



**COUNCIL OF
THE EUROPEAN UNION**



Preparation for the 16th Conference of the Parties to the UN Framework Convention on Climate Change Cancún, 29 November to 10 December 2010

- Council conclusions -

*3036th ENVIRONMENT Council meeting
Luxembourg, 14 October 2010*

The Council adopted the following conclusions:

"The Council of the European Union

1. HIGHLIGHTS that the need to make progress towards establishing an ambitious post-2012 regime to combat climate change is becoming ever more urgent; to this end, RECALLS the need for a stepwise approach, building on the Kyoto Protocol and the outcomes of the Copenhagen Conference and paving the way for a global and comprehensive legally binding framework, integrating the political guidance given in the Copenhagen Accord.
2. NOTES the limited progress made at the Bonn and Tianjin sessions towards identifying elements of a balanced package in Cancun; EMPHASISES that a very significant increase in the pace of the negotiations will be needed in order to reach a successful and balanced outcome in Cancun; in this context, EXPRESSES its support for the incoming President of COP 16 / CMP 6 to take all the necessary initiatives in the run-up to and at the Cancun Conference.

P R E S S

3. In this context, STRESSES that the work of both the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) should enable COP 16/CMP 6 to adopt a set of decisions, ensuring a balanced outcome across and within both negotiating tracks, addressing the concerns of the Parties and capturing the progress made in both tracks; these decisions, including on adaptation, mitigation, technology, capacity-building, Reducing Emissions from Deforestation and Forest Degradation (REDD+), agriculture, Monitoring, Reporting and Verification (MRV), finance and market-based mechanisms, should contribute to the establishment of a post-2012 regime based on coherent and stable rules that include Parties' mitigation efforts, deliver actions on the ground, and are based on the elements of the Bali Roadmap, as well as on the interlinkages between such elements; there is a need for decisions that can be implemented immediately or in the near-term and for a work programme for the next steps, with a view to avoiding a gap after the first commitment period and agreeing on a global and comprehensive legally binding framework.
4. CONFIRMS its willingness to consider a second commitment period under the Kyoto Protocol, as part of a wider outcome including the perspective of the global and comprehensive framework engaging all major economies, while reiterating, in this regard, its preference for a single legally binding instrument that would include the essential elements of the Kyoto Protocol, building on the Copenhagen Accord, reflecting the ambition and effectiveness of international action and responding to the urgent need for environmental integrity; in this context, progress on the reform of existing market mechanisms and the establishment of new sectoral or other scaled-up market mechanisms should be achieved.
5. In this context, WELCOMES the increasing awareness in all countries of the need to strengthen the environmental integrity of the Kyoto Protocol, so as to ensure that the emission reductions that are needed, are effectively delivered; REITERATES that the surplus of Assigned Amount Units (AAUs) could affect the environmental integrity of the Protocol if it is not addressed appropriately; to this end, EMPHASISES the importance of exploring with other Parties possible options; AGREES that this issue must be addressed in a non discriminatory manner, treating the EU and non-EU countries equally; with regard to accounting rules for forest management, FAVOURS a scheme based on sound and transparent reference levels, subject to a thorough review procedure to ensure environmental integrity and comparability; IS OPEN TO CONSIDERING the use of gross-net accounting with a discount factor of 85%; IS OF THE VIEW that provisions for force majeure and harvested wood products should be included; and in this context, CONSIDERS that, subject to such flexibility being provided for, accounting for forest management should become mandatory for all Parties taking on quantified commitments and that future accounting rules should provide an adequate balance between further incentives for sequestration, for use of wood products and for biomass energy; UNDERLINES that any extension of the scope of the Kyoto Protocol to other sectors and gases should improve its effectiveness and environmental integrity.

