



**High-level Inter-parliamentary Debate on Climate Change
Brussels, 19 April 2011**

**Statement by Christiana Figueres, Executive Secretary
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Jo LEINEN, Chairman of the Committee on the Environment, Public Health and Food Safety,
Benedek JAVOR - Chair of the Sustainable Development Committee of the Hungarian Parliament,
Nolundi DIKWENI, Deputy Ambassador, South Africa,
Konstantinos KARTALIS, Chair of the Environment Committee of the Hellenic Parliament,
Tomas WYNS, Climate Action Network Europe,

Thank you for inviting me to this interesting and important debate. It is an honour to be here. And without further ado, allow me to update you on some of the key developments in the negotiations, as well as possible ways forward for Durban.

The outcome in Cancun was encouraging. The Cancun Agreements include a comprehensive package to help developing nations deal with climate change, including a Technology Mechanism, Adaptation Committee and the Green Climate Fund.

Importantly, the Cancun Agreements provide the strongest signal the international community has ever given to the private sector on the need to move toward low-carbon economies, by committing to limiting temperature increases to a minimum of 2 degrees, and to consider limiting warming to 1.5 degrees.

All developed countries have submitted their quantified economy-wide emission reduction targets and these have now been officially published in the context of the Cancun Agreements.

The secretariat has also published information from 48 developing countries on the nationally appropriate mitigation actions - referred to as NAMAs - , which they will implement in their effort to seek a deviation from business-as-usual emissions by 2020, with technological and financial support. Additionally, developed countries agreed to develop low-carbon strategies, while developing countries were encouraged to do so.

The recent technical workshops in Bangkok provided a useful platform for Parties to better understand what is behind the targets and the planned actions by asking questions in a workshop setting.

Yet for all its encouraging outcomes, Cancun did not solve the key political questions.

For one, assessments indicate that the sum total of official pledges amount to only 60

percent of what is needed to limit the temperature increase to 2 degrees Celsius at the very most. As a result, every effort needs to be made to find a realistic way to increase the level of ambition to close the remaining 40 percent gap.

And the second key question that Cancun did not solve is the legal framework for capturing emission reduction targets and actions. Some progress was made in Cancun on Annex I mitigation in the context of the Kyoto Protocol. At the same time, Parties resolved to consider legal options with the aim of completing an agreed outcome in the context of the Convention, based on the 2007 negotiating mandate agreed in Bali.

Many Parties want targets for Annex I Parties to be inscribed in an amendment to the Kyoto Protocol, while others have stated that they will not participate in a second commitment period. A way forward needs to be urgently found on this issue in 2011, especially given the growing possibility of a gap after 2012. Related to this, needless to say, is the way forward for the protocol's flexible mechanisms and the carbon market.

Much work needs to be done in 2011 to make the next UN Climate Change Conference in Durban a success - and, quite frankly, Durban needs to be a success, not least to firmly anchor recent advancements.

The first negotiating session in Bangkok clarified the approach that Parties will use to advance work in 2011. Countries agreed that implementing the Cancun Agreements needs to enjoy equal priority to completing negotiations based on the mandate agreed in Bali.

In this sense, it is critical that work to operationalize the institutions agreed in Cancun advances this year. But equally important, progress on the key political issues needs to be evident by Durban.

So what does this mean for the European Union?

The European Union has a clear responsibility for leadership in the inter-governmental climate change negotiations. And in many instances, this responsibility has been readily taken up by the European Union. I urge you to continue leading, especially on the following three issues:

1. the level of ambition in mitigating emissions
2. the future of legal frameworks at the international level
3. the definition and use of market-based mechanisms

With regard to the level of ambition, the debate in Europe has recently focused on whether to strengthen the EU's target to 30 percent. The potential benefits of this are supported by numerous studies.

One study by the Potsdam Institute suggests that raising the target to 30 percent can create 6 million additional jobs Europe-wide, boost European investments from 19 percent to up to 22 percent of GDP and increase the GDP by up to 6 percent, both in old and new member states.

Other analyses point to the fact that slow and insufficient action now will only substantially increase the cost later on.

