



BASQUE CENTRE
FOR CLIMATE CHANGE
Klima Aldaketa Ikergai

The Cancun Climate Summit: a Moderate Success

Ibon Galarraga, Mikel González-Eguino and Anil Markandya

January 2011

BC3 PUBLIC POLICY BRIEFINGS

2011-02

The Basque Centre for Climate Change (BC3) is a Research Centre based in the Basque Country, which aims at contributing to long-term research on the causes and consequences of Climate Change in order to foster the creation of knowledge in this multidisciplinary science.

The BC3 promotes a highly-qualified team of researchers with the primary objective of achieving excellence in research, training and dissemination. The Scientific Plan of BC3 is led by the Scientific Director, Prof. Anil Markandya.

The core research avenues are:

- Adaptation to and the impacts of climate change
- Measures to mitigate the amount of climate change experienced
- International Dimensions of Climate Policy
- Developing and supporting research that informs climate policy in the Basque Country

See www.bc3research.org for further details.

The BC3 Public Policy Briefings are available on the internet at

http://www.bc3research.org/lits_publications.html

Enquiries (Regarding the BC3 Public Policy Briefings):

Email(1): ibon.galarraga@bc3research.org

Email (2): david.heres@bc3research.org

www.bc3research.org

The opinions expressed in this working paper do not necessarily reflect the position of Basque Centre for Climate Change (BC3) as a whole.

Note: If printed, please remember to print on both sides and two pages per side if possible.

A. Introduction

The Cancun Summit started with the conviction that a **binding agreement would not be possible** and with **significantly lower expectations** than the previous summit in Copenhagen. If the outcome of the summit had to be defined, it could be claimed to be moderately satisfactory given the context in which it took place. The reader should be aware of the limited scope of the agreements and progress that can be achieved in this type of summits where the negotiating stakeholders (or countries) number over two hundred and the nature of the texts discussed is subject to tenacious qualification and discussion prior to their formal approval.

The agreement reached in Cancun – which verged on unanimous (with only Bolivia opposing it) –**enables significant progress to be made in terms of measures to adapt, reduce deforestation and set up financial aid** for developing countries. Furthermore, they leave the way open to a binding agreement to reduce emissions at the forthcoming Durban summit (South Africa) in 2011 to consolidate the Kyoto protocol. We believe that this can be qualified as a moderate success.

This document performs an **initial assessment of the Cancun summit agreements** (formally COP 16¹ and CMP 6²) based on the drafts of the official documents of the United Nations Framework Convention on Climate Change (UNFCCC), the information obtained by the authors from part of the team being present at the summit as observers and the opinions of observers and international analysts.

B. Blocks of Countries and their positions:

The main positions were as follows:

1. The **BASIC (Brazil, South Africa, India and China)** block, with numerous differences in terms of nuances, yet with a clearly unified position as its backing of the negotiating process was conditional on agreements in three specific areas:

- a. A **minimum pre-agreement on the binding commitments** for a post-Kyoto period.
- b. The effective implementation of the **climate change fund**, and, in particular, with respect to the 30,000 million dollars for the 2010-2012 period.
- c. Basic agreement regarding **technology transfer** from developed to developing countries.

¹ The acronym for the 16th Conference of the Parties of the United Nations Framework Convention on Climate Change.

² The acronym for the 6th Meeting of the Parties to the Kyoto Protocol.

2. The block of countries consisting of **Japan, Russia, Australia** and **Canada** that were reluctant to back a second period of emission reduction commitments for the post-Kyoto period unless the USA accepted any possible agreement.

3. The **ALBA** block (Bolivarian Alliances for the Americas) made up by **Bolivia, Venezuela, Nicaragua, Ecuador** and **Cuba** was particularly critical of the whole process and completely blocked the possibility of renewing the only binding reduction agreement throughout the summit. Bolivia³ was particularly critical of the Kyoto Protocol flexibility mechanisms (Emissions Trading, Clean Development Mechanism (CDM) and Joint Implementation (JI)) as they are based on market instruments.

