

Developing countries call for balanced outcomes in Cancun

Tianjin, 5 October 2010 (Meena Raman) – Developing countries called for a comprehensive set of decisions at the 16th meeting of the Conference of Parties in Cancun, Mexico in November this year that will ensure balance between the negotiating tracks under the UNFCCC and the Kyoto Protocol as well as balance within decisions under each of the negotiating tracks.

This call was led by the G77 and China at the opening of the 12th session of the Ad-hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) on 4 October, to implement the mandate of the Bali Action Plan.

The 14th session of the Ad-hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP) also began its work in Tianjin on the same day.

Chair of the AWG-LCA, Ms. Margaret Mukahanana-Sangarwe of Zimbabwe, said at the opening session of the working group that the Tianjin climate talks were a make or break for Cancun. She said that Parties needed to focus on what was achievable in the negotiations, bearing in mind the need to present a balanced set of draft decisions to be presented at COP 16 for adoption.

She also proposed the establishment of a contact group which will organize the work on the negotiating text by having four drafting groups on shared vision for long-term cooperative action; adaptation; mitigation; and finance, technology and capacity-building. Parties agreed to the proposal by the Chair and proceeded to meet in drafting groups in the afternoon.

On the proposal by the Chair of the AWG-LCA with regard to presenting a balanced set of draft decisions to the COP for adoption, **Ambassador Abdullah M. Alsaidi of Yemen**, speaking for the **G77 and China** said that the Group was looking for a comprehensive set of decisions at Cancun.

He said that the Group could agree in principle with the idea of a balanced set of decisions provided that - (i) Parties proceed with the negotiations and then determine

what elements might be ripe to be included in this package; (ii) the decisions to be adopted in Cancun must be in accordance with the Bali Action Plan covering all its elements; (iii) the balance between the negotiating tracks i.e. the AWG-LCA and AWG-KP is respected and the balance in decisions within each track is maintained; and (iv) these decisions should not compromise the overall objective of a comprehensive and ambitious and legally binding outcome.

Alsaidi said that if Parties were to make progress in the negotiations, the work must be based on the principles and provisions of the Convention and the Bali Action Plan (BAP).

“In this regard, ideas and proposals that are inconsistent with the Convention and the BAP such as the re-classification of countries or differentiation amongst developing countries will impede the process and that such proposals do not advance our work and could in fact be counterproductive,” he said.

The G77 and China also reaffirmed the centrality of the UNFCCC in addressing climate change and stressed that the process of work must be open, party-driven, inclusive and transparent.

The **Democratic Republic of Congo**, speaking for the **African Group** said that it expects negotiations under the AWG-LCA track to result in a legally binding, inclusive, fair and effective outcome, which prioritizes both adaptation and mitigation.

It said that Tianjin should focus on establishing consensus on the elements that will allow the Cancun climate conference to facilitate the conclusion of a balanced set of outcomes under each of the negotiating tracks. It must unite the world in building an inclusive, fair, legally binding and effective international climate regime based on the principles of the Convention.

The Group said that adaptation is the highest priority for Africa, which requires the effective implementation of adaptation actions through the establishment of the Adaptation Framework with the required financial,

technical and capacity building support from developed country Parties. Africa sees the Adaptation Committee as a key institution that will provide coherence on implementation of enhanced actions on adaptation under the Convention.

The African Group also said that the long-term solution to the climate crisis is an effective and ambitious global effort to mitigate emissions of greenhouse gases (GHG). In this regard, Africa believed that agreement on a second commitment period under the Kyoto Protocol (KP) is absolutely essential to facilitate agreement under the AWG-LCA on absolute GHG emission reduction mitigation targets by Annex 1 countries not Party to the KP, which are comparable in terms of ambition, accounting and compliance rules. It said that the AWG-LCA should focus on clarifying the approach to enhance the ambition of Annex 1 countries not Party to the KP and the issue of comparability as well as design, function and institutional arrangements for the proposed mitigation mechanism supporting Non-Annex 1 countries' nationally appropriate mitigation actions (NAMAs).

(Comparability refers to the agreement in the BAP that the United States that is not a KP Party should nevertheless take on emission reduction targets that are comparable to those of the KP Parties.)

On the issue of REDD-plus, (reducing emissions from deforestation and degradation etc. in developing countries), it said that it was necessary to launch the "readiness phase".

On finance, the African Group called for the establishment of the new fund under the COP and the need to identify the mechanisms and institutional arrangements that would give meaning to the means of implementation such as a finance committee under the COP. The Group said that 1.5% of GDP of developed countries per annum based on assessed scale of contributions set by the Finance Committee and approved by the COP will be important to ensure predictability, adequacy and sustainability.

On capacity building, the Group said that it should remain a standalone issue, like technology transfer and finance and there was need for a new mechanism under the Subsidiary Body on Implementation for this.

