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Charity Registration Number: 208223

## Transcript

# From Cancun to Durban: Implications for Climate and Multilateral Diplomacy

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30 June 2011

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Dear colleagues and friends, ladies and gentlemen. It is a pleasure for me to be here today, at Chatham House, to talk about one of the main challenges facing mankind, an issue that, as we all know, will require very serious attention in the years to come: climate change.

I would like to start by thanking our hosts for this opportunity to share with you my views on this crucial issue and on the need to reduce human impact on global climate.

Six months ago, at COP16/CMP6, we were all very pleased with the approval of the Cancun Agreements, which are the result of years of very difficult negotiations to implement the Bali Road Map. The Agreements do not solve all issues and it is clear much more work needs to be done to resolve the many challenges posed by climate change, but there is no doubt that they constitute a firm foundation to achieve the goal of holding the increase in global average temperature below 2°C above pre-industrial levels.

Indeed, the Cancun Agreements are not the all-encompassing solution for climate change, since such a big challenge cannot be solved at once. But they are a significant step forward to better comply with the regime established under the Convention and its Protocol. In Cancun we were able to ensure that the multilateral system delivered much needed results. I have no doubt that the multilateral approach continues to be the best way to tackle common problems for the benefit of present and future generations.

Now, to be able to keep our faith in the multilateral system, countries need to honor their commitments and do their part. I have been hearing a lot lately about the Cancun outcomes in terms of the pending issues. This shows the eagerness of the international community to move as quickly as possible and to adopt more ambitious actions.

I share that eagerness and I do hope that governments move as urgently as needed. However, we can not only focus on the pending issues. We must start by implementing the Agreements and making sure that the institutions and tools created in Cancun are operational by Durban. This is the only way to maintain and consolidate trust among parties and to move towards more ambitious actions.

The Cancun Agreements contain important compromises achieved by all countries. They are the result of the collective will of parties and as such they truly open the door to a new era of international cooperation. We must start to implement them immediately and ensure that they are in place within the

timeframe agreed, as well as to continue working to strengthen the climate change regime.

We have to make efforts to fill existing vacuums and to provide trust and certainty to all. We must discuss, the sooner the better, the post 2012 climate regime.

Climate change poses a real dilemma: On the one hand, we have the robust findings of science that compel us to act in order to avoid the dangerous consequences arising out of climate change. On the other hand, we have the conditions faced by governments with very different social and economic realities, which inevitably limits what they can do.

This is why the principle of common but differentiated responsibilities and respective capabilities, but also of solidarity and international cooperation are more important than ever. We have to recognize that we cannot treat all countries in the same manner, but also that every country can contribute to the global effort.

This is also closely related to another key question: how can we keep our economies growing in order to maintain or even enhance the living standards of our societies, while preserving our environmental resources. Nobody can impose limits to the right of every country to development, but countries can work together to ensure that economic growth is sustainable. All nations have the right to pursue their development goals, but this does not entail that they also have a right to pollute.

We need economic growth, but it is a fact that the only way to maintain economic growth in the long run is by preserving our natural resources, by fostering a sustainable development. We can draw on the well-known paradigm of sustainable development. And I believe that since its inception much has been done in many parts of the world towards achieving it, but there is still a long way to go.

We need a new approach. Some call it 'green growth'. Such a new approach has to strengthen in a more holistic fashion what we have been doing for the last 20 years. It should allow us to have a more comprehensive understanding of the links between the economy and the environment.

The road ahead for our societies has to be sustainable. We don't need to make a choice between economic growth, poverty eradication and social development. This is a false dilemma.

We have to change the perception that protecting the environment is a cost factor. It is possible to fight climate change, promote green growth and have business opportunities. We have a lot of options now, and we will have more as technology continues to progress. But to get the most benefits of this change in paradigms, we need to have the Cancun institutions operational and ensure better synergies among international actors dealing with development and financial issues. We need to deliver as one.

It always amazes me how much work is being undertaken at the national level all around the world, while the negotiations are still facing the old-fashioned North-South divide. As you know, many developing countries have presented ambitious climate change programs and others have announced that they are building their national strategies. Climate change is becoming a cross cutting issue in most countries.

But it is a fact that the vast majority needs to get positive incentives to do more. This is why financial and technological support, or even just capacity-building support from developed countries, is so crucial. Having in place the Cancun institutions will give a strong push to climate action by all developing countries. The importance of international cooperation under parameters of trust cannot be over emphasized. No country can, by itself, carry all the burden of combating climate change.

