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PARLIAMENTARY BRIEFING

UN Climate Change Negotiations, Cancún, Mexico (COP16)

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Summary

- **With COP16 in Cancún, Mexico, on the horizon, governments need to show willingness to tackle climate change through a multilateral framework, and demonstrate this by making real progress on substantive issues that contribute towards a new climate treaty.**
- **The challenge at Cancún will be for countries to show leadership and thereby ensure progress. This applies particularly to the major global economies from both the developed and developing world, including the UK. What is required is collective political leadership by these countries to fill the political void hampering international multilateral climate efforts.**
- **The UK should use the example of how the Climate Change Act is helping to build a low carbon economy domestically, while enhancing the levels of emission reduction ambition suggested by the independent Climate Change Committee.**
- **In particular, by way of playing a leadership role in the Cancún negotiations, the UK Government should:**
  - **Promote the inclusion of references to Low/Zero Carbon Action Plans (LCAPs and ZCAPs) in the Cancún package.**
  - **Support the establishment of a Global Climate Fund under the UNFCCC and promote agreement on innovative sources for public finance.**
  - **Recognise and support ways to close the 'Gigatonne Gap' in the level of global ambition outlined under the Copenhagen Accord and the level of action that is required in order to stay below 2˚C.**
  - **Continue to advocate for the EU to move unilaterally to a 30% emission reduction target as soon as possible**.

Background

The first international conference on environmental issues was held at Stockholm, Sweden in 1972, where United Nations Environment Programme (UNEP) was established. In 1988, UNEP set up the Intergovernmental Panel on Climate Change (IPCC), to bring together climate experts to synthesize the most recent climate scientific findings. Their first report was influential in the Rio

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Earth Summit in 1992 for the agreement of the UN Framework Convention on Climate Change (UNFCCC), a multilateral treaty now ratified by 194 Parties. This treaty placed an obligation on developed countries to stabilise their greenhouse gas emissions, and to provide capacity building, technological and financial support for developing countries to develop sustainably and to adapt to the impacts of climate change.

In 1997, this regime was strengthened by the agreement of the Kyoto Protocol, which set an emission reduction target for each developed country, to be achieved in the period 2008-2012, and which established new market mechanisms such as the Clean Development Mechanism and emissions trading. Since 2006, negotiations to enhance the implementation of the UNFCCC have continued under two tracks – those of the Ad-Hoc Working Group under the Kyoto Protocol (AWG-KP) and the Ad-Hoc Working Group on Long Term Cooperative Action under the Convention (AWG-LCA). Negotiations have advanced across 5 building blocks: mitigation, adaptation, technology, finance, and "shared vision". In practical terms, the Kyoto Protocol track seeks to define the targets and modalities for developed countries for the post-2012 phase, while negotiations under the Convention bring in developing countries' emissions reduction actions, as well as provisions for adaptation, technology transfer and finance.

Agreement was reached at COP13 in Bali in 2007on a 'Road Map' setting out the steps required to reach international agreement on the 2nd phase (i.e. post-2012) under the Kyoto Protocol by COP15 in Copenhagen in December 2009. Reaching agreement by this time was intended to allow time for ratification before implementation in 2012.

The post-Copenhagen situation

A comprehensive multilateral agreement establishing the common and differentiated obligations and actions of all parties to the UNFCCC was not reached in Copenhagen in December 2009. Despite the presence of more than 100 Heads of State and Government, the non-legally-binding 'Copenhagen Accord' was merely "noted" by the Conference to the Parties (COP), leaving the questions of whether and how the countries of the world will come together to address climate change essentially unanswered.

This unsatisfactory outcome was compounded by the failure by Parties in Copenhagen to agree a forward workplan under the UNFCCC, leading to uncertainty and a lack of trust in the multilateral process which has hampered negotiation sessions throughout 2010.

Another fundamental challenge thrown into the spotlight by the Copenhagen Accord is the so-called 'gigatonne gap' – the mismatch between the emissions reduction commitments made by individual countries under the Accord and the much greater reductions which are necessary to limit global warming to below 2˚C. Parties must acknowledge, and devise strategies for addressing, the gigatonne gap in order to set their economies on course to the levels of emissions that will deliver on the 2˚C commitment.

What Cancun can deliver

In the above context, it is unrealistic to expect COP16 in Cancún to deliver the comprehensive agreement we had hoped would be concluded in Copenhagen. However, the High Level Segment of COP16 – which will bring Ministers into the negotiations for the first time since Copenhagen – offers an opportunity to put the UNFCCC negotiations back on track by providing clear political direction and commitments towards the 'global deal' on climate change.

