



International Climate Negotiations What has been achieved in Doha?

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About Ecologic Institute

- Ecologic Institute private not-for-profit think tank for applied environmental research, policy analysis and consultancy
- Offices in Berlin, Brussels, Washington DC, and San Mateo CA.
- Independent, non-partisan
- Founded in 1995
- Interdisciplinary team of more than 120 people





Who do we work for?

International

- UNEP
- World Bank
- OECD
- NATO
- Ministries and agencies of different European countries

Europe

- European Commission
- European Parliament
- European Environmental Agency

National

- Ministries and agencies at national and subnational level
- Expert commissions of the German Parliament (Bundestages)

Non Governmental Organizations

- Universities
- Foundations
- Environmental organisations
- Private enterprises





Background





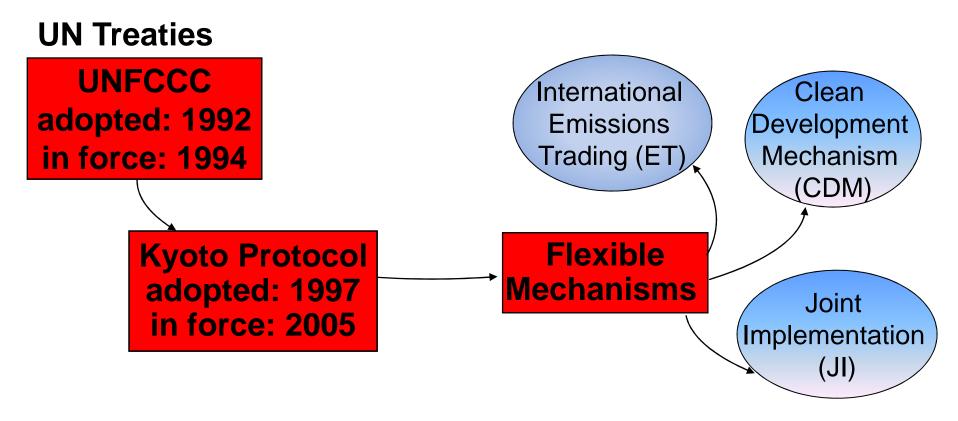
What's the goal (i.e. ultimate objective)?

- "[...] achieve [...] stabilization of greenhouse gas concentrations [...] at a level that would prevent dangerous anthropogenic interference with the climate system"
- = keep global warming below2 degress C above preindustrial level









Detailed framework decided upon in COP/MOP decisions

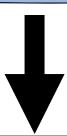




Emission Limitations & Reduction Targets in KP

Emission Reduction Targets and Timetable (overall reduction of at least 5% below 1990 levels in the period 2008 to 2012)

Legally binding emission reduction targets



But not for developing countries!

Only for 2008-2012



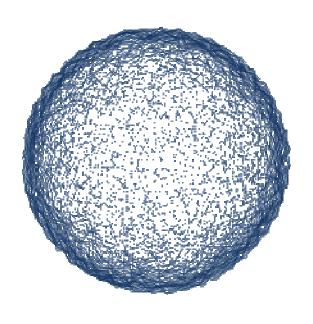


COP 15 / CMP 5 Copenhagen

* ...There were widespread hopes and expectations that the Copenhagen conference last December would give us a global deal. In the end the political will was lacking..."



Connie Hedegaard, European Commissioner for Climate Action









2010 COP 16 / CMP 6 Cancún: New Institutions

Notable Outcomes

- Adaptation
 - Cancun Adaptation Framework
 - Adaptation Committee
- Technology
 - Climate Technology Center and Network
- Financing
 - Green Climate Fund
- Review 2013-2015







COP 17 / CMP 7 Durban: New Negotiation Track on Future

- New negotiation track on future regime (Durban Platform ADP)
 - regime to be agreed in 2015 and implemented from 2020
 - process to develop a protocol, another legal instrument or an agreed outcome with legal force applicable to all Parties
- Workplan to enhance ambition to "close ambition gap with a view to ensuring the highest possible mitigation efforts by all Parties"
- Continuation of AWG LCA for one year
 - Working on 2013-2015 Review
 - Clarifying reduction targets
- ► General agreement on 2nd commitment period (post 2012) and continuation of work of AWG KP







What happened in Doha?



