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# CANCÚN AGREEMENT: IMPLICATIONS FOR SOUTHEAST ASIA

By Irene A. Kuntjoro and Mely Caballero-Anthony

The recent 2010 UN climate change conference in Cancún, Mexico, and the resulting Cancún Agreement, has shown that there is an increasing recognition of the need to protect the poor and vulnerable in developing countries from the impact of climate change. Looking at Southeast Asia from the perspective of it being a region which comprises developing economies, this NTS Alert explores the opportunities and challenges presented by the Cancún Agreement for the implementation of measures such as reducing emissions from deforestation and forest degradation (REDD), adaptation and transfer of technology in the region.



Standing ovation at the adoption of the Cancún Agreement.

Credit: Leila Mead/IISD.

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## Introduction

The UN Framework Convention on Climate Change (UNFCCC) Conference in Cancún, Mexico, in November–December 2010 ended with a set of agreed initiatives called the Cancún Agreement which include support for the prevention of deforestation; a new climate fund; a greater focus on adaptation; the transfer of green technology; and the monitoring, reporting and verification (MRV) of adaptation and mitigation projects. With a shift in approach and outcomes which seems to move further away from arriving at an agreement on a legally binding emissions target, the Cancún Agreement instead reflects greater support for developing countries in terms of adapting to the impacts of climate change and pursuing low-carbon development. The shift from focusing largely on mitigation has instead raised the profile of adaptation, with this 16th Conference of the Parties (COP16) in Cancún acknowledging the importance of resilience building. This development has a direct relevance to Southeast Asia as a region which consists of developing countries with one of the largest forest areas in the world and considerable vulnerability to the impact of climate change.

Therefore, this NTS Alert explores the relevance of the Cancún Agreement to mitigation and adaptation in Southeast Asia. The first section discusses the implications of the agreed

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UNFCCC support for reducing emissions from deforestation and forest degradation (REDD) and REDD+. The second section looks at the implications of the increasing acknowledgement of the importance of adaptation. The third section explores the implications of green technology transfer and the final section looks at the implications for ASEAN.

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## **Forestry**

REDD and REDD+ (the extension of REDD which includes the role of conservation, the sustainable

management of forests and the enhancement of forest carbon stocks) are important avenues for mitigating greenhouse gas (GHG) emissions due to deforestation, a substantial contributor to the increasing levels of atmospheric GHG. These avenues also provide developed countries with relatively cheap mitigation alternatives, by giving them the option of funding initiatives to curb deforestation in developing countries. This funding is an incentive to developing countries to invest in low-carbon development and environmental conservation. UNFCCC formal support for REDD and REDD+ is an important milestone for Southeast Asia for two main reasons.

First, the Cancún Agreement on REDD and REDD+ can provide assistance for better implementation of current REDD initiatives in the region, preparing countries for regional collaboration. REDD initiatives among ASEAN countries



Deforestation due to the clearing of land for the palm oil plantations of West Kalimantan, Indonesia.

Credit: Rainforest Action Network.

include sub-regional projects such as the Heart of Borneo (HoB) Initiative and the Mekong REDD Initiative. The HoB Initiative is a trilateral cooperation agreement among Brunei Darussalam, Indonesia and Malaysia. Meanwhile, the Mekong REDD Initiative covers Cambodia, Lao PDR, Thailand and Vietnam. There are also REDD programmes in Southeast Asia which involve pilot countries, whose national REDD programmes receive direct support from the UN-REDD programme, such as Indonesia and Vietnam; and partner countries, which have access to the benefits of the UN-REDD programme in terms of networking and knowledge sharing, such as Cambodia and the Philippines (5 New, 2010; UN-REDD Programme, n.d.). The Cancún Agreement would strengthen current REDD initiatives as a platform for further expansion of REDD and REDD+ in the region.

Second, Indonesia, which has the largest forest area in the region, and one of the largest forest areas in the world, consistently experiences very high rates of deforestation. Forests cover 52 per cent of Indonesia's land area or about 94,432,000 hectares (ha) (FAO, 2010). Between 2000 and 2010, the annual net loss of forest area in Indonesia was approximately 498,000 ha per year. Despite the rather significant improvement from the previous decade (1990–2000) when approximately 1,914,000 ha of forest were lost annually, in 2010 Indonesia remained among the three countries with the largest annual net loss of forest area in the world, ranked after Brazil and Australia (FAO, 2010). The Cancún Agreement can provide a better foundation to pursue a more credible REDD+ implementation in Indonesia, especially after Indonesian President Susilo Bambang Yudhoyono announced a commitment to reduce Indonesia's emissions by up to 41 per cent from the business-as-usual level by 2020 (Ardiansyah, 2010; Razavi, 2010). The UNFCCC support for REDD+ will help Indonesia find more partnerships similar to the bilateral USD1 billion deal signed between Indonesia and Norway in May 2010 to implement REDD+ (Satriastanti, 2010). At the sidelines of the Cancún conference, Indonesia received offers of cooperation on REDD+ initiatives from Mexico, Australia and Switzerland (RI, Mexico to Cooperate, 2010; Indonesia Earns, 2010). In addition, a philanthropist, George Soros, has indicated interest in restoring drained peatlands in Indonesia which would contribute to curbing deforestation from forest fires (Small Climate, 2010).

