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The countries all over the world agree that something needs to be done about global warming and climate change. In 1988, the Intergovernmental Panel on Climate Change (IPCC) was created by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) to assess the scientific knowledge on global warming. The IPCC concluded in 1990 that there was broad international consensus that climate change was human-induced. That report led way to an international convention for climate change, the United Nations Framework Convention on Climate Change (UNFCCC), signed by over 150 countries at the Rio Earth Summit in 1992. The Kyoto Protocol is an international agreement linked to the United Nations Framework Convention on Climate Change, which commits its Parties by setting internationally binding emission reduction targets.

Recognising that developed countries are principally responsible for the current high levels of GHG emissions in the atmosphere as a result of more than 150 years of industrial activity, the Protocol places a heavier burden on developed nations under the principle of “common but differentiated responsibilities”. The Kyoto Protocol was adopted in Kyoto, Japan, on 11 December 1997 and entered into force on 16 February 2005. The detailed rules for the implementation of the Protocol were adopted at COP 7 in Marrakesh, Morocco, in 2001, and referred to as the “Marrakesh Accords.” Its first commitment period started in 2008 and ended in 2012. During the first commitment period, 37 industrialised countries and the European Community committed to reduce GHG emissions to an average of 5% against 1990 levels. During the second commitment period, Parties committed to reduce GHG emissions by at least 18% below 1990 levels in the eight-year period from 2013 to 2020; however, the composition of the Parties in the second commitment period is different from the first. The commitments for the next period are negotiated during the Conferences of the Parties to the UNFCCC (COPs).

According to the latest Lithuanian GHG emission inventory report to UNFCCC in 2010, GHG emissions in Lithuania have decreased by 56,9%, compared to the 1990 level. In 2010, GHG emissions increased by 4.3%, compared to 2009. During 2005-2010 GHG emissions have decreased by 10.1% and GDP growth was about 27,2%, indicating the decoupling of GHG emissions from economic growth. Compared to 2009, GHG emissions have increased in 2010 mainly in public electricity and heat production due

to growing gas-based thermal power production. After the closure of Ignalina nuclear power plant in 2009, thermal power production based on natural gas is the most important source of electricity production in Lithuania. In addition, emissions from households and services increased due to colder winter months, compared to 2009. Finally, emissions from road transport and industry increased, reflecting the gradual economic recovery after strong decline in 2009. Average 2008–2011 emissions in Lithuania were 56.2 % lower than the base-year level, well below the Kyoto target of -8 % for the period of 2008–2012. In the sectors not covered by the EU ETS, emissions were significantly lower than their respective target, by an amount equivalent to 44 % of base-year emissions. Lithuania intends to use the flexible mechanisms at governmental level by selling an amount of Kyoto units equivalent to 28.6 % of base-year emissions per year. Taking all these effects into account, average emissions in the sectors not covered by the EU ETS in Lithuania were standing below their target level, by a gap representing 17.7 % of the base-year emissions. Lithuania was therefore on track towards its Kyoto target by the end of 2011. Though Lithuania does not have problems in implementing its Kyoto requirements, as the EU Member State it has to comply with EU commitments and follows the EU negotiation track with UNFCCC Secretariat for the second requirement of the Kyoto Protocol.

The most recent COP18 was held in 2012. 18th session of the Conference of the Parties to the UNFCCC and 8th session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol opened on Monday, 26 November, and continued until Saturday, 8 December 2012 at the Qatar National Convention Centre in Doha, Qatar. Some **17,000 official delegates** from **194 nations** attended the official summit at the Qatar National Convention Centre. The world's leading scientists, at least **1,500 journalists** and thousands of NGO representatives participated in the conference. As this was an environmentally-friendly summit, carpooling and public transportation were encouraged. Some **400 busses** will shuttle participants to and from the QNCC, and **no private cars** will be allowed into the Centre.

