

RAILWAY SWITCHES FOR THE CLIMATE TRAIN IN POZNAN

BRIEFING PAPER FOR THE CLIMATE SUMMIT IN
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Summary

The climate summit in Poznan (Dec. 2008) will set important “railway switches” for the international Climate Treaty, which should be adopted at the end of 2009 in Copenhagen. In the last 12 months governments have put together suggestions for the building blocks of an international treaty. In Poznan we must succeed in beginning serious negotiations. It is crucial that the “railway switches” are set so that the necessary ambition of reductions targets, adaptation and transfer of technology and finance is negotiated upon.

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1 The ideas for a comprehensive Treaty are on the table: from Poznan on they must be negotiated upon

Since the climate summit in Bali (Dec 2007) the climate train has been on the way to Copenhagen, where at the end of 2009 a huge, two-facet treaty should be decided upon. Since Bali there have been different stopovers – negotiations in Bangkok, Bonn and Accra. The 12 months since Bali served as a forum for the gathering of ideas. Governments and observer organizations could offer suggestions (“Submissions”) on the components of the new treaty. The Copenhagen Treaty can be complimented by additional decisions of the climate summit of 2009 – decisions which facilitate a “quick start” for there period from 2010-2012 are particularly important here.

From Poznan on the gathering of ideas will recede into the background. They have been assembled and are now on board. Since Accra (August 2008), the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) has had the central text with the different negotiations options. Some 14 days before Poznan the so-called “Assembly Text” for the working group preparing the complimentary Treaty at the level of the UNFCCC (AWG-LCA¹), was published. The structure of this 83-page document, crucial for the coming negotiations, is based on the structure of the Bali Action Plan.

The Assembly text collates the previously submitted ideas:

- a) for the Shared Vision: where does the world want to go with climate mitigation and adaptation until 2020 and 2050? Which finance and technology streams will get us there?
- b) for increased national and international action on climate mitigation.
- c) for increased action on adaptation to climate change.
- d) for increased action on technology development and transfer, both for mitigation and adaptation.
- e) for increased action to secure financial resources and investments, both for mitigation, adaptation and technology cooperation.

2 Key points of conflict in cooperation on technology and finance

One of the central stumbling points for the success of the UN climate negotiations is the technology and finance package. In the Bali Action Plan, the emerging economies succeeded in tying the ambition of climate mitigation in their countries to the corresponding cooperation on technology and finance. That means: no large-scale technology cooperation, no ambitious climate action in the emerging economies. But also the other way round: no ambitious climate action, no large-scale technology cooperation.

The central expectation of emerging economies and the developing countries is that *comprehensive technology-cooperation (d) and financial support for climate mitigation (incl REDD)² and adaptation (e)* are the treaty’s central elements. This group is pressing for new structures and institutions within the UNFCCC framework, which bindingly obligate the causers of climate change. It is expected that developing countries’ support will deliver 0.5 to 1.0 % of their GDP in financial streams for climate cooperation, additional to development aid. Although important emerging economies (e.g. China, India, Mexico, South Africa) are actually doing a lot for climate mitigation, they want to avoid international commitments at least for the next commitment period.

¹ Ad Hoc Working Group on Long-Term Cooperative Action

² Reducing Emissions from Deforestation and Degradation

In contrast, in industrialized countries, both in the discussion in the USA, the EU and Japan, climate goals and preferably binding commitments for climate activities by emerging economies (a, b) are standing in the foreground of the debate. Without significant technology and finance cooperation absolutely nothing will become of an ambitious climate treaty: this realization has not yet surfaced in the public debate in industrialized countries. Ministers of the economy block up when the economy, in accordance with the “polluter pays principle” (auctioning of emissions allowances, levies), is shown the way to the cash-register; finance ministers when public monies should be put on the table. In both Obama’s climate plans and those of the EU these aspects have played an insignificant role. Thus the EU’s recently tabled submission on technology cooperation³ is regarded by the emerging economies as fully inadequate. Although many formulations are somewhat ambivalent, the impression arises that the EU wants to conduct technology cooperation fundamentally bilaterally and along old tracks.

Of course, this “positioning” from all sides is influenced by tactical considerations. No one wants to lay their trumps on the table, without knowing what they get from the others in return. It would be, however, inauspicious for the negotiations if “block building” along the North-South line occurred. It would be more appropriate if leadership coalitions were established, which overcome these barriers.

In principle, we have constructive solutions already to hand.

Industrialized countries have emitted by far the most GHGs into the atmosphere and are simultaneously world leaders in many technologies. Thus industrialized countries must accept that they have a huge responsibility for cooperation on technology and finance. For this we require a *combination of increased bilateral activities with new structures at the UNFCCC level*.