6. WELCOMES the recognition in the Copenhagen Accord of the scientific view that the increase in global temperature should be kept below 2°C compared to the pre-industrial level; UNDERLINES that, according to the findings of the Intergovernmental Panel on Climate Change (IPCC) in its Fourth Assessment Report, to stay below 2°C requires that global greenhouse gas emissions peak by 2020 at the latest, are reduced by at least 50% compared with 1990 by 2050 and continue to decline thereafter; developed countries as a group should reduce their greenhouse gas emissions by 80% to 95% by 2050 below 1990 levels.
7. UNDERLINES the importance of a review of the post-2012 framework by 2015, including consideration of strengthening the long-term goal referencing various matters presented by science, including in relation to temperature rises of 1.5°C as called for in the Copenhagen Accord.
8. RECALLS that in the Copenhagen Accord countries agreed to take action to meet the 2°C objective consistent with science and on the basis of equity; NOTES that, based on available elements such as current population projections, such a level of ambition means that, by 2050, global average greenhouse gas emissions per capita should be reduced to around two tonnes CO₂ equivalent, and that, in the long term, gradual convergence of national per capita greenhouse gas emissions between developed and developing countries would be necessary, taking into account national circumstances.
9. REAFFIRMS its conditional offer to move to a 30% reduction by 2020 compared to 1990, as part of a global and comprehensive agreement for the period beyond 2012 and provided that other developed countries commit themselves to comparable emission reductions and that more advanced developing countries contribute adequately according to their responsibilities and respective capabilities; RESOLVES to continue, under the strategic direction of the European Council, to examine options to move beyond 20% greenhouse gas emission reductions to be prepared to react to the ongoing international climate negotiations and DECIDES to revert to these issues as soon as possible with a view to the Spring 2011 European Council; ALSO REAFFIRMS the EU objective, in the context of necessary reductions according to the IPCC by developed countries as a group, to reduce emissions by 80-95% by 2050 compared to 1990 levels; LOOKS FORWARD to the Commission's roadmap for a safe and sustainable low-carbon economy by 2050, also with a view to discussing and considering intermediate ambition levels for 2030 and beyond.
10. ACKNOWLEDGES that the current overall level of ambition needs to be increased; REITERATES the need for all developed countries to take the lead by committing to ambitious legally-binding quantified emission reduction commitments, in the order of 30% by 2020 compared to 1990, to be achieved by developed countries as a group; WELCOMES the fact that many developing countries have put forward proposals for mitigation actions, including in the context of the Copenhagen Accord, as part of their contributions to the global effort, and LOOKS FORWARD to additional countries submitting their proposals; NOTES that for a number of developing countries such proposals are an important contribution towards a substantial deviation below the currently predicted emissions growth rate, in the order of 15-30% by 2020, to be achieved by developing countries as a group; REITERATES its call on Parties, both developed and developing, to reconsider the adequacy of their proposals in light of the overall global efforts required for a cost-effective global emissions pathway that is consistent with the 2°C objective.

11. While recognising that developed Parties' commitments and developing Parties' actions will be different in nature, in line with the principle of common but differentiated responsibilities and respective capabilities, STRESSES the need to anchor all countries' pledges in Cancún, whether made pursuant to the Copenhagen Accord or otherwise, in the context of the United Nations Framework Convention on Climate Change (UNFCCC), with a view to facilitating the clarification of those pledges, mobilising support for their implementation and supporting discussions on options to strengthen the collective level of ambition with a view to meeting the 2°C objective; SUPPORTS a decision in Cancún to establish a registry to start capturing and facilitate matching of actions and support.
12. IS DETERMINED to make rapid progress towards developing sound guidelines, rules and modalities for REDD+ actions, in order to operationalise the REDD+ Mechanism through a decision in Cancún, thereby ensuring its environmental integrity; REAFFIRMS its previous conclusions relating to REDD +; RECALLS the objectives to reduce gross tropical deforestation by at least 50% by 2020 compared to current levels and to halt global forest cover loss by 2030 at the latest; LOOKS FORWARD to adopting decisions on REDD+ at the Cancún Climate Conference, including on securing safeguards, in particular with regard to biodiversity, consistent with the EU's objectives at the Nagoya Biodiversity Conference, and recognising the rights and knowledge of indigenous peoples and local communities, and improved forest governance structures, supported by appropriate requirements for MRV; WELCOMES initiatives to mobilise REDD+ financing as part of fast-start funding and the continuing progress within the interim REDD+ partnership.
13. WELCOMES the progress made in ICAO at the 37th session of the Assembly as an important first step, recognising that aircraft emissions must be stabilised and that Parties may take more ambitious actions prior to 2020; LOOKS FORWARD to progress in the intersessional meeting of the IMO in the spring of 2011; REAFFIRMS its October 2009 conclusions with regard to the need to agree on global emission reduction targets for international aviation and maritime transport, consistent with the 2°C objective; IS OF THE VIEW that COP 16 should urge ICAO and IMO to develop without delay a global policy framework in a manner that ensures a level playing field and that does not lead to competitive distortions or carbon leakage, in accordance with the principles and customary practices of ICAO and IMO, taking into account the principles and provisions of the UNFCCC in the use of potential revenues.
14. RECALLS the need for international action on production and consumption of HFCs which should be implemented under the Montreal Protocol, using its existing structures and mechanisms while HFCs remain in the scope of the UNFCCC and its related instruments.

