

Strategic Analysis Centre

From Kyoto to Durban

Creation of new climate cooperation

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- Cancun: no qualitative decision
 - Future remains open
 - Cancun: paradigm change under our watch
 - Thoughts to share: Ho + pers
 - http://www.strategie.gouv.fr/rubrique.php3?id_rubrique=11

1	The basics behind fighting against climate change
2	The key results of Cancun and Copenhagen
3	A reading of these agreements
4	The 2011 priorities
5	Possible change scenarios

Energy and climate change: Two major challenges

	Challenge		Answer
Climate change	Long term	But	Immediate
Supply of petrol and gas	Immediate	But	Sustainable

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- First challenge: Mastering the Climate Change
 - Rise of sea level
 - Ecological system change
 - Extreme climate phenomenon
 - Water sources decrease
 - The terrestrial biosphere could become a net source of carbon... which could be an accelerating effect of climate change.

Second challenge: mastering the uncertainties revolving the supply of petrol and Gas
In 2025, we will have oil and gas, but there will always be concerns about supply, especially prices

Expected situation in 2025	Petrol	Gas
Quantity of reserves	Important	Large with shale gas
Distribution of reserves	Unevenly distributed: Three quarters are in the hands of	More evenly distributed than oil

	producers cartel	
Securing supply and prices	Maintaining a high tension between demand and capacity production	Difficult to secure
Geopolitical risks	present	Present
Price change	Expected to increase	changes are in parallel with oil prices

These two challenges require a radical energy transition as part of an global agreement of fighting against climate change.

Objectives

A global agreement of fighting against climate change	- Reduce GHGs by 50% by 2050 - Determine the sharing of efforts between countries
Energy transition of great significance	- Controlling CO2 emissions - Substantially reduce the global need for oil fossils in the medium term

The early signing of an agreement highly engaging the control of GHG emissions after 2012, including China and the United States, would be a breakthrough

The objectives resulting from IPCC works....

- Not more than 2C° in 2100
- React quickly
- -50 % of GHG in 2050

...require as soon as possible a post 2012 agreement

1. Quantified commitments for developing countries, especially U.S. and China
(*China: now the biggest emitter of CO2 before the United States and Europe*)
2. Equitable sharing of efforts to reduce emissions
3. The establishment of effective instruments

This agreement will it be achieved early enough to set GHG emissions on a virtuous path?

50% reduction in global emissions of CO2 by 2050 is considered a major energy transition

Energy transition, as seen by the IEA ...

More rational use of energy

54% of reductions

+

Cleaner production technology

46 % of reduction

=

- 50% of CO2 emissions by 2050

Implies ... in particular the use of more systematic "low-carbon energy" in generating electricity

1. The hydroelectric

2. Renewable energy wind + biomass
3. Clean coal and nuclear

And efforts of all countries

- **China is now the leading emitter of CO2 before the United States and Europe**
- **But it can be argued that its cumulative emissions since 1900 are lower than U.S. and EU**
- **Towards sharing the burden in 2050 based on the degree of development of countries...**
 - For developed countries, a distribution of effort giving each inhabitant the same quota of emissions would lead to a divide by 5.1 for Canada, 4.8 for the United States but only by 4.1 for Japan ...

And the crisis

Fewer money, less increase	
JOSEPH STIGLITZ The triumph of greed	<ul style="list-style-type: none"> ▪ Before the crisis, the U.S. and the world faced many problems, the need to adapt to global warming was not any less [...] After the crisis, these challenges are still there, even more significant than they were, but the resources, which we should have to deal with such problems would have been diminished considerably by that time. ▪ Reduce the deficit ▪ Creating jobs ▪ Decrease as of now the emissions of greenhouse ▪ Conserving Biodiversity ▪ Promoting innovation and R & D, ▪ Amount of financing in developing countries by developed countries?
OPTIMIZATION OF EXPENDITURES	
More difficult financing	
UNCERTAIN FUNDING = GIVING PREFERENCE TO AUTOMATIC MECHANISMS	

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Major emitters are integrated and reveal the following targets

Integration of the main emitters

- China and United States participate
- 87 Countries
- More than 80% of world emissions

Adoption of temperature objectives

- Not to let it exceed +2 °C

- Without excluding 1.5 °C

Call for reinforcing the objectives

- No taxation of new targets
- Calls upon United States to strengthen its goals

The adoption of a transparency and overall control process

Hard point of Copenhagen negotiations

Indian mediation

Objectives classification in 2011:

- Variation of gas and relevant sectors
- Viewing CO2 equivalents
- Trajectory reference for developing countries

MRV system of National Sovereign

- Right of technical scrutiny
- Consultation by experts
- Non-intrusive and non-punitive audit

The adoption of new mechanisms but that are still vague

Adjustment Aid to climatic changes

- Cancun adaptation framework
- Anticipating consequences
- Demographic movements and financing and technological needs evaluation

REDD mechanisms

- Formalizing the device
- Funding after developing the action plan
- 3 phases: Rewarding the efforts made at the end.

