

A Quick Guide to the Climate Negotiations in Buenos Aires: 6 - 17 December, 2004

The 10th Conference of the Parties (COP 10) to the United Nations Framework Convention on Climate Change (UNFCCC) begins on 6 December in Buenos Aires, Argentina. The Framework Convention was agreed at the Earth Summit in Rio de Janeiro, Brazil in 1992, and has since been ratified by 189 countries. Its ultimate objective is the *'stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner'*, and states:

"The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Accordingly, the developed country Parties should take the lead in combating climate change and the adverse affects thereof."

The UNFCCC is, as its name implies, a 'framework' convention, and envisages subsidiary legal instruments (e.g. protocols) to effect its goals. It has a non-binding target, which calls for industrialised countries to bring their emissions back to 1990 levels by 2000. Recognising that this was inadequate, the Parties to the Convention established a process in Berlin in 1995 to negotiate a protocol with binding targets and timetables "as a matter of urgency" by 1997. The result was the Kyoto Protocol, agreed in December of 1997.

The Kyoto Protocol specifies legally binding targets and timetables for reductions of greenhouse gases by the developed countries listed in Annex B of the Protocol, amounting to a nominal 5% reduction of emissions by 2008-2012 relative to 1990 levels. 84 countries signed the Protocol and 129 have since ratified or acceded (*see table*,). The Protocol requires that at least 55 countries, accounting for 55% of the CO₂ emissions from Annex B (industrialised) countries ratify in order for it to enter into force. Having passed the numbers test in 2002, the Kyoto Protocol finally passed the second hurdle when the Russian Federation deposited its instrument of ratification with the UN in mid-November of this year. The Protocol will 'enter into force' and become legally binding on the Parties on February 16, 2005.

The United States shows no sign of re-entering the Kyoto process, at least as long as the Bush administration is in power. The only other Annex B country to have announced it will not ratify is Australia. Of the others only Liechtenstein, Croatia and Monaco have yet to complete the ratification process.

What next for the Kyoto Protocol?

The Kyoto Protocol's entry into force marks the end of 10 years of negotiation on this complex instrument. In practical terms, this means that the Annex B countries that have ratified are now legally bound by the targets they agreed to back in December of 1997 in Kyoto. They must now get serious about meeting those targets, through domestic emissions reduction measures as well as through the use of the various trading mechanisms in the Protocol which the USA argued so strongly for, but in which it will not be able to participate. Formal preparations will begin for creating a 'global' carbon market for emissions trading for 2008, and the so-called 'flexible mechanisms', the Clean Development Mechanism (CDM) and Joint Implementation (JI) will become operational.

The CDM (Article 12 of the Protocol) is a mechanism designed to generate emissions reductions credits for Annex I countries that finance projects in non-Annex I countries who are Party, i.e., Canada financing an energy efficiency project in China, Japan financing a renewable energy project in Morocco, etc. These projects must have the approval of the CDM Executive Board, and in addition to generating measurable emissions reductions against a business-as-usual baseline (they must have 'additionality'), they should be designed to contribute to sustainable development in the developing country partners.

Joint Implementation: Article 3 of the Protocol allows industrialized countries with emissions reductions targets to cooperate in meeting them, and is generally referred to as Joint Implementation. For example, German-financed energy efficiency projects in Russia, or Norwegian-financed renewable energy projects in Hungary which generate

emissions reductions, can be credited to the country which finances them. In theory, this is a more economically efficient means for generating the same overall emissions reductions for industrialized countries.

The Kyoto trading mechanisms rely on a robust and ‘leak-proof’ architecture including national accounting systems and a system of international controls to ensure that the actual overall emissions reductions targets are achieved. The CDM to some extent lies outside this architecture as it relies on ensuring that projects in developing countries reduce emissions from a hypothetical baseline. Unlike trading and JI, it also permits Annex B Parties to increase their overall allowed emissions. These twin problems mean that there is an acute need to ensure that project methodologies for the CDM are watertight and achieve real climate benefits.