Expectations and Hopes for Doha

- "Transitional COP"
- Raise ambition no expectations to close ambition gap
- Hope for ADP Work Programme though not detailed like BAP
- Hope to reduce tracks
 - Close AWG LCA
 - Close AWG KP by agreeing to 2nd CP
- Progress on Financing (end of FS period)







Main Doha results (I): The "Doha Climate Gateway "

- Streamline negotiations on the "future"
 - Two tracks closed: AWG LCA and AWG KP
 - Only one negotiation track to negotiate future regime: ADP
- ► Workplan for ADP adopted with 2 workstream:
 - Vision and structure of the new 2015 agreement (WS1)
 - ► Enhancing pre-2020 ambition (WS2)





Main Doha results (II): The "Doha Climate Gateway"

- 2nd Commitment Period under KP
 - ► AAU settlement (controversial! RUS/UKR/BLR)
 - w/ ambition review in 2014
- Negotiations on LCA issues (e.g. NMM, pledges, NAMAs) to continue in different workstreams, mainly under SBSTA
- Mentioning of Loss & Damage





But some things did not happen in Doha

Some important issues could not be settled:

- Barely details on content in workplan of ADP workstreams
- No significant increase of ambition
- No significant progress on finance
- No progress on bunkers
- No progress for a shared vision





ADP Results





Workplan under ADP (I)

- Submission until March 2013 under Workstream 1 & 2:
 - On matters related to ADP work, e.g. mitigation, adaptation, finance addressing e.g. principles, scope, lessons learned
 - Proposals on actions, initiatives and options to enhance ambition
- In-session roundtables and workshops
- COP welcomed UN SecGen convening world leaders' meeting in 2014
- Timetable for workstream 1 (future agreement):
 - ► Elements for a draft negotiating text in December 2014
 - Negotiating text before May 2015





Workplan under ADP (II)

- Workstream 2 (pre-2020 ambition)
 - no specific reference to pledges or ICIs.
 - ▶ Political commitment to identifying in 2013 a range of actions for closing the mitigation gap pre 2020 and to plan its work in 2014 in light of that
 - Secretariat technical paper compiling information on the mitigation benefits of the actions, initiatives and options identified in the 1 March submissions

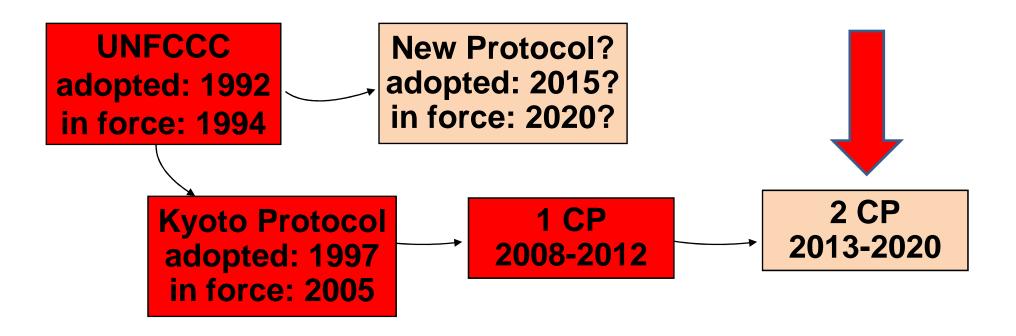




KP Results



UN Treaties after Doha







CP2: Only limited Participation

- Only limited participation
 - Signed by: EU, NO, IS, CH, LI, MC, AUS



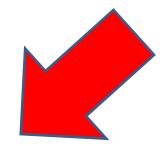
- Ratification unclear bc of "hot air" rule: UKR, BLR, KAZ
- ▶ US not party; CAN not party anymore; JAP/NZL/RUS do not participate; NAI parties w/out QELRCs
- Participating parties account only for around 15% of global GHG emissions





