## The Long and Arduous Road to Paris 2015

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20 Dec 2014

# **Climate Change Talks So Far**

Originally scheduled from 1 to 12 Dec 2014, the two-week climate change conference in Lima, capital city of Peru went into overdrive ending only in the wee hours on 14 Dec 2014. Delegates and climate change experts from 196 nations worked tirelessly for over two weeks in a temporary complex of white tents intending to release the draft framework for climate change accord on 12 Dec but were held back by years-old longstanding divisions between developed and developing nations on their respective responsibilities for funding and share of carbon emissions reduction.

The full text of the Lima agreement (5<sup>th</sup> draft) can be downloaded <u>here</u>.

Less than three months ago on 23 Sep 2014, the 1-day UN Climate Summit held in New York that was attended by 120 world leaders concluded with both the US and China, two of the largest carbon emitters pledging to set 2020 emissions targets but India, the largest carbon emitter besides the US and China refusing to commit to any target. As a follow-up, the US and China made historical joint announcement on 12 Nov 2014 committing to new limits on carbon emission starting in 2025.

So what are the prospects of a conclusive binding agreement in Paris next year?

### What are the "In" and "Out" of the Lima Agreement

#### **Carbon Emission Targets**

All countries will be asked to submit their respective carbon emission plans, known as "Intended Nationally Determined Contributions", INDCs to the United Nations by an informal deadline of 31 Mar 2015. These contributions will form the baseline for the climate negotiations in Paris.

However, these INDCs will not be subject to review or compare across nations to see if the pledges make sense to achieve the global requirements to cap overall temperature increase by 2 deg C. The review requirement was demanded by the European Union but was met with resistance from China and other emerging nations. As a compromise, this requirement was dropped.

### The Non-Divided World for Climate Change

Since 1992, the world has been divided largely into 2 camps; the developed (rich) nations and the developing nations (poor) countries and subsequently, nations-in-transition to account for those countries falling in-between the two groups. This division has been the main contentious point in all climate change negotiations and was responsible for a number of failed talks.

However, the situation has changed over the years and many of the developing countries are now emitting more carbon dioxide in tandem with their economic growth; e.g. China and India. For instance, in 2000, developed countries were responsible collectively for 51.8% while developing nations accounting for the remaining 48.2%. Ten years later in 2010, carbon emissions in developing nations increased nearly 23%; i.e. contributing 59.1% of the global carbon emissions compared to 40.9% for developed nations (decline of 21%). Check the graphic representation.

In resolving this dispute diplomatically, the text in the Lima agreement reflects the following statement: "Common but differentiated responsibilities and respective capabilities, in light of different national circumstances."

#### **The Green Climate Fund**

Set up in 2010 with the objective for developed nations to contribute to help developing countries in adaptation and mitigation practices to counter climate change, the pledge has now exceed US\$10B with contributions from Australia and Belgium during the recent climate talk. However, this is still far from its original goal of US\$15B for 2014.

The previous goal for developed nations to mobilise US\$100B a year by 2020 in climate aid for developing nations was revisited with developing nations demanding that developed nations set a clear timetable for scaling up funds year by year but the finalised text was toned down to "requested" that developed nations "enhance the available quantitative and qualitative elements of a pathway" towards 2020.

## "Elements" for a Long-Term Deal

Besides the 5-page agreement that was adopted, the Lima Talk also make reference to a separate 37-page document that incorporates "elements" of a deal that will be morph into the Paris agreement next year. A deadline of May 2015 was set to produce the first draft of the Paris negotiating text but range of options is so wide that it would be a challenge to reach agreement.

One option, for instance, is to set a long-term goal of a cut in greenhouse gas emissions to "net zero by 2050," requiring a drastic shift from fossil fuels in coming years. Another long-term option for the same section would merely require "low-emission development strategies."

### **Uncertainties Ahead**

While many countries especially the developing nations have lamented the outcome of the Lima Talk was a compromise and far from ideal, it did represents a fundamental breakthrough for shaping a comprehensive global climate change.

So far, the US and China, the two largest emitters; one representing the developed nation while the latter the developing nation; have jointly announced that they are committed to take lead in emission cuts. India and Indonesia, on the other hand have yet to make similar commitments. Besides the usual defence that their countries are still in the developing phase requiring strong and sustainable economic growth; one of the key reasons for the lack of commitment could stemmed from the fact that both countries have just recently transited into new political leadership.

While recent developments have shown signs that there are stability and continuity in the leadership transition in these two countries; the increased inter-connected global economies have also demonstrated that economic or political upheaval in one nation could lead to contained or significant impact on surrounding regions. For instance, the continued decline of crude oil prices would provide lesser incentive for some nations to invest in alternative cleaner energy sources. The slower than expected economic recovery of the European Union could lead to some of its member making lesser contribution to the Green Climate Fund or moderate its commitments on emission cuts. Russia, another large emitter behind India is faced with its own local economic crisis and its increased fall-out with the international communities due to its recent political manifestation. Other large emitters including Canada and Australia are taking a middle-ground approach of maintaining status quo.

Then there is also the risk that "un-reviewed" emission targets set by individual nations by end-Mar 2015 may not add up to any meaningful emission reduction to curb increases in global temperature.

Notwithstanding these uncertainties, a significant breakthrough has been achieved in bringing down the longstanding division between developed and developing nations. Nations across the world should realise that combating global warming cannot be the

responsibilities of the richer and developed nations as effects of climate change do not distinguish nations in the way we assigned based economic capabilities of individual countries.

Over the next five sessions starting from February next year, the US and China should continue to demonstrate their leadership in promoting the new principle of "Common but differentiated responsibilities and respective capabilities, in light of different national circumstances"

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