Much of the wrangling over the past seven years has been over the question of maintaining the integrity of this architecture and to resist efforts to weaken it. The result is less than perfect, but overall provides a solid basis upon which the future of the climate regime can be built. Its greatest weakness is the mixing of fossil carbon emissions and organic carbon stocks, so called ‘carbon sinks’, which result in more fossil carbon being introduced into the biosphere in the name of emissions reductions. The future of the Land Use, Land Use Change and Forestry (LULUCF) accounting system will be one of the major factors in future negotiations. See ‘Note on Sinks’¹, below.

Finance: As part of the breakthrough ‘Bonn Agreement’ in July of 2001 at COP6bis, after the US had pulled out of Kyoto, a number of industrialised country Parties (the EU, Canada, Iceland, New Zealand, Norway and Switzerland – see pledged to contribute USD 410 million per year starting in 2005 to support the Special Climate Change Fund and the Least Developed Countries Fund, both administered under the Convention. This was later formalized at COP 7 in Marrakech in late 2001. The Parties pledge to review these commitments prior to 2008. These commitments will now be called in, and efforts to assist developing country Parties with adaptation and mitigation can finally get underway, although it is clear that this level of funding is by no means adequate.²

What’s on the table at COP 10?

The formal process of the climate negotiations has been all but ‘on hold’ while waiting for Russian ratification. Now that entry into force is assured, furious preparations are underway to enact the provisions of the Protocol as well as to prepare for negotiations on the second commitment period. This is happening amidst much discussion about how the climate regime needs to be broadened and strengthened. As such, although the formal negotiations at COP 10 will be more about form than substance, the sub-text, as well as the majority of side events and corridor conversations will be dominated by discussions of ‘Post-2012’ negotiations.

2005 will see the first COP/MOP, the Conference of the Parties (to the UNFCCC) serving as a Meeting of the Parties (to the Kyoto Protocol). A number of decisions taken by previous COPs will need to be confirmed at the first COP/MOP, key among them being confirmation of the Compliance Mechanism of the Protocol, which calls for the establishment of a Compliance Committee to ensure that the emission reduction commitments are lived up to. The Compliance Committee will have a Facilitative Branch to assist countries in meeting their commitments, and an Enforcement Branch to assess penalties if a country is deemed finally to be not in compliance. Penalties include an assessment of extra emissions reductions (1.3 tons for each ton not reduced) for the next commitment period, and an exclusion from emissions trading.

¹ **Note on Sinks:** Under the terms of the Kyoto Protocol certain kinds of land use change and forestry activities which can sequester carbon are allowed to be counted toward meeting emissions reduction obligations under the Protocol. The theory is that if a ton of carbon is stored in a tree (a so called ‘sink’ for carbon) and hence removed from the atmosphere, then a country would be allowed to add a ton of carbon to its allowed emissions of carbon from the burning of fossil fuels. This whole theory that creating ‘sinks’ in forests, plants and soils, whereby carbon dioxide is taken out of the climate system to offset higher fossil fuel emissions is, according to Greenpeace, quite wrong. Unfortunately, carbon stored in trees is not permanently removed from the atmosphere and there is a high probability that the ton of carbon counted as stored in the tree will find its way back into the atmosphere eventually. The result of this is that the burden of reducing emissions is simply shifted to future generations.

The main point, however, is that the use of sinks must not divert any political and financial resources away from the primary task: to reduce emissions resulting from the burning of fossil fuels. Sinks do not even “buy us time”, as some have argued. If the industrialized countries do not achieve major emission reductions in the near term, we may lose our ability to avoid dangerous climate change, by anyone’s definition. The goal of the Protocol is to reduce emissions, not to create mechanisms for avoiding reductions. Greenpeace seeks to minimize the use of sinks in the Protocol as much as possible, and notes that a number of countries have already pledged that they will not take advantage of this loophole.

² See NEF/Greenpeace Report “Cast Adrift” at <http://www.greenpeace.org/COP10> and FCCC/CP/2001/Misc.4 on the UNFCCC web site <http://unfccc.int>

What is Dangerous Climate Change...?

The primary and ongoing obligation on countries signatory to the Climate Convention is to prevent dangerous climate change. With the publication of the Intergovernmental Panel on Climate Change's (IPCC) Third Assessment Report³ (TAR) in September 2001, we have new and up-to-date information on the likely extent and impacts of climate change. Since then, floods and heat waves in Europe, a global drought, extreme floods in India and China, an apparent increase in the rate of CO₂ build-up in the atmosphere, collapsing ice sheets and a new report detailing the wholesale meltdown of the Arctic have given rise to concerns that the climate may be changing even faster.