2nd Commitment Period under KP

Pledges not very ambitious – but



- ▶ "Hot-air"-Limitation "no growth target": Art. 3.7 ter; important for environmental integrity:
 - If QELRC above 2008 to 2010 average (most recent inventory!), this overshooting part of the assigned amount will have to be cancelled
- ▶ ambition process for 2014: party to revisit its QELRC; submission April 2014; ministirial round-table in 2014

Coincides w/ ADP & high-level summit of UN SecGen in 2014

- ► Easy **adjustment** procedure for higher ambition (unless ¾ object adoption)
- Art. 3 para 1: Al countries to reduce emissions by at least 18% in CP2





2nd Commitment Period under KP

- CP2: 2013-2020 (8 years important for EU)
- 1 new gas (nitrogen trifluoride NF3)
- ► EU: -20% w/ option to increase ambition to 30% if conditions are right, e.g. if other Parties also step up their commitments or pledges.





AAU surplus problem ...

- Background:
 - Marrakesh Accords limited carry-over of unused credits from CDM and JI to 2.5% relative to the party's assigned amount for the 1st CP
 - ► AAUs were not subject to any carry-over restrictions
 - ► Especially problematic due to "political overallocation" in CP1





... was addressed and solved

- Compromise: "Previous Period Surplus Reserve" (PPSR) for unused credits
- Rules on AAUs and PPSR limit usage of AAU surplus usage:
 - "full carry-over",
 - ▶ "full domestic use", (access to PPSR for compliance in CP2 limited to amount by which party would be in non-compliance, if it were not to acquire any offset units)
 - "unlimited sale" (for parties with PPSR)
 - "limited acquisition" (of surplus AAUs, CERs, ERUs; into PPSR maximum of 2% of its CP1 assigned amounts)
- Polit. statements from all potential buyers not to purchase surplus AAUs





KP-Mechanisms will continue

- Durban Q: Who will be allowed to use mechanisms? Doha A (para 12 sqq of decision):
 - CDM for NAI to continue
 - All Al parties can participate in projects, but non-CP2-parties cannot transfer or acquire CERs in secondary market (e.g. RUS cannot buy CERs)
- SBI consider expediting issuance ERUs (problem: linkage to AAUissuance)
- ► Link to UNFCCC: NMM credits accepted for compliance, Art. 3.12 bis
- BUT: Lack of demand, NMM unsure, low prices ambition needed!





Dialogue on how to deal with Problems in CDM market

- "Climate Change, Carbon Markets and the CDM: A Call to Action.
 Report of the High-Level Panel on the CDM Policy Dialogue "
 - September 2012
 - http://www.cdmpolicydialogue.org/report/rpt110912.pdf
 - ▶ To be discussed in 2013
- Issues discussed in context of CDM reform: E.g. increase demand by including new sectors or groups of countries; by limiting timescale for issuing credits





But ratification of 2nd CP still needed

- Entry into force of any potential CP2 needs ratification;
- Ratification in time for end of 1st CP NOT possible = gap between 1st
 CP & legally binding 2nd CP this had to be addressed
- Solution: Provisional application or "factual" **implementation** "consistent with national legislation or domestic processes"





Financing



GCF in Durban: Funding windows

- GCF decision (para 37) provides for 2 funding windows:
 - 1 for adaptation
 - 1 for mitigation
- Adaptation window also of importance, as decrease in carbon markets
 led to less revenues for adaptation fund
- "provide financing in form of grants and concessional lending and through other modalities, instruments or facilities as may be approved by the Board"
- ► However, GCF will be one among several sources for climate finance





