

Climate and development in the changing world order: untying the Gordian Knot

**The state of play: A view from the
UNFCCC**

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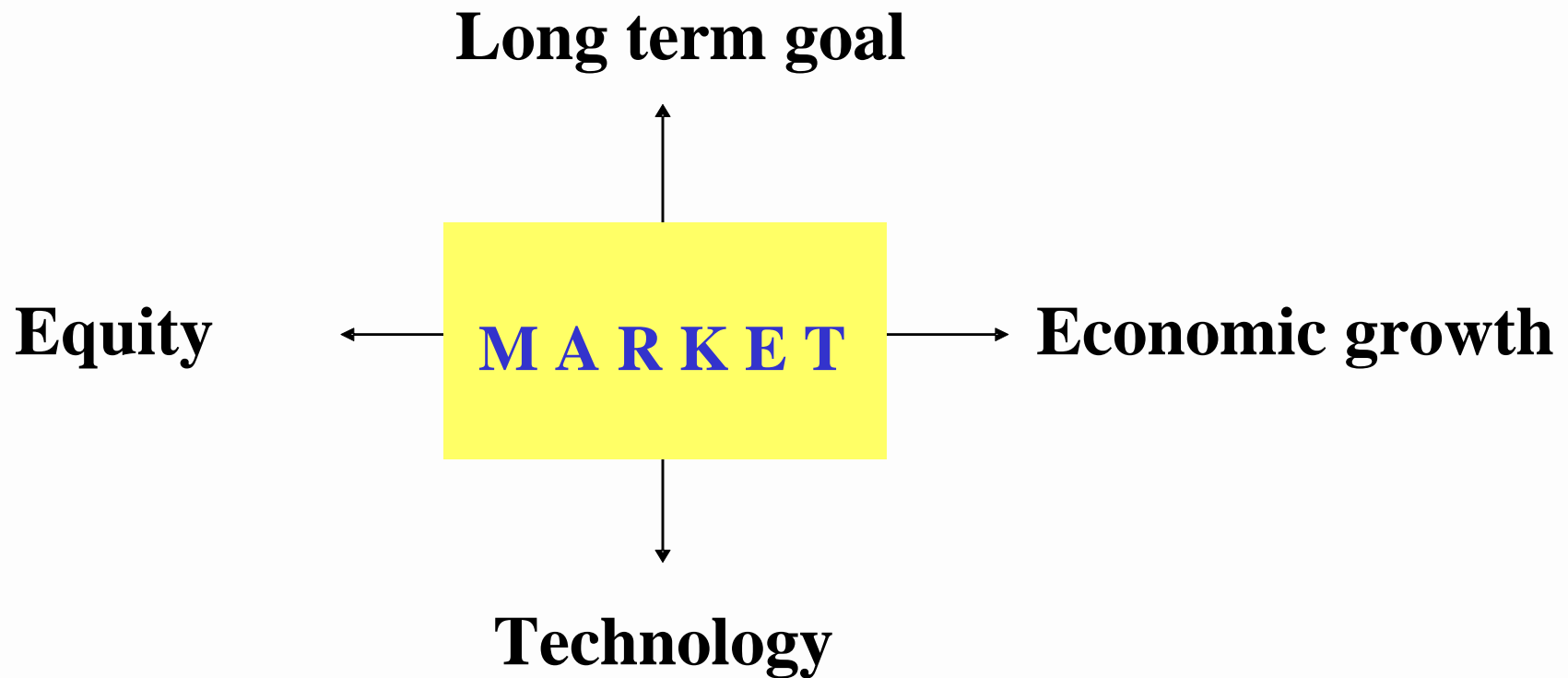


United Nations Framework Convention on Climate Change

Expectations from a Post 2012 Regime

- Guided by LT emission goal, and anchored in sustainable development aspirations
- Address adaptation and deliver mitigation
- Establish effective enabling mechanisms
- Stimulate technology cooperation, diffusion, transfer and deployment

Political space for future climate change action



- Adaptation
- Deforestation
- Capacity building
- Standards
- Response measures
- Fiscal instruments

Industrialized countries

- Minimizing costs to their economies
- Avoiding negative impacts on their competitiveness
- Ensuring adequate and comparable level of effort amongst themselves
- Enhancing participation by developing countries in the future regime

Developing countries

- Overriding concerns are **poverty eradication** and **economic growth**
- Barriers to CC mitigation: lack of **access to climate-friendly technologies and investment**
- Local environmental concerns and high energy costs lead to:
 - attention to energy security and efficiency;
 - interest in **approaches that have local co-**



benefits.

Key Elements*

- Meeting the challenge of adaptation: from vulnerability to resilience
- Innovating a climate friendly world: the role of technology
- Financing the response to climate change: investing in tomorrow
- Reducing emissions and stabilizing the climate: our common future

*Background note by the SG for the High-level event on climate, The future in our hands: addressing the leadership challenge of climate change



Imperatives for post-2012 agreement

- North-North equity (in commitments)
- North-South equity
 - in respecting responsibilities and capabilities
 - in respecting economic growth
 - providing appropriate incentives for developing countries
- Addressing competitiveness concerns

Challenge for the leaders

- Urgency to act now: cost of delay are high
- National action requires a global framework setting a long-term perspective
- An agreement for post-2012 is needed by 2009
- A new agreement will take about two years to negotiate and two more years for countries to ratify
- Work has to start this year
- COP 13 in Bali in December: opportunity to act



Potential principles for post-2012 regime

1. Addressing climate change requires a **long-term global response** in line with latest scientific findings and compatible with long-term investment planning strategies of the business;
2. **Industrialized countries** must continue to **take the lead** and reduce their emissions substantially given their historic responsibility and economic capabilities;
3. The problem cannot be solved without **further engagement** of developing countries;
4. But this requires **incentives** for developing countries to **limit their emissions** and assistance **to adapt** to the impacts of climate change while safeguarding socio-economic growth and poverty eradication, and for this;
5. Full **flexibility in the carbon market** should be allowed, to ensure the most cost-effective implementation and to mobilize the resources needed to provide the incentives to developing countries.

Momentum is building up

Encouraging signals from the North:

- Agreement in the G8: -50% in 2050 and the need to act within a multilateral UN forum
- EU: -20% emission reduction by 2020 compared to 1990 – to be increased to 30% if other developed countries join
- Norway: -30% by 2020; by 2050 reduce 100% of emissions
- Japan: Cool Earth 50 proposal
- USA: California and other states; bills in the Senate/Congress (cap and trade)

Action in the South:

- China: reduction in emission intensity of GDP; renewable energy , Climate change Plan
- India: national climate change plan, standards, PM's Council on climate change



Taking Stock

- **What**

Bali to put in place a process taking care of valid/legitimate interests and concerns, in a short time frame of 2-3 years

- **Where are we**

- Convention Dialogue report to be presented at Bali
- Under the KP, AWG is examining mitigation by AI Parties
- AWG and Article 9 would address some architectural issues
- Separate processes dealing with adaptation, tech transfer, deforestation, capacity building and national reporting

- **How**



..... and a few miles to Bali

