

On the night of December 10, 2010 Patricia Espinosa shed a tear and received a standing ovation. The foreign secretary of Mexico and president of the 16th Conference of Parties (CoP) on Climate Change held in Cancun had just read out her speech urging all negotiating parties to accept a draft agreement anchored by her country. Mexico had managed the impossible. It had got all countries — except Bolivia — to agree on a draft very similar to the Copenhagen Accord.

World leaders applauded the Cancun Agreement even though it violated the right of developing countries to grow with an equal access to global carbon space.

What happened? What made the poorest and the most vulnerable countries, who had vehemently opposed the Copenhagen Accord in 2009, give their nod to the Cancun Agreement? What is this Agreement?

From Copenhagen to Cancun

At Copenhagen, a group of countries led by the US had plotted to replace the UNFCCC negotiating text with a framework of their own. But countries like Tuvalu, Bolivia and Venezuela rejected the framework because they believed the process was undemocratic and the framework was very weak on emissions reduction targets.

Only 116 of the 194 countries that are parties to the UNFCCC associated themselves with the Accord in Copenhagen. As the UNFCCC works on consensus, the Accord was not passed, only 'noted'.

This failure of Copenhagen affected the mood for the next CoP. It was left to Mexico to get a consensus at Cancun. The biggest opposition to the Copenhagen Accord had come from the Bolivarian Alliance for the Peoples of our America (ALBA), comprising the Latin American and Caribbean countries. The task of the Mexican government, therefore, was to work on these countries and get them on board — something which was done admirably well by Ms Espinosa.

The result was the Cancun Agreement, largely a reproduction of the Copenhagen Accord, but hailed by many as a success and a triumph of multilateralism.

In reality, the Agreement changed the basic

framework of climate negotiations, and sealed the fate of the Kyoto Protocol. No legally binding instrument for emission reduction was adopted; rather, emission reduction became based on voluntary pledges by countries. The Agreement did away with the notion of historic responsibility of the developed (Annex 1) countries. It essentially proposed the creation of a single instrument for both developed and developing countries, removing the distinction between the two, giving space for junking the historical responsibility of developed countries.

After Cancun, the world has essentially been left with a deal that, instead of arresting the average global temperature rise below 2°C — the guardrail fixed by the Intergovernmental Panel on Climate Change (IPCC) to avoid catastrophic impacts of climate change — will actually lead to an increase in temperature by 3-4°C!¹

The Cancun Agreement

On Kyoto Protocol

The Cancun Agreement on Long-Term Cooperative Action (LCA) deferred all the key decisions on Kyoto Protocol till the Durban summit. What should be the second commitment period (2017 or 2020), what should be the base period from which emissions reduction targets should be measured (1990, 2000 or 2005), what emission reduction targets should be set for countries individually and as a whole, and should the targets be mid-term, long-term or both — all these questions remained unanswered. There are now clear indications that the Agreement would allow the world to scrap the Kyoto Protocol, as there has been virtually no movement on the continuation of the Protocol.

On global warming

World leaders committed themselves (on paper) to limiting global warming to 2°C, considered a safe level of warming. But pledges made by countries over the past year under the Copenhagen Accord, which are now part of the Cancun Agreement, gave a completely different figure — going by the pledges, the temperature rise in this century may be somewhere

¹<http://www.unep.org/publications/ebooks/emissionsgapreport/>



between 3°C and 3.9°C. Small island states and countries most vulnerable to climate change impact argued that even 2°C temperature is too high and that global warming should be limited to 1.5°C.

Post Cancun, no global emission reduction target has been agreed upon for 2050; nor is there a target for peaking year or for emissions reduction for developed countries.

On the voluntary pledge-and-review regime

The Cancun Agreement legalised a voluntary pledge-and-review scheme that allowed countries to set their own domestic targets in the form of pledges – essentially, countries can voluntarily pledge what they want to do to reduce their emissions. The pledges of developed countries will be measured, reported and verified (MRV), but there will be no penalty if they fail to meet their pledges, which will mean industrialised countries can do little or even nothing and get away.

For developing countries, the pledges will be put through international consultation and analysis (ICA). This scheme disregarded past emissions of developed countries and bound developing countries to undertake emission cuts.

The Agreement did not mention equitable access to carbon space; instead, a weak and meaningless language of 'equitable access to sustainable development' was inserted, which will compromise India's and other developing countries' right to development.

On funding

The Agreement provided for a Green Climate Fund to manage a portion of the US \$100 billion every year from 2020 onwards, committed by developed countries under the Copenhagen Accord, to meet climate change mitigation and adaptation needs of developing countries. In the short run, developed countries agreed to greater transparency in providing US \$30 billion as a fast-start climate finance, between 2010 and 2012.

