

# What Cancun can deliver for the climate

## Greenpeace briefing

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Over the course of 2010 we've seen international climate negotiations stalling. But at the same time we've seen many encouraging developments on climate action on a national level. More and more countries are recognising climate change as a real threat. A recent poll<sup>1</sup>, for example, revealed that two thirds of Chinese people see climate change as one of the biggest global challenges.

The desire for climate action continues to grow. For example, just two weeks ahead of Cancun, 259 investors with over \$15 trillion of assets – more than one quarter of global capitalisation – called on governments to fight against global warming or risk economic disruptions far more severe than the recent financial crisis<sup>2</sup>.

The emerging economies are moving from rhetoric to solutions, showing some signs of climate leadership. For example:

- China has become a green tech leader, introducing serious measures on energy efficiency and is preparing to put a price on carbon. Over the 12 days from beginning to end of Cancun for example, China will have built more than 300 new wind turbines (at a rate of one every hour).
- Brazil is likely to meet its deforestation reduction goal four years ahead of schedule.
- India has continued to pursue its renewable energy strategy through various measures like establishing a Renewable Energy Certificate Mechanism and introducing a tax on coal that will fund renewable energy developments.
- South Africa is preparing to outline its climate plan

While the situation in rich countries is much less bright, there is still progress.

- Within the EU, member states are starting to realise that shifting from its 20% emission reduction target (by 2020 at 1990 level) to 30% is good for the EU's own economy, regardless of what others do.
- Unlike Canada, Japan has not replaced their relatively ambitious 25 % target with a lower one. Now they just need to continue with its implementation, focus on domestic measures instead of offsetting, and not wait for the US - or anyone else.
- Norway is sticking with its target of 40%/ 30% by 2020 at 1990 levels.

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<sup>1</sup> <http://www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oltemId=2689>

<sup>2</sup> <http://igcc.org.au/>

- In Australia climate change become again a key election issue, proving that the voters really care. Now the new prime minister herself is chairing a committee that prepares for a carbon pricing mechanism, giving Australia a second chance to get it right, and achieve substantial progress towards securing cuts of at least 25 % by 2020.

This crisis *can* be solved and in Cancun governments must take steps towards it. There is now a new recognition of the need to overcome the disagreements that culminated in Copenhagen – this time with flexibility.

Governments can start with moving away from a “nothing is agreed before everything is agreed” attitude and, in Cancun, can take some important steps on key building blocks of the post-2012 regime. The recent ministerial meeting of the Convention on Biodiversity in Nagoya showed that progress under UN is possible.

### **While we wait for the US, the climate crisis waits for nobody.**

The biggest setback in 2010 has been in the US.

For 20 years now, the world has been waiting for the US to act on climate change. While change has started to occur across the country, on an international level President after President has failed to move, with some actively taking the country’s climate policies backwards.

At least now there is clarity over the immediate future of the US climate bill: – it’s not going to happen soon, so other countries should move ahead regardless.

The US stands behind its Copenhagen Accord pledges and, while there is some mitigation action going on at home, President Obama’s negotiators are unlikely to bring that progress to its stance in the international negotiations any time soon. So, for the rest of the world, the question must be asked:

### ***Should the world continue to wait for the US – or should governments step up and take the kind of leadership role we need to stop climate change by building a strong international regime - regardless of how and when the US will participate?***

Until now many Governments have been using US inaction as an excuse not to move themselves.

- The EU argues that it won’t increase its target until there is a global agreement that includes the US. The EU’s emissions have already fallen by more than 17% and the European Commission’s own studies show that with smart policy, the costs of moving to a 30% by 2020 target could be more than recouped by benefits in terms of energy costs, new jobs, saved healthcare costs and improved energy security.
- The EU must stop using the US as an excuse, and do what is best for its own economy and citizens: increase its 2020 target and agree to a binding target under an improved Kyoto Protocol.
- China maintains that it won’t agree to a legally binding agreement unless the US moves and seems unaffected by the taunts from US delegates. Yet countries like China are perfectly positioned to take a leadership role here – a role sorely lacking from developed countries.

Negotiators argue that it would be wrong to let the US off the hook on climate action. This seems to suggest that if one country is unable to commit to adequate and binding emissions cuts, nobody else should do it either.

We are not talking about letting the US off the hook. The US needs to, at the very least, begin implementing the pledges made in Copenhagen and to urgently start looking at ways to increase its efforts beyond that. It is way behind China on climate action. If corporations continue to determine climate policy in the US, it risks missing out on a clean energy future.