GCF in Durban: Access to fund

- Fund to provide resources e.g. for low-emission development strategies or plans, NAMAs, NAPAs, NAPs and in-country institutional strengthening "in order to **enable countries to directly access** the Fund"
- Access through "national, regional and international implementing entities accredited by the Board"
- Important remaining challenge: Agreeing on rules for criteria for selecting projects and accreditation of "implementing entities"





GCF in Doha

- Copenhagen 2009: developed countries to mobilize 100bn \$ per year
 by 2020 negotiations on how to best mobilize this are still ongoing
- Green Climate Fund progress in 2012
 - Agreement on 2 Co-Chairs: ZAR and AUS
 - Decision in Doha that South Korea will host GCF
 - Still open: Relationship to COP
 - SC and GCF Board to develop arrangements btw COP and GCF
 - ▶ Board and COP to agree on that 2013
 - ► Hope: identify eligible projects for initial funding until end of 2013



Fast Start Finance in Doha

- DCs wanted pledge of \$ 60 billion in 2015 (=double FS pledge)
- ICs did not want to commit to a number
- Fast Start follow up: Parties **encouraged** to ensure finance continues at least at **average** annual fast-start levels 2013- 2015
 - no strong commitment / no mid-term targets



Long Term Finance in Doha

- Controversial discussion on scaling up finance until 2020
 - especially sceptical: USA, JAP
- Compromise: 1 yr extension of work programme on long term finance
 - ► To identify pathways for scaling up climate finance towards the US \$100 billion from public, private and alternative sources
 - ▶ in context of meaningful DC mitigation actions/ transparent implementation
- During COP19 high-level ministerial dialogue on scaling up finance



Financing

- EU:
 - ► EU **on track** on meeting ist 7.2 Billion \$ financing pledge (fast start finance (FSF) 2010-2012)
 - Will continue financing after 2012
- Several EU Member States and other developed countries announced specific finance pledges for 2013 and in some cases up to 2015
 - Germany: step up financing
 - ▶ from 1,4 Mrd € in 2012 to
 - ► ca. 1,8 Mrd € in 2013





Share of Proceeds under KP regime

- DC request fulfilled: Additional to 2% Share of Proceeds on CERs now also
 - 2% SoP for Adaptation Fund for
 - 1st international transfer AAUs &
 - new CP2 ERUs (issuance)
 - SoP on NMM used for KP-compliance
 - for admininistration cost &
 - adaptation in vulnerable DCs
 - Reaffirmed exception: CDM projects in LDCs





How ambitious is the global community?



Significant Ambition Gap – UNEP Gap Report 2012

- **2010: 50.1 GtCO2e** = about 20% higher than 2000. Global emissions picking up again after decline during economic downturn (2008, 2009)
- ▶ 2020: should be 44 GtCO2e for a likely chance to stay below 2.°C
- Estimated emissions gap in 2020 8 to 13 GtCO₂e (depending on how emission reduction pledges are implemented)

Now possibly lower bc of compromise on surplus AAUs

Gap widened by 1 to 2 GtCO2eq compared to 2011 estimate as a result of projected economic growth especially in key developing countries

World Bank released report warning that we may be heading for a **4 degree Celsius temperature rise** by 2100 that would bring unprecedented heatwaves, droughts and floods.





Everybody knows – but too little action follows

Noting with grave concern the **significant gap** between the aggregate effect of Parties' mitigation pledges ... and aggregate emission pathways consistent with having **a likely chance** of holding the increase in global average temperature **below 2° C or 1.5° C...**

- New pledges/actions:
 - ▶ Dominican Republic 25% below 2010 by 2030
 - Monaco: -30% below 1990 by 2020
 - Group of Arab countries: signalled readiness to to cut emissions and improve climate resilience – will present plan in future





However...

