



Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



International Climate Negotiations Breakthrough in Durban?

Dr. Camilla Bausch
Ecologic Institute, Berlin



Ecologic Institute

Berlin
Brussels
Vienna

Washington DC



About Ecologic Institute

- ▶ Ecologic Institute - private not-for-profit think tank for applied environmental research, policy analysis and consultancy
- ▶ Offices in Berlin, Brussels, Vienna, Washington DC, and San Mateo CA.
- ▶ Independent, non-partisan
- ▶ Founded in 1995
- ▶ Interdisciplinary team of 120 people

Who do we work for?

- **International**

- UNEP
- World Bank
- OECD
- NATO
- Ministries and agencies of different European countries

- **Europe**

- European Commission
- European Parliament
- European Environmental Agency

- **National**

- Ministries and agencies at national and subnational level
- Expert commissions of the German Parliament (Bundestages)

- **Non Governmental Organizations**

- Universities
- Foundations
- Environmental organisations
- Private enterprises



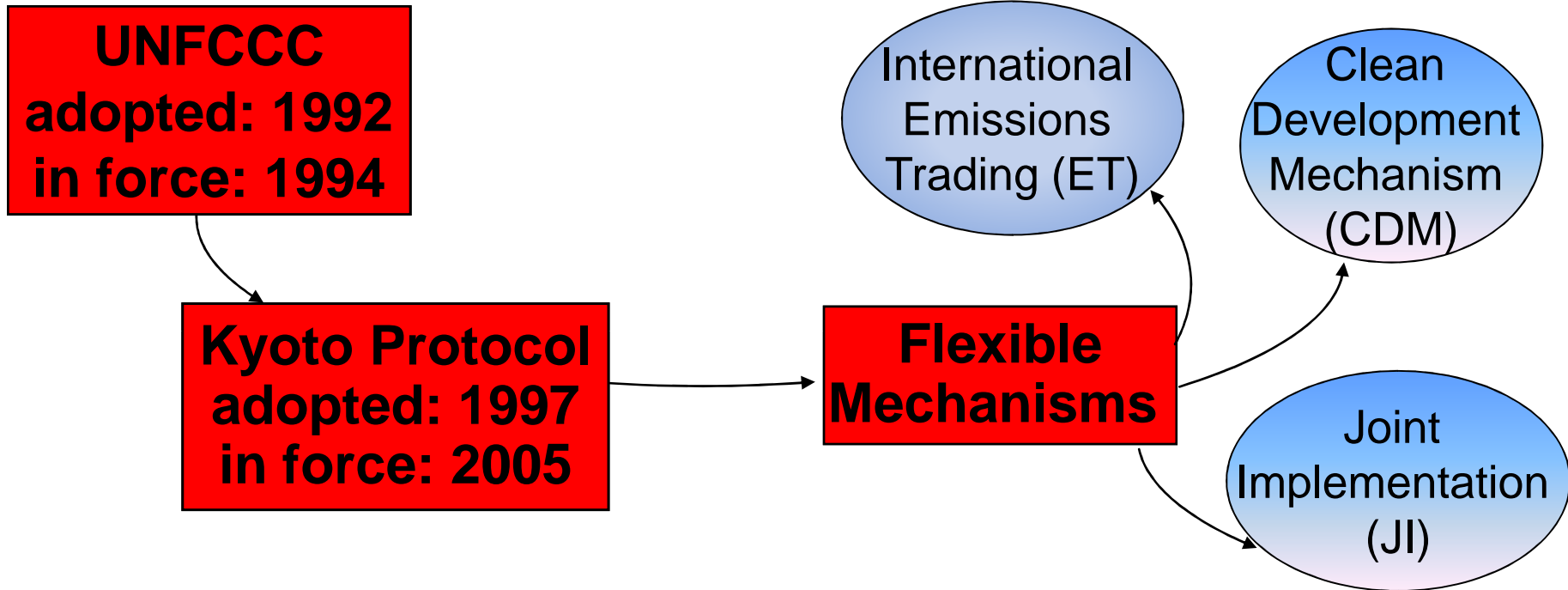
Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Background

UN Treaties



Detailed framework decided upon in COP/MOP decisions

What's the goal (i.e. ultimate objective)?

- ▶ “[...] achieve [...] stabilization of greenhouse gas concentrations [...] at a level that would prevent dangerous anthropogenic interference with the climate system”

(Article 2, UNFCCC)



Emission Limitations & Reduction Targets in KP

- ▶ Emission Reduction Targets and Timetable (overall reduction of at least 5% below 1990 levels in the period 2008 to 2012)
- ▶ Industrialized countries should “ensure that their [...] emissions [...] do not exceed their assigned amounts” (Art. 3 KP, Annex B)

Legally binding emission reduction targets



But not for developing countries!

