

# POINTS

EU Presidency perspective to  
Nairobi Climate Change Conference

## Progress on adaptation and emission cuts

The European Union achieved its main priorities in the Nairobi climate change conference.

The EU went to Nairobi to drive progress on adaptation efforts and pave the way for steeper cuts in emissions. This is exactly what we accomplished, so we have every reason to call the conference a success. However, now is not the time to sit back – climate change does not wait. Prompt and decisive actions to reduce emissions may not be free, but being passive now would cost us much more.

### The sub-Saharan perspective

The poorest nations and their poorest citizens are the most vulnerable to climate change. It is very important that the Nairobi conference paid special attention to issues that concern especially developing countries, such as adaptation to climate change.

### Bridging the gap

Thanks to developments in Nairobi, I feel confident that we will be able to strengthen the global climate change regime. It is clear that we need to make deep cuts in global emissions by mid-century. The EU is ready to do its share together with other Parties.



Commissioner Stavros Dimas and minister Jan-Erik Enestam stressed the need for urgent actions in combatting climate change.

One important achievement in Nairobi was the adoption of a work programme for the consideration of further commitments for developed countries so that there will be no gap between the first and second commitment periods.

### Learning from our experiences

In order to enhance the global response to climate change, we need to learn from our experiences with a view to enhancing the Protocol and its environmental effectiveness. The EU has stressed that there should be a complete, thorough and efficient review of the Kyoto Protocol. We have now a decision that a proper review will be carried out in 2008.

### Dialogue continuing

In Nairobi, all Parties to the UNFCCC continued their discussions on long-term cooperative action to address climate change. The EU also used this opportunity to encourage the wider use of emissions trading and other market mechanisms as cost-effective tools to reduce greenhouse gas emissions. We also stressed the importance of integrating climate concerns into general development policies. The international community need to agree on concrete tools, because there is no time to waste.

Minister of the Environment,  
*Mr. Jan-Erik Enestam*

Highlights from the Nairobi Climate Conference

**Adaptation Fund.** Principles for the management and operation of the Fund were agreed.

**Adaptation Work Programme.** Activities of the programme were decided.

**Dialogue under the Climate Convention** focused on the potential of market-based opportunities and climate change in sustainable development

**Further Commitments.** The work programme for the consideration of further commitments for developed countries was adopted.

**The review of the Kyoto Protocol** to be carried out in 2008.

**The Russian Proposal** for the voluntary commitment of developing countries to be considered in 2007.

**Investing in Africa.** Several initiatives to support investments in African and other developing countries were launched.

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# Focusing on the developing world

The Nairobi conference launched several new initiatives to support developing countries.

The impacts of global warming will hit the poorest countries hardest, because of their location, and their lack of resources to cope with the impacts.

Africa is already suffering from more frequent floods and droughts. The frequency and intensity of these phenomena are expected to increase in the future. Developing countries are also highly dependent on agriculture, which is an especially climate-sensitive economic sector.



LEHTIKUVA/BRENDAN BANNON

The River Tana burst its banks in November 2006 flooding most of the settlements along the river.

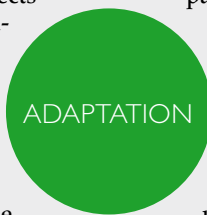
## New funds for adaptation

The conference made significant progress on the rules for the Kyoto Protocol Adaptation Fund, which will finance concrete adaptation projects and programmes in developing countries.

The principles of the Fund's management and decision-making system were agreed upon. On this basis, the remaining decisions on the host institution and detailed funding eligibility criteria can be made next year.

The fund will be primarily financed from a 2% levy on the Certified Emission Reduction proceeds of Clean Development Mechanism trades, excluding those involving the least developed countries.

The Adaptation Fund is expected to accumulate resources amounting to \$300–400 million by 2012.



## Learning from each other

One of the major achievements of the conference was the finalisation of a five-year programme of work on impacts, vulnerability and adaptation to climate change.

This renamed "Nairobi Work Programme" has been designed to improve the Parties' understanding and assessment of impacts and vulnerability, and enable them to make informed decisions on practical adaptation actions. The Programme aims to develop and disseminate assessment and planning tools, to promote systematic observation, to improve access to climate models, to increase our understanding of vulnerability to climate change, and to share experiences in climate risk assessment and management.

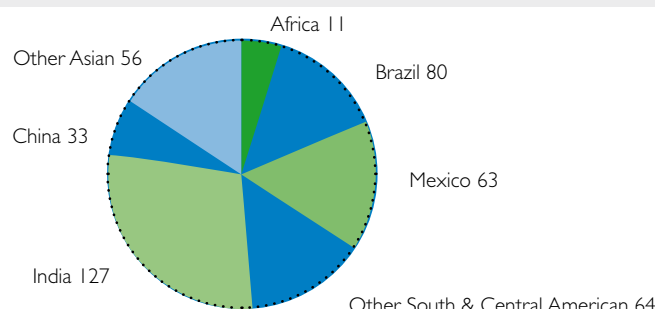
## Clean technology for Africa

The parties were invited to enhance Africa's access to the Kyoto Protocol's Clean Development Mechanism (CDM) projects. Of the almost 400 CDM projects so far registered only eleven are in Africa.

The private sector will be encouraged to engage in projects in African countries by improving their investment

environment, and through capacity building in development project management. The conference also welcomed the Nairobi Framework, a new initiative announced by United Nations' Secretary-General Kofi Annan, which aims to help developing countries participate in CDM projects, especially in Africa.

