

**Backgrounder on Bali agreements, 15 December 2007**

**Three main decisions have been taken by the UN Framework Convention on Climate Change's 13<sup>th</sup> meeting in Bali, December 2007:**

- The decision on future cooperation under the UN Framework Convention on Climate Change (UNFCCC) – known as the Bali Roadmap (the “Dialogue”)
- the conclusions of the Kyoto's second commitment period negotiating body (the Kyoto 2 track – also known as the Ad-Hoc Working Group - AWG), and
- the one year review of the implementation of the Kyoto Protocol (Article 9)

**Together, they form the basis of the Bali Mandate decided in Bali, Indonesia.**

Negotiations under these two tracks (the UNFCCC for developing countries and the United States and the Kyoto Protocol for developed countries, respectively) are guided by the view to avoid dangerous climate change and will conclude with agreement in Copenhagen in 2009, while the review will assist in further improving elements of the Kyoto Protocol for its second phase.

**Under the UNFCCC**, countries have agreed to launch a process to consider greenhouse gas reduction activities (or mitigation activities) by developing countries as well as address issues related to adaptation, technology transfer, and financing.

This track also includes space for the United States to reengage in the international process by taking on comparable level of commitments to other industrialized countries.

**Under the Kyoto negotiations**, industrialised countries have agreed on their work programme for 2008 and to sketch out the plan for 2009. These negotiations will lead to further binding emission reductions targets. *In Bali, governments agreed that emission reductions of 25-40% will be necessary by 2020 (compared to 1990 levels).*

**In addition to the Bali Mandate**, countries agreed on a number of specific issues, including:

- **Deforestation:** This decision has started a two-year negotiation to address the technical and policy issues associated with reducing emissions from deforestation. It provides support for capacity building, monitoring, reporting and institutional needs of developing countries. These countries now have an opportunity to participate in demonstration activities to reduce emissions with guidance on how these activities should be implemented. It also recognises the needs of local and indigenous communities.
- **Technology:** Countries agreed on a programme to scale up the level of investment for technology transfer to help developing countries in the short-term as well as set up a process to identify new financing mechanisms over the longer-term. The results of the latter process will likely feed into the technology component of a post-2012 deal. Developing

countries need technology support and transfer to assist them in choosing a clean energy pathway. Greenpeace welcomes these developments and urges industrialized countries to significantly scale up the commitments they have made to technological support here in Bali. Countries also renewed the terms of reference of the Expert Group on Technology Transfer for the next five years. This Group's work programme will address technology needs assessments, technology information, enabling environments, capacity building and mechanism for technology transfer.

- **The Science:** Countries welcomed the fourth assessment report (AR4) of the Intergovernmental Panel on Climate Change, and recognized that it 'represents the most comprehensive and authoritative assessment of climate change to date' and that it should be used to inform discussions under the Convention and Kyoto. However, even this weak language around the 'most comprehensive and authoritative' source of the science from the Nobel –prize winning body does not seem to be followed by countries. It is merely a footnote in the overall "Dialogue" decision and only forms part of the information considered in the review of the Protocol. The AR4 is the best scientific information on climate change and should form the bases of all subsequent negotiations.
- **Adaptation Fund:** Countries agreed on the operationalization and modalities of the Adaptation Fund. This Fund is financed by a levy on the Clean Development Mechanism. The Adaptation Fund will make an important contribution to adaptation financing. However much more is needed and adequate support of developing countries will be key to the post-2012 deal.
- **Clean Development Mechanism:** Countries agreed to double the limit of what is considered small-scale afforestation and reforestation projects and continued their deliberations of whether to include carbon capture and storage in this mechanism. Greenpeace does not support carbon capture and storage in the CDM as there are many risks with the use of this technology. The increased limit for A/R project is an incentive for commercial plantations to take advantage of simplified methodologies for profit rather than support low-income communities engaging in this mechanism as was originally intended.

Countries also addressed other issues, including, those related to their national communications, the financial mechanism of the Convention, capacity building, education and public awareness.