



European Trade Union Confederation (ETUC)  
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## EXECUTIVE COMMITTEE

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Agenda item 9

### **Evaluation of the Cancun Climate Change Agreement**

The Executive Committee is asked to take note of this document.

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# Evaluation of the Cancun Climate Change Agreement

## Introduction

The 16<sup>th</sup> UN Conference on Climate Change was concluded on 11 December 2010 in Cancun with an agreement signed by nearly 200 countries. The multilateral process of the combat against global warming under the auspices of the United Nations was consequently saved and reinvigorated, which was really needed after the failure in Copenhagen.

ITUC welcomed the final agreement immediately, because it includes trade union demands to guarantee a just transition creating decent employment and quality jobs. It is a crucial concept for workers and for mobilising them further to take action for the climate.

ITUC has nonetheless urged all governments – in particular those of the most industrialised countries – to raise their expectations for the next meeting which will be held at the end of 2011 in Durban, South Africa. It has asked in particular that developing countries commit themselves to ambitious emission reductions under a legally binding framework.

ETUC has also insisted on the need to act at once to introduce instruments that can secure the necessary funding, including a tax on financial transactions, as well as instruments for negotiations and social dialogue in all continents, to ensure such a just transition. For this will make it easier to give concrete shape in Durban to the sustainable development goals enshrined in the Cancun agreement, so as to be able to combat global warming and social inequalities and to facilitate the evolution towards a green and sustainable economy.

This note is an attempt at a further assessment of the Cancun agreement in accordance with the trade unions concerns. It also tries to chart the course for the future.

## I. Evaluation of the Cancun agreement

### I.I. A key element: the inclusion of a just transition in the agreement!

Trade union concerns for a just transition have been addressed:

- In the Chapter entitled “A shared vision for long-term cooperative action,” the Conference of the Parties  
*« realizes that addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs ; »*

- In the chapter entitled “Enhanced action on mitigation”, in the part that pertains to “economic and social consequences of response measures”
  - « Recognizing the importance of avoiding or minimizing negative impacts of response measures on social and economic sectors, promoting a just transition of the workforce, the creation of decent work and quality jobs in accordance with nationally defined development priorities and strategies and contributing to building new capacity for both production and service-related jobs in all sectors, promoting economic growth and sustainable development, »

## **I.2. Other positive elements of the agreement, in brief:**

### **Goals:**

- The recognition of the fact that the Parties must take urgent action to limit the rise in temperature below 2°C compared to pre-industrial levels, in accordance with scientific expertise and on the basis of equity.
- The recognition of the need to consider bolstering this global long-term objective on the basis of the best scientific knowledge available (as of 2013, on the basis of the next IPCC report), in particular as regards limiting the rise in temperature to 1.5°C.
- The decision to consider in Durban the definition of a global objective to reduce emissions substantially by 2050 (the ITUC encourages governments to follow the scenario fixed by the IPCC to reduce greenhouse gas emissions by 85% by 2050 in relation to 1990 levels).
- The decision to cooperate so that the peak of national and global emissions would be reached as soon as possible, recognizing that this peak will be reached later in developing countries, as the priorities of the latter are economic and social development and the eradication of poverty, and also recognizing that a low carbon development strategy to be charted by the developed countries is indispensable for sustainable development.

### **Financing:**

- The confirmation of the commitment undertaken by developed countries to mobilise \$100 billion a year as of 2020 to meet the needs of developing countries.
- The decision to establish a “Green Climate Fund” to manage a significant part of the mobilised multilateral funds, and to make it operational (composition of the board of directors; arrangements by and between the fund and the Conference of the Parties; interim role of the World Bank in the technical management; political governance by a board of directors with parity between rich and poor countries; etc.).

### **Monitoring, reporting and verification:**

- The decision to establish a system for measuring the emissions reductions by the Parties by comparison with their commitments to emissions reductions.

**Economic governance:**

- The decision to consider in Durban establishing market mechanisms to improve cost-effectiveness and to promote actions to reduce emissions taking particular account of the fact that **good governance** and robust market operation and **regulation** must be secured.

**Technological transfers:**

- The decision to establish a “Technological Mechanism” to facilitate development and technology transfers to help implement the Agreement fully, as well as to make this mechanism operational (establishment of an executive committee; definition of its priority missions; type of cooperation to envisaged, etc.).

**Deforestation:**

- The decision to adopt measures and to establish mechanisms to help developing countries to slow down, stop and reverse deforestation and the deterioration of forests, to manage forests in a sustainable manner and increase carbon sequestration in forests of developing countries, in accordance with the national circumstances and respective capacities.

**Participation and rights of the populations**

- The recognition of the needs to involve a wide range of stakeholders at the global, regional, national and local levels, including the civil society.
- The recognition that gender equality and the effective participation of women and local populations is important for efficient action on all aspects of climate change.
- Insistence on the fact that all Parties should comply full with human rights in all their actions relating to climate change.

