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Twelfth session

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Agenda item 12 (a)

Conclusion of the session

Adoption of the report of the Conference on its twelfth session

Draft report of the Conference of the Parties on its twelfth session

Rapporteur: Mr. William Kojo Agyemang-Bonsu (Ghana)

Part One: Proceedings

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
I. OPENING OF THE SESSION..... (Agenda items 1 and 2 (a))		
A. Statement by the President of the Conference of the Parties at its eleventh session		
B. Election of the President of the Conference of the Parties at its twelfth session		
C. Statement by the President		
D. Addresses of welcome.....		
E. Statement by the Executive Secretary		
F. Other Statements		
II. ORGANIZATIONAL MATTERS..... (Agenda item 2)		
A. Adoption of the rules of procedure		
B. Adoption of the agenda		
C. Election of officers other than the President.....		
D. Admission of organizations as observers		
E. Organization of work, including the sessions of the subsidiary bodies.....		

- F. Date and venue of the thirteenth session of the Conference of the Parties and the calendar of meetings of Convention bodies
 - G. Adoption of the report on credentials.....
- III. REPORTS OF THE SUBSIDIARY BODIES AND DECISIONS AND CONCLUSIONS ARISING THEREFROM
(Agenda item 3)
 - A. Report of the Subsidiary Body for Scientific and Technological Advice
 - B. Report of the Subsidiary Body for Implementation
- IV. REPORT OF THE CO-FACILITATORS OF THE DIALOGUE ON LONG-TERM COOPERATIVE ACTION TO ADDRESS CLIMATE CHANGE BY ENHANCING IMPLEMENTATION OF THE CONVENTION
(Agenda item 4)
- V. REVIEW OF IMPLEMENTATION OF COMMITMENTS AND OF OTHER PROVISIONS OF THE CONVENTION.....
(Agenda item 5)
 - A. Financial mechanism of the Convention
 - B. National communications.....
 - C. Development and transfer of technologies.....
 - D. Capacity-building under the Convention
 - E. Implementation of Article 4, paragraphs 8 and 9 of the Convention
 - F. [to be completed]
 - G. Other matters referred to the Conference of the Parties by the subsidiary bodies
- VI. [TO BE COMPLETED].....
(Agenda item 6)
- VII. INFORMATION ABOUT THE BASE YEAR
OF KAZAKHSTAN
(Agenda item 7)
- VIII. ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS
(Agenda item 8)
 - A. Audited financial statements for the biennium 2004–2005 ...
 - B. Budget performance in the biennium 2006–2007
 - C. Continuing review of the functions and operations of the secretariat
- IX. HIGH-LEVEL SEGMENT
(Agenda item 9)

- X. STATEMENTS BY OBSERVER ORGANIZATIONS
(Agenda item 10)
- XI. OTHER MATTERS
(Agenda item 11)
- XII. CONCLUSION OF THE SESSION
(Agenda item 12)

Annexes

[to be completed]

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
AT ITS TWELFTH SESSION

[to be completed]

I. Opening of the session

(Agenda items 1 and 2 (a))

1. The twelfth session of the Conference of the Parties (COP), convened pursuant to Article 7, paragraph 4, of the Convention,¹ was opened at the premises of the United Nations Office at Nairobi (UNON), Kenya, on 6 November 2006, by Mr. Enele Sopoaga (Tuvalu), Vice-President of the COP at its eleventh session, on behalf of the President of the COP at its eleventh session, Ms. Rona Ambrose, Minister of the Environment of Canada.

A. Statement by the President of the Conference of the Parties at its eleventh session²

2. The President of the COP at its eleventh session thanked the Government of Kenya for hosting the conference in Nairobi and congratulated the incoming President on his election. The role of President of the COP presented important challenges as well as exciting opportunities to engage in discussions with leaders from around the world on their efforts to address global climate change and their ideas on how to move the process forward.

3. Looking back to the progress made since the last conference in Montreal, Ms. Ambrose pointed out that the twenty-fourth sessions of the subsidiary bodies had provided an opportunity for first discussions on the future of international climate change cooperation. Two new processes had been launched during those sessions that were integral to the deliberations at the present conference. Referring to informal consultations undertaken in relation to the proposal of the Russian Federation to develop appropriate procedures for the approval of voluntary commitments, she noted that it was encouraging that a number of Parties recognized the importance of discussions on this proposal.

