

International climate policy, Copenhagen

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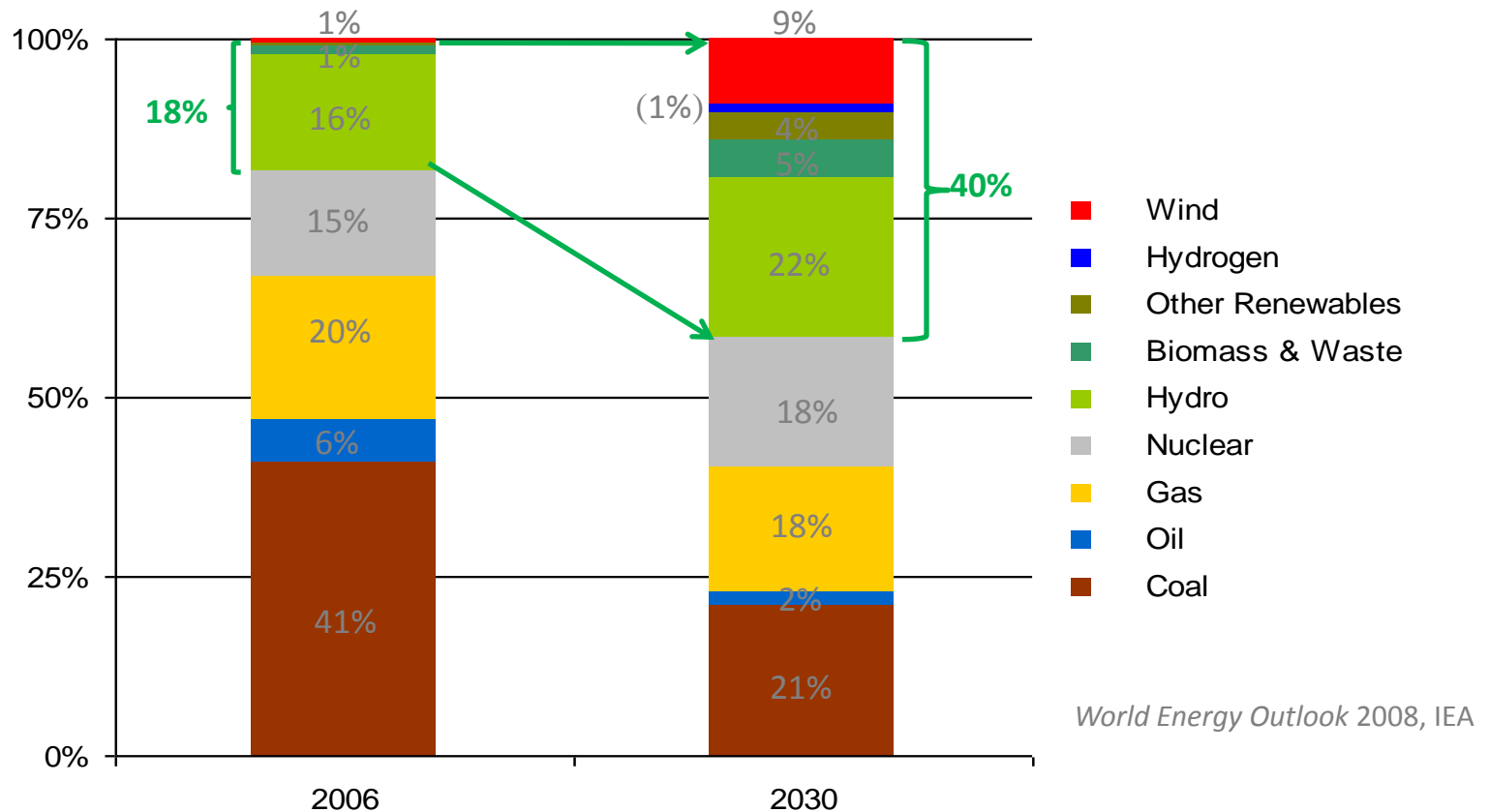
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December, 2009

Global Trends: climate change @ international level

- Science: political consensus emerging on keeping warming to below 2 degrees (450ppm or less); linked to 80% cuts in emissions by 2050;
- Infrastructure: the next 10-15 years energy of investment will lock-in 2050 emissions
- Finance: International Energy Agency et al scale of investment needed to transform energy economy
- Foreign Policy: energy as traditional strategic issue in most countries; linkages e.g. food and water security; plus near-term domestic concerns on energy.

Global electricity generation 450 ppm Scenario



Renewables account for a 40% share of power generation in the 450 ppm scenario.

International: UN climate policy, a 1 slide history

- 1988 first Ministerial conf in Toronto: 20% cut in CO₂ by 2005
- 1990 First IPCC Assessment Report
- 1992 UN Framework Convention on Climate Change (UNFCCC)
- 1997 Kyoto Protocol – binding agreements on industrialised countries; 2008-2012
- 2005 Kyoto Entry into Force
- 2006 Stern Review
- 2007 Gore, IPCC 4th Assessment Rpt – Nobel Prize
- 2007 Bali Roadmap → terms of reference for ‘global deal’
- 2009 7-18 December – Copenhagen ‘COP15’

UNFCCC and its Kyoto Protocol

UNFCCC

- Objective – to stabilise GHG emissions at a level that prevents ‘dangerous’ climate change. Political judgement.
- Contains key principles – common but differentiated responsibilities (industrialised countries go first)
- Focus on GHG emissions, and the policies and measures to achieve reductions;
- Technology transfer and financing for developing countries
- National inventories of emissions by source and removals by sinks, and measurement and reporting methodologies (basis of compliance)
- Split into ‘Annex I’ Parties – industrialised countries; and non-Annex I Parties.