- Current pre-2020 emission pledges show tremendous variety of national policies and measures
- Measures, and their accountability and transparency, will further evolve as part of the pre-2020 ambition discussion.
- Decision on 2 year work programme for clarification of IC pledges (EU wish; US very sceptical) (comparability ...)
- Decision: 2 year work programme on NAMAs (mitigation potential, financing needs, finances available); regional technical workshops on NAMAs & Low Emission Development Strategies (LEDS)





NAMA

- = Mitigation actions by DCs (BAP), but no definition = very diverse;
- = To be supported: e.g. GEF, GCF, bilateral &multilateral agencies urged to provide financial support to NAMA projects submitted in the Registry
- Still unclear wether NAMAs may produce tradable credits

In Doha:

- Work programme under SBI to facilitate preparation/implementation
- SBSTA agreed on principles for MRV guidelines, submissions by 25.3., guidelines could be adopted at next COP
- UK/Germany launched facility to help designing NAMAs: 70 Mio Euros





Registry to be established

- Doha: Establish web-based registry by Sep 2013
- Preliminary "registry" at UNFCCC Secretariat:
 - http://unfccc.int/cooperation_support/nama/items/6945.php
- Non official data banks on NAMA Pipeline
 - UNEP Risø Centre http://namapipeline.org
 - "NAMA Database" of Ecofys and other institutes: http://www.namadatabase.org

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...and...

- Process under UNFCCC/KP:
 - Leaders' summit of Sec Gen in 2014
 - Workstream 2 under ADP including technical paper by Secretariat
 - Convention 2013-2015 Review (2 degrees/1.5 degrees C; but now broad review = potentially problematic for ambition)
 - KP "ambition mechanism"
 - ▶ 2014 review of ambition (high level meeting)
 - Simplified way for Parties to increase ambition during CP2
- International Cooperative Initiatives (ICI) to enhance mitigation
 - Voluntary partnerships btw governments, civil society and private sector





New Market Mechanism (and various approaches)





New Market Mechanisms: From Bali to Durban

- Bali Action Plan (2007) opens negotiation under UNFCCC on NMM
- Negotiations since then controversial: Especially countries like NIC&BOL critical
- In Cancún only agreement to put it on Durban agenda, referring to
 - "one or more market-based mechanisms" = diversification or fragmentation?
 - "ensuring voluntary participation of Parties" = fear of being drawn into commitments
 - "complementing other means of support" for NAMAs
 - Safeguarding "environmental integrity" = difficulties with market mech's under KP
 - Supplemental to domestic mitigation efforts in developed countries



Durban results on new market mechanism

- One NMM under UNFCCC ("top down")
- Credits can be used to fulfill
 - Commitments under 2nd CP of the KP
 - Mitigation targets and commitments under Convention ("subject to conditions to be elaborated")
- AWG LCA to prepare decision on modalities and procedures for COP18





New Market Mechanisms in Doha – only little progress

- work programme on modalities & procedures under SBSTA considering:
 - Under the guidance and authority of the COP
 - Voluntary participation
 - Supplementarity
 - Permanent reductions, no double-counting
 - Accurate MRV
 - Sectoral or project-based
- NMM units can be used for compliance under KP
- Submissions by 25 March 2013





Main controversies

- EU: wanted quick progress (favors sectoral mechanism to produce New Reduction Units (NRUs))
- Umbrella Group et al.: Link to progress request on various approaches
- BRA, ZAR, CHI, IND: Doubts about the need for a NMM
 - ▶ But: e.g. CHI likes project based approach
- Some countries (e.g. BOL) do not like market based approaches at all
- Now further work programme for NMM and various approaches
- --Parties will have to avoid deadlock! --





