

# **INFORSE<sup>1</sup> 2009 POSITION PAPER ON CLIMATE CHANGE**

Assembled by Emil Bedi, December 7, 2009 based on INFORSE positions and comments

INFORSE is a global network of independent non-governmental organisations working for sustainable energy solutions to reduce poverty and protect the environment. Reduction of pollution to environmentally sustainable levels - including the emission of greenhouse gases (GHG) - through increase in energy efficiency and utilisation of renewable energy resources is our primary goal. Climate change is considered by us as the biggest threat we are facing now and in the years to come. INFORSE and its members feels obliged to come up with the sustainable solutions and has prepared several scenarios including Sustainable Energy Visions 2050 and the Zero Carbon Britain which can serve as the way towards national, regional or global sustainable energy path and thus avoid the threat of global climate change.

## **SCIENCE AND GHG TRENDS**

We are alarmed that emerging scientific evidence shows that the effects of human-induced climate change can be worse than previously thought and that the impacts of climate change which we are already experiencing including more frequent and extreme weather events, loss of global ice sheet, changing precipitation patterns, sea level rise, coastal erosion, ocean acidification, coral bleaching, and other impacts will further intensify.

Scientific evidence shows that, to set global GHG emissions on a trajectory that will limit global warming to 1,5 - 2 deg. C, the industrialised countries need to cut their greenhouse gas emissions to 25-40% below 1990 levels by 2020 while developing countries need to limit their rapid emissions growth to around 15-30% below projected business as usual levels in 2020. Global emissions will have to peak by 2020 at the latest, be cut by at least 50% of 1990 levels by 2050 and continue to decline thereafter.

We are greatly disturbed that despite several mitigation commitments made by Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol, especially those of the developed countries, global GHG emissions are still increasing. These emissions have accelerated impacts, accompanied by costs and burdens that are beyond the ability to manage them by many, but especially by the developing countries.

We believe that it is possible to decouple emission from economic growth which is still the primary goal of all world governments. GHG emissions in EU-27 now represent 11 to 12 % of global GHG emissions are decreasing and are expected to continue to do so with the implementation of all measures planned by EU members. In 2008, for the fourth consecutive year, emissions in the EU declined and reach

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<sup>1</sup> International Network for Sustainable Energy (INFORSE) is a network of 160 NGOs working for energy efficiency and renewable energy

their lowest level since 1990. It is worth to mention that emission reductions were partly achieved due to the economic transformation of new member states in the 1990s, there were also huge improvements in energy efficiency of industrial energy end users and energy intensive industries. The shift from coal to less polluting fuels like natural gas and biomass for the production of electricity and heat also contributed to this achievement. In contrary to many other Annex-1 countries the EU is making some progress towards fulfillment of its common Kyoto target. Beside new EU members Germany, United Kingdom, France, Greece and Sweden have already achieved their Kyoto targets. Despite the fact that compliance with the Kyoto Protocol can only be determined after some time beyond 2012 (probably in 2014), when inventory data for the period 2008–2012 is available, it seems that EU will reach its Kyoto goal, though with some use of external credits. EU-15 was approximately 6,2 % below its base-year emissions in 2008.

## **NEGOTIATIONS SO FAR**

According to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) global GHG emissions should peak by 2020 at the latest, be at least halved from 1990 levels by 2050 and continue to decline thereafter. Later scientific work have shown that even larger reductions are needed, requiring 80 - 100% reductions of greenhouse gases by 2050. With respect to this goal we are greatly disappointed by the lack of apparent ambition within the international climate change negotiations so far. "Post-Kyoto" international negotiations were launched in 2007 to prepare the new United Nations agreement on tackling climate change for the period after 2012 when the Kyoto Protocol will expire. It has been mentioned several times that the deadline set for the adoption of new agreement is the COP 15 climate conference in Copenhagen. Progress during several negotiating sessions between 2007 and 2009 has been slower than expected and offers for the reductions from major polluting countries are simply not sufficient. This development leads to the doubts whether a fully operational and ambitious agreement can be completed in Copenhagen as originally intended.

Emission targets proposals put forward by industrialized countries so far add up to a reduction of only 10-17% below 1990 levels by 2020, while some more economically advanced developing countries have offered little in terms of concrete action to control their emissions.

The international negotiations are being conducted on two parallel 'tracks'. On one track the 194 Parties to the UN Framework Convention on Climate Change, which include the USA, are discussing long-term cooperative action to combat climate change. On the other track the 184 Parties to the Kyoto Protocol, which do not include the USA, are discussing post-2012 emission reduction commitments for industrialized countries except the USA.

