

Pre-COP Ministerial meeting

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Elements for a balanced outcome

Speaking notes

AWG-LCA Chair, Mrs. Margaret Mukahanana-Sangarwe

Introduction

I thank you very much for inviting me and for the opportunity to speak at this meeting.

This meeting comes at an opportune time when we need to resolve issues that will allow us to have a balanced outcome in Cancun a few weeks ahead. In Copenhagen, the Ad Hoc Working Group on Long-term Cooperative Action under the Convention was mandated to continue its work with a view to present an outcome to the Conference of the Parties in Cancun for adoption. I have had the honour of being entrusted to chair these negotiations.

I can say that the AWG-LCA has made good progress, since Copenhagen, in the negotiations towards an outcome to be presented to COP 16. It has also advanced closer to a shared understanding of what the form of this outcome should be and what elements it should contain.

Balanced outcome

I used the opportunity to consult Parties during the session in Tianjin on their expectations for the outcome of the work of the AWG-LCA. These consultations revealed that there is a shared desire for a balanced outcome. This means:

- Balance between the LCA and the AWG-KP, respecting the two-track approach;
- Balance within the LCA, across all elements of the Bali Action Plan, and
- Balance among elements of the Bali Action Plan, in terms of a comparable level of detail.

These consultations also revealed that Parties agree that the Cancun outcome should not prejudge prospects for a legally-binding outcome in the future.

One decision

I have reflected on the form of this outcome in light of progress in Tianjin and it is my assessment that the appropriate way to present the LCA outcome to the COP would be through one draft decision that encompasses the full scope of the AWG-LCA

outcome, rather than through a set of separate decisions. I believe that working on one decision would facilitate efforts to achieve balance in the outcome.

Acknowledge texts that are almost ready (so less time is needed to work on those issues) and refer to Shared Vision

Regarding the state of play on the issues to be reflected in the outcome, my assessment is as follows:

In my view, the AWG-LCA has almost concluded its work on adaptation, REDD+, agriculture and technology, and could deliver concrete results on those areas without having to devote much time to them in Cancún.

Other issues, like the use of market-based mechanisms or other approaches to enhance the cost-effectiveness of mitigation actions or the issue of capacity-building, while they progressed in Tianjin, further work will be needed.

The issue of a shared vision for long-term cooperative action has proven more complex. I am aware that Parties have deeply held views on the fundamental questions involved. Still, it is my assessment that Parties will be ready in Cancún to confirm a long-term global goal for emission reductions, at least initially expressed as an objective to limit the increase in global average temperature to well below 2 degrees Celsius above the pre-industrial level, in the context of the relevant principles.

Such an agreement would be made possible by agreeing at the same time to launch an effective and meaningful process to review the long term global goal and the progress in reaching that goal.

Need to address BIG questions, otherwise nothing will move forward

However. Agreement in these areas will not be reached without movement on the difficult issues which are at the core of a package in Cancún, namely:

- Mitigation, including measurement, reporting and verification or MRV
- Finance, including governance and long-term financing

It is my assessment that in order for Cancún to deliver an outcome, we need to address the apparent deadlock over mitigation commitments by developed country Parties under the Convention and the Kyoto Protocol.

a) Mitigation

There are two central challenges in the area of mitigation:

- First the relationship between AWG-KP and AWG-LCA when it comes to mitigation by developed country Parties and
- Second, the balance between mitigation commitments by developed country Parties and mitigation actions by developing country Parties.

I understand the difficulties surrounding commitments under the Kyoto Protocol. Parties need to come to an understanding of how to make incremental progress on that question in Cancun in order for progress on developed country mitigation in the context of the AWG-LCA.

Agreement on a step forward on developed country mitigation in the context of the LCA is also dependent on progress on actions by developing country Parties. In turn, progress on developing country mitigation depends strongly on progress on mitigation by developed country Parties as well as on long-term finance. This creates a series of interconnected chicken and egg situations, which calls for compromise and political leadership to seek a middle ground.

