

Key steps on global warming agreed in Cancun... Now what?

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Overview

- What happened in Cancun?
- What will Durban accomplish?
- But don't forget what really matters
 - What actions are key countries taking & what more needs to be done?

Three things we knew for sure going into Cancun

- No “treaty” would be agreed in Cancun
- Whatever is agreed won’t answer every aspect of each issue, but needs to answer the key issues in “enough” detail
- Countries needed to:
 - rebuild trust & prove that UNFCCC can accomplish tangible outcomes
 - Begin implementing concrete actions
 - Lay foundation for further commitments in South Africa (2011) and Rio+20 (2012)

Four key things we know going into Durban

(1) Fate of the Kyoto Protocol?

(2) Fate of the Kyoto Protocol?

(3) Fate of the Kyoto Protocol?

■ Each 1/2

(3 1/2) Can standing ovations turn into practical action & implementation?

(4) US credibility?

Two important overarching issues for Durban (& every COP)

■ Action, Action, Action

- Countries should be expected to detail what actions they are taking at home

■ Focus on funding

- How are we going to mobilize public, private, and innovative sources of financing?

⇒ In back of people's minds in Cancun but never really discussed

Four key elements of the “Cancun Agreements” & current state of play

1. Commitments by countries to take action to reduce emissions
2. Improved transparency and accountability
3. Created a “Green Climate Fund” to help mobilize significant investments in developing countries
4. Made progress on REDD, deployment of clean energy, & adaptation

Countries Commitment to Action “Anchored”

- Countries weren't waiting for an int'l agreement before taking action...BUT
 - How to formalize those “commitments”?
- COP16 agreed to:
 - reaffirm the commitments by countries to reduce emissions
 - Noted the gap b/t what is committed to & science
 - Soft “anchoring”, so “transparency & accountability are key

Countries Commitment to Action in Durban

- Won't likely close the gap, but...
- Have some greater clarity in key countries about the actions they'll take to reduce emissions
 - US car standards out; power plant draft rules come this month
 - Australia carbon tax and emissions trading?
 - China key actions in 5-year plan will be out
- Push to “anchor” EU (and maybe other) pledges in Kyoto Protocol

“Transparency & Accountability”: Developed Countries

- Builds upon and improves current monitoring & reporting:
 - Annual GHG inventories
 - Better tracking progress in implementing their emissions reduction actions & financial support
- Enhances Review/Verification:
 - Technical experts would review/verify developed country monitoring & reporting
 - Subject to “international assessment in a rigorous, robust and transparent manner”

“Transparency & Accountability”: Developing Countries

- Dramatically improves current monitoring & reporting:
 - Every 2 yrs report on their emissions and actions
 - Subject to domestic MRV in accordance with int’l “guidelines”
- Creates new process called “international consultation and analysis” (ICA) – Int’l Review/Verification:
 - Independent experts review the countries report
 - Country subject to int’l “dialogue” on the findings

“Transparency & Accountability” in Durban

- Very little formal technical discussion on the detailed guidelines on MRV, ICA, or IAR
 - But some coalescing around some key rules
- US and others have stressed that w/o progress on this it will be impossible to reach agreement to launch “the Fund”, etc
- Key details could still be agreed (see NRDC recommendations)

Creates “Green Climate Fund”

- New multilateral fund to help invest in developing country emissions reduction & adaptation actions
 - Will create the “Bank Account” & the rules for use of the some of the funds
- Governed by 24 members: 50-50 split b/t developed & developing countries
- “Trustee” is the World Bank for 3 yr interim period
- Transitional committee set up to define rules

“Green Climate Fund” in Durban

- Transitional committee has met 2 times w/ different work streams to hash out the rules
- Role of private finance in the Fund shaping up to be one of the key sticking points
- Can MRV progress so that GCF can be launched in Durban?
- Can Durban launch formal negotiation on how to bring real money into the fund?
 - Will US block?
 - Will developing countries block “innovative sources” like int’l transport mechanisms?