Only for 2008-2012



Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



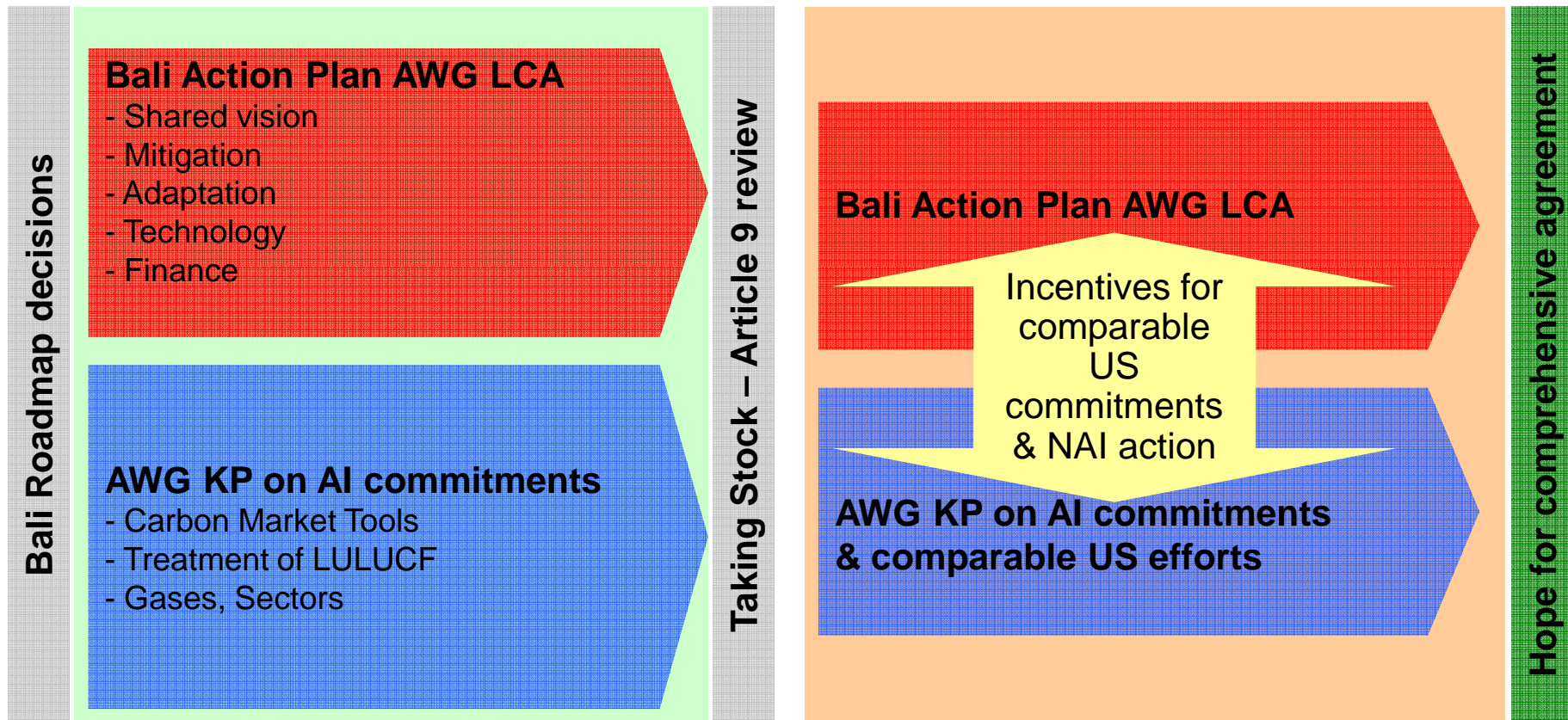
Past Negotiations on the future Climate Regime

Bali Roadmap – two tracks „plus“

2007 Bali

2008 Poznan

2009 Copenhagen

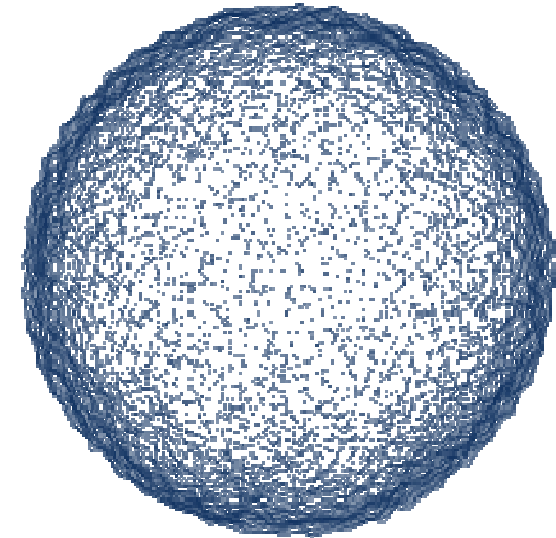


COP 15 / CMP 5 Copenhagen

- ▶ *“...There were widespread hopes and expectations that the Copenhagen conference last December would give us a global deal. In the end the political will was lacking...”*



Connie Hedegaard,
*European Commissioner
for Climate Action*



COP15
COPENHAGEN
UN CLIMATE CHANGE CONFERENCE 2009

Copenhagen Accord from an EU perspective – Examples

Strengths

- 2 degree target

- Need for reducing emissions and peaking

- Basis for significant finance short- and long term

- Role of markets

Weaknesses

- No legally binding treaty [US/China]
- No clear timeline or process for such a treaty

- No peaking year [China]
- No long term or mid term target [China]
- No intern. binding quantification of AI and NAI efforts / targets [US]

- No concrete reference to CDM etc.

COP 16 / CMP 6 Cancún: Outcomes

Notable Outcomes

- ▶ **Adaptation**
 - ▶ Cancun Adaptation Framework
 - ▶ Adaptation Committee
- ▶ **Technology**
 - ▶ Climate Technology Center and Network
- ▶ **Financing**
 - ▶ Green Climate Fund
- ▶ **Review 2013-2015**





Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Durban

Hot Topics for COP 17 / CMP 7 in Durban

- ▶ The future of the regime
 - ▶ 2nd commitment period (post 2012) under KP
 - ▶ Roadmap for agreement under UNFCCC
- ▶ Implementing Cancún Agreements (defining structures) in particular
 - ▶ Financing
 - ▶ Green Climate Fund
 - ▶ Long-Term Climate Finance
 - ▶ Standing Committee
 - ▶ [Adaptation Committee (AC)
 - ▶ Technology Center & Network (TCN)]
- ▶ Raising ambition of mitigation efforts (close ambition gap to reach 2 degree Celsius goal)



COP17/CMP7
UNITED NATIONS
CLIMATE CHANGE CONFERENCE 2011
DURBAN, SOUTH AFRICA



Longest
Summit
ever!



Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



The future regime

Future regime question linked to legal form debate

- ▶ ENDS Europe DAILY, Friday 2 December 2011: “US officials might in theory agree to take on legally binding targets [...] but only if emerging nations such as China and India do the same, negotiator Jonathan Pershing said [...]

The adoption of a roadmap to a globally binding climate deal is one of the EU's key conditions for signing up to another Kyoto Protocol commitment period.

