



What is a Green UN climate deal?

The UNFCCC talks in Copenhagen from a Green perspective

This paper aims to give a short overview of the main issues in the UNFCCC negotiations on a post-2012 international climate deal and outline the Green group in the European Parliament's expectations for a fair and just agreement.

The UNFCCC process and Copenhagen

The UN Framework Convention on Climate Change, which was signed at the 1992 Earth Summit in Rio de Janeiro, currently counts 192 members. Its ultimate objective is the "stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system". Its Parties are expected to commit to actions to this end. The Kyoto protocol, signed in 1997, was the first such set of commitments. It sets binding emission targets for industrialised countries (Annex I) that would reduce their emissions on average 5.2% below 1990 levels over an implementation period of 2008-12¹.

The current negotiations in the UNFCCC are aimed at securing an agreement to deliver on the convention's objectives beyond 2012. The UNFCCC COP13² at Bali in December 2007 adopted a Road Map in order to direct the negotiations on a post-2012 agreement, with a deadline for the agreement to be adopted at the COP15 in Copenhagen in December 2009.

A series of meetings in the UNFCCC throughout 2009 are aiming to set out the details of the draft negotiating text, with a view to ensuring most technical aspects of the agreement being finalised before the COP15 meeting in Copenhagen at which the final agreement is hoped to be adopted. The EU as a whole is recognised as negotiating party, with the EU rotating Presidency and the European Commission negotiating on behalf of the EU.

Key issues for a UN climate deal

The negotiating text covers the details of all areas necessary for the implementation of an agreement. So, in addition to required reductions in greenhouse gases from the parties, this could cover mechanisms for financing mitigation and adaptation in developing countries, the architecture of the carbon market, mechanisms to reduce emissions from deforestation, the transfer of technologies required by developing countries as part of their mitigation efforts, among other aspects. Below is a brief explanation of some of the key issues.

¹ Under the Kyoto Protocol, the European Union was tasked with reducing its emissions by 8% over the period based on 1990 levels - this applies to the EU15 i.e. the fifteen EU members before the most recent enlargements from 2004 on. Not all UNFCCC parties ratified the Kyoto Protocol - the notable exception being the US. Of those that have, many have failed to deliver on their commitments.

² The Conference of the Parties (COP) is the supreme body of the UNFCCC. Its role is to promote and review the implementation of the Convention. It periodically reviews existing commitments in light of the Convention's objective, new scientific findings, and the effectiveness of national climate change programs. The 3rd COP in Kyoto, Japan, led to the adoption of the Kyoto Protocol.

Emissions reductions and financing

- *Emissions reductions in industrialised countries*

According to the fourth assessment report (4AR) of the IPCC³, greenhouse gas emissions reductions for industrialised countries in the range of 25-40% by 2020 (compared to 1990 levels) will give up to a 50:50 chance of limiting global warming to 2°C above pre-industrial levels⁴. Global emissions will need to be reduced up to 80% by 2050 (compared to 1990 levels), with industrialised countries needing to reduce emissions 80-95% by 2050. While there is a growing body of climate scientists that believes the IPCC 4AR estimates are far too conservative⁵, the IPCC recommendations have at least been endorsed by a number of parties to the UNFCCC⁶.

The European Union has had the stated objective of limiting warming to 2°C above pre-industrial levels for some years now, this objective was endorsed by the G8 group of industrialised countries in June 2009.

For the Greens, any international agreement on climate change must be consistent with an emissions trajectory that gives a high probability of keeping warming well below the dangerous level of 2°C. To this end, in accordance with the IPCC recommendations (which only give a 50:50 chance), global emissions need to peak by 2015 followed by a sharp decline thereafter, leading to global emissions reductions of 80% below 1990 levels by 2050. This means **the international agreement must include binding targets for industrialised countries that collectively add up to emissions reductions at the high end of the IPCC 4th Assessment Report (4AR) range of 25-40% by 2020 from 1990 levels to be delivered domestically** and not through the purchase of offsets.

The European Union has committed to reducing its greenhouse gas emissions 30% by 2020 (compared to 1990 levels) following the conclusion of an international climate agreement. In advance of an international agreement, EU leaders agreed to a binding reduction target of 20% by 2020. This commitment does not reflect the true share of the EU's responsibility however, in terms of historical emissions, current emissions and economic wealth.

The Greens believe the EU needs to reduce its emissions by a minimum of 40% by 2020 and that these reductions need to be domestic i.e. that the reductions

³ The Intergovernmental Panel on Climate Change operates under the auspices of the United Nations Environment Programme and the World Meteorological Organisation, drawing on the expertise of hundreds of the world's leading scientists to assess information in the scientific and technical literature related to all significant components of the issue of climate change. It prepares periodic assessments of the scientific underpinnings for understanding global climate change and its consequences. The IPCC is regarded as the official advisory body to the world's governments on climate change science, with its reports informing discussions and negotiations under the UNFCCC.

