



Network of Regional Governments
for Sustainable Development

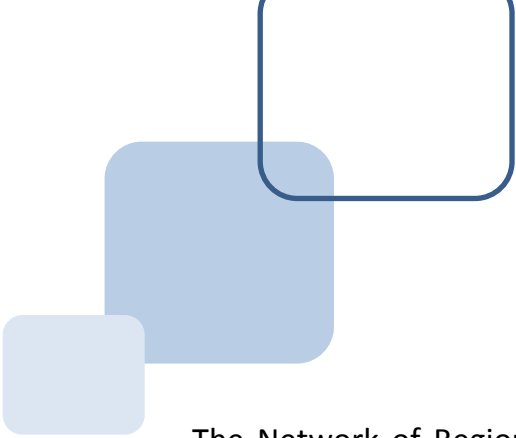


The Cancun Agreements

UNFCCC COP 16/CMP 6

Quick Guide

April 2011



The Network of Regional Governments for Sustainable Development, nrg4SD is an international organisation representing over 600 subnational governments, namely federated states and regional governments, at the global level. The network promotes understanding, collaboration and partnerships in sustainable development and seeks greater international recognition of subnational government's important contribution towards sustainable development. A member of the Organisations des Régions Unies/Forum Global d'Associations de Régions (ORU/FOGAR), nrg4SD is the voice of ORU/FOGAR in the field of sustainable development.

www.nrg4sd.org

nrg4sd@nrg4sd.org



nrg4SD members interested in the United Nations Framework Convention for Climate Change matters may also find the following nrg4SD products useful:

- Subnational governments at the forefront of climate action – Advocacy Paper
- Regions: Conscientious and influential partners in climate action - European Advocacy Paper
- Overview on the main outcomes of UNFCCC COP 16/CMP 6 Cancun
- A Tale of 3 Success Stories – A commentary at the closing of Cancun
- On the Road to Durban – Overview on developments towards UNFCCC COP17/CMP7
- Quick guide to key dossiers towards Durban
- Rough Guide to UNFCCC and the Kyoto Protocol
- Glossary of UNFCCC and Kyoto Protocol

This is part of the nrg4SD Quick Guide series.

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General outcomes of the Cancun Agreements



Negotiations in Cancun were successful in the view that they dealt with several issues that were blocked in COP15/CMP5 Copenhagen and delivered the shape of a comprehensive international system for collective action to deal with climate change. More details on how to make this system operate to effect will have to be further fleshed out among Governments during 2011 in the run up to COP17/CMP7 in Durban, South Africa at the end of this year.

Special recognition deserves the diligence with which the Mexican Presidency carried out its role. Adding up to the continuous efforts at negotiations throughout the year, Mexico worked tirelessly during the fortnight of COP16/CMP6 to re-establish trust in the process and move on towards a 'compromise text' in a 'transparent and inclusive' manner. The Mexican Presidency was also particularly committed to listening to and including the voices of all stakeholders. Last but not least, the efficient logistics deployed by the State of Quintana Roo ensured a well-organised and relaxed atmosphere.

The **outcomes of this international negotiation sessions are significant because:**

The Cancun Agreements form the basis for the **largest collective effort the world has ever seen to reduce (mitigate) emissions**, in a mutually accountable way, with national plans captured formally at international level under the banner of the UNFCCC.

The final Cancun text agrees on:

- ✓ The **rise of emissions reduction** pledges. Even national delegations traditionally opposed to this type of declaration such as USA or China agreed to the principle of further reducing greenhouse gas (GHG) emissions.
- ✓ A process of **international assessment on the implementation of** the economy-wide **emission reduction targets** submitted by all **industrialised countries** in 2010.
 - A **compilation** has been officially published by the UNFCCC Secretariat and will be followed-up under the Convention.
 - Regular reporting will be boosted by means of detailed annual inventories of GHG emissions and of biannual progress reports in emission reductions.
- ✓ A formal **international registry of** National Appropriate Mitigation Actions (**NAMAs**), coupled with strengthening transparency around their elaboration.