The COP18 in Doha focused on five aspects of climate change:

- Adaptation – social and other changes that must be undertaken to successfully adapt to climate change. Adaptation might encompass, but is not limited to, changes in agriculture and urban planning.
- Mitigation – steps and actions that the countries of the world can take to mitigate the effects of climate change.
- Finance – how countries will finance adaptation to and mitigation of climate change, whether from public or private sources.
- Technology – the technologies that are needed to adapt or mitigate climate change and ways in which developed countries can support developing countries in adopting them.
- Loss and damage – first articulated at the 2012 conference and in part based on the agreement that was signed at the 2010 United Nations Climate Change Conference in Cancun.

The main objective of Doha from a procedural perspective was to streamline the negotiating process. Therefore, countries were seeking to conclude negotiations on a second Kyoto Protocol commitment period, terminate parallel Convention talks on how to enhance collective climate action by all countries, and give shape and direction to the new

Durban Platform process for agreeing a new global climate treaty in 2015. On all three counts, COP 18 delivered significant results.

Though successful in general, the COP18 did not deliver any improvement in mitigation ambition on the part of major emitters. Going into the conference, all the major parties had clearly signaled that they were unlikely to move beyond current pledges. This was particularly true of the US, whose position effectively set a ceiling on ambition. The EU might have pushed the boundaries, but internal difficulties within the group meant that it was never likely to move up to its higher 30% target unilaterally. With the developed world unwilling to increase their targets, there was no incentive for China or India to raise theirs.

In practice this means that the Kyoto Protocol – still the only legally binding, quantified, international climate treaty does not provide for real results in climate change mitigation. The second Kyoto Protocol commitment period (2CP) will cover only 15% of the global emissions, with the 2020 target of the largest party (the EU) already effectively met. Collectively, the overall emission reduction will be approximately 18% by 2020 compared to 1990 levels, significantly less than the 25-40% range recommended by climate scientists.

An opportunity to improve ambition by allowing access to the Protocol's Clean Development Mechanism (CDM) for those countries not taking 2CP commitments (i.e. the US, Japan, Canada, Russia and New Zealand) was also missed during COP18. If this were allowed, it could have provided an additional source of demand for CDM credits by financing mitigation efforts in developing countries and achieving greater results in GHG emission reduction.

The weak decision relating to the carryover of unused emission allowance units from the first commitment period (estimated to be around 13 billion units) was adopted in COP18. Many of these are the so-called 'hot-air' units, coming from former Soviet-union countries, including Lithuania. Their impact, however, will be mitigated by new limitations on the trading in these units and the fact that most of the 2nd commitment period Parties, not least the EU, have stated that they will not purchase these units. Such a restriction will limit their use to the original holders joining the new commitment period, such as Poland and Ukraine. As negotiations proceed under the Durban Platform, the concern is that Russia (the main holder of hot air) and other countries may seek to roll their Kyoto surpluses into the new post-2020 climate deal.

The other weak outcome that emerged in COP18 underlined the critical role that progressive business and sub-national government leaders would need to play if global efforts to address climate change were to be raised over the coming three to five years. On the positive side, the package of decisions, dubbed the 'Doha Climate Gateway', keep climate negotiations on track towards the new global climate deal in 2015. But the continuing lack of mitigation ambition from major emitters means that the window of opportunity for keeping global warming below 2°C is closing rapidly. Despite all of these weaknesses, the COP18 did not close the door on greater climate action.

Attempts to strengthen carbon accounting rules for monitoring, reporting and verification (MRV) were also unsuccessful. This will make it difficult to assess the comparability of mitigation effort, particularly between those developed countries taking action under Kyoto and those who have made pledges under the Convention.