REDD, Technology, & Adaptation

- Provide necessary principals for MRV & safeguards for REDD
 - Begin a more concerted debate on how to scale-up financing
- Create “centers & networks” to help speed up the deployment of clean energy
- Develop adaptation institutional arrangements to assist the most vulnerable

REDD, Technology, & Adaptation **in Durban**

- Could agree to:
 - create and staff “centers & networks” to provide expert advice to countries looking to deploy clean energy
 - the structure of an Adaptation Committee to support efforts to help the most vulnerable improve their resilience
 - strong environmental, social, and indigenous peoples safeguards for REDD

Reception of Cancun Agreements

Part 1 of the many part standing ovations



Indian Minister Ramesh: “What you have accomplished today gives us the confidence to look ahead and approach the challenge of climate change in its multiple dimensions in a spirit of constructive compromise.”

But....

- Kyoto Protocol uncertainty
- Some countries felt they gave too much
- Is the US really acting?
- Questions around what are we building (binding commitments?)

Durban will only succeed if...

- Near-term fate of the Kyoto Protocol is resolved
 - Will EU proposal be accepted?
- Countries remember that you can't give a standing ovation & then not implement
 - Countries, public, etc will lose faith in the ability of multilateral framework to deliver on agreements

What really matters: countries are taking action at home

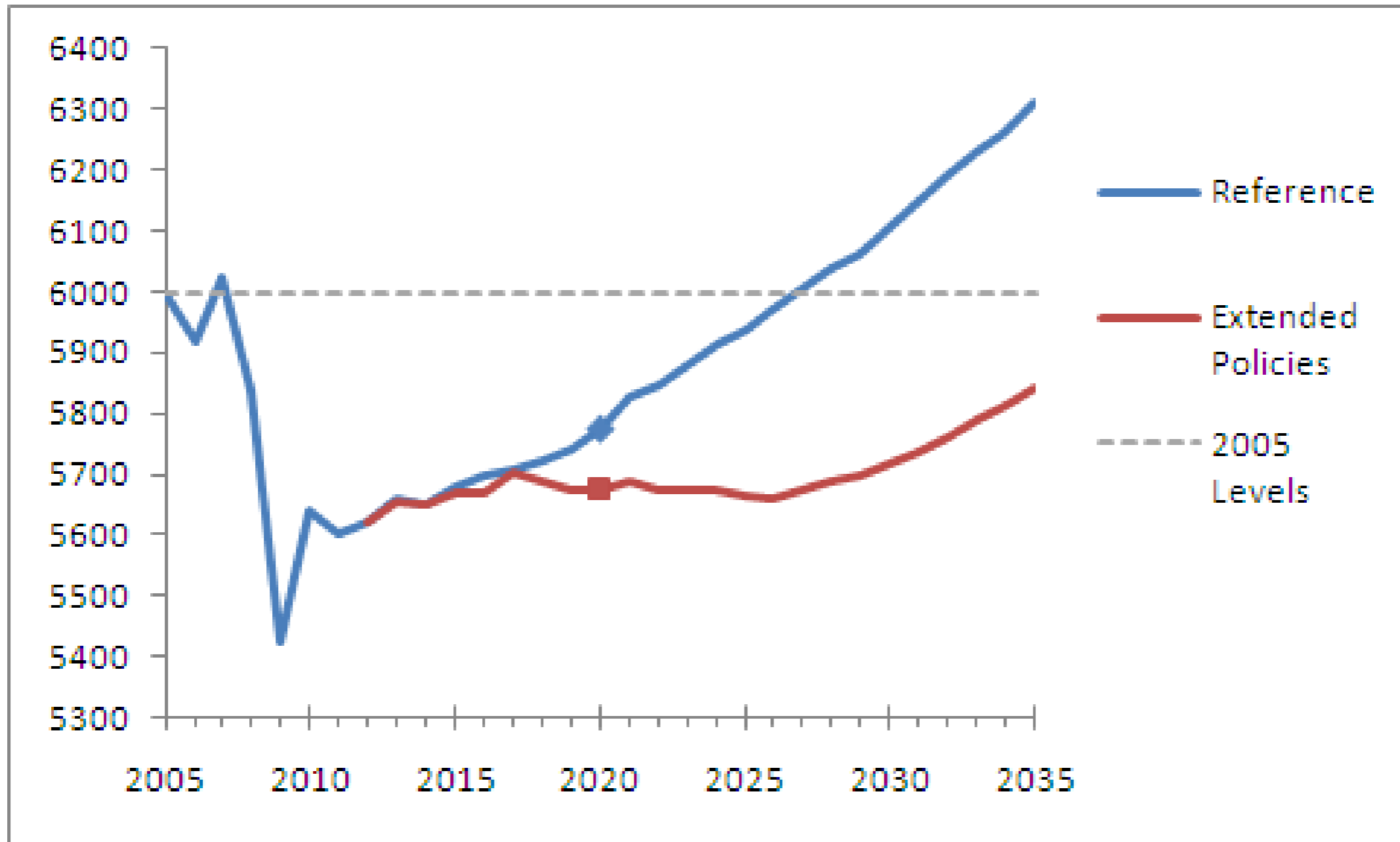
- Developed countries have made commitments
 - US action sufficient to meet 17% commitment?
 - Will EU increase its ambition?
- Major developing countries have committed to specific actions
 - Most taking series steps to implement
 - Will they continue (e.g., China, India, and Brazil)?