Increasing the target to 30 percent along with the resulting changes this will bring, will also serve the EU well to ensure low-carbon competitiveness towards China.

In terms of the inter-governmental negotiations, a European 30 percent target will make an important contribution towards closing the global 40 percent gap that is currently preventing the world from staying at least below a 2 degrees Celsius temperature increase. In this sense, it will be a critical demonstration of leadership.

My second issue I believe you should focus on is the question of the **future legal framework at the international level**. While this issue remains unresolved in the negotiations, I was pleasantly surprised at how open and constructive the discussions on the Kyoto Protocol were in Bangkok.

The inclusive nature of the decisions in Cancun allows Parties like the EU to be more open towards a second commitment period under Kyoto. I am aware that the EU is exploring the ground for this.

Of course, the question of the Kyoto Protocol cannot be divorced from what happens under the Convention, and this has implications for the roles of the United States and developing countries.

In this context, it is important to note that some progress is being made in meeting the conditions attached to the consideration of a second commitment period. For example:

- The US confirmed in Bangkok that it will stand by the target it formally communicated to the UNFCCC.
- Developing countries have formalized their mitigation actions internationally, on the basis of national policies, such as China's new five-year plan, South Africa's climate change policy, or Brazil's deforestation control policies.
- The Kyoto Protocol infrastructure has been implemented and is well-established in the EU. The EU also has the legislation in place for the 20/20 target - and so it would not be technically complicated to put it into a second commitment period.

The difficulty is clearly political. In this, the EU has provided a valued and constructive tone to the discussions by expressing its readiness to explore signing up to a second commitment period under the Kyoto Protocol.

Let me take up this openness and attempt to identify the characteristics of Kyoto's approach that attract you. First and foremost, it seems you are interested in upholding the **environmental integrity** of the international regime. Also, you clearly seek a drive towards mitigation efforts that are **broader, quicker and deeper**. I'm sure you would also agree with me that such scaling up in our ambitions for mitigation is only possible in the international context if we give full respect to the principle of **common but differentiated responsibilities and respective capabilities**.

So the challenge for the EU is to find innovative ways to safeguard common and robust accounting standards while recognizing political differences. This is, in fact, a challenge for all of us and I believe we need to engage in the discussions this year with a spirit of openness if we are to end it with results in Durban that the world is looking for.

The third area I wish to encourage you to engage more is the area of **market-based mechanisms** for mitigating climate change.

Much has been learnt through the Kyoto Protocol in relation to market instruments and their impact in driving emission reductions. The EU has led much of this work in taking these policy mechanisms to heart and giving the world some outstanding examples of how they may be put into practice.

In considering the future of the international climate change regime, we need now to find ways of scaling up these mechanisms - and in doing so engaging the private sector much more in real, tangible mitigation. Without this kind of engagement from all actors, our actions to secure a future temperature increase of 2 degrees Celsius or below will be all the more expensive.

We need to drive forward on two fronts simultaneously. While we need to explore and define the shape of carbon market instruments in the future, we also need to recognize that the final resolution of their role and form will take some time to emerge.

In parallel, the immediate challenge is to provide reasonable certainty on the continuation of the market. This involves clarifying the status of the Kyoto mechanisms under an increasingly inevitable gap in international mitigation commitments and also ensuring a seamless transition to the post-2012 period.

Here, legislation put in place by the EU has already provided a bridge to the use of markets in the future. This bridge shows the way for how the EU is prepared to use the CDM in the future and, as you know, it has some limitations on what type of CDM projects the EU wishes to see providing credits into the EU market.

What I wish to stress now is that there are there is sizeable capital out there in the potential carbon market of the future. This capital is currently in a holding pattern waiting for a place to land. Where we need to be careful is to build the landing strip in time before the fuel runs out.

Ladies and gentlemen,

From what I have said, it is clear that the EU has the potential to make a huge contribution towards ensuring a successful conference in Durban by tackling the key political questions. I urge you to do so.

A successful conference in Durban is urgently needed to firm up what has been agreed already, not least by progressing towards greater certainty in the climate regime.

Europe holds an important key for unlocking that door.

Thank you
