

BRIEFING PAPER

2013 CLIMATE SUMMIT: AN ISLAND OF INCREMENTAL STEPS IN AN OCEAN OF LOW AMBITION

The need to construct climate policy beyond UNFCCC to keep ambitious 2015 agreement within reach

– Advance Version –

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This short analysis of the COP 19 outcomes will be followed by an in-depth analysis (in German).

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Warsaw Climate Summit: Small Steps Towards the 2015 Agreement

The 19th Conference of the Parties (COP 19) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Warsaw from 11 to 23 November resulted in decisions that provide the minimum needed at this point on the way to the new global climate agreement, but leave many central questions unanswered. The Warsaw conference also took important decisions spelling out a way forward on long-term climate finance, loss and damage, protecting forests (REDD+), measurement, reporting and verification (MRV) and a number of additional technical issues.

A lack of ambition and urgency displayed by most major Parties set the tone for the conference and prevented any large breakthrough on short-term climate change mitigation ambition, on finance or on the shape of the new agreement. Towards the end of the conference, as negotiations went into overtime, it even seemed like a breakdown of the talks was very much a possibility. So it was at least a procedural success to reach agreement in Warsaw after all. But it is also clear that the conference has neither brought the international community closer to staying below the 2°C warming limit, nor has it cleared many of the key obstacles to a new global climate agreement that is to be concluded in Paris in 2015, to enter into force in 2020.

The main reason behind the weak outcome was a de facto reign of large polluters at the expense of the most vulnerable. On the one hand, industrialized countries refused to take any meaningful steps towards more ambitious climate targets in the near term until 2020, or to provide more clarity on how they intend to provide the financial support promised in Copenhagen. This gave large emerging economies on the other hand a reason to block constructive discussions on what an agreement after 2020 with commitments from all major emitters would look like, and which steps would be needed over the next two years to lead to such an agreement.

In the Warsaw National Stadium, which served as conference center for two weeks, negotiations progressed slowly while in the outside world, the urgency of the climate problem became ever more evident. The new report from the Intergovernmental Panel on Climate Change (IPCC) Working Group I had just confirmed in September that it is 95 percent certain that human influence is the dominant cause of global warming and that the impacts on sea level rise and ocean acidification are likely to be worse than previously thought. Just days before the beginning of the Warsaw conference, typhoon Haiyan—the most powerful storm at landfall in recorded history—caused massive destruction and human suffering in the Philippines. During the first conference week, another freak storm hit Somalia, killing hundreds of people and endangering the livelihoods of tens of thousands of small farmers.

Civil society and some delegates tried to bring this urgency into the conference center. On the first day of the conference, the Philippine lead negotiator announced to fast in solidarity with the typhoon's victims until a meaningful outcome at the conference was achieved. He was joined by a growing number of fasteners from NGO delegations and religious groups in the National Stadium and across the world. Another rallying cause for civil society at COP 19 was the demand to "Free the Arctic 30", the Greenpeace activists that were arrested by Russian authorities after their peaceful protests against fossil fuel exploration

in the Arctic Sea. Their fate was seen as another reminder of how high the stakes have risen in the conflict with fossil fuel interests.

But in the negotiations, this urgency could hardly be felt. Some developed countries even chose the first conference week to announce they intended to do less on climate change by 2020 than originally pledged. Japan announced its new provisional climate target, which provides for an increase in emissions by more than 3 percent rather than a reduction of 25 percent. After a change in government following the elections, Australia also proceeded to repeal most of its climate legislation.

While these two countries were the main culprits in terms of reduced short-term ambition, others, including the EU and the United States, also contributed to the stalemate by refusing to make any offers for increased ambition. Ratcheting up climate ambition before 2020 is part of the agreement struck at the climate conference in Durban that is meant to lead to emerging economies accepting responsibilities under a new agreement from 2020 onward. Towards the end of the Warsaw talks, emerging economies slowed down progress. The lack of ambition displayed by developed countries pre-2020 offered countries like China, India and Brazil a convenient justification to stick to their old negotiation patterns, rather than translating their considerable national climate policy progress (e.g. the cap on coal in parts of China or the significant reduction of deforestation in Brazil) into new international responsibility.

