

**Major Economies Meeting on Energy Security and Climate Change,
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The Bali Roadmap and the way forward

The Bali Roadmap - key outcomes of Bali

The United Nations Climate Change Conference in Bali constituted a real breakthrough. A two-year negotiation process was launched to strengthen the international response to climate change and an agenda for the key issues to be negotiated up to 2009 drawn up. Under the new process on long-term cooperative action under the Convention, the negotiations are to:

- (a) Define, in a measurable, reportable and verifiable way, nationally appropriate, emission limitation commitments for developed countries and mitigation actions for developing countries;
- (b) Determine essential actions to adapt to the inevitable impacts of climate change and to promote climate-resilient development; and
- (c) Mobilise the necessary finance and technology cooperation to support these action in a measurable, reportable and verifiable way.

Under the Kyoto Protocol, Parties established a timetable with detailed steps to be taken to complete negotiations on new emission reduction targets for industrialized countries by 2009.

Technology transfer received much attention in Bali, and work on it renewed the momentum of the process. Parties agreed to work on a new strategic programme to scale up the level of investment for technology transfer.

Parties also launched action on reducing emissions from deforestation and forest degradation in developing countries and decided to enhance further methodological work.

Last but not least, Bali saw the launch of the Adaptation Fund and the establishment of the Adaptation Fund Board, so that already this year a first set of adaptation projects might receive funding, but here we have a long way to go.

The UN Climate Change Conference in Bali was the biggest climate change conference ever. There was a great desire of Parties to make progress, huge public interest and a good sense of common ownership of the outcome. It is the countries around this table that now have a major responsibility in making the Bali Roadmap a success.

The way forward

The real work begins now and we have an incredibly busy time ahead of us. The challenge is huge: there is less than two years left to craft an agreement on stronger

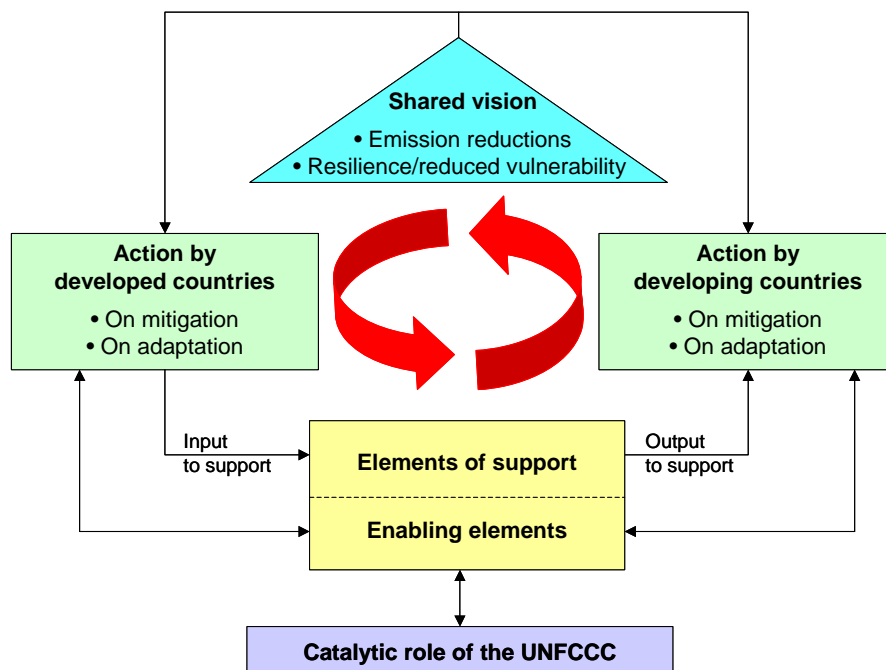
international action on climate change that measures up to the imperatives of science. Achieving the goal of the negotiations will require:

- A delicate balance between the political necessity of engaging major emitters and recognizing the economic growth and poverty eradication imperatives of developing countries;
- A way forward that leads to strong investment opportunities beyond a pure assistance approach and subsidization; and
- A global approach that ties together the developed and the developing world.

