Briefing Notes for AfDB’s Long-Term Strategy

Briefing Note 7:
ASSESSMENT OF COP 17: IMPLICATIONS FOR AFRICA AND THE BANK

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I. INTRODUCTION

From 28 November-13 December, 2011, at the Seventeenth Conference of the Parties (COP 17) to the United Nations Framework Convention on Climate Change (UNFCCC) and the Seventh Meeting of the Parties (MOP 7) to the Kyoto Protocol in Durban, Africa spoke with a single voice. The Africa Group of Negotiators and presentations at the Africa Pavilion presented a shared African position on climate change focused on Africa’s specific priorities and concerns. In this brief, we assess the COP 17 and present its implications for Africa and the African Development Bank.

II. THE DURBAN PACKAGE

COP 17 concluded with the finalization of key outcomes in a set of agreements called the Durban Package under the Convention and Protocol negotiating tracks. These include the operationalization of Cancun Agreements, the second commitment period of the Kyoto Protocol, the establishment of the Durban platform as a path for developing a new, universal, legally-binding treaty, and the adoption of the Green Climate Fund.

2.1 DURBAN PLATFORM FOR ENHANCED ACTION

The COP 17 produced the “Durban platform” process to conclude an agreement with legal force by 2015 that will take effect by 2020, bringing all major greenhouse gas emitters under a single legal agreement. This is noteworthy for including developed (including the US) and fast-growing developing countries (including China), and marks a good departure from the previous years of UNFCCC climate change negotiations.

The Durban conference decided to launch the Durban Platform as soon as possible, to raise the level of mitigation ambition. The Ad Hoc Working Group on the Durban Platform for Enhanced Action, a new subsidiary body to the UNFCCC, was established to start the process immediately. A work plan will be launched to explore options to close the ambition gap.

2.2 SECOND COMMITMENT PERIOD OF THE KYOTO PROTOCOL

As first commitment period for the Kyoto Protocol ends in 2012, the COP 17/MOP 7 agreed to a second commitment period as of January 1, 2013 until December 31, 2017 or December 31, 2020, to be decided in Qatar. This decision aims to ensure that aggregate greenhouse gas emissions of developed countries (Annex I Parties) are reduced by at least 25%-40% below 1990 levels by 2020. Parties to this second commitment period will turn their economy-wide targets into quantified emission limitation and reduction objectives to be submitted for review by May 1, 2012, with the view to their adoption in COP 18/CMP 8.

2.3 ENHANCED ACTION ON MITIGATION

The development and submission of national reports including national greenhouse gas emissions data, steps taken, and plans to implement the Convention was agreed. Based upon the principle of “common but differentiated responsibilities”, developing countries are
not bound to greenhouse gas emission reduction commitments, while developed (Annex I) countries have additional requirements to undertake policies and measures to reduce their emissions and facilitate the transfer of climate-friendly technologies to developing countries.

2.4 DEVELOPED COUNTRY MITIGATION

The Conference decided to continue the process of clarifying emission reduction targets in 2012 to better understand assumptions and conditions related to individual targets for developed countries. A technical paper exploring commonalities and differences of approaches will be presented.

Guidelines were adopted for developed countries for preparing biennial reports: the first biennial report is due January 1, 2014 and every two years after the date due for full national communications.

2.5 DEVELOPING COUNTRY MITIGATION

The Conference decided to continue to further understand the diversity of mitigation actions by developing countries, in addition to revisiting underlying assumptions and the adequacy of implementation support with respect to varying national circumstances and capabilities.

A dynamic, web-based platform will be created to help match actions seeking international support. Developing countries are invited to submit information on individual Nationally Appropriate Mitigation Actions (NAMAs) seeking support and on support available to prepare or implement NAMAs.

Guidelines were adopted for developing countries preparing biennial reports. The first biennial update reports are due December 2014 (allowing LDCs and small island developing state to update at their discretion).

2.6 ENHANCED ACTION ON ADAPTATION

The Adaptation Committee was established as part of the Cancun Adaptation Framework to promote the implementation of enhanced action on adaptation. The Adaptation Committee is placed under the authority and guidance of, and be fully accountable to, the Conference of the Parties. In Durban, the parties agreed on the Committee’s composition, in addition to modalities and procedures: the Committee is composed of 16 members, including two members from each of the five UN regional groups, one LDC and one SID member, two Annex I and two non-Annex I party members.

