

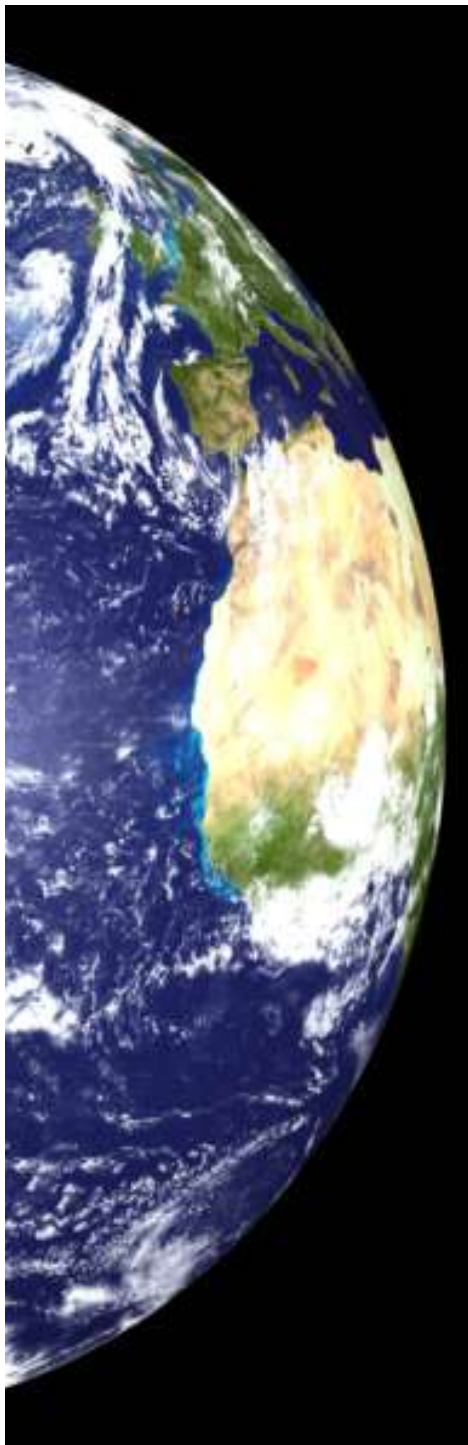
The half-way mark on the road to Copenhagen 2009

The intergovernmental climate change
negotiations

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The UN Framework Convention on Climate Change

- 192 Parties – near universal membership
- **The ultimate objective of the Convention:** change is inevitable, but pace and intensity must be managed so that people and ecosystems can adapt.
- Principle of common but differentiated responsibilities and respective capabilities: **developed countries must take the lead**