4. Ms. Ambrose said that climate change was truly a global issue and genuine progress depended on all major greenhouse gas emitting countries playing a role in finding a solution. All nations needed to work together to identify common challenges and share ideas. The individual circumstances of each Party were unique and finding shared solutions could therefore be complex. However, it was imperative to move forward and engage one another in new ways. To this end, Parties would have to ask themselves what had worked to address climate change and what had not, and what could be done to broaden the efforts by Parties and work together more effectively. The most important issue was to find a truly effective global solution to the threat of climate change.

B. Election of the President of the Conference of the Parties at its twelfth session

(Agenda item 2 (a))

5. At its 1st meeting,³ on 6 November, on the proposal of the presiding officer, the COP elected by acclamation Mr. Kivutha Kibwana, Minister for the Environment and Natural Resources of Kenya, as its President. The presiding officer congratulated Mr. Kibwana on his election and wished him every success in guiding the work of the COP at its twelfth session.

¹ The COP was held in conjunction with the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP). The proceedings of the COP/MOP are contained in a separate report. Joint elements such as the addresses of welcome and the proceedings of the joint meetings of the COP and the COP/MOP convened during the high-level segment of the sessions are reproduced in both reports.

² The President of the COP at its eleventh session was not able to attend the opening of the session. Her statement was delivered to the delegates in a pre-recorded video message.

³ Meetings of the COP referred to in this report are plenary meetings.

C. Statement by the President

6. On assuming office, the President welcomed all participants to the twelfth session of the COP and thanked his predecessor for the work undertaken under her leadership. Referring to the recently published Stern Review on the economics of climate change,⁴ the President said that tackling climate change was not only a fundamental environmental and developmental challenge but also an economic necessity. Climate change was rapidly emerging as one of the most serious threats to humanity which could cause large-scale disruption to economic and social activities, threaten the development goals of billions of the world's poorest people and jeopardize recent gains in poverty reduction, particularly on the African continent.

7. Turning to major issues and possible outcomes of the conference at its twelfth session, the President outlined five broad themes. First, in the area of adaptation to climate change, the President noted that it was essential to move from assessment and planning to implementation and practical action, including the immediate provision of adequate, predictable and sustainable funding, and an agreement on concrete steps for the five-year programme of work on adaptation. The second theme aimed to ensure the continuing success of the clean development mechanism (CDM) and to facilitate equitable participation of all Parties, particularly African countries, which needed improved technical and institutional capacity. Third, the development and transfer of technologies to tackle climate change needed a new impetus in order for Parties to initiate concrete action and mobilize additional resources. A fourth theme was the critical need to build upon the momentum gained at previous sessions and the two-track process launched in Montreal, which had set the stage for a more effective and inclusive multilateral response to climate change. Fifth, the President invited delegates to "expand the creative space" by exploring options for a future climate change regime that would enable Parties to stabilize atmospheric concentrations of greenhouse gases while allowing economic development to proceed in a sustainable way.

8. In closing, the President reiterated his appreciation of the renewed spirit of solidarity he had observed while preparing for the conference and reminded delegates that its success depended on political leadership and sincere dedication to the ultimate objective of the Convention.

D. Addresses of welcome

9. On the occasion of the opening of the twelfth session of the COP and the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), the Vice-President of Kenya, Mr. Arthur Moody Awori, and the Under-Secretary-General of the United Nations, Director General of UNON, and Executive Director of the United Nations Human Settlements Programme (United Nations HABITAT), Ms. Anna Tibaijuka, delivered addresses of welcome.

10. Welcoming all delegates to Kenya and the city of Nairobi, the Vice-President said that hosting the conference represented a major accomplishment for Kenya. He expressed his gratitude to the countries who had provided generous support to the Government of Kenya, making the conference possible, and to UNON and the United Nations Environment Programme (UNEP) for their assistance in organizing the event.

11. The Vice-President said that climate change threatened to put at risk the livelihoods of the world's poorest communities. Sub-Saharan countries were the most vulnerable because of the predominantly agrarian structure of their economies. With over 25 per cent of the gross domestic product of those countries being derived from agriculture and over 70 per cent of the population living in rural areas, climate change would have a vast impact on their economies. Reducing the vulnerability of

⁴ See <<http://www.sternreview.org.uk>>.

those most affected by climate change would require substantial external financial support to be provided through various channels, including bilateral and multilateral mechanisms. While financial resources and technology transfer were key to finding solutions, the Vice-President noted that success in confronting climate change depended largely on Parties' ability to forge an effective global strategy that was environmentally sound and fair.

12. The Vice-President mentioned that the Convention and its Kyoto Protocol represented important steps in that direction. Based on the principle of common but differentiated responsibilities, it was necessary to engage major emitters of greenhouse gases in a common long-term effort and develop an equitable and environmentally effective post-2012 response to the challenges posed by climate change.