4. **Developing countries** that had a clear position of not assuming any mitigation commitment until the developed countries established their own for the Post-Kyoto period.

5. Some specific positions, such as the one taken by **China**, which raised the possibility that the voluntary targets resulting from the Copenhagen summit could be binding in an attempt to help the negotiating progress.

C. Agreements:

On 11 December, as the summit went down to the wire, the delegations represented in Cancun (with the exception of Bolivia) reached a set of decisions known as the “Cancun Agreements”. These agreements contain progress in different key areas for climate negotiations. The main decisions adopted are summarised below:

1. **It was agreed – for the first time officially by the United Nations – to keep the global temperature increase under the 2°C threshold.** In the Copenhagen Agreement (COP-15), this target had been proposed (or “noted”), but had not been adopted by the United Nations. It was also agreed to consider a lower target (1.5°C) when necessary.
2. **The emission reduction plans (emission intensity and reduction targets, e.g. in the case of China) for 2020 that the countries established after the Copenhagen summit were officially recognised.** Main emitters (China, the United States, European Union, India or Brazil) were some of the countries that had proposed voluntary reductions (around 80 countries). Many developing countries, without emission control undertakings in the Kyoto Protocol, committed for the first time to control their emissions and the energy intensity of their economies. This is a step in the right direction to achieve the 2°C target, given that a large part of the emissions will come from those countries. However, 2°C cannot be achieved with the current commitments. Even if global emissions were reduced by 11-16% in 2020 (compared to 1990 emissions), the IPCC considers a reduction of 25%-40% to be necessary.

³ The strong opposition by Bolivia to any progress in nearly all areas of negotiation throughout the summit was raised by different negotiating teams of the delegations.

3. **Mechanisms were agreed to monitor and verify the emissions of the countries** (known by as MRV - measurement, reporting and verification). The difficulties hindering an agreement about these mechanisms, which could not be adopted in Copenhagen due to the reluctance of some countries to be audited, were partly overcome in Cancun. According to the agreement, the countries will submit their emissions inventories to an independent panel of experts, and pursuant to the recommendations of the Convention, which will measure and verify the emission reductions. In any event, Articles 62, 63 and 64 of the agreement of the Ad Hoc Working Group on long-term Cooperative Action include certain nuances in this respect, particularly when it establishes that the verification will be carried out in a manner that is "non-intrusive, non punitive and respectful of national sovereignty" in clear reference to the position of China.
4. **The negotiations for a second period of the Kyoto Protocol remain open.** Even though key countries such as Japan or Russia have already announced that they will not take part in a second Kyoto phase if the United States does not participate (and others such as Australia or Canada would probably follow the same route), this decision will have to be adopted in Durban (South Africa) at the COP-17 in 2011.
5. **The transfer of 30,000 million dollars was agreed for 2010-2012 and a further 100,000 a year until 2020 to help for mitigation and adaptation in developing countries.** Since the Copenhagen summit, the countries have formalised their contribution undertaking regarding those amounts. These amounts will come from a combination of private and public funding (carbon markets).
6. **The procedure was established for setting up a Green Climate Fund.** This fund (which is not related to point 5 above) will have a fair representation between developing and developed countries and will be managed, in principle, by the World Bank.
7. **The role of clean development mechanisms (CDM) and other "market mechanisms" was consolidated.** The possibility of obtaining carbon credits by means of carbon capture and storage (CCS) projects have been included.
8. **An adaptation framework was approved and progress made in details regarding protecting forests and technology transfer.** The agreement contains progress regarding details to reduce significantly emissions due to forest deforestation and degradation. The REDD+ (Reduced Deforestation and Forest Degradation) mechanism will help developed countries to conserve forests using different mechanisms that include the market one. You should note that around two thirds of emissions in developing countries come from deforestation and forest degradation. On the other hand, the agreement establishes an executive structure (the "Climate Technology Center and Network") to marry the supply and demand of low carbon technologies.