It is the obligation of the Convention Parties to come to the fundamentally political decision as to what is 'dangerous' climate change. Pertinent questions arising out of the TAR:

- Is the meltdown of the Greenland ice sheet or the destabilization of the West Antarctic Ice Sheet dangerous, leading as it would to many meters of sea level rise?

*- Is putting 300 million people more at risk of malaria dangerous? 50-120 million more people at risk of hunger? 100 million more people at risk of coastal flooding? More than **3 billion people** at risk of water shortage? Are these dangerous?⁴*

- Are significant damages to crop production in tropical and subtropical countries, which could among other things reverse agricultural self-sufficiency progress in many developing nations dangerous?

- Are losses of unique ecosystems and substantial damage to coral reefs dangerous?⁵

One of the major differences between the TAR and the IPCC's Second Assessment Report from 1995 was the higher range of global mean projected temperature increase during the course of this century, from 1.0 – 3.5°C, to 1.4 – 5.8°C. But, ***the impacts of the upper end of this range were not assessed*** by the IPCC, and recent evidence indicates that we need to pay attention to this.

...And How to Avoid It?

In accordance with Article 3.9 of the Kyoto Protocol, the first COP/MOP will begin consideration of amendments to Annex B, in other words, a review of the emissions reductions targets for the second and subsequent commitment periods. The initial targets agreed in 1997 were only ever meant to be the first step, and new evidence underscores the urgency of much deeper cuts in emissions in the period after 2012.

For Greenpeace and our colleagues in the Climate Action Network, we have staked out our position in favor of a maximum peak of temperature rise as ***less than*** a 2°C increase above pre-industrial levels. For more details see "How Much Climate Change Can We Bear?"⁶

Greenpeace urges the Parties to develop the climate regime along four parallel tracks:

- 1) To further develop the Kyoto Protocol for the Second Commitment Period (2013-2017) including fair, equitable and economically beneficial ways and means of involving newly industrialised countries; and seeking to involve key sectors of large emitting countries in its trading system for this period, including financing arrangements that contribute to poverty alleviation and sustainable development;
- 2) To facilitate the introduction of low carbon emitting technology in developing countries;
- 3) To mobilize local, regional and international support to halt tropical deforestation;
- 4) To take action to upgrade adaptation efforts internationally: establish a Ministerial Working Party to explore how to capture synergies across relevant UN agencies⁷, international financial institutions, disaster relief

³ see <http://www.ipcc.ch/> & <http://www.greenpeace.org/~climate/climatecountdown/documents/highlights-ipcc.pdf>

⁴ see Parry, M., et al "Millions At Risk", Global Environment Change 11:3(2001): 1-3; available on line at <http://www.cru.uea.ac.uk/tiempo/floor0/archive/issue4445/t4445a7.htm>

⁵ see http://www.wbgu.de/wbgu_sn2003_ex01.pdf

⁶ "How Much Climate Change Can We Bear?" at <http://www.greenpeace.org/COP10>

⁷ Inter alia, UNDP, UNEP, WHO, FAO

agencies, regional environmental and economic co-ordination entities; and to report with a plan of action and to consult with the UN Secretary General to ensure the full and open co-operation of UN bodies in this work.

New and creative financing systems involving the private sector and developed government backed guarantees will be essential to the success of all of these tracks, in keeping with the principle of common but differentiated responsibilities.

Conclusion

Greenpeace will continue to argue for environmentally effective implementation of the Kyoto Protocol, and urgent negotiations to agree the next steps to ensure the much deeper cuts which will be required to avoid dangerous climate change: at least 30% cuts by industrialized countries by 2020, increasing to 70-80% cuts by mid-century. This translates into global emissions reductions by mid century of up to 50%. Anything less than this will consign our children and theirs to a very unpleasant and very unstable world. The decisions that governments, industry and civil society make over the next decade or two will be decisive.

