The Durban Climate Summit
Implications For Australia
Policy Brief

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The 2011 Durban Climate Summit ended with the adoption of a set of 37 formal UN decisions dealing with a wide range of issues related to international cooperation on climate change. Most importantly, the Durban Summit delivered important progress in three key areas:

I. Agreement to negotiate a single, legally binding agreement by 2015 that will cover all major carbon pollution emitters including, most importantly, China, India and the United States;

II. Establishment of the Green Climate Fund, building on the commitment made in Cancun to raise US$100 billion a year to help the world’s poorest nations invest in clean energy and manage the unavoidable impacts of climate change;

III. Commitment from all countries to increase the level of ambition of national efforts to reduce pollution, building on the formal recognition that existing commitments are not enough to keep global warming below 2 °C or 1.5 °C above pre-industrial levels.

Durban also saw further implementation of the Cancun Agreements in the areas of pollution reductions for both developed and developing countries, transparency and adaptation, and resolved the long standing question over the future of the Kyoto Protocol. However, no agreement on a framework for new common accounting rules to define and measure the progress countries are making towards their targets was agreed.

A more detailed summary of the Durban outcomes is presented in the Appendix.

Prior to Durban, The Climate Institute identified four scenarios on how the conference might unfold (see Box 1). Despite some worrying moments during the negotiations which ran almost two days overtime, the Durban Summit produced an outcome somewhere between the ‘Progress’ and ‘Breakthrough’ scenarios.¹

Some have claimed the outcome an historic achievement, some a failure. The decisions in Durban represent real progress and offer opportunities for those genuinely seeking to build global ambition.

However, much of the debate still remains stuck in an outdated worldview that a treaty is required before countries take action. In reality there is significant, if insufficient, action at a domestic level around the world.

With the agreement to have a single legally binding agreement for all nations, an important roadblock and ongoing excuse for limited action has been removed.

The Durban outcomes also have domestic political significance for Australia. Most importantly the unconditional 5 per cent reduction target is increasingly irrelevant as it is based on the assumption of limited global action. To increase international credibility and ensure Australia does its fair share internationally the Government should move to the higher end of its target range. The Coalition is even more exposed as virtually no one believes it can achieve its minimum 5 per cent reduction target with current policies. Progress in Durban opens opportunities for the Coalition as their Direct Action Plan allowed for changes with global developments (see below).

¹ The Climate Institute stopped short of declaring Durban a ‘breakthrough’ because of limited progress in some other areas of the 2010 UN Cancun Agreement, along with the fact that the new legally binding instrument will not be in force before 2020.
Scenarios For The Durban Climate Summit

Collapse. Disagreement on major political issues means there is no agreed outcome from Durban.

Patchwork. Some progress made on detailed policy negotiations, such as deforestation in developing countries (REDD). Disagreement over the legal nature – or less likely finance - of the framework blocks substantive progress on all major issues. Last minute diplomatic salvage operation cobbles together an agreement that brings parties back to table for further talks in 2012.

Progress. Countries make decisions that further implement the practicalities of the Cancun Agreements, for example by further detailing the Green Fund, the adoption of guidelines and for the reporting of national actions. No agreement on the legal nature of the future framework.

Breakthrough. Good progress on detailed negotiations that take forward practical implementation of the Cancun Agreements. For example, a clear mandate to develop new international emission trading mechanisms, the starting up of the Green Climate Fund and a solid forward work plan on issues such as financing sources. EU and Australia and other progressive Kyoto countries conditionally take on new Kyoto II targets. Japan, Canada and Russia accept Kyoto accounting rules for their targets helping to preserve key institutions. Mandate agreed to negotiate a new legally binding instrument covering commitments by all major emitters by 2015-2020.
The most significant outcome from the Durban Climate Summit was the Durban Platform for Enhanced Action – the decision to create a new, legally binding, international agreement in place by 2015 and in force from 2020. This will include pollution reduction commitments from all major emitting countries, including the US, China, India and Brazil, which have to date not been covered by legally binding targets.

The commitment by all major emitters to have their targets captured under the same international legal agreement is a tectonic shift. Within the negotiations the principle barrier to a more comprehensive agreement has been the divide (or “firewall” in UN speak) between the industrialised countries – listed in Annex 1 of the Convention – and the developing world – Non-Annex 1. For example, this was the primary reason the USA never ratified the Kyoto Protocol.