⇒ No one is waiting for a final agreement...

US Federal Actions

- Vehicle standards will cut carbon pollution by as much as 280 MMT/yr by 2030, equivalent to shutting down 72 coal-fired power plants
- Number of appliance efficiency standards have been finalized
- Draft GHG standards for new and existing power plants coming this month
 - Oil refinery standards later
 - Will the Obama Administration stand strong?
- **Will this combination get the US to 17%?**

US emissions are declining

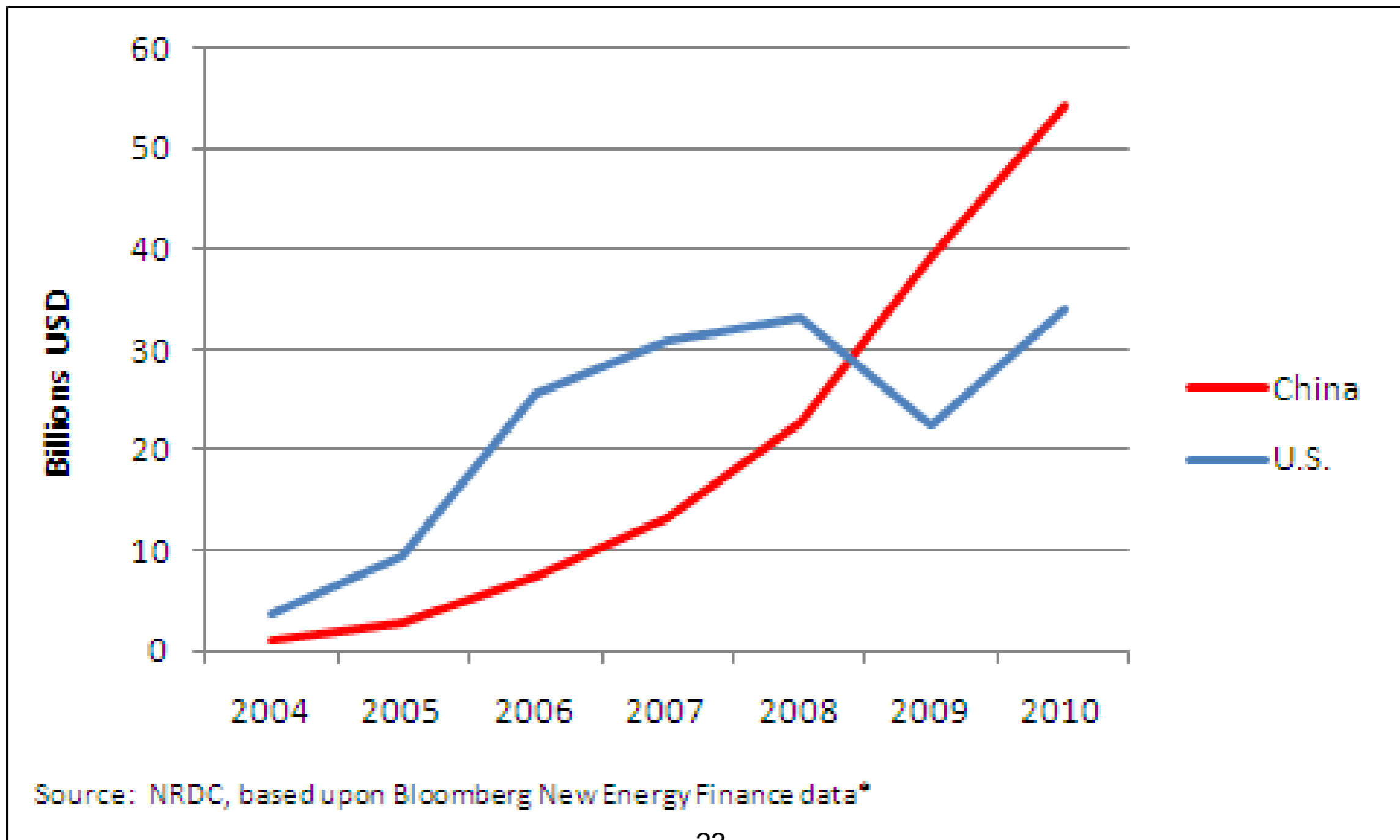


Source: EIA, Annual Energy Outlook, 2011

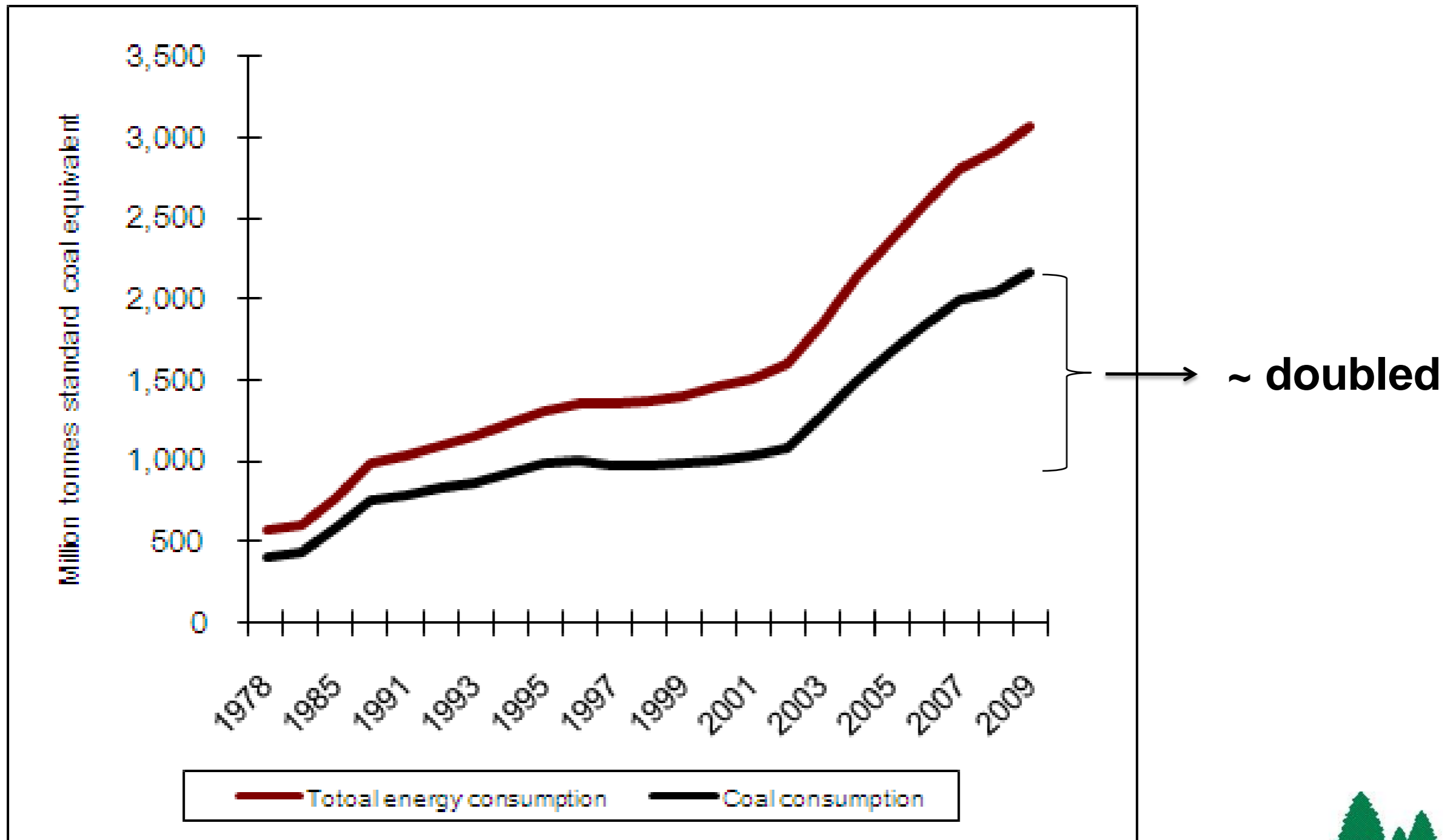
China Actions

- Binding targets in 12th 5-year plan to cut:
 - energy intensity by 16% by 2015
 - carbon intensity by 17% by 2015
- Increasing non-fossil energy as a proportion of final energy to 11.4% by 2015
 - from the current 8.3%
- Major renewable deployment initiatives, including new one on solar