The implementation of REDD+ should not only provide benefits in terms of GHG reduction but also provide the means for local communities to improve their welfare (On REDD, 2010). The UNFCCC push for REDD+ adds more pressure on the Indonesian government to ensure that the implementation of REDD+ would not impede the human security of local forest communities through impacts such as loss of livelihood and displacement, and instead provide benefits such as poverty reduction and biodiversity creation (Razavi, 2010). Such assurances can be realised by engaging local communities in the planning and implementation of REDD+ projects in their area. However, there are major areas of concern that will hinder the implementation of REDD+, namely, the problem of widespread corruption within the government itself, the lack of law enforcement and participatory decision-making as well as the close ties between logging companies and military or government elites (Eshelman, 2010; Febrianto, 2010; Counsell, 2010). In these areas of forest governance, the application of MRV agreements reached in Cancún could be useful.

As a complement to efforts to assist developing countries to mitigate GHG through REDD and REDD+, the Cancún Agreement also seeks to enhance support for developing countries to adapt to the impacts of climate change.

# **Adaptation**

The Cancún Agreement acknowledges that 'adaptation must be addressed with the same priority as mitigation' and the Cancún Adaptation Framework calls for countries to 'enhance action on adaptation' (UNFCCC, 2010b). This provides a stronger foundation for countries in the region to formulate comprehensive adaptation strategies based on their national and local vulnerabilities. The Cancún Adaptation Framework calls for countries to undertake the process of 'planning, prioritising and implementing adaptation actions' based on relevant national planning documents and the Adaptation Committee is tasked to provide support for the implementation of adaptation based on a country-driven approach (UNFCCC Chief Says, 2010; UN Climate, 2010).

Among ASEAN countries, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Lao PDR, Cambodia and Vietnam have submitted their Initial National Communications to the UNFCCC. Cambodia and Lao PDR, being least-developed countries, have submitted their National Adaptation Programmes of Action (UNFCCC, n.d.; UNFCCC, 2010a). Moreover, Cambodia, Lao PDR and the Philippines are currently preparing their Second National Communications. However, these National Communications lack a coherent and detailed policy on adaptation (Caballero-Anthony and Sharma, 2010; Francisco, 2008). Therefore, there is clearly a need for ASEAN countries to conduct further research on vulnerability as well as adaptation needs assessments in their respective countries so that appropriate measures can be implemented with support from the Adaptation Committee. Moreover, the agreed MRV demands that ASEAN countries be more accountable for the implementation of the adaptation programmes under UNFCCC support.

However, at the same time, the composition, modalities and procedures for the Adaptation Committee have yet to be established. ASEAN countries therefore have the opportunity to propose views that will benefit the adaptation process in the region. The deadline for submission is 21 February 2011.

The region can also tap into the new Green Climate Fund (GCF) that was established in Cancún. The GCF that was made official in Cancún is the first long-term climate finance institution set up under the UNFCCC to support developing countries through adaptation and mitigation efforts (UNFCCC Chief Says, 2010).

Despite these advances, the operationalisation of the Adaptation Committee and the GCF needs further elaboration. There are still uncertainties on the modalities of the GCF and it can be assumed that not all ASEAN members would be eligible to receive GCF support as the focus will be exclusively on the most vulnerable developing countries – the least-developed countries, the small island developing states and the African states – more so since there are ongoing discussions on how to assess countries' relative vulnerability for the purposes of distributing funds (Indonesia's Slice, 2010). As it is clear that the region is already highly vulnerable to the impacts of climate change, especially those related to coastal geography, the agriculture sector and extreme weather events, it is imperative for ASEAN countries to continue enhancing adaptation actions through other means.

First, ASEAN countries need to harness bilateral cooperation with other countries. As an example, Mexico, South Korea and Sweden have approached Indonesia on the sidelines of the climate talk in Cancún indicating their interest in supporting adaptation efforts (Satriastanti, 2010; Indonesia Earns, 2010; Simamora, 2010). Second, governments and multilateral organisations in the region need to provide greater support for autonomous and community-based adaptation initiatives – mostly in the areas of agriculture, water, and disaster management – which have been established. Examples include a flood warning system in Vietnam; coastal and marine resources management projects in Indonesia, Malaysia and the Philippines; water resource planning in Cambodia; agricultural research for better crops and technology in Indonesia, Vietnam and Thailand as well as disaster management planning in Cambodia, Vietnam, Indonesia, the Philippines and Vietnam. These regional initiatives can be furthered regardless of the outcomes in the international forum and should also be enhanced with international funding.