We must trust each other and deliver to the extent of our capacities. To be able to do that, the climate regime shall provide incentives for a wider participation of all, under our common but differentiated responsibilities. It must also show that developed countries provide real leadership and that developing countries are supported with the tools they need to act more ambitiously.

A clear example of the leadership we expect from developed countries is directly related to the future of the Kyoto Protocol. So far, negotiations have not been very encouraging and the environment is highly politicized. The Kyoto Protocol has an important meaning. It is the only legally binding instrument where developed countries assume their leading responsibilities and as such it cannot simply end.

I am convinced that it is absolutely necessary that Durban provides clarity over the future of the Protocol, which is intrinsically related to the future of the climate regime. Developing countries and also developed countries, among them the European Union, fear that losing Kyoto will move the world towards a pledge and review system, something that is unacceptable under the

magnitude of the climate challenge. We shall face the issue and overcome it as soon as possible.

But while doing that, we must also recognize that Kyoto is just a part of the bigger picture and even agreeing on a very ambitious second commitment period will not be enough to avoid dangerous climate change.

Important emitters are outside Kyoto and others may look for other ways to engage in a wider collective effort to strengthen the climate regime. International negotiations must also focus on how to ensure that all countries undertake actions in accordance with their differentiated responsibilities and capabilities and on how to capture such actions in a legally binding framework that complements the Kyoto Protocol.

The time has come to discuss the legal framework that will take us to meet the ultimate objective of the Convention. We cannot wait any longer.

As you know, Mexico has extended its full support to the incoming South African Presidency. In the road to Durban, we have decided to work together and to reinforce each other. South Africa is taking the leadership and we are very pleased to see developing countries moving the climate agenda forward for the benefit of all peoples.

As Foreign Minister, I know that strengthening an international regime that is very dear to us but at the same time insufficient to achieve our goals is not an easy task. It takes time. We start with a goal, go on to build some mechanisms around it, and over time we build new tools to make it stronger and to widen its scope.

Time has proven that the climate regime needs to grow in an incremental and gradual way, but also that it must do so with a real sense of urgency. The increase in greenhouse gases emissions registered in 2010 is a reminder of our limited time to act.

The British philosopher David Hume famously remarked, in his *Treatise on Human Nature*, on what he regarded as an unbridgeable gulf between 'what ought to be' and 'what actually is'. I am sometimes reminded of that gap when pondering the current dilemma on climate change. Desired outcomes are usually at odds with capabilities and even possibilities on the ground. There are many different actors, conflicting interests and contrasting realities that come into play. Agreeing on compromises is usually lengthy, frustrating and extremely complex. Not everyone agrees on what ought to be done in order to overcome the challenge of climate change.

Even so, the Cancun Agreements were adopted by consensus, following the provisional Rules of Procedure adopted by the Conference of the Parties. It has always been clear to me that consensus is not synonymous with unanimity. And also that in a world that shares democratic values, where all countries have an equal status, the veto is the least democratic way to face common challenges, particularly when all efforts were made in good faith to accommodate the positions of all parties.

As the previous years of negotiations have shown, effective climate action requires the adoption of important decisions and while all efforts must continue to be made to ensure consensus, we cannot allow for a paralysis based on the lack of clear rules.

The UN Framework Convention on Climate Change grants parties the right to vote, but for 16 years countries have not been able to adopt a complete set of rules for the adoption of decisions of the Conference of the Parties.

Climate Change is too serious to continue playing games and wasting time on seemingly endless tactical moves that seek to either perpetuate obsolete practices or advance radical positions that are eschewed by the majority and thus inevitably lead paralysis.

This is why Mexico has submitted a proposal to amend the Convention aimed at giving the right to vote the dimension it deserves, whenever all efforts to achieve consensus have failed. I hope that this proposal is given careful consideration by Parties in Durban.

I know that most of us want another success in Durban and I am sure we are going to do our best along what is left of 2011 to achieve it.

There are many actors that can and should contribute to our global effort: civil society, the private sector, academia and local governments are some of our natural allies and we should increase our dialogue with them. Mexico promoted several initiatives to enhance the participation of stakeholders in the process. I encourage you to continue engaging and to contribute to the fight against climate change.

The road ahead is not easy. 2011 is meant to be a year where the multilateral diplomacy consolidates itself as an essential tool of our times. We have the basis for transforming international cooperation and ensure that it supports national actions aimed at increasing energy efficiency, change unsustainable patterns of production and consumption, promote efforts to adapt to negative impacts of climate change, and work towards a low-carbon global economy.

Looking forward to Durban and beyond, the task ahead represents challenges for international negotiation and action. But with the good will and sense of cooperation showed in Cancun I'm sure we can deliver.