⁴ While 2 degrees warming would, in itself, entail significant impacts for the climate with devastating global consequences, the 2 degree limit is advanced by the IPCC as the limit beyond which there is a risk of runaway warming and dangerous climate change.

⁵ A number of more recent peer reviewed studies using the same modeling suggests that global emissions reductions of at least 80-90% by 2050 will be needed to avoid dangerous climate change.

⁶ The fourth assessment report of the IPCC in 2007 is the most recent major IPCC report, which is used as the scientific consensus or benchmark for international policy-making.

<http://www.ipcc.ch/ipccreports/ar4-wg1.htm>

take place within the EU and not offset externally. Only a reduction on this scale would be consistent with the limiting warming to 2°C.

- *Emissions reductions in developing countries and financing*

In addition to emission reductions in developed countries, the IPCC fourth assessment report (4AR) scenario (with a 50:50 chance of limiting global warming to 2°C above pre-industrial levels) would require a trajectory for significant deviation from the projected greenhouse gas emissions pathway in developing countries. The EU and other industrialised countries expect developing countries to reduce their emissions 15-30% by 2020 from a business-as-usual scenario (in addition to emissions reductions delivered to offset efforts by industrialised countries to meet their targets). Clearly, the emerging economies must set out clear plans to achieve this 15-30% deviation.

It is generally accepted that, given developing countries have limited historical responsibility for manmade global warming through greenhouse gas emissions, in the context of an equitable climate agreement, they should not have to bear the financial responsibility for all the measures necessary to mitigate climate change and adapt to its consequences. This implies that industrialised countries, based on their historical emissions, current emissions and economic wealth, have a responsibility for financing part of climate mitigation and adaptation efforts in developing countries.

There are many estimates for the amount of funding necessary each year for mitigation and adaptation in developing countries. A recent UN report cited a figure of \$350bn per annum by 2020. The recent communication by the European Commission estimated the total amount necessary as being €66-80bn per year, of which €22-50bn should be provided for by public funding (from industrialised and some developing countries).

The Greens believe that an accurate model for sharing the responsibility for international climate efforts based on historical emissions, current emissions and economic wealth implies the **provision of €110bn⁷ in additional funding by 2020 from industrialised countries**. The financing from industrialised countries for mitigation in developing countries must be supplemental to domestic reduction targets and not offsetting them. A bottom line for the Greens is that any financing for climate change adaptation in developing countries must be new and additional, and under no circumstances, merely a repackaging of existing ODA budgets. The international climate policy framework must ensure independent, predictable financing for assisting low-income vulnerable countries in adapting to inevitable climate change. There should be a fair representation of countries in the governance of these funds.

The EU's responsibility for a fair share of this financing effort for developing country mitigation and adaptation would amount to €35bn per annum by 2020. These funds could be raised through the revenue generated through the auctioning of permits under the emissions trading scheme, for example.

The responsibility for industrialised countries to finance mitigation in developing countries could also be implemented in the form of dual targets, i.e. in addition to domestic greenhouse gas reductions, Annex I countries would be responsible for

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This includes €70bn for climate change mitigation and €40bn for adaptation.

financing reductions in developing countries corresponding to a percentage of their own emissions.

Binding and enforceable agreement

In order to be effective, any international agreement must be binding. At present, there is a risk that the current negotiations will not lead to an agreement that is binding, or to an agreement that is less binding in nature than the Kyoto Protocol. Some proposals regarding the legal nature of the agreement, from countries such as the US, are more like voluntary pledges to be subject to review.

In order to be truly binding, the agreement must include strong compliance mechanism. This is true of emission reductions targets but also regarding the support to be provided by industrialised countries to developing countries. **For the Greens, the compliance mechanism in set out in the Kyoto protocol⁸ is the minimum acceptable compliance mechanism** but ideally penalties for non-compliance would involve financial penalties.

The Greens also believe that industrialised countries, in the first place, should commit to binding linear emissions reduction pathways. Given that the science informing international climate policy is periodically updated, the international agreement must include provisions to take account of this. **Commitments must be reviewable to take account of the latest findings of the scientific consensus within 5 years.**

Flexibility instruments, offsetting and technology transfer

The flexibility instruments under the Kyoto protocol (the Clean Development Mechanism and Joint Implementation - CDM/JI) were designed to assist industrialised countries in meeting their emissions targets by investing in emissions reductions projects in developing countries⁹. While some of the projects under these instruments have been beneficial, there have clearly been problems with the system as whole: notably as regards the verifiability and additionality (i.e. whether or not the actions/projects would have occurred in any case).

