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Subject : Climate Change

- Preparations for the 13th session of the Conference of the Parties (COP 13) to the United Nations Framework Convention on Climate Change (UNFCCC) and the 3rd session of the Meeting of the Parties to the Kyoto Protocol (CMP 3) (Bali, 3-14 December 2007)

= Council conclusions

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Delegations will find attached the conclusions as adopted by the (Environment) Council on 30 October 2007.

**Preparations for the 13th session of the Conference of the Parties (COP 13) to the United Nations Framework Convention on Climate Change (UNFCCC) and the 3rd session of the Meeting of the Parties to the Kyoto Protocol (CMP 3) (Bali, 3-14 December 2007)**  
**= Council conclusions =**

The Council of the European Union,

1. RECALLS the (Environment) Council conclusions of 20 February 2007 as well as the 2007 Heads of State and Government Spring European Council conclusions which contain an outline of the essential elements of an effective and ambitious framework beyond 2012 under the United Nations Framework Convention on Climate Change (UNFCCC), by enhancing its implementation and building upon and broadening the Kyoto Protocol architecture and providing a fair and flexible framework for the widest possible participation, in order to limit global warming to no more than 2°C above pre-industrial levels; UNDERLINES the EU's determination to play a leading role in international climate protection;
2. IS DEEPLY CONCERNED by the new evidence on the negative impacts of climate change that are unequivocally confirmed by the latest scientific findings reported by the Intergovernmental Panel on Climate Change (IPCC) in the contributions of the Working Groups to its Fourth Assessment Report (AR4); EMPHASISES that the IPCC reports demonstrate even more clearly that the negative impacts of climate change are increasingly posing a serious risk to ecosystems, food production, the attainment of sustainable development and of the Millennium Development Goals as well as to human health and security, thereby strengthening the scientific underpinning of the 2°C objective; UNDERLINES the IPCC conclusion that it is economically and technically feasible to stabilise greenhouse gas concentrations in the atmosphere at the level consistent with that objective; EMPHASISES that these reports also show that the window of opportunity to act is rapidly closing and that delaying action will increase the risks of dangerous climate change and that the benefits of strong global early action on climate change far outweigh the economic costs of action;

3. WELCOMES the award of the Nobel peace prize for 2007 jointly to the IPCC and to former Vice President of the United States Al Gore for their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such change and so prevent possible conflicts in future;
4. EMPHASISES the contribution of IPCC Working Group III to the AR4, which demonstrates that keeping the 2°C objective within reach, and hence limiting the negative impacts of climate change, requires stabilisation of the concentration of greenhouse gases in the atmosphere in line with the lowest stabilisation level assessed, i.e. about 450 ppmv CO<sub>2</sub> eq;
5. UNDERLINES that this will require global greenhouse gas emissions to peak within the next 10 to 15 years, followed by substantial global emission reductions to at least 50% below 1990 levels by 2050;
6. STRESSES that the UNFCCC is the appropriate multilateral forum for reaching a global and comprehensive climate agreement; WELCOMES supporting initiatives to the UNFCCC process; in this context, IS ENCOURAGED by the strong political signal at the highest level from the UNSG High-Level Event, that governments are ready to take decisive action under the UNFCCC leading to a breakthrough in Bali; WELCOMES the Heiligendamm Summit which reconfirmed commitment of all G8 countries to the UN climate process and identified 2009 as the date to conclude negotiations on a global agreement under the UNFCCC; RECOGNISES the valuable contribution of the Riksgränsen meeting in developing useful ideas for the Bali outcome; WELCOMES the outcome of the third ministerial meeting of the Gleneagles Dialogue with its input on mobilizing technology and investment; TAKES NOTE of the Major Economies' meeting, in particular the commitment to a successful outcome in Bali, and that any further meeting should be informed by that outcome;
7. IS ENCOURAGED by the recent decision on the accelerated phase out of HCFCs under the Montreal Protocol which greatly contributes to the efforts of mitigating climate change;

8. WELCOMES the report by the co-facilitators of the “Dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention”; BELIEVES that it offers a good basis to move forward; WELCOMES the positive and productive discussions at the preparatory meeting of ministers in Bogor on the main building blocks and the negotiation process for a global and comprehensive post-2012 agreement; STRESSES that, in order to provide for an appropriate and effective response to climate change, the Bali climate conference needs to lead to the engagement of all Parties in an inclusive negotiation process including both the Convention and Kyoto Protocol tracks;
9. RECALLS the building blocks of an effective and appropriate global and comprehensive framework beyond 2012 identified by the 20 February 2007 (Environment) Council, and endorsed by the Spring European Council conclusions, which include:
- further developing a shared vision to reach the ultimate objective of the Convention;
  - agreeing on deeper absolute emission reduction commitments by developed countries;
  - facilitating further fair and effective contributions by other countries;
  - extending the carbon market, including innovative and enhanced flexible mechanisms;
  - increasing cooperation on technology, research, development, diffusion, deployment and transfer;
  - enhancing efforts to address adaptation;
  - addressing emissions from international aviation and maritime transportation, making further use of the expertise, experience and work of relevant international organisations;
  - reducing emissions from deforestation and enhancing sinks by sustainable forest management and land use practices;

