DOING ENOUGH at COP 16

Christine Loh

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Although science is increasingly able to show how the physical planetary system functions as a whole, and where its limits may lie,[1] human societies are still a long way from being able to organise themselves for the purposes of operating an effective system of earth governance, including dealing with climate change. The goal of stabilizing the global climate is easily stated but difficult to achieve, as evidenced by the fraught climate change negotiations under the United Nations' Framework Convention on Climate Change (UNFCCC).

The most recent round of UNFCCC negotiations held in Tianjin ended on 9 October 2010. Following on from the difficult discussions in Copenhagen last year, a comprehensive global agreement is not in the cards. As there were still many arguments, the Tianjin talks focused on identifying areas of convergence where agreement could be reached. Thus, the key issue at Cancun is: Will enough be agreed to send a positive signal?

This briefing paper provides the background to the Conference of Parties meetings in Cancun (COP 16), Mexico, from 29 November to 10 December 2010.

I: Expectations Going into COP 16 at Cancun

After 17 years of policy-making and two years of following the Bali Road Map,[2] COP 15 in Copenhagen was supposed to complete negotiations on a new international agreement on climate change that will come into force when the Kyoto Protocol's first commitment period ends in 2012.[3] Instead, the negotiations floundered and ended with an unprecedented direct intervention by key national leaders, resulting in the non-binding Copenhagen Accord. If last minute, high-level intervention had not happened, there would likely have been no significant outcome from COP 15.[4]

So far, several further rounds of negotiations in 2010 have not resolved fundamental underlying problems, as there remain areas of deep political disagreements among countries over how to deal with, and when to agree on a fair share of responsibilities between present and future action on climate change. Nevertheless, some progress should still be possible at Cancun. At the Tianjin talks, the UNFCCC's Executive Secretary, Christiana Figueres, spoke of the possibility that COP 16 could deliver "a balanced package" of decisions, which could include:

- A new framework to help countries adapt to the already inevitable changes to the climate system;
- The launch of a new mechanism to drive faster deployment of technology to developing nations with fast financing;
- A decision to establish a new fund to oversee on a long-term basis the money raised for the specific climate needs of developing nations; and
- A decision on early and large-scale action to protect forests and the livelihoods of those who live in them.[5]

Thus, the Executive Secretary has outlined how to approach COP 16. Can these more limited goals be achieved? Moreover, will governments formalise the many pledges and promises they have made to cut and limit emissions in the Copenhagen Accord, as well as provide clarity on the continuation of the Kyoto Protocol beyond 2010? At the closing of the Tianjin meeting, the Mexican Foreign Minister and President-designate of the Cancun meeting, Patricia Espinosa, said COP 16 would be significant if, above all, the most vulnerable and poor countries could benefit from the negotiations.[6]

II: Reflections on COP 15 and Copenhagen Accord

The Copenhagen Accord (the Accord) came into being through negotiations by a small number of states at the margins of the main UNFCCC talks (driven primarily by Brazil, China, India, South Africa and US), which were then "noted" by the COP.[7] In other words, the status of the Accord is ambiguous as it does not have formal standing within the UN process.

So, what is the Accord? It is a political statement that broadly outlines a global climate change effort, laid out in a three-page, non-binding document with two appendices. The broad outline is made up of several key provisions which are summarised below. The appendices are based on a schedule or registry approach to record voluntary pledges from countries.[8] Industrialised (Annex I) countries that wished to opt in could submit proposed emissions reduction targets in Appendix I, and developing (non-Annex I) countries likewise could submit "nationally appropriate mitigation actions" in Appendix II. Thus, individual countries could associate with the Accord and register their domestic climate change commitments since many countries had already announced domestic plans and targets. Countries could express association with the Accord and make their pledges by 31 January 2010.