Greenpeace believes it is unethical for the rest of the world to make their own action conditional on a country with a Congress paralysed by corporate lobbyists and whose negotiators' hardline stance is damaging the process.

The real choice facing governments today is this:

- build an international and binding climate agreement, which the US will have to catch up with,
- or let US inaction stall the pace of global climate action, possibly risking the disintegration of the whole multilateral system?

## Cancun must progress in four key areas

Moving on from Copenhagen, governments have once again decided that Cancun is not where the climate change issue will be solved. They have opportunity to make decisions in some key areas where progress has already been made. They must pave the way for solving the more difficult issues over the coming year.

They need to build towards a strong, legally-binding instrument to save the climate by getting agreement on some critical issues in areas such as climate finance, forest protection and how to increase emission reductions.

Greenpeace believes that the following four areas should be a priority for governments in Cancun:

### 1. Emissions cuts: The numbers don't add up

There is a huge gap between commitments made by Governments post Copenhagen and what is required to happen to stay below a 2°C rise in global average temperatures. After 2020, the extra effort it would take to fill that gap would cost around USD 1,000 billion (according to the International Energy Agency). This is the choice Governments now face. Do just a little now, and pay a vast amount later, or act now and pay less overall.

The pledges from rich countries under the Kyoto Protocol process are woefully inadequate. With the accounting loopholes, they are hardly better than business as usual. Yet any discussion of "the numbers" under Kyoto avoids the core issue of how to address the gap between what is needed and what is currently on the table. There was a moment in Copenhagen where the German Minister, chairing the session, asked if anyone had any ideas about how to close this gap. The question was met with complete silence. This must change.

***In Cancun, industrialised country governments must take the first step towards increasing their targets.***

- Firstly, they have to acknowledge that the numbers do not add up and that their current proposals will not prevent devastating climate impacts
- They cannot continue to point fingers at emerging economies, if they themselves don't appear to be serious about cutting emissions and promoting green technology.
- The absolute minimum cut required from rich countries is 25 – 40 % by 2020 (at 1990 levels).

- These reductions must be real and not just “creative accounting.” In Cancun governments can and must close loopholes related to sinks accounting, excess paper credits from the first commitment period (so called hot air) and non-additional CDM projects.

### **In Cancun, Governments must:**

- Adopt the long-term goal to keep global temperature rise well below 2°C as the framework for all further action;
- Agree to review this goal and all actions to reduce emissions in light of the recognition that a global temperature rise of 1.5°C will already lead to irreversible, large-scale damage. This review must look at both the long-term goal as well as actions taken to meet this goal, and must be finalised by 2015, while making use of the 5th Assessment report of the IPCC.
- Acknowledge that Governments’ emissions reductions targets and mitigation actions are too weak to prevent dangerous climate change and agree a process to strengthen them by COP17 in South Africa. Those who haven’t put any pledges on the table yet must also be encouraged take ambitious targets and actions

## **2. Show us the money (or how you’re going to deal with it and get it)**

The UN agreed many years ago that developed countries must financially support the transition to clean energy and adaptation to adverse impacts of climate change in developing countries.

The establishment of a climate fund to manage and disperse the billions promised in Copenhagen is a critical element of any Cancun package. All governments have said they want to do this, so they should have no problem in doing so.

The creation of the fund should not be held up by developed countries in an effort to gain leverage on other, more controversial, elements of the Copenhagen Accord.

In particular, the US (and other donors) have said that they need a “balanced package” and will not move forward on finance without adequate progress on developing country “monitoring, reporting and verification” (MRV) and “international consultation and analysis.” All governments should stop looking for this kind of narrow national advantage and act in defence of the climate.

### **In Cancun Governments must:**

- Establish a new Climate Fund under the authority of the UNFCCC;
- Outline some of the key substantive elements of the Fund, such as the composition of the Board, the creation of an independent secretariat, the creation of thematic “windows,” and the principle of direct access;
- Agree on a participatory process to finalise the rules and procedures of the Fund by COP 17 in South Africa.

A climate fund is useless, however, if it has no money in it. The Fund will therefore need predictable sources of adequate long-term financing. The UN Secretary General’s High Level Advisory Group on Climate Financing (AGF) has shown that it is both technically feasible and politically possible for

governments to raise substantial amounts of public money for climate action from new mechanisms, such as putting a price on emissions from international air travel and shipping.

In fact, developed countries can meet their Copenhagen commitments without including private sector investments, raiding existing aid programs, or trying to argue that loans (that have to be paid back) can be counted as part of climate finance.

