



## The UNFCCC talks in Cancún

### Green key demands

The UN Framework Convention on Climate Change will meet in Cancún from 29 November -10 December 2010 with a view to making concrete progress towards reaching an international post 2012 climate agreement. The COP15 in Copenhagen finished in a failure to come to such a global comprehensive agreement, despite the presence and participation of Heads of States in the negotiations. The Copenhagen Accord, negotiated by a select group of Heads of States, was taken note of by the Conference of Parties. Countries representing over 80% of global emissions have associated themselves with the Copenhagen Accord. The Accord recognises the EU endorsed goal of limiting the increase in global temperatures to 2°C above pre-industrial levels, but does not in itself provide a sufficient framework for that objective to be met.

The current EU target of 20% reductions by 2020 is far from being consistent with climate science and the 2°C objective. If maintained, it would make the achievement of the 80-95% reduction emissions required by 2050 to achieve the 2°C goal unfeasible. It also fails to deliver a meaningful carbon price to drive clean investments. A 30% reduction target could be achieved at nearly no extra costs if the EU capitalised on the potentials to deliver energy savings and efficiency. It would also deliver significant health and environmental co-benefits and reduce financial transfers for fossil fuel imports. The **Greens** call on the EU to live up to its responsibility and increase its greenhouse gas reduction target to 40% by 2020 from 1990 levels, with a 30% reduction at the very least to be achieved by domestic reductions alone.

After the collective climate negotiation hangover, this year has seen an attempt to pick up the pieces and build on the existing elements to come to a comprehensive agreement, not in Cancún, but hopefully in Durban (South Africa) at the COP17 in 2011. **Below is a summary of Green demands for Cancún meeting in the key political areas.**

#### Roadmap to a binding and enforceable agreement

In order to be effective, the future post-2012 international agreement must be binding and include strong compliance mechanisms. While the political will to come to such **agreement is not currently present**, in Cancún **Parties need to commit to realising a legally binding outcome under both negotiation tracks by the COP17 in South Africa and must agree a credible work programme/roadmap for the coming year to resolve the remaining obstacles and make this aim feasible**. The work programme should also include discussion on how to bridge the mitigation gap with what is needed on the basis of climate science (in other words to address the gap between pledged emissions reductions and what is necessary to limit the increase in global temperatures to below 2°C).



## Emissions reductions

Countries representing over 80% of global greenhouse gas emissions have submitted targets and actions under the **Copenhagen Accord**. Those **pledges** do not add up to maintaining climate change to the 2°C objective. Nevertheless, as a start, they **should be formalised into the UN negotiation process** under the dual tracks of negotiations (AWG KP for further commitments for Annex I parties under Kyoto Protocol, and LCA, or the Long Term Cooperative Action track hosting all UNFCCC parties, including the US and developing countries).

These pledges should also be made more explicit and precise; this is also true for non-Annex I countries which have pledged targets based on carbon intensity or deviating from business as usual scenario of emissions growth. Cancun should help to clarify such points. Needless to say, the **Greens** call for the EU to adopt a 30% reduction target (by 2020 from 1990 levels) without delay, with a 40% reduction target as the ultimate goal, as consistent with scientific recommendations.

## Kyoto Protocol second commitment period, LULUCF and AAU loopholes

The **Greens** call for the EU and other Annex I countries to commit to a second commitment period of the Kyoto Protocol, with no transfer of surplus AAUs between periods and improved LULUCF accounting. Otherwise surplus emission rights (AAUs) and land use, land use change and forestry (LULUCF) accounting rules could entirely nullify industrialised countries' current emissions reduction pledges.

Any agreement on LULUCF rules in Cancun must: ensure that the accounting is robust; strengthen the level of ambition of Annex I Parties; be designed to deliver emissions reductions from forestry and land use; and require that Annex I Parties account for any increases in emissions from LULUCF and are consistent with the Parties' existing commitments to protect and enhance sinks and reservoirs of greenhouse gases. Accounting based on future reference levels that take reduction in sink capacity as a baseline are an invitation to create a new source of "hot air" in Annex I countries.

The **Greens** call for the EU solve Kyoto Protocol loopholes (LULUCF and surplus AAUs) taking environmental integrity of Annex I targets as basis instead of using these loopholes as an excuse not to agree to a second commitment period beyond 2012.

## Financing

For a global 2°C compatible pathway, a significant deviation from the projected greenhouse gas emissions is required in developing countries. Industrialised countries, based on their historical emissions, current emissions and economic wealth, have a responsibility for financing a significant part of climate mitigation and adaptation efforts in developing countries.