[...] Polish negotiator Tomas Chruszczow said the EU must preserve the "essential elements" of Kyoto, include "all major economies", and result in targets that reflect countries' differing emissions and abilities to act but are legally binding. The deal must be agreed by 2015 and apply from 2020 at the latest, he said. “



Negotiations on Legal Form under UNFCCC and 2nd KP CP

- ▶ Future of KP one of the main interest areas of G77
- ▶ EU willing to commit to 2nd CP under certain conditions – including
 - ▶ a robust roadmap for the adoption of a binding international agreement with all major economies joining internationally binding targets mitigation in the foreseeable future (agreement in 2015; entry into force 2018)
- ▶ EU roadmap proposal defines high-level discussion in Durban

During negotiations on Legal Form (UNFCCC) & 2nd CP (KP)

- ▶ BRA, ZAF, AOSIS willing to negotiate on mandate for binding instrument (after 2020) with commitments for all countries and timeline in case of fully ratifiable 2nd CP
- ▶ US, India (sic!): main opponents to a roadmap for a internationally binding agreement
- ▶ China offered to accept binding treaty after 2020 if
 - ▶ industrialized countries fulfill their pledges (P: CAN) and
 - ▶ developing world would be supported to adapt to effects of climate change –
 - ▶ But: unclear, what kind of offer/commitment China willing to enshrine in such a treaty



New Alliances: Common Statement by EU, LDCs & AOSIS

“[W]e need firm and clear decisions mapping out next steps that deliver the ambition we need. This includes agreeing an amendment of the Kyoto Protocol for the **second commitment period** together with a robust mandate and roadmap for a **legally binding instrument**. Under this instrument, **all parties to the UNFCCC need to commit**, respecting the principle of common but differentiated responsibility and respective capabilities.

The price of buying time is rising. Durban must deliver. The EU, LDCs and AOSIS are ready to undertake **concrete obligations** to manage the climate change challenge. We urge others to join.”

▶ http://ec.europa.eu/commission_2010-2014/hedegaard/headlines/news/2011-12-09_01_en.htm

▶ Pressure e.g. on US, China, India



Durban results on future regime - Overview

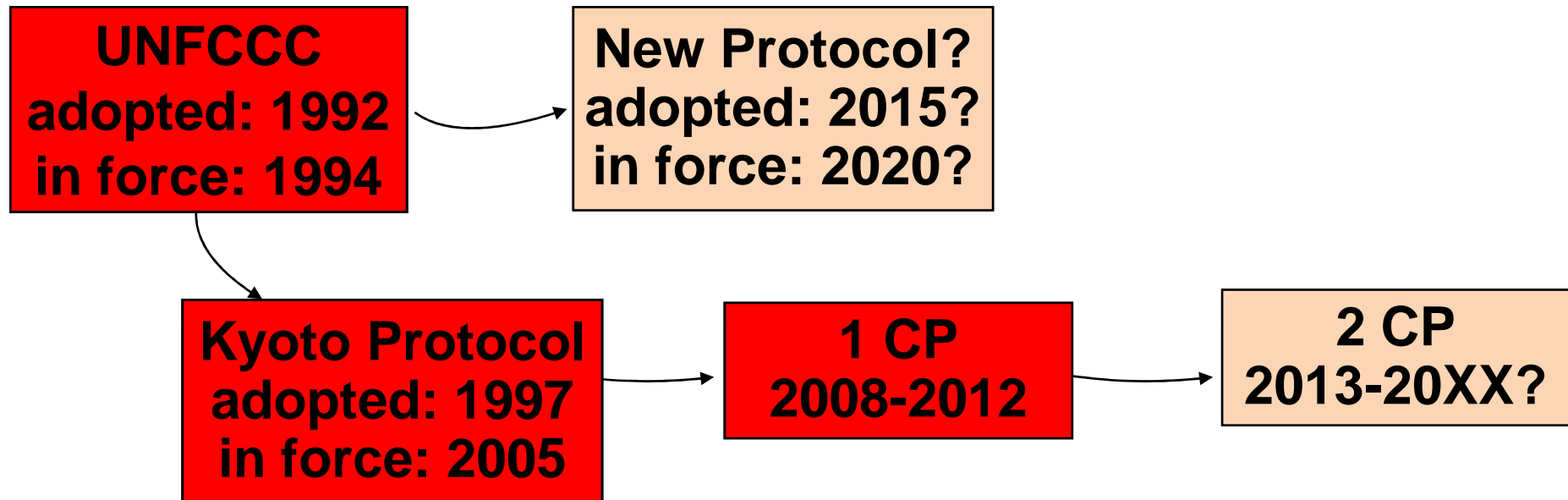
- ▶ A new process under UNFCCC – conducted by a new AWG – with a clear timeline to agree on a future regime
- ▶ Continuation of AWG LCA for one year
- ▶ General agreement that there should be a 2nd CP under the KP from 2013 on and some cornerstones
- ▶ Continuation of work under AWG KP to agree on details of 2nd KP



Durban Platform Decision of COP

- ▶ New „AWG on the Durban Platform for Enhanced Action“ under UNFCCC to work on process to develop a **protocol, another legal instrument or an agreed outcome with legal force** applicable to **all Parties**
- ▶ Work shall start 1st half of 2012 (inter alia on mitigation, adaptation, finance, tech dev/transfer, transparency of action, support, capacity building)
- ▶ Shall report to COP; shall be informed by 2013-2015 review, IPCC, work of SB's
- ▶ Finish its work as soon as possible, but by 2015 at the latest; new instrument/outcome **in effect** / implemented from **2020**
- ▶ COP launches a **workplan to enhance ambition** to “close ambition gap with a view to ensuring the highest possible mitigation **efforts by all Parties**”

UN Treaties



Detailed framework decided upon in COP/MOP decisions

Durban Platform does not yet ensure ambitious Protocol

- ▶ Positiv: All parties involved (including USA and emerging economies)
- ▶ Unclear: “protocol, another legal instrument or an agreed outcome with legal force” – difficult compromise language - India had pushed for „legal outcome “ – For EU: Language does NOT include set of decisions [BAP: „agreed outcome and adopt decision“]
- ▶ Disappointing: Work not „based“ on IPCC work but only „informed“ by it
- ▶ Challenges:
 - ▶ Timeline: Taking effect/implementation 2020 – conflict with need for peaking
 - ▶ Entry into force: If it is a new treaty – ratification needed – but then binding!
 - ▶ Content: Will world agree on binding committments for major emitters?