The host country government also played a dubious role. Poland is the largest impediment to climate policy in the EU and has prevented the EU from taking more progressive positions even during the conference. Furthermore, the Polish government was accused of giving fossil fuel industries an inappropriate influence in the negotiations through sponsorship agreements and by hosting a Coal and Climate Summit in parallel to COP19. As President of the COP, the Polish government did not commit any major procedural errors, but also did not play an active role in securing consensus. The end result—a delayed timeline for the new agreement and doubts over the EU's ability to ratify the Kyoto Protocol's second commitment period—is conveniently aligned with Poland's positions in internal EU debates. The Polish government pushes for a decision on a post-2020 EU greenhouse gas reduction goal to be taken only after and in light of the Paris outcome, i.e. only after 2015. In this sense, the COP in Warsaw turned out to be another showcase of Donald Tusk government's low EU climate ambition.

ADP: Negotiating a Pathway to the 2015 Agreement and Climate Goals Pre-2020

The most important expectation for Warsaw was a roadmap for the agreement that is to be concluded at the 2015 climate summit in Paris. Experience at the Copenhagen climate conference 2009 has shown that it is not feasible to defer all critical questions until the last minute and to expect to solve them all in the last night. In particular, the contributions each country will make to reducing emissions need to be prepared domestically. The aggregate reduction pledges many countries have put forward since Copenhagen are only able to limit global warming to around 3.1 (+/-0.6) °C in 2100 (compared to pre-industrial times). Actual emission trends even point to warming of 3.8 (+/-0.8) °C by 2100 with no stabilization in sight afterwards. This is why many countries and NGOs demanded that the

negotiations for the new Paris agreement, conducted in the Ad-hoc Working Group on the Durban Platform (ADP) should include an ex-ante assessment of countries' commitments, so that they be reviewed and tightened if necessary, before being inscribed into a global agreement. As another lesson from Copenhagen, many delegations and NGO observers called for more clarity on the exact meaning of the commitments and their underlying assumptions, to avoid for instance double-counting of emission reductions in developed and emerging countries due to offset trading.

On both fronts, the Warsaw outcome provides for the bare minimum. The decision text contains a homework assignment for all countries: go back to your capitals and develop your intended contributions to the new agreement. Most NGOs, many EU countries and most vulnerable developing countries had demanded to set a deadline for initial commitments to be submitted in 2014 to allow sufficient time for an ex-ante review. However, in Warsaw, it was only agreed to submit intended contributions by a vaguely defined time in 2015 "well ahead" of the Paris conference. For all countries "ready to do so" the deadline is set to the first quarter of 2015. Regarding the information that is to be submitted along with the contributions, the ADP will use the next months to prepare a decision in Lima. No agreement was possible on further-reaching proposals that would have provided more clarity on the contributions or established processes to consider whether contributions are equitable and in line with what the sciences suggest is needed. Several such proposals were put forward or supported by the African Group, the Alliance of Small Island States (AOSIS), the Least Developed Countries (LDCs), the Independent Alliance of Latin America and the Caribbean (AILAC) and the EU, but opposed by the group of Like-Minded Developing Countries, and in particular by large emerging economies. The Warsaw decisions leave the door open for comparing the contributions and assessing their adequacy and equity, but reduces the time that would be available to do so to a few months in 2015. The Warsaw decision also tasks the ADP with beginning to draft a negotiating text in 2014. No decisions were taken on the exact legal character of the 2015 agreement; the term "commitments" was replaced with "contribution" in order not to prejudge the exact legal nature of individual countries' actions while the legal force of contributions is not questioned.

The other main issue under discussion in the ADP was the increase in pre-2020 ambition that is needed in order to close the emissions gap between current pledges and a 2°C pathway. The fact that Japan, Australia and New Zealand have taken steps backwards has made these negotiations particularly difficult. And while they are not actively reversing their climate targets, the EU and the United States, which took a rather constructive negotiation attitude in Warsaw overall, are not willing to take any steps forward on this issue. The EU refused to revise its emissions reduction targets for 2020 upwards, even though actual emission reductions already exceed the targets. In Warsaw, Parties decided that the discussion on short-term mitigation ambition will be continued at a higher political level at a ministerial meeting in Bonn in June 2014. The Warsaw decision also calls for countries to set emissions targets for themselves if they have not already done so, to remove conditionalities that prevent them from moving to the higher end of their target ranges and to increase their current targets. In addition, it was decided to encourage more voluntary cooperation in areas that present high mitigation potential and development benefits, such as renewable energies and energy efficiency, and at the sub-national level in cities and regions.