10. EMPHASISES that, as part of an overall agreement among all Parties, developed countries should commit to deeper mandatory absolute emission reductions; STRESSES that the lowest stabilisation level assessed by the IPCC in its AR4 would require the group of developed countries collectively to reduce their emissions in a range of 25-40% below 1990 levels by 2020 through a combination of domestic and international efforts; UNDERLINES that the EU's proposal for emission reduction commitments of the group of developed countries is consistent with this level of effort; URGES developed countries as a group to take the lead by committing to reduce their emissions of greenhouse gases in the order of 30% by 2020 compared to 1990 and that the further work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG) should be guided by this level of effort;
11. RECALLS that the EU agreed an objective of a 30% reduction in greenhouse gas emissions by 2020 compared to 1990 as its contribution to a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and economically more advanced developing countries to contributing adequately according to their responsibilities and respective capabilities; also RECALLS that, until a global and comprehensive post-2012 agreement is concluded, and without prejudice to its position in international negotiations, the EU made a firm independent commitment to achieve at least a 20% reduction of greenhouse gas emissions by 2020 compared to 1990;
12. IS ENCOURAGED by recent projections of greenhouse gas emissions that indicate that, on the assumption that Member States accelerate the full implementation of planned additional policies and measures and with the use of the Kyoto Mechanisms, the Community and the Member States listed in Annex B to the Kyoto Protocol will reach their Kyoto targets; TAKES NOTE of the latest available inventory data of 2005, showing that total greenhouse gas emissions in the EU-27 were 11% below the respective base years emissions and 1.5% below the 1990 base year emissions in the EU-15;

13. CONSIDERS that commitments by all Parties should take into account the principle of common but differentiated responsibilities and respective capabilities and their specific national and regional development priorities, objectives and circumstances, including changes in these; EMPHASISES that contributions by developing countries to the global effort of stabilising greenhouse gas concentrations in the atmosphere at a level consistent with the 2°C objective should be enhanced and that there are many policy options to substantially reduce the emission intensity of their economies where benefits outweigh costs and that support continued economic growth, strengthen energy security and benefit health; EMPHASISES that such contributions could be facilitated and enhanced by positive incentives, including through participation in a strengthened and broadened global carbon market, enhanced and additional crediting mechanisms, no-lose targets and sectoral approaches, sustainable policies and measures and enhanced technological cooperation; TAKES the view that options for measuring and reporting such contributions should be explored;
14. WELCOMES the UNFCCC Report on analysis of existing and potential investment and financial flows relevant to the development of an effective and appropriate international response to climate change, which shows that the additional investment and financial flows needed in 2030 to address climate change are large compared with the funding currently available under the UNFCCC and its Kyoto Protocol, but small in relation to estimated global GDP and global investment in 2030; UNDERLINES that scaling up and re-directing investment and finance flows will require vigorous action from all Parties; STRESSES the role of national governments in creating enabling national, regional and international environments, including regulation and market-based incentives, to attract public and private finance for the deployment of low greenhouse-gas-emitting technologies and investment in infrastructure for clean development; in this context, FURTHER WELCOMES developing countries' efforts to create national strategies and action plans in order to attract finance for clean energy deployment, including, in particular, energy efficiency; ALSO WELCOMES the continuing efforts made by the World Bank and regional Development Banks in creating Clean Energy Investment Frameworks to assist countries in attracting finance for investment in clean energy and climate-resilient development;

15. STRESSES that a global carbon market is fundamental to assist in driving low-carbon investment and to mobilising a significant part of the increased financial effort required for the global response to climate change; UNDERLINES the importance of further development of the Kyoto Protocol flexible mechanisms and additional crediting mechanisms in the future framework and the linking of emission trading schemes; UNDERLINES that the revision of the current CDM modalities should facilitate scaling up of investment;
16. WELCOMES the International Carbon Action Partnership (ICAP) declaration (Lisbon, 29 October 2007) aiming at creating an international forum of governments and public authorities, in order to establish an expert forum to discuss relevant questions on the design, compatibility and potential linkage of regional carbon markets;
17. STRESSES that the international carbon market will need to be supplemented with additional public support to help leverage and redirect further private investment in the development, demonstration, deployment and transfer of low greenhouse-gas-emitting technologies, and that additional suitable financing instruments and mechanisms providing the right incentives will be necessary to deliver on these technologies; UNDERLINES the need for greater international cooperation on the research, development, demonstration, deployment and transfer of new technology as well as efforts for deployment and transfer of existing technology; RECOGNISES the urgency for redirecting and scaling up investment in low-carbon energy technology globally, and the particular need for assisting developing countries in their efforts to decarbonising their economic growth through support for existing or new financing mechanisms and instruments, such as the Global Environment Facility, the Global Energy Efficiency and Renewable Energy Fund (GEEREF) and funding to implement the Clean Energy Investment Frameworks; CONFIRMS the EU Member States' commitment to their respective financial obligations under the UNFCCC and its Kyoto Protocol and AGREES to do more mobilise the necessary finance in the most efficient and effective way as part of a global and comprehensive post-2012 framework;

