

Presentation by

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For Environment and Sustainable Development

**Workshop on**

**Equitable Access to Sustainable Development**

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Check Against Delivery

Ladies and Gentlemen

It is a pleasure for my delegation to take part in this important and timely workshop. As you know Egypt is a middle income country with a population of over 80 million. My country is in the middle of a historic transformation in the wake of its 25 January 2011 Revolution. This Revolution had as its driving force the people's demands for freedom, social justice and democracy. At the center of these legitimate aspirations of the Egyptian people is the need of its youth which represent around 50 percent of the population, for poverty eradication, jobs, social services, food, shelter in addition to a call for good governance and democracy. All of you have followed the famous Tahrir square events, where history is being made, providing an inspiration to people all over the world fighting for a better future and for the realization of all their dignity and human rights, including their right to development.

Some may ask how does this relate to the subject matter of today's workshop. Let me answer by claiming that there is an intrinsic link, and that Egypt is only a case in point of the challenges faced by the wider developing countries in today's world. We are all bearing the devastating impacts of climate change, a phenomenon not of our own making but resulting mainly of the industrialization process over the last two centuries by the now developed countries. While we all have recognized through the UNFCCC Convention the necessity to address the challenges resulting from climate change, including the need to undergo mitigation and adaptation, the fact of the matter is that resources to be allocated to them have an opportunity cost and developing countries, Egypt included, do face a severe budget constraint and many competing demands on scarce national financial resources. What we would allocate to mitigation and adaptation actions is necessarily diverted from much needed expenditures on health, education, socio-economic growth and the needed infrastructure, and poverty eradication efforts at large. All of this happens at a time the Doha Development Round of the WTO is at a stand still, and developing countries are facing trade protectionism in developed countries markets including agricultural subsidies they provide to their farmers effectively blocking the access to our exports to international markets.

The question that poses itself is to what degree it is fair and ethical to impose strong mitigation obligations on developing countries when this in effect would consume an increasing share of their national resources and diverts them from the other pressing demands, and at a time these countries have a huge funding gap, and for a problem that is not of their own making. Thus, developing countries like mine require additional financial resources if they are to fulfill the twin tasks of development and environmental protection, including climate actions.

The concept of equity is very important in this context. Equity means that the countries which are responsible for 80% of cumulative emissions while representing only about a fifth of world population have to assume their historic responsibility. Equity dictates that they bear most of the solutions required to tackle the dangerous situation the world now faces as a result of climate change including the costs involved:

- They should make deep cuts in the fastest possible time in their own emissions instead of asking developing countries to do so and shifting the burden to them.
- Since developing countries will also contribute, and cannot pursue a business as usual path of emissions, then developed countries have to support and enable their efforts in this regard. The Convention recognizes this, with article 4.3 stating that developed countries will meet the agreed full incremental cost of the mitigation efforts by developing countries. The rationale is clear, as this is only way these efforts do not lead to diverting resources from the latter's development priorities. Let me also recall article 4.7 which links the effective implementation of actions by developing countries to the provision by developed countries of means of implementation to them.
- Developed countries should also assist developing countries in meeting the cost of adaptation to climate change, especially since it is the cumulative emissions of developed countries that are mainly responsible for this phenomenon. These effects include extreme weather events, floods, heavy rainfalls, sea level rise, drought, water stress, impact on food security, etc. The finances will help developing

countries cope with, prevent, and manage these impacts and engage in reconstruction and other adaptation efforts, all of which have a huge cost and divert resources from the development and poverty eradication priorities.

In my delegation's views equity should be infused into all pillars of the Bali action Plan and be a fundamental principle that permeates the work of the new Durban Platform. What we need is to operationalize the concept of equity, and in this regard my delegation submits the following:

- a) Under mitigation, the Convention and the LCA recognizes equity by distinguishing between the commitments by Annex 1 countries and the actions by developing countries. This distinction is made because of equity and CBDR. This is why equity demands that Annex 1 countries very drastically cut their emissions now, and why my country as other developing countries have demanded that such cut be by at least 45% by 2020 compared to 1990. The deeper these cuts, the more atmospheric space is left for developing countries like Egypt. The less they cut, the more they would be retarding our development and causing environmental harm. The fact of the matter is the figures for such cuts in the first commitment period were low and those presented for the second commitment period are still low, let alone highly uncertain. Five or six countries have either left the Kyoto Protocol or are not entering or not sure of entering the second commitment period and those who remain have low numbers for emission reduction targets. According to the Bali Action Plan, developed countries that are not in the KP or not making commitments there must still make commitments under the LCA. Their numbers should be comparable to those of KP members, but the latter's numbers to start with should be high enough to be adequate, rather than what we see today. In such case, this would represent equity among developed countries and between them and developing countries. As to mitigation actions of developing countries, there is significant costs attached. If these actions were free of cost, developed countries would have had no problems at all in being carbon free by now, and there would be no need to debate

over the developing countries' actions and the finance and technology that are needed. The fact is there is a cost. Hence equity means that the mitigation actions by developing countries should be supported and enabled by finance and technology as per article 4.7 of the Convention, and para 1b(ii) of the Bali Action Plan.

- b) With regard to adaptation, equity also applies because of historical responsibility, that most of the cumulative emissions arise from developed countries, and they also have greater financial resources. The main victims of the effects of climate change are in developing countries and their adaptation efforts also compete for resources that would otherwise be allocated to poverty eradication and development as well as food security in accordance with article 2 of the Convention. If we the developing countries put a lot of our budgetary resources into adaptation, these other priorities would not be funded. Nor would there be funds for mitigation. But adaptation to the climate change phenomenon which was not of our own making is necessary. Hence the equity principle requires the implementation of article 4.4 and discussions on-going on adaptation in the AWG-LCA and in subsidiary bodies will need to be speedily resolved in a satisfactory manner as soon as possible.
- c) With regard to finance, given what was just said on mitigation and adaptation, it is obvious that there is a need for adequate and predictable flows of resources to do both without sacrificing socio-economic development and poverty eradication . We recognize that developed countries face budgetary challenges and that there is an international economic and financial crisis. However, the climate crisis is permanent and urgent, while the economic crisis may hopefully be temporary. If trillions of dollars of public funds are available to bail out funds and the economy, then adequate funds must be made available for climate change. Moreover the developed countries in 2009 decided to issue hundreds of billions of dollars worth of IMF special drawing rights to fight the economic crisis; they can also surely do the same to finance efforts to address climate

change that threatens humanity. We are happy that the GCF was established, however the task now is to get enough money to flow to that fund so it can begin to work. This is yet to be done. There is a need to do several things to operationalize equity in finance: (1) We need to analyse what happened to the promise of \$10 billion a year in fast track finance between 2010 and 2012. Was it new and additional, was it enough and where did it go? (2) What happens to climate finance between 2013 and 2020? What mechanisms should be set up to ensure adequacy and proper implementation? (3) What happens in 2020 and beyond? Are we really sure that 100 billion \$ will be available every year starting from 2020? Will it be in the form of grants, loans, investments, public or private sector funds? Will it be new and additional? (4) The fact of the matter is that 100 billion \$ will not be enough, as according to several estimates the figure should be between at least \$500 billion to more than \$1 trillion per year to meet both the cost of mitigation and adaptation.

- d) With regard to technology, the relevant articles of the Convention require developed countries to transfer technology to developing countries and assist them in developing their own technology. This is critical for equity because developing countries need appropriate technology at affordable cost in order to maximize the effect of their mitigation and adaptation actions. If a machine can be bought from abroad or made locally for \$1000 compared to \$10000, then a country or a company can make use of 10 units instead of 1 unit, for the same cost. This will increase the effectiveness of mitigation and adaptation actions. Hence it is important that international policies be reviewed and that technology transfer practices be reformed to lower the cost to developing countries. This includes a review of the intellectual property regime, to enable innovation while at the same time lowering the cost of climate technology for developing countries, and assist them to build their own capacities to create their own endogenous technology. This is why a new regime for technology transfer is a necessary part of operationalization of equity.

e) With regard to shared vision, this includes the four issues I already mentioned in addition to a few others as well. One important such issue is trade since all equity measures would be nullified if developing countries face unilateral trade measures against their goods and services in the name of climate change. We are seeing already disturbing signs of climate protectionism, one of its manifestations being the EU aviation scheme, another being plans being discussed to introduce border adjustment measures or carbon tariffs. Therefore it is imperative that AWGLCA and the Convention adopt a clear stance prohibiting such measures. Otherwise the benefits to developing countries from equity measures in finance and technology will be outweighed by the costs to them of loss of export revenues from protectionism.