In spite of an unprecedented number of preparatory negotiations during 2009, progress have been small, and all issues remain open. The negotiations continue on

the continuation of the Kyoto Protocol and on the "Long-Term Cooperative Action" (LCA) that cover proposals for all countries. Several industrialised countries have discussed the idea of just one agreement for all, but so far the two tracks of the Kyoto Protocol and the LCA continues. This could, however, change during COP 15.

In the negotiations on the continuation of the Kyoto Protocol, the aggregate reduction of industrialised countries' reduction commitments for 2020 are still in the range of 10-15%, well below the 25% that was set as the lower level at COP 13 in Bali. The recent commitment of the USA (that is outside the Kyoto Protocol) of 17% reduction from 2005 is effectively just a 4% reduction from 1990 because of the emission increases in the USA.

In the LCA, the developed countries have been reluctant to commit to support while the developing countries have been reluctant to commit reductions in 2020. A good news is that the recent offer from China of 40-45% reductions in CO<sub>2</sub> emissions per GDP until 2020 (from 2005) seems reasonable within the 15-30% deviation from baseline for developing countries that was proposed in Bali. It will, however, lead to 25-50% increases in emissions in China.

The EU has declared its preference for this two-track approach which should lead to a single, legally binding international treaty. This must be built on the key elements of the Kyoto Protocol, such as emission reductions by industrialised countries, market-based mechanisms, accounting rules for changes in emissions due to land use, land use change and forestry, and a strong compliance regime. A single treaty would have the advantage of creating a single institutional framework for all Parties requiring one ratification process which needs to be completed before 1 January 2013.

EU leaders agreed to pay a share into a global fund that would be worth USD 100 billion annually by 2020 but EU members could not agree on how much they should contribute from their budgets. Anyway this move marked the formal recognition that rich countries feel responsible for the accumulated greenhouse gases so far and the need to help poor countries adapt to the effects of climate change. Another division among EU member states relates the future EU target. Britain, Denmark, the Netherlands and Slovenia are among member states that would support cutting emissions further than originally proposed 20%. They see it as a way to improve the chances of producing a treaty to replace Kyoto before it expires in 2012. But the leaders of some big EU coal producing and consuming countries including a number of new EU member states, fear that such a step would be far too expensive. That has created the potential for a frustrating public dispute among EU nations in time when the EU hopes to show its leadership. The EU would like to reach a political deal at COP 15 that would bring rich countries to participate in a global carbon trading system based on design of the EU emission trading system which can create a source for funds needed.

The EU position is still not compliant with the US, who are criticizing the legally binding commitments set at Kyoto. These targets are considered by the US negotiators as unworkable and a threat to American sovereignty. U.S. also stimulated the bilateral negotiations with China in order to come up with their own proposal for the agreement. Nevertheless the majority of countries including EU regard the United Nations as the best forum treaty-making process. The US provisional commitment to reduce domestic GHG emissions by 17 percent by 2020 compared to 2005 levels seems to be falling far short of what is needed to secure a global agreement to prevent the Earth's temperature from rising too much. The week US proposal comes out of understanding how difficult it is to move the U.S. Congress to approve economy-wide greenhouse gas measures.

Recently China made an offer to slow emissions growth, but this kind of wording did not appear to go beyond "business as usual." [didn't it??, see above] Despite the week commitment of two major GHG emitters the encouraging proposals are coming from Brazil, Russia, Japan, Indonesia and South Korea who proposed to make more ambitious bids than they would have done otherwise ahead of the Copenhagen meeting.

## **COP 15 EXPECTATIONS**

To avoid the adverse climate change impacts on most vulnerable countries should be the ultimate goal for any agreement to be reached. Here the situation of small island developing countries could be set as the key benchmark for assessing the appropriateness of proposed measures. This approach is consistent with the precautionary principle and the principle of prevention.

The new agreement we expect should be global in terms of participation, comprehensive in scope and legally binding. It should be ambitious enough to prevent global warming exceeding at least 2 deg. C, but preferably 1,5 deg. C (asked by small island states) above the pre-industrial temperature.

Industrialised countries must take the lead by cutting their collective emissions.

Based on current climate science and a fair distribution of the global resources, a 40% emission reduction by 2020 from 1990 is the least that the industrialised countries should reduce, to provide their fair share of reducing greenhouse gas emissions. Any industrialised country that would embark on a transition of its energy system to achieve such a reduction will be rewarded in the form of technological leadership, reduced imports of fossil fuels, and, very likely, a better local environment. Of course a transition will require investments, but when the direct and indirect benefits, including the benefits of technological leadership, are added up, the investments will pay off several times. In spite of this, very few countries have dared to commit to a 40% reduction. This lack of vision and foresight from the leaders is now setting the international climate negotiations at risk, and soon the climate itself as well.