Technological transfers

- Executive committee at the end of March
- Increased needs of developing countries

Setting up financial support: create Green Fund

- 30 billion from 2010 to 2012: FAST START
- 100 billion 2020 (public or private)
- CA: 24 Members: 12 developing countries, 12 Developed
- More priority to African Islands

Toward the pursuit of market instruments of the Kyoto Protocol?

Cleaner development mechanisms

- GHG Simplified calculation+ addition
- Loans to countries less than 10 projects
- Expansion of Carbon Collection and Storage

Open strategy of Cooperation

- Ldir for programmatic approaches

- Accelerated Standardization Procedures
- Submit a review of the Durban LD

AWG LCA mandate: New possible market mechanisms

- Mechanisms of the Kyoto Protocol
- Possible Sectoral Agreements
- Supplying NAMAS with carbon credits

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The beacon of hope has been reignited

1. Willingness of all delegations to avoid another failure
 - Less ambitions
 - Leitmotiv of minimum consensus
 - Allow all possible futures: binding agreement, Kyoto extension ...
2. A seasoned negotiator
 - Open Process
 - Develop final text under its responsibility
3. Skilful governance conference
 - Unanimous consensus distinction
 - Do not take Bolivia into account
4. Mexico: land of dialogue
 - A country emerging out of Annex I
 - Developed Country: NAFTA, OECD, G20

The shadow of the G2 plane Etats-Unis/Chine is all over the negotiation process more than ever

Copenhagen at a minimum Agreement

- China requested U.S to make more efforts to achieve more reduction
- Control China

The disaster of Tianjin

- Disagreement during the Tianjin summit in October
- Epithets

And the final agreement in Cancun

- Negotiations will resume in November
- Mid-term Elections
- Agreement including MRV

Respects the Cancun talks between Obama and Hu Jin Tao

- Extension of Copenhagen agreement between Obama and Hu Jin Tao
- The two countries will build on Copenhagen and Cancun

- Other possible vision

The prospect of a new Kyoto Protocol fades out

United States of America	93	Never ratified	Categorically opposed
Canada	94	Not respected	
Russia	100	No longer wish to commit	
Japan	94	No longer wish to commit	
European Community	92		
Australia	108		
Turkey (Annex I, only)	-		
Liechtenstein	92		
Monaco (Annex B, only)	92		
Norway	101		
New Zealand	100		
Sweden	92		

Three consequences

No world agreement such as Kyoto

No extension of annex I

At best, a repeated Kyoto-like agreement in the EU, turkey, Australia to be launched now

From Kyoto to Durban: A paradigm shift

From Kyoto Agreement: Objective by country_ 05% from 1990 to 2010.

Hope from top to bottom: objective imposed on each country _ Factor 2, 2050

Then from bottom to top of Cancun: objective according to the choice of each country _ factor????

To impose a binding objective on a country is out of a question

Reign of soft law: Kyoto truly binding

Insufficient commitment, unfortunately

A reduction by developed countries from 12 to 18 % (1990)		A reduction by Developing countries of 27% in comparison to expected change.	
EU	- 20 à - 30 %	China	IE : - 40 à - 45 % (2005)
United States	- 17 % (2005)	India	IGES : - 20 à - 25 % (base 2005)
Russia	- 15 à - 25 %	Brazil	- 36 à - 38 % (BAU 2020)
Japan	- 25 %		

Probability of MORE THAN 50% OF 3° C IN 2100

Uncertain bet

Need for greater commitment of most countries	Knowing ... that a number of countries will behave like stowaways
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Show all countries the consequences of their commitments	Too weak commitment
International pressure	Commitments not respected
Domestic pressure	Discovery of oil
Two consequences	
Even more important objectives of virtuous countries being aware of climate damage	

The necessary governance review

Copenhagen: 4 countries disagree = blockade ----- Lack of consensus and unanimity
Cancun: 1 country disagree = agreement-----Consensus without unanimity
Durban: How many countries will disagree?-----And Tomorrow, how many countries will oppose.