Extension of mandate for AWG LCA

- ▶ AWG LCA continues 1 more year; to be terminated by COP 18
- ▶ Building on BAP, AWG LCA work assignments include
 - ▶ Clarify “the developed country Parties’ ... emission reduction targets contained in document FCCC/SB/2011/INF.1/Rev.1” (including non KP parties!)
 - ▶ 2013-2015 review (further define expert consideration of inputs – including possible establishment of a review expert group)
- ▶ Yet to be worked out: Interlinkages with new AWG on Durban Platform

Decisive issue for 2nd CP: Who will participate?

- ▶ CMP decision:
 - ▶ emphasize need to begin 2nd CP without delay
 - ▶ Decides that CP2 to begin 1 January 2013 and end either 2017 or 2020
- ▶ But only ca. 15% of global CO₂ emission covered by potential CP2
 - ▶ It seems that only EU, CH and NOR willing to take on commitments under a CP2
 - ▶ CAN, JAP and RUS will not to agree on commitment (CAN even withdrew from KP)
 - ▶ US never ratified KP
 - ▶ Non AI countries have no QELROs under KP and insisted that the negotiations focus on AI commitments only
- ▶ Therefore any KP CP2 can have only limited effect regarding mitigation

Negotiations over KP 2nd CP rather technical challenges

- ▶ 2nd CP triggers negotiations on technical issues like:
 - ▶ AAU surplus carry over limitation on different units, i.e. AAUs, CERs, ERUs (3 general options: full carry over, no carry over, limited carry over)
 - ▶ Starting year for deriving QELROs (2008 or 2009)/
 - ▶ LULUCF rules (stringent accounting rules needed)
 - ▶ Length of CP (5 or 8 years) (EU favors 8 yrs = in line with its ETS; AOSIS: 5 years to raise level of ambition (targets for the time before 2020))
 - ▶ QELROs (depend also on length of CP, AAU surplus, LULUCF rules)
- ▶ As 1st CP ends 2012, time pressure high to resolve issues

Durban KP Results

- ▶ Some of the technical issues could be resolved
- ▶ Important issues remain open, e.g.
 - ▶ QELROs of parties willing to join 2nd CP
 - ▶ Length of CP [link to 2020 under UNFCCC might be established]
 - ▶ Surplus credits from CP1, especially AAUs
- ▶ Be aware:
 - ▶ entry into force of any potential CP2 needs **ratification**; Ratification possible after details are settled; ratification in time for end of 1st CP NOT possible = **gap** between 1st CP & legally binding 2nd CP – this will have to be addressed at political level
 - ▶ Furthermore: **Link to UNFCCC** negotiations might be upheld



Conclusions (I): There is progress....

- ▶ Parties made an important step forward
 - ▶ Work of new alliances played an important role (EU, LDCs, AOSIS)
- ▶ Deal under **Convention (=all Parties)** on roadmap for future regime
 - ▶ to be agreed as soon as possible but the latest by 2015
 - ▶ Come into effect and be implemented in 2020
- ▶ US, China, India accepted to be included in post 2012 legal framework
- ▶ Deal under **KP**: Decision that 2nd CP shall start 2013
- ▶ = **strengthens rule based approach in international climate policy**
- ▶ = **good sign for the carbon markets (medium-term perspective)**

Conclusions (II): ... but alot of work still lays ahead of us

- ▶ But alot of work still ahead of us:
- ▶ Under UNFCCC lot of issues still to be decided, e.g. content of outcome (binding targets for whom? How ambitious? Compliance regime? ...)
- ▶ Under KP, many details for 2nd CP still to be decided and then ratification needed – entry into force sometimes in future
- ▶ Until 2020: Only KP parties which join 2nd CP have binding targets (if / when KP amendment enters into force); other pledges not binding; under UNFCCC generous timeline (despite recognition of urgency)
- ▶ **Ambitious parties will need to build alliances and push ahead**



**“It always seems impossible
until it’s done.”**

Nelson Mandela



Ecologic Institute

Berlin
Brussels
Vienna

Washington DC



Implementing Cancún Agreements

Financing

Background: Results on Financing from Cancún

▶ GCF

- ▶ Establishment of GCF „under the guidance of the COP“
- ▶ Transitional Committee (25 seats for DCs, 15 for ICs) to develop proposals for operationalisation of the GCF – to be presented to COP17

▶ Fast start finance:

- ▶ All Parties invited to report on their implementation of fast start promise

▶ Long term finance:

- ▶ Reference to report of „High-level Advisory Group on Climate Change Financing“ of UN Secretary with its proposals for sources and instruments
- ▶ Establishment of a **Standing Committee** for the financial mechanism



Green Climate Fund – difficult negotiations in Durban

- ▶ “Transitional Committee” had elaborated design of the fund in a draft “governing instrument”, which was before the COP in Durban for approval
- ▶ Diverging views with respect to issues like
 - ▶ Legal personality of the Fund
 - ▶ Interim Secretariat
 - ▶ Capitalisation of the Fund
 - ▶ Access to Fund



GCF – negotiations advanced considerably

- ▶ **Governing Instrument** as proposed by Transitional Committee approved by COP = success!
- ▶ Decision on mandate and establishment of **Board**
 - ▶ Submission of nominations for Board members until 31 March 2012
 - ▶ Submission on interest of hosting the Fund until 15 April 2012
- ▶ Board to establish its secretariat