A number of misconceptions have emerged since the Durban Platform was agreed:

**Misconception 1. It is just an agreement to keep talking.** This underestimates the historic resistance by emerging economies to having their actions internationally accountable. It also fails to recognise that (despite public expectations to the contrary) when the current negotiating round was launched in Bali in 2007 it was never agreed that a treaty would be the outcome. The Durban Platform overcomes this long-standing dispute and defines a legally binding agreement as the end point of a negotiating process that is seeking to redefine the direction of the global economy. A difficult and ambitious task.

**Misconception 2. Obligations only start in 2020 and countries will not act in the meantime.** Many countries are already implementing domestic laws to meet the targets they pledged in Copenhagen and Cancun. While these are not internationally binding or sufficient to avoid dangerous climate change they are binding on domestic industries. For example, China is expanding and implementing its policies as it gains confidence that they can be achieved. This is highlighted in the latest Chinese 12th Five Year Plan, which was built on the 11th Five Year Plan’s energy intensity targets. Even in the USA, the EPA is regulating, or in the process of regulating, over 70 per cent of US emission sources and Federal and state governments are offering a range of clean energy incentives. These laws are driving multibillion dollar investments in clean energy and other low pollution industries in these countries.

It is the existence of these domestic policy frameworks that can in part explain why countries are now prepared to negotiate international obligations. Countries don’t take on international obligations lightly. As countries have become more comfortable that they can meet their targets in a politically and economically sustainable way, they will be more likely to commit these targets internationally.

With international obligations emerging for all major economies, countries must also accelerate domestic policy making to prepare for stronger international commitments, prior to the adoption of the new agreements in 2015. The EU, China and Australia in particular are well prepared to meet new binding obligations due to the implementation of robust domestic policy frameworks.
Ultimately, the real goal of the UN climate change negotiations is to create an international framework that enables governments to implement stronger, more effective and more economically efficient policies to reduce pollution. These policies in turn provide an incentive for investors to shift their money towards clean energy and other low pollution sectors. For policy makers and investors alike, the Durban Platform has the potential to build confidence and encourage greater levels of ambition.

What Exactly Was Agreed?

The specific language used in the Durban Platform decision is to ‘develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties’. What does this actually mean?

The meaning of ‘protocol’ is clearly referring to a new, legally binding international treaty that would need to be ratified by all participating parties. Under international law the term ‘protocol’ is often used in reference to a treaty that is established under the mandate of an existing treaty. While different in form and substance, if a new protocol were to be negotiated it would have the same legal status as the Kyoto Protocol, which is a fully fledged international treaty.

Similarly, the term ‘agreed outcome with legal force under the Convention’ also implies the establishment of a new treaty. While ‘agreed outcome’ on its own does not necessarily imply that a new treaty will be negotiated, the inclusion of ‘with legal force’ does point to a treaty.

Indeed, in general under international law only treaties (once ratified by member parties and entered into force) are considered legally binding. Any other outcome could not be described as having ‘legal force.’ (Note: UN Security Council Resolutions are also binding, as is customary international law).

There is some ambiguity around the term ‘legal instrument’. On a narrow reading, the term ‘legal instrument’ could be interpreted to mean an instrument that was legally adopted, but not necessarily legally binding (e.g. a COP decision). However, in the context of the Durban Platform its use is clearly meant to imply that the instrument adopted would be legally binding. This is because it is used alongside the terms ‘protocol’ and ‘agreed outcome with legal force’, both of which imply a legally binding outcome. Furthermore, the term ‘legal instrument’ was used in the Berlin Mandate in 1995, which led to the adoption of the Kyoto Protocol in 1997.

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Green Climate Fund
A key outcome in Durban was confirmation of the arrangements for the Green Climate Fund, which will become operational in 2012. While this is an important step forward, countries have yet to commit to new, long-term, sources of finance. Ultimately the goal is to identify sources capable of delivering at least US$100 billion a year globally by 2020, which was the target agreed under the Copenhagen Accord and locked in under the Cancun Agreements. While a share of this US$100 billion will be channelled through the Green Climate Fund, countries will continue to use existing channels as well as expanding the role of the private sector.