Thank you very much.

### **Question 1:**

Climate change is a classical example of [inaudible] accounts of state of nature of state of nature. I mean where there is a sense of competition. My question is whether climate change is too serious to be left to national governments and, if it is the case, then how we can make that there is a global consensus in the most challenging and difficult outcome that humanity has ever seen?

### **Bernice Lee:**

So are governments up for it?

### **HE Patricia Espinosa:**

It's an interesting way of putting the issue. Is it so serious that we cannot leave it to national governments? I think, in fact, and here I want to mention the point you made, Bernice, about how to define national interests. In our world of today, it's very difficult to identify any single issue that could really just only affect our immediate environment. If you talk about cultural trends, if you talk about music, if you talk about financial and economic issues, in every area, in fact, the way the world has become so much smaller and so much interconnected and interrelated has given, in fact, to a situation where basically any issue goes, has effects beyond the national borders. So it's not really something any more that is in the hands of anybody to decide. It's just a fact of life that we all need to adapt to and, in that sense I think it is very right that you say yes, it is true. We need to see how we define national interest.

Now, I think climate change more than anything is an issue that puts into question the very core of the role international cooperation and the effects of this international cooperation. Traditionally, international cooperation was meant to help others. Why? Because I'm more wealthy so I can give some resources. In the end, the reason for that was because we want a secure and stable environment and this is what is good for all of us. But in this case, in the case of climate change, by making a global agenda on climate change

and putting in these mechanisms that allow all countries, developed and less developed and emerging and all the different types of countries to work together is in order to create a common good. It's not for somebody to help some remote country to build a road. No. We have to work together because we need to work together to do something that will directly benefit us which is the environment, the helping in the increase in the rise in temperature of the world.

So I think it is really, maybe, I would say that it's an issue that because it has no national dimension, it has to be tackled by definition in a way that is really based on the international cooperation, but with a very different approach to the meaning of international cooperation. In that sense, as long as we don't have other institutions where we can decide on exactly what kind of frameworks or mechanisms we will use to foster this cooperation, we have to rely on what we have. We have to really develop and evolve in the way that we look at this cooperation. It's not only for helping others, but it's in order to create the common good that we need for the future generations.

#### **Bernice Lee:**

I was wondering whether or not you would share with us the governments' reaction after you redefined consensus at the end of the Cancun conference last year? What kind of reactions did you get from other governments?

#### **HE Patricia Espinosa:**

Well, I have to say that there are many different reactions. There are reactions of countries that say well, you know, these consensus rules that we have never been able to define. Because this is true, many times, we have tried to define what we understand by consensus and we have never been able to do it formally. There is no single resolution of any international forum that says consensus is defined by... some countries have said it's good. You at least said what it does not mean. It does not mean unanimity and that is already a step forward. That's already helpful in order to be able to take this issue. On the other hand, there are others that fear that these ruling – it was the chair's ruling, what I did at the conference – can be used as a precedent in other situations where people really are very comfortable with the status quo and don't really want to have any evolution.

I really think that what gives credibility to a decision where you do not have a unanimous opinion is the process behind that decision and is the fact that in



that decision, basically, nobody can show that their own specific interests is being affected. It would have been trying to take the decision that would mean losing automatically half of the territories of some countries. I can assure you, this would not have been able to be accepted even as a consensus, whatever it means. It's really the legitimacy of the process that has behind, that you can at the end say well, you know, this is really consensus. And you know you will know we had at the very last moment the [inaudible] delegation challenging, expressing – they didn't challenge the ruling because they could have, but they didn't – saying we do not agree, but then it was really absolutely possible for the chair to say; 'Look, all your points have been taken into account which was absolutely clear for everybody and it was also clear for everybody that there was not a fundamental harm being done to anybody's position by taking that decisions.'

So it's very complex. I doubt that we will ever be able to agree formally on a definition of consensus, but this is why we have tabled these amendments in order to have the possibility of voting for decision making. It's not because we like to vote, but it's because, as long as you have a clear rule on how you can achieve to decisions, it also becomes as an incentive for delegations, for countries to look beyond their national interests as you were saying, Bernice, and to try to identify ok, what's really the common denominator that can bring us to some result and some deliverables here.