- The registry will have separate sections: one for NAMAs from developing countries requiring international support and a separate one for NAMAs which do not request international support.
- Developing countries will provide information on the actions for which they are seeking support, whereas industrialised countries will provide information on available support for these actions.
- Supported actions will be measured, reported and verified internationally, so aid efficiency can be monitored. For domestically supported actions this will be done at the national level.
- ✓ **Biennial reporting on mitigation progress by developing countries** in a differentiated way to that of industrialised countries.
- ✓ Encouraging **low-carbon development plans**, including for developing countries.
- ✓ **Strengthening** Kyoto Protocol's Clean Development Mechanism (**CDM**) to drive major investments and technology into environmentally sound and sustainable emission reduction projects, by means of:
 - A special focus on developing countries with less than 10 CDM initiatives registered.
 - Allowing carbon capture and storage projects in the CDM, provided that a range of technical issues and safety requirements are resolved and fulfilled.
- ✓ **Continue emissions trading and joint-implementation mechanisms in a second commitment period of the Kyoto Protocol**, as a way to encourage clean technology investment from industrialised countries into developing ones, while allowing the former to use these mechanisms to meet their own emission reduction targets.
- ✓ Establishing **one or more new market-based mechanisms** to both enhance and promote the cost-effectiveness of mitigation actions.
- ✓ Under land use, land-use change and forestry (LULUCF), a call for **the submission of reference levels for GHG accounts under forest management**. The controversy had always been that countries were including forest management in their GHG accounts without any reference levels; thus getting carbon credits from GHG removals that occur naturally thanks to the absorption of carbon dioxide by forests. The agreement provides for the use of a scientifically sound approach and an internationally assessed set of data in order to regulate GHG emissions and removals of forest-related activities.
- ✓ Further discussions and a work programme to **address the potential negative economic or social consequences of mitigation actions** for other countries.
- ✓ The need to **boost information-sharing, awareness-raising and public education on climate change**.

The Cancun Agreements include the **most comprehensive package ever agreed by Governments to help developing nations deal with climate change**. This encompasses finance, technology and capacity-building support to help them meet urgent needs to adapt to climate change and to speed up their plans to adopt sustainable paths to low emission economies which can also resist the negative impacts of climate change.

COP16/CMP6 reached agreements to establish:

- ✓ A **separate section of the mitigation registry for developing countries** to detail their voluntary plans to limit GHG, as well as the support they need in form of technology, finance or capacity-building to achieve them, and the supporting action to match these needs. The registry will be maintained by the UNFCCC Secretariat. During 2010, many developing countries submitted their NAMAs, with appropriate and adequate support from industrialised countries in the form of technology cooperation, finance and help in capacity-building. A compilation of these NAMAs has been officially published by the UNFCCC Secretariat.
- ✓ A **loan scheme to encourage CDM project activities in developing countries** that have fewer than 10 such activities registered.
- ✓ More **transparent and regular information on** the funds dedicated to the **Fast-start finance** for developing countries (pledge of USD 30 billion by 2012) and how to access them.
- ✓ An **Adaptation Framework**, in order to strengthen action on adaptation in developing countries through international cooperation. The **framework** will:
 - aim to achieve better planning and implementation, increased financial and technical support; strengthen and/or establish regional centres and networks; boost research, assessments and technology cooperation on adaptation, as well as strengthen education and public awareness.
 - be complemented by an Adaptation Committee to promote stronger action on adaptation by means of technical support and guidance to countries, knowledge-sharing and synergy between stakeholders.
- ✓ A **process for least developed countries** (LDCs) and other interested developing countries **to formulate and implement** national adaptation plans (**NAPs**) identifying and addressing their medium and long-term adaptation needs.
- ✓ A **work programme on how best to address loss and damage from climate change impacts in developing countries**. During the next two years, countries will consider options on how to manage and reduce the climate change risk to developing nations. This includes the possible development of a climate risk insurance facility. It also includes ways to address rehabilitation from the impacts of such climate change-related events as sea-level rise.

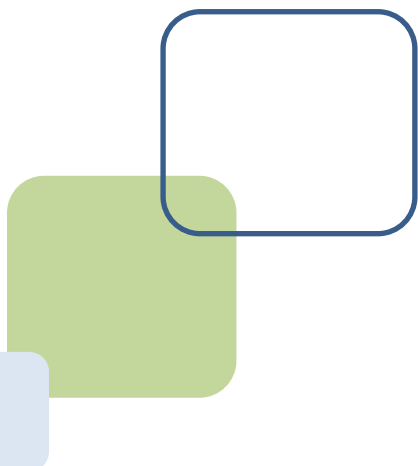
- ✓ A **framework** of parameters and financial incentives **for countries not to deforest**, under the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries REDD +.
- ✓ A **Green Climate Fund** intended **to deploy \$100bn a year by 2020** to protect poor nations against climate impacts and assist them with low-carbon development. The Fund shall:
 - function under the guidance of, and be accountable to COP;
 - support projects, programmes, policies and other activities in developing countries using thematic funding windows;
 - be governed by a Green Climate Fund Board, comprising 24 members with equal representation from developing and developed countries;
 - have its assets administered by a trustee. The final compromise that managed to unblock this thorny question establishes that the World Bank will serve as the interim trustee. This will be reviewed 3 years down the operationalisation of the fund.
 - be supported by a professional independent secretariat.
 - be designed by a **Transitional Committee** of 40 members, with 15 members from developed country Parties and 25 members from developing country Parties, all having the necessary experience and skills, notably in the area of finance and climate change. COP16 also requested the UNFCCC Secretariat to enable relevant United Nations agencies, international financial institutions and multilateral development banks, along with the Secretariat and the Global Environment Facility (GRF), to second staff to support the work of the Transitional Committee.
- ✓ A **Standing Committee on long-term finance** under COP, which will assist on mobilization from a mix of public and private sources, delivery and verification of the long-term finance under the Green Climate Fund.
- ✓ Increased **capacity-building support** to developing countries by strengthening relevant institutions, networks and climate change communication, education, training and public awareness at all levels. Included in this is increased sharing of information.
- ✓ A **Technology Clearing house Mechanism** to strengthen technology development and transfer, which will be accountable to the COP and should be fully operational in 2012. This mechanism includes:
 - A Technology Executive Committee (TEC), which will: (i) strengthen the development and deployment of new technologies, (ii) strive to increase public and private investment in technology development and transfer, (iii) assist in providing an overview of needs for the development and transfer of

technologies for mitigation and adaptation, and (iv) recommend policies and actions to boost technology cooperation.

- A Climate Technology Centre and Network (CTCN) to: (i) facilitate national, regional, sectoral and international technology networks, organisations and initiatives, (ii) mobilise and enhance global clean technology capabilities, (iii) provide direct assistance to developing countries, (iv) facilitate prompt action on the deployment of existing technologies, (v) encourage collaboration with the private and public sectors, as well as with academic and research institutions, and (vi) to develop and transfer emerging technologies to the best effect.

The Cancun Agreements include a **timely schedule** for UNFCCC nations **to review** the **progress** they make **towards** their expressed objective of **keeping the average global temperature rise below 2°C**.

- ✓ Governments agreed to **continue** work on **identifying both a goal for** substantially **reducing global emissions by 2050 and** a time frame for **the peaking of global emissions**.
- ✓ The **first review of progress** to identify whether the world is meeting the necessary timetable, or whether it will require stronger action, **will start in 2013 and be completed by 2015**. The review will be based on the latest scientific information and on progress made in combatting climate change.



Specific outcomes for subnational governments of the Cancun Agreements



As we have seen in the previous section, following from the stagnation of multilateral climate change negotiations in COP15 Copenhagen, the Cancun Agreements represent progress for the international community, both in terms of regaining trust in multilateralism and of improving the international climate action framework.

These two blocks of concrete progress are completed by a frank success for the cause of subnational governments in general, and for nrg4SD and the other organisations part of the Major Group for local government and municipal authorities in particular.

After years of intense advocacy work and direct collaboration with UNFCCC bodies, the Cancun Agreements enshrine for the first time ever in a UNFCCC official agreement the **full recognition of the crucial role of both local and subnational governments as ‘government stakeholders’ in global climate change efforts**. More specifically:

Decision 1/CP16 on “Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention (AWG-LCA)” - This decision recognises the crucial role of subnational governments in different areas of climate action. More specifically under the shared vision for a long-term cooperative action, it refers to the engagement with all major groups and particularly which **local and subnational governments as ‘governmental stakeholders’**.

– Page 3 - I. A shared vision for long-term cooperative action

7. ‘The Conference of the Parties *recognizes the need to engage a broad range of stakeholders at the global, regional, national and local levels, be they government, including subnational and local government*, private business or civil society, including youth and persons with disability, and that gender equality and the effective participation of women and indigenous peoples are important for effective action on all aspects of climate change’.

This mention was introduced into the international negotiations for the first time in the preamble of the Copenhagen texts in December 2009. Just before the start of COP16 Cancun, the new draft issued by the Chair had withdrawn all elements of the preamble in order to favour consensus among parties. Following from the intense

advocacy work of all members of the local government and municipal authorities Mayor Group, where nrg4SD sits, the final text put forward by the Mexican Presidency on the last night and finally adopted by the COP exceeds the expectations of the LGMA. The mention is not only brought back into the text, but it is actually incorporated strongly into an operative paragraph of a decision, when earlier it had been a sentence of the preamble.

- Page 4 - II. Enhanced action on adaptation

14. 'The Conference of the Parties invites all Parties to enhance action on adaptation under the Cancun Adaptation Framework, taking into account their common but differentiated responsibilities and respective capabilities, and specific national and regional development priorities, objectives and circumstances, by undertaking, inter alia, the following:

(a) Planning, prioritizing and implementing *adaptation actions, including projects and programmes, and actions identified in national and subnational adaptation plans and strategies (...)*.

(e) Page 5 - Enhancing climate change related disaster risk reduction strategies, taking into consideration the Hyogo Framework for Action, where appropriate, early warning systems, risk assessment and management, and *sharing and transfer mechanisms such as insurance, at the local, national, subregional and regional levels, as appropriate*'

18. Page 5 - 'The Conference of the Parties requests developed country Parties to provide developing country Parties, taking into account the needs of those that are particularly vulnerable, with long-term, scaled-up, predictable, new and additional finance, technology and capacity-building, consistent with relevant provisions, *to implement urgent, short-, medium- and long-term adaptation actions, plans, programmes and projects at the local, national, subregional and regional levels, in and across different economic and social sectors (...)*'.

20. Page 5 – 'The Conference of the Parties decides to hereby establish an Adaptation Committee to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention, inter alia, through the following functions:

(b) Strengthening, consolidating and enhancing the *sharing of relevant information, knowledge, experience and good practices, at the local, national, regional and international levels (...)*'.

- Page 22 – C. Capacity Building

130. 'The Conference of the Parties decides that capacity-building support to developing country Parties should be enhanced with a view to *strengthening endogenous capacities at the subnational, national or regional levels, as appropriate (...)*'.

Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (**AWG-KP**), Decision 3/CMP6 (**EN, ES, FR**) **on further guidance relating to the Clean Development Mechanism Commitments** - Building upon para. 55.c of Decision 2/CMP5 in Copenhagen on the role of local government in improving the potential of CDM, in this decision **subnational governments are referred to and** for the first time ever a UNFCCC - KP decision **refers to the concept of 'city' directly** (the latter as a result of the re-introduction by the Jordanian delegation).

- Page 2 – ‘The Conference of the Parties, recalling that *standardized baselines under the clean development mechanism should* be broadly applicable, provide a high level of environmental integrity and *take into account specific national, subnational or international circumstances*, as appropriate’.

- Page 3 – I. General – 4. ‘The Conference of the Parties, also requests the Executive Board to reassess its existing regulations related to programmes of activities in order to:

(b) Simplify the application of programmes of activities to applying multiple methods and technologies, including for possible city-wide programmes (...)’.

Document **FCCC/SBI/2000/L31** – The Subsidiary Body for Implementation, when discussing arrangements for intergovernmental meetings recognises (*page 1*) ‘the *important role and value of the participation of all stakeholders, both governmental and non-governmental*, in the UNFCCC process in accordance with Article 7, paragraph 6, of the Convention’.

The introduction of the **Mexico City Pact and carbonN Cities Climate Registry as a global response of local governments to** measurable, reportable, verifiable (**MRV**) climate action.

In November 2010, ICLEI and local governments demonstrated a high level of commitment to climate action when they gathered at the **World Mayors Summit on Climate 2010** in Mexico City on 21 November 2010. Signed by more than 140 cities representing more than 170 million citizens, the Summit resulted with the adoption of the Mexico City Pact and carbonN Cities Climate Registry as the global reporting mechanism for measurable, reportable, verifiable local climate action.

Sources for more information



UNFCCC	<p><i>United Nations Framework Convention on Climate Change UNFCCC</i> COP16/CMP6 page, including links to all official documents and webcasts COP16/CMP6 overview, including detailed info on 2011 dossiers and latest developments Meetings – meetings archive Date base of documents National reports Newsletter</p>
UNFCCC LGMA constituency	<p>UNFCCC constituency for Local Government and Municipal Authorities <i>UNFCCC LGMA</i> nrg4SD ICLEI – Focal Point for LGMA UCLG</p>
UNEP	<p>United Nations Environment Programme <i>UNEP</i> Intergovernmental Panel on Climate Change <i>IPCC</i> Emissions gap report Climate Change Programme News</p>
European Union EU	<p>Climate and Energy Package Second European Climate Change Programme International Climate Finance – EU actions Emissions Trading Scheme (ETS) and Effort Sharing Decision Roadmap for moving towards a low-carbon economy by 2050</p>

Global Commitment of North and South Subnational Governments to Sustainable Development

The **Network of Regional Governments for Sustainable Development, nrg4SD** works tirelessly to champion the work of subnational governments on sustainable development, including climate action. International organisation representing over 600 subnational governments* (namely federated states and regional governments) at the global level; nrg4SD promotes understanding, partnerships and projects in sustainable development and seeks greater international recognition of the important contribution of subnational governments towards sustainable development. Member of the Organisations des Régions Unies/Forum Global d'Associations de Régions (ORU/FOGAR), nrg4SD is the voice of ORU/FOGAR in the field of sustainable development.



www.nrg4sd.org

**Network of Regional Governments
for Sustainable Development**

20, Bvd. Roi Albert II-Köning Albert II-iaan

B-1000 Brussels, Belgium

Tel.: +32 (0) 2 553 70 69

Fax: +32 (0) 2 553 70 75

Email: nrg4sd@nrg4sd.org

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