In Durban countries launched a ‘work programme’ for 2012 to identify viable sources of finance, with a report to be submitted to the next Conference of the Parties in December 2012.

Closing The Gap On Ambition
As well as agreeing to negotiate a new legally binding agreement, under the Durban Platform countries also committed to increase the collective ambition of national mitigation efforts. In recognition that the current pledges for emissions reductions to 2020 are insufficient to meet the two degree goal, enhanced action must be undertaken before the new treaty is adopted if we are to keep that target within reach. This will be linked to the release of the next major report of the Intergovernmental Panel on Climate Change and the outcomes of the UN’s 2013-2015 review of global ambition.

In the short-term, post-Durban and as part of its submission of a new Kyoto target the EU will consider lifting its target from 20 per cent reductions on 1990 levels by 2020 to 30 per cent. Australia also has the opportunity to increase its ambition towards a fairer contribution to global efforts through this process or the implementation of the cap under the emissions trading system in 2014.

The EU and Australia increasing their ambition will be important because:

+ The EU’s and Australia’s current unconditional targets do not compare well to targets set by comparable countries. For example, the average minimum emission reduction on 2000 levels committed to across advanced countries\(^3\) is around 20 per cent reduction by 2020. Australia’s minimum is a 5 per cent target and the EU’s minimum target equates to a 10 per cent cut on 2000 levels. Japan’s and New Zealand’s minimum targets are around a 30 per cent cut on 2000 levels and Norway’s is a 35 per cent reduction on 2000 levels.\(^4\)

+ Geopolitically, adopting a higher target will reinforce strategic alliances with the Alliance of Small Island States (AOSIS) and Least Developed Countries (LDCs).

\(^3\) This refers to Annex 1 parties only and excludes Economies in Transition. It also excludes newly advanced economies such South Korea. The reduction below business as usual (BAU) targets of countries like South Korea are stronger than the BAU reduction targets projected for Australia’s and the EU’s targets.

\(^4\) When comparing the targets of different countries a range of indicators should be used. Here a reduction in pollution compared to a 2000 base year is used as an example. For more indicators see The Climate Institute, Durban, Australia and the Future of Global Climate Action: A Fresh Look at the Progress of International Climate Change Negotiations, The Climate Institute, Sydney, 2011.
ability of the EU to deliver greater ambition out of Durban is directly linked to the alliance of ambition that they created with developing nations who are most vulnerable to the impacts of climate change – AOSIS and LDCs. This weakened the position of BASIC countries as they could not hide behind small developing countries. Building on and reinforcing this alliance will be critical to maintaining ambition within the UNFCCC processes and the EU increasing its target will be critical to maintaining its credibility.

As a country highly vulnerable to the impacts of climate change it is in Australia’s strategic interest to move with and support ambition within this process. Failure to move from the insufficient 5 per cent target will limit Australia’s ability to work with other countries to pressure other major emitters to lift their targets to levels consistent with avoiding dangerous climate change.

+ **It would provide an important short-term boost to global carbon markets.**

From 2015, Australia’s emission trading scheme will accept UN compliant international credits. While uncertain, current forecasts suggest that out to 2020 the supply of credits from existing Kyoto market mechanisms closely matches current expected demand from the EU, Australia, Japan and South Korea. (The wild card is the emergence of emission trading schemes in China and California, and whether they link to global markets.)

The EU (and to a lesser extent Australia) lifting the level of their targets would boost the currently depressed global carbon market by increasing the value of emission units and providing investors with greater confidence to invest in new offset projects.
Implications
For Australia

The progress achieved in Durban has some important implications for climate change policy in Australia.

Pollution Targets

Under the Clean Energy Future Act, the Australian Government does not have to commit to a 2020 target until 2014, which is one year before the new legally binding international agreement is expected to be in place. Importantly, however, under the Act the Australian Government’s decision on the 2020 target must consider Australia’s international obligations. The Climate Change Authority, which will make recommendations on what the emission cap level should be, must also consider Australia’s existing undertakings under the Copenhagen Accord and Cancun Agreements.

