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PRESS RELEASE

UN Breakthrough on climate change reached in Bali

[corrects information on p. 3 Adaptation Fund]

(Bali, 15 December 2007) – 187 countries meeting in Bali on Saturday agreed to launch negotiations towards a crucial and strengthened international climate change deal.

The decision includes a clear agenda for the key issues to be negotiated up to 2009. These are: action for adapting to the negative consequences of climate change, such as droughts and floods; ways to reduce greenhouse gas emissions; ways to widely deploy climate-friendly technologies and financing both adaptation and mitigation measures.

Concluding negotiations in 2009 will ensure that the new deal can enter into force by 2013, following the expiry of the first phase of the Kyoto Protocol.

Indonesian Environment Minister and President of the conference, Rachmat Witoelar said: "We now have a Bali roadmap, we have an agenda and we have a deadline." "But we also have a huge task ahead of us and time to reach agreement is extremely short, so we need to move quickly," he added.

Earlier this year, the UN's Intergovernmental Panel on Climate Change (IPCC) issued a finding that if left unchecked, the world's average temperature could rise by as much as 6 degrees centigrade by the end of the century, causing serious harm to economies, societies and ecosystems worldwide.

"This is a real breakthrough, a real opportunity for the international community to successfully fight climate change," said Yvo de Boer, Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC). "Parties have recognised the urgency of action on climate change and have now provided the political response to what scientists have been telling us is needed," he added.

While a new global deal is envisioned for 2013, countries also agreed on a number of steps that need to be taken immediately to further implement the existing commitments of Parties to the UNFCCC. These issues are particularly important for developing countries (see fact sheet).

The conference was attended by around eleven thousand participants, among them the Secretary-General of the United Nations and six heads of state.



Four major UNFCCC meetings to implement the Bali roadmap are foreseen for next year, the first to be held in March or April.

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About the UNFCCC

With 192 Parties, the United Nations Framework Convention on Climate Change (UNFCCC) has near universal membership and is the parent treaty of the 1997 Kyoto Protocol. The Kyoto Protocol has 176 member Parties to date. Under the Protocol, 36 States, consisting of highly industrialised countries and countries undergoing the process of transition to a market economy, have legally binding emission limitation and reduction commitments. The ultimate objective of both treaties is to stabilise greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system.

About the CDM

Under the CDM, projects that reduce greenhouse gas emissions in developing countries and contribute to sustainable development can earn certified emission reduction (CER) credits. Countries with a commitment under the Kyoto Protocol buy CERs to cover a portion of their emission reduction commitments under the Treaty. There are currently more than 860 registered CDM projects in 49 countries, and about another 2000 projects in the project registration pipeline. The CDM is expected to generate more than 2.6 billion CERs by the time the first commitment period of the Kyoto Protocol ends in 2012, each equivalent to one tonne of carbon dioxide.



Fact sheet: Individual decisions taken at Bali to further implement the existing commitments of Parties to the UNFCCC

Adaptation

Governments agreed in Bali that a special Adaptation Fund Board representing developing and developed countries would supervise and manage the Adaptation Fund. The Adaptation Fund Board will ensure that the Adaptation Fund will become operational to provide funding for adaptation projects in developing countries. The fund is filled by means of a 2% levy on projects from the Kyoto Protocol's clean development mechanism (CDM) and other sources. Currently the fund is worth about 37 million euros. Considering the amount of CDM projects in the pipeline, this figure will rapidly increase to an estimated 80- 300 million USD in the period 2008-2012. The governments could not agree on additional practical adaptation measures, such as how to integrate adaptation into national policies. This issue will be on the agenda of the next meeting of the so called Subsidiary Body for Implementation in Bonn in June of 2008.

Technology

The Bali Conference also made important progress on the issue of technology, one of the key concerns of developing countries. Governments agreed to kick start strategic programme to scale up the level of investment for the transfer of both the mitigation and adaptation technologies that developing countries need. The aim of that programme is to give an extra push to concrete demonstration projects, to create more attractive environments for investment, as well as to provide incentives to the private sector for technology transfer. The GEF will start setting up this programme together with international financial institutions and representatives of the private financial sector.

Parties also agreed to extend the mandate of the Expert Group on Technology Transfer for a further five years. The Expert Group has been asked to pay particular attention to the assessment of gaps and barriers to the use of, and the access to, financing resources. Furthermore, the Expert Group will start working on performance indicators that can be used to regularly monitor and evaluate progress on the development, deployment and transfer of environmentally sound technologies. The work of the Expert Group provides important input into the discussions on technology transfer for the new post-2012 climate change deal.

REDD

"Reducing emissions from deforestation in developing countries" (REDD) was a key issue at Bali. Parties affirmed the urgent need to take further meaningful action to reduce emissions from deforestation and forest degradation and adopted a work programme for further methodological work. That programme will focus, for example, on assessments of changes in forest cover and associated green house gas emissions, methods to demonstrate reductions of emissions from deforestation and the estimation of the amount of emission reductions from deforestation. The decision furthermore encourages Parties to support capacity building and to undertake efforts, including demonstration activities, to address the drivers of deforestation. This is important to address the needs of local and indigenous communities who depend on forests for their livelihoods. Deforestation is regarded to be an important component of a future climate change regime beyond 2012 - in both mitigation and adaptation strategies.



IPCC

Parties agreed to recognize that the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) is the most comprehensive and authoritative assessment of climate change to date. The scientific findings will continue to inform the international climate change process.

CDM

Small-scale afforestation and reforestation: Parties agreed to double the limit in size of small-scale afforestation/reforestation project activities to 16 kilotonnes of CO₂ per year. This move will expand the number and geographical reach of the CDM to countries that have thus far been unable to take part in the mechanism for this category of project activities.

Carbon capture and storage

Parties for the first time considered the possible inclusion of carbon capture and storage (CCS) in geological formations as CDM project activities. They agreed to do further work on this and established a workplan for 2008. The plan will include receiving and considering input on technical, legal, policy and financial topics associated with CCS.

This input will be considered at the next Climate Change Conference in Poznan next year. CCS is widely regarded as an important technology to enable the continued use of fossil fuels in a clean way.

Least developed countries

Parties agreed to extend the mandate of the Least Developed Countries (LDCs) Expert Group. This group provides critical advice to LDCs in assessments of adaptation needs. It is universally accepted that it is critical that LDCs are supported in assessing their adaptation needs because of their low adaptive capacity.