The first meeting of the new body will be held from 31 of March to 4 April in a venue to be announced shortly. This meeting will need to set a detailed work plan for the negotiations in :

- Identifying the areas that need to be further clarified (what e.g. should be understood by words like: ‘measurable’, ‘verifiable’ and ‘comparable’ in the Bali Action Plan);
- Identifying the issues where work needs to be done and in what order that should happen;
- Identifying the input needed from the UN at large, the business sector and others.

The AWG under the Kyoto Protocol has a very clear work plan, which will focus on the rules for the period after 2012. Given the short time available, this work has to move ahead. While it is clear that everything will be agreed in a final package, much of the work on the details cannot be reopened any more in the final phases. The following charts sets out, in a simplified form, the major elements of a future agreement that are to be negotiated:



As part of the initial phase it is important to focus on developing the mechanisms to support and enable action by developing countries to help these countries go the extra green mile. Finance and technology are central elements of the Bali Roadmap.

- Developing countries need to know what is the tool box for them before committing to action;
- Efforts on climate friendly technology and finance have to be recognized as a way of creating investment opportunities;
- It is an area for positive debate: Finance and technology can be the glue that connects developed and developing countries, and therefore represents a constructive starting point.

What we need is what I have called a ‘Climate Change Marshall Plan’: a plan that will spur green, low-carbon economic growth worldwide, particularly in developing countries, that will reshape the world’s future economy and redirect investment flows into a sustainable future. A comprehensive financial architecture is needed to deliver this. A variety of tools need to be part of this architecture, including:

- Mechanisms established within the framework of the Convention;
- Mechanisms enabled through the rules under the Convention, but working outside; and
- Financial tools created independently of the Convention, but linked to it.

Targeted inputs from outside the Convention are required to ensure that the negotiations deliver what is needed. This means from the whole UN system, business and other organizations. The Bali Roadmap foresees such input and envisages the UNFCCC to play a catalytic role. When designing the work plan, Parties will have to open the door to other actors early on. They should be invited to inform you of both what they can deliver on the different building blocks and of what they need from the agreement to be able to deliver.

Input from the Major Economies Process

The major economies process could make a major contribution to the ambitious goals of the UN negotiations. If the countries represented in this meeting manage to take the Bali decisions to the next stage, progress can be accelerated and the ambitious deadline of 2009 can actually be met.

Of course, industrialized countries continue to carry the main responsibility for taking the lead in reducing emissions. But all major economies have a responsibility in bringing about a solution that guarantees the action on climate change that science is calling for.

The major economies process could focus on providing input on a broad range of aspects of the Bali Roadmap, including:

- In discussing a long-term target, you may address the issue of how to develop the shared vision that both the AWG and the LCA process refer to: a shared vision that determines action to be taken now, a shared vision that will lead to the deep

emission cuts by industrialized countries and the peaking and declining of global emissions in the coming decade that the IPCC scenarios call for;

- In discussing nationally appropriate targets, you may address what the term “comparability of efforts” means and how to place mitigation actions in the context of sustainable development, and also how to avoid some of the negative economic and social consequences of mitigation measures;
- In discussing sector-based technology efforts, you may address the role of cooperative sectoral approaches and sector-specific actions, including cooperation on research and development and ways to enhance the deployment, diffusion and transfer of environmentally sound technologies;
- In discussing financing mechanisms, you may address how to put in place the means to support and enable actions by developing countries in a measurable, reportable and verifiable manner, using market-based opportunities, mobilizing public-sector financing and the removing the policy obstacles to both financing and technology cooperation;
- In taking the work forward, you need to pay attention to the urgent adaptation needs, including associated risk management and risk reduction strategies, and the financing mechanisms needed to adequately deal with these.

Concluding points

A truly effective long-term climate change strategy must be comprehensive. To face the climate change challenge, there is a need for a radical change in the world’s economic future. But this clearly involves changes that carry plenty of opportunity.

It is important to bear in mind that the most vulnerable communities in the poorest countries – those who have contributed nothing to climate change – will be worst affected by its impacts.

There is no time left for the world to loose. All efforts now have to focus on getting the negotiations on the climate deal off the ground to be ready by 2009. By the time Parties meet in April, the first three months of the two years available have elapsed. Considering strictly the legal requirement to submit any draft agreement six months before the Copenhagen COP, there is really just a little over one year left to do the work.

I am convinced it can be done, but only if all forces pull together and the major economies represented in this room take the lead.