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Open debate on reduction objectives

A project with only very weak chance of emerging ...	
An emergency	Potsdam Institute: 50% chance of exceeding 3 ° C in 2100 Report to UNEP submitted in Cancun: T could reach 4 ° C
A probable blockade	United States: No law on climate change China will not move Discourage other countries: Progressing dropping of markets
A revision not before 2014	Copenhagen: review after the next IPCC report in 2014
Levers	Inform as much as possible Alerts on the consequences of climate change Setting objectives for international transport
BUT ... STILL TO BE LAUNCHED	

Make operational mechanisms to combat deforestation

Cancun a formal act creating the mechanism	
A shared commitment	Mechanism for fighting against deforestation and forest degradation in developing countries financed by developed countries

	Forest Global Partnership: En-GB-Norway - \$ 4 Billion
THREE PHASES	Development of plans to fight against deforestation Partial remuneration of efforts of simplified criteria Full payment by a market (Cancun) or by a fund
Request submitted to developing countries	Reference levels of emissions, deforestation or forest cover Control and Reporting Community Law, ecosystems, local imperatives for development
Uncertainties to be explained	Funding Arrangements to be proposed in Durban Deforestation = fund Destination= development problem Aids for agriculture, illegal deforestation, primary forest, land law
Its implementation of that requires us to be pragmatic	

Clarifying the process of the adaptation action plan

Cancun officially recognizes the adaptation	
One adaptation committee	composition and operating rules to be specified before Durban Build on regional centers, to assist the formulation of national adaptation plans, and international center
Request submitted to developing countries	Identify funding needs and technology Develop better monitoring of climate data Thorough understanding of demographic climate Movement
Request submitted to developed countries	Ensuring the provision of new and additional funding Ensuring the availability of technology (equipment and R & D) Assistance to increases in capacity
Possible interaction with the private sector	The importance of mechanisms for sharing and transferring risk Micro-Insurance+ International insurance companies for climate risk Proposals for 2012 in Korea
Uncertainties to be explained	Setting the content of actions and the most vulnerable countries Financing distribution and conditions
Its implementation requires pragmatism (repeated)	
Developing countries: Identifying the needs for a partnership based on “energy for all”	

Defining the mechanism of technology

An idea that still need precision	
An Ideal	Transfer as soon as possible clean technologies to the developing countries
An organization	Implementation of Executive Committee of Technology Recommendation in terms of action plan Centre and network of climate technology
Rejoin plan of adaptation	Technological needs to be identified by developing countries Developing research programs

	International cooperation
Strong uncertainties	Reality of future transfers Financial mechanisms for transfer without discouraging industrial sectors
Negotiations are merely the start!	

Financing is very far from the economists' ideal realization

High uncertainty: No progress since Copenhagen	
The action points	CDM & open cooperation methods Fast start 2010 – 2012 \$ 100 billion in 2020
Great uncertainties	Funding 2013 – 2016 Extension of CDMs Origin of 100 billion Green Funds created but empty box
Report of high level panel	Innovative financing: a failure
Pathways require unanimity	Kerosene tax Tax on marine fuel Tax on financial transactions
Hard point of negotiations	

Invent new global governance for fighting against the climate

How to avoid the blockade of Copenhagen?	
Agreements with variable geometry	Simplicity merit Disadvantage: Proliferation of initiative Do not rule out either!
An ideal	Adopting a rule of majority voting (emission + incurred damages) Island States: guaranties of climate cooperation
Possible blockade	Article on voting procedures that are never adopted Blocking for over ten years Requires a vote of all parties
A new agreement	To be included in a new agreement (which will not take place until several years pass)
Adoption while waiting a "consensus-based" decision	

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Four possible scenarios after the negotiations in Durban

World Kyoto	The Solution hoped by Europeans for before Copenhagen Strong opposition from the United States and China No chance of being realized in the short term
Kyoto program for countries in Annex B	Solution hoped for by the EU before Cancun Strong Opposition Canada, Japan, Russia Very unlikely to occur
Extension of Kyoto for countries in schedule B with minimum goals	Hope to reintegrate Japan with a minimum goal (15% instead of 25) Requires an important dialogue with Australia, Turkey, Japan to reach an agreement before Durban Few chances
A failure in the logic of Cancun	build on the Sino-US agreement Way of pragmatism No major global agreement - A progressive series of decisions

A possible renewal of hope in climate

To reinvigorate the fight against climate change, a new agreement based on five axes

1. A halving of global emissions by 2050
2. Voluntary commitments by states to achieve the overall objective
3. A long-term convergence of emissions per capita of each country
4. The establishment of effective economic instruments
5. An effective climate governance

The signature in Rio, twenty years after the Earth Summit, would give it more power

THE END