This circle can be broken by working simultaneously on incremental progress on Annex I mitigation under the Convention and under the Protocol. This can be done by adopting a decision capturing the information on mitigation targets and actions currently on the table and providing direction to further work in both AWGs post-Cancún.

There is willingness to establish a Registry process to record NAMAs seeking support and initiate effort to developing its operational modalities.

The issue of MRV is intimately linked to both mitigation and finance and in effect creates the bridge between action and support.

In my assessment, Parties recognize the need to enhance MRV arrangements for both developed and developing country Parties under the Convention. They also acknowledge that MRV-related provisions are and will remain more rigorous for developed compared to those for developing country Parties.

In consultations hosted by Mexico in this city two weeks ago, I put forward a straw man proposal on how MRV could be addressed, and am encouraged by the reaction from Parties.

For developed country Parties, it is my assessment that with good will of the Parties, agreement is possible on enhancing reporting, on guidance to develop rules for reporting, including detailed reporting on the provision of support, on accounting and review, and on the purpose and scope of international consultations for developed country Parties, bearing in mind that ICA is part and parcel of MRV.

Similarly, for developing country Parties, agreement is possible on enhanced reporting, including predictability of support for reporting efforts, on guiding principle for domestic verification, and on the purpose and scope of MRV including international consultations and analysis for developing country Parties.

Agreement in these areas would enable Cancún to launch of a process to develop specific guidelines and modalities.

I am also confident that Parties can agree on launching implementation of the early phases of activities relating to REDD-plus. This is essential in order to maintain the momentum for international cooperative action in the forest sector.

Views are still divided on next steps in international efforts to control emissions from aviation and maritime bunkers fuels. It is my assessment that Parties can agree to take notice of recent progress made by the relevant international organizations in these sectors and prepare further steps by the Convention on this sector.

The issue of the socio-economic impacts of response measure is an important issue and will only become more important as the rate of the transition to a low-emission economy accelerates. It is critical that Parties agree on the means to address the legitimate concerns of Parties in this context in a structured manner, including on any institutional arrangements needed to make progress.

Parties have also divergent views on the role of market based mechanisms, especially in the absence of a decision on the form of the future regime. On the other hand, the decision on market based mechanisms will impact on pledges by developed countries. However, it is my assessment that agreement on the guiding principles for the use and development of market-based mechanisms and possibly on launching a process for their development is possible and will unlock decisions on pledges under the Kyoto Protocol.

b) Finance

Finance is the third core element of the Cancún Package and the key to progress. There we have two components:

- The establishment of a new climate fund and.
- The mobilization of long-term finance and the oversight over financial flows.

Parties made good progress on the Fund in Tianjin. In my view, the establishment of the new fund is a key element of the outcome and I am confident that this can be completed. I am concerned that there is disagreement over how to organize a professional design phase for the new Fund and that Parties should find a mutually agreeable way to resolve this issue.

There is more uncertainty on how to take the broader issue of the mobilization of long-term finance forward. A pragmatic solution could be for Cancún to launch a strategic process involving Ministries of Environment and Finance that builds on the findings of the SG's Advisory Panel on Climate Financing.

In addition, it is my assessment that a body needs to be established to provide oversight over financial flows and improve coordination and coherence among financial institutions.

Closing remarks

Let me assure you that I am fully committed to the objective of presenting an outcome that can be fully agreed by the COP and that I will work closely with Parties and the President, to deliver success in Cancún.

I have presented to you my vision of what Cancún could deliver if we all work together to make it happen. There are still important obstacles to overcome and there are significant risks that disagreement over the long-term direction of international cooperation on climate change or disagreements over any of the specific issues under negotiation, could derail the process. I hope you agree with me that there is now too much to lose to allow disagreements to overshadow the fundamental underlying agreement on most of the important issues. International action on climate change needs to be accelerated and this can only be done by overcoming our differences and reaching an agreement.

Your negotiators have been working hard. I hope Ministers will provide negotiators with a full mandate to show flexibility to finish the job.

I look forward to the discussions during these two days and hope that many of the unresolved issues which I have mentioned above will be clarified to allow a successful outcome in Cancun.

I thank you very much for your attention and wish you a successful meeting.