

Prospects for a climate change agreement

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Prospects for a climate change agreement

- Where have we come from?
- Where are we now?
- What next?

Prospects for a climate change agreement

- UNFCCC adopted 1992
- Kyoto Protocol 1997
 - Annex 1 countries to reduce GHG emissions by 5.2% between 2008-2012
 - to be achieved through domestic action and offsetting (CDM)

Prospects for a climate change agreement

- COP 15 – Copenhagen Accord
 - Agreement on 2 deg goal
 - Cuts in developed (Annex 1) countries' emissions
 - Voluntary action by non-Annex 1 countries
 - Finance for developing countries (\$30 bn for 2010-2012; \$100bn pa by 2020)
 - 'Technology Mechanism'

Prospects for a climate change agreement

- All Annex 1 countries pledged reductions
- Total reductions of 12-17% below 1990
- Major non-Annex 1 countries submitted national policy actions (China, Brazil, India, South Africa, Korea)

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- Copenhagen Accord did not
 - Secure binding emission targets consistent with 2 deg goal
 - Progress towards global carbon markets
 - Clarify how the Accord would sit with the Kyoto Protocol
 - Explain how the Technology Mechanism would assist with climate mitigation

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- COP 16 : CANCUN
 - Formally adopted the 2 deg goal
 - Green Climate Fund to administer the funding pledged at COP 15
 - Technology Mechanism to have a Technology Executive Committee and Climate Technology Centre and Network
 - Enhanced monitoring, verification and reporting

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- COP 17 : DURBAN

- Roadmap towards a binding agreement by 2015
- Agreed a second commitment period under Kyoto Protocol

COP 18 : DOHA

- No major decisions
- Incremental progress on emission commitments
- New process to consider compensation to DC's for 'loss and damage'

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- OUTLOOK

- Negotiations for a global agreement will be extremely difficult
- ‘Loss and damage’ issue adds to tensions
- Emission reduction pledges far short of what is needed for 2 deg goal
- BUT many more countries now have mitigation plans
- AND many countries looking at carbon pricing

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Carbon pricing

- CDM Reform
- EU ETS
- Australia, NZ, California, RGGI
- China, Korea, Chile, etc

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- CDM Reform
 - Achievements (1 bn tCO₂; \$215bn investment; \$3.6bn savings)
 - Level of ambition crucial for future/need to address crisis of demand
 - Enhance mitigation impact /reduce cost/standardise procedures/ensure additionality
 - Improve governance/accountability/accessibility

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- EU ETS
 - Collapse of EUA allowance price
 - EP vote against ‘backloading’ (delaying auctioning of 900m EUA’s to mitigate 2bn surplus)
- EU /Australia linkage

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- China
 - 7 ETS pilots
 - 2, Shenzhen and Shanghai, start in June
 - Remain committed to a national scheme 2016-2020
- Korea – ETS to start 2015
- California, Quebec, Kazakhstan started this year

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CONCLUSIONS (I)

If at all, will be Dec 2015(COP 21 in France)

- ‘Legally binding’??
- Meantime, individual countries, provinces, cities take action
- GCF making progress, Technology Mechanism floundering

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CONCLUSIONS (II)

- Will there still be a CDM worth having?
- Private sector appetite for investment?
- WTO concern re disputes over protectionism in clean tech support
- Default to prescriptive regulatory approaches?
- Risk of 2 deg goal becoming unattainable

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NOT STRONG, ABSENT EITHER A CATAclysmic EVENT OR (SO FAR NOT SEEN) STRONG POLITICAL LEADERSHIP