GREENPEACE Briefing

Global climate politics at COP19: The State of Play

Briefing for the COP19 climate conference in Warsaw, 11-22 Nov 2013

As governments gear up for another round of climate negotiations in Warsaw, Poland – aiming for a new global climate agreement by 2015 – there are two key lessons that must be learned from the past. Firstly, the UN negotiations are only one side of the coin to tackle climate change: real change has to start and happen on the national level. Secondly, only a good, step-by-step negotiation process can facilitate a good outcome: big issues can't be piled up for last-minute, random horse-trading and "hoping for the best".

Two years ago, in Durban, South Africa, world governments agreed that, by 2015, they would negotiate a new universal climate agreement to deal with climate change beyond 2020. In addition, they admitted that, more emission cuts would have to take place before 2020 to prevent catastrophic warming levels. Negotiations were launched to tackle both issues.

So, now countries are finally negotiating on one agreement: there is an agreed goal of limiting warming to less than 2°C (which determines by how much emission need to be cut), as well as an adequacy review of this goal, with action towards it. The scientific community (IPCC) will provide fresh input. Procedurally, key elements are in place for negotiating a treaty that helps preventing catastrophic climate change. But are governments up for it?

No, not yet. There are positive trends in countries like China and **Brazil**, and there will be a restart for a climate and energy policy in the EU. Last year global CO2 emissions growth slowed down substantially, from about 3% to 1.1-1.4 %, which could be a sign of approaching emissions peak. Overall, however, action remains insufficient and most countries are likely to come to Warsaw with no intentions to increase their pre-2020 ambition or to advance long-term funding for poorer countries. In fact, Japan (one of the world's top ten polluters) is rumored to announce a remarkable weakening of its 2020 pledge, while Australia (one of the biggest per capita emitters), is about to repeal its carbon tax. Canada's government has dug its head so deeply into the highly polluting oil sands that the country's climate regress even earned a special mention in the latest GLOBE Climate Legislation Study. The US will, as always, try to look good, pointing at president Obama's Climate Action Plan, while promoting its international do-whatever-you-want approach. Russia has yet to articulate its vision for solutions. It didn't want to continue with the Kyoto Protocol, but wanted to keep its unused emission allowances to avoid future emission cuts. **South Africa** plays a constructive role in the negotiations, but its major expansion of coal at home is contradicting its international reputation and ambitions.

Despite fresh warnings from IPCC scientists about time running out, and the World Bank describing the 4°C world we must avoid, the Warsaw conference looks set to become yet another meeting of showing up and talking, instead of actually cutting emissions.

There won't be a good deal in 2015 without a good process leading there: emissions reduction offers should be made in 2014, and then reviewed for adequacy and fairness during 2015, before final commitments are adopted. But, ultimately, even the best process won't make up for political inaction at the national level: as long as countries keep coming to the talks with the

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same old positions, waiting for someone else to move first, negotiations will continue to go in circles. So what's going on in key countries?

For the most vulnerable countries and communities, such as island states and the world's least developed countries, climate change is a matter of survival. It is their voices that should count for most when negotiating a new climate treaty. At the same time, there are those countries, whose emissions matter the most – simply because of their size and influence. The G20 countries account for 84 percent of all fossil fuel emissions.

This briefing will shed some light on the developments in China, the US, the EU, India, Russia, Brazil and South Africa, which, together, accounted for about 60 percent of all emissions in 2010[i]. This is not to suggest that these were necessarily the countries that mattered most, nor that others are being let off the hook. It is simply to focus on *some* of the countries whose national developments significantly affect the international climate talks.

China accounts for the biggest share (22 percent) of global emissions. The country burns as much coal as rest of the world combined, so any change in China's coal policy has direct global significance. In this light, China's recently announced air quality plan is promising. It mandates three key economic areas to peak and decline their coal consumption by 2017 and bans new conventional coal-fired power plants in these regions. It is the first time ever that an absolute coal or energy consumption reduction had been mandated in China's history. Beijing's "airpocalypse" – an exceptionally serious air pollution episode last January – created a tipping point for a political awakening, with citizens demanding clean air. However, more efforts are still needed, and the plan's real test will be in the enforcement, which looks set to be challenging.

In the climate negotiations China insists on the historical responsibility of developed countries, arguing that the 1992 division into developed countries (with binding emission caps and funding obligations), and developing countries (with no commitments), should remain. At the same time, the country feels increasing pressure to act – both at the international and the national level. And it is acting already. Besides curbing coal, China is piloting emission trading regionally, and rapidly expanding its renewable energy production. The most recent coal consumption trends indicate a sharp slowdown and give hope that China's coal consumption might peak faster than anticipated. Citi Bank research suggests that "flattening or peaking of thermal coal demand for power generation in China by 2020 is now a plausible if not likely scenario".