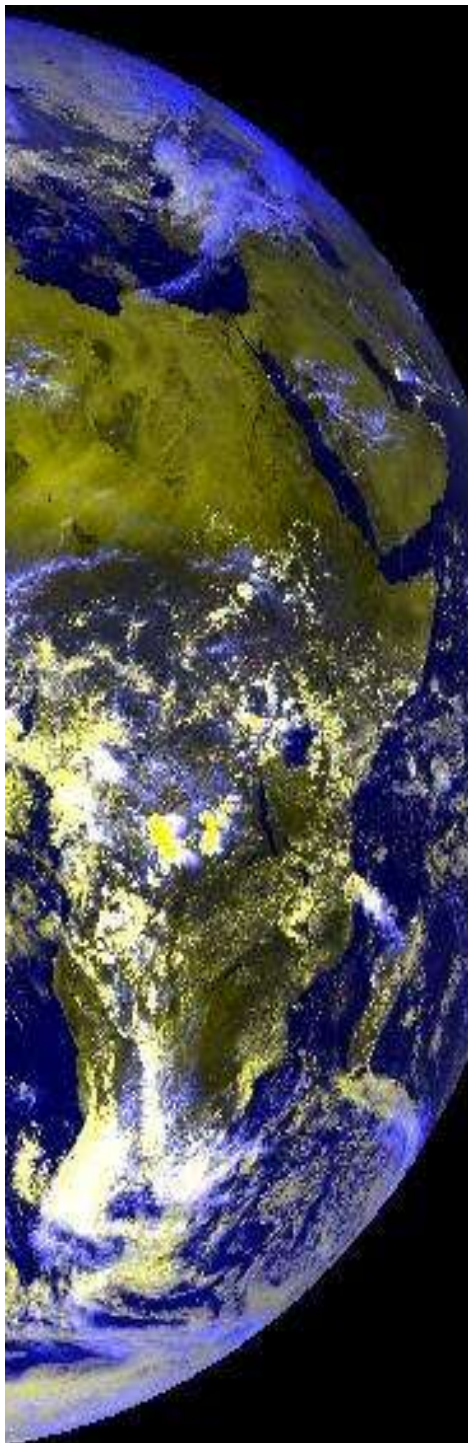
The Kyoto Protocol

- Entry into force on 16 February 2005
- 183 Parties (December 2008)
- Commitment period: 2008 – 2012

Main features

- **Legally binding targets** for emissions of six major greenhouse gases in industrialized countries during first commitment period
- At the end of 2012: reduction of about 5%
- New **international market-based instruments** creating a new commodity: carbon
- **Valuable architecture**, but scope not commensurate with the scale of the problem

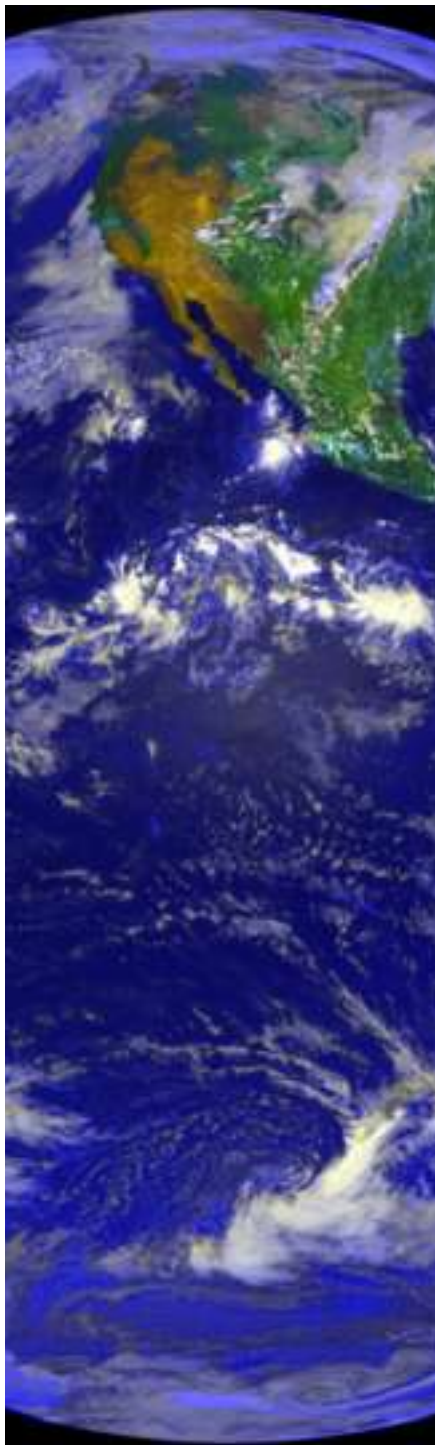




Clean Development Mechanism

- Industrialized countries pay for projects that **cut or avoid emissions in poorer nations**
- They earn certified emission reduction (CERs) credits to help meet their own emissions targets
- Recipient countries benefit from **sustainable development initiatives**
- Estimation: CDM projects that entered the pipeline will **result in 25 billion USD capital investment**
- **Boosts technology transfer** to developing countries
- **Adaptation Fund: 2% levy on projects**





2007: “The year of climate change”