The lack of will to change to sustainable energy also leads to a continued reliance of oil, as the production of existing oil wells is declining 4-6% every year, and the finding of new oil fields are far from keeping up with this. Just as the high oil prices in 2008 aggravated the current economic crisis, an increasingly tighter oil market will spill over in new economic crisis in the years to come. Alternatively, a 40% reduction in oil use by industrialised countries by 2020 would ease the pressure on the oil market, allowing more stable energy prices in the future.

How to reach a 40% reduction of use of oil and other fossil fuels by 2020 are shown by INFORSE in the sustainable energy visions. With visions and scenarios for more than 10 industrialised countries and for the EU, INFORSE and members have shown it is possible to combine renewable energy and energy efficiency to supply most countries with energy from national resources alone.

Developing countries as a group should limit their rapid emissions growth by achieving by 2020 a substantial deviation in the order of 15-30% and below the currently predicted emissions growth rate.

The new agreement must create incentives to slow and eventually stop tropical deforestation, in 2020 at the latest.

It should include global targets for reducing greenhouse gas emissions from international aviation from international maritime transport similar to reduction targets for developed countries, such as 40% 2020, compared to 1990 levels.

It is important to recall that the Climate "Summit" COP 15 in Copenhagen is the last change to agree a continuation of an international climate regime, following the first commitment period of the Kyoto Protocol, ending 2012. At COP 16 in Mexico, November 2010, it will too late to agree the fundamentals of a climate agreement that shall be ratified by the majority of countries and that need detailed agreements on a wealth of details, before the end of 2012. Of course it is never too late to make an agreement, but Copenhagen is really the last change for a smooth transition. A new agreement must set targets from 2013 and onwards for the countries covered by the Kyoto Protocol, but to be meaningful, it must also regulate the emissions for the largest emitters outside the Kyoto Protocol, including USA and China. The agreement can set targets until 2020 as suggested with the Bali Action Plan, but it can also set targets for just 5 years, 2013-2017, following the 2008-2013 commitment period of the Kyoto Protocol. In any case an agreement must include reductions that will limit global warming to 1.5 - 2 deg. C. This will in practice require at least 40% reductions by industrialised countries in 2020 from 1990, or, if 2015 is taken as the new target year, 20 - 25% reductions 1990 - 2015. New agreements must also include stabilisation of emissions in the developing countries, for emerging economies not later than 2020; a reasonable support for the mitigation actions in developing countries as well as for adaptation to climate change. If such agreements are made, COP 15 will be a success.

In addition to reductions until 2020, we hope that the international community will agree on major elements of the future agreement based on:

- Maximal increase of global temperature of 1,5 deg. C as proposed by small island states (or at least 2 degree C) or nothing.
- Support for mitigation in developing countries, including reductions in deforestation and degradation (REDD).
- Support for adaptation in vulnerable developing countries, where the EU is considering a fast-track support of 5 billion USD/year, while the proposals of industrialised countries in general are far below expectations from developing countries. This funding must not be taken from development assistance (ODA) or from CDM-type funding that offset emissions in the industrialised countries.
- Technology transfer, including patent rights on climate-related technologies.
- Capacity building in developing countries.
- Limits and charges for emissions on shipping and aviation.

We also believe that the reductions in global greenhouse gas emissions by more than 85% below 1990 levels by 2050 are possible (see INFORSE's Visions 2050) and that Annex I parties to the UNFCCC should commit themselves to reduce their collective GHG emissions by more than 95% below 1990 levels by 2050.

The minimum what INFORSE would like to see as the outcome in Copenhagen must be a strong framework agreement covering the building blocks like an ambitious set of emission reduction targets by developed countries, adequate action by developing countries to curb their emissions growth and a financial deal to assist developing countries in mitigating their emissions and adapting to climate change.

We therefore call upon the international community, with the developed countries taking the lead, to undertake urgent, ambitious and decisive action to significantly reduce emissions of GHG and set the strategies to support particularly vulnerable countries, in their efforts to adapt to the adverse impacts of climate change, through the provision of increased levels of financial and technological resources.

## **EU, USA and CHINA**

The EU has shown leadership by declaring its emission target to be 30% below 1990 levels by 2020, on condition of a global climate agreement. It is implementing the climate and energy package as a programme of energy efficiency measures to achieve this. INFORSE believes that due to the recent economic crisis and decline of GHG emissions the target should be increased to 40% reduction until 2020. We believe that it is manageable.

We are concerned that two biggest emitters of GHG in the world USA and China will not be ready for the stronger commitments. The USA refused to ratify the Kyoto Protocol and it seems unlikely that they will sign any international agreement before adoption of domestic climate change bill. Despite the fact that China already has a

voluntary plan and is making serious efforts in reduction of their GHG emissions increase, their strategy is not clear and is preparing a climate change partnership with the USA which seems to be based on other than UNFCCC framework.