Legal Personality of GCF

- ▶ Legal personality :
 - ▶ Especially Egypt (supported by VEZ): COP to give GCF legal personality
 - ▶ EU, USA, AUS, CAN: legally not possible
 - ▶ Other DCs: flexible on this, as long as the GCF allowed for direct access
- ▶ Outcome (para 14 GCF decision):
 - ▶ Fund will be conferred the legal status by the host country as necessary for its functions (comparable: Adaptation Fund)



Interim Secretariat

- ▶ Controversies over interim secretariat which provides technical, administrative, logistical support to GCF Board until independent secretariat established:
 - ▶ USA, EU and other AI countries prefer to have the **GEF** – it has necessary experience and skills to support the Board
 - ▶ G77 want UNFCCC Secretariat or other **UN body** – because for a long time that the GEF is not responsive to their priorities
 - ▶ Proposal by AUS: Board to decide on setting up the interim secretariat
- ▶ Outcome: **UNFCCC and GEF jointly** set up interim secretariat “as an autonomous unit within the UNFCCC secretariat premises” = Bonn
- ▶ Seat of “permanent” secretariat to be decided in 2012 – Germany will apply

Funding windows

- ▶ GCF decision (para 37) provides for **2 funding windows**:
 - ▶ 1 for adaptation
 - ▶ 1 for mitigation
- ▶ Adaptation window also of importance, as decrease in carbon markets led to less revenues for adaptation fund
- ▶ “provide financing in form of **grants and concessional lending** and through other modalities, instruments or facilities as may be approved by the Board”
- ▶ However, GCF will be **one among several sources** for climate finance



GCF: Private Sector Facility, designated national authority

- ▶ Fund will have a **private sector facility**
 - ▶ Enables to directly and indirectly fund private sector activities
 - ▶ Facility will
 - ▶ promote participation of private sector actors in developing countries
 - ▶ Support activities to enable private sector involvement in SIDS and LDCs
 - ▶ Board will develop necessary arrangements, including access modalities, to operationalize facility
- ▶ **Designated national authority** can be created to recommendations on funding proposals and will be consulted on other funding proposals



Access to fund

- ▶ Fund to provide resources e.g. for low-emission development strategies or plans, NAMAs, NAPAs, NAPs and in-country institutional strengthening „in order to **enable countries to directly access** the Fund“
- ▶ Access through “national, regional and international implementing entities accredited by the Board”
- ▶ Important remaining challenge: Agreeing on rules for criteria for selecting projects and accreditation of “implementing entities”

Capitalisation of GCF

- ▶ Generally: GCF will receive financial inputs from developed country Parties and a “variety of other sources, public and private”
- ▶ GCF decision (para 9): Initial funding and replenishment: urgency balanced against ensuring good fund governance
- ▶ First money flows:
 - ▶ ENDS Europe DAILY, Friday 9 December 2011: “Germany and Denmark sought to avoid the launch of an empty fund by announcing their own contributions of €40m and €15m respectively.”
 - ▶ GCF Decision: Thanks to Republic of Korea for start-up financing
- ▶ However: Funding for the fund will stay topic

Financing: Long Term Finance - Background

- ▶ Background:
 - ▶ Promises in **Copenhagen**
 - Fast Start Finance of \$30 billion for period 2010-12
 - Long term Finance: \$100 Billion a year by 2020 (from public and private sources)
 - No promise on trajectory 2013-2019
 - ▶ AGF report on potential sources
 - ▶ **Cancún** Decision: All Parties invited to report on their implementation of fast start promise

Long Term Finance in Durban

- ▶ Controversies over if and what to negotiate as well as over some controversial proposals tabled (e.g. open 100 billion \$ package; 100 billion \$ from public finance only)
- ▶ Stale mate on negotiations over scaling up finance up to 2020 (w/ fast start ending 2012)
- ▶ Main point of decision: **work programme on long-term finance** in 2012 w/ workshops
 - ▶ Question, which information to consider: AGF Report and G20 generally accepted
 - ▶ Diverging views for example on what the result of the work programme should be
 - G77: COP decision
 - USA: report to COP
 - COL/CRI/Chile/Guatemala: COP decision on potentials and modalities of sources – but last decision on instruments will be taken on national level
 - Outcome: **Report to COP on workshops**; no clear decision on outcome of work programme

Financing: Standing Committee

- ▶ Negotiations on functions, on rules of procedure (e.g. term of members, chair, external expertise, decision making)
- ▶ Especially controversial: „lifespan“ of Standing Committee, composition, alternates (yes or no), subcommittees (yes or no)
- ▶ In the end decision on working modalities and composition of the Standing Committee
 - ▶ Standing Committee with advisory function for the COP on the financial mechanism
 - ▶ 10 members from AI countries, 10 members from NAI countries

Conclusion on Financing

- ▶ Good progress on GCF design; however, still work to be done to fully operationalize the fund
 - ▶ First money flows to DCs/projects in 2012?
- ▶ Little progress on long-term finance – only short decision text – but work programme with workshops to continue work



Other issues decided

New Market Mechanisms

New Market Mechanisms – Background – Bali & Cancún

- ▶ Basis: **Bali** Action Plan (2007) opens negotiation under UNFCCC/AWG LCA on „new market mechanisms“ as an opportunity „for using markets to enhance the costeffectiveness of and to promote mitigation actions“
- ▶ Negotiations since then controversial: Especially countries like NIC&BOL critical
- ▶ In **Cancún** only agreement to put it on Durban agenda, referring to
 - ▶ „one or more market-based mechanisms“
 - ▶ „ensuring voluntary participation of Parties“ = fear of being drawn into commitments
 - ▶ „complementing other means of support“ for NAMAs
 - ▶ Safeguarding „environmental integrity“ = difficulties with mech’s under KP
 - ▶ Supplemental to domestic mitigation efforts in developed countries

New market based mechanisms (UNFCCC/AWG LCA)

- ▶ Start of and during negotiations:
- ▶ EU: wants one market mechanism (no fragmentation)
- ▶ PNG, ECU, et al.: Frame for various approaches under UNFCCC with rules to ensure environmental integrity
- ▶ USA, AUS, NZL (& BASIC): wanted decision on mechanisms to be postponed and decide only on work-programme