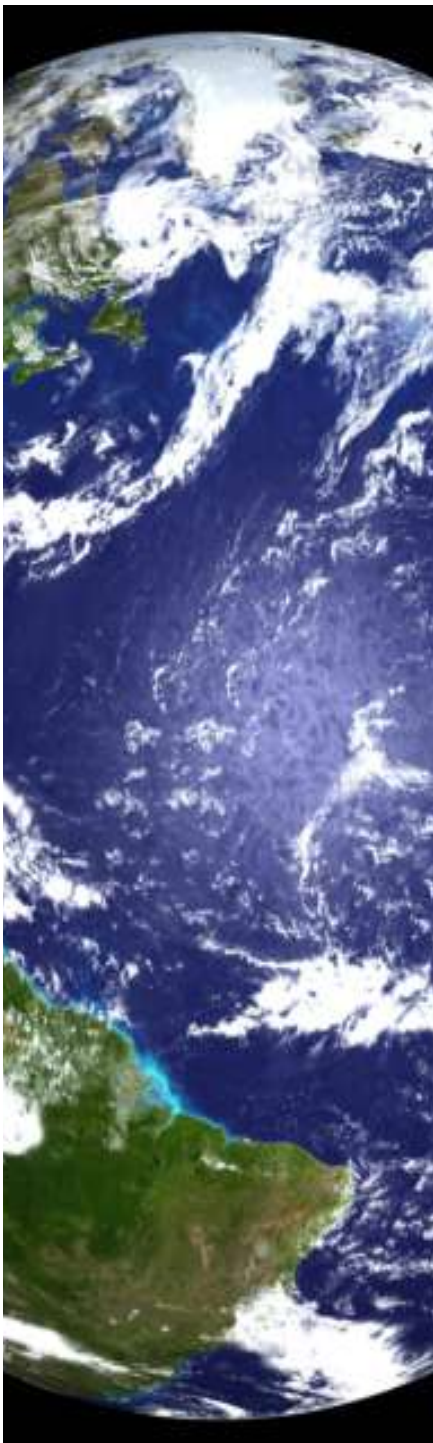
- Launch of the IPCC’s fourth assessment report: recognition that **current efforts are not commensurate with the scale of the problem**
 - **Mitigation:** IPCC best case scenario: industrialised countries to reduce by **25 – 40%** over **1990 by 2020**;
 - **Adaptation:** impacts to affect developing countries the most; **new sources of funding** needed
- Recognition of the **urgency to act**
- Nobel peace prize
- Huge **political momentum** and increased **public awareness** on climate change



The UN Climate Change Conference in Bali 2007

The Bali Road Map – different streams:

- **Convention negotiations: strengthen the international response up to and beyond 2012**
 - Negotiations on **4 building blocks: adaptation, mitigation, technology and finance**
 - **Shared vision**
- **On-going work, e.g. technology, adaptation, deforestation**
- **Kyoto Protocol negotiations**





The Bali Road Map (BRM) – negotiations towards Copenhagen

- Negotiations towards an **agreed outcome in Copenhagen 2009: ratification processes**
 - **tight time-line**, no need for a fully elaborated outcome; **but:**
 - **Copenhagen 2009 needs to be a strong and ambitious policy framework that sets a clear overall direction for future global climate change action**
 - **developed countries to take the lead;**
 - **economic development and poverty eradication in developing countries must not be jeopardised**





BRM negotiations: enhanced action on mitigation

- Developed countries: **quantified emission limitation and reduction objectives**
- Developing countries: **Nationally appropriate mitigation actions, supported and enabled by technology, finance and capacity building, in a measurable, reportable and verifiable (MRV) manner.**
 - Developing countries are willing to make a contribution over and above what they are already doing if they get support





BRM negotiations: enhanced action on adaptation

- Support for the **implementation of adaptation** actions, especially in LDCs, SIDS, African countries;
- **Disaster reduction** strategies;
- **Risk management**;
- Enhanced action on the provision of **financial resources**;
- Adaptation is likely to cost tens **billions of dollars per year in 2030.**