Work programme for various approaches

- Question: How to deal with mechanisms developed outside UNFCCC
- Durban: debate over work programme for defining framework for national, bilateral, multilateral market- and non-market-based approaches; Decision:
 - Standards need to ensure real, permanent, additional and verified reductions, avoid double-counting, achieve "net decrease of emissions"
 - Work programme to consider framework for approaches with a view to recommend decision for COP 18
- Doha: Some details on work programme for framework (i.a. env. integrity); work programme on non-market based approaches;
 Submissions March 25





Loss and Damage



General remark on adaptation

- Current focus: improving the resilience of societies:
 - through closing knowledge gaps (Nairobi Work Programme),
 - better planning (National Adaptation Plans)
 - improved access to funding (e.g. the Adaptation Fund, GCF).
- Doha strengthened international cooperation on issue of "loss and damage" = Key issue for developing countries, especially AOSIS





- Loss and Damage: Results of COPs
 Work programme on loss and damage (WP) established in Cancún, but needed to be filled with specific activities
- Decision in **Durban** on activities (on three areas: Assessing risk of loss and damage/Considering a range of approaches/Role of UNFCCC)
- In **Doha** decision to establish **institutional arrangements**, such as an international mechanism, to address L&D associated with the impacts of climate change in particularly vulnerable developing countries (=important for DCs/AOSIS)
- BUT: Al countries do *not* accept compensation or liability claims
- **2013**: Arrangements to be established at COP19, debate on e.g. insurance, need for support, study on non-economic loss (e.g. culture





Developments in **Europe and Germany**



European Developments

- COM Roadmap:
 - Outline possible way after 2020
- Ongoing EU-internal discussion over 2020 target
 - **30%**?
 - ▶ 25% domestic?
- Aviation in ETS was planned to be implemented from 2012 onwards
 - ▶ Postponed due to internat. pressure (CH, US, IND, RUS) until autumn 2013
 - But now some movement under ICAO!





EU ETS – in phases

Phase 1 (2005-2007):

- At first the market is short Price determined by fuel switching (internal abatement)
- Then the market is long Price determined by industrial selling no banking into Phase 2!

Phase 2 (2008-2012):

- At first: short or long depended on offset supply
 - Price somewhere between cost of internal abatement and the cost of CERs
 - De facto: short market, but long with CERs price highly dependent on CER volumes/prices
- Then market is long again, due to the recession
 - Price follows economic indicators, industrial selling





EU ETS – in phases

Phase 3 (2013-2020)

- Post-recession EUA price drop, CER surplus → low incentive for mitigation
- Phase 2 cap fixed, carry over surplus into 2013

Different options currently under discussion to solve problem: e.g. tighter target (link to 30% debate), backloading (little price effect)...

But positiv: New ETS introduced, e.g. China and Australia



German developments

- Political goal: 40% emission reduction until 2020
- Energiewende:
 - Phase out of nuclear electricity production;
 - debate over pathway and extent of renewables-expansion
 - Also price debate
- Germany for Energy Partnerships
 - On the margins of IRENA Conference January 2013: GER signs agreement
 w/ CH to cooperate on expansion of renewable energies
 - Apparently interest in Energiewende-Club: CH, ZAR, UK, FR, DK, MAR





Fora & Coalitions



How to use other fora and events?

- ▶ G20
- MEF
- Petersberger Dialogue
- Cartagena Dialogue
- IPCC report



New flexibility in Coalitions?

- Formerly: G77, EIG, Umbrella Group, EU, AOSIS...
- New groups and alliances emerging:
 - Durban Alliance of EU, AOSIS, LDCs
 - Durban: statement on: 2nd CP under KP; mandate/roadmap for legally binding instrument; all parties to the UNFCCC need to commit, respecting CBDR
 - Group of Like Minded Countries (some Arab countries (e.g. Egypt), some Latin American countries (e.g. Argentina, Venezuela, Bolivia, Ecuador), India and China
 - Stronger in Durban than in Doha





New Groups and Coalitions

- AILAC (Association of Independent Latin American and Caribbean states):Colombia, Peru, Costa Rica, Chile, Guatemala, Mexico, Panama
 - emerged in Bonn
 - "founded on a collective conviction that a strong and robust Convention is the most effective way to achieve the objective of a below-2 degree world."
- Cartagena Dialogue
 - Progressive
 - Informal but evolving formality?
 - First time common statement (Indonesia Opening Statement)



Important players and developments

- US
 - what will the Senate be willing to accept? Will Congress move?
 - What will the administration deliver (Inaugural speech: Gun control, Immigration and CC! 12 February: State of the Union; WH/EPA action?)