15. BELIEVES that institutional arrangements should be designed to support Parties' actions as well as to enhance effective international cooperation pursuant to the UNFCCC and must be guided by considerations of coherence, efficiency, effectiveness, responsiveness, balanced representation and institutional economy; UNDERLINES that decisions on institutional architecture should take due account of the functions of existing institutions and how they can be strengthened, making effective use of both UNFCCC and non-UNFCCC bodies in a mutually complementary way.
16. ACKNOWLEDGES that adaptation to the adverse effects of climate change is a challenge faced by all countries, which can only be addressed effectively by national action enhanced by international cooperation, and that the determination of priorities, needs and actions should be context-specific, country-led and country-driven; REAFFIRMS its October 2009 and March 2010 conclusions concerning adaptation, especially in terms of urgency, importance and prioritisation of support for adaptation; REITERATES the important role of fast-start finance in addressing urgent adaptation and related capacity-building needs of developing countries, in particular those that are particularly vulnerable to the adverse effects of climate change, especially the Least Developed Countries (LDCs), Small Island Developing States (SIDS) and countries in Africa prone to drought, desertification and floods.
17. RECOGNISES that capacity building should be country-driven and is cross-cutting by nature, and that its implementation and support requires an integrated approach; HIGHLIGHTS the importance of fast-start finance in this regard.
18. RECALLS that developed countries have committed themselves collectively in the Copenhagen Accord to providing resources approaching USD 30 billion in the period 2010-2012, with a balanced allocation between adaptation and mitigation, including REDD+ and, in relation to adaptation, with a special emphasis on the most vulnerable developing countries such as the LDCs, SIDS and Africa; REAFFIRMS the EU's and its Member States' commitment to contributing EUR 2.4 billion annually over the period 2010-2012; UNDERLINES that the EU and its Member States have already presented a preliminary state of play on these commitments at the UNFCCC session in Bonn (31 May-11 June 2010) and REITERATES that the EU will submit a comprehensive and transparent report on the implementation of this commitment by the Cancún Climate Conference and yearly thereafter; UNDERLINES that the EU and its Member States have advanced in the implementation of these commitments; WELCOMES all initiatives to further increase transparency of climate financing.

19. Also RECALLS developed countries' commitment in the Copenhagen Accord, in the context of meaningful mitigation actions of developing countries and transparency on implementation, to the goal of jointly mobilising USD 100 billion a year by 2020, coming from a wide variety of both public and private sources, including innovative sources of finance, to assist developing countries in fighting climate change; RECALLS that, in the context of an overall balanced effort, the EU and its Member States are ready to take on their fair share of international public support; in this context, LOOKS FORWARD to the submission by the Advisory Group on Climate Change Financing (AGF) established by the UNSG of its report on sources of finance in order to facilitate informed decision-making; EXPECTS that the AGF will demonstrate that the USD 100 billion goal is challenging but achievable by combining new and existing public and private finance sources, including innovative sources; HOPES that the AGF can identify credible options in each of the main categories and that it will include those sources that have the dual benefit of reducing emissions and raising revenue.
20. REAFFIRMS its commitment to establishing the Copenhagen Green Climate Fund as an operating entity of the financial mechanism of the Convention and SUPPORTS the launch in Cancún, as part of a balanced package, of a process for setting up the Fund with a view to operationalising it at COP 17; STRESSES the need for a streamlined institutional architecture encouraging synergies and coordination, as well as cost-effectiveness, ensuring a periodic overview of climate financing, and identifying gaps; UNDERLINES the importance of measuring, reporting and verifying support to developing countries by all donors, in accordance with existing and any future guidelines adopted by the COP; IS ENCOURAGED by the positive developments at the Geneva Dialogue on Climate Finance which should contribute to agreeing on operational decisions at the Cancún Climate Conference.
21. RECALLS the importance of carbon markets, including cap-and-trade systems, and new sectoral or other scaled-up market mechanisms for achieving ambitious global mitigation objectives in a cost-efficient manner and for driving low-carbon investments while contributing to sustainable development; UNDERLINES the importance of ambitious targets and actions to strengthen the carbon market in order to mobilise finance from the private sector; STRESSES that cooperation on carbon market readiness in developing countries should be enhanced and strengthened; REITERATES that the flexibility mechanisms of the Kyoto Protocol should continue and that the Clean Development Mechanism (CDM) should be reformed in order to improve its environmental integrity, efficiency, governance and regional distribution, including through the use of standardized baselines and the enhancement of programmatic approaches; UNDERLINES that the Cancún Conference should provide a basis for the introduction of new sectoral or other scaled-up market mechanisms, including through pilot schemes, and the recognition of units resulting from such mechanisms, while preserving environmental integrity.