Under existing international agreements, Australia is committed to reducing emissions by 5 – 25 per cent below 2000 levels by 2020. This target range is supported by both Labor and the Coalition. The Greens advocate a 25 – 40 per cent target range.

While the low end of Australia’s target range (5 per cent) is unconditional, the Government has pledged to increase this to 15 - 25 per cent target based on the levels of domestic action around the world and certain framework decisions made internationally (e.g. access to international carbon markets).

Documents obtained under Freedom of Information have revealed that Department of Climate Change and Energy Efficiency has advised to reducing the emissions intensity of its economy by 40 – 45 per cent is consistent with the Australian Government’s conditions for moving to a 25 per cent pollution target. The documents obtained under FOI are available on The Climate Institute’s website: http://www.climateinstitute.org.au/our-publications/reports/762-foi-request-documents-regarding-australian-emission-reduction-targets.

Recent analysis of whether the conditions for Australia’s higher targets had been fulfilled, released before Durban by The Climate Institute showed the conditions for the 15 per cent target have largely been met. The Durban outcomes reinforce and strengthen this conclusion.

Independent analysis of current global action by Professor Ross Garnaut implied that Australia’s 2020 target should be 10 per cent below 2000 levels by 2020. Separate analysis by researchers from the ANU arrived at a similar conclusion, arguing that if the Government were required to commit to a 2020 target today, it should be 15 per cent.

Importantly, the Australian Government remains committed to a 25 per cent target in the context of a global agreement consistent with keeping atmospheric greenhouse gas concentrations at 450 parts per million CO₂-e, or lower. This, according to the Australian Government, is in Australia’s national interest, as it would provide a


6 The Climate Institute, Durban, Australia and the Future of Global Climate Action: A Fresh Look at the Progress of International Climate Change Negotiations, The Climate Institute, Sydney, 2011.


50/50 chance of keeping global warming below 2°C, which is necessary to avoid the worst impacts of climate change. To increase the chances of staying below two degrees, and to provide a chance of limiting global warming to 1.5°C, an even stronger stabilisation goal is required.

One of the most significant outcomes in Durban is that countries acknowledged ‘with grave concern’ that existing commitments will need to be strengthened to keep global warming below 2°C.

Importantly, the Durban Platform also commits countries to increasing ambition through the negotiations between now and 2015. This makes it crucially important that Australia remains willing to commit to at least the 25 per cent target. Keeping the 25 per cent target on the table provides Australia’s diplomats with much needed leverage within the negotiations, and should be used to extract stronger commitments from other countries. To do otherwise would be contrary to Australia’s national interest as it would undermine the Government’s own objective of reaching a global agreement capable of keeping global warming below 2°C.

In May 2014, the Government is required to set five years of pollution caps ahead of the transition to an emissions trading scheme in 2015. A key test for the Government’s international credibility will be ensuring these caps do not close the door on moving to the 25 per cent target if required. This will be a matter for careful consideration for the newly established independent Climate Change Authority, which will be chaired by former Reserve Bank Governor, Bernie Fraser. The Authority will make its recommendations on the caps in February 2014.

What About Australia’s Kyoto Protocol Target?

In May 2012 countries will begin submitting details of the target they are prepared to inscribe in the second commitment period of the Kyoto Protocol, which is currently expected to run from 2013 – 2017 or from 2013-2020. The Australian Government declared that it will not participate in the second commitment period until a new agreement has been reached under the Durban Platform. However the Government has yet to indicate whether it will make a submission targets in May 2012.

The main challenge with the May 2012 submission is that it comes ahead of the first report of the Australian Climate Change Authority, which will not be completed until February 2014. Technically, this does not prevent the Government from submitting a target for the second commitment period in May next year. However, for the reasons outlined above, it is crucial that the Government retain the flexibility to increase this target in light of the Durban Platform negotiations. This would require the inclusion of an adjustment provision to be included as an amendment to the Kyoto Protocol.