Durban results on new market mechanism

- ▶ New market mechanism under UNFCCC („top down“)
 - ▶ Credits can be used to fulfill
 - ▶ Commitments under 2nd CP of the KP
 - ▶ Mitigation targets and commitments under Convention („subject to conditions to be elaborated“)
 - ▶ AWG LCA to prepare decision on modalities and procedures for COP18
- ▶ Thomson Reuters/Point Carbon: towards a sector-based approach, based on voluntary participation by countries
 - ▶ IETA: Major step forward



„Bottom up“: Work programme for various approaches

- ▶ Question: How to deal with mechanisms developed outside UNFCCC
- ▶ During Durban session debate over work programme for defining **framework for national, bilateral, multilateral market- and non-market-based approaches** to increase efficiency of reduction measures
- ▶ Decision:
 - ▶ Standards need to ensure **real, permanent, additional and verified reductions**, avoid double-counting, achieve „net decrease of emissions“
 - ▶ AWG LCA: **work programme** to consider a framework for such approaches, „including opportunities for using markets“ with a view to **recommend a decision for COP 18**



Other issues decided

Market Mechanisms

Relevant decisions for CDM – still work to do

- ▶ 2nd CP: Start 2013 according to decision – but QELROs still to be determined and furthermore some potential legal challenges
- ▶ ENDS Europe DAILY (9 December 2011):
 - ▶ “With the few and relatively weak emission reduction pledges currently on the table for 2020, the biggest concern is over who will buy CDM credits in future. "The demand is the problem, not supply," a senior EU official told journalists.”
- ▶ IETA (12 December 2011) on new regime:
 - ▶ „For the market, the sentiment will help generally but is unlikely to impact much on the prices and effectiveness of either the EUETS market or the CERs which are largely driven by it. The basic demand and supply dynamics of the EU market are not changed.”



▶ IETA:

“Perhaps the most important of the advances are an acceptable quantified definition of “materiality”, and conditions on which carbon capture and storage projects can be accepted into the CDM (actually both located in separate decisions).”

Relevant decision for CDM – Materiality Standard

- ▶ Decision on a **materiality standard** under the CDM – underlying issue: environmental integrity on the one hand and efficiency and predictability on the other hand – expected to reduce issuance reviews considerably
 - ▶ Material information could change decision of EB
 - ▶ Materiality standard should be applied consistently
 - ▶ Areas enumerated (DOE verification, assessment requests for issuance by EB, requirements, quantitative information)
 - ▶ Various thresholds set (depending on size of project)
 - ▶ Review forseen

Background on CCS in CDM

- ▶ CCS under CDM **before Cancún**: NOR, AUS, SAU: In favour; IND, PNG, MEX: CCS national option, but not necessarily under CDM; BRA: originally opposed
- ▶ **Cancún**:
 - ▶ General decision on eligibility of CCS under CDM
 - ▶ But rules on modalities and procedures needed to address, e.g.:
 - ▶ Geological monitoring plans
 - ▶ Rules on liability for leakage or seepage
 - ▶ Water protection

CCS in CDM in Durban: Modalities and Procedures agreed

- ▶ Complex Durban decision on modalities and procedures for CCS under CDM (18 pages!)
- ▶ Regular reviews foreseen (first one in 5 years the latest) – while changes in the modalities and procedures do not effect already registered projects
- ▶ Work still to be done by SBSTA preparing for CMP8 on projects
 - ▶ That involve transport of carbon from one country to another
 - ▶ Where the storage site is located in more than one country
- ▶ Note: market analysts expect few or no projects due to cost (CCS expensive and energy intensive) – CCS project in LDC almost impossible

Relevant decisions for CDM – still work to do

- ▶ A good number of decisions have (again) been postponed, e.g.
- ▶ Appeals Procedure: main point of disagreement: Which decision can be appealed (only rejection or also acceptance?) - *postponed*
- ▶ No decision on implications of including reforestation of lands with forest in exhaustion as an approved project type under the CDM - *postponed*
- ▶ No decision on allowing new HFC-22 facilities to get registered under the CDM - *postponed*

Guidance to the CDM EB

- ▶ CMP encourages EB to make technical reports that it uses in its decision-making process publicly available, as appropriate, taking into account the confidentiality provisions
- ▶ CMP requests secretariate and EB to further investigate impact of potential approaches to address deficiencies in validation, verification and certification reports and to prepare report on findings – and revise draft procedure based on its findings, taking into account potential conclusions on the appeals process (no duplication) for adoption at CMP8

Guidance to the CDM EB

- ▶ Continue to improve efficiency and transparency, e.g.:
 - ▶ Encourages EB to make technical reports used in decision-making process publicly available (as appropriate, considering confidentiality)
- ▶ More „automatic“ additionality and standardised baselines:
 - ▶ Encourages EB to extend **simplified modalities for demonstration of additionality** to wider scope of project activity (energy efficiency, renewable energy based on electrification without grid connection) and develop simplified baseline methodologies for such project activities
- ▶ Secretariate/EB to further investigate approaches to address **deficiencies in validation, verification and certification** reports and revise draft procedure based on findings

Guidance to the CDM EB

- ▶ Requests EB to further work on simplifies top-down baseline and monitoring methodologies, tools and standardized baselines in consultation with DNA and for project types underrepresented in CDM
- ▶ Requests to continue to promote equitable distribution of project activities
- ▶ Requests *secretariat* to enhance support for countries underrepresented in CDM, especially SIDS, LDCs and African countries (skill enhancement, institutional strengthening, ...)



