

From Copenhagen to Mexico: Next steps on international climate negotiations

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**International negotiations –
state of play and next steps**

Copenhagen – great expectations

Climax of 2 years negotiating on the basis of the Bali Roadmap

Climate change on top of the global agenda, 120 Heads of State mobilised

Main result: the « Copenhagen Accord », negotiated by 29 Heads of State, does contain a number of positive points:

Recognition of 2°C objective

Parties invited to submit pledges (which all significant emitters have now done)

High-level guidance on how to measure, report and verify (MRV) DC's actions
Commitment by developed countries to USD 30bn as 2010-2012 'fast-start' funding

However the Accord fell short of the EU's ambition for Copenhagen

Not the robust, legally binding agreement we were expecting

Only "taken note of" by the COP

Copenhagen also marked by **significant progress on UNFCCC texts**

Where are we 5 months after Copenhagen?

Addressing climate change is more than ever a priority

The Accord has gained momentum

Supported by 123 Parties so far

We need to **integrate the political guidance** from the Copenhagen Accord into the various UNFCCC negotiating texts

Bring Accord pledges into the UNFCCC process

Address “gaps” (i.e. issues neglected in the Accord: carbon markets, aviation and maritime transport, agriculture, HFCs)

The EU's primary objective remains to reach a robust, legally-binding agreement under the UNFCCC.

Necessary for all Parties to show a strong and public commitment ensuring transparency and comparability of actions

Piecemeal / weak approach detrimental to 2°C objective

The EU is ready to adopt such a legally binding agreement in Cancun (Dec. 2010), but will everyone be?

Positive signals recently

Possibility for a stepwise approach:

Focus on substance

Aim at a balanced set of concrete decisions in Cancun

Basis for a legally binding agreement in South Africa in 2011?

Need further work on details after Cancun?

Negotiation in UNFCCC groups will resume in June

New AWG-LCA & AWG-KP texts available as basis for negotiation

Understand positions, build trust

Integrate the political guidance from the Copenhagen Accord and address gaps

Focus on specific issues but keep balance

Ministerial « partnerships » are multiplying

Ministerial involvement is critical, but needs to be coordinated with work at officials' level in the UNFCCC

Existing partnerships – Major Economies Forum (MEF), G20

Various new partnerships or groups

High-level advisory group on climate change financing

Paris-Oslo process on REDD (Reduction of emissions for deforestation and forest degradation)

German-South African initiative on MRV/mitigation

Spanish-Costarican initiative on adaptation

More partnerships suggested in Petersberg?

on mechanisms (focus on pilot projects)

on technology?

Role for Mexico as COP President to make something out of all this

Need flexibility!



The EU's perspective

Need to maintain momentum – **keep climate high on the agenda**

But **build on lessons from Copenhagen**

The **EU's vision** is to

- Ensure environmental integrity

 - Pledges in line with the 2°C objective

 - MRV system

- “Lead by example” – EU domestic action

- Promote and develop market mechanisms

- Implement ‘fast-start’ funding

The EU's overarching objective is environmental integrity (2°C)

Biggest achievement of Copenhagen: developed and developing countries representing more than 80% of global emissions have put forward pledges

Essential as participation by all is necessary to stay below 2°C

But difficult to assess the overall ambition level of pledges put forward so far

Developed countries targets do not come close to the 25-40% reductions by 2020 required by science for 2°C.

Much uncertainty remaining about action to be taken by DCs, its timetable, and foreseen outcomes.

Kyoto's « business as usual » is not enough to stay below 2°C

EU supports Kyoto

We are on track to comply with our 2008-2012 commitments

We have adopted ambitious targets for 2020 (20 / 30%)

