing aid austerity.
- There are no surprises about which countries signed up to targets under a second Kyoto period, or what those targets are. So we don't expect much movement in the carbon market as a result of Durban. For the carbon markets, what happened in Brussels last week, is more important than what happened in Durban.
- We now have agriculture back in the text, but not quite the agreed climate and agriculture work program on adaptation and on mitigation that many, including President Zuma, were hoping for. Rather, we have a process to make recommendations on a process.



One last point

Can I refer you to the conclusion of my halfway report sent last Monday

A plausible outcome at this point seems to be:

- 1) agreement on the institution and governance of the Green Climate Fund (though it has no money);
- 2) the EU and some other developed countries confirm their targets for a second commitment period (though this is heavily caveated on actions by others, there is uncertainty around the legal form of these commitments, and the targets will be no more ambitious than those already declared [i.e. 20% by 2020 in the EU]);
- 3) some major emerging economies, make noises about working towards adopting targets in the future (supporting the so-called 'roadmap'); and
- 4) the US reiterates its commitment to the process and the target it pledged in Cancun.

We will send out further analysis later in the week.

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