D. General assessment:

Given the general economic crisis affecting most developed countries, but above all the questioning faced by the UNFCCC after the limited results and the questionable organisation of

the Copenhagen summit (COP 15), **the Cancun agreement can be interpreted as a significant step forwards.**

A step forward that **leaves the way open to achieving** ambitious and binding emission reduction targets at the **Durban summit**, given the significant progress on highly important issues such as those considered in the previous section (particularly for many developing countries). The path will be long, and both the current (Mexico) and future (South Africa) presidency will have to use their skills to facilitate this passage and enable an appropriate context to reach better and more ambitious agreements.

Even though the Copenhagen summit will go down in history as the one where the greatest expectations were generated, but the progress achieved was slight, the **COP 16 in Cancun will go down as a relative success.** This was mainly due to the **strong commitment of the leader of the Mexican Government, President Felipe Calderón**, who was present and played a highly active role during the two weeks that the meeting lasted. Yet, above all, it was due to the **skill and positive approach** – widely recognised by all countries – **of the Mexican Secretary for Foreign Affairs, Patricia Espinosa.** Both the work carried out by the **UNFCCC Executive Secretary, Christina Figueras**, and by Espinosa throughout the year but particularly during the summit, and the parallel meeting procedure headed by country facilitators of the Convention, turned out to be decisive for the agreement achieved in Cancun. Finally, special mention should be made of the **intense and fruitful work carried out by the Spanish Secretary of State for Climate Change, Teresa Ribera** as an adaptation facilitator (along with a representative of the Government of Algeria).

The summit was intense and required great negotiating skill to overcome the positions taken and the lack of constructive perspective of some countries, particularly in Bolivia, towards any progress.

Climate change continues to need numerous stakeholders from other spheres of action from outside the United Nations negotiating process - from all interest groups, of all levels of Government, etc. - that may decisively help to reduce the emissions and to adapt to climate change. However, the process being carried out inside the UNFCCC continues to be a fundamental part of the solution. We hope that COP 17 summit will be able to use this and continue to build on the moderate success of the Cancun summit!

E. References

1. Stavins, R. (2010), What Happened (and why?): An Assessment of the Cancun Agreements. <http://belfercenter.ksg.harvard.edu/analysis/stavins/?p=876>
2. UNFCCC borradores de documentos oficiales: www.unfccc.int
 - Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention.
 - Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol at its fifteenth session
3. UNFCCC Press release. UN Climate Change Conference in Cancun delivers balanced package of decisions, restores faith in multilateral process. Cancun, Mexico. 11 December 2010.

BC3 POLICY BRIEFING SERIES

Basque Centre for Climate Change (BC3), Bilbao, Spain

The BC3 Policy Briefing Series is available on the internet at the following address:

http://www.bc3research.org/lits_publications.html

BC3 Policy Briefing Series available:

2009-01 Galarraga, I., M. González-Eguino and A. Markandya (2009), *What happened during the climate change negotiations in Copenhagen 2009?*

2009-02 Ortiz, R.A and A. Markandya (2009), *Which policy option can be more cost-effective in promoting the use of energy efficient appliances in Europe? A comparison of energy taxes, subsidies, tax credits and bans.*

2010-01 González-Eguino, M. (2010), *Competitiveness and Carbon Leakage: the Case of the Basque Economy.*

2010-02 González-Eguino, M., Galarraga, I. and Ansuategi, A. (2010), *Carbon leakage and the future of Old Industrial Regions after Copenhagen.*

2010-03 Rübhelke, D. and Vögele, S. (2010), *Effects of Climate Change on the European Nuclear Power Sector.*

2010-04 Galarraga, I., M. González-Eguino and A. Markandya (2010), *Evaluating the role of energy efficiency labels: the case of Dish Washers.*

2011-01 Khatun, K. (2011), *Competing ecosystem services: An assessment of carbon and timber in the tropical forests of Central America.*

2011-02 Galarraga, I., M. González-Eguino and A. Markandya (2011), *The Cancun Climate Summit: A moderate success.*