This would allow Australia, or any other country, to strengthen their target in 2015 when the Durban Platform negotiations are expected to conclude, without having to re-open the Kyoto Protocol for re-negotiation and ratification. Crucially, such an adjustment provision would only allow countries to strengthen their target, not weaken it.⁹

In the absence of an adjustment provision, it would be unhelpful for Australia to lock in a weak target for the Kyoto Protocol’s second commitment period in May next year. Locking in a target that is not consistent with achieving the high end of Australia’s target range would send the wrong signal to the rest of the world and undermine one of the key strength of the Clean Energy Future Act, namely the ability to ratchet up the national target in light of international developments.

⁹ An example of an adjustment provision is contained in the Montreal Protocol on Substances that Deplete the Ozone Layer.
Coalition Policy

The outcome in Durban also has important implications for the Coalition’s position on climate change, providing good reason to soften its opposition to the carbon price. If the Coalition wins the next election, it risks a diplomatic backlash unless it can convince the international community that it remains committed to achieving the full range of 2020 pollution reduction targets. In practice this means having policies and regulations in place that are capable of delivering these targets. However, analysis confirms that the Coalition’s Direct Action policy cannot achieve Australia’s 5 - 25 per cent international targets without billions of dollars of extra cost to the Australian economy. This means it will not be viewed as a credible policy for delivering Australia’s international obligations, undermining Australia’s negotiating position.

In the past the Coalition has argued that it would need to revisit its policy – including its position on the carbon price – in light of international developments, particularly in the US and China. Indeed the ‘Direct Action’ policy includes the following flexibility provision:

“…arrangements can be changed to meet the obligations of any global agreements to which Australia may become a signatory, or amended to reflect the approaches taken by our major trading partners and big global emitters. The Coalition remains committed to its previously announced target range.”

The clearest option for the Coalition would be to drop its pledge to repeal the carbon price legislation. This would send a much more credible signal internationally, as well as providing greater certainty for Australian businesses looking to make investment decisions with time horizons beyond the next election.

(Note, if the current Government commits Australia to the Kyoto Protocol’s second commitment period this would effectively exclude soil carbon – the key pillar of the Coalition’s policy – from the international accounting rules associated with our international target.)

Long-term Finance Sources

In 2012 countries will begin considering options for new sources of long-term climate finance. As part of these negotiations, the Australian Government will be expected to identify which sources it is willing and able to support. A recent study by researchers at the Australian National University pointed to a range of different opportunities for Australia.

In 2012 The Climate Institute will be looking to the Government to commit to two key sources:

+ **International bunker fuels.** Putting a carbon price on fuel sold in Australia for international shipping and aviation purposes. While Australia should push for an international approach, as an interim step this measure can and should be put in place unilaterally. At least half of the money raised from this source should go to international climate finance, with the remainder invested back into the shipping and airline industries to help them invest in low-pollution technologies and practices.

+ **Fossil fuel subsidies.** Commit to a timeline to phase out remaining fossil fuel subsidies, redirecting 50 per cent of these funds to investment in pollution reduction and adaptation efforts in Australia and 50 per cent to developing countries.

In the medium term, the Government should also commit to allocating a portion of domestic carbon pricing revenue to international climate finance. This could begin as a relatively small fraction of the carbon price revenue, rising through time.

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Diplomacy

The Durban Summit again highlighted the importance of domestic action in leveraging international credibility. Throughout the meeting China in particular used the fact that it is taking more action than most major developed nations as a bulwark against calls for stronger commitments. The EU was also able to leverage the fact that it has acted in advance of all other major economies to successfully argue to have all major economies covered by a single international binding agreement.

In Durban the geopolitics shifted again. The EU, having been largely marginalised in the final outcomes in Copenhagen, joined with AOSIS and the least developed countries (LDCs) and formed an ambition coalition to push for stronger action at the meeting.

In the final hours of the meeting it was this grouping that exerted the maximum pressure on India and other emerging economies to support a road map to a legally bind agreement.

Australia did not join, but did not block, the efforts of this group in Durban.

The diplomatic implications of this move are yet to be realised. For Australia, does it signal a shift back towards a stronger alignment with the USA? What will it mean for Australia’s role in the Cartagena Dialogue?

The Government has stated that it is the national interest to avoid a 2°C increase in global temperature, as Australia is very vulnerable to the impacts of accelerating climate change.

