



**COUNCIL OF
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NOTE

from : General Secretariat
to : Delegations

Subject : International Climate Change Process
– Information from the Presidency and the Commission

Delegations will find annexed information from the Presidency and the Commission on the above subject, which will be dealt with under "other business" at the meeting of the Council (Environment) on 5 June 2008.

International Climate Change Process
Information from the Presidency and the European Commission

1. Climate change was selected as one of the priorities of the troika of German, Portuguese and Slovenian Presidencies and is one of the priorities of the European Commission. Accordingly, the Slovenian Presidency put the Climate–Energy package and the international negotiations on a post-2012 climate regime high on its agenda.
2. The Bali Action Plan, adopted by the Parties to the UNFCCC last December, started an inclusive negotiation process involving developed and developing countries, with a view to reaching a global and comprehensive agreement on the post-2012 regime by the end of 2009. Due to the large amount of work and the very ambitious deadline, the Parties decided that intersessionals would be needed to conclude negotiations on time.
3. In January 2008 the Slovenian Presidency organised an informal EU climate change workshop, where preparations began for the negotiations on the above agreement. More than 100 participants from the EU Member States and the Commission took part in the discussions.
4. The first intersessional took place in Bangkok from 31 March to 4 April . It consisted of two parts:
 - a. the first session of the Ad Hoc Working Group on Long-Term Cooperative Action under the Convention (AWG-LCA);
 - b. the first part of the fifth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP).
5. The AWG-LCA session resulted in formulation and adoption of the work plan for the year 2008. It was agreed that all building blocks of the Bali Action Plan (Mitigation, Adaptation, Technology, Finance and Investment), and a 'Shared Vision', including a 'Long Term Goal', would be dealt with at all meetings. Each session would also comprise workshops on specific issues, which would allow for more in-depth exchange of views.
6. The AWG-KP session was composed of four workshops on means available to Annex I Parties to reach emission reduction targets:
 - a. Emissions trading and project-based mechanisms;
 - b. Land use, land-use change and forestry;

- c. Greenhouse gases, sectors and source categories;
- d. Possible approaches targeting sectoral emissions.

The EU attracted a lot of attention with a presentation on the EU emission trading scheme and on elements of the proposed climate and energy package.

7. Furthermore, a new international process related to climate change, the Major Economies Meetings (MEM), was initiated by the US President Bush last year, and its first meeting took place in Washington in September 2007. 15 major economies have been invited to participate in the MEM process, apart from the USA: Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Republic of Korea, the Russian Federation, South Africa and the United Kingdom. In addition, the EU Presidency and the Commission also take part in the MEM process, where countries are represented by their respective 'Leaders' Representatives', including several ministers.
8. The goal of the MEM process is to exchange views and improve understanding among major economies, which should contribute to reaching a global and comprehensive agreement under the UNFCCC in 2009.
9. The Slovenian Presidency ensured that the EU countries participating in the MEM process took a coordinated approach. Moreover, by inviting representatives from other EU Member States to join the Slovenian delegation, a higher degree of participation was achieved.
10. The MEM proved to be a useful forum for the exchange of views. The Leaders' declaration to be adopted at MEM Summit on the margins of the G8 in Japan in July is currently under preparation. The EU Member States and the Commission are striving for an ambitious declaration based on the IPCC Fourth Assessment Report's findings, which should not preempt the decisions to be taken under the UNFCCC.
11. Climate Change is also very high on the agenda of the Japanese Presidency of the G8. It is under discussion in a number of G8 formations, including Environment, Development, Research and Finances. Most notably, the G8 Environment took place in Kobe from 24 to 26 May. The G8 Environment Chair's summary calls on the G8 Leaders to set a long-term global goal for emission reduction, to make a reference to peaking of emissions, and to underline G8 leadership on reducing GHG emissions. It also launches the Kobe Initiative that involves (i) setting up an international research network on low-carbon societies, (ii) the analysis of bottom-up sectoral mitigation potentials, (iii) the promotion of co-benefits among relevant policies, and (iv) capacity building support for developing countries' GHG inventories/data collection.

12. The EU G8 Member States and the Commission expect the G8 Summit in Hokkaido from 7 to 9 July to build upon this result to show that industrialized countries are taking the lead in the fight against climate change.
13. The Slovenian Presidency, in close cooperation with the European Commission, organised the first EU-LAC environment ministers meeting. The main topics of the meeting were climate change and biodiversity. The Slovenian Presidency stressed that enhancing synergies between climate change and biodiversity policies would increase the efficiency and cost-effectiveness of the measures to be taken. The conclusions of the EU-LAC environment ministers meeting served as input for the EU-LAC Summit which took place in Lima, Peru, in May, when the Lima Declaration was adopted. The Declaration promotes bi-regional co-operation on climate change, including through a joint EU-LA environment programme called “EUrocLIMA” whose main objectives are knowledge sharing and fostering structured and regular dialogue at all levels.
14. Moreover, a number of high-level bilateral meetings with third countries that play a key role in the international negotiations on climate change have taken place in 2008. These meetings include the EU-US High-level Dialogue; the EU-Japan Summit; the EU-Russia Summit and the visit of President Barroso and nine Commissioners to China.
15. Furthermore, a meeting of the International Carbon Action Partnership took place in May and good cooperation between the Member States and the Commission was key to further promoting the role of market-based solutions to climate change.
16. The Slovenian Presidency organised the first joint meeting of the EU Climate Change and Biodiversity Working Parties with forestry experts. This meeting was instrumental in promoting synergies among UNFCCC, CBD and UNFF.

17. Looking at the coming months, the climate agenda is as busy as ever. At present, the 'climate talks' are on-going in Bonn, where the Subsidiary Bodies of the UNFCCC and of the Kyoto Protocol, the AWGLCA and the AWGKP are meeting. The EU is trying to achieve conclusions that reflect all issues that, in our view, need further negotiation, with a view to starting to narrow down options and focus negotiations at the forthcoming intersessional meetings (Accra, Ghana, in August) and at COP14 and CMP4 in Poznan in December, when a stock-taking exercise will take place. EU bilateral activities will also continue with a number of EU summits, especially with South Africa, India and China. The EU is aiming at robust declarations at these summits, to push forward the international negotiation process, but also at concrete deliverables in terms of cooperation to promote climate policies in these countries, e.g. by agreeing with China on the future financing of the NZEC project on carbon capture and storage.
18. Reaching an agreement on the climate change and energy package during the second half of 2008 will be crucial if the EU is to maintain its credibility and international leadership on climate change.