The 2015 deadline for a new agreement will impact China's own energy and emissions policy timetable. China, if anyone, has the potential to be a game changer in the negotiations.

The United States is the world's second biggest emitter in absolute terms, accounting for about 13 percent of 2010 global emissions – as well as very high levels of historical emissions. On per capita terms, every American still emits three times as much as a Chinese, on average, and the country has a more than 5 times higher GDP (PPP) per capita than China.

After 23 years of climate negotiations, the US still lacks key climate policies on a national level. It advocates for a "creative and flexible" approach at the UN, meaning a non-binding approach where every country gets to define its own emission target. It fails to explain how this could prevent catastrophic climate change. In fact, this is the approach we are currently having, and it's not working. The US' own 2020 target, which translates to 3 percent below 1990 levels, falls way short of what is needed.

Despite this lack of climate policies, the US carbon dioxide (CO_2) emissions have been falling since 2007 and last year its energy-related CO_2 emissions were nearly 12 percent below 2005 levels. Energy efficiency, renewable energy uptake, and a shale gas boom have all contributed

to the decline in petroleum use and displacement of coal. However, CO2 alone doesn't give the full picture. Where shale gas is replacing coal, the climate impact may in fact increase, due to fugitive methane emissions related to shale gas fracking.

The 28 countries forming the European Union are world's third largest emitter, in absolute terms, accounting for about 10 percent of global greenhouse gas emissions in 2010. On per capita terms, the EU today emits about as much as China, but its GDP (PPP) per capita is almost 4 times higher, and its historical responsibility is substantially greater too.

The EU has traditionally been relatively progressive in the UN, supporting ambitious and binding emission cuts. But for years now, it has lacked credibility for failing to progress its own climate policies or long-term funding for poor countries. Its 2020 target of 20 percent emission cuts below 1990 levels falls short of the "IPCC benchmark" for adequate action (25-40 percent cuts) and doesn't require any further action between now and 2020 (as the EU's emissions are already 18 percent below 1990 levels – or 27 percent with offsets). Lack of ambition has rendered the EU's Emission Trading Scheme useless. A too generous distribution of emission permits, the overflow of international offsets credits, and the economic recession have created a huge oversupply of emission allowances, collapsing their price to about 5€. This is too low to incentivise domestic emission reductions.

The good news is that in 2014 the EU has an opportunity to get it right. The Union is developing its climate and energy policy framework for the period up to 2030, with decisions on new targets to be taken in the first half of 2014. If the ambition level is sufficient, new incentives for low-carbon investments, improved energy security and job creation would be created, and the EU would send an important signal to the international negotiations about being serious and taking its fair share of global effort. The low figures currently being contemplated by the European Commission would fail to do this, however.

India is world's fourth largest emitter, with about 5.4 percent of global emissions in 2010. Of historical emissions its share is much lower, however, and per capita terms India is a small emitter. On average, every Indian emits less than a tenth compared to an average American.

India opposes binding commitments for developing countries; it wants to see rich countries first delivering on their promises to cut emissions and provide funding and technology support for poorer countries. Fearing that the legal form of the 2015 deal could prejudge country commitments, India has opposed a legally binding treaty as an outcome. On a national level, India's priority is to deliver energy for the 300-400 people who still lack access to electricity.

India often frames climate action as a burden or as an additional cost, but with mitigation the reality on the ground is changing fast. The competitiveness of solar and wind energy is improving, while costs of fossil fuels are increasing. According to HSBC, wind is now cost competitive with new coal in India, while solar will likely reach parity in the period 2016 to 2018. At the same time, India's coal industry is choking under inefficiency, corruption and environmental concerns. Coal mining expansion threatens communities, wildlife and forests, while coal power plants compete with agriculture for surface water in water scarce regions – both generating growing local opposition against coal. Fortunately, India has huge potential for sustainable renewable energy, which can help India meet its energy needs without coal.

Russia is the world's fifth largest emitter, accounting for 5 percent of global emissions in 2010. The economy is highly dependent on fossil fuels, which makes the country highly vulnerable to fluctuating energy prices. This was proven in 2009 by the world financial crisis, when oil prices plunged and Russia's GDP fell by almost 8 percent – the largest drop among the G20 nations. Russia also ranks among the most carbon-intensive economies in the world.