If there is a provision for such instruments in a post-2012 agreement, for example as a compliance option for dual targets, it will be necessary to address many of the problems. **A much more effective system for verifying the projects and their additionality is essential.** The Greens also believe that Clean Development Mechanism style projects should only take place in the Least Developed Countries and that should be ideally phased-out elsewhere from 2013.

Other bottom lines for the Greens include ensuring that dangerous, unproven or potentially environmentally damaging technologies are not considered eligible. This means that nuclear power should under no circumstances be included (given the safety, security and health concerns). Carbon capture and storage, which is as yet an unproven and potentially dangerous technology, should also be excluded. Other large scale projects that are unsustainable or have negative environmental impacts - such as large scale hydro-power production schemes - should also be excluded.

⁸ http://unfccc.int/kyoto_protocol/compliance/introduction/items/3024.php

⁹ JI and CDM are project-based mechanisms which feed the carbon market. JI enables industrialised countries to carry out joint implementation projects with other developed countries, while the CDM involves investment in sustainable development projects that reduce emissions in developing countries.

The Greens also believe that **the reduction of emissions from deforestation and forest degradation, as well as from soil, should not be included for any project-based crediting**. These are best addressed by separate targeted policy measures. The problems of monitoring and verification of such projects are among the most prominent arguments against including them under market-based mechanisms (like the Clean Development Mechanism) in any post-2012 agreement. There is also a serious potential to undermine the effective functioning of the carbon market (see below).

Clearly, any agreement must make genuine progress on the issue of 'technology transfer' to developing countries, including addressing any potential intellectual property barriers through compulsory licensing or other mechanisms, to ensure the necessary clean technology can be easily deployed in developing countries. This could involve the development of international plans for the deployment of these technologies (for example zero emissions buildings or concentrated solar power).

Emissions from deforestation and forest degradation

Deforestation accounts for 20% of global emissions, so it is essential that this be addressed as part of any comprehensive international agreement on climate change. Developing countries account for the majority of deforestation and forest degradation at global level at present and efforts to reduce emissions from these activities must be focused on the developing world. A sustainable reduction in emissions from deforestation and forest degradation in developing countries requires stable, adequate, long-term availability of resources additional to ODA. Given the economic background of these countries and their limited historical responsibility for climate change, it is generally accepted that industrialised countries must assist in this effort.

Progress on the issue in the UN climate talks has been much slower than hoped for. Despite being at the centre of the agenda since the UNFCCC meeting in Bali in 2007, the creation of a functioning funding mechanism for Reducing Emissions from Deforestation and Degradation (REDD) remains elusive. While there is some agreement on creating a multi-donor fund, the role of this fund under an international agreement remains ill-defined.

Some countries want to include forest protection under a carbon trading mechanism - so that industrialised countries could buy credits in such projects to offset (in lieu of) domestic emissions reductions. However, the problems with this approach have been clear for some time.

While **the Greens** support performance-based mechanisms with national baselines for rewarding the maintenance of tropical forest carbon sinks, they will continue to **oppose attempts to include REDD in market-based mechanisms**.

The problems of monitoring and verification of such projects are among the most prominent arguments against including them under market-based mechanisms (like the Clean Development Mechanism) in any post-Kyoto agreement. There is also a serious potential to undermine the effective functioning of the carbon market. According to a study by Greenpeace¹⁰, the unlimited inclusion of forest credits in carbon markets could in fact crash the price of carbon by as much as 75%, which would be disastrous. At the other end of the scale, allowing only a small volume of

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<http://www.greenpeace.org/usa/news/the-economics-of-forests-and-c>

such credits, as envisaged by some in the US, would contribute very little to avoiding deforestation. This is not to mention other problems like land rights.

The European Commission has also recognised this¹¹ and forest credits are not recognised for compliance in the EU emissions trading scheme. .

The alternative is to provide support for developing countries for REDD via a designated fund, made up of new and additional finance. The European Commission has proposed such a fund (a 'Global Forest Carbon Mechanism'), estimating that €15-25 billion per year will be needed by 2020 to halve deforestation.

The Greens support the idea of such a fund in principle, as the most effective means of including REDD in a UN climate agreement. However, the amounts suggested by the European Commission are regarded by many as insufficient. **An effective fund for addressing REDD in developing countries is likely to require €30bn per year.**

The REDD mechanism must encourage developing countries to pursue demonstration activities and develop national approaches to measuring and monitoring forest carbon emissions. It must also be structured to promote co-benefits, including the conservation of biodiversity and ecosystem function and services, and access to benefits by local and indigenous communities.

RMOF 14/9/2009

¹¹

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0645:FIN:EN:PDF>