13. Speaking in her role as Director General of UNON, Ms. Tibaijuka said that UNON was honoured to host the first climate change conference to take place in sub-Saharan Africa, which she described as an historic event. Given that the biggest environmental challenges were to be found in developing countries, Kenya and UNON were particularly suited to host the conference. Referring to UNON as the home of two important programmes dealing with the natural environment and the human environment, UNEP and UN HABITAT, respectively, Ms. Tibaijuka highlighted the links between the work of those organizations and that of the Parties to the Convention and its Kyoto Protocol. Since climate change had a direct impact not only on the environment but also on the lives of people, the work of the delegates was highly relevant to that of UNEP and UN HABITAT.

E. Statement by the Executive Secretary

14. Congratulating Mr. Kibwana on his election as President, the Executive Secretary extended his gratitude to the Government of Kenya for its special efforts in hosting the conference. He also thanked UNON and UNEP for their logistical support and expressed his gratitude to Ms. Ambrose for her able presidency of the COP at its eleventh session.

15. The Executive Secretary said in his statement that the international climate change process was about building the future. The urgency of addressing the challenge of climate change was such that the foundations and the walls had to be built at the same time. The foundations included crucial blocks such as capacity-building, technology transfer to developing countries and adaptation to climate change impacts. These were critical for developing countries to participate in the process. The walls were being constructed in the discussions on the future under the dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention (the Dialogue) and the Ad Hoc Working Group on further commitments for Annex I Parties under the Kyoto Protocol (AWG). Important initiatives were also emerging outside of the UNFCCC process, including the World Bank's new framework for generating investment into clean energy and green development, and the Stern Review on the economics of climate change.

16. The Executive Secretary pointed out that much had been achieved in the course of the past year: The first session of the Dialogue and the first session of the AWG; two regional workshops on adaptation for the Latin America and the Caribbean and the Africa regions; an explosion of activities under the CDM; the launch of the Track 2 procedure under the joint implementation mechanism; the launch of the international transaction log; the start of the work of the Compliance Committee; and advances in the area of technology transfer, including the publication of the *UNFCCC Guidebook on preparing technology transfer projects for financing*. Recalling the five main themes outlined by the President in his opening statement, the Executive Secretary said that they represented a very challenging set of objectives but one that was crucial for the success in building the future that all aspired to. In closing, he referred to Kenya's national motto, *Harambee*, or "pull together", and called upon all delegates to move the process forward and make the meeting the success that the world expected.

F. Other Statements

17. At the 1st meeting, on 6 November, general statements were made by the representatives of South Africa (on behalf of the Group of 77 and China), Niue, Finland (on behalf of the European Community and its member States),⁵ Nigeria (on behalf of the African Group), Bangladesh (on behalf of the least developed countries), Australia (on behalf of the Umbrella Group), Saudi Arabia, and Tuvalu (on behalf of the Alliance of Small Island States).

II. Organizational matters

(Agenda item 2)

A. Adoption of the rules of procedure

(Agenda item 2 (b))

18. At the 1st meeting, on 6 November, the President informed the COP that the President of the COP at its eleventh session had undertaken consultations with Parties on the draft rules of procedure but that no consensus had been reached.

19. On the proposal of the President, the COP decided that, in the meantime, as at previous sessions, the draft rules of procedure as contained in document FCCC/CP/1996/2 should continue to be applied, with the exception of draft rule 42. The President announced that he would report back to the COP in the event of any new developments in this matter.

B. Adoption of the agenda

(Agenda item 2 (c))

20. For its consideration of this sub-item at its 1st meeting, on 6 November, the COP had before it a note by the Executive Secretary containing the supplementary provisional agenda and annotations (FCCC/CP/2006/1 and Add.1). The provisional agenda had been prepared in agreement with the President of the COP at its eleventh session, taking into account views expressed by Parties during the twenty-fourth session of the Subsidiary Body for Implementation (SBI) and by members of the Bureau of the COP.

21. Following the issuance of the provisional agenda (FCCC/CP/2006/1), the secretariat had received a request from the Government of Tuvalu, on behalf of the Alliance of Small Island States, to include an additional item. In accordance with rule 12 of the draft rules of procedure being applied, and in agreement with the President of the COP at its eleventh session, this item was included in the supplementary provisional agenda (FCCC/CP/2006/1/Add.1) as item 5 (f).