## **Question 2:**

I can't help coming back on this rules of procedure point. I think many, including myself, share the frustration that you had as a presidency for not being able to have clarity about the circumstances in which you could move forward, but I do want to say this: for 20 years, we haven't had that clarity. That has not prevented the adoption of the Berlin Mandate, the adoption of the Protocol, the adoption of 200 decisions actually on both sets of the KP side and the convention side. So I would just challenge you a little bit in terms of whether it's the rules of procedure that's the problem or whether it's really the politics of where we are now that's really the issue? And I think the procedural mavericks and laggards have come to the forefront and are exploiting the fact that we are at a very difficult set of political choices and the biggest political problem that leaves, I think, some of those countries to run riot and havoc as it were through the process is really what the US will bring to the table, if anything, over the next decade.

That's really why there is, you know, a profound sense of which direction to go which is running through the heart of these negotiations and we can't really solve that by a sort of technical fix in terms of an amendment which would take several years to enter into force and apply. I can understand it might help point to some cultural changes that are necessary, but I don't think it's really the solution. The solution is really essentially how do we deal with this very profoundly political problem and what do parties react to the situation. I think it would be really helpful to have a sense of where you think movement can be made and who makes that movement and how because those are really the sort of questions which there is no sort of answer to. There is only a set of really difficult choices and no one knows quite which way to go. I thank you for any guidance you can give on that.

### **HE Patricia Espinosa:**

Thank you. Yes, I completely agree with you. Yes, the procedure is only an instrument and the conference and the actual sessions, the meetings, are the framework where this political will has to come together or is supposed to come together and is supposed to produce some results. But the truth is that, as an instrument it's important because it's the moment when the formal decisions are taken. Otherwise you can go on with discussions and considerations about the issues and never be able to come to a specific point of agreement. I want to share with you also something that I learned. I am not an expert in these issues of climate change or environmental issues. You most probably are, but I am not. The truth is that for many, many years, all these decisions that have been taken on this issues, including the Kyoto Protocol, including the Bali Road Map, have been taken in sort of chaotic atmosphere with several delegations holding their flags up, wanting to speak and with chairs just ignoring that and saying and this is adopted. Why is it not reflected in the reports of the conferences? Because they were not given the floor. They were not given the opportunity to speak up their objections.

So in fact, what it shows is that these consensus or this agreements have been fragile all the time. The differences between those that really do not want to make commitments and those who want others to make commitments and I think this is very clear in the case of the small islands states. It's enormous. And we have been working still under a process of negotiation that is very traditional, that looks at the issues more in a divide north-south that does not really take fully into account how different the agenda of the smaller countries or the least developed countries or the island countries are as opposed to the interests under this issue of the big emerging countries are.

It's very clear of course, in the case of the US where we all know that they should be part to the Kyoto Protocol. They have not adhered to the Kyoto Protocol and that there is this very important piece missing in order for the regime to be able to be completed and to have clear viability. But what has become clear by now also is that even having the US only on board is not enough. We need some of the bigger emerging countries on board and I would say we need also the smaller countries on board, engaging with very important agendas on application of green technologies. This is a way we will be able to give to those that have invested in the research and development of green technologies and new technologies, the possibility of having their investments back and making a business out of this.

It's like... I use a lot the example of TV. In the case of TV for some towns, there was only one TV in the whole town and all the people went to look at it and watch it. Why? Because it was not affordable. The technology was so new. It was so expensive. It was really not affordable. Today, why is it so affordable? Because there is widespread use of these technologies. This is what has made it possible. This is what I think we should look at in the case of technologies related to bring roads, green technologies in general, new and renewable sources of energy. The more we have a broad agenda, a real global agenda on these issues, the more incentives we will create for the industry, the more jobs will be created in those places where the technology is developed and also where it is going to be applied and this can become – and should become – one of the main engines for the economic growth that we need, taking full regard of the environmental issues. I don't know if I answered your question.

### **Question 3:**

I was very struck by the theme of trust that came through in your speech and Bernice's response and I wondered if it would be possible for you to provide a little bit more detail on precisely what you meant by operationalizing [inaudible] institutions from Cancun at Durban because I think that's a very important part of continuing to build on the trust that you worked so hard to achieve. And relatedly, the role of alternative, be it the Cartagena Dialogue, or the G20 or the G8 in potentially continuing to build trust or also potentially undermining trust. Thank you.

**HE Patricia Espinosa:**

I want to thank you for these questions about making the Cancun agreements operational. I did not want to focus that much on the specific issues because I am not an expert, but it is very important indeed. As you remember in the Cancun Agreements, we had several pillars. One is a financial pillar. In Cancun, we agreed to establish a green fund, a fund that will be devoted to promoting and facilitating resources from developed countries based on the commitments that are included, that are reflected in the UN convention on climate change and those resources should be directed towards developing countries that are willing and able to undertake a national agenda on actions to fight climate change. So this is one of the areas. For the definition of the rules of the functioning and the governance of the fund, there is a transition committee that has been established and that has started its work and that will report to the next conference in Durban, but well, I'll save the 'buts' for the end.