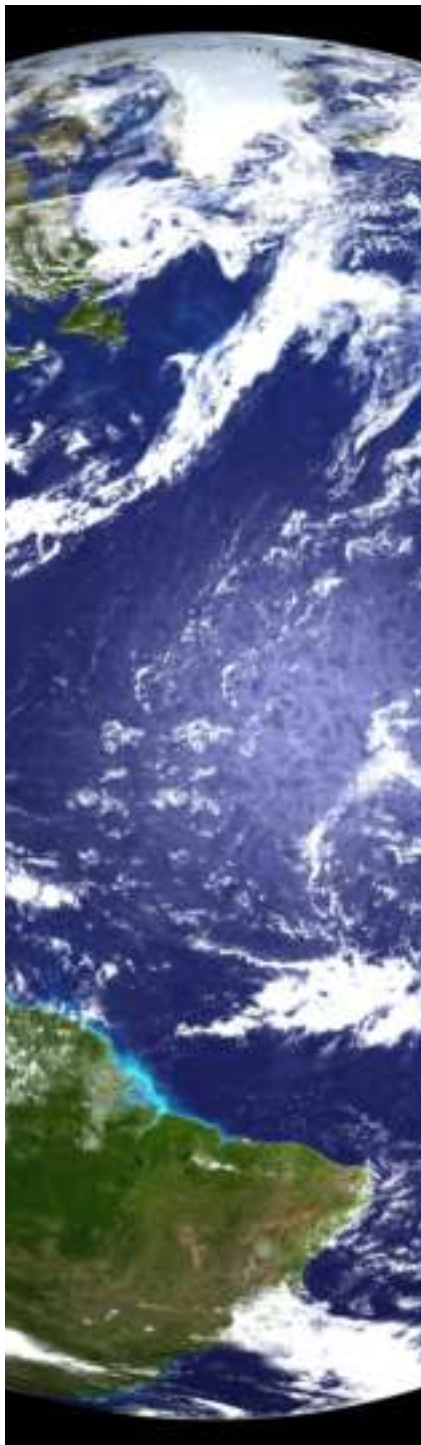




Current status of the negotiations towards Copenhagen

- Parties met at additional sessions in 2008:
 - **clarified ideas, exchanged views**
 - **tabled proposals** on a wide range of issues, e.g:
 - ways to boost adaptation; institutional needs, ways to finance action;
 - **Proposals compiled** into an assembly document
- Parties to go into **real negotiating mode** at Poznan and during 2009

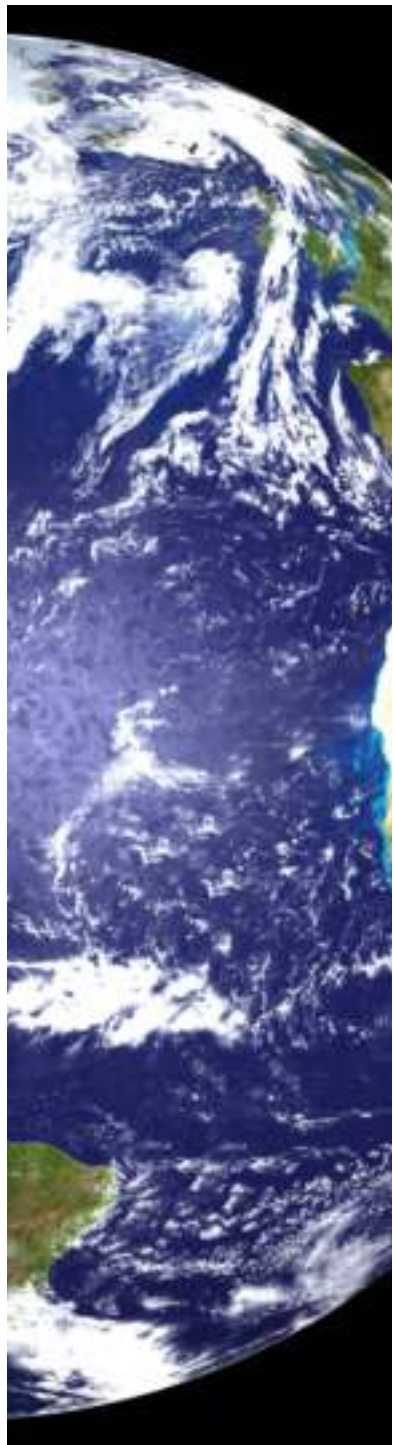




Poznan 2009

- The **half-way mark** between Bali and Copenhagen
- First time that Ministers meet after Bali, last time before Copenhagen – **stock-taking**
 - **Shared vision**
 - **Progress on the financial architecture**
- **Other issues on the agenda:**
 - **Adaptation:** risk management and risk reduction; urgent adaptation needs of vulnerable Parties;
 - Adaptation Fund
 - CDM reforms
 - Reducing Emissions from Deforestation
 - Technology