Grenada, for the Alliance of Small Island States (AOSIS) said that it looked to COP 16 to deliver a legally binding outcome and that if this was not attained, it looked for a package of COP decisions. It said the decisions must be comprehensive and ambitious and must represent a major step forward which must rebuild confidence and momentum and deliver practical and

tangible results that will help realize a legally binding agreement in South Africa (venue of COP 17 in 2011).

If all the work under the Bali Action Plan will not be completed in Cancun, then a process decision on extending the mandate of the AWG-LCA will be necessary which must establish a mandate and deadline for achieving a legally binding agreement. For AOSIS, these decisions must be framed within the overall objective of limiting global warming to well below 1.5 degree C and coupled with a review in 2015 to assess the adequacy of the long-term goal and actions taken in response.

On adaptation, it called for the formal establishment of a new permanent body under the Convention; a clear link between implementation of adaptation action and finance and clarity on institutional arrangements to address loss and damage including insurance.

A decision on mitigation ambition must be scaled up to deliver emission reductions consistent with science-based long-term goal; and a decision to bring mitigation pledges of Annex 1 and non-Annex 1 countries into the Convention process; MRV (measuring, reporting and verification) for developed countries must build upon those applicable under the KP; MRV for mitigation actions of developing countries, including new rules on the frequency of inventories and national communications and related support, the general framework for a process of international consultation and analysis (ICA) and MRV of support; a decision on REDD plus; and a way forward on response measures.

On finance, it also called for the formal establishment of a new climate fund. The basic architecture of the fund, particularly the composition of its board should be decided at Cancun and the mandate to design this new fund should be entrusted to a representative body created under the Convention that is balanced in its representation.

It also wanted the elaboration of the functions of a new oversight body on climate finance and a process to ensure its operationalization by COP 17. It further wanted a decision on a goal on longer term financing beyond 2012 that is new, additional and predictable and to establish a process to consider the various options to mobilize the financing to meet that goal.

Lesotho, for the Least Developed Countries (LDCs) said that there was need for early acknowledgement of the need to extend the mandate of the AWG-LCA beyond Cancun and this should be done carefully in a manner that would maintain the balance between the AWG-LCA and AWG-KP; the balance between the issues within the

AWG-LCA and more importantly, the balance between COP 16 decisions and continuing AWG-LCA negotiations.

It said that finance is critical and key to the effective implementation of adaptation, mitigation, technology transfer and capacity building efforts in LDCs. The LDC group was looking forward to negotiations that would lead to the creation of a new fund that would streamline the various funding sources and needs under the Convention.

It stressed the importance of capacity building for the LDCs and proposed the setting up of a technical panel that will be financially supported by developed countries to ensure that capacities either at institutional, individual and systemic level are being built to address short, medium and long-term needs.

Venezuela, speaking for the ALBA group (The Bolivarian Alternative for the Americas, including Nicaragua, Cuba, Ecuador, Bolivia and Venezuela) said that it was essential to preserve the existing legally binding regime which is the UNFCCC and the Kyoto Protocol. The challenge for Cancun was to achieve balanced results at two levels – (i) to balance the decisions under the AWG-LCA and the amendments under the Kyoto Protocol; and (ii) within the AWG-LCA for an equitable balance in the progress of all elements under the Bali Action Plan which will allow progress towards adopting a legally binding instrument to strengthen and complement the existing legal regime.

Limiting the increase in global mean temperature is the central element of a balanced agreement and this was only possible with specific mitigation commitments by developed countries that are historically responsible, according to the group.

It called for the abandoning of obsolete negotiation strategy by developed countries based on bargaining and pressuring where progress in the AWG-KP is blocked if there is no progress in the AWG-LCA. It said that developed countries must be ready to show real commitments. Referring to the political situation in the United States, Venezuela said that it was unacceptable for the rest of the world to wait for the outcome of its elections before knowing if the U.S will be able to make commitments.

Egypt, speaking for a group of Arab countries also underscored the need for balance not only within the elements of the Bali Action Plan but also between the two tracks of the AWG-KP and the AWG-LCA.

(Its representative announced that the recent September meeting of the Arab League mandated Egypt to speak on behalf of its 22 members.)

Belgium, for the European Union said that multilateralism within the UN framework remains the core of finding global solutions to global problems. For the EU, the overall goal for Cancun is to make as much progress as possible towards an ambitious, comprehensive and legally binding outcome in line with the 2 degree C objective.

It expected a balanced set of decisions within and across both negotiating tracks (the AWG-LCA and AWG-KP). It said that significant progress is both necessary and achievable on the elements of the Bali Roadmap. It said that Cancun should integrate the political guidance given in the Copenhagen Accord and put in place key institutional and architectural arrangements.

On its priorities for Cancun, the EU said that on mitigation, there was need to anchor all countries' pledges and set up a further process to clarify them, to mobilize support and to discuss options for strengthening the collective level of ambition. It said there was need to establish the framework for the MRV system, based on existing provisions, and including international consultations and analysis (ICA).