China has become the world leader in new clean energy investments



China still has a coal challenge

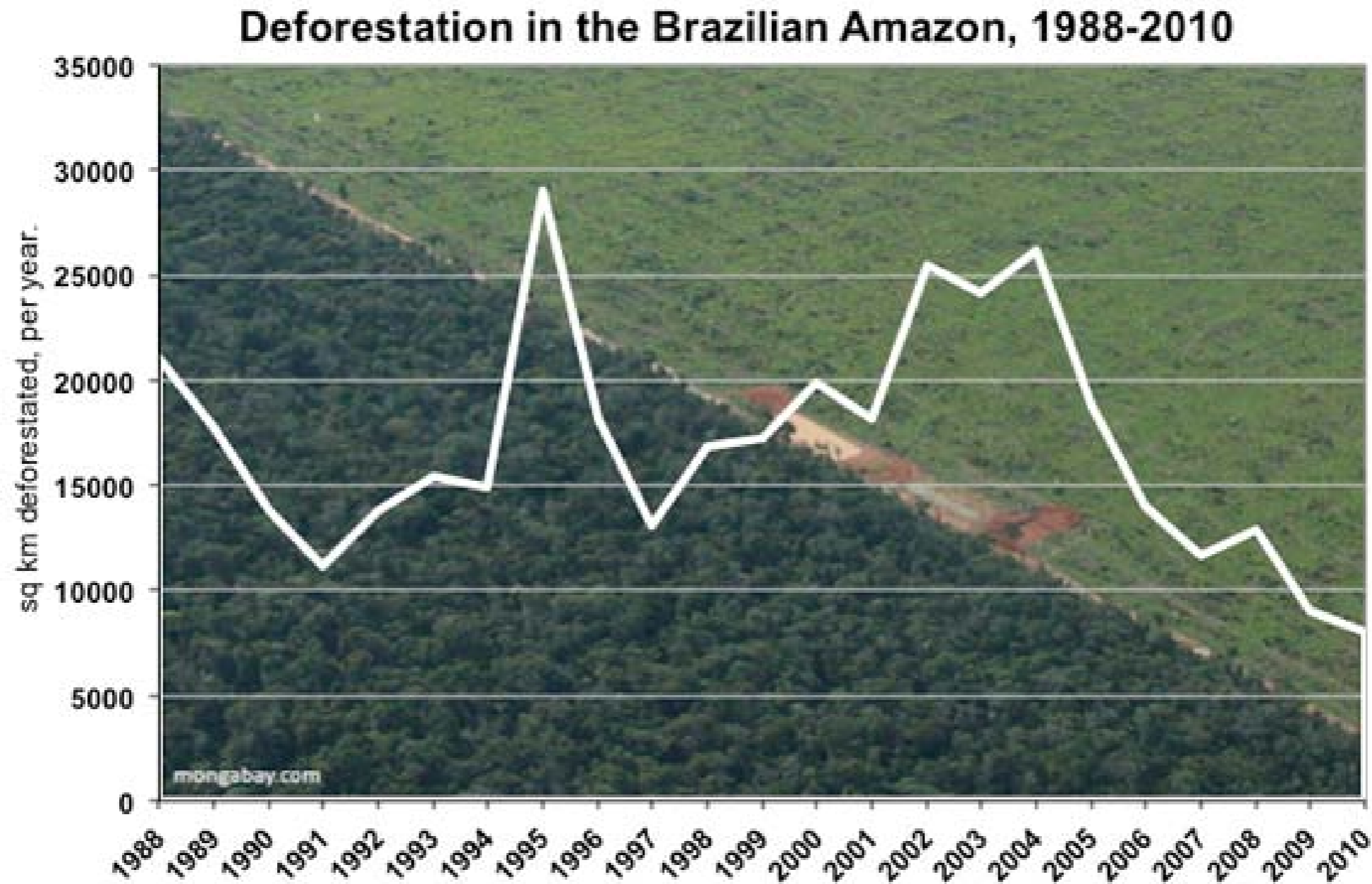


Source: China National Bureau of Statistics, China
Statistical Yearbook, 2010

Brazil

- Target to reduce emissions growth by 36-39% below BAU by 2020
 - ~to 1994 levels
- Commitment to cut deforestation by 80% by 2020
 - Cut deforestation rates by 67% in the past 5 years
 - But...huge recent uptick & major push to weaken the Forest Law