The emerging economies and developing countries must adjust their demands, recognising that we are dealing with – depending on region (e.g. emerging economies and Least Developed Countries) and field (Mitigation, Forest Protection, Adaptation) – a very different combination of public international and national incentive structures as well as private finance and investment streams. Furthermore, they need to show a willingness to negotiate concerning the reduction of their emissions significantly under the Business as Usual path.

However, it would certainly be naive to overlook the conflicting interests which are standing in the way of a solution.

Industrialized countries want to significantly accelerate and increase the export of *their* technologies to the emerging economies. They promise themselves an enormous growing market for their innovative industries. Through technology cooperation, the emerging economies want to enable their businesses to produce and market these technologies on their own.

Theoretically it shouldn’t be too difficult to conciliate these different interests. If there actually is an ambitious treaty the technology revolution will follow hot on its heels. The whole energy, transport and building infrastructure will have to be remade within a short period of time. This can only be successful when both the industrialized and developing countries make their own contribution and reap their own rewards. The big question is, however, whether this technology cooperation, a huge-scale “Joint Venture”, can be organized, such that both sides profit from it.

³ SUBMISSION BY FRANCE ON BEHALF OF THE EUROPEAN COMMUNITY AND ITS MEMBER STATES on Enhanced action on technology development and transfer to support action on mitigation and adaptation supported by Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey, Paris, 14 November 2008

3 A strategy to survive the way through the valley of death

The next twelve months of the climate journey will be dominated by *negotiation* on the ideas submitted. The climate summit in Poznan should organize this transition from “idea gathering” to negotiation. After Poznan and before Copenhagen (December 2009) the climate journey will stop off for negotiating rounds in March/April (29.3.-8.4.09, Bonn), 1-12 June (Bonn) and September (location not yet clear, perhaps the USA).

It is to be assumed that – as usual in such negotiations – a good part of this journey in the coming months will go through the “valley of death”. Governments will adopt extreme positions in order to come out at the end as much as possible for their own land. Given the wide spectrum of positions, the anxiety will spread that our “climate train” could come off the rails.

It is crucial that we form both an internal and external strategy for bridging the valley of death.

The internal strategy consists of building leadership coalitions of countries venturing out of cover and simultaneously tackling taboos at different levels. Thus, for example, Mexico and Norway are currently testing whether their very innovative finance mechanisms can be combined. The EU and South Africa have published a very inspiring joint climate paper.

The external strategy consists of stoking political will at meetings of government leaders or ministers, and simultaneously public expectation and thereby the pressure on Copenhagen. An important role will be played by the G8 summit (July, Italy) to which emerging economies will once again be invited. Likewise there is the process initiated by the USA of the Major Emitters Meetings (MEM). And the Secretary-General of the UN is considering inviting government leaders to two climate meetings in 2009.

Furthermore, upgrading the negotiating rounds, which will take place before Copenhagen, is being considered. Other interesting ideas, which are currently being discussed: to upgrade one of the negotiating rounds in June or September to a Special Summit, or to hold a round of negotiations in September in the USA (perhaps with the participation of President Obama). There the roadmap for the inclusion of the new US government in the treaty could be the focus.

4 Poznan: Way free for the fixed goals of the negotiations

The scientific goals, upon which an ambitious negotiation process must be orientated, are well known and will be laid out below.

It is crucial that the negotiation process is structured so that it sets the railway switches for the achievement of an ambitious treaty in Copenhagen (or at least leave the chance for this, which is not possible with the current US administration). The goals are clear.

Poznan must pave the way for the negotiation of the necessary, central goals of the new treaty, in the next 12 months. The process must be formed so that at least the chance exists to intensively negotiate on the decisive points in the coming months. It is important that, above all, the negotiations on the Shared Vision and the ministers’ round table address these themes and that the following elements don’t fall under the table:

- The group of **industrialized countries** must reduce their emissions **by 25-40% by 2020** compared to 1990. The overwhelming part of this must be achieved domestically.
- **Global emissions must peak before 2020** if we are to have a chance of avoiding large-scale dangerous climate change.
- **In emerging economies there must be a clear deviation of emissions from Business as Usual by 2020.**

- These goals have a chance of being realized only if a **comprehensive package on technology and finance cooperation** is adopted. Here we are talking about annual sums in the order of tens of billions of US Dollars, perhaps more than 100 billion USD.
- Additionally, we need a schedule for **stopping deforestation in tropical forests**. This must be additional to, and not instead of, the necessary climate mitigation in industrialized countries and emerging economies. That means: REDD could be included in emissions trading only if the goals of industrialized countries were increased by some 15% (additional to the 25-40% goal).
- Furthermore, we need a comprehensive **strategy for the support of adaptation to climate change in the most vulnerable countries and regions**. Significant means of **finance will be needed**, and it must be ensured that this **benefits the most vulnerable regions and people**. The adaptation strategy can be complemented by an **international climate insurance mechanism**.