In order to make progress on innovative sources for climate finance, Governments must:

- Reaffirm the \$100bn commitment developed country leaders have made in terms of annual support for adaptation, forest protection and emission reductions in developing countries by 2020 and recognise that innovative sources of public finance, i.e. sources that are independent of national budget allocations, can significantly contribute to achieving this objective,
- Establish a work plan to agree on and operationalise those innovative sources of public finance, building on the analysis conducted by the UN Secretary General's High-Level Advisory Group on climate Finance

### **3. A deal for the forests and those who live in them**

REDD (Reduced Emissions from Deforestation and Degradation) promises to deliver controversy - if not necessarily content - in Cancun.

Governments came close to agreeing to a decision on REDD in Copenhagen, only to have things fall apart when the negotiations collapsed.

The key question remains whether REDD will help - or possibly threaten - the indigenous peoples and endangered species who depend on natural forests. Previously, Papua New Guinea and others have opposed the inclusion of safeguards for biodiversity and indigenous peoples

Other important events in Cancun include a meeting of the REDD+ Partnership, which promised quick action outside of the formal negotiating process but has most recently been mired by issues including a lack of transparency and the exclusion of civil society. It will be interesting to see if this informal process will restore momentum for an effective agreement on REDD or if - on the contrary - it will undermine and sideline the UN negotiation process.

Finally, the world is eagerly awaiting news relating to the next steps taken by Indonesia and Norway as part of their historic REDD agreement. The Indonesian government, led by President Susilo Bambang Yudhoyono, has made strong commitments to reducing deforestation nationwide. But he has come under pressure from the powerful pulp and palm oil industries trying to maintain the status quo. Will others in the international community step in to support the low carbon development pathway proposed by some of the more progressive people within the world's third largest emitting country?

In Cancun, we need to see Governments set up a framework for the protection of tropical forests that includes:

- The establishment of a forest window under the new Climate Fund. Countries must agree on a mechanism to reduce emissions from deforestation in developing countries. A funding window in a new global fund, not offset markets, needs to provide financial support for these emission reductions.

- Adopting principles to safeguard biodiversity and the integrity of natural forests as the framework for action. This must include protection and respect for indigenous peoples' rights, and be in compliance with existing international laws and obligations, such as the UN Declaration for the Rights of Indigenous Peoples. Strong safeguards are absolutely necessary to ensure a future REDD does not reward large scale plantation and logging businesses in place of reducing deforestation and forest degradation. Forests are more than “carbon sticks” and countries must monitor, report, and verify (MRV) - also on other benefits than just carbon. Specifically, Cancun must include requirements to MRV the impacts of forest protection schemes on biodiversity and indigenous peoples and local communities.
- National-level reductions in deforestation. Sub-national projects and approaches merely shift deforestation from one part of the country to another (or across an international border). Cancun should lay out a strategy that focuses on ending deforestation nation-wide in the countries where the worst forest destruction is currently happening, and prevent it from increasing in countries with large forests at risk.

#### **4. Decide which way they want to go**

It is very difficult to plan something until - and unless - you know what you want. For some years now, the UNFCCC has pondered the idea of a “shared vision” that will set a goal that can guide the negotiations.

To date, there remains no shared vision for what it is trying to achieve. Now is the time for Governments to make decisions on the legal form of a final agreement. There are three principles that must be adhered to:

1. A crisis this severe and urgent cannot be tackled with voluntary or political agreements, with narrow participation. In other words, saving the planet is not voluntary but a necessity.
2. The Kyoto Protocol architecture must be protected and enhanced as the rulebook governing industrialised country targets.
3. A legally binding agreement that covers only commitments of industrialised countries is not sufficient to prevent climate chaos. What we need is an agreement that covers most if not all global emissions.

Targets and timelines are the only way to ensure we stay on track to keep average global temperature rise to 1.5°C or lower. The Kyoto Protocol is an existing treaty. It took over a decade to build up the Kyoto rulebook and architecture. There is no need or time to reinvent this wheel.

Some countries, particularly Canada, Japan and Russia, have been looking for an excuse to “jump ship” – out of the Kyoto Protocol – to a weaker agreement. This is unacceptable. Developed countries have agreed to take the lead – so therefore they must lead.

#### **In Cancun, Governments must:**

- Agree on the legal form of the final agreement in line with the principles outlined above.
- Agree that the current negotiations must result in a comprehensive legally binding outcome by COP 17 in South Africa. In this context, developed countries must take adequate targets under a strengthened Kyoto Protocol.