Temperature Target: The Accord acknowledges global average temperature should increase by less than 2°C by 2050 to prevent "dangerous" climate change.[9]	**Comment:** New studies show the Accord's current pledges could result in temperatures rising by up to 4.2°C, as well as oceans acidifying to the extent that coral reefs and marine-shelled organisms are seriously harmed.[10]
Adaptation: The Accord states action and cooperation are required particularly in the "least developed countries, small island developing states and Africa", and developed countries are to provide "predictable and sustainable financial resources, technology and capacity-building to support the implementation of adaptation action".	**Comment:** The issue has always been about the amount of funds needed, and who would provide, administer and receive the funds. COP 13 enshrined adaptation as a key pillar for negotiations, and issues of what countries should do to adapt and how should that be facilitated were questions to be resolved for COP 15. However, COP 15 was unable to resolve the fundamental issues about sources of funding, governance and allocation of funding.[11]

Forestry: The Accord recognizes REDD and REDD+ - "the crucial role of reducing emissions from deforestation and forest degradation" and the need for a financial mechanism (see financing below) to be set-up.	**Comment:** Deforestation, forest degradation and peat land emissions accounts for about 15%-17% of GHG emissions.[12] Forestry is missing from the Kyoto Protocol and its Clean Development Mechanism – a major deficiency – but was formally recognized at COP 13, where "the urgent need to take further meaningful action to reduce emissions from deforestation and forest degradation" (REDD) and "the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries" (REDD+) were agreed. The deadline for reaching an agreement on the specifics of an international REDD mechanism was set for COP 15. [13] Numerous meetings have taken place in 2010 outside the UNFCCC as well as within the UNFCCC process. Going forward, REDD+ should be a driving force at COP 16, where real progress can be made.
Finance: The Accord quantifies short- and long-term funding flows from developed to developing countries to support mitigation, adaptation, technology development and transfer, and capacity-building efforts. It specifies US$30 billion from 2010-2012 to be divided equally between mitigation and adaptation; and stated a goal of US$100 billion per year starting in 2020. Moreover, the Accord notes that markets (i.e. private sector financing) will be targeted to mitigation, which implies adaptation funding will be primarily government-to-government.	**Comment:** Identifying a widely acceptable approach to financial burden-sharing is a longstanding headache for two reasons: (a) the challenges of creating a global system where all major emitters participate; and (b) the largest emitters of the past will not be the largest ones in the future.

Measurement, Reporting and Verification (MRV): The Accord has 3 regimes: (i) delivery of emissions reductions (and financing to developing countries) by Annex I countries will be subject to international guidelines; (ii) non-Annex I countries not taking external funding will be subject to domestic MRV and the results will be reported through national communications every 2 years with international consultation; and (iii) non-Annex I countries receiving external funding will be recorded in a registry and subject to international MRV set by the COP.	**Comment:** MRV was particularly contentious between China and the US during COP 15. It may be difficult to agree on what "international consultation" will mean.

To date, 138 countries have associated with the Accord[14] and 85 have pledged emissions reductions by 2020, including the world's top emitters. However, in most cases, the emissions reduction pledges are conditional. [15]

What use does the Accord have as a political reference point? At the first round of a series of UNFCCC meetings in Bonn from April to August 2010, resistance emerged from many countries to using the Accord as the basis for negotiations. China and India for example, saw it as only an instrument to build consensus. While the meetings played a role in helping shape the deliberation of difficult negotiations, [16] in the long term, it is unclear if the Accord will prove consequential, especially in light of decreasing credibility of the UNFCCC as the central body for international climate policy negotiation and implementation[17] despite the absence of any other forum with such a large constituency of support. Going forward, the challenge for negotiators will be to integrate (harmonize) the Accord with the on-going discussions.[18]

III: Going Forward: Some Observations

1. 'Finger-pointing, two-camp' mentality

The COP negotiation process has been so difficult because of a *'finger-pointing, two-camp'* mentality. The traditional division between Annex I vs. non-Annex I countries remains but there is also a deep division between newly industrializing countries and the established industrial economies. Some of the non-Annex I countries now have higher per capita GDP than some Annex I countries, and the BRIC countries are growing so quickly that the Europeans feel that the BRIC countries will determine the future climate.(Appendix I)

The challenge is whether these divisions can be broken down, otherwise this political divergence will continue making it difficult to achieve a global agreement.