Climate Finance—a Little Step Forward

In 2010, developed countries have committed to mobilize 30 billion US-Dollars of climate finance for an initial three years, and to provide 100 billion USD annually, from public and private sources, from 2020 onwards. Developing countries insist that a clear pathway to the 100 billion USD be defined and that clear definitions of what counts toward the 100 billion USD be adopted. The Warsaw decisions confirmed that climate finance will continue to be provided and that the amount can be expected to increase on the path towards 100 billion USD in 2020. However, agreement on more specific goals was not possible. Warsaw also provided an important signal for the first capitalization of the Green Climate Fund (GCF) in 2014.

In addition, many (European) countries pledged at total of about 100 million USD to the Adaptation Fund in Warsaw, with Germany providing 30 million Euros.

Loss and Damage: Showing the International Community what is at Risk

Highly vulnerable countries formulate increasingly louder demands for addressing climate-related loss and damage—no wonder given the inability of the international community to respect the 2°C limit and provide adequate financing for adaptation. In a sense, the loss and damage discussion is one of the channels through which urgency can be brought to the negotiations. The less mitigation and support for adaptation are agreed, the greater the loss and damages that must be addressed. And while addressing loss and damage is not the same as compensation and the word is not mentioned in decisions, it is clear that a political debate over compensation cannot be avoided if mitigation and adaptation efforts continue to fall short of what is needed. After the landmark decision at last year's climate conference in Doha, Warsaw now needed to decide how to set up institutions to deal with this issue. Developing countries were able to realize their demand for a mechanism (the "Warsaw International Mechanism"), which will advance the issue in the coming years.

REDD+, MRV and Additional Implementation Decisions

A highlight from Warsaw was the breakthrough on Reduced Emissions from Deforestation and Forest Degradation (REDD+), an issue that first appeared in the negotiations in 2005. A verification mechanism was created, securing a basic condition for payments for avoided deforestation and forest degradation.

The international system for measurement, reporting and verification (MRV) of emissions was also developed further, which helps to make countries' contributions to climate change mitigation internationally comparable and transparent.

Other implementation decisions cover, among other issues, knowledge management for adaptation, or further action on national adaptation plans.

The Road to Paris: Open Questions for Negotiators

The Warsaw conference decided on the bare minimum needed at this stage on the way to a new climate agreement in Paris in 2015, covering all Parties. But many questions were left unanswered:

- How can it be ensured that, taken together, the contributions are sufficient to stay below the 2°C limit?
- What is a fair and equitable contribution from individual countries to a global climate agreement?
- How will the contributions to the new agreement be made transparent and comparable?
- What will be the legal form of the agreement and will the contributions be legally binding?

In the negotiations in Warsaw, proposals were on the table to set up processes that would have answered these questions, but it was impossible to reach agreement on these. That makes it all the more important that these questions be dealt with at the ADP session in 2014 (in March and June in Bonn, in December in Lima and at a possible additional meeting in the fall), so that there is no further slippage of the timeline in 2015.

Beyond the UNFCCC Negotiations: 2014—Regaining Upper Hand for Climate Action

However, the key obstacle to stronger and more ambitious agreements in Warsaw was not on the level of technical negotiations—rather it was the lack of political will for meaningful climate action. If negotiations continue in the current spirit and at the current pace, an agreement with sufficient ambition in Paris seems almost impossible. Therefore, the climate issue needs to be put at the center of the political agenda at the highest level again in 2014, if there is to be any chance of achieving an ambitious global deal in 2015.

At events like the World Economic Forum in Davos or the Munich Security Conference, the climate issue should take center stage again. Through foreign policy, progressive climate leaders—including Germany—need to engage G8 and G20 governments also to put pressure on old and new "climate rogue states" such as Canada and Australia. Continuous

bilateral engagement is also needed with key players, including the large emerging economies and progressive members of the different negotiating groups.