EU wants to build on and incorporate all the essential elements of Kyoto

But 1) Kyoto alone cannot deliver the 2°C objective

Kyoto only covers 30% of emissions today

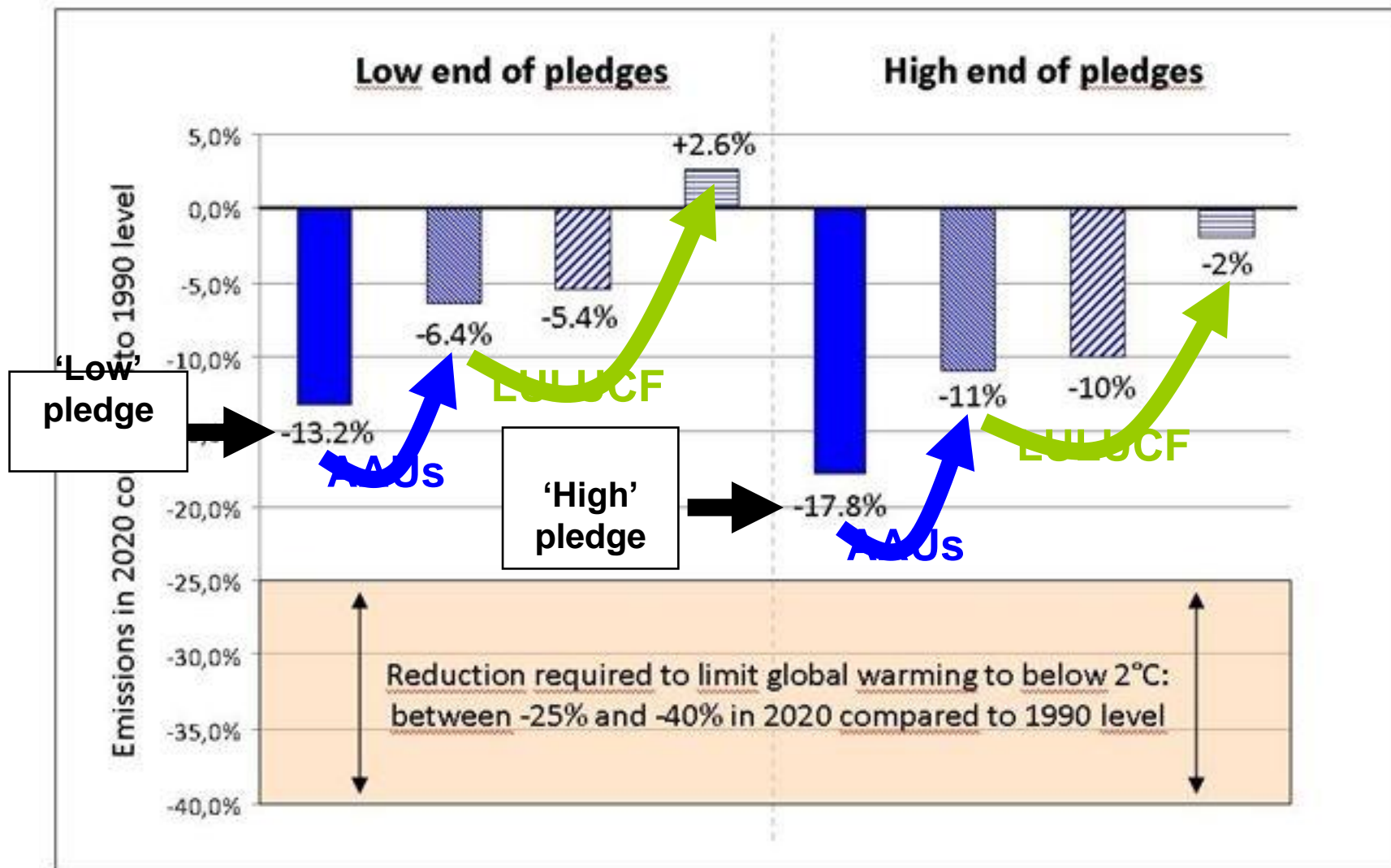
2°C only possible if US and major DC emitters (including Brazil, China, India, South Korea, Mexico, South Africa, who rank among the world's 15 biggest emitters) will do their share.

But 2) Kyoto has serious weaknesses that must be addressed

Banking of AAU surplus (Russia, Ukraine)

LULUCF accounting rules (major forest developed countries)

Kyoto's 2 major weaknesses – AAU surplus and LULUCF rules



« Lead by example » through
EU domestic action

The EU is committed to a 20% emission reduction below 1990 levels in 2020, and to moving to 30% if the conditions are right

20% target is already inscribed in domestic legislation

The 20/30% targets are confirmed as one of the “headline targets” endorsed by the European Council for 2020

The European Commission just adopted on 26 May 2010, an analysis of options to move beyond 20%

It gives a clear, updated view of the implications of 20% and 30% targets

Unlock EU’s potential in clean innovation and growth

Context: transition to low-carbon economy (agreed EU goal: -80-95% by 2050)

Considering possible concrete policy options in various sectors, including based on the EU ETS and carbon market mechanisms

It also clarifies the analysis of possible carbon leakage

An international carbon market is a key tool to deliver the 2°C objective

Drive investments and achieve global mitigation objectives (in both developed and developing countries) at least cost

Generate important financial flows to developing countries

Concrete steps

Link compatible domestic cap-and-trade systems to develop an OECD-wide market by 2015

Reform and better focus the CDM, transition to new mechanisms

New sectoral carbon market mechanisms – rationale:

“Offsetting” alone cannot solve the climate change problem – increase environmental ambition (“own” contribution)

Provide incentives to set up sector-wide cost-effective mitigation policies in DCs – also facilitate move to cap-and-trade systems

Implement 'fast-start' funding commitment

EU has started to implement its commitment of € 2.4 bn yearly for 2010-2012.

Focus on Developing Countries' needs

capacity building (adaptation, **mitigation – MRV, National Action Mitigation Plans and low-emission development strategies**, carbon market mechanisms)

urgent action (adaptation, technology demonstration and pilot projects)

Build on existing initiatives (EU channels, bilateral channels, international institutions)

Coordination is critical

EU to present preliminary report in Bonn (June), more comprehensive in Cancun

Also need to coordinate with other donors



More information on EU climate policy:
http://europa.eu.int/comm/environment/climat/home_en.htm