The second pillar is technology and knowledge sharing. In the agreements in Cancun, we agreed to establish some technology centers that would facilitate access by developing countries to these technologies and could have and could be linked between each other and create a kind of network for technology there. First of all, the committee has not yet been able to be decided. There has not been agreement yet in every regional group of which countries are going to be part of that committee. Of course, there is still the discussion about the intellectual property rights in regarding these technologies.

The third pillar is adaptation. The adaption pillar, there was also an agreement to establish an adaptation committee that is intended to support developing countries to put in place national adaptation plans – in fact, national adaption and mitigation plans in order to fight climate change. And the mitigation part on the basis of the pledges that every country has made – this is the case of those who are not bound by the Kyoto Protocol – and on the basis of the obligations that those under the Kyoto Protocol have, the mitigation area should have a very clear structure where we could show exactly, make a very transparent system so everybody could know exactly what is each country doing and how much and how successfully are they implementing and complying with the pledges that they have made before. That includes also the mechanisms for reporting and verification and all what you can think to make it a very transparent system. So all of this would imply that we would, in theory, have the possibility of insuring financing, insuring

also access to technology, in having the mechanisms that could make the match between financing and the technology and the actual capacity building within each country in order to develop these literally global agenda on the fight against climate change.

The work on this follow up has been slow and we are very worried about that. We had the first session of negotiations within the formal groups of negotiations in Thailand in the spring. We spent most of the time in deliberating the agenda – exactly what would be the order of which each of the groups would take up one or the other issue. Just recently, the second session of negotiations finished in Bonn. The first week was also not very helpful. In the second week, discussions started to emerge and to take place in a much more focused way, not really more that much with these procedural issues, but really going into the substance. But the truth is, as you can see, all of these issues are extremely complex and extremely difficult and also very technical in many way and most of the discussions on these issues have not even started, the real discussions. Most countries do not even have a position at the national level. So there is a big challenge towards South Africa, but I still think that we are in a better situation in the sense that we have a clear agenda. Exactly, where do we need to go? What do we need to pursue?

#### **Question 4:**

My question is quite simple really. You referred to the importance of dialogue and involvement of academics, civil society organizations, private sector and others. My question is what are the prospects for generating a real enthusiasm – and I use that word specifically because I think you referred to sort of a new paradigm in terms of you know people feeling that green growth is not just a burden, but something that can really create new opportunities, new jobs, innovation, etcetera. So I was just wondering what are the prospects for generating a real enthusiasm among populations both in developed countries and in developing countries and among the private sector as well for sort of this new paradigm and green growth and really protecting the environment? Thank you very much.

#### **HE Patricia Espinosa:**

So what are the prospects for generating the enthusiasm and here I will probably wrap up the presentation, thanking you also for your attention. I think there is a lot of enthusiasm. In some ways, I am not so pessimistic. Some of you were in Cancun. You might have seen, first of all, this was the biggest

conference. It had, in fact, more attendance than the conference in Denmark itself with a lot of participation of civil society, of businesses, and, in sufficient in my opinion, but also participation of the academic sectors and the scientific sectors and what we are proposing and what we have tried to promote now is that every time we are going to have a negotiation, a meeting of the groups that will negotiate, before we should give a space for each of the constituencies to meet on its own. Then, to meet between themselves. Then, to meet with the governments, with the representatives of the government. This has to be, by definition, an informal process so that by the time governments go to the actual formal negotiations, they have all the inputs from the different constituencies and there is not this separation between the formal process of negotiation and the real world or what the expectations and the needs of different constituencies are.

I think this is an issue that we need to work more about and this is an issue for the foreign ministries basically. How to engage more those constituencies, not only in this issue of climate change and also on other issues and make sure that they are fully taken into account and that they become a source of enriching the discussions by governments. You will not be surprised if I tell you that there has been a lot of opposition by some countries to have this more open environment, but I certainly think that this is the right way to go and for that reason, once again, I want to thank Chatham House for being this forum where we can share views and concerns about so many interesting and challenging issues. Thank you very much, Bernice.

**Bernice Lee:**

Thank you very much, Secretary Espinosa. Please join me in thanking her, not only in leading last year, but also for showing how Mexico, which is sort of in the developed/developing country category, is leading the way in many of the important things in the 21<sup>st</sup> Century. So please join me in thanking her.