It would be unrealistic to expect that in Poznan these central points will be decided upon. That will – if we succeed at all – only occur in Copenhagen. It is important, however, that different countries, or groups of countries, negotiate with a sufficient level of ambition; and that the COP President abides by this in his summary of the minister segment.

5 A Mandate for the train drivers

With Poznan the decisive phase of the climate negotiations begins. These negotiations should lead to a new, watershed Treaty at the climate summit in Copenhagen. It is central that negotiations leaders have a meaningful mandate, which will put the negotiations in a position to:

- quickly submit a negotiating text on the basis of the assembly text.
- advance the negotiations quickly and comprehensively beyond this. This includes the option of flexibly reacting to crisis situations in the negotiating process.

The Co-Chairs of the AWG-LCA, perhaps the most important process, are Luiz Machado (Brazil) and Michael Zammit Cutajar (Malta). In the coming 12 months the latter will have the lead and thereby the most decisive negotiation position.

Harald Dovland (Norway) will lead in Poznan the negotiations on AWG-KP. The G77 and China will then suggest a new chair for the coming year.

One of the central conditions for an ambitious treaty in Copenhagen seems like a formality: a flexible negotiations mandate for the leaders of the process, which gives them the possibility to advance the negotiations on the basis of a negotiation text.

The journey to the Kyoto Protocol would have never reached the station without a similar mandate.

6 A quick start for adaptation

The main goal of the climate summit in Poznan is to prepare the deal which should be adopted in a year in Copenhagen. Furthermore, in Poznan a few concrete results should be achieved.

Perhaps the most interesting idea, currently being discussed, is a **quick start programme for adaptation to climate change**. In Poznan, this should be launched and then adopted in Copenhagen. Its central goal is to begin with the necessary adaptation activities in 2010 and not to wait until 2013.

Elements of this program could be for example:

- The **full operationalisation of the adaptation fund** in the framework of the Kyoto Protocol, in Poznan or shortly thereafter. However, a few critical questions remain to be clarified.

- The readiness of industrialized countries to transfer **additional, meaningful contributions to the adaptation fund**, as a sign of the breakup.
- The **implementation of some of the most urgent adaptation measures**, which were identified in the National Adaptation Programmes of Action (NAPAs) of the most vulnerable countries.
- To begin the application process for **regional Centres or Networks of Excellence**.
- To begin a **pilot project for a regional climate insurance facility**.

Such a quick-start program could:

- a) tackle urgent adaptation challenges without delay.
- b) document industrialized nations' "willingness to act", after years of empty promises.
- b) generate trust for the negotiation process up to Copenhagen

It is important that the negotiation process for a quick-start program is as slight as possible, so that the capacity of LDC negotiators is not over-stretched.

7 Clarity on REDD principles

In the last few months there has been lots of dynamic in the debate on REDD, i.e. reduced emissions from deforestation and degradation. The goal for Poznan is that critical principles of forest protection are clarified. Only if these principles are clarified, can we carefully calculate what financing for REDD is necessary and how REDD fits in the architecture of a future treaty. It is certainly still unclear, whether we can succeed here.

The critical questions of REDD's financing and whether REDD should be included in emissions trading (see above) will be clarified only in the framework of a "whole deal" in Copenhagen.

8 Conclusion

The climate summit in Poznan will set important railway switches; make however few decisions. The climate journey has to change gear here, from the exchange of ideas to negotiating mode.

It always seems impossible
until it is done.

Nelson Mandela

9 Further information

Detailed background information and evaluations by Germanwatch:

- Briefing Paper: Bali, Poznan, Copenhagen – Triple Jump Towards a new Quality of Climate Policy? (Feb. 2008)
www.germanwatch.org/klima/bapocoe.htm
- Briefing Paper: Climate change Adaptation in Poznan: moving forward on short and long-term action? (Nov. 2008)
www.germanwatch.org/klima/adpoz08e.htm
- Discussion Paper: Climate Insurance as part of a Post-Kyoto Adaptation Strategy (Okt. 2008)
www.germanwatch.org/klima/insur08.htm
- **Germanwatch Website on the climate summit**
www.germanwatch.org/cop

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