2. Economic convergence vs. political divergence

Despite the political divergence, there is a visible economic convergence happening simultaneously. This emerging trend is based on 'green growth' and 'low carbon' opportunities that are driving

investments into new areas. While national negotiators argued over the minute details of texts during the slow and difficult UNFCCC negotiations in Tianjin, hundreds of business people gathered elsewhere in the city to consider clean technology opportunities in China, as the Chinese government continues to push policies to promote clean energy and transportation, and even showcases pilot carbon markets. The issue going forward is how to build consensus on action.

3. Importance of national, regional and city level action

Countries, including China, are making emissions reduction and de-carbonisation efforts at the national level. For example, Brazil's pledge is to reduce emissions by 15% by 2020 compared with 2005 levels through reduction of deforestation and transitioning from coal and oil to hydropower electric generation. Moreover, cities are taking on reduction targets and projects, and cities associations such as the C40 Cities Climate Leadership Group (C40), and Local Governments for Sustainability (ICLEI), show the importance of getting mayors and city officials involved to share best practices.

4. Fast-start financing initiatives to build confidence

The Copenhagen Accord notes developed countries' commitment to providing developing countries with fast-start finance of US$30 billion for 2010-2012, for enhanced action on mitigation (including forests), adaptation, technology development and transfer and capacity building. Fast-start finance is needed to support immediate action in developing countries and provide lessons for finance over the longer term. Progress will help demonstrate that developed countries are willing to meet their commitments, building confidence in the international negotiations. The Netherlands is promoting a transparency initiative on the amount, direction and use of fast-start climate finance through a dedicated website.[19]

IV: China – A New Domestic Approach?

In November 2009, just ahead of COP 15, China announced a new national target to reduce carbon emissions produced for each yuan of national income by 40% to 45% by 2020 as compared to 2005 level. Thus, in the coming national five year plan (2011-2015), China will be setting multi-prong carbon intensity targets relative to GDP that not only cuts energy-intensive but also increases zero- and low-carbon energy production, and increases forests as carbon sinks.

Despite these and other efforts, it is still too early to say when China's carbon emissions will peak and then begin to fall. Debates among Chinese experts indicate peaking could occur around 2030-35 when the country has had the chance to build out its infrastructure, after which emissions could start to decline. This represents a breath-taking pace for China. However, global pressure to act even faster will continue as China's total GHG emissions rise.

There is one thing China can do that may help. It can encourage and enable the most affluent and developed parts of the country to adopt emissions reduction targets in the near term because the richest areas, such as Hong Kong, have the capacity to do more. This principle has already been acknowledged implicitly by the HKSAR Government, whose climate consultation plan published in September 2010 proposed that Hong Kong should achieve a 50% to 60% carbon intensity reduction

target by 2020 as compared to 2005 level. One can argue about whether that is sufficiently ambitious but the direction is right.

In light of the Framework Agreement on Hong Kong-Guangdong Co-operation signed on 7 April 2010, which provides a vision for the region to become a "high quality living area", there is a basis for the Hong Kong-Shenzhen-Guangzhou region to adopt many low carbon and good environmental practices. Thus, there are possibilities for the whole region to do better than the national target by 2020, as Guangdong is among the richest and most developed provinces in China.

Indeed, it makes sense for China to adopt the notion of "common but differentiated responsibility" on a national scale so that rich areas can reduce emissions so that less developed areas have the 'GHG space' to grow. The next in line to adopt higher emissions reduction targets should be the other rich areas of China, such as the municipalities of Shanghai, Beijing, Tianjin and Chongqing. They can anticipate it for the next five-year plan, starting in 2015.

ENDNOTES

[1] Rockström, J. et al. (2009), "A safe operating space for humanity", *Nature*, Vol.461 No.24.

[2] COP 13 took place in December 2007 in Bali, Indonesia. The focus of COP 13 was on long-term issues and resulted in the adoption of the Bali Action Plan (BAP), which established the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA) with a mandate to focus on mitigation, adaptation, finance and technology. The BAP contains a non-exhaustive list of issues to be considered under each of these areas and called for articulating a "shared vision for long-term cooperative action." COP 13 also resulted in an agreement on a 2-year process, the Bali Roadmap, which set a deadline for concluding the negotiations at COP 15 in 2009. The two key bodies under the Bali Roadmap are the AWG-LCA and the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), which has held various meetings since 2008.