Russia has a poor track record on climate action. Many Russian experts would argue that the country has no effective climate policy whatsoever. Yet, its emissions are relatively low compared to the Kyoto Protocol reference year of 1990. The reason for this is the plunge in emissions that followed the collapse of Soviet-era industry. Emissions have since kept way below 1990 levels without climate policies.

For the new agreement, Russia is yet to articulate its vision. It didn't want to continue with the Kyoto Protocol, but it wanted to keep its unused emission allowances, to replace emission reductions in the future. The idea hasn't won support beyond few economies in transition.

Brazil is still one of world's top emitters too. In recent years Brazil's deforestation rates have declined significantly (76% since 2005), altering considerably its emissions curve. At the same time agriculture and energy emissions have increased. Traditionally Brazil's energy system has been relatively low-carbon, but nowadays the country is increasingly turning to fossil fuels, while it drives the problematic expansion of big hydro projects in the Amazon to meet its growing energy needs. Its huge potential for new renewable energy, such as solar and wind, remains largely untapped.

Brazil has the potential to be a true climate leader – in terms of sustainable energy, forest protection, and in building international cooperation. However, Brazil does not always capitalize this potential. Big investments are projected for the oil and gas sector, while complementary renewable energy (wind, biomass and small hydroelectric power plants) will receive only a small fraction of the amount. These decisions are not consistent with low-carbon development.

In the UN, Brazil advocates for historical responsibility dating back to 1850: each country's contribution to post-2020 emission reductions should be defined domestically taking into account historical responsibilities, national circumstances and capacities. The IPCC should be invited to develop a methodology, ideally before Ban Ki-moon's summit in September 2014, for quantifying responsibilities. Brazil believes the 2015 deal should be legally binding.

South Africa is influential because of its role in both the BASIC group (Brazil, South Africa, India and China) and the African group, and it often plays the role of a bridge-builder. Its annual emissions account for about 0.8 percent of the global total and its emissions per capita are higher than those of the EU – due to its heavy reliance on coal.

South Africa supports a legally binding treaty and has pledged for its emissions to peak between 2020 and 2025, to plateau for a decade or so, and to decline in absolute terms thereafter. However, currently it seems unlikely to reach this pledge: its emissions are already above earlier business-as-usual projections, while developments on the ground, including a major expansion of coal, contradict its international reputation and its ambitions.

South Africa has one of the best solar resources in the world and the rapid cost reductions of solar panels have made solar an attractive option for South Africans. Whether or not the country gives renewables and energy efficiency a true priority, is a crucial choice.

What does it all add up to?

There are reasons for both hope and pessimism. There has been a substantial increase in climate legislation and strategies in recent years. Two thirds of global greenhouse gas emissions are now covered by a national climate legislation or strategy. Since the last negotiating round that started in Bali in 2007, renewable energy has made a breakthrough globally: it's bigger, it's cheaper, it's serious, and it's changing the perception of climate action as burden. At the same time, the fossil fuel industry is crumbling, leading some analysts to suggest that the demand peaks for both coal and oil could come much faster than anticipated.

A clean energy revolution is within our reach, but it requires more determined action to curb pollution.

Most of the world's big emitters still behave as if we had all the time in the world. Bigger emission cuts can wait, they seem to suggest, or somebody else should make them. The typical way for these countries to approach the UN negotiations is “how can I game the system, and avoid doing any more than others”, rather than “how could I contribute to preventing catastrophic climate change”. This cynical approach has got to change.

Fossil fuels are still subsidized by hundreds of billions of dollars a year. **Exploration for new fossil fuels continues with higher environmental and social risks, as in the Arctic**, even though we can’t even afford to burn most of the fossil reserves already found, if we are to avoid climate chaos. Citizens around the world are taking action to challenge the fossil fuel industry, but most governments are not. Activists are jailed, while polluters are free. This has got to change.

The key benchmark for the Paris agreement in 2015 is this: will countries commit to moving beyond fossil fuels? Will they accept that emissions need to be brought to zero in the coming decades, and that most proven fossil fuel reserves need to stay in the ground? These kind of signals long-term investors will be needing – and humanity as a whole. Solutions for achieving such goals are already here[ii]. Another test for success will be fairness of the outcome.

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[i] All emission data in this briefing is derived from the following sources: UNEP: The Emissions Gap Report 2012. CAIT2.0 database of the World Resources Institute. And PBL (2012) Trends in global CO2 emissions. The data on GDP per capita is derived from: World Bank, International Comparison Program database. GNI per capita, Atlas method (current US$). And Trends in global CO2 emissions and CIA (2012) The World Factbook.

[ii] Energy [r]evolution scenarios: http://www.greenpeace.org/international/en/campaigns/climate-change/energyrevolution/