The previous COP17 in Durban saw some diplomatic success for the EU. The agreed so-called 'Durban Package' was more or less the minimum deal that Europe had sought going into the meeting. In Doha, the EU aimed to wrap up the outstanding issues contained in the Durban Package, and consolidate and simplify the ongoing negotiating process. Like of many other countries, Europe's three basic objectives are to: adopt an amendment to the Kyoto Protocol that will implement a second commitment period from 1 January 2013; conclude the parallel Convention track negotiations on 'Long-Term Cooperative Action' and to start work on a new post-2020 global treaty and the means for raising ambition in the interim period, under the new Durban Platform process.

To achieve these goals, the EU will require a number of conditions to be met. For example, political support in Europe for a second Kyoto commitment period will require, in part, comparable commitments on emission reductions from the other major emitters. While the EU recognises that neither the US nor China will make Kyoto-style commitments in Doha, it will need to see some form of increased action on mitigation from the world's largest emitters as a sign of good faith. The EU was seeking greater ambition on the monitoring, reporting and verification (MRV) framework for mitigation action, so that all major emitters use comparable systems. A deal to restrict the carry-over of unused emission allowances from the first Kyoto commitment period in order to protect and raise the environmental integrity of actions beyond 2012 will also be critical to the EU.

As with any negotiation, the EU will need to give and receive if it wants the outcome it is seeking. Increasing its 2020 emission reduction target from 20% to 30% is the obvious card it has to play. Recent analysis conducted by EC concluded that the EU had already achieved its 20% reductions. Adopting the 30% target would make an important political statement in Doha, but could also be wasted, if unreciprocated by the likes of the US and China.

According to the Copenhagen Accord, a financing gap has opened up between the needs of developing countries and the availability of funds. The EU has so far given out €7.1 billion to finance climate mitigation and adaptation efforts in the least advanced countries and has nearly met its pledge to deliver €7.2 billion. But a more substantive gesture on climate finance is a key lever that the EU will need to consider. However, the economic crisis, the euro-crisis and weak economic growth mean there is far less political support in Europe for new public funding commitments, to make sure climate financing will continue to increase for poor countries after 2012. To sum up, the COP18 has the potential to advance the EU's climate action goals, but success – as always – will depend on a combination of EU leadership and reciprocated action from key partners.

Regarding mitigation, one of the most positive sides of COP18 was the fact that countries did manage to conclude negotiations on a new commitment period under the Kyoto Protocol, as well as wrap up parallel talks on how to enhance collective climate action by all countries. This has left countries with a much streamlined, single track negotiation process from next year, focused on the Durban Platform process, which is meant to agree a new global climate treaty by 2015. Countries, however, failed to move beyond the emission reduction pledges that have been on the table since the Copenhagen conference in 2009. The net result is that Doha leaves the world firmly on track to 4 degrees or more of warming by 2100.

Some important issues were simply ignored during COP18. For example, emissions from international aviation and maritime transport were a case in point. Although included in the earlier draft decisions, in the end the countries could not reach an agreement on how to deal with these sectors.

Regarding adaptation, the principle outcome on adaptation at COP18 was undoubtedly the decision to establish 'institutional arrangements' for some kind of 'Loss and Damage' mechanism at next year's COP. This is a major achievement for developing countries, particularly those most vulnerable to extreme and long-term impacts of climate change, such as small island states. These countries have been calling for such an instrument for many years. However, negotiations on this issue over the coming 12 months are unlikely to be any easier than they were in Doha. Developed countries, especially the US, wary about any arrangements that may institutionalise historic responsibility or legal liability for future climate impacts. A key question to be answered is how this mechanism will actually be funded. Given the low level of funds provided by developed countries for the Green Climate Fund, new financing sources could well be critical to the operation of the new Loss and Damage mechanism.

Regarding finance, this issue has been proved to be the most difficult one to resolve in Doha. No quantified, collective commitment was made, although a number of countries, i.e. UK, Germany, Sweden and France did come forward with individual pledges. A work programme on long-term finance was extended for a year to help advance ongoing discussions. Requests were also made to the financial institutions set up in recent years under the UNFCCC. The overall outcome on finance was disappointing for many developing countries. One reason for this is that hard-line position taken by developed countries in Doha underlined the very real political limits on public funding from these parties. The euro crisis, earthquake costs and slow economic growth have hit budgets of all the major donors hard, making climate aid a difficult sell to domestic audiences.

