

Following the failure of the 15th Conference of Parties (CoP 15) at Copenhagen to deliver a fair, equitable, ambitious and binding treaty needed to protect the climate, not much was expected out of CoP 16 at Cancun, Mexico. In fact, many believed that the multilateral process of negotiations under the UN Framework Convention on Climate Change (UNFCCC) would end at Cancun. This didn't happen, and COP 16 will be remembered for restoring the faith of the world in multilateral negotiations. But it will also be remembered for the triumph of process over content. Cancun Agreement, which was signed by all countries except Bolivia, has many loopholes and has left many issues open-ended. These issues will have to be resolved at Durban.

The second commitment period of the Kyoto Protocol

What will happen to the Kyoto Protocol (KP) and its second commitment period will be the most contested issue at Durban.

Under the Cancun Agreement, the discussions on the second commitment period of KP were permitted to move forward, with a view to having its results adopted *'as early as possible and in time to ensure that there is no gap between the first and second commitment periods.'*

The first commitment period of KP ends in 2012. To avoid any gap between the first and second commitment periods and therefore to maintain the integrity of KP, the decision on the second commitment period will have to be taken in Durban. Durban, therefore, will decide whether KP survives or not.

The problem is there is no consensus among the countries on KP:

Japan, Canada and Russia have already signalled that they will not take on a second commitment period.

The EU is considering adopting a second commitment period. But it wants the larger developing countries to agree to cut the business-as-usual growth in emissions as a pre-condition.

Australia and New Zealand are currently bidding their time without having committed one way or another.

The developing country bloc, primarily led by the

G77 and China, is pushing for a second commitment period as red lines in the negotiations.

The legal form

The Cancun Agreement approved the voluntary 'pledge and review' emissions reduction target of the developed and the developing countries under the long-term cooperative action (AWG-LCA) track. Under this system countries will now be allowed to set their own domestic targets — pledges — whatever these may be. The pledges of the developed countries will be measured, reported and verified (MRV). There are no penalties if they fail to meet their pledges (unlike the Kyoto Protocol which has a clear compliance mechanism). For the developing countries, the pledges will go through international consultation and analysis (ICA) — euphemism for a little relaxed MRV.

However, there is demand for making these targets legally binding. In Durban, there will be discussions on this. Many countries, including the EU, AOSIS and LDCs, are pushing for a deadline of 2015 for a new legally binding target for all major emitters. India, China and the US is against any such target/agreement.

Increasing the ambition and bridging the giga-tonne gap

To keep the global temperature rise below 2°C, the global emissions must drop to 44 gigatonnes¹ of CO₂ equivalent (CO₂e — all greenhouse gases) by 2020. The world is already emitting around 48 gigatonnes of CO₂e and in business-as-usual scenario — this will increase to 56 gigatonnes by 2020. So the world needs to cut its emissions by 12 gigatonnes from business-as-usual scenario by 2020.

A new report titled "The Emissions Gap Report: Are the Copenhagen Accord pledges sufficient to limit global warming to 2° C or 1.5° C?" compiled by the UN Environment Programme (UNEP) finds that:²

- Fully implementing the pledges associated with the Copenhagen Accord (now inscribed in Cancun Agreement) could, in the best case, cut emissions to around 49 gigatonnes of CO₂e by 2020. This would leave an 'emissions gap' of around 5 gigatonnes of CO₂e between where nations might be in 2020 versus where the science indicates they need to be.



- In the worst-case scenario, the global emissions could be as high as 53 gigatonnes in 2020, only slightly lower than business as usual projections.

The Copenhagen pledges, now part of the Cancun agreement, therefore, is short by as much as 5-9 gigatonnes of CO₂e emissions reduction. This will put the world on course for a 3-4° C temperature increase.

There is demand from the developing countries, especially the LDCs and AOSIS, to increase the ambition of mitigation targets of Annex 1 countries as well as of major emerging economies like India and China. EU has already announced that it will agree to the second commitment period of the Kyoto Protocol only in condition that countries like India and China must put an ambitious target for deviation of their emissions from business-as-usual.

Note: A fight over what is business-as-usual for developing countries is also likely to happen.

Climate finance

The Cancun Agreement has established a Green Climate Fund under the Convention, with the World Bank as an interim trustee, to support projects, programmes, policies and other activities in developing country. It has also repeated the Copenhagen Accord pledges of a fast-start finance and long-term finance to the developing countries. A Fast-start finance of \$30 billion for 2010-2012 and a goal to mobilise \$100 billion a year by 2020 has been put in the Cancun Agreement.