Ecologic Institute

Berlin
Brussels
Vienna

Washington DC



Level of ambition in mitigating GHG emissions



Existing Level of Ambition: UNEP Gap Report

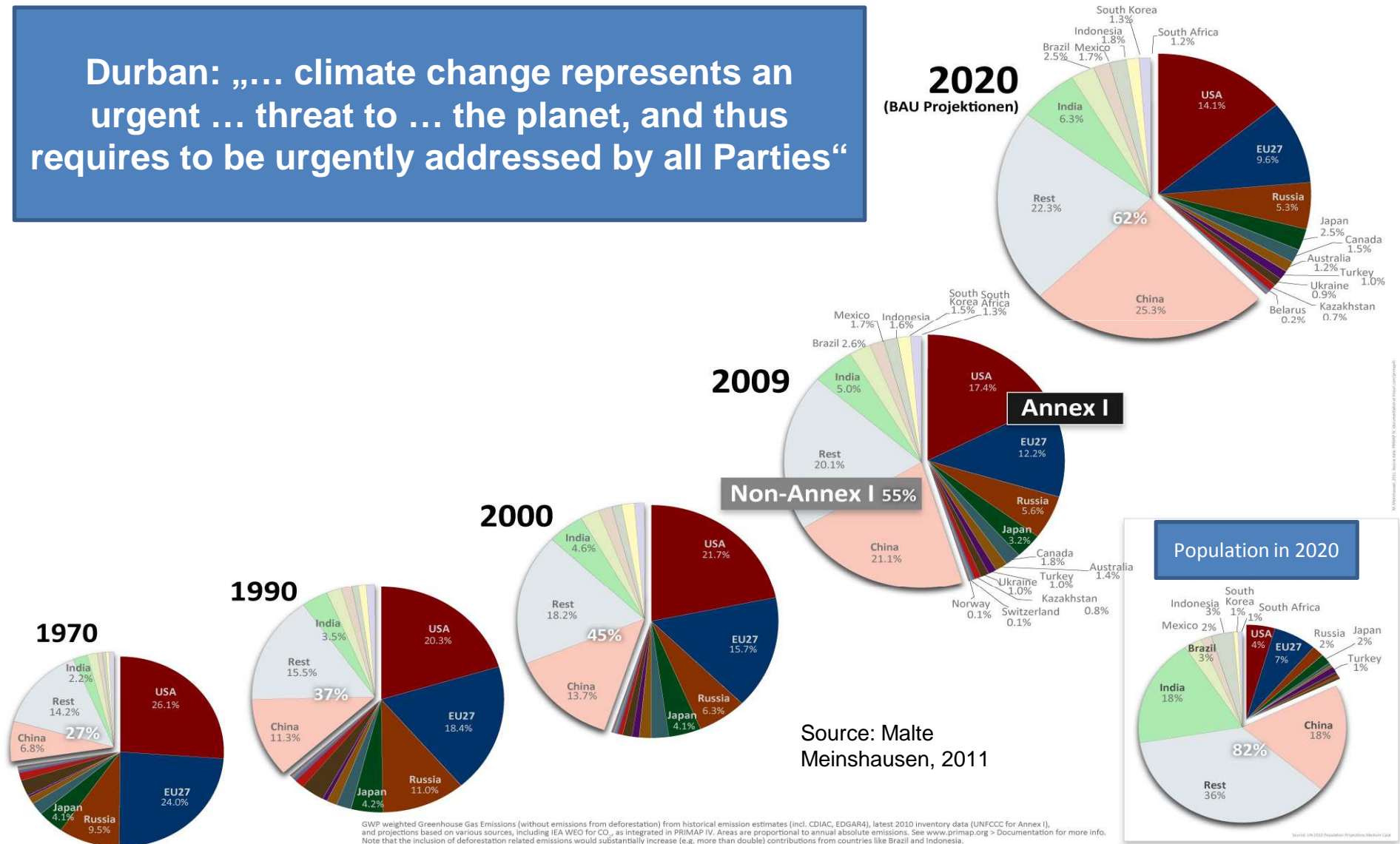
- ▶ Estimate: emissions **need to be around 44 Gt of CO2 equivalent** by 2020 to have a **likely chance** of pegging temperatures to **2°C** or less.
- ▶ If the **highest ambitions** of all countries associated with Copenhagen Accord are implemented, annual emissions of GHGs could be cut to **49 Gt of CO2 equ./a** or a cut by around 7 Gt of CO2 equ. by 2020 compared to BAU.
- ▶ Without this action, it is likely that a BAU scenario would see emissions rise to an average of around 56 Gt of CO2 equivalent by around the 2020 date.
- ▶ **Gap of around 5 Gt** compared to where we need to be—a gap equal to the total emissions of the world's cars, buses and trucks in 2005.

Durban: “Noting with grave concern the significant gap between ... Parties’ mitigation pledges ... and aggregate emission pathways consistent with having a likely chance of holding the increase of ... temperature below 2 degrees C or 1.5 degrees C above pre-industrial levels.”



Emissions by countries over time (2020 BAU projection)

Durban: „... climate change represents an urgent ... threat to ... the planet, and thus requires to be urgently addressed by all Parties“



Source: Malte Meinshausen, 2011

GWP weighted Greenhouse Gas Emissions (without emissions from deforestation) from historical emission estimates (incl. CDIAC, EDGAR4), latest 2010 inventory data (UNFCCC for Annex I), and projections based on various sources, including IEA WED for CO₂ as Integrated in PRIMAP IV. Areas are proportional to annual absolute emissions. See www.primap.org > Documentation for more info. Note that the inclusion of deforestation related emissions would substantially increase (e.g. more than double) contributions from countries like Brazil and Indonesia.

Appetite for stepping up ambitions on mitigation?