22. The President recalled that item 6 of the provisional agenda, "Second review of the adequacy of Article 4, paragraph 2 (a) and (b), of the Convention", which had been held in abeyance at the eleventh session, was included in the provisional agenda in accordance with rules 10 (c) and 16 of the draft rules of procedure being applied. The President of the COP at its eleventh session had consulted with Parties on this item but no consensus had been reached on how to include it in the agenda. He therefore proposed that the supplementary provisional agenda be adopted as contained in document FCCC/CP/2006/1/Add.1, with the exception of item 6, which would be held in abeyance. He said that he would consider how to deal with this item and report back at a future meeting.

⁵ The following countries aligned themselves with that statement and all subsequent statements made by Finland on behalf of the European Community and its member States: Bulgaria, Romania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, and Serbia.

23. On item 5 (f) of the supplementary provisional agenda, “Actions to address the specific needs and concerns of small island developing States pursuant to Article 4, paragraphs 4 and 8 (a), and other relevant articles of the Convention”, statements were made by the representatives of the United States of America, Tuvalu (on behalf of the Alliance of Small Island States), and Jamaica. Noting that there was no consensus on the inclusion of this item in the agenda, the President proposed that it be held in abeyance. He would undertake informal consultations on that item and report back to the conference at a later meeting.

24. Following the proposal of the President, the COP adopted the agenda as follows:

1. Opening of the session.
2. Organizational matters:
 - (a) Election of the President of the Conference at its twelfth session;
 - (b) Adoption of the rules of procedure;
 - (c) Adoption of the agenda;
 - (d) Election of officers other than the President;
 - (e) Admission of organizations as observers;
 - (f) Organization of work, including the sessions of the subsidiary bodies;
 - (g) Date and venue of the thirteenth session of the Conference of the Parties and the calendar of meetings of Convention bodies;
 - (h) Adoption of the report on credentials.
3. Reports of the subsidiary bodies and decisions and conclusions arising therefrom:
 - (a) Report of the Subsidiary Body for Scientific and Technological Advice;
 - (b) Report of the Subsidiary Body for Implementation.
4. Report of the co-facilitators of the dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention.
5. Review of implementation of commitments and of other provisions of the Convention:
 - (a) Financial mechanism of the Convention;
 - (b) National communications:
 - (i) National communications from Parties included in Annex I to the Convention;
 - (ii) National communications from Parties not included in Annex I to the Convention;
 - (c) Development and transfer of technologies;
 - (d) Capacity-building under the Convention;
 - (e) Implementation of Article 4, paragraphs 8 and 9, of the Convention:
 - (i) Implementation of the Buenos Aires programme of work on adaptation and response measures (decision 1/CP.10);
 - (ii) Matters relating to the least developed countries;
 - (f) *Agenda item held in abeyance;*
 - (g) Other matters referred to the Conference of the Parties by the subsidiary bodies.
6. *Agenda item held in abeyance.*

7. Information about the base year of Kazakhstan.
8. Administrative, financial and institutional matters:
 - (a) Audited financial statements for the biennium 2004–2005;
 - (b) Budget performance in the biennium 2006–2007;
 - (c) Continuing review of the functions and operations of the secretariat.
9. High-level segment.
10. Statements by observer organizations.
11. Other matters.
12. Conclusion of the session:
 - (a) Adoption of the report of the Conference on its eleventh session;
 - (b) Closure of the session.

[to be completed]

C. Election of officers other than the President

(Agenda item 2 (d))

25. At the 1st meeting, on 6 November, the President informed the COP that Mr. Mark Berman (Canada) had undertaken consultations on this matter during the twenty-fourth sessions of the subsidiary bodies held in May 2006. However, nominations had not yet been received from all regional groups. On a proposal of the President, the COP decided to postpone the election of the Bureau until all nominations were finalized. Mr. Berman was invited to continue consultations during the session.

[to be completed]

D. Admission of organizations as observers

(Agenda item 2 (e))

26. At its 1st meeting, on 6 November, the COP considered a note by the secretariat on the admission of organizations as observers (FCCC/CP/2006/2), listing one intergovernmental organization and 29 non-governmental organizations that had asked to be admitted as observers. Pursuant to Article 7, paragraph 6, of the Convention, and following a recommendation by the Bureau of the COP, which had reviewed the list of applicant organizations, the COP decided to admit those organizations as observers.

27. Emphasizing the importance of the involvement of intergovernmental and non-governmental organizations in the Convention process, the President welcomed the organizations newly admitted to the COP at its twelfth session and invited them to play an active role.

E. Organization of work, including the sessions of the subsidiary bodies

(Agenda item 2 (f))

28. In introducing this sub-item at the 1st meeting, on 6 November, the President drew the attention of the COP to the annotations to the provisional agenda contained in documents FCCC/CP/2006/1 and Add.1. He noted that the subsidiary bodies would be convened with the aim of developing, before their sessions ended on 14 November, draft decisions and conclusions for submission to the COP.