The posture of the USA in the international climate negotiations is inconsistent with Australia’s national interest. This raises real questions around maintaining an overall close relationship with the USA in the talks and whether it would be more strategic for Australia to play a more visible and active role with the ambition coalition of the EU, AOSIS and the LDCs.

In Copenhagen, the geopolitics of climate change was fundamentally altered. The emergence of the economic and diplomatic power of China, India, Brazil and South Africa – the so-called BASIC group – redefined the dynamics in the talks. The final Copenhagen Accord was effectively made between these four countries and the USA.

However, the increasingly organised voice of countries most vulnerable to the impacts of climate change, such as the Alliance of Small Island States (AOSIS), demanding action from all major emitters, combined with the diplomatic confidence of the BASICs, has split the traditionally-cohesive G77/China developing country bloc.

Australia’s repositioning from a defensive posture under the Howard Government to a position more closely aligned with progressive advanced economies such as the UK and Norway has also partly broken down the internal developed country blocs. Together, these developments have led to the formation of the Cartagena Dialogue. This is a grouping of progressive nations from both the advanced and developing economies, including many vulnerable countries, but not the USA or the BASICs. This innovation has become a fertile forum for positions that have helped the talks progress and was critical to the success of the Cancun meeting last year.

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Legal Form Of New Treaty

The new treaty must provide incentives for countries to participate. In recent years, Australia has played a lead role internationally in developing policy and legal solutions on how to capture commitments from a board range of nations and provide incentives for countries to meet international obligations. For example, in advance of Copenhagen Australia proposed that each major emitter’s international commitments would be captured in an individual national ‘schedule’. This kind of detailed policy analysis is important to delivering an effective legal framework and should continue.

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Key Outcomes From The Durban Climate Summit

Note: In the Durban Platform for Enhanced Action column, ticks indicate progress, dashes a neutral outcome and a cross a negative outcome.

<table>
<thead>
<tr>
<th>Key Objectives</th>
<th>Cancun Agreements</th>
<th>Durban Platform For Enhanced Action</th>
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<tbody>
<tr>
<td><strong>Pollution Reduction Commitments and global goals</strong></td>
<td>• Formal recognition given to the ‘below 2°C’ global goal</td>
<td>✓ Reaffirmed the ‘below 2°C’ global goal and recognition of possibility of needing to strengthen this to 1.5°C.</td>
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<td></td>
<td>• Agreement to consider strengthening this to 1.5°C</td>
<td>✓ Noted the ‘significant gap’ between this goal and the commitments currently on the table.</td>
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<td></td>
<td>• Establishment of a process to review, by 2015, the global goal and progress</td>
<td>✓ Commits governments to ensuring ambition is increased from current levels under the new legally binding agreement to be in place by 2015.</td>
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<td>towards its achievement.</td>
<td>× Parties were unable to agree on a peaking year for global emissions, or a 2050 global goal. This will be the subject of ongoing negotiations.</td>
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<td></td>
<td>• Existing national targets and commitments from major polluting countries –</td>
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<td></td>
<td>– both developed and developing, including the US and China – have been anchored</td>
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<td>in the formal UN decision.</td>
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<td>• Recognition that all countries need to do more and a process was launched to</td>
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<td></td>
<td>assess and compare these national targets and commitments.</td>
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<td></td>
<td>• Continue discussing legal options with the aim of completing an “agreed</td>
<td>✓ Commitment to negotiate a new legally binding agreement to be in place by 2015 and in force by 2020.</td>
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<tr>
<td><strong>Agreement on the legal form of future international climate change agreements</strong></td>
<td>Outcome” based on Bali Action Plan the Cancun Agreements in Durban.</td>
<td>✓ This will ensure that pollution reduction commitments and actions from all major emitting countries (both developed and developing) will be covered by the same legal binding agreement.</td>
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<td></td>
<td></td>
<td>✓ While there will continue to be some differentiation in the strength of each country’s commitment, they will have the same legal effect.</td>
</tr>
<tr>
<td><strong>Kyoto Protocol</strong></td>
<td>• Agreed that the discussions under the Kyoto Protocol shall aim to finish “as</td>
<td>✓ Decided that a second commitment period for the Kyoto Protocol would be established, covering the period 2013-2017 or 2013-2020.</td>
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<td>early as possible and in time to ensure there is no gap between the first (2008-2012) and second (post 2013) commitment periods.</td>
<td>✓ Countries – including Australia – have been invited to submit a national target for the second commitment.</td>
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A number of other decisions on the gases covered and the reporting guidelines were also made. New rules for accounting for land use, land use change and forestry emissions where agreed. These rules include making accounting for emissions from forest management mandatory and capping the amount of credits and debits that countries can use from forest management towards meeting their targets.

