

**General Assembly and Annual Conference of the Club de Madrid
Special session of the Global Leadership for Climate Action
Rotterdam, 12 November 2008**

**Address by Yvo de Boer, Executive Secretary
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It's an honour for me to address such an august gathering of world leaders.

A recent survey by UNEP of 12 to 18 year-olds in Brazil, India, Russia, South Africa and the United States found that almost 90% of the respondents agree that "World leaders should do whatever it takes to tackle climate change".

Indeed, given the scale and level of complexity of the problem the world faces, leaders have a special responsibility towards the future. Leadership is practiced not so much in words as in attitude and in actions. Your framework proposal on future climate change policy is testimony to your active engagement in identifying solutions to climate change.

The negotiations on strengthened international climate change action under the Bali Road Map are taking place in a difficult and complicated international environment. The global financial crisis has led some to argue that moving the world to a global low-emissions economy is too costly and that climate change abatement should be put on the backburner until the credit crunch is over.

However, as you also point out in the framework proposal, procrastinating on mitigation will only increase the human and economic cost of climate change. Rather, a global low-emissions economy needs to be an integral part of economic recovery.

Clean industry and investment have proven that they offer secure and long-term profits and returns. Clean economic growth has the potential to create millions of new jobs. As a result, the financial turmoil may actually be seen as an opportunity to deal in a fundamental manner with some of the closely related issues and address both the financial and climate change crisis together.

In this sense, the agreed outcome to be reached at Copenhagen 2009 represents an opportunity for the world to put in place a framework that kick-starts the economy in a climate-friendly way, with long-term benefits to help overcome the repercussions of the financial crisis. World leaders have a special role to direct efforts in this direction.

Where are we currently in the negotiations towards Copenhagen 2009?

During 2008, Parties focussed on gathering ideas, clarifying their positions and presenting initial proposals on many issues. Proposals included possible approaches to boost adaptation, mitigation and the types of institutions that are needed to ensure progress on mitigation.

At the Accra Climate Change Talks in August, Parties agreed to compile proposals into a document, which could serve as a first version of a negotiating text at the upcoming UN Climate Change Conference in Poznan.

Poznan is the half-way mark between Bali and Copenhagen. It represents an important moment for stock-taking. But it also needs to urgently advance negotiations under the Bali Road Map, as well as on-going work.

It is critical that Parties go into full negotiating mode at and after Poznan. We need to face facts: there is still an enormous amount of work that needs to be covered if Copenhagen 2009 is to be ambitious, as well as cover a number of political essentials necessary to make it work. Many issues haven't nearly reached the stage at which they could be presented in initial negotiating texts.

And time is starting to run short: if Parties should agree to amend any existing legal texts, e.g. the Kyoto Protocol, these would have to be submitted six months ahead of COP15 - that is, in mid-2009.

At the same time, it is important to be aware of the fact that Copenhagen 2009 need not be a fully elaborated agreed outcome that provides details on all issues. Much of the necessary detail could be negotiated at later sessions, as was the case with the Kyoto Protocol and the Marrakech Accords.

Copenhagen 2009 needs to be a strong and ambitious policy framework that sets a clear overall direction for future global climate change action and rings in a global green revolution.

In order to arrive at such a policy framework, the process needs to be unlocked by clearly determining three political essentials in the agreed outcome in Copenhagen.

These are: 1) the nature of the commitments, 2) how financial resources will be mobilised and 3) the institutional framework that will be needed to deliver the financial, technological and capacity building resources for both adaptation and mitigation.

1. The nature of the commitments:

Copenhagen 2009 needs to be clear on the level of ambition of industrialised countries, keeping in mind that industrialised countries need to continue to take the lead in reducing emissions. It is particularly crucial for the US to be fully engaged. The climate change plan of the incoming administration indicates that the US intends to be a leader in the global effort to combat climate change. This is indeed a positive signal.