[3] The Kyoto Protocol is the multilateral treaty of the UNFCCC. It was adopted in 1997 and entered into force in 2005. By the end of the protocol's first commitment period in 2012, a new international framework needs to have been negotiated and ratified that can deliver the stringent emission reductions the Intergovernmental Panel on Climate Change (IPCC) has clearly indicated are needed.

[4] For a contemporaneous account of COP 15 from Civic Exchange, see Loh, C. (2009), "Copenhagen is not over…", Civic Exchange: December 2009, http://civic-exchange.org/en/live/upload/files/091231postCOP 15.pdf, downloaded 18 October 2010.

[5] United Nations Environment Programme News Centre (2010), Press Release, "UN climate change chief urges nations to find common ground at climate talks", 4 October 2010. The UNFCCC Executive Secretary also said at Tianjin that "… a concrete outcome at Cancun is urgent needed to restore the faith in the ability of Parties to take the process forward, to prevent multilateralism from being perceived as a never-ending process …", see www.unfccc.int/files/press/statements/application/pdf/2101004_cf_opening_statement.pdf, downloaded 16 October 2010.

[6] UNFCCC (2010), Press Release, "At Tianjin climate gathering, governments come closer to defining what can be achieved at Cancun UN Climate Change Conference", 9 October 2010, www.unfccc.int/files/press/news_room/press_releases_and_advisories/application/pdf/20100910_pr_closing_tianjin.pdf, downloaded 16 October 2010. For a detailed summary of the Tianjin meetings, see Akanle, T. et al. (2010), "Summary of the Tianjin Climate Change Talks – 4 October-9 October 2010", *IISD Reporting Services*, Vol.12 No.485, 12 October 2010, www.iisd.ca/vol12/enb12485e.html, downloaded 16 October 2010.

[7] COP 15 was also a geopolitical watershed because it showed the power of emerging countries at the expense of Europe in particular. Prior to COP 15, European countries had sought leadership in defining the negotiations.

[8] Australia and South Korea had proposed such approaches prior to COP 15. This has the virtue of relying on existing domestic enforcement mechanisms.

[9] Limiting temperature rise to less than 2 °C is a level agreed by many scientists as the threshold for "dangerous" climate change. A second meeting also in Bonn was no less challenging in identifying a middle ground on most issues, which indicated that COP 16 would not produce an agreement. See Akanle, T. et al. (2010), "Summary of the Bonn Climate Change Talks – 31 May-11 June 2010", *IISD Reporting Services*, Vol.12 No.472, 14 June 2010, www.iisd.ca/download/pdf/enb12472e.pdf, downloaded 16 October 2010. At the third meeting in Bonn, while there were refinements on technical options, agreement remained elusive. See Leopold, A. et al (2010),"Summary of the Bonn Climate Talks – 2-6 August 2010", *IISD Reporting Services*, Vol. 12 No. 478, 9 August 2010, www.iisd.ca/download/pdf/enb12478e.pdf, downloaded 16 October 2010.

[10] Joeri Rogelj et al. (2010), "Analysis of the Copenhagen Accord pledges and its global climatic impacts - a snapshot of dissonant ambitions", *Environmental Research Letters*, Vol.5 No.3, http://iopscience.iop.org/1748-9326/5/3/034013/pdf/1748-9326_5_3_034013.pdf, downloaded 16 October 2010.

[11] There are different views on the amount of funds needed for adaptation. For example, Oxfam had argued for US$150 billion/year, World Bank US$75-100 billion/year, and UNDP US$44 billion/year by 2015.

[12] Forests-related emissions were thought to contribute 20%-25% of global GHG emissions but the latest research shows the they may be closer to 15%, which is about the same as contribution from the transportation, see van der Werf, G.R. et al. (2009), "CO2 emissions from forest loss". *Nature Geoscience*: Vol.2 No.11, pp.737–738, http://www.nature.com/naturegeoscience, downloaded 16 October 2010.