A process was adopted for developing National Adaptation Plans (NAPs) as distinct and separate from the National Adaptation Programmes of Action (NAPAs) which only applied to the Least Developed Countries (LDCs). Unlike the NAPAs which have been designed to address urgent and immediate adaptation needs, the NAPs are designed as a means of identifying medium- and long-term adaptation needs, as well as developing and implementing strategies and programmes to address those needs. In addition to the LDCs, other developing country Parties are also invited to employ the modalities formulated to
support the national adaptation plans in the elaboration of their planning efforts. Progress in operationalizing the Adaptation Fund was also reported; further review was requested on interim arrangements of the Adaptation Fund to be completed at the COP 18/CMP 8 in Qatar.

2.7 **CAPACITY BUILDING**

UN agencies and intergovernmental organizations will continue to support capacity-building activities and enhance reporting best practices. The capacity-building framework will be better implemented in developing countries. However, the lack of clarity in institutional arrangements and references to performance indicators remained unresolved in the final informal group session.

2.8 **TECHNOLOGY DEVELOPMENT AND TRANSFER**

The modalities and rules of procedures of the Technology Executive Committee (TEC) as a key body under the Technology Mechanism agreed upon at COP 16, were adopted. The TEC is established to facilitate the effective implementation of the Technology Mechanism, under the guidance of the COP. A Climate Technology Center and Network, will serve in technology transfer and to carry out its directives, eligibility criteria and financial arrangements. To ensure that the Technology Mechanism starts operations in 2012, the COP 17 agreed to launch the selection process for a Climate Technology Center host. Outstanding issues include intellectual property rights related to the development and transfer of technologies and the composition of a CTCN board or advisory committee.

2.9 **CLIMATE FINANCE**

Developed countries have previously committed to providing $30 billion of fast-start finance for 2010-2012, and to jointly mobilize $100 billion per year by 2020. COP 16 created the Green Climate Fund, with a Transitional Committee designing it and a Standing Committee assisting on related issues. It is worth mentioning that despite the current global economic crises, developed countries have not questioned their pledges made under the Copenhagen Accord and Cancun Agreements.

2.9.1 **GREEN CLIMATE FUND**

The GCF was adopted as an operating entity of the financial mechanism with arrangements between the COP and the Fund to be concluded at COP 18. The Conference reached an agreement on a process for conferring legal personality on the Fund and for the host country selection process. It was unable to agree on the host of the interim secretariat.

2.9.2 **STANDING COMMITTEE**

The Standing Committee will report and make recommendations to the COP, assist it in functions related to the Convention’s financial mechanism, and develop a work program for presentation at COP 18 in Qatar. The composition and working modalities of the Standing Committee were also decided.
2.9.3 **Fast-start Finance**
The COP 17 also decided that developed countries should continue to enhance their reporting transparency and fulfill their fast-start finance commitments, while noting information provided by developed countries thus far.

2.9.4 **Long-term Finance**
The COP 17 decided to undertake a work program on long-term finance in and after 2012, including modalities and sources for mobilizing long-term finance of USD 100 billion per year by 2020.

### III. Potential Implications for Africa

3.1 **Extension of the Kyoto Protocol and Future Climate Change Regimes**
The extension of the Kyoto Protocol is good news for Africa. African leaders, through the Committee of African Heads of State on Climate Change and the Africa Group of Negotiators, were very supportive of a second commitment period. However, given the urgency to deal with climate change impacts in Africa, the entry into force of a legally-binding instrument by 2020 is likely to further delay actions on mitigation and adaptation, and thereby undermine the efforts of limiting the global temperature increase below 2°C above preindustrial levels. Africa and other most vulnerable regions could continue to suffer from the adverse impacts of climate change.

3.2 **Green Climate Fund**
The adoption of the Green Climate Fund is an important outcome for LDCs in general and Africa in particular. It will help African countries increase their access to climate funds and undertake robust actions for adaptation and mitigation. However, the limited absorptive and institutional capacity of African countries to access existing funds was noted as a constraint that must be addressed. The additionality and predictability of climate finance are compromised by the lack of clarity and transparency regarding fast-start and long-term finance. To fill this gap, COP 17 decided to urge developed countries to report transparently on their fast-start commitments and to establish a work programme on long term finance, as described in paragraphs 29.3 and 2.9.4 above.

3.3 **Africa’s Priority is Adaptation**
Africa’s climate change priority is “adaptation,” and adaptation expectations were largely been met in Durban, with the approval of the Adaptation Committee and the launch of the process of NAPs building on the NAPAs. Concrete actions and finance for adaptation are needed now to help African better adapt to climate change impacts.