29. On a proposal by the President, the COP decided to refer items to the subsidiary bodies for consideration and the submission of appropriate draft decisions or conclusions, as follows:

Subsidiary Body for Implementation

- Item 5 (a) Financial mechanism of the Convention
- Item 5 (b)(i) National communications from Parties included in Annex I to the Convention
- Item 5 (b)(ii) National communications from Parties not included in Annex I to the Convention
- Item 5 (d) Capacity-building under the Convention
- Item 5 (e)(i) Implementation of the Buenos Aires programme of work on adaptation and response measures (decision 1/CP.10)
- Item 5 (e)(ii) Matters relating to the least developed countries
- Item 8 (a) Audited financial statements for the biennium 2004–2005
- Item 8 (b) Budget performance in the biennium 2006–2007
- Item 8 (c) Continuing review of the functions and operations of the secretariat

Subsidiary Body for Scientific and Technological Advice

- Item 5 (c) Development and transfer of technologies
- Item 5 (e)(i) Implementation of the Buenos Aires programme of work on adaptation and response measures (decision 1/CP.10).

30. Delegates were reminded that the SBI and the SBSTA would consider different aspects of item 5 (e)(i). The SBSTA, pursuant to paragraph 23 of decision 1/CP.10, addressed issues relating to the five-year programme of work of the SBSTA on the scientific, technical and socio-economic aspects of impacts, vulnerability and adaptation to climate change. The SBI could decide to address issues relating to expert meetings and workshops.

31. With regard to agenda item 2 (g), “Date and venue of the thirteenth session of the Conference of the Parties and the calendar of meetings of Convention bodies”, the President noted that expressions of interest had been received from some Parties to host the COP at its thirteenth session and the COP/MOP at its third session, scheduled to take place from 3 to 14 December 2007. He proposed to undertake consultations on this sub-item and report back at a future meeting.

32. Drawing attention to agenda item 4, “Report of the co-facilitators of the dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention”, the President informed Parties that a workshop under the Dialogue would be held from 15 to 16 November, in parallel with the high-level segment. He highlighted the importance of that workshop as an opportunity to move forward international cooperation in response to climate change and announced that Parties would hear an oral report on the event from the co-facilitators of the Dialogue at the plenary meeting on 17 November.

33. With regard to agenda item 9, “High-level segment”, the President recalled that the SBI at its twenty-fourth session had endorsed the dates of 15 to 17 November for the high-level segment. The high-level segment would be convened on the understanding that there would be one speakers’ list and each Party, including Parties to the Convention that are also Parties to the Kyoto Protocol, would speak only once. No decisions would be taken in the joint meetings. The President, with the endorsement of the Bureau of the COP, proposed a time limit of three minutes for the statements at the high-level segment.

34. The COP agreed to proceed on the basis of the proposals made by the President.

F. Date and venue of the thirteenth session of the Conference of the Parties and the calendar of meetings of Convention bodies

(Agenda item 2 (g))

[to be completed]

G. Adoption of the report on credentials

(Agenda item 2 (h))

[to be completed]

III. Reports of the subsidiary bodies and decisions and conclusions arising therefrom

(Agenda item 3)

[to be completed]

IV. Report of the co-facilitators of the dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention

(Agenda item 4)

[to be completed]

V. Review of implementation of commitments and of other provisions of the Convention

(Agenda item 5)

[to be completed]

VI. [To be completed]

VII. Information about the base year of Kazakhstan

(Agenda item 7)

35. At the 1st meeting, on 6 November, the President recalled that this item had been proposed by Kazakhstan in order to provide information about its base year. Kazakhstan had submitted relevant information to the secretariat, which had been made available on the UNFCCC website.

36. Upon the invitation of the President, a representative of Kazakhstan made a statement under this item, followed by statements from representatives of five Parties, including one speaking on behalf of the European Community and its member States.

37. On a proposal by the President, the COP/MOP agreed that the President, with the assistance of Mr. Normand Tremblay (Canada), would undertake informal consultations on this matter.

[to be completed]

VIII. Administrative, financial and institutional matters

(Agenda item 8)

[to be completed]

IX. High-level segment

(Agenda item 9)

[to be completed]

X. Statements by observer organizations

(Agenda item 10)

[to be completed]

XI. Other matters

(Agenda item 11)

[to be completed]

XII. Conclusion of the session

(Agenda item 12)

[to be completed]

Annexes

[to be completed]

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
AT ITS TWELFTH SESSION

[to be completed]