Although it is recognised that a global agreement will not be reached, Cancún provides a real opportunity for progress on specific areas which will build the momentum towards a future global agreement. This will require negotiating teams to take progressive positions ahead of the

Ministerial discussions so as to provide an impetus and build trust allowing progress on specific areas. In particular, it is hoped that substantive decisions can be reached with regard to:

- An adaptation framework, driven by the objective of enhancing actions on adaptation in developing countries through international cooperation, providing adequate technical and financial support from developed countries, and the establishment of an appropriate institution for adaptation under the UNFCCC;
- Mechanisms for reducing emissions from deforestation and forest degradation (REDD+);
- Establishment of a new global climate fund and the identification of innovative sources of finance capable of providing annual funds of the magnitude of at least$100 billion by 2020;
- Mechanisms for the measurement reporting and verification (MRV) of emissions;

In addition, there needs to be agreement on procedures and future negotiating processes, as a means of providing clarity and to rebuild trust within the UNFCCC process. In particular the Cancún negotiations must reach decisions agreeing:

- A timeline and workplan;
- Intentions of Parties with regard to the final legal form of the agreement;
- The outline of a process to deal with the 'gigatonne gap';
- A formal process and timeline for the review of ambition and policy mechanisms, leading to stronger commitments for the post-2017 period.

Expectations of the UK government

The UK can play a crucial role in advancing progress on a number of areas in Cancún. As one of the more progressive Parties within the UNFCCC process, a key global economy and Member State of the EU, WWF urges the UK Government to empower its negotiating team to:

1. Promote low (and zero) carbon action plans;
2. Support the establishment of a global climate fund, and champion innovative sources of finance;
3. Highlight and advance suggestions as to how to address the 'gigatonne gap';
4. Continue to advocate for the EU to move to a 30% emission reduction target.

Promote Low (and Zero) Carbon Action Plans

The UK Climate Change Act broadly represents a level of domestic action commensurate with what will be required globally if we are to limit global temperature rise to less than 2˚C[1]. The UK Climate Change Act not only sets a legally binding target for the UK to reduce emissions of greenhouse gases by at least 80% by 2050, but also establishes a system of 5-year carbon budgets which are set 15 years in advance so as to provide business and investor certainty as to the low carbon trajectory of the UK economy. Crucially, the Act also established an independent Climate Change Committee to scrutinise progress towards the defined targets, and which can recommend new targets in the light of new scientific evidence.

As such, the Climate Change Act can be seen as a 'Low Carbon Action Plan' which may in time become a 'Zero Carbon Action Plan' for the transition to a carbon free economy. Indeed, several European countries, including Denmark and Germany, are currently looking at the UK Climate Change Act as a potential model for their own domestic legislation. Through its experience of the Climate Change Act, and its ability to be responsive to independent scientific information and analysis, the UK should advocate for the ZCAP approach within the UNFCCC and other relevant fora. Such approaches require developed countries to reduce emissions by 80% to 95% by 2050 compared to 1990 levels based on the 4th IPCC Assessment Report findings.

What the UK should do: The UK's experience of the Climate Change Act subsequent legislation can clearly demonstrate to other developed countries that the development of low carbon economies is not only feasible, but advantageous to the economy. The UK should therefore also advocate the retention and strengthening of language in the negotiating text which supports the model of low and zero carbon action plans (LCAPs and ZCAPs).

Support the establishment of a global climate fund

The UK should support a process and work plan by which traditional and new innovative sources of public finance can be identified and mobilized in 2011. WWF advocates the raising of finance from the aviation and shipping sector (bunker fuels) and through Financial Transaction Taxes (FTT), and urges the UK Government to build on any useful findings and analysis from the UN Secretary General's High Level Advisory Group on Climate Change Financing (AGF) in this regard. The minimum level of finance identified in the Copenhagen Accord – in the order of US $ 100 billion annually by 2020 – is needed in order to provide adequate and predictable levels of finance to support developing countries to adapt to the impacts of climate change, and to advance low-carbon development pathways.

What the UK should do: By way of supporting commitments under the UNFCCC, the UK Government should throw its weight firmly behind the creation of a new global climate fund under the authority and guidance of the UNFCCC, with full operationalization and agreement on sources in 2011.

Highlight and advance suggestions as to how to deal with the 'gigatonne gap'

The UK has in the past played a useful role in highlighting new scientific and economic findings relevant to climate change. For example, through the Stern Review and the 2005 Exeter science conference that provided an update on scientific advances between the IPCC Third and Fourth Assessment Reports. Coupled with the UK's relatively strong domestic emissions reduction targets, the UK Government can therefore play a positive role in highlighting the 'gigatonne gap' and promoting agreement on a strategy for addressing it.

What the UK should do: The UK should support both a 5-year commitment period (2013-2017) to allow a more rapid reassessment of targets and a scientific review to help close the gigatonne gap, as well as a full review of targets in light of the IPCC's Fifth Assessment Report, due in 2015 in order to determine a new set of commitments for the post-2017 period.

Continue to advocate for the EU to move to a 30% emission reduction target

The UK should continue to advocate publicly for the EU to move unilaterally to a 30% emission reduction target as soon as possible. A stronger EU target would provide certainty to businesses and investors for them to drive the shift to a low-carbon economy. A lower EU target also does nothing to address the gigatonne gap, which assumes that economies will achieve the upper end of their emissions target ranges.

[1] The Copenhagen Accord supported the objective of limiting the rise in global average surface temperature to less than 2˚C, although in practice, the levels of ambition in the Accord would likely result in a temperature rise of at least 3˚C. More than 100 countries are now calling for much stronger commitments, with a view to stabilising temperature rise at no more than 1.5˚C.

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