[13] While many countries want to reach agreement on REDD+ at COP 16, the post-COP 15 discussions in Bonn in 2010 saw differences emerge on whether developed countries could use REDD+ activities to off-set their emissions reduction commitments. See Foundation for International Environmental Law and Development (2010), "REDD-PLUS Briefing Paper", *Foundation for International Environmental Law and Development*, October 2010, http://www.field.org.uk/files/FIELDREDDPlusBriefingPaperOCT10EN.pdf, downloaded 16 October 2010.

[14] On a strict reading of the wordings, it is unclear whether some countries had associated themselves with the Accord. For example, China and India made no reference to the Accord but continued to tie their actions to the UNFCCC, while the USA expressed a "desire" to associate.

[15] Australia, Norway and the European Union offered unconditional reduction targets (5% below 2000, and 30% and 20% below 1990, respectively), and pledged to go further if there is a stronger deal. China and India will reduce on a best effort basis their carbon intensity by 40-45 % and 20-25%, respectively. The US's target "in the range of" 17% below 2005 is contingent on passing domestic legislation. The targets offered by Japan and New Zealand are contingent on reaching a more ambitious international agreement. Most of the non-Annex I pledges are contingent on support from Annex I countries.

[16] For a comprehensive report and analysis of the Bonn meeting in April 2010, see Akanle, T. et al (2010), "Summary of the Bonn Climate Change Talks – 9-11 April 2010", *IISD Reporting Services*, Vol.12 No.60, 14 April 2010, www.iisd.ca/vol12/enb12460e.html, downloaded 16 October 2010.

[17] The UNFCCC requires consensus (no objection) or unanimity. Consensus failed at COP 15 because 6 countries objected to the Accord, and thus it was "noted" and not adopted. Moreover, UN culture tends to polarize the developed and developing worlds.

[18] See footnote 1 on the two ad hoc working groups set-up at COP 13 where discussions take place.

[19] See http://www.faststartfinance.org started by the Dutch government in September 2010.

Appendix 1

Table 1: Comparison of GDPs between Annex 1 and Non-Annex 1 countries[1]

Total number of Annex 1 countries	40
Total number of non-Annex 1 countries	152
Total Number of Countries endorsing the Copenhagen Accord	192
# of Non-Annex 1 countries with a GDP greater than:	
At least 1 Annex 1 country[2]	100
10 (25%) Annex 1 countries	35
20 (50%) Annex 1 countries	9[3]
30 (75%) Annex 1 countries	4

Sources: CIA World Factbook, *https://www.cia.gov/library/publications/the-world-factbook/geos/as.html*; UNFCC website *http://unfccc.int/home/items/5262.php*

Notes:

1. These figures refer to countries' GDP, not GDP per capita. This is for the purpose of comparing countries' overall economic outputs on a global scale, and is not in any way an indicator of the average standard of living in each country.
2. The Annex I country with the smallest GDP is the wealthy but tiny principality of Liechtenstein, which according to the UN's *World Statistics Pocketbook*, had a GDP of US$5.03 billion in 2008 (CIA 2009 figures unavailable). This is roughly on par with Rwanda ($US 5.07 billion in 2009).
3. These nine countries are listed in Table 2 below.

Table 2: Copenhagen Accord-Endorsing Countries With the 30 Highest GDPs

Grey boxes indicate Annex I countries; white boxes indicate Non-Annex I countries

Country Name	GDP ($US billions), 2009 (in descending order)
1. USA	14,430.00
2. Japan	5,108.00
3. China	4,814.00
4. Germany	3,273.00
5. France	2,666.00
6. UK	2,224.00
7. Italy	2,114.00
8. European Union	1,618.00
9. Brazil	1,499.00
10. Spain	1,466.00
11. Canada	1,335.00
12. Russian Federation	1,232.00
13. India	1,095.00
14. Mexico	1,017.00
15. Australia	930.8
16. Republic of Korea	809.7
17. Netherlands	799
18. Turkey	608
19. Indonesia	521
20. Switzerland	489.8
21. Belgium	466.9
22. Poland	427.9
23. Sweden	402.4
24. Saudi Arabia	384
25. Austria	378.8
26. Norway	373.3
27. Venezuela (Bolivarian Republic of)	357.6
28. Greece	342.2
29. Iran (Islamic Republic of)	335.7
30. Denmark	311.9

Source: CIA World Factbook, 2009 data