

Cancun and after

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Climate Change: Myth and Reality

- **Myth:** Negotiations on climate change are about saving the earth from humankind!
- **Reality:** Climate change negotiations are the mother of all economic negotiations. They relate to securing rights to use energy by different countries!

The story so far:

- **UN Framework Convention on Climate Change (UNFCCC), 1992:** Legal framework for multilateral efforts to address climate change; key principle of “*common but differentiated responsibility and respective capability*” was affirmed.
- **Kyoto Protocol on Climate change (KP), 1997:** Set legally binding targets for GHG mitigation for industrialized countries (Annex I), in the first commitment period, 2008-12, and created the global carbon market. *US did not ratify!*
- **Bali Action Plan (BAP), 2007:** Started a two-track 3 year negotiation process for (i) a “comprehensive process to enable the full, effective and sustained implementation of the Convention through long-term cooperative action” on “Shared vision”, GHG mitigation, Adaptation, Technology, and Finance (AWG-LCA), and (ii) under the Kyoto Protocol for the second commitment period and consequential decisions (AWG-KP).

The story so far...

- **Copenhagen Accord (CA) 2009:** A political declaration, not endorsed by all Parties, for actions on several elements of the BAP: Most Parties communicated voluntary targets for GHG mitigation in response to the CA. (India – reduced emissions intensity of 20-25% below 2005 levels by 2020 excl agriculture).
- **Cancun Decisions, 2010:** set of decisions to operationalize various provisions of the Copenhagen accord.

Cancun: over-all outcome

- Focus on operational details of Copenhagen Accord (CA)
 - Legitimization of CA; weakening of UNFCCC Principles, esp. Common but Differentiated Responsibility (CBDR); political signal about continuance of carbon market
- *Gives way to pledge and review* for setting GHG mitigation targets as opposed to targets based on equity Principles.
- Uncertainty about future Kyoto Protocol targets.

Outcomes of the Long-Term Cooperative Action track

Shared Vision

- ▣ Recognizes 2 degrees C temperature rise limit (subject to review)
- ▣ Agrees to conclude on a global goal for reducing emissions by 2050
- ▣ Peaking of global emissions as soon as possible, longer timeframe for developing countries.
- ▣ Recognizes “*equitable access to sustainable development*”. This has no operational content, and considerably weaker than India’s earlier position of “*equal access to global environmental/atmospheric resources*”.
- ▣ Opens the door to “pledge and review”, as opposed to negotiated mitigation targets, through “*taking into full consideration the different circumstances of Parties.*”

“Shared Vision” ...

- Introduces the issue of “*sustainable production and consumption and lifestyles*”
- Introduces a new agenda of “human rights” in respect of climate change through “*Parties should, in all climate change-related actions, fully respect human rights*”. Operational content is unclear.
- Also introduces a new agenda of transition of the workforce to “*decent work and quality jobs*”.
- No proscription of use of trade measures for enforcement (e.g. of developing country mitigation obligations).

Adaptation

- Decisions are institutional/procedural, not substantive
- Requires “*integrating adaptation into relevant social, economic and environmental policies and actions, where appropriate*”
- Establishes the “*Cancun Adaptation Framework*”, comprising of:
 - National adaptation plans
 - Adaptation committee
 - Invites Party proposals on several issues including for a possible climate risk insurance facility

Adaptation

- ▣ Requires Parties to undertake:
 - Planning, prioritizing and implementing adaptation actions, including projects and programmes
 - Impact, vulnerability and adaptation assessments, including assessments of financial needs as well as economic, social and environmental evaluation of adaptation options
 - Strengthening institutional capacities and enabling environments for adaptation, including for climate-resilient development and vulnerability reduction
 - Building resilience of socio-economic and ecological systems, including through economic diversification and sustainable management of natural resources

Adaptation...

- Enhancing climate change related disaster risk reduction strategies
- Enhance cooperation with regard to climate change induced displacement, at national, *regional and international levels*.
- RDD&D and transfer of technologies, practices and processes; and capacity-building for adaptation
- Strengthening data, information and knowledge systems, education and public awareness
- Improving climate-related research and systematic observation

Mitigation: Developed Countries

- ▣ Targets that were noted under CA now formally recognized under the UFGCC (but not explicitly endorsed)
- ▣ Urges revision of pledges to increase the ambition level to 25-40% below 1990 levels, transparency in assumptions, and *comparability of efforts*
- ▣ Enhance existing reporting provisions (GHG inventories, provision of finance and technology to developing countries)
- ▣ Establishes a process for international assessment of emissions and removals related to quantified economy-wide emissions reductions targets
- ▣ Development of low carbon development strategies

“Nationally Appropriate Mitigation Actions” (NAMAs): Developing Countries

- “Supported and enabled” NAMAs aimed at achieving a *deviation in emissions relative to BAU* in 2020. Defining BAU could be contentious!
- Pledges under the CA now taken note of under the UNFCCC, but not explicitly endorsed.
- Invites ‘other’ voluntary NAMAs, i.e. unsupported
- *Seeks to segregate different categories of developing countries.*
- To set-up a registry for NAMAs seeking support; to be matched with support “available”

NAMAs...