- ▶ ENDS Europe DAILY, Friday 2 December 2011:
 - ▶ „ [...] EU has demands for the more immediate future [...] a move to **strengthen the voluntary pledges for 2020.**”
 - ▶ Could be both: in ambition and bindingness
 - ▶ US negotiator Jonathan Pershing “**refused to consider more ambitious mitigation efforts** before 2020. The voluntary pledges adopted in Copenhagen were a major step forward [...]. The US's pledge is to cut CO₂ to 17% below 2005 levels.”
- ▶ China: no mandate to agree on any numbers in Durban

Elements under UNFCCC to judge the ambition (AWG LCA)

- ▶ Shared Vision to define global ambition
 - ▶ In Cancún: 1.5/2 degree Celsius goal
 - ▶ Left to be agreed in Durban:
 - ▶ global goal for 2050 – Durban: No progress; to be taken up in 2012
 - ▶ Peaking – Durban: No progress; to be taken up again in 2012
 - Cancún: Peaking linked to „equitable access to sustainable development“
 - Durban: Workshop on the „issue of EASD“ at next AWG LCA session
- ▶ EU and AOSIS were pushing for progress - any allies welcome

Elements under UNFCCC to judge the ambition (AWG LCA)

- ▶ Enhanced action on mitigation to define ambitions of groups and Parties –
Decision:
 - ▶ **Developed countries** „urged“ (!) to raise ambition
 - ▶ Continue clarifying **developed country pledges** in INF document (base year, GWP, gases, sectors, LULUCF, market mechanisms, e'-reductions) (submission, workshops, update INF paper)
 - ▶ Encourage (!) low-carbon development strategies and reporting by **developing countries** and conduct workshops on INF document information to “further the understanding of the diversity of mitigation action..., underlying assumptions and any support needed for the implementation of these actions, noting different national circumstances and the respective capabilities of developing country Parties”

Elements under KP to judge the ambition (AWG KP)

▶ QELROs for CP2

- ▶ No agreement in Durban; to be negotiated in 2012 / submissions
- ▶ but: only few parties willing to consider joining CP2

▶ Rules to ensure ambition

- ▶ Surplus of credits, especially AAUs – no agreement in Durban; to be negotiated in 2012
- ▶ Decision on LULUCF

Decision on processes to evaluate and raise ambition

- ▶ 2013-2015 **Review**: Reaffirmation that review is to „assess the adequacy of the long-term global goal [...] and the overall progress made towards achieving it“
- ▶ COP in **AWG Durban Platform decision**:
 - ▶ preambular language: notes ambition gap with reference to 1.5/2 degree C
 - ▶ **Durban Platform Process** shall raise level of ambition
 - ▶ Decides to launch **workplan** to enhance ambition to close ambition gap with „a view to ensuring the **highest possible mitigation efforts by all parties**“
 - ▶ **Workshop** on raising ambition

Conclusion

- ▶ Decisions recognize ambition gap
- ▶ Increasing awareness of implication of technical issues on ambition level (e.g. AAU surplus)
- ▶ Processes to evaluate, consider and strengthen ambition levels
- ▶ No new ambitious decision/numbers directly contributing to closing gap
- ▶ **Considering the need for peaking, especially the the big emitters have to increase their international efforts and pledges**
- ▶ **Continue to work with new alliances to push ambitions!**
- ▶ **Chose coalitions of the willing to go ahead and showcase**

Risks and opportunities

- ▶ New AWG
 - ▶ Risk: Is just another lengthy negotiation process delivering weak results
 - ▶ Opportunity: Is an opportunity to design a broad and binding agreement to engage in adequate global efforts to combat climate change
- ▶ The level of ambition with respect to climate mitigation
 - ▶ Risk: Remains too low to reach the 2 degree Celsius goal
 - ▶ Opportunity: gets a boost due to results of Durban – parties will agree on more ambitious action, targets and commitments at national and – later – also on international level

Again:

**“It always seems impossible
until it’s done.”**

Nelson Mandela



Ecologic Institute

Berlin
Brussels
Vienna

Washington DC



Implementing Cancún Agreements

Adapation Committee, TCN

Durban Decision on Adaptation Committee (AC)

- ▶ Key issues for AC negotiations: Size and composition, relationship to COP, link of AC to financial institutions (mandate for recommendations to financial mechanisms or GCF? ICs: No, only COP can guide financial mechanism)
- ▶ Outcome:
 - ▶ **Rules** on members (16, two year terms), chair / vice-chair (AI / NAI), voting rules (consensus), meetings (2 times a year), output publicly available
 - ▶ AC „**advisory body**“ to COP; under authority of and accountable to COP
 - ▶ annual reports to COP through SB's
 - ▶ AC to develop a 3 year **workplan**; makes use of workshops, expert groups, compilation, review, analysis, sharing information, coordination w/ other bodies / networks within & outside of UNFCCC



Durban Decision on Technology Center & Network (TCN)

- ▶ TCN and Tech Executive Committee (TEC) the two components to facilitate implementation of the Technology Mechanism under guidance of the COP
- ▶ Durban decision on TCN
 - ▶ Recalling: Tech Mechanism to be operational as soon as possible in 2012
 - ▶ TCN and TEC shall relate so as to promote coherence and synergy – TCN and TEC to establish procedures to present joint annual report
 - ▶ TCN: Agreement on terms of reference (functions, architectures, roles, governance ...); learning by doing („be flexible so that it can learn“)
 - ▶ GEF to support operationalization and activities of TCN
 - ▶ Selection process to host tech center launched (evaluation panel, evaluation report with 5 proponents to SBI36; SBI to make recommendation to COP)

Excursus: Canadian withdrawal from KP

- ▶ After COPMOP: CANADA – official withdrawal in KP (Art. 27 KP)
 - ▶ withdrawal takes effect at the earliest one year after the UN Secretary-General received such a notification
 - ▶ German Federal Minister for the Environment Norbert Röttgen addressing the German Parliament (Bundestag): „not acceptable“
- ▶ Research at University of Cambridge:
 - ▶ If CAN had complied with KP cost to CAN economy not the “\$13.6BN announced ... as Canada's reason for withdrawing” – “if CAN had followed its pledge” to the CA (20% below 2005 levels by 2020), the “result in 2020 could have been a small increase in GDP and employment, compared to a no-action scenario.”



Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Thank you!

Dr. Camilla Bausch

Ecologic Institute, Pfalzburger Str. 43-44, D-10717 Berlin
Tel. +49 (30) 86880-0, Fax +49 (30) 86880-100

camilla.bausch@ecologic.eu

www.ecologic.eu