In 2007, Parties to the Kyoto Protocol agreed to work based on a range of emission reduction objectives of Annex I Parties of -25-40 per cent below 1990 by 2020. This is in line with the most stringent IPCC scenario, and my hope is that this range can be confirmed at Poznan.

Copenhagen 2009 also needs to be clear on the nature of mitigation by developing countries. Developing countries have clearly indicated that they are willing to do more, provided they get financial and technological support for these extra efforts. And for both developed and developing countries, Copenhagen 2009 needs to be clear on the types of mechanisms and incentives for mitigation.

The nature of the commitments and how to reach them are particularly important political elements for a number of reasons:

- for one, without ambitious targets by all industrialised countries, developing countries will not see why they should advance mitigation;
- and without meaningful engagement of developing countries, not all industrialised countries are willing to show ambition.
- In a nutshell: the more ambitious industrialised country commitments are, the bigger the financial and technological support will be, the more engagement we can expect from developing countries. And the more developing countries engage, the more ambition can be expected from industrialised countries.

It is this “chicken and egg situation” that needs to be unlocked in Copenhagen.

2. How will the financial resources to unlock this situation be mobilised?

To make real progress, we need to develop a clever financial architecture that will generate significant financial and technological support for both adaptation and mitigation. And it needs to make developed countries’ commitments and developing countries’ actions run together like well-oiled cogwheels by spurring measurable, reportable and verifiable support for measurable, reportable and verifiable developing country actions.

Along with financing, environmentally sound technologies are key. A global economic transformation is inconceivable without technology at its heart.

The current arrangements for technology transfer and cooperation have been insufficient. Copenhagen 2009 needs to give environmentally sound technologies an unprecedented push.

To my mind, a new mechanism needs to unleash the full potential of technology and connect the world through innovation and technology cooperation. It needs to ensure that there is significantly increased private sector involvement, since the private sector holds the largest part of the necessary financing and technologies in its hands.

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. An interesting example in this respect is the idea of auctioning emission rights to use the money to support adaptation activities in developing countries. There may also be mechanisms outside the Convention that are nonetheless linked to it.

3. The third political essential, the institutional framework to deliver financial, technological and capacity building support for mitigation and adaptation, is equally important.

What type of institutional framework would be needed to make sure that all the cogwheels turn together and deliver what they need to deliver?

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 all Parties agree to. And this is constructive.

Copenhagen 2009 will only work if the political essentials are met or enabled by economically viable solutions

It is important that Copenhagen 2009 matches up to science. However, in political terms, the immediate focus needs to be on ways of unlocking the process. Finding economically viable answers that meet the political essentials will drive the process forward and ultimately raise the level of ambition of what Parties are willing to agree. And it would contribute to making the outcome in Copenhagen ratifiable.

The Climate Change Conference in Poznan will be the first time that Ministers meet since Bali. As such, Poznan is an important opportunity for Ministers to give political guidance to the negotiation process before it moves into its final year.

Specifically, Ministers will be discussing the shared vision for long-term cooperative action. Ministers need not focus on the legal form of this in Poznan. It is however crucial that they focus on what long-term cooperation will look like in political terms. The legal form of this should be determined in 2009.

Furthermore, the political guidance from Ministers needs to aim at unlocking the process. In this context, it will be particularly important for developed country Ministers to show that they continue to be committed to taking the lead in global climate change abatement. Advancing on some of the concerns that developing countries have, such as the funding mechanisms, will be critical for moving the process forward.

Current indications show that all Parties are committed to a strengthened outcome in Copenhagen that results in real reductions and has generous support mechanisms to make it work. Now the available time must be used wisely to unlock the process and meet the 2009 deadline with an ambitious outcome.

Leadership means seeing the opportunity in every difficulty instead of the difficulty in every opportunity. In this sense I urge you to continue to highlight opportunities for global action and to provide the process with input through the Global leadership for Climate Action initiative.

Thank you

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