A closer look at the text reveals this fund will not be direct aid or grant but will be generated through market mechanisms like equity or by way of loans. Of the total fast-start money, pledges by the developing world amounting to US \$28 billion have been made. Of this, US \$16 billion is yet to be allocated. Half of the fast-start money – US \$15 billion — was to come from Japan, which opposes the second commitment period of the Kyoto Protocol. It did not put any money on the table in the first year.

On technology

The Cancun draft proposed a Technology Executive

The balance sheet

Developing nations agree to:

- Write off the historical debt of developed countries
- Have their own domestic emission targets / actions
- Allow third-party verification of these targets, making it binding
- Emission targets of developed countries (that are not sufficient to limit global temperature increase below 2°C)

Developed nations agree to:

- Generate US \$100 billion in long term, and \$30 billion in 2010-12
- Facilitate technology transfer through innovation centres
- Fund REDD and address own actions leading to deforestation
- Link adaptation to Hyogo Framework for Action, a global treaty on disaster risk reduction
- Fund research on understanding vulnerability, impacts, development of plans and creating institutional responses

Committee and a Climate Technology Center and Network for transfer of technology to fight climate change. The committee will make terms of reference for the technology centre which will control smaller nodes across the world. These nodes will find and develop innovations and technologies, and help procure finances for developing countries. But the agreement makes no mention of intellectual property rights, which means patented technologies cannot be accessed.

On adaptation

The Agreement created a new climate adaptation framework and an adaptation committee. The framework sets out priority areas for action, including migration and disaster risk reduction. Contentious questions like how adaptation funds will be allocated to various countries remain unresolved.

On carbon offsets

The Cancun Agreement allowed developed countries to meet their 'modest' emission reduction targets through trade in carbon credits. It not only proposed the continuation of the clean development mechanism (CDM), but also expanded its scope to allow the generation of cheap carbon credits. Worse, it did not set any limits on how much offsets developed countries can use to meet their targets — this will allow rich countries to get away without cutting emissions domestically.

The Agreement has a sectoral approach to carbon credits. For instance, sectors like iron and steel or cement would be eligible for carbon credits only if the entire sector becomes efficient and meets certain baseline emission intensity. But this new approach can increase the number of projects eligible for credits, generating massive amounts of cheap credits, opening an easy route for developed countries to meet emissions targets.

At Cancun, the UK and Saudi Arabia had pushed for inclusion of carbon capture and storage (CCS) under the Agreement. CCS involves capturing carbon emissions and storing it underground. But it is a new technology and has not been tested well for effectiveness or safety. It allows the use of coal in developed countries and will generate massive amounts of credits.

Another way of getting credits is through land use, land use change and forestry (LULUCF), which could find its way into the carbon offset mechanism in future. Under the Kyoto Protocol, developed countries need to account for release of greenhouse gases from changes in land use and forest under their emission reduction targets. These include activities like logging, conversion of forestland to agricultural land and draining and re-flooding of wetlands. But emission count under LULUCF is tricky; offsets, if allowed from LULUCF, could lead to pilferages.

The new proposals on CDM could only mean that the developed world would have access to a large number of cheap carbon credits. In theory, they could meet all their emission targets only by using these credits.

On REDD

The Agreement formally backed the programme of reducing emissions from deforestation and degradation (REDD). It asserted the role of developed countries in giving financial support to developing countries and limiting their activities which drive deforestation. It also listed a plan of action for countries to prepare themselves for the REDD+ regime, which included mapping of forests and calculating their carbon stock.

But whether REDD+ would be a multilateral mechanism or would be implemented bilaterally between a developed and a developing country, was not decided. One major failure of the Cancun text on REDD+ was that it did not address the rights of indigenous peoples and forest communities; nor did it focus on a benefit sharing mechanism for them.

The Agreement did not mandate agencies at national and international levels to ensure the safeguards are observed. Countries like Brazil, Indonesia and China are using aid from European countries for REDD+ projects under bilateral





agreements, but there is no framework in place under which donor countries can track improvements in forest governance.

What did India get out of Cancun

India gave in to pressure from developed countries by agreeing to international verification and reporting of its domestic actions, but got nothing in return. It received no commitments on emissions reduction targets for developed countries, on the second commitment period for the Kyoto Protocol, or on assured finance or technology.

The technology mechanism established under the Agreement was facilitative in nature. It did not address the issue of intellectual property rights – hence, the problem of access to affordable mitigation and

adaptation technologies for developing countries remained unresolved.

The Fast Start Finance, on which the developed countries have reneged so far, was embedded in the Agreement. But there was no clarity on whether it would be in the form of grants or loans. Neither was an accountability mechanism established to ensure that developed countries did not go back on their commitments.

In other words, while India succumbed to the pressure to agree to a universal instrument, it failed abysmally to get the more powerful countries to agree to the basic actions to combat climate change. CSE sees this as a sign of a weak and subservient India, keen to be part of a global alliance of polluters at the cost of its poor people.