A balanced package should also include the operationalisation of the REDD-plus mechanism, address bunker fuel emissions and lay the foundation for the creation of new, scaled up market mechanisms.

It looked forward to the establishment of an Adaptation Framework, of the Technology Mechanism and for their institutional arrangements.

On finance, it said there was need for a decision regarding the establishment of the Copenhagen Green Climate Fund, the periodic overview of climate financing and a way forward on options for mobilizing US\$100 billion of climate finance, as part of a balanced package.

The EU expressed concern with the slow pace of the negotiations in the LCA track as compared to the KP track at the last session in Bonn and wanted a much more dynamic negotiation mode in Tianjin. At the end of Tianjin, it hoped for a draft of a balanced set of decisions available for further consideration which clearly distinguishes between what was feasible to include for the different items in Cancun and what will need further work after Cancun and topics that will need particular political attention. It said that time was lacking to have yet another comprehensive reading of the text and wanted to find a way of extracting from the negotiating text those elements that can realistically contribute to a meaningful and balanced outcome in Cancun.

Australia, speaking for the Umbrella Group said that the best way to ensure a balanced package of outcomes in Cancun is to lock in the progress to date and to implement the understanding of leaders reached in

Copenhagen (referring to the disputed Copenhagen Accord that was “taken note” of but not adopted at the last COP meeting).

It wanted a durable, fair and effective climate regime with the participation of all major economies. A balanced package for the group must have something for everyone. It must include a robust outcome on MRV, mitigation actions and ICA and must build on the Copenhagen Accord where there must be an affirmation of all the pledges made under the Accord. It said that the current negotiating text was 70 pages long and there was need to focus rather than on a line-by-line approach.

Australia said that elements for draft decisions could be extracted which can include REDD-plus and a Technology Mechanism; a robust MRV framework and an ICA process tailored to meet the needs of all Parties.

Issues regarding finance were already resolved by the Copenhagen Accord and there could not be a re-negotiation of this, it said.

In her address at the welcoming session of the climate talks in Tianjin, Ms. Christiana Figueres, the Executive Secretary of the UNFCCC stressed that a concrete outcome in Cancun is urgently needed to restore the faith in the ability of Parties to take the process forward and to prevent multilateralism from being perceived as a never-ending road. Figueres said that for a tangible outcome in December, it was time for Parties to clarify what could constitute an achievable and politically balanced package for Cancun and what could be subject to further work after Cancun.

She said that it would seem that Parties are on the verge of being able to agree on a set of decisions to start operationalising some aspects of each element of the Bali Action Plan which include but are not limited to an adaptation framework; a technology mechanism and capacity-building arrangements; a new fund to house long-term climate financing and the launch of a readiness phase for REDD-plus.

Figueres said that it was clear that not all the details of these elements can be agreed to and that there was a need for these elements to be elaborated to a comparable level of detail. “It is evident that these operational issues cannot advance without clarity on fast start finance and an overall agreement on a package of more politically charged issues that includes, but is not limited to the future of the Kyoto Protocol, specifically how to take commitments forward; the formalization of mitigation pledges put forward by Parties in 2010 and the accompanying accountability for their implementation; the mobilization of long-term financing and the accompanying accountability of its

delivery; response measures and the understanding of fairness that will guide long-term mitigation efforts,” she added.

Mr. Dai Bingguo, State Councillor of the People’s Republic of China also spoke at the welcoming ceremony which was also attended by Mr. Xie Zhenhua, the Vice Chairman of China’s National Development and Reform Commission and Mr. Huang Xingguo, the Mayor of the Tianjin Municipal Government.

Dai made three suggestions on how to make the Cancun conference fruitful.

First, Parties must adhere to the basic framework of the UNFCCC and its Kyoto Protocol and the mandate of the Bali Roadmap and building on the outcomes of the Copenhagen conference, promote the full, effective and sustained implementation the UNFCCC and the Protocol.

Secondly, the principle of common but differentiated responsibilities must be followed and targets set for developed countries to take the lead in substantially reducing their GHG emissions; arrangements be fleshed out for providing adequate financial and technological support to developing countries and help the latter take active measures to adapt to and mitigate climate change.

Thirdly, Parties must abide by the principle of sustainable development, strike a good balance between economic development, poverty eradication and climate protection and seek the win-win outcomes of both achieving development and countering climate change, so as to ensure the development right of developing countries.

Dai said that China was a developing country with fast yet unbalanced development with 1.3 billion people and in terms of GDP per capita, it ranked 100 in the world. He said that as it still has tens of millions of people trapped in poverty, China faces the arduous task of growing the economy and improving peoples’ livelihoods while facing significant constraints in controlling GHG emissions.

“China had announced its target of controlling GHG emissions by cutting CO2 emissions per unit of GDP by 40-45% from 2005 levels and to raise the share of non-fossil fuels in primary energy consumption to around 15% and to increase forest coverage by 40 million hectares from 2005 level and forest stock by 1.3 billion cubic meters,” said Dai.