The developed countries have so far failed to fulfil their commitments for the Fast Start Finance. Instead of 'New and Additional' resources promised, in 2010 half of the Fast Start Finance of the European Union (EU) was loans. The US had not even budgeted this finance in 2010.

Similarly, there is no money to fill the Green Climate Fund and there is no agreement on the sources of long-term finance or the design of the fund. In fact, in Panama, the US actually resisted developing countries' demand to even discuss the issue of long-term finance and put it on the agenda of the finance group.

There is no consensus on the design of the Green Climate Fund. The Transitional Committee for the design of the Green Climate Fund has met four times since its inception and in the last meeting in Cape Town (from 16-18 October 2011), the US and Saudi Arabia blocked consensus and the committee failed to come to an agreement. There are disagreements on almost all issues including the relationship between the Green Climate Fund and the CoP (developing

countries want the CoP to have a major say in the decisions of the fund), the sources of the long-term finance and the role of the private sector in it and how the money should be disbursed.

There is also an issue of what happens between 2012, when the fast start finance ends and 2020, the year in which developed countries have pledged \$100 billion a year. There are too many uncertainties about the amount and kind of funding which will be available between 2013 and 2019. Developing countries want a clarification on this issue in Durban.

Like second commitment period of KP, finance will be a make or break for Durban. Without movement here, there is unlikely to be any progress on other issues.

Who will be on the adaption committee

The Cancun Agreements established a Adaptation Framework with the objective of enhancing action on adaptation and an Adaptation Committee to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention.

There are discussions happening over the composition and the architecture of the Adaptation committee. The major dispute is over the composition. Developing countries want that the Committee should have a majority of members representing developing country Parties because of the diversity in national circumstances and because developing country Parties are suffering most from the adverse effects of climate change and thus have the greatest adaptation needs. Developed countries Parties, on the other hand, suggested having an equal number of members from developing and developed country Parties.

In Durban, everything related to the Adaptation committee is up for discussion: the composition of the committee, the modalities and procedures for operationalising the committee, including its linkages with other relevant institutions like the CoP and the Green Climate Fund.

Other issues on the table

The discussions of REDD+ will be around technicalities as there is complete support on the REDD+ from most countries. The issue on the table includes guidelines on setting forest-sector emissions baselines, forest carbon monitoring techniques and mechanism to review safeguards for REDD projects. The tricky issue for discussions is whether REDD+ projects will be used as an offset by the developed countries and what role markets will play in the future financing of REDD.

There will be discussions on Kyoto loopholes –

LULUCF loopholes and the use of 'hot air' to offset emissions. The loopholes in the accounting rules for the Land Use, Land Use Changes and Forestry (LULUCF) is allowing developed countries to increase their emissions. Developing countries are demanding the revision of the accounting principles. Similarly, with erstwhile USSR and eastern european countries having surplus AAUs of 9-14 billion tonnes of carbon dioxide during the first Kyoto commitment period, rich developed countries can just buy this 'hot air' and do nothing to reduce their domestic emissions. The issue on the table is whether the 'hot air' will be allowed to be tranfered to the second koyoto period or any equivalent treaty that emerges for post 2012 period. Developing countries want the 'hot air' to lapse in 2012.

India's agenda

India has recently forwarded three additional agenda item to UNFCCC for discussions in Durban:

1. IPR and Technology transfer: India wants a global intellectual property rights (IPR) regime that accelerates access to critical mitigation and adaptation technologies to developing countries under the FCCC at 'reasonable cost'.
2. Equitable Access to Sustainable Development: India wants the remaining carbon budget for the period 2010-2050 to be divided between countries based on equity and sustainable development. It has worked with other BASIC countries and has come out with an approach to apportion the carbon budget. It wants the carbon budget approach to be included in the AWG-LCA discussions.
3. Unilateral Trade Measures: India is concerned about unilateral trade measures being taken by the developed countries in the name of climate protection, for instance the inclusion of the international aviation in the EU-ETC. It wants such unilateral measures to be prohibited by the CoP.

References

- 1 1 giga tonne is equal to 1 billion tonne
- 2 <http://www.unep.org/publications/ebooks/emissionsgapreport/>