22. EMPHASISES the importance of transparency of actions and commitments in the post-2012 regime and UNDERTAKES to work with all Parties to develop guidelines for a coherent and balanced system for MRV, including international consultation and analysis (ICA); this system should be able to develop mutual recognition and trust-building as well as globally track progress towards the 2°C objective, track Parties' emissions and progress in meeting their commitments and delivering mitigation actions and the support they receive, and to support Parties in transforming their economies onto a safe and sustainable low-carbon pathway, drawing on the existing provisions under the Convention, the Kyoto Protocol and subsequent decisions; decisions in Cancún should provide the framework for such a system, enable guidelines to be finalised in a timely manner and deliver results in time for the 2015 review as called for in the Copenhagen Accord; RECOGNISES that this system should take into account the different responsibilities and capabilities of developed and developing countries, and respect the different nature of their commitments, while ensuring a consistent approach; overall, the MRV system should provide a common framework where all countries share information, learn from each other and build mutual trust; UNDERLINES the need for a significant increase of financial and human resources to build capacity for MRV, and HIGHLIGHTS the importance of fast-start finance in this regard.
23. MRV for developed countries should include rules that ensure rigorous, robust and transparent accounting towards and compliance with emission reduction commitments whereas MRV for developing countries should provide robust and transparent information to keep track of and for recognition of their actions.
24. RECOGNISES that MRV for developed countries should include rules that ensure rigorous, robust and transparent accounting of support to developing countries whereas MRV for developing countries should provide robust and transparent information on the implementation of nationally appropriate mitigation actions (NAMAs) and on the need for and receipt of support; RECOGNISES also the need for enhancing the collection of information on private sector finance and the reporting of private flows to recipient countries in a reliable and coherent manner.
25. UNDERLINES that ICA should focus on correct and effective application of methodologies and guidelines, on transparency, consistency and on the accuracy and completeness of the information reported by individual Parties; it should not give rise to a more burdensome treatment for developing than for developed countries nor should it be used to enforce compliance, but have a facilitative role by assisting developing countries to build up capacities to implement their NAMAs; while the analysis phase should consist of a technical assessment by a team of experts of the national communications and associated information provided by the Parties, including information on their low-emission development strategies, the consultation phase should include an exchange of views between the Parties, in the context of the UNFCCC, about the outcome of the technical assessment and any recommendations from experts, the implementation of mitigation action, emission trends and further support needed to facilitate implementation with a view to promoting consistency and transparency in the review of information submitted by Parties and assisting them to improve their reporting of information.

26. WELCOMES the agreement in the Copenhagen Accord to establish a Technology Mechanism as an important instrument for accelerating the development, deployment and diffusion of environmentally safe and sustainable low-carbon technologies, based upon developing countries' needs and priorities on adaptation and mitigation and working in coordination with other relevant organisations; LOOKS FORWARD to a decision in Cancún, as part of a balanced package, for the establishment and subsequent operationalisation of the Technology Mechanism and its institutional arrangements, consisting of a Technology Executive Committee and a Climate Technology Centre and Network, including through pilot actions supported by fast-start finance; UNDERLINES the need to promptly operationalise a Climate Technology Centre and Network, providing assistance to developing countries for building human and institutional capacity to innovate, develop and adapt technologies to local circumstances, and to facilitate collaborative research and knowledge sharing; WELCOMES the outcomes of the Clean Energy Ministerial and the initiative by India to hold a ministerial "Dialogue on Climate Technologies: Technology Mechanisms" in advance of the Cancún Climate Conference.
27. EMPHASISES the IPCC's crucial role in deepening our understanding of climate change through its robust and solid scientific assessments; WELCOMES the report made by a committee of the InterAcademy Council related to the review of the processes and procedures of the IPCC; RECOGNISES ongoing efforts within the IPCC to the same ends; UNDERLINES the importance of the timely delivery of the Fifth Assessment Report; REMAINS CONVINCED that the IPCC offers the most authoritative and comprehensive assessment process on the existing science of climate change.
28. EMPHASISES its willingness to strengthen bilateral and regional alliances with a view to building bridges between Parties which reinvigorate and feed into the UNFCCC; STRESSES the importance of the partnerships which the EU and its Member States have initiated together with other Parties on REDD+ , on MRV and mitigation, on transparency of fast-start financing, on adaptation, and on access to renewable energy, in preparing the ground for Cancún outcomes and for delivering concrete action.
29. RECALLS its conclusions of 14 October 2010 on the cooperation among the three Rio Conventions."
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