

# **Review of the status of climate change negotiations and Anticipation of steps required to achieve a post 2012 climate regime**

by

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Excellencies, ladies and gentlemen

First of all let me thank the European Union and Government of Bangladesh for inviting me to address this meeting and to congratulate them on the launch of the GCCA initiative.

I have been asked to review the status of the climate change negotiations and provide some views on the next steps required to achieve a satisfactory outcome. I will start by providing my analysis of COP15 in Copenhagen last year and then provide some views on what is achievable by COP16 in Mexico in December 2010 and then what needs to be done in the longer term over next few years. Finally, I will presume to offer some personal advice to both the EU and the Vulnerable Asian countries represented at this meeting.

Before I start, let me give some background as to my own personal position and role in the negotiation process. I have been attending the climate change negotiations for over a decade (as an observer, rather than negotiator) following in particular the issue of adaptation to the impacts of climate change. Over the last five years my institute and I have been involved in supporting the negotiators from the least developed countries (LDCs) through a series of annual training workshops in Africa, Asia and at the annual

conference of parties (COPs) of the United Nations Framework Convention of Climate Change (UNFCCC). So I have been heavily involved in supporting the vulnerable countries to articulate their voices and demands in the climate change negotiations and during 2009 in the lead up to COP15 spent a great deal of time briefing, not only the climate change negotiators from the LDCs but also their ambassadors in key capitals such as London, Brussels, New York, Washington and Copenhagen as well as for heads of state at the summit of vulnerable countries convened by President Nasheed of the Maldives in November 2009.

### COP15

So my views on the outcomes of COP15 in Copenhagen are from the perspective of the vulnerable developing countries which include not only the LDCs but also the small island developing states (SIDS) as well as Africa. These three groups of most vulnerable developing countries total around 100 countries with about a billion people but whose total emissions of greenhouse gases amount to less than 5% of global emissions. So from their point of view the outcome of COP15 was extremely disappointing (to say the least). Everyone agrees that COP15 was a failure - but people differ on the causes (or who they blame!). My own view is that it was a collective failure of all our leaders who were there. They failed to rise to the occasion and this was a collective failure of global leadership, Nevertheless, despite this disappointing outcome one must not give up and try to pick out some positive elements. These include an agreement of 2 degrees as a dangerous threshold of global warming that should be avoided. This was the first time such a temperature threshold has been agreed.

The second important outcome was that presentation of mitigation proposals from both Annex 1 as well as key non-Annex I countries. The third important outcome was the pledge from the developed countries to provide both short-term financing (30 Billion Dollars over 3 years) as well as long-term (100 Billion a year from 2020) to support climate actions in developing countries.

## Next steps to COP16

Now that COP15 is over and post-mortems have been made by everyone, we have already started the journey to COP16 in December 2010 in Cancun, Mexico. It is generally agreed that the "all or nothing" approach adopted in COP15 was unrealistically over-ambitious and that a more modest "something is better than nothing" approach would be more realistic. I would personally agree with this view and think that we can indeed reach agreement on at least three of the five major issues being addressed. These three issues are (i) adaptation, (ii) reducing emissions from deforestation and forest degradation (REDD) and (iii) technology transfer. However, even these agreements are not a foregone conclusion as it depends largely on how the "fast track" financing issue is resolved (which I will address later).

The two issues that are extremely unlikely to be resolved by COP16 in Mexico in 2010 (perhaps by COP17 South Africa in 2011) are: (i) legally binding agreement and (ii) mitigation targets by Annex I parties and ambitious actions by key non-Annex I parties.

On legally binding agreement, this is entirely dependent (in my view) on the situation in the United States of America where there is a domestic climate change and energy legislation in progress in the Senate. The administration of President Obama has made it clear that until they have home such domestic legislation in place they are unlikely to enter into any international legally binding agreement. If all goes well it might happen by COP16 but more likely by COP17. The final issue of adequate mitigation targets and actions is by far the biggest problem and even if some actions are agreed, the level of ambition required to prevent 2 degree warming are very unlikely to be achieved for several years.

## Finance

Let me now return to the issue of fast-track finance (FSF) which is the key to unlocking any agreements on adaptation, REDD and technology transfer. The 30 Billion Dollars promised by developed countries need to be delivered in an acceptable manner if they are to have a positive influence on reaching agreement on these issues. In my view there are three main questions that have to be addressed and agreed:

### 1. Who gives how much and for what?

The European Union has recently put forward its proposed share of the 30 Billion Dollars which will be 2.4 Billion Euros a year for 2010, 2011 and 2012 or 7.2 Billion over 3 years. Taking currency values into account this represents about 30% of the total. Other developed countries have yet to put forward their proposed contributions. This needs to happen very soon. The allocation between adaptation, REDD, technology transfer and mitigation also needs clarity.