Registered CDM projects by host countries



Source: UNFCCC (Dec. '06)

## Wider scope for the Special Climate Change Fund

The Kyoto Parties agreed in Nairobi on the rules for two windows of the Special Climate Change Fund.

The Fund will now also support activities relating to mitigation of climate change and economic diversification in developing countries – in addition to its already operational windows for adaptation and technology transfer.

So far approximately 60 million US dollars have been mobilized for the Special Climate Change Fund.

Funding can be provided for mitigation measures in areas such as energy efficiency, renewable energy, energy savings in transport and industry, climate-friendly agricultural technologies, forestry, and methane recovery in waste management.

Support for economic diversification is envisaged in two stages. In the first stage support would consist of capacity building and technical assistance. Decisions on the second stage will be made on the basis of experiences gained from the first stage.

## GEEREF

boosts investments in developing countries

The Global Energy Efficiency and Renewable Energy Fund (GEEREF) is an innovative risk capital fund launched by the European Commission to encourage private sector investment in clean technology projects in developing countries.

The European Commission will contribute 80 million euros to GEEREF over the next four years. Several EU member states have also already promised to support the fund.

# Enhancing the implementation of the Climate Convention

The Dialogue of the Parties to the Climate Convention provides an opportunity to exchange experiences and work towards long-term co-operative action to address climate change. The Parties continued the Dialogue in Nairobi.

The urgent need to intensify efforts to tackle climate change has been underlined by the latest economic analyses, which have clearly shown that the benefits of early action greatly outweigh the cost of inaction.

The Convention Dialogue was established at the Montreal Climate Conference in 2005 to facilitate the exchange of experiences and the joint analysis of strategic

approaches for long-term co-operative action. The Dialogue is conducted through a series of workshops on different themes.

In Nairobi the focus was on the role of climate concerns in sustainable development policies and the potential of market-based opportunities. The Parties and invited speakers presented many initiatives designed to strengthen global action.

The upcoming workshop in May 2007 will be on adaptation action and the potential of technology. The fourth and final workshop will focus on overarching and cross-cutting issues and proposals for further actions, activities and approaches. The results from the Dialogue will be presented and discussed at the next climate conference in Bali in December 2007.



UN Undersecretary General Achim Steiner talks to a Kenyan Maasai herder, Agnes Mosoni Loirket, on ways of storing rainfall as a way to avert water shortages.



## Discussion to continue on voluntary commitments

The discussions will continue on the Russian Federation's proposal regarding procedures to allow developing country Parties to make voluntary emission reduction commitments. The proposal will be considered in a workshop to be arranged in Bonn in May 2007. The report of the workshop will be discussed at the Bali conference.

# Work continuing on the Kyoto Protocol

## Structuring and scheduling the consideration of further commitments for developed countries

An Ad Hoc Working Group (AWG) was established in Montreal to consider further commitments for Annex I Parties (i.e. developed countries) under the Kyoto Protocol. In Nairobi the AWG agreed on its work programme, and started its substantive work.

At an in-session workshop, the AWG explored the scientific basis for determining the further commitments, emissions trends and mitigation potential for Annex I Parties.

The AWG agreed that its work should be guided by a shared vision of the challenge set by the ultimate objective of the Convention.

It also agreed to focus its work in 2007 on the analysis

### AWG & ARTICLE 3.9



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In Nairobi the parties found common ground for further discussions on emission reductions.

of mitigation potentials and ranges of emission reduction objectives for developed countries. Subsequent tasks for the work programme will include analysis of possible means to achieve mitigation objectives, and consideration of further commitments to be made by developed countries.

The work of the AWG reflects the Climate Convention's principle of "common but differentiated responsibilities and respective capabilities". Annex I Parties will continue to take a lead beyond 2012, through substantial emissions reductions. This will also give a clear signal to economic actors

about the continuity of the international carbon market.

The AWG has scheduled its third session in May 2007. The fourth session will probably be initiated in September, in conjunction with the fourth workshop of the Convention Dialogue, and then resumed and concluded in December 2007.

## Outi Berghäll to represent developed countries in climate talks



VIVECA DAHL

Finland will be represented at a high level in the forthcoming climate negotiations, thanks to the appointment of Ms. Outi Berghäll

of the Finnish Ministry of the Environment to two prominent positions. During 2007 Berghäll will act as Vice-Chair of the AWG, which will consider further emission reduction commitments for the developed countries after 2012. Berghäll has also been appointed as a member of the Bureau of the Conference of Parties for 2007.

### ARTICLE 9

## Conducting the review of the Kyoto Protocol

The need for a detailed review of the Kyoto Protocol was discussed in Nairobi. The EU stressed that such a review needs to

be thorough, comprehensive and well prepared.

As the outcome of this preliminary informal review, it was decided that a fuller review will be conducted in 2008. The review will be based on technical, social and economic information, as well as

scientific information.

The review will analyse lessons learnt. According to the Nairobi decision, the review shall not prejudice action, and shall not lead to new commitments for any party, although appropriate action will eventually be taken on the basis of the review.

### ADDITIONAL INFORMATION

UNFCCC > Nairobi 2006

[http://unfccc.int/meetings/cop\\_12/items/3754.php](http://unfccc.int/meetings/cop_12/items/3754.php)

Ministry of the Environment, Finland

<http://www.ymparisto.fi/default.asp?node=19358&lan=en>

The European Commission > Nairobi 2006

[http://ec.europa.eu/environment/climat/nairobi\\_06.htm](http://ec.europa.eu/environment/climat/nairobi_06.htm)

Stern Review on the economics of climate change

[http://www.hm-treasury.gov.uk/independent\\_reviews/](http://www.hm-treasury.gov.uk/independent_reviews/)