On the issue of global goal for emission reduction, choosing a goal such as 50% or 80% emission reduction by a particular year like 2050 cannot be done in isolation. Instead, the equity aspect has to be considered and should be in the centre of the discussion. There are various options in getting to whatever goal that may be chosen, including on how much of the cuts are undertaken by developed countries and developing countries. If in a global goal of 50%, the developed countries are only willing to do 80% reduction or whatever figure, developing countries by deduction are being asked to do the remainder. Developing countries need to know what this remainder is, especially in per capita terms, and whether they can do it, and what assistance they are provided with. Therefore it is important that developed countries be required to do what is their fair share, including entering into the area of negative emissions. In the event they are unable to meet their allocated responsibility for emission reduction, then there can be a scheme through which they make additional and adequate financial payments and technology transfers to developing countries so that they can do their share without sacrificing their development and poverty eradication priorities. Another way of looking at the matter would be for developing countries to determine what reductions they are willing and

capable of implementing with the existing level of means of implementation leaving the remainder for developed countries to shoulder.

Therefore the principles and operationalization of a scheme for the equitable sharing of atmospheric space and sustainable development must be discussed and agreed prior to or at the same time as any agreement on reducing global emissions by x% by X year. The same equity discussion and scheme have to be done regarding the global peaking year. If we are to chose a year in the abstract, like 2015 or 2020, how would this be achieved and how much would developed countries contribute must be explicitly addressed and agreed to. If they contribute less, this means that developing countries will have to peak faster and perhaps almost immediately, in order that there will be global peaking. Reaching a maximum emission level for a developing country so soon (and then requiring that emissions go down after that) is a massive obligation implied by having a global peaking year and unambitious emission reductions by developed countries. What are the consequences for a developing country's socio-economic and poverty eradication objectives? How much finance and technology does it need to achieve the peaking and to fund its adaptation efforts as well, without sacrificing development? Are such means of implementation forthcoming or not? How much? When? From what source? The issues are therefore interconnected and cannot be seen in isolation. We do not have answers yet we have to find such answers before we agree on any peaking year.

I would also like to address briefly the situation of LDCs, who are currently not part of the discussions. Are they condemned to remain LDCs. If they were to grow they too will not have access to atmospheric space to allow them to grow out of poverty. The present scenarios do not even take into account that these countries will some day, hopefully soon, grow out of poverty and hence graduate from being LDCs. Or is there a kind of hidden assumption that they will eternally remain LDCs and hence will not witness growth of their emissions?



In conclusion, these are not small insignificant issues. They are very important and fundamental. They do not only affect the LCA but also the KP, the SBI, the SBSTA, and definitely the new Durban Platform. It is refreshing that the LCA has taken up this important matter, but it is essential that the content of this workshop be transmitted to all bodies including the COP and MP. We have to look for ways to continue and expand the discussion not only in the LCA but in all other bodies, including the COP itself and the Durban Platform. In this regard, the Arab Group proposes to establish a work program on equity and how to operationalize it in existing and future work and structures of the Convention and its bodies. Such a new work program needs to be implemented by a working group or a dedicated body on equity to be created under the COP. The work programme should discuss the concepts, objectives, principles, and activities, and be the focal point that monitors and verifies progress in the operationalization of equity in all the bodies.

In addition, it should be ensured, perhaps in a COP decision, that the equity principle be reaffirmed and operationalized in all bodies and activities of the UNFCCC.

A third important recommendation pertains to the need for us to collectively examine the various facets and dimensions of the concept of “vulnerability”. During the previous session this morning, the distinguished representative of Singapore was referring to the need to consider the national circumstances of all countries, and that each country could be in a way or another vulnerable to climate change. I would like on behalf of the Arab Group to recommend that a workshop on the concept of “vulnerability” be organized to objectively determine its various dimensions and facets, as we believe that a careful consideration of both “equity” and “vulnerability” represent important dimensions which should guide the discussions in the new Durban Platform. I hope that the Chair will incorporate these concrete proposals in the summary and report of this workshop.

I would like to request that this full statement be placed in the report of the proceedings of this workshop, as well as the different presentations made by the

other participants. This would be useful as inputs to inform future detailed consideration of the equity principle and its operationalization and a contribution to future deliberations under the AWG-LCA as well as the new Durban Platform.

I thank you.