### 2. New and additional to what?

The 30 Billion Dollar fast-track funding is supposed to be "new and additional" finance. However, it is not clear (or agreed) on "new" from when? Or "additional" to what? At the moment each developed country is choosing it's own self-definition without any agreement or common standard. This is clearly untenable and needs to be resolved by all Parties in a satisfactory manner on the "baseline" against which "new and additional" can be measured and tracked.

### 3. Through which channels?

The third issue to be resolved is the channels through which these fast-track funds will be delivered. There is a clear preference amongst the Annex I (developed) countries to channel funds either through their country-specific bilateral aid channels (such as DFID in UK, GTZ in Germany, USAID in USA, etc.) or through their preferred multi-lateral channels (such as the World Bank or UNDP, etc.). On the other hand developing countries have already expressed a clear preference for use of channels set up under the UNFCCC. The model here is the funds already set up for Adaptation which include the LDC Fund and the Adaptation Fund under the Kyoto Protocol.

There is also an expectation that funds meant for supporting adaptation in the vulnerable developing countries should be channeled through: (i) the LDC Fund (2 Billion Dollars to support implementation of the "Urgent and immediate" adaptation projects identified by the LDCs through their National Adaptation Programmes of Action or NAPAs). (ii) Through the Adaptation fund (AF) under the Kyoto Protocol - It is noteworthy that recently two EU member countries (Spain and Germany) have pledged funding to the Adaptation Fund.

## Recommendations

Finally let me make some (purely personal) recommendations to the two groups of countries represented in this meeting:

1. European Union: The European Union has traditionally played a progressive role in the international climate negotiations and has also had a supportive role for the vulnerable countries. They have an opportunity to continue to play such a supportive role through the following specific actions on Adaptation funding:

- (i) Clarify exactly how much of the 7.2 Billion Euros will be allocated for adaptation.
- (ii) Make an immediate pledge of at least 700 Million Dollars (roughly 30% of the 2 Billion total needed) to the LDC Fund over next 3 years.
- (iii) Other member states should follow the excellent example of Spain and Germany and pledge significant amounts of their adaptation funds to the Adaptation Fund.

## 2. Vulnerable Developing Countries

The vulnerable developing countries, including those in Asia, Africa and Latin America should become much more pro-active on the issue of climate change as it is a matter of great concern to them. Some specific actions include the following:

- (i) Enhance cooperation between the three negotiating groups (LDC, SIDS and Africa Groups) in the climate change negotiations.
- (ii) Form progressive coalitions amongst vulnerable developing countries, other developing countries and progressive developed countries to start addressing climate problem on the ground (including both adaptation and mitigation). The GCCA initiative is a good example of such a progressive alliance.
- (iii) Take pro-active actions at the national level and share experience amongst the vulnerable developing countries. The Bangladesh Climate Change Strategy and Action Plan (BCCSAP) and the government's its own contribution of 00 Million Dollars towards its implementation is such a good example that other countries could emulate.
- (iv) Go beyond adaptation and look at low Carbon development. Even though the emissions of the vulnerable countries are very low, nevertheless they should look at developing low Carbon development pathways. The initiative of Maldives to become Carbon neutral in 10 years is such an excellent example.

### Longer term strategies

Looking beyond COP16 to the next few years the vulnerable developing countries and progressive developed countries (such as the EU) need to keep up the pressure for more ambitious mitigation targets and actions to avoid crossing the 2 degree "dangerous" threshold in a legally binding agreement while also examining the possibility of stabilizing at 1.5 degrees (which was agreed in the Copenhagen Accord). They also need to support new and innovative funding to reach the 100 Billion Dollars per year agreed from 2020 onwards. The proposal for an International Air Passenger Adaptation Levy (IAPAL) put forward by the LDC Group at COP14 in Poznan in 2008 is well worth reviving and supporting (with suitable modifications as necessary) in this regards.

### Conclusions

In conclusion let me say that climate change is the most important environmental problem facing the vulnerable developing countries and will remain so for many decades to come. Hence, these countries need to ramp up their own capacities to cope with the problem at the national level with all relevant stakeholders (including government, civil society, private sector, etc). At the same time investments must be made in developing expertise and knowledge on the global negotiation issues, which have become very complicated and can not be dealt with effectively without developing expertise on the different negotiation tracks.

It is also necessary to develop more South-South collaboration and sharing of experiences across the vulnerable developing countries (perhaps with support from the EU).

In the longer term it will be necessary for all countries (both developed and developing) to incorporate both mitigation (through low Carbon development) and adaptation (through climate resilient development) as part of their business-as-usual development pathways.

Thank you for giving me a patient hearing.