

Analysis brief on the climate negotiations



Cancún, Mexico

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This analysis brief is aimed at facilitating understanding of the current state of the climate negotiations. It analyzes and suggests possible ways of moving forward in the negotiations in an educational format accessible to the general public.

This analysis brief comprises an executive summary followed by a full report.

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“Remember! We have only one thing to fear – the sky falling on our heads!”

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Cancún – COP 16 – 2010

EXECUTIVE SUMMARY

Principal message:

Progress can be made on certain themes in Cancún, which will reinforce the implementation of concrete actions in developing countries and be a very positive message for all those working on on the ground initiatives. This offers an excellent chance to emerge from the fantasy of a “balanced package” and the numerous thorny subjects it is composed of with heads held high.

1. Progress can be made on certain themes in Cancún ...

Thanks to ongoing negotiations and the determination of many people around the world, especially the UNFCCC Executive Secretary Mme Figueres and Mexico, the host country of the conference, progress has been made on several subjects since Copenhagen. With the support of many others, they organized a range of debates, voluntary initiatives and high-level meetings on key themes (MRV, forests, finance, adaptation, etc.) in order to help prepare decisions on certain sectors in Cancún.

It is thus possible to reach decisions on several themes. The two most mature themes are forests (REDD+) and finance (creating a Green Fund to finance the fight against climate change in developing countries).

- **On forests:** a negotiation text was already well-advanced and contained real progress towards building consensus in Copenhagen. This included a clear description of the principles which should guide actions, confirmation of a broad vision of forestry activities (i.e. a REDD+ vision concerning almost all forests between the tropics, accounting for half of the world's forests), respect for forest-dwelling populations and taking into account biodiversity considerations. Negotiations must recognize the energy spent to take this step forward and capitalize on it to avoid the risk of resuming discussions on an essentially finalized text.
- **On finance:** progress in 2010 more or less built a consensus around the decision to create the Green Fund proposed in the Copenhagen Accord. All countries have shown flexibility on this matter and it seems that it will be possible in Cancún to start work on the operational terms of the fund's functioning, such as the "balanced" composition of the fund's governance bodies. The fund would deal with financing of around the same scale as current official development assistance (US\$100 billion per year). A strategic choice will need to be made on the way funds will be allocated: will it be a large bank centralizing action on climate change, which will probably take a long time to get off the ground and marginalize smaller actors, or a fund with a more flexible structure with the ability to create synergies with a wide range of current actors involved in financing climate change projects: national development banks of developing countries, the private sector and bilateral donors? Work on these operational aspects should be launched at Cancún, which will show off a spirit of international solidarity in fighting climate change, with undeniably positive effects on the negotiation process.

Decisions are also possible in Cancún, in particular on technology transfer, adaptation and agriculture.

2. ...which will reinforce developing countries in implementing their actions...

The decisions which may be reached at Cancún concern important matters for the world of tomorrow and for disadvantaged populations:

- Deforestation is responsible for around 17% of greenhouse gas emissions in the world, and so **reducing deforestation and preserving forests potentially represents 17% of the solution to climate change**. Forests also provide basic goods and services (water resources, firewood, food). Furthermore, many of them are home to rich biodiversity which should be protected. **A decision on REDD+ in Cancún would be a first echo of the conclusions of the recent Nagoya Conference on biodiversity**. Ambitious progress in Cancún on forests in industrialized countries (LULUCF) would complement this decision on REDD+.
- **Launching the Green Fund at Cancún can strengthen and inject dynamism into financial flows to support projects and programs of action in all developing countries.** This decision would complement progress expected in Cancún on the process of building NAMAs projects and plans.

This would also be a way of moving forward in implementing the Copenhagen Accord. Although admittedly imperfect, 139 countries, including the world's largest emitters, have now officially associated themselves with the Accord. This is the sign of an understanding that all categories of countries must participate in the fight against climate change. It also shows that consensus is progressively being built in certain areas and being addressed as a top priority in countries. The development of projects at the local level, supported by national and international financing is evidence of this. Examples of countries moving forward at the national level abound: Indonesia, Vietnam and Mexico are implementing national climate plans, China is integrating climate change into its 12th Five Year Plan, South Africa has just published its integrated energy resource plan, Kenya is developing investments in geothermal energy, Columbia is undertaking ambitious urban projects, the Central African Republic is moving forward in sustainably managing its forests, and so forth.

But this is not yet sufficient to halt the ongoing increase of CO₂ concentrations in the atmosphere. More needs to be done, and faster.

3. ...and will be a very positive message for all those working on on the ground initiatives...

Closing the Cancún Conference with official decisions on forests and finance would have a major impact. Steps forward would send a positive message:

- **to those already implementing and financing projects** for climate change and for development: private corporations, countries implementing climate plans, local authorities taking concrete action and all the NGOs involved.
- **to developing countries**, which have lost faith in industrialized countries' often unfulfilled pledges to take action and provide financial support.
- **to all those working progressively to build and consolidate a coherent set of actions** on the road to an overarching agreement.

4. ...and a chance to emerge from the fantasy of a “balanced package” and the numerous unripe subjects it is composed of.

Despite the fact that most countries are now fully aware of the urgency of the situation, the negotiations can still be blocked by those who continue to stand firm on their positions, refusing to make the small concessions and shifting discussions onto the points of deadlock. The possible progress on specific themes could come up against certain countries' determination to see the negotiations as one whole indivisible package. Indeed, this approach would allow progress to be made on certain fronts without coming to a decision on other, thornier issues, such as the future of the Kyoto Protocol, developed countries' emissions reduction commitments and the legally binding framework.

But deferring possible decisions on certain themes to after Cancún on the grounds that “nothing less than a balanced package will do” would severely disadvantage the poorest countries, most notably in Africa, which urgently need new financing to be put into place.

Negotiations on the “balanced package” need to be revitalized. This requires putting forward a serious calendar for future negotiations for all the themes which are not yet mature, and applying methods to these themes which have allowed negotiations to advance on the others. The method used to progress on finance in 2010, for example, could be applied to other themes. Led by the support of the UNFCCC Secretariat, this involved a subtle blend of discussions in negotiation sessions supplemented with meetings between representatives of groups of countries, and above all ministers and other political leaders. Mexico along with a few other countries thus played a discreet but highly effective role in leading the negotiation process on finance. **A decision at Cancún on the negotiation calendar and on a method to allow groups with a balanced representation of countries to pursue work on each of the subjects would give fresh visibility to the process and give assurance to countries that certain contentious issues are not being definitively set aside.** In the end, this should allow countries to come to a balanced and coherent regime capable of meeting the first ever challenge which mankind has ever faced that calls for solidarity at the international level.

Countries are aware of the need to move forward in this critical phase in which the negotiation process finds itself, in particular due to the deadlock in the US. Several subjects are not yet mature and demand increased efforts in the negotiations.

Progress can be made on these matters at Cancún – on MRV, adaptation, technology transfer, developed countries' commitments, legal form, fast start finance, and so forth. **The full report of the analysis brief presents these themes and analyzes them in a pedagogical manner to allow everyone in the general public to understand, to make suggestions and to act.**

For the first time in history, the international negotiations at Copenhagen were opened to the wider public, under the credo of transparency and democratization, shattering the image of the negotiations as a process restricted to an inner circle of people. Finding the answers to the numerous questions which will be debated in Cancún will depend on all participants constructively engaging in discussions, from ministers and ambassadors to scientists, local representatives, business leaders, NGOs, journalists, and so on and so forth.