In June 2014, the ministerial meeting in Bonn will put the spotlight on climate policy ambition pre-2020. The highlight of the climate year 2014 will be the high-level summit on September 23, for which UN Secretary General Ban Ki-moon has invited all heads of state and government to New York. This summit will provide another opportunity to announce targets and initiatives to close the pre-2020 ambition gap. It also needs to be the kick-off for a period reaching until early 2015 to announce the contributions countries are willing to make in the 2015 agreement for the post-2020 period. The New York summit must be the moment when government leaders begin to engage with the climate issue personally again and announce bold new steps. Beyond targets, initiatives and policies, this should also include first pledges for the GCF, which should be ready for its initial capitalization next summer—a crucial confidence-building measure on the way to Paris.

But to a large extent, international agreement also depends on ambitious action at home. 2014 is an important year in this regard. The United States is implementing its climate targets without climate legislation, through executive action alone. The regulations on existing power plants are a key part of that effort and will be published in 2014. Meanwhile, several pilot regions in China will begin to implement emissions trading schemes and caps on coal use. If these domestic actions in the countries that are the world's two largest emitters succeed, ambitious international agreement becomes more likely.

During the negotiations in Warsaw, it has also become evident that in all world regions, there are countries committed to ambitious climate policy and willing to reap the benefits arising from the transformation to a resource-efficient clean energy economy. It is crucial that these pioneering countries begin to cooperate in new alliances demonstrating the many benefits of this development pathway. Bold domestic action and new alliances will create a new dynamic that can then be captured within the different country groups and in the UNFCCC process in general.

Leadership again?—Homework for the EU and Germany

To renew global efforts aimed at preventing dangerous climate change, negotiations need to be supplemented with bold action at home and with new leadership alliances. The EU and Germany should play a key role in this regard.

The EU needs to show reinvigorated action at home, also to regain its position as a leader and reinforce its influence in the international negotiations. This requires a structural reform of the EU emissions trading scheme and ambitious climate, renewable energy and energy efficiency targets for 2020 and 2030. For 2030, the EU needs to set three binding and ambitious goals in the areas of emissions reduction (at least 55% within the EU), renewable energy (at least 45%) and reduced energy consumption (by at least 40%). Moreover, the EU or individual member states also need to increase their 2020 targets in view of the ministerial meeting in June in Bonn.

Germany will play a particular role in the climate year 2014, as the economically strongest country in the EU, host of the ministerial meeting in Bonn, Co-Chair of the GCF Board and also as a pioneer in renewable energy and energy efficiency with its "Energiewende", making it a favourite partner for cooperation for many other countries across the world. Ger-

many and nine partner countries launched a "Renewables Club" last year. The next meeting of the club in January 2014 is an important opportunity to agree on an ambitious vision and concrete next steps for the club to show what increased cooperation between leadership countries could look like.

The Role of Civil Society on the Road to Paris

In Warsaw, key civil society groups set a strong sign and walked out of the conference. They were frustrated with the slow progress and the organization of the summit by the Polish government that seemed to provide a disproportionate role to fossil fuel industries, as exemplified by the "Coal and Climate Summit" organized in parallel. At the same time, these groups made it clear that they were not abandoning the UNFCCC process and plan to be back at the climate summit in Lima 2014. Germanwatch welcomed the walkout as a powerful political signal, but in the context of a strategic division of roles within civil society decided that its most effective position was to stay inside the conference venue and help convert the external pressure into a more constructive dynamic within the negotiations—a total backlash of the UNFCCC process would only play into the hands of fossil fuel industries and laggard countries such as Canada and Australia.

It is clear that in the next two years, civil society will play a key role. Political pressure is essential to grow the scope for ambitious climate policy. Civil society can also help to better translate what is already happening at national and local levels in many countries into more ambition at the international level. Many aspects of the Warsaw agreement remain open to interpretation, including what appropriate "contributions" are and which countries would be "ready" to submit them at the beginning of 2015. Setting ambitious interpretations of these terms is an important objective for civil society. It must be expected that all industrialized countries and the key emerging economies will bring forward their "contributions". Similarly, on many of the questions that remained open—such as how contributions can be made comparable or whether they are adequate and equitable—agreement in the negotiations will continue to be very hard to reach; analysts and activists are needed to develop new ideas and present their own independent assessments to advance the debate on these issues, even if the negotiators continue to agree to disagree.

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