Regarding technology transfer, the intellectual property rights are crucial. The issue of intellectual property rights (IPR) was once again the main point of contention in Doha on technology. As with COP17, the issue did not make it into a final decision, it remained one of the principal redline issues for developed countries. Beyond the clash over IPR, the main focus of technology negotiations in Doha was providing further instructions to the two bodies that make up the Technology Mechanism established in Cancun in 2010. The Technology Executive Committee (TEC) and the Climate Technology Centre & Network (CTCN) are intended to improve low carbon technology transfer to developing countries. The TEC provides broad policy advice while the CTCN focuses on implementation.

On the positive side in Doha, the agreement to further develop a new market mechanism and a framework for voluntary approaches underlined that countries – both developed and developing – recognise the value of these tools. Work programmes for both schemes have been established for 2013 'with a view' to making decisions at next year's COP that elaborate how the mechanism and framework will operate. The sharp drop has been driven by EU restrictions on the use of CDM carbon offset credits and general oversupply of carbon allowances in Europe's emissions trading scheme.

The failure to extend access to the CDM to Parties not participating in Kyoto's 2nd commitment periods – a key recommendation of a high level expert panel earlier this year – is also damaging. Since its establishment, the mechanism has driven \$215 billion

in investment in developing countries, saved developed countries \$3.6 billion in mitigation costs and avoided 1 gigaton of emissions. Without the demand for offset credits that these non-2CP countries could have bought to the market, the CDM is likely to wither. Given the knowledge, skills and infrastructure built up over the last ten years around the CDM – in both developed and developing countries – this outcome is a tragedy.

It is also important to bear in mind that with the conclusion of both the Protocol and Convention track negotiations, there are now a number of new bodies and work programmes focused on implementing the agreed decisions. This means that practical work is underway on climate finance, technology transfer and adaptation, to name three key areas. In the short to medium term, these efforts are likely to be just as important in building momentum and ambition as the ongoing Durban Platform negotiations. Their success will depend on the effort and commitment put into them by parties.

By demonstrating that low carbon investment and policies are good for the bottom line and local communities, corporate, state and regional leaders can create domestic support for ambitious climate action that national governments need, to take real action internationally.

Conclusions

1. The COP18 in Doha has produced a package of documents collectively entitled *The Doha Climate Gateway* over objections from Russia and other countries at the session.
2. The documents collectively contained: An eight year extension of the Kyoto Protocol until 2020 limited in scope to only 15% of the global carbon dioxide emissions due to the lack of participation of Canada, Japan, Russia, Belarus, Ukraine, New Zealand and the United States and due to the fact that developing countries like China (the world's largest emitter), India and Brazil are not subject to any emissions reductions under the Kyoto Protocol.
3. The conference reached an agreement to extend the life of the Kyoto Protocol, which had been due to expire at the end of 2012, until 2020, and to reify the 2011 Durban Platform, meaning that a successor to the Protocol is set to be developed by 2015 and implemented by 2020.
4. The wording adopted by the conference incorporated for the first time the concept of 'loss and damage', an agreement in principle that richer nations could be financially responsible to other nations for their failure to reduce carbon emission.
5. However, the second commitment period covering only 15% of global emissions and with the provisions to allow carry-over of significant amounts of unused carbon credits, the new commitment period will have little impact on the growth of global emissions and the conference made little progress towards the funding of the Green Climate Fund.
6. Though Lithuania does not have problems in implementing its Kyoto requirements, as the EU Member State it has to comply with the EU commitments and it follows the EU negotiation track with UNFCCC Secretariat for the second Kyoto protocol requirement.