**Transparency and accountability**

- Commitment from all major polluting countries to strengthen reporting of pollution, including progress towards national targets and commitments.
- It was also agreed that pollution reduction efforts by all countries will be subject to much greater levels of international review and verification, including through a process of international consultations and analysis (ICA).
- A process, beginning in 2011, was launched to develop the detailed guidelines by which countries will comply with these stronger transparency provisions.
- Developed countries agreed to provide more details on their mitigation targets by March 2012, including the assumptions used and gases and sectors covered. This will help to improve the transparency of current pledges. These submissions will be made using a common template to allow comparisons between countries to be made.
- Developing countries will also provide further details on their mitigation pledges, through a series of structured workshops. While this is an important step, ideally this information should also be submitted formally using a common template, rather than relying on workshops.
- Countries also agreed to establish a ‘registry’ of mitigation actions in developing countries, which require financial assistance. This will help to link actions with funding.
- New biennial reporting of progress on emissions reductions (mandatory for all developed countries and major emitting developing countries)
- Establishment of new processes to allow an open assessment of the progress that developed and developing countries are making to reduce emissions.
- For developed countries the review process (known as ‘international assessment and review’) will focus primarily on checking progress towards their target.
- The purpose of the review process for developing countries (known as ‘international consultation and analysis’) is to provide more transparency and facilitate the implementation of mitigation actions.
- No framework or process for new common accounting rules agreed to define and measure the progress countries are making towards their targets.
### Finance
- A formal decision was made to establish a new ‘Global Climate Fund’, which will play a central role in mobilising and deploying US$100 billion a year by 2020 to support developing countries to reduce pollution, avoid emissions from the destruction of tropical forests, ensure technology cooperation and manage the unavoidable impacts of climate change.
- The Cancun Agreements also established a Transitional Committee to formulate the detailed design of the fund, which is expected to begin its work in early 2011.
- The Cancun Agreements recognise that multiple financing sources (i.e. public and private) will be needed to achieve the goal of mobilising US$100 billion a year by 2020.
- Cancun summit did not establish a process for mobilising any specific sources of finance.

### 2013-15 Review
- In Cancun a commitment was made to review the adequacy of the goal of keeping global warming below 2°C, recognising that for even this level of warming will have major consequences.

### New market mechanisms
- Decided to consider the establishment of one or more market-based mechanisms in Durban.

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### Address emissions from the destruction of tropical forests (REDD)
- A new international program was formally established to reduce emissions from deforestation and forest degradation (REDD) in developing countries.
- Countries agreed to establish ‘robust and transparent’ national forest monitoring systems. However, it is likely that further work will be required.
- Decisions were made on setting reference levels for deforestation, but concerns remain about the environmental rigour of these processes. Potential loopholes remain.
- The procedures for safeguarding against unintended social and environmental consequences of
to strengthen of accounting rules for REDD activities.

REDD projects have been decided. Some concerns remain that these are not strong enough.

- No final decision on financing mechanisms for REDD, including international trade.

**Adaptation**

- The Cancun Agreement formally established a program – the Cancun Adaptation Framework – to coordinate adaptation support for the world’s most vulnerable countries.
- A process was also established to consider how to address loss and damage as a result of climate change in developing countries (e.g. insurance and compensation).

- Established an Adaptation Committee to oversee the implementation of the Adaptation Framework launched in Cancun. This will greatly enhance the UN’s work on climate change adaptation, particularly its efforts to support the world’s poorest and most vulnerable countries.
- Durban also saw further progress on the issue of loss and damage, which is expected to be an issue of growing significance in future negotiations. The decision adopted in Durban flagged the possibility of establishing an international mechanism to address loss and damage. This is particularly important to small island countries, which are already experiencing loss and damage from sea level rise.