18. UNDERLINES the importance of integrating climate change into development cooperation; WELCOMES the Communication from the Commission "Building a Global Climate Change Alliance" between the European Union and poor developing countries most vulnerable to climate change, particularly the Least Developed Countries and Small Island Developing States; NOTES that this Alliance will provide for a platform for dialogue and exchange as well as targeted cooperation in the following areas: adaptation to climate change, reducing emissions from deforestation, enhancing participation in the Clean Development Mechanism, promoting disaster risk reduction and integrating climate change into poverty reduction efforts; WELCOMES the initial allocation of additional funding of 50m € by the Commission for the start-up of the initiative; STRESSES the need to continue to carefully consider the effects of EU and global climate and energy policies, especially on developing countries;
19. REAFFIRMS that adaptation should be integrated into all relevant decision-making processes; STRESSES that in addition to such mainstreaming there is a need for additional finance and targeted initiatives designed specifically to respond to climate change; TAKES THE VIEW that whilst adaptation on the ground is mainly in the realm of the private sector, governments and development cooperation actors, there is potential for the UNFCCC regime to enhance its role as a catalyst, stemming from the need to address the inequalities exacerbated by climate change, from the importance of sharing experiences and knowledge, and also from the potentially cross-border implications of climate change and of adaptation; EMPHASISES that a post-2012 agreement should include a coherent framework for action on adaptation, which builds upon the lessons learned from the present ongoing processes and outputs; based on the principles of the UNFCCC, ACKNOWLEDGES the need to enhance the adequacy and predictability of future funding for adaptation, as part of an overall post-2012 agreement; furthermore, EMPHASISES the EU's determination to make the Adaptation Fund operational in Bali with a view to supporting concrete adaptation projects and programmes and to enhancing the predictability of funding;

20. WELCOMES the Commission's green paper, "Adapting to climate change in Europe - options for EU action" and the ongoing consultative process, which identifies priority actions for a flexible four-pronged approach at the Community level, supplementing national, regional and local action: early action in the EU, integrating adaptation into EU external actions, reducing uncertainty by expanding the knowledge base through integrated climate research and involving European society, business and public sector in the preparation of coordinated and comprehensive adaptation strategies;
21. EMPHASISES that emissions from deforestation in developing countries amount to about 20% of global carbon dioxide emissions and that concrete policies and actions as part of a global and comprehensive post-2012 agreement are needed to halt these emissions and reverse them within the next two to three decades; LOOKS FORWARD to a decision in Bali including a framework for the immediate initiation of pilot activities, indicative modalities, the identification of further methodological work and the agreement on a process to explore possibilities to take into account emissions reductions from deforestation within the framework of an overall post-2012 agreement; in this context, WELCOMES the approval of a Forest Carbon Partnership Facility by the World Bank to explore a framework for piloting activities to reduce emissions from deforestation in developing countries; also EMPHASISES the importance of enhancing sinks by sustainable forest management and land use practices as part of a post-2012 agreement;

22. IS CONCERNED that emissions from international aviation and maritime transport represent one of the fastest growing sources of greenhouse gas emissions; NOTES with concern the lost opportunity to show ambition and concrete actions in the resolutions tackling greenhouse gas emissions adopted by the International Civil Aviation Organisation (ICAO) at its 36th Assembly, ten years after having been requested by the UNFCCC to take action to limit or reduce emissions; CALLS UPON all Parties to agree clear, meaningful targets also for these sectors within the framework of a future global climate agreement for the post-2012 period; URGES Parties to work towards stronger leadership by the UNFCCC in this matter, and in particular for enhancing its cooperation with ICAO to develop a more effective approach to address emissions from this sector; TAKES the view that cooperation and discussions in the framework of the International Maritime Organisation (IMO) should be accelerated with a view to achieving a comprehensive solution for tackling the emissions from international maritime transport;
23. CALLS UPON all Parties to agree a comprehensive and inclusive negotiation process at the Bali climate conference based on a shared vision, elaborating on the building blocks, including cross-cutting issues such as investment and finance, and establish and follow an ambitious timetable which should result in a global and comprehensive post-2012 agreement by 2009.