**I.3. Some highlights of the negotiations that led to the agreement**

Emerging and developing countries consider that industrialised countries, historically responsible for the accumulation of greenhouse gases, must make the effort before they undertake to reduce their emissions at the risk of impairing their economic growth. The positions that they adopt in the negotiations are clearly based on this philosophy, but this time they accepted to play the multilateralism game. Thus, emerging countries such as China and India have embarked on the road to compromise, accepted control and transparency of their emissions, and proposed solutions (India proposed a panel of experts to reach a compromise, for instance) under the negotiations for long-term cooperation.

Conversely, Japan, Russia and Canada came close to blocking the process by refusing, from the outset of the negotiations in Cancun, to commit themselves further than under the Kyoto Protocol (a hot topic put off until the following year), and demanding a new treaty that included the other emitting countries, including the United States, India and China, which unfortunately proved inconceivable.

Emerging countries moreover showed that they were proactive and had the ambition to position themselves as leaders. This is particularly the case with China (which, for

instance, subsidises investments in photovoltaic energy, and is developing a carbon market, as Japan and South Korea also intend to do), and Brazil.

### **Some problematic concessions**

Many Concessions have been made in Cancun. For instance : Saudi Arabia obtained that Carbon Capture and Storage (CCS) could benefit from clean development financing mechanisms (CDMs) under the Kyoto Protocol and that it could use it, which could be to the detriment of more sustainable projects (because this would allow gas and oil companies to drastically reduce their CO<sub>2</sub> emission costs by replacing costly emission reduction measures in their country with the setting up of cheaper CO<sub>2</sub> capture and storage facilities, using abandoned gas- or oilfields). The United States obtained that it would face no constraints if it did not achieve the objective it had undertaken, but would nonetheless have to be more transparent in the way that it contributes to the financing.

### **A broadly endorsed agreement**

Whereas only about 140 countries had accepted the agreement in Copenhagen, nearly all 200 countries did so in Cancun (only Bolivia was against it).

### **Rebalancing North-South relations**

A very important step was probably taken in Cancun towards rebalancing North-South relations, as well as regarding the new, more constructive role of emerging countries.

## **I.4. Global assessment**

In view of the very low expectations at the outset of the negotiations after the failure in Copenhagen, Cancun is a step in the right direction, reviving hope that multilateralism will produce results in Durban at the end of 2011.

Even if the agreement does not bring the international community any further toward a real, sufficient and binding reduction of CO<sub>2</sub> emissions, and even if the key issue of the future of the Kyoto Protocol which is expiring in 2012 is postponed, progress was nonetheless made as indicated above: verification and awareness raising procedures; financing; establishment of the green climate fund and initiation of the democratisation of decisions relating to the use of funds; sustainable development goals; regulation of the markets; new lines of action concerning deforestation, technology transfers; recognition of the importance of respect for human rights, gender equality, and the participation of stakeholders; ... and, of course, a just transition.

The governments must however, as demanded by ITUC, raise their sights as of now and return rapidly to negotiations, because there is still a great deal of work to be done, and if it does not get done, social inequalities and poverty would grow even more.

As Sharon Burrow, ITUC General Secretary put it, "*Durban must be the destination for serious climate action with a fair, ambitious and binding agreement, and a commitment to just transition must sit at the heart of this.*"

## **II. The road to Durban**

In 2011, governments should in particular:

- Endeavour to find new sources of financing such as a tax on financial transactions;
- Deploy negotiating and social dialogue instruments to ensure a just transition;
- Organise allocation rules so that funds are allocated to those most in need as a matter of priority: those most vulnerable to the effects of climate change who are often also the poorest;
- Introduce rapidly action programmes for adaptation, forest protection, technological cooperation, etc.;
- Introduce such regulatory instruments as needed for sound governance to reach a sustainable development;
- ...

Trade union resolutions adopted by ETUC in Europe and by ITUC in the world with an eye to Cancun will continue to be our demands for Durban.

In 2011, ITUC will remain particularly watchful about human rights and in particular human rights at the workplace, a just transition, and decent and quality jobs.

Our analyses and actions should moreover be extended to other topics broached under the UN multilateral process, such as the CO<sub>2</sub> emission reduction goals, the rules for financing measures to adapt to climate change and to reduce greenhouse gas emissions, technology transfer mechanisms, policies to regulate the markets so as to protect the climate while combating social inequalities, etc.

ETUC will cooperate in such analyses and actions to be developed by and with ITUC.

It will also chart its own work plan to get the voice of the trade union movement heard by the European authorities and the Member States and to contribute as efficiently as possible to achieve the objectives we would want for Europe and at world level.

The ETUC sustainable development working group met on 17 February 2011 in order particularly to prepare this work plan.

The European social partners will also organise a conference on the impact of climate policies on employment on 1 and 2 March 2011, during which the results of the study in progress will be presented and discussed, and where various members of the sustainable development working group will present and assess initiatives in their own countries.

A high level group of the European social partners and the European Commission will also be set up on 13 May 2011 to address climate change. This will be a first step towards a just transition which will have to be further operationalized in the European agenda in the months to come. In this perspective, the sustainable development working group has offered to make a contribution reiterating, on the basis of existing

resolutions, the main messages which the ETUC could pronounce at the setting up of the high level group .

These issues will also be broached at the trilateral social summit in March 2011.