Political essentials to be resolved to make Copenhagen 2009 work

1. The nature of commitments

- Level of ambition by developed countries
- Nature of mitigation by developing countries

2. Financial resources

- Financial architecture to enable action on adaptation and mitigation

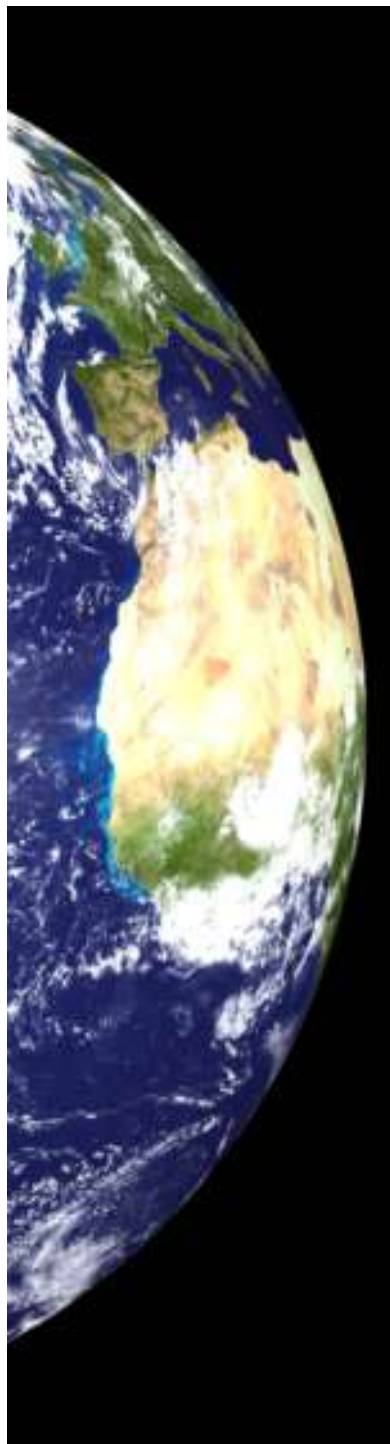
3. Institutional framework

- A framework that holds everything together and delivers



Political essentials: the nature of commitments

- **Developed country ambition:**
 - Or else developing countries will not see why they should mitigate
- **Developing country engagement:**
 - Or else not all industrialised countries are willing to show ambition
- Industrialised country **ambition** will trigger **more financial and technological support.**
- More support will trigger **more engagement by developing countries.**
- More engagement will trigger **more industrialised country ambition**





Political essentials: financial resources

- Need to generate **significant** financial and technological support to **enable meaningful action by developing countries**.
- Current **carbon market** is a first step, but is insufficient:
 - doesn't generate enough
- How could the **carbon market** structure be **expanded**?
- Can **other mechanisms** be developed?
- Financial crisis
 - **Self-financing Climate Compact**





Political essentials: institutional framework

- Parties want to **be in control** of the financial institution
- An institution that **holds everything together**



Climate change needs an economic solution

- Some businesses see economic opportunity in climate change abatement, while others fear huge losses: **some are calling for clarity, while others don't want to be engaged**
- The **private sector needs to be involved** since the largest share of finances and environmentally sound technologies lie in their hands.
- A solution to climate change **can only work** if it is **economically viable**
- **Citizens expect solid political solutions from their governments**



Copenhagen 2009

- Copenhagen 2009: **transforming the global economy to a low-emissions economy.**
- Copenhagen 2009 needs to ensure that **all countries can participate in green growth and boost resilience.**
- Copenhagen 2009 is about:
 - **creating value for change**
 - **creating new investment opportunities**
 - **creating rewards for change**
 - **generating funding for adaptation**
- Copenhagen 2009 needs to ring in the era of **green global economic growth**