World Bank chief: Obama's inaugural speech could 'reignite' climate push

- New President is old President
- ► Changes in Administration e.g. Foreign Minister John Kerry, Special Envoy to Climate Change Jonathan Pershing to change jobs
- Shale gas



Important players and developments

- China will they be willing to agree on a global vision?
 - In Doha focus on national action (e.g. ETS)
 - ► China will develop its new 5 year plan (2016-2020)
- India how to find common ground on the equity-debate?
- Russia how will act after Doha-contoversy?

Russian negotiator: decision to close discussions was "an outrageous violation", "legal consequences", "extremely seriously undermines the legitimacy of the regime and trust between the participants"

UN climate chief dismisses Russia 'hot-air' protest in Doha





Important next dates



UN Regime – upcoming issues in 2013

- 2013
 - Start review
 - Key upcoming submissions:
 - ADP WS1: Views/ proposals on matters related to work of ADP (1 March)
 - ▶ ADP WS2: Actions, initiatives and options to enhance ambition (1 March)
 - Clarification of pledges and NMM/FVA (25 March)
 - ADP Sessions: May, June (potentially September, November)
 - Ratification of KP amendment?
 - ▶ SB Session: Bonn 3-14. June 2013; COP & COP/MOP Warsaw 11.-22. November

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ccb1 2015 neue Kommission? Zu spät für neue Impulse? Camilla Bausch; 20.01.2013



UN regime – upcoming issues in 2014, 2015

- **2014**
 - Ambition Review (KP); High level Meeting on ambition; Actions Ambitionen (UNFCCC), Finanzierg
 - Draft Negotiating Text
- 2015
 - ▶ Before May: Negotiating Text
 - ► COP: new regime, end of review

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ccb9 2015 neue Kommission? Zu spät für neue Impulse? Camilla Bausch; 20.01.2013



Wichtige Termine - international

- ▶ IPCC AR5
 - ▶ WGI Physical Science Basis: **Sept./Oct. 2013**



- WGII Impacts, Adapation, Vulnerability: March 2014
- ▶ WG III Mitigation: April 2014
- AR 5 Synthesis Report: Oct 2014
- ▶ G20 Summit
 - ► St. Petersburg **5./6. Sept. 2013**



- Australia 2014
- G8 Summit
 - Lough Erne, UK: 17./19. June 2013



Russia 2014



Interesting facts and developments

- Current EU Presidency (started January 2013): Ireland
- Germany: Federal Elections Sept. 2013 (Lower Saxony: Red/Green)
- Two EU countries to host 2 COPs in 2013 and 2015
 - ▶ 2013: Poland
 - ► 2015: Possibly France
- EU COM & European Parliament to change close to deal
 - ▶ 5 year term
 - Current Parliament elected 2009; Current EU COM started work Feb 2010





2013-challenges

- Main political focus on ADP (tight timetable for 2015 Agreement)
- 2013 a year for analysis, getting ideas on the table, avoiding backsliding. Need for progress on pre 2020 ambition/implementation
- Tension between top down & bottom up; Relationship betw. increasing ambition pre 2020 & nature of commitments in 2015 Agreement
- Importance of raising ambition pre 2020
 - identifying additional mitigation potentials
 - further emission reductions through complementary international cooperative initiatives (ICIs) outside of the UNFCCC process.





"It always seems impossible until it's done."

Nelson Mandela





Thank you!

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