

**Eleventh Session of the Ad hoc Working Group on Long-term Cooperative Action
Under the Convention (AWG – LCA 11)**

**STATEMENT BY BELGIUM AND THE EUROPEAN COMMISSION ON BEHALF
OF THE EU AND ITS MEMBER STATES**

Opening plenary on 2 August 2010

Madame Chair, distinguished colleagues, dear friends,

As the EU has consistently stated, the need to forge a post-2012 agreement to combat climate change is becoming ever more urgent and we need to speed up our preparations if we want concrete outcomes in Cancún. At our June session we managed to move away from procedural discussions into fruitful substantive debates. We should continue on that path.

Our aim is to make as much progress as possible towards an ambitious, comprehensive and legally binding outcome in line with the 2°C objective.

In Cancún we trust that we will be able to find agreement on a balanced package, building on the progress that was already achieved in Copenhagen. Significant progress is both necessary and achievable in Cancún on mitigation, MRV, financial architecture, REDD+, technology, adaptation, capacity building and market mechanisms. Cancún should put in place key institutional and architectural arrangements in these fields and thus contribute to immediate action on the ground.

Madame Chair, you presented us with a second iteration of your text and we appreciate your efforts in preparing this document, which we consider to be a good basis for negotiations. On substance however, we have concerns with some of your proposals. Allow me to be concrete and point at two of them.

Firstly, while we have to focus on options that are ambitious and that can deliver the deep emissions cuts science tells us are required, some of the options included in the text on mitigation are outside of the realm of what is achievable.

Secondly, the EU is of the view that carefully crafted market mechanisms are efficient and effective tools that can supplement domestic emission reductions, promote technology transfer and generate financial flows. In order to deliver deeper emission reductions, we need to develop new scaled-up market mechanisms, next to the ones that exist under the Kyoto Protocol. We made some progress on this issue during our last meeting. However, we don't see this progress reflected in the new iteration of your text.

On the other hand, the EU welcomes the inclusion of a text on emissions from international transport and is looking forward to discussing the issue during this session. We also welcome

the new text on MRV as a good basis for our negotiations and hope we can progress towards further developing the rules for MRV and ICA.

On process, we support your suggestion to focus on the elaboration, integration and the negotiation of consensus outcomes. We believe these three tasks should go hand in hand and we support your proposal to deal with all issues in a single contact group and to organise spin-off groups to deal with the specific issues you mention in your scenario note.

Mitigation, Madame Chair, remains at the heart of the climate regime. We need to engage in a discussion on how to raise the level of ambition so as to limit temperature increase to a maximum of 2°C. For that to happen, we need to bring these pledges into the formal process. We should also provide countries that haven't made pledges yet, with an opportunity to do so. Compiling and further clarifying these pledges will deliver transparency and create trust, and can set the context for raising the level of ambition.

We propose to entrust the Secretariat with such a compilation and with providing us with technical documentation to support our negotiations, as it has done in the context of the AWG KP.

Madame Chair, another issue that we need to take forward at this session is the further development of institutional arrangements. These arrangements should enable action on both mitigation and adaptation, and should promote international cooperation. We need a coherent architecture that can deliver concrete action on the ground effectively and efficiently, in response to countries' genuine needs. At this session we will need to look for synergies and interlinkages between the different existing and proposed arrangements, across all building blocks.

MRV and ICA are also key to an effective architecture, and we need to develop guidelines that can increase transparency of developing country actions and that can secure developed country compliance with their commitments. In Cancún we should be able to lay the foundations for a solid, rule-based MRV system.

Finance is a crucial part of making the system work, both in the short and in the long term. At our last session we informed you on how the EU is fulfilling its commitment of delivering 2.4 billion EUR of Fast Start Finance annually from 2010 to 2012, and in spite of budgetary constraints, we firmly abide by that commitment. Many projects, programmes and partnerships are already being implemented, both addressing immediate action and preparing for the medium and long term. We will deliver a comprehensive and transparent report on EU Fast Start financing in Cancún.

With regards to long term finance, the EU and other developed countries have committed, in the context of meaningful mitigation actions of developing countries and transparency on implementation, to a goal of mobilising jointly USD 100 billion per year by 2020 to help developing countries fight climate change. We should continue work on further developing the financial architecture, making effective use of both UNFCCC and non-UNFCCC institutions, improving the coordination of financial flows and developing the basic framework for the Copenhagen Green Climate Fund.

Finally, I would like to say that the EU stands ready to work with you and all the Parties to move this process forward and to make this meeting a meaningful step towards the ambitious and concrete outcome we need in Cancún. We expect to leave Bonn at the end of this week with more clarity on the key political options to be resolved in Cancún, and having further developed the details of specific decisions.