Major Progress in Reducing Brazilian Deforestation

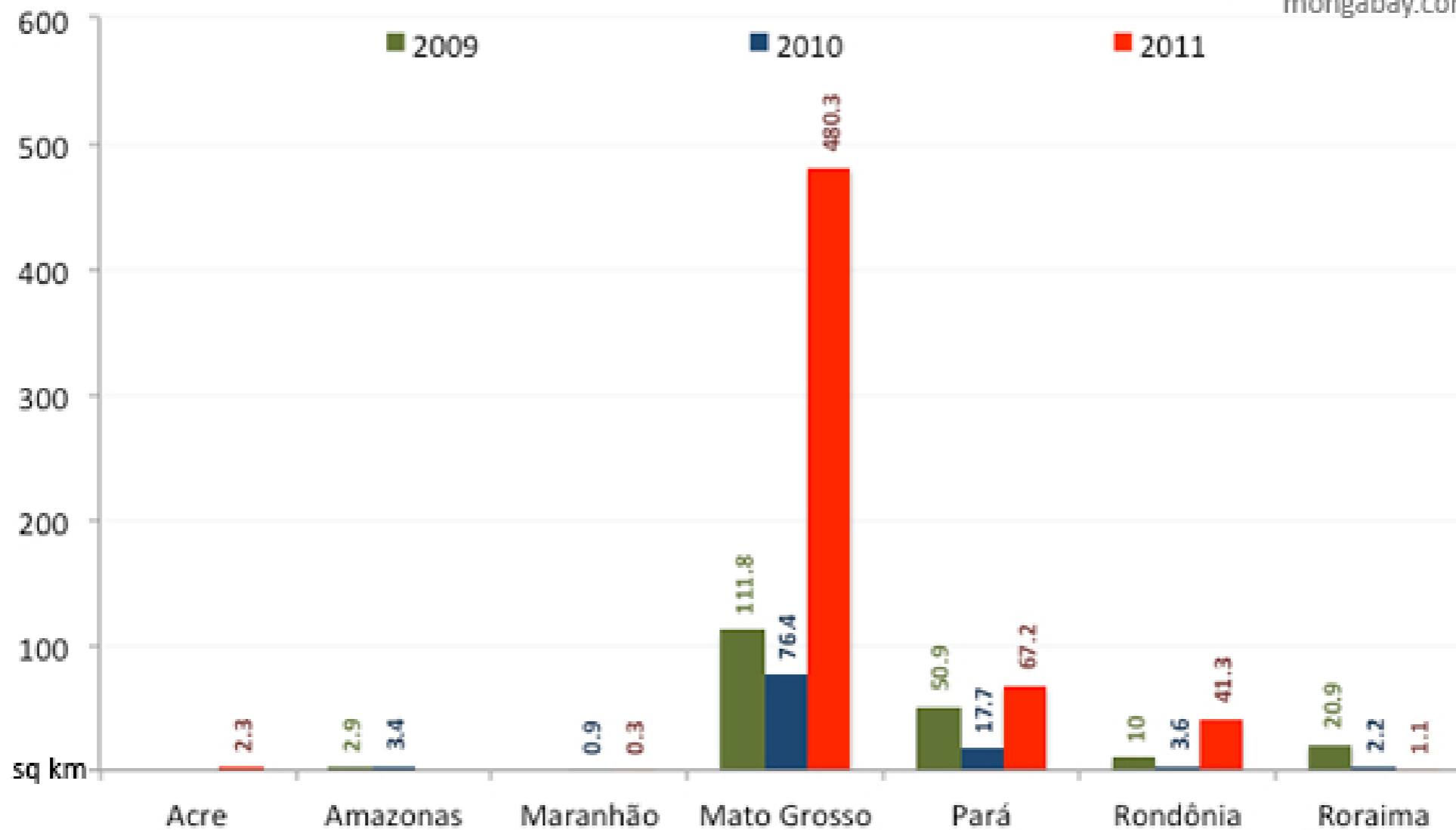


Source: Mongabay.com

But...Huge recent spike in Brazil's deforestation rate

Deforestation in Brazilian Amazon States, Mar-Apr

mongabay.com



Data from INPE. Note: Amapá and Tocantins are excluded. 2009 Data includes Fed-Apr

Challenges Ahead

- Existing commitments aren't on a deep enough path to give us a "good shot" of staying below 2°C
- Serious threats to US efforts to reduce emissions & mobilize investments in developing countries
- Will other countries slow down action?
- Int'l action not on public's radar as much
- "Treaty", "Binding", & the fate of the KP

Some Signs of Hope

- \$243 billion in new clean energy investments in 2010 – 30% increase from 2009
 - New renewable investments have grown by 539% since 2004
 - Non-fossil electricity accounted for more than 50% of new capacity added in 2010
- Global deforestation rates are declining:
~39% decline since 2000

Some Signs of Hope (2)

- Many countries are taking action to a greater extent than ever before
 - It isn't a question of "if", but rather "how much"
- Critical commitments to take action at home should be announced next June at the Earth Summit 2012 in Rio

We have no choice but to solve this challenge!



Thank you!

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- Read my blog on int'l climate issue:

<http://switchboard.nrdc.org/blogs/jschmidt/>

- NRDC's commentary on key COP16 outcomes:

<http://switchboard.nrdc.org/cgi-bin/mt/mt-search.cgi?tag=climatetalks&limit=20>

- NRDC's recommendations on MRV:

<http://www.nrdc.org/globalWarming/trackingcarbon.asp>