## **NON-EU CEE**

We also urge non-EU governments of Central and Eastern Europe (especially Russia and Ukraine) to join EU proposed targets and baselines in order to avoid future carbon trading disturbance. These countries already achieved huge greenhouse gas emission reductions and all post-Kyoto agreements with inclusion of financial mechanisms like carbon trading could lead to undermining of future goals. INFORSE believes that incorporating pollution rights without strong commitments into the new deal would be the wrong signal to the global community and should be avoided.

We hope that the governments of Russia, Belarus and Ukraine will come up with stronger commitments than they agreed in Kyoto and that they will not insist to include unused AAUs from the first commitment period for post-Kyoto use. We urge these governments to commit to reduce their emissions by 2020 - for Russia and Belarus 35% from 1990 and for Ukraine 50%.

## **MITIGATION ACTIONS - RE and EE**

INFORSE members believe that renewable energy and energy efficiency form essential pillars of future mitigation actions by all countries, taking into account national circumstances.

We would like to see a significant deviation from business as usual by developing countries through appropriate mitigation actions in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner is the best way for their development.

As several INFORSE members in the South have shown, energy efficiency and renewable energy are often also the best energy solutions to reduce poverty in particular in rural areas. A development to alleviate poverty based on sustainable energy is more sustainable, more affordable, and more resilient than a development based on imported fossil fuels. And much cheaper and safer than the nuclear power that many still dream of.

In a fair climate agreement, development of the developing countries with sustainable energy must be supported by the industrialised countries to compensate for their past and present emissions. To be effective and to give long-lasting results, this support must be dedicated to efficient use of renewable energy in sustainable ways. It has been shown by many experts and reports that sustainable energy path will not create a burden for the society as the whole.

We also believe that the inclusion of Carbon Capture and Storage (CCS) is not a mitigation option for achieving the ambitious emission reduction targets. CCS will only divert the funds needed for sustainable energy path towards coal.

## **ADAPTATION**

INFORSEe members believe that adaptation must be an urgent and immediate global priority. It should include a Framework for Action on Adaptation to climate change. The aim should be to build a more climate-resilient society and increasing adaptation assistance to the poorest and most vulnerable developing countries.

Security issues should be also emphasized. There is an urgent need to consider and address the human dimensions of climate change, including the initiatives for preparing communities for relocation.

## **CLIMATE FINANCING**

New, additional and transparent sources of funding for mitigation and adaptation measures in particularly vulnerable countries are needed. Inforce calls for an urgent and significant scaling up of the financial resources and investment that is adequate, predictable and sustainable to support these measures in developing countries. The funds should be preferably used for implementation of national mitigation strategies; including positive incentives, the mobilization of public and private sector funding and investment and facilitation of carbon-friendly investment choices. This should also include:

- Technology transfer, including patent rights on climate-related technologies and
- Capacity building in developing countries.

Provisions on funding research and development as well as deployment and diffusion of technologies should be part of the international agreement.

## **CDM**

Due to the fact that offset credits are frequently fictitious “hot air” manufactured by accounting tricks, we believe that Clean Development Mechanism (CDM) should be either substantially reformed or cancelled as the whole. This provision of the Kyoto Protocol (CDM) enables industrial nations to reduce their GHG emissions in part by purchasing carbon offsets from poorer countries, where green projects are more affordable. Through this way the right to emit an extra 250 million tons of carbon dioxide has been transferred since 2005.



Usually as a result of CDM scheme the greenhouse gases are being emitted with inadequate compensating reductions elsewhere. This situation comes out of how the concept known as additionality is dealt with. To earn credits, a project should be additional to what would have happened in the absence of the CDM and this is hard to prove. Many CDM projects do not appear to be offsetting carbon output at all. At the end further selling of artificially inflated credits could enable more carbon to be emitted than if the offset had not been created at all.

We would like to see if the CDM will be replaced with a fund for developing countries to build green projects without generating credits - thereby eliminating the entire concept of additionality

## **EMISSION TRADING**

Despite the fact that emission trading system (ETS) is the major pillar of the EU climate change policy the results do not seem to be adequate the effort and resources spent so far. The carbon taxation as proposed by many countries should be considered again as the measure which could cover all GHG emissions (not only subjects covered by the scheme) and which would avoid the problems with cap allocations. In case ETS remains the major pillar of the EU climate policy, it should be based on full auctioning of permits and the permits should be limited to ensure reductions in the sectors covered in line with at least a 40% reduction target

We believe that polluters pay principle should not be forgotten. It should be mentioned that today much of world's financing for carbon offsets ironically goes to polluters including coal power plants.

## **DEFORESTATION and LULUCF**

In order to defeat deforestation and increase carbon sequestration a step-wise process for increasing carbon sequestration through the conservation and sustainable management of forest crops is needed. Based on national circumstances, a well designed program of reductions