



*European Economic and Social Committee*

Bali, 7 December 2007

EESC Delegation Report from  
the United Nations Framework Convention on Climate Change in Bali  
3-7 December 2007

From 3-7 December 2007, a delegation of three EESC members, Ernst Erik Ehnmark (Group II, SE), Derek Osborn (Group III, UK) and Josef Zboril (Group I, CZ), participated in the United Nations Framework Convention on Climate Change (UNFCCC) negotiations.

The EESC delegation was part of the European Community Delegation and entitled to participate in all official negotiations. An EESC position paper on CC and promotional material were distributed at the Commission's stand. The delegation took part in plenary sessions, working groups, contact groups and side events, and assembled large quantities of documentation, position papers etc.

The main outcome for the Committee is that our understanding of the international debates on climate change has been greatly broadened and deepened. We have also been able to establish or strengthen a range of useful contacts, and to establish ourselves as potentially valuable partners for ongoing international work on climate change, in particular with the Commission, some Member State delegations and (mainly) European civil society organizations. All of this should strengthen the Committee's capacity to make significant input on climate change issues in the future.

The overall aim of the conference is to assess the progress made under the Kyoto Protocol and to adopt a roadmap paving the way for a global post-2012 agreement which should be negotiated further at Poznan next year and be finalised ready for adoption in Copenhagen in 2009. The conference is not due to finish until December 14 so it is too early to say whether it will achieve full agreement on the road map. But on the basis of the first week's mainly constructive debates it seems likely that some agreement on the basis for further negotiations will emerge, and that it will probably incorporate to some extent the eight main "building blocks" which the EU has:

- **Limiting global warming.** The findings of the IPCC have now become mainstream. It is almost unanimously accepted, even by former sceptics, that dangerous, manmade-induced CC is happening and that action must be taken. There is wide support for the view that global warming should be limited to no more than 2 degrees above pre-industrial levels. It is recognized that to achieve this global emissions would have to stop rising within the next 10 to 15 years and then be reduced to at least 50% below 1990 levels by 2050.

- **Deeper mandatory absolute emissions reductions by developed countries.** It is generally accepted that developed countries will have to make earlier and deeper cuts in emissions than the developing countries. The EU is proposing that developed countries collectively reduce emissions 30% by 2020 and 60-80% by 2050 compared with 1990 levels, provided other countries commit to proportionate efforts and this remains the main developed country proposition on the table. The new Australian Government's announcement at the first conference day that they would now sign up to Kyoto was met with enthusiasm and gave a positive impulse to the negotiations. The US Government is still opposing mandatory targets, but there are many American voices from the Congress, individual States and municipalities, and from business and other groups in favour of binding targets, and a great deal is now clearly happening in America to promote renewables and energy efficiency in all sectors. The conference is seeking ways to keep the US actively involved in the process so that a new US government can make appropriate commitments after the elections next year.
- **Fair and effective contributions by other countries,** especially the rapidly emerging economies, which limit the emissions intensity of their economic growth. China, India, Brazil and Indonesia have shown very strong interest in achieving an agreement by 2009, and although they still appear to have strong reluctance to commit to binding targets they are becoming increasingly aware of the dangers that unstopped CC represents for their countries and are pressing hard for early access to advanced technology for energy efficiency and renewables and financial support for its widespread deployment.
- **Strengthening and extending the global carbon market.** It is hoped to include more countries and sectors in the carbon market, and to link other countries with the EU Emissions Trading Scheme. There is agreement that the so-called flexible market mechanisms CDM (Clean Development Mechanism) and JI (Joint Implementation) will need a strong overhaul in order to deliver better results. Too much money is being spent on projects with disputable effects; red tape will have to be reduced, also in order to enable the poorest countries to set up sustainable CDM projects on their territories.
- **Increasing cooperation** on research, development and deployment of the clean technologies. How to facilitate widespread take-up of appropriate new technologies while giving adequate protection to intellectual property rights so as to encourage further innovation remains controversial between developed and developing countries.
- **Enhancing efforts to address adaptation to CC.** Developing countries are focusing strongly on adaptation. Large parts of the planet, including the host country Indonesia, are already strongly affected by CC and are likely to suffer even more in the near future. Billions of Euros will be needed for adaptation measures every year, and there is strong pressure for the developed countries to provide additional support for this (up to \$50bn per annum) through a new global Adaptation Fund and other channels.
- **Addressing emissions from international aviation and shipping.** So far, negotiations have not progressed considerably. China and others would prefer to leave aviation within the International

Civil Aviation while the EU would like to have rules on this subject under the post-Kyoto agreement.

- **Reducing emissions from deforestation.** GHG emissions from deforestation and forest degradation (up to 20 % of global emissions) are widely debated. The question of how to implement and monitor effective preservation of forest is being discussed. The EU would like to kick off pilot projects very soon, ideally covering the surface of whole countries. Countries with large (tropical) forests are expecting compensation for stopping deforestation.

The key for a global deal will be money. It plays a role in all discussions. It seems clear that only a transfer of substantial sums from developed to developing countries will make an agreement possible.

European civil society organisations present in Bali seem to be broadly supportive of the EU's position. A number of concerns are however expressed. There are worries about the effectiveness of the EU ETS, which will need to be addressed in the evolution of the scheme. There are concerns about excessive reliance on the development of biofuels, in line with the EESC's own reservations. Energy security concerns have also been raised, including the danger of supply shortages within the EU due to too low energy production and an over reliance on a few foreign energy suppliers.

Looking ahead, and subject to the Bureau's view of priorities, the EESC may need to be involved in several aspects of the follow-up to Bali, which might fall to several different sections:

- NAT and TEN Section will need to take up the comprehensive CC/energy package to be proposed by the Commission on 23 January 2008, including proposals for the future EU ETS, burden sharing, renewable energies and Carbon Capture and Storage.
- The questions of technology transfer and financial support for developing countries for mitigation and adaptation measures might be of interest to REX and CCMI.
- At the overall level the Committee might organise a major civil society event post-Bali early in 2008, taking stock of the outcome and formulating recommendations for the way ahead. The results of this event could feed into the preparation of the own-initiative opinion on the post-Bali process which the SDO has recently proposed to the Bureau.
- This conference and own opinion might then enable the Committee to send further delegations to provide civil society input to the further stages of the international negotiations in Poznan in 2008 and in Copenhagen in 2009 and other relevant meetings.

Ernst Erik Ehnmark

Derek Osborn

Josef Zboril