The COP 17 outcomes are an important step in addressing Africa’s adaptation challenges and African countries must strategize to better benefit from them. Without appropriate mechanisms to address the financial gap, the NAPs run the risk of repeating the mistakes of the NAPAs and delay concrete, scaled-up actions on adaptation.
3.4 **Technology Development and Transfer**

The decision to establish and operationalize the Technology Mechanism in 2012 is very important for Africa, but the enormous barrier of intellectual property rights is likely to slow down technology development and penetration in Africa. For Africa, the establishment of the Technology Executive Committee (TEC) as an arm of the Technology Mechanism is a concrete step forward for promoting and facilitating collaboration on the development and transfer of technologies for mitigation and adaptation between governments, the private sector, non-profit organizations and academic and research communities. Actions to address the barriers to technology development and transfer are expected to be taken by this Committee.

3.5 **African Voice in Climate Talks**

Under the leadership of the Bank, the African Union and UN Economic Commission for Africa (UNECA), African countries and institutions successfully organized an Africa Pavilion during the COP 17. The key policy conclusions that emerged from this include the need to sustain the momentum gained by Africa through the African common position on climate change; to articulate a continent-wide strategy to address climate change in Africa; and to provide better access to climate finance.

The Africa Pavilion culminated in a high-level Africa Day that created a platform for addressing the nexus between climate change, finance and development in Africa. It afforded African decision-makers the opportunity to advocate for Africa’s key messages and opportunities for African voices to be heard in the climate change arena. Building on the Durban outcomes, African countries must address the following:

- Effectively and adequately mainstream climate change into development policies, programs and projects, taking advantage of the opportunities for finance and capacity building that exist throughout the UNFCCC.
- Continue to make adaptation a priority without compromising the opportunity for Africa to contribute to the global mitigation efforts.
- Enhance the capacity of African institutions, including economic and planning institutions, national meteorological services and regional climate centers, to properly build climate services networks and better benefit from climate information for development planning.
- Increase the level of access to climate finance resources will require policy reforms, governance and project management.
- Enhance the African voice in climate change negotiations, focusing on areas of interest for Africa and opportunity for partnerships.

**IV. Potential Implications for the Bank**

4.1 The Durban outcomes offer an opportunity for the Bank to strategize its position and provide the needed support to African countries to address climate change challenges. The Bank recognizes climate change as a serious threat for development in Africa, and has a coherent strategic approach centered on adaptation, mitigation and finance. Given the dimension of the problem, the Bank needs to take important actions, including:

- Continue to consider climate change a priority in Long Term Strategy;
Mainstream climate change into the development planning process and support Regional Member Countries to do likewise;
Better structure itself to provide the leadership expected by African countries and institutions, building on the momentum of Durban;
Emphasize the need to respond to African countries and institutions requesting more access to climate finance resources;
Continue to build capacity of African countries to better prepare for addressing the growing climate change challenges, including access to climate finance; and
Build the necessary strategic partnerships with sister institutions.

4.2 For the Bank, the immediate implications include the following actions:

- Become a GCF multilateral implementing entity;
- Support Regional Member Countries’ capacity for direct GCF access;
- Pursue the design of the Africa Green Fund as an Africa-specific instrument to access additional resources, focusing on addressing resource mobilization and the performance of the Bank’s current climate-related funds: ClimDev-Africa Special Fund, Congo Basin Forest Fund, Rural Water Supply and Sanitation Initiative, the Sustainable Energy Fund for Africa and the Africa Water Facility;
- Enhance participation in the GEF;
- Support AGN to include water in the international negotiation agenda;
- Develop and implement a methodology to monitor Bank financing for mitigation and adaption; and
- Initiate preparation for Rio+20\(^1\) particularly on the Green Economy in collaboration with the AU, UNECA and UNEP, as the Green Economy agenda could impact the Bank’s Long term Strategy.

V. CONCLUSION

5.1 The Durban Platform is an empowering outcome that recognizes emissions gap, confirms the long-term goal, restores faith in multilateralism, and points to a future regime with legal force and universal membership.

5.2 The extension of the Kyoto Protocol is a positive development that successfully restored momentum to move beyond traditional North-South divides albeit with significant shortcomings: some ambiguous decisions, too many issues left unresolved and the risk of delay actions to keep the global temperature increase below 2°C.

5.3 For Africa and the Bank, these outcomes serve as a starting point to enhance the actions needed to cope with Africa’s climate change challenges. It provides the elements of a strong foundation for developing low-carbon and climate-resilient development strategies in Africa. The COP 18/MOP 8 in Qatar is expected to sort out the outstanding issues.

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\(^1\) The Rio+20 Conference is the United Nations Conference on Sustainable Development (UNCSD) that will take place in Brazil on 20-22 June 2012. It marks the 20th anniversary of the 1992 United Nations Conference on Environment and Development (UNCED), in Rio de Janeiro, and the 10th anniversary of the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg. Rio+20 is envisaged as a Conference at the highest possible level, including Heads of State and Government or other representatives. The Conference will result in a focused political document.