UNFCCC and its Kyoto Protocol 2

Kyoto Protocol

- Legally binding targets for industrialised countries – to be achieved in a ‘first commitment period’ 2008-2012
 - Means to achieve these, including the three ‘flexibility mechanisms - trading: CDM; Joint Implementation; and Emissions Trading (betw govts);
 - Use of flexmex should be ‘supplemental’ to domestic action;
 - Marrakesh Accords, rule book for flexmex (agreed, 2001)
 - MRV (Arts, 5,7&8)– Monitoring Reporting and Verification.
 - Compliance provisions.

Copenhagen 1

- The 2012 deadline kickstarted this Round. Aim is for global deal: this will signal the 'climate driver' in nations and markets, across 2012-2020+ timeframe.
- For first time ('nationally appropriate') actions by developing countries
- Awkward 2-track process: (Kyoto + 'Global', re US)
- Copenhagen not end in itself, after December:
 - nutting out further operational details, e.g. for finance arrangements;
 - plus national 'implementation agenda' the cascade down to national policy & markets. and national energy politics

Copenhagen 2: 'Bali Action Plan' – key paras

The Bali Action Plan calls for:

- New, ambitious mid-term targets in developed countries
 - National actions that curb emissions growth in developing countries;
- (i) Measurable, reportable and verifiable nationally appropriate mitigation commitments or actions, including quantified emission limitation and reduction objectives, **by all developed country Parties**, while ensuring the comparability of efforts among them, taking into account differences in their national circumstances;
- (ii) **Nationally appropriate mitigation actions by developing country Parties** in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner.

Copenhagen 3: other key pillars of the deal

- Other key components include:
 - Finance and technology: an acceptable package of resources to support developing country actions (private sector referenced as key actors)
 - Evolution of GHG market framework (from projects to ‘sectoral’?)
 - Adaptation: provision of finance & other arrangements
 - REDD – Reduced Emissions from Deforestation and Degradation, in context of supporting developing country actions

KP negotiations ongoing...v important for developing countries (plus houses CDM architecture....)

Scale & ambition level for Copenhagen 1

Science driven: for 450ppm: 25-40% cut in GHGs for industrialised countries by 2020, global 'peak and decline' - emissions peak in 10-15 years, then decline, to meet lowest emissions stabilisation options.

EU

- 20% unilateral cut in GHG by 2020 + 30% if international agreement. Advocates 30% cut for ind. countries as a group.
- Also proposes developing countries as a group reduce GHG by 15-30% below BAU by 2020.....
- Supports a global emissions cut by 'at least' 50% by 2050, must peak in 2020, and suggests that economic transformation to achieve an 80-95% cut by industrialized countries by 2050 will be required.
- Financing of (\$3-22 bn per year by 2020, as part of overall \$32-73.5 billion package for developing countries).

Scale & ambition level for Copenhagen 2

US

- President Obama – supports US economy-wide cap-and-trade program to cut GHGs by 80% by 2050.
- Looking now to bring ‘range’ to Copenhagen around 17% GHG cut by 2020 (over 2005 levels), based on Waxman-Markey; consistent with what is going through Congress.

China/India

- China: 40-45% cut in emissions intensity by 2020 (per unit GDP)
- India: Environment Minister signalling GHG limits in law; 20GW solar policy
- Brazil: 36-39% cut by 2020 over BAU

Japan

With change of government: 25% cut in GHG by 2020 (1990).

Unprecedented Escalation of Politics

60+ Prime Ministers or Heads of State have signalled intent to attend Copenhagen (incl UK, G, Fr, Spain, Japan, Austrl, Brazil, Indonesia ...and most recently United States and China)

UN Summit in New York (22 Sept) - head of state roundtables on key themes: *“What kind of conditions for life do you envisage acceptable in the long term? What kind of long-term climate goals would they imply?”*

Pr. Obama: *“the threat from climate change is serious, it is urgent, and it is growing”*.... if we fail to act *‘boldly, swiftly and together – we risk consigning future generations to an irreversible catastrophe’*; [later that week, the G20 advocates the phase out of fossil fuel subsidies]

Pr. Hu Jintao: climate change means a *‘profound impact on the existence and development of mankind and is a major challenge facing all countries’*;

Prospect of Deal?

- Expectation shifted to ‘binding political agreement’ : Copenhagen Accord?
- Agree operational elements during talks, but not finalised for legal ratific., could contain:
 - Schedule of emissions commitments
 - Institutional arrangements etc
 - Money
- Leading to binding agreement forthwith.....

Conclusion

Intensive and complex politics in lead up to Copenhagen; bounded by unprecedented media and public scrutiny

Politics escalated to heads of state level

What kind of deal? (2am on final morning? 4pm on Fri afternoon); head of state mean decisionmakers in room

Post-Agreement, focus shifts to the 'implementation agenda' (operationalising rules)

National level: pressure around integration w economic development, energy policy (politics) & infrastructure = key.