Greenpeace documents available at COP 10 – also posted at <http://www.greenpeace.org/COP10>

1. “Cast Adrift” - NEF/GP Report
2. Millions at Risk Briefing
3. How Much Climate Change Can We Bear?
4. Kyoto, the US, and Business
5. Renewable Energy and Climate Change
6. Solar Generation
7. CAN Adequacy Paper
8. CAN discussion paper
9. Temporary sinks do not cause permanent climatic benefits.
10. Wind Force 12
11. Solar Thermal Power

Signatories to the Kyoto Protocol: Annex B Countries are in *Bold Italics*.

Countries that have ratified or acceded are marked ‘R’.⁸

ANTIGUA AND BARBUDA - R	CUBA - R	INDIA - R	MICRONESIA (FED. STATES) - R	ST VINCENT & GRENADINES
ARGENTINA - R	CYPRUS - R	INDONESIA	MONACO	SAMOA - R
ARMENIA - R	CZECH REPUBLIC - R	IRELAND - R	MONGOLIA - R	SENEGAL - R
AUSTRALIA	DENMARK - R	ITALY - R	NAMIBIA - R	SOLOMON ISLANDS
AUSTRIA - R	DJIBOUTI - R	JAMAICA - R	NAURU - R	SOUTH AFRICA - R
AZERBAIJAN - R	DOMINICAN REPUBLIC - R	JAPAN - R	NETHERLANDS - R	SPAIN - R
BAHAMAS - R	ECUADOR - R	JORDAN - R	NEW ZEALAND - R	SRI LANKA - R
BANGLADESH - R	EGYPT	KAZAKHSTAN	NICARAGUA - R	SUDAN - R
BARBADOS - R	EL SALVADOR - R	KIRIBATI - R	NIGER - R	SWEDEN - R
BELGIUM - R	EQUATORIAL GUINEA - R	KYRGYZSTAN - R	NIUE - R	SWITZERLAND - R
BELIZE - R	ESTONIA - R	LAO DEM. PEOPLES REP. - R	NORWAY - R	THAILAND - R
BENIN - R	EUROPEAN COMMUNITY - R	LATVIA - R	PALAU - R	FYR MACEDONIA - R
BHUTAN - R	FIJI - R	LESOTHO - R	PANAMA - R	TOGO - R
BOLIVIA - R	FINLAND - R	LIBERIA - R	PAPUA NEW GUINEA - R	TRINIDAD AND TOBAGO - R
BOTSWANA - R	FRANCE - R	LIECHTENSTEIN	PARAGUAY - R	TUNISIA - R
BRAZIL - R	GAMBIA - R	LITHUANIA - R	PERU - R	TURKMENISTAN - R
BULGARIA - R	GEORGIA - R	LUXEMBOURG - R	PHILIPPINES - R	TUVALU - R
BURUNDI - R	GERMANY - R	MADAGASCAR - R	POLAND - R	UGANDA - R
CAMBODIA - R	GHANA - R	MALAWI - R	PORTUGAL - R	UKRAINE - R
CAMEROON - R	GREECE - R	MALAYSIA - R	REPUBLIC OF KOREA - R	UNITED KINGDOM - R
CANADA - R	GRENADA - R	MALDIVES - R	REPUBLIC OF MOLDOVA - R	UNITED REP. OF TANZANIA - R
CHILE - R	GUATEMALA - R	MALI - R	ROMANIA - R	UNITED STATES OF AMERICA
CHINA - R	GUINEA - R	MALTA - R	RUSSIAN FEDERATION - R	URUGUAY - R
COLOMBIA - R	GUYANA - R	MARSHALL ISLANDS - R	RWANDA - R	UZBEKISTAN - R
COOK ISLANDS - R	HONDURAS - R	MAURITIUS - R	SAINT LUCIA - R	VANUATU - R
COSTA RICA - R	HUNGARY - R	MEXICO - R	SEYCHELLES - R	VIET NAM - R
CROATIA	ICELAND - R	MOROCCO - R	SLOVAKIA - R	YEMEN - R
	ISRAEL - R	MYANMAR - R	SLOVENIA - R	ZAMBIA

⁸ See http://unfccc.int/files/essential_background/kyoto_protocol/application/pdf/kpstats.pdf