- ▣ Enhance reporting on actions, effects and support received, additional flexibility for LDCs and SIDS; *content and frequency of NatComs will not be more onerous than for developed countries (could be the same!)*
- ▣ Biennial update reports with inventories (subject to support provided)
- ▣ International measurement, reporting and verification, (MRV) for internationally supported actions.
- ▣ “*International consultations and analysis*” following domestic MRV of *unsupported* mitigation actions by “experts”. Disclosure of monitoring of individual plants and review of “adequacy” of implementation and adequacy *not ruled out!*
- ▣ Develop low-carbon development strategies or plans in the context of sustainable development.

Reduced Deforestation, Afforestation and Sustainable Forest Management (REDD+)

- Requires developing countries to undertake:
 - (a) Reducing emissions from deforestation;
 - (b) Reducing emissions from forest degradation;
 - (c) Conservation of forest carbon stocks;
 - (d) Sustainable management of forest;
 - (e) Enhancement of forest carbon stocks.

REDD+

- “Adequate and predictable” financial support may be provided for *preparatory* activities:
- A national strategy or action plan
- A national forest reference emission level and/or forest reference level
- A robust and transparent national forest monitoring system
- A system for providing information on how specified safeguards (reversals, displacement of emissions) decision are being addressed

Carbon Markets:

- Affirmative political signal for continuance of carbon markets in the future.
- Kyoto instruments to be continued and enhanced. *In a separate Decision, CCS has been endorsed as CDM activity.*
- Invites proposals from Parties and Observers of new types of carbon market instruments
- Proposals to be considered in CoP 17
- However, “pledge and review” approach to mitigation and non-passage of US climate legislation would dampen prospects for large-scale expansion.

“Response Strategies”

- Originally a code word for compensation to OPEC for reduction in oil demand due to mitigation actions, but later extended to “food miles” type of agendas for other developing countries.
- No endorsement of compensation, but exhorts countries undertaking mitigation efforts to be mindful of impacts on developing countries.

Finance

- Takes note of CA pledges;(\$ 30 bn by 2012, and \$ 100 bn a year by 2020 from a variety of sources), and invites Parties to submit report on finance provided and how developing countries may access the finance.
- Decides that scaled up, new and additional, predictable and adequate funding shall be provided to meet the “*urgent and immediate needs of developing countries that are particularly vulnerable*”
- Recognizes that commitment of \$100 bn is ‘in the context of meaningful mitigation actions and transparency on implementation’
- Endorses the establishment of Green Climate Fund

Green Climate Fund (GCF)

- ▣ Thematic funding windows
- ▣ Governing board of 24 members, equal split between developed and developing countries
- ▣ World Bank to be interim Trustee of the GC
- ▣ Trustee may commingle GCF assets for administrative and investment purposes with other assets maintained by the trustee
- ▣ Transitional Committee to design the GCF
- ▣ Standing Committee to assist COP
- ▣ Funds may come from “public and private, bilateral and multilateral, including alternative sources” (e.g. carbon tax on shipping/aviation, Tobin tax, etc.
- ▣ No mention of assessed rather than discretionary contributions.

Technology

- ▣ Technology needs should be nationally determined
- ▣ Focus is on commercial transfers, facilitated by “*enabling environments and the removal of obstacles to the scaling up*” – code words for national instruments such as technology mandates, feed-in tariffs, and reduction of tariffs on imports of capital equipment.
- ▣ *No endorsement of use of compulsory licensing of IPRs, a key developing country agenda.*
- ▣ Decides to set up a Technology Mechanism for “*research and development, demonstration, deployment, diffusion and transfer of technology*”. Promotion of technology related activities by:
 - Technology Executive Committee
 - Climate Technology Centre and Network

Outcomes of the Kyoto Protocol Track

Kyoto Protocol

- Recognizes 25-40 % below 1990 levels by 2020 as emission reduction targets for developed countries; this is higher than the CA pledges, but still *inconsistent with historical responsibility (and 2 deg C stabilization goal)*!
- Blurs KP- ‘Cognizant of progress of AWG-LCA’ ; subject to Party’ s position on Article 21.7 (*i.e. targets apply only to those Parties that accept them*).
- Agrees to try and ensure no gap between first and second commitment period, but no commitment that there would be second or future commitment periods.
- Emissions trading and project based mechanism (CDM, JI) to continue.

India, S. Africa, and Africa

- India, S. Africa, Brazil and China have (BASIC) coordinated their negotiating positions since before Copenhagen; process continues – last week a ministerial declaration at Durban.
- India and Africa group have also coordinated their positions at the G -77/China group.
- India has consistently advocated for priority in adaptation funding for Africa; greater share of CDM projects, but not segregating developing countries further.

Prospects for Durban

- US failure to adopt an energy and climate Bill, and (so far), inability to implement climate change mitigation actions through executive decision, as well as clear relegation of climate change in US political discourse, casts a shadow on multilateral climate change efforts.
- EU has also been reluctant to enhance its GHG mitigation target from 20% below 1990 levels to 30%
- Other developing countries are also reluctant to go beyond their CA targets, given also the continuing financial recession.
- *No sign of the money!*
- In the current political climate, Durban may adopt incremental decisions, set up the Green Climate Fund (without money!), as well as the technology innovation centres under the technology mechanism.
- *Decisions on future KP targets is highly doubtful.*

**Thank you for
your attention!**