An accurate model for sharing the responsibility for international climate efforts based on historical emissions, current emissions and economic wealth implies the provision of €110bn in additional funding by 2020 from industrialised countries. This financing must be supplemental to domestic reduction targets and not offsetting them.

The **Greens** maintain that EU's responsibility for a fair share of post-2012 financing effort for developing country mitigation and adaptation would amount to €35bn per annum by 2020.

In order to make it possible for developing countries to have trust in forthcoming climate finance and therefore be able to commit to actions to reduce emissions, **the Cancún meeting will need to make meaningful progress to establishing the architecture of long- term international climate financing.** An agreement on the **governance of the Copenhagen Green Climate Fund, as well as sources of financing** (including from international shipping and aviation, financial transaction tax) will be **necessary to advance discussions on mitigation for COP17.**

**At the very least, the industrialised countries that pledged \$30 billion of 'fast start' climate finance as part of the Copenhagen Accord must provide full transparency as regards how that commitment is implemented.** The EU and its Member States have committed to providing €2.4 billion annually over the 2010-2012 period for 'fast start' financing but, until now, only €2.2 billion has been reported. Furthermore, a significant part of the pledged amount is made up of loans and has no guarantees of it being new and additional to existing official development assistance. If the EU and other donor countries are not able to provide details of that finance, including its additionality to existing development aid, the instrument that was meant as a trust building exercise risks becoming counterproductive.

### **Monitoring, reporting and verification (MRV) of actions and emissions**

In order to make progress on mitigation pledges, **Cancún needs to formalise the Copenhagen Accord agreement on the principles of international scrutiny of actions in developing country Parties as well as Annex I countries.** MRV for Annex I parties should build on Kyoto Protocol modalities, with the addition of mandatory LULUCF accounting based on a fixed historical reference period.

### **Flexible mechanisms and offsetting**

In Cancún, **Parties must commit to reform flexible mechanisms if they are to be continued.** The **Greens** maintain that **project-based crediting, such as the Clean Development Mechanism, should be limited to Least Developed Countries** and should be phased-out elsewhere from 2013. The establishment of **sectoral or scaled-up sectoral market mechanisms must ensure net-mitigation benefit** consistent with overall global mitigation objectives and environmental integrity.

Dangerous, unproven or potentially environmentally-damaging technologies must not be considered eligible for funding through the carbon market. This means that nuclear power and carbon, capture and storage should be excluded. Other large scale projects that are unsustainable or have negative environmental impacts - such as large scale hydro-power production schemes - should also be excluded.

The reductions of emissions from deforestation and forest degradation, or from soil, are clearly not suitable for any project-based crediting.

### **Emissions from deforestation and forest degradation (REDD)**

Deforestation is a major driver of global emissions and developing countries account for the majority of deforestation and forest degradation at present. Clearly, given the backgrounds of these countries, a sustainable reduction in emissions from deforestation and forest degradation in developing countries requires stable, adequate, long-term availability of financing.



The funding mechanism for Reducing Emissions from Deforestation and Degradation (REDD) should credit reductions based on performance against national reference levels and take into consideration the objectives of Strategic Plan for Biodiversity 2011 agreed under CBD COP10 in Nagoya. The REDD mechanism needs to contain **safeguards for biodiversity and respect of rights of indigenous and local communities**. The **Greens** oppose attempts to include REDD in market-based mechanisms or for REDD reductions to be used to offset Annex I country reduction targets. The **Greens** call for the REDD decisions in Cancún and fast start finance to be directed to effectively reducing deforestation instead of being diverted to establishing accounting mechanisms for future inclusion into carbon markets or for use as offsets.

### International transport emissions

The Cancún meeting must set global emissions reduction targets for international aviation and maritime transport, in line with the 2°C objective. The ICAO and IMO should be given clear mandate and a short deadline for developing global policy frameworks that deliver the agreed reductions. As a minimum, a global reduction of 20% for aviation and maritime transport emissions by 2020 compared to 2005 levels is necessary. Revenues from market based instruments to tackle international transport emissions should be directed to climate change purposes in developing countries.

### HFCs

The phase-out of HCFCs under the Montreal Protocol is likely to add to a rapid increase in the use of HFCs, many of which are very potent greenhouse gases. The Cancún meeting needs to give a mandate for urgent measures and action under the Montreal protocol to restrict and phase-out the use of HFC substances.