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# **Technology Transfer**

In support of mitigation and adaptation, a Technology Mechanism was established in Cancún which comprises a Technology Executive Committee and a Climate Technology Centre and Network. This initiative could benefit the ASEAN region for two reasons. First, there is an increasing demand for energy and the need for low-carbon development in the region. Southeast Asia has been looking at new sources of energy including renewables and nuclear technology. The Technology Mechanism is mandated to help countries develop a country-driven technology strategy according to their respective needs and priorities (UNFCCC, 2010b). It also encourages further inter-ASEAN cooperation and collaboration with the private sector on the development and transfer of green technology. Therefore, the Technology Mechanism may benefit existing energy initiatives in the region. As an example, Singapore has been investing in research and technology to develop renewable energy such as biofuels and photovoltaic cells, and furthering energy efficient technology through the Energy Efficiency Improvement Assistance Scheme, and the Green Mark and Energy Smart labels (MEWR Singapore, 2008). Another example would be the Philippine government which has formulated policy initiatives to mitigate climate change through its energy sector as indicated in its Philippine Energy Plans (PEPs). Apart from the aim of reaching energy independence, the PEPs seek to pursue clean and green

energy and promote responsible use of energy which will positively impact mitigation efforts in the country (Philippine DOE, c2003, c2004, c2005, c2007, c2009).

Second, there is a need for technological advancement in some areas of adaptation in the region, such as the development of climate-resistant crops and early warning systems to reduce disaster risks. International support for transfer of technology from developed to developing countries would encourage developing countries to invest in technologies that will create stronger resilience to climate change. Moreover, this will also allow the poor and most vulnerable segments of communities access to these technologies and their benefits.

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### What Does Cancún Mean for ASEAN?

The Cancún Agreement stipulated that in providing support for adaptation and mitigation, the agreed new initiatives on REDD and REDD+, adaptation, funding and transfer of technology should seek cooperation with other relevant institutions including regional organisations. This approach opens a wide range of opportunities for ASEAN to be more actively involved in the UNFCCC process in order to provide better support to its member states in mitigating and adapting to climate change. Dealing with climate change is part of the roadmap for the socio-cultural pillar of the ASEAN Community 2009–2015. The Cancún Agreement provides an avenue for ASEAN to strengthen its role especially in the areas of energy efficiency, forestry, agriculture and disaster management, areas in which it has already laid a foundation (see Box 1).

The implementation of these initiatives would contribute to the process of building the resilience of states and communities in Southeast Asia to the impact of climate change. It would complement the international climate change initiatives developed under the umbrella of the UNFCCC.

Box 1. List of ASEAN statements, agreements and initiatives related to climate change.

- 2002 ASEAN Agreement on Transboundary Haze Pollution.
- 2003 ASEAN Peatland Management Initiative.
- 2004 ASEAN Network on Environmentally Sound Technologies.
- 2005 ASEAN Initiative on Environmentally Sustainable Cities.
- 2005 Agreement on Disaster Management and Emergency Response.
- 2005 ASEAN Strategic Plan of Action on Water Resources Management.
- 2006 ASEAN Peatland Management Strategy.
- 2007 ASEAN Plan of Action on Science and Technology 2007–2011.
- 2007 ASEAN Environmental Education Action Plan 2008–2012.
- 2007 ASEAN Declaration on Climate Change, Energy and the Environment.
- 2008 ASEAN Common Position Paper on Reducing Emissions from Deforestation and Forest Degradation (REDD) in Developing Countries.
- 2009 ASEAN Climate Change Initiative.
- 2009 ASEAN Multi-Sectoral Framework on Climate Change: Agriculture, Fisheries and Forestry towards Food Security.
- 2009 ASEAN Integrated Food Security (AIFS) Framework.
- 2009 Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) 2009–2013.

Source: Compiled from the ASEAN Secretariat website www.aseansec.org.

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## Conclusion

Although much was achieved in Cancún, the meeting did not present any major breakthrough in reaching a deal on a legally binding agreement on emissions reduction. The irony is that developing countries, including those in Southeast Asia, which have limited power to

affect debates on climate mitigation among major players within the international system, will bear the brunt of unmitigated climate change.

The Cancún Agreement does however provide much needed support for the adaptation measures necessary for developing countries to address climate change. Aside from the initiatives reached through the Agreement, the conference itself has offered better opportunities for collaboration between developed and developing countries on both mitigation – through cooperation on REDD and REDD+ – and adaptation efforts. Progress in Cancún calls for better implementation of existing initiatives in the region through the utilisation of the benefits offered by the Cancún Agreement. However, benefits may not be fully realised until many details of the initiatives agreed upon in Cancún are further elaborated.

Therefore, it is important not to allow the confidence regained at Cancún to be lost; a more detailed mechanism on the agreed initiatives in Cancún should be formulated and agreed upon before the next UN climate change conference in Durban, South Africa. At the same time, ASEAN and its member states should continue to pursue the development of existing climate change initiatives more rigorously by looking for other supports parallel to the UNFCCC process.

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