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Setting the scene and outlining latest developments in UNFCCC negotiations

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Outline

- **Background: Relevant Provisions of the UNFCCC on Technology, Trade and Intellectual Property**
- **The Bali Action Plan**
- **The Cancun Agreements**
- **The Technology Mechanism: TEC and CTCN**
- **Issues at stake**
- **Next steps**



UN institutions for climate change

United Nations Framework Convention on Climate Change (UNFCCC):

Adopted in 1992, in force since 1994, 192 Parties

Objective: stabilization of greenhouse in the atmosphere in order to avoid dangerous interference with the climate system

Unlimited in time

Kyoto Protocol:

Legally binding reduction objectives for industrialized countries (OECD and ex-USSR): 5.2% in 2008-2012/1990

Carbon market instruments

A second commitment period is required after 2012



UNFCCC provisions on Technology, Trade and Intellectual Property

- **Article 3.5:** “Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.”
- **Article 4.3:** developed countries to provide financial means to cover the full agreed incremental costs of technologies for the implementation of the UNFCCC by developing countries
- **Article 4.5:** developed countries to transfer technology to developing countries
- **Article SBSTA 9.2 c:** Identify innovative, efficient and state-of-the-art technologies and know-how
- **Article 12.4:** Developing country Parties may, on a voluntary basis, propose projects for financing, including specific technologies,



Bali Action Plan (BAP) 2007

The BAP includes five pillars:

- 1. Shared vision for long-term cooperative action**
- 2. Enhanced national/international action on mitigation**
- 3. Enhanced action on adaptation**
- 4. Enhanced action on technology development and transfer to support action on mitigation and adaptation**
- 5. Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation**



Cancún Agreements (CA) 2010

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- **2 degrees stabilization objective (long term) and review of this goal in 2015**
- **100 billion USD per year in 2020 for developing countries**
- **Enhanced transparency of actions by countries (Measurable, Reportable, Verifiable, MRV)**
- **To develop new market and non-market mechanisms**
- **Institutional framework to support the implementation of the Bali Action Plan: mitigation, adaptation, technology, finance**



Cancún Agreements (CA) 2010

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- **Adaptation Framework and an Adaptation Committee**
- **Nationally Appropriate Mitigations Actions (NAMAs) by developing countries and a Registry for recognition of the NAMAs and their financing**
- **Green Climate Fund**
- **Technology Mechanism consisting of a Technology Executive Committee, a Climate Technology Centre and Network and regional technology centres**



Divers and barriers of climate policy

The two main drivers / barriers for action are:

Costs

Technology

At the international level developing countries require assistance from developed countries

The United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol recognize the *Common But Differentiated Principle (CBDR)*



Current Experience on technology transfer under the UNFCCC

Experience has been gained on technology needs and on barriers and opportunities for technology transfer

Channels:

- **Bilateral, ODA**
- **Global Environment Facility (GEF)**
- **UNDP, UNEP**
- **World Bank**
- **Regional Development Banks**
- **Clean Development Mechanism (CDM), Kyoto Protocol**



The Technology Mechanism established by the Cancun Agreements

Consisting of:

- **Technology Executive Committee (TEC):** the policy and strategy arm of the Mechanism
- **Climate Technology Centre and Network (CTCN):** to provide direct support to technology actions in developing countries to address climate change
- **The Technology Mechanism will help developing countries to prepare their Nationally Appropriate Mitigation Actions (NAMAs) and their National Adaptation Plans (NAPs)**
- **The Technology Mechanism will help to build technological capacity within developing countries**



Issues at stake under the UNFCCC

- **Increase of the global emissions of greenhouse gases: cf. *The Emissions Gap Report*, UNEP, 2010**
- **Adoption of ambitious reduction objectives to comply with the 2 degrees target**
- **Financing mitigation and adaption, particularly in developing countries**
- **Ensuring appropriate international cooperation: commitment of all major countries to reduce emissions and commitment of developed countries to provide assistance to developing countries**



Objectives: an indispensable precondition for success

- **Emission reduction objectives (mitigation) should be adopted at the national and global level to provide certainty to stakeholders**
- **It is also possible to adopt objectives for adaptation**
- **Ambitious objectives trigger more action, more technology development and transfer, more international cooperation**
- **Transparency on the conditions on the objectives, performance, means, and achievements is necessary for international confidence building**



Financing climate policies

- **In developed countries, the question on how to ensure the financing of climate policies is address in various ways: mainstreaming climate objectives in sectoral policies (e.g. energy, transport, etc.), using market mechanisms (e.g. EU ETS), and with fiscal instruments (carbon and energy taxes)**
- **In developing countries, lack of financing for climate policies is often an acute problem, but not the unique one. Lack of enabling environments to facilitate investment on climate-friendly policies and lack of legislation are also important issues for mitigation and adaptation.**
- **Under such conditions, technology transfer from developed countries is not facilitated**



Barriers to technology transfer

The main barriers to technology transfer were (in decreasing order of importance):

- **Economic/market**
- **Human**
- **Information/awareness**
- **Institutional**
- **Regulatory**
- **Policy-related**
- **Technical**
- **IPRs**
- **Other**
- **Infrastructure**



New world order

Climate change is posing in practical terms the question of the role and the responsibility of countries:

Reordering of the world's priorities

Role of emerging economies (China, Rep. of Korea, Singapore, Brazil, etc.)

Confrontation US-China



International climate regime after 2012

A new institutional framework is required after 2012

Options may be:

- **Continuation of the Kyoto Protocol**
- **An unique treaty including all major emitters (US, China, etc.) with differentiated reduction commitments and provisions for assistance for developing countries (finance, technology)**
- **A pledge-and-review system**
- **Voluntary Nationally Appropriate Mitigation Actions (NAMAs)**
- **Other**



Position of the countries (1)

USA:

- **Do not accept nor a reduction objective determined at the international level neither an international compliance regime**
- **Require strong review system of actions by countries (MRV); legally binding for the US = national legislation**

China and emerging economies:

- **Voluntary actions only**
- **Require the respect of their status of developing countries (CBDR) and require assistance (finance and thechnology)**



Position of the countries (2)

European Union and like-minded (Switzerland, Norway, Iceland):

- **Support legally binding commitments at the international level (Kyoto-like)**
- **Require involvement of the US and emerging economies**

Japan, Russia, Australia:

- **Reject the Kyoto Protocol and request a comprehensive treaty involving all major emitters (USA and China)**

Alliance of Small Island States (AOSIS) and Least Developed Countries (LDCs)

- **Require strong climate objectives and assistance for adaptation**



Swiss Position

Switzerland supports an international order based on law, in particular for the international climate change regime

We need a predictable, enforceable, efficient and fair regime

We support legally binding approaches (Kyoto-like)

We are EU-like-minded



A role for trade (WTO) in the climate arena?

- **The framework must be full WTO-compatibility of climate-related measures (mitigation and adaptation)**
- **May trade (WTO) offer instruments to facilitate climate policies: e.g. bilateral and multilateral agreements; approaches to address issues on intellectual property rights; standards; etc.?**
- **May trade (WTO) remove barriers to the flow of investment and technology: e.g. tariffs; fiscal approaches; etc.?**
- **May trade (WTO) facilitate development and transfer of technology?**
- **May trade (WTO) facilitate the flow of environmentally sound investments for mitigation and adaptation, particularly in developing countries?**



Some web sites of interest

<http://www.unfccc.int>

<http://www.ipcc.ch>

<http://www.bafu.admin.ch/>

<http://www.iisd.ca>

Thank you for your attention