



**Brokering a global deal on climate change
Palace of Westminster, London
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**Address by Yvo de Boer, Executive Secretary
United Nations Framework Convention on Climate Change**

Excellencies, ladies and gentlemen,

The Secretary-General of the United Nations has termed this year the “year of climate change”. The reason is obvious: Copenhagen. December. 2009.

Copenhagen 2009 will be the moment in history in which humanity has the opportunity to rise to the challenge and decisively deal with climate change. It is beyond the shadow of doubt that greenhouse gas emissions have to be radically reduced to keep climate change from sliding into climate chaos. Once we slide into climate chaos, there will be no place left to hide for anybody.

Science tells us that reductions in the order of -25 - -40% over 1990 levels are needed by 2020 and that emissions need to peak in the next 10-15 years. At the same time, adapting to the inevitable consequences of climate change is a global priority, especially for the poorest and most vulnerable people.

It has become abundantly clear that climate change needs urgent action.

Across the globe, people are demanding a decisive and clear political solution to the world’s most pressing problem. A political solution is critical for humanity’s further development as a whole and especially critical for the world’s poorest and most vulnerable people, who have the least ability to cope. In the long run, climate change is a massive threat to human development. In some places, it is already undermining efforts to reduce extreme poverty.

They say that to achieve great things, you need two things: a plan and not quite enough time. One might argue that this bodes well for the climate change negotiations. The Bali Road Map is a good plan and the clock is certainly ticking down to Copenhagen.

Copenhagen is the end-point in the two-year negotiating process under the Bali Road Map. With the Poznan Climate Change Conference, we have just passed the half-way mark in the negotiations towards Copenhagen.

The Poznan Climate Change Conference did what it was supposed to do.

Although the conference wasn't marked by any major political outcomes, it made progress in a number of specific areas of work and fully endorsed an intensified negotiating schedule for 2009.

Under the Bali Road Map negotiations, Parties agreed to craft a negotiating text for the session to be held in Bonn in June. This text will be based on converging proposals and ideas submitted by Parties over the past year.

The adoption of the "Poznan Strategic Programme on Technology Transfer" translates into a good first step in boosting technology transfer. However, efforts at transferring technologies need to be significantly expanded under a Copenhagen outcome.

The major success of the conference was the operationalisation of the Adaptation Fund, with direct access for eligible developing country Parties. The Adaptation Fund is funded by a 2% levy on projects under the Kyoto Protocol's Clean Development Mechanism.

No agreement was reached on extending such a levy to the other flexible carbon market mechanisms under the Kyoto Protocol, namely Joint Implementation and Emissions Trading. Agreement would have significantly increased the level of funding for adaptation.

Poznan drove home the fact that a Copenhagen agreement needs to seriously boost adaptation funding to enable developing countries to be fully engaged. Of course this is particularly important for the poorest and most vulnerable developing countries faced with a growing array of climate change impacts. The world cannot afford to drift into what Archbishop Desmond Tutu has described as "adaptation apartheid", where only the rich have the means to implement proper adaptation.

The extension of the 2% levy was part of a larger package of work under the Kyoto Protocol, including a number of improvements to the Clean Development Mechanism. Since no agreement was reached on the levy, the larger package was not passed either. This will have to be resolved in 2009. Notwithstanding their importance, these are of course rather technical aspects of the negotiations.

So, in terms of the bigger picture, what needs to be achieved in 2009 for Copenhagen to be a success?

To my mind, there are four political essentials that have to be in place by Copenhagen to unleash ambitious action through a strong agreed outcome. These essentials are the critical make-or-break elements of a Copenhagen deal that have to be resolved this year.

The first essential relates to clarity on quantified emission limitation or reduction objectives of industrialised countries.

The second relates to clarity on nationally appropriate mitigation actions of developing countries;

In Bali, developing countries clearly indicated that they are willing to do more, but that their overriding concerns of poverty reduction and economic growth remain.

As a result and as per the Bali Road Map, developing countries need measurable, reportable and verifiable financial and technological support to implement mitigation actions above what they are already doing.

This leads to the third political essential, which relates to clarity on how financial and technological support both for mitigation and, crucially, for adaptation will be generated.

The current carbon market structures are a promising first step in this direction. The higher the level of ambition of industrialised countries, the higher the level of e.g. technology transfer, or funds generated for adaptation through the Kyoto Protocol's Clean Development Mechanism.

Valuable as this is, the current carbon market structures are insufficient to meet the challenge. The market is doing what markets do: it is picking the cheapest options and does not guarantee an equal geographical distribution. There is a need for other ways of mobilizing financial resources.

The question then is: how could a funding mechanism through the carbon market be expanded? And: are there other types of mechanisms that could be established within the Convention to generate solid resources?

Another option would be mechanisms enabled through the rules of the Convention.

Multilateral and bilateral sources of funding represent another important option for mobilising adaptation funding. Yet here it is critical that these are new and additional resources, as opposed to repackaged ODA. It will be important to create a mix of instruments with effective disbursement.

This leads to the fourth political essential, which relates to clarity on the institutional framework to deliver support for mitigation and adaptation

Parties are exasperated with the financial architecture and there are sensitivities surrounding sources of funding that lie outside the Convention. They want to be in control of the financial institution that delivers for mitigation and adaptation. The funds under the World Bank have a sunset clause, which conditions their future on the agreed outcome in Copenhagen. It is critical that the funds that are agreed as part of the Copenhagen outcome have governance structures that treat all Parties as equals.

It is now crucial that the focus shifts towards putting in place the necessary technicalities to advance the four political essentials.

The challenges for 2009 are huge - but there are also huge opportunities.

Although things are moving forward and Parties remain committed to the Bali Road Map, much work remains to be done in 2009 - and under difficult circumstances.

For one, the divide between developing and industrialised countries is hugely prominent. This is mainly characterised by the developing country perception that there is a lack of leadership on the part of industrialised countries.

Developing countries are pointing to insufficient mitigation undertaken to date by industrialised countries who are required to take the lead in emission reductions. This includes the weak engagement of the United States up to now.

Developing countries are also pointing to a range of unfulfilled support commitments by industrialised countries and are nervous that the needed support to move forward will also not come.

Breaching the divide will entail rigorous climate change abatement on the part of industrialised countries and a clever financial architecture to unleash developing country action.

The new Obama Administration, with its commitment to vigorously reengage in the climate change process, will undoubtedly change the dynamics of the negotiations. President Obama's intention to reduce the US' emissions to 1990 levels by 2020 has already injected the negotiations with renewed political momentum. This is a very positive signal!

Yet 2009 is a year that is not devoid of a range of other global challenges, such as the financial crisis and global economic down-turn.

Encouragingly, the economic crises are being used by some, for example the EU, the US and China, as an opportunity to redirect energy policies into a greener future. Linking economic recovery to ambitious climate change policies translates into seizing the opportunity. Clean industry and investment have proven that they offer secure and long-term profits and returns.

Copenhagen 2009 has an important part to play in this by further strengthening and extending the economic opportunities inherent in "going green".

The agreed outcome needs to help make the green components of economic recovery packages sustainable.

It needs to kick-start green economic growth on a global scale and open the door for a global green revolution. In this context, it needs to enable building up a more inclusive, green pattern of globalization.

As part of this, Copenhagen needs to turn developing country mitigation actions into something that both serves and boosts their long-term economic development goals. Economic growth and mitigation need to be mutually reinforcing.

So, how can the political and the development communities help the world to rise to the challenge and ensure that the most vulnerable are not sidelined?

Firstly, it is critical that industrialised countries indeed take up their leadership role in climate change abatement. They also need to live up to the support commitments they have made towards developing countries.

Secondly, new and additional adaptation funding is urgently needed and will increasingly be needed as climate change takes ever more hold. A key contribution will entail

finding new ways to mobilize funding for adaptation that are separate from existing funding such as ODA.

Thirdly, many least developed countries need assistance with identifying the most pressing adaptation needs and implementing adequate adaptation measures. The development community has a key role in supporting such initiatives.

Finally, although the industrialised world needs to take the lead in reducing emissions, the challenge cannot be met without meaningful engagement by developing countries. Funding and technological support will be needed to enable additional, nationally appropriate mitigation actions by developing countries.

Public funding will be needed to leverage a much larger amount of private funding for this purpose. The private sector holds the largest share of the necessary funding and technologies in their hands, and needs to be fully engaged in the solution.

2009, the year of climate change, is also the year of opportunity.

The year ahead has been clearly mapped out: four two-week negotiating sessions have been dotted throughout the year, with the possibility of a fifth session before Copenhagen, if needed. Real negotiating mode has begun. The stakes are high, but the price of failure is higher still.

The poorest 40% of the world's population amounts to some 2.6 billion people. Future generations will be a much larger group still. Despite their numbers, they are the two groups with the weakest political voice and they are the two groups most threatened by climate change. Failing to address the threat they face as a result of climate change will amount to a moral failure on the part of humanity as a whole.

Its time for the world to take responsibility. Copenhagen 2009 is the world's opportunity for a new beginning, a new dawn, that includes appropriate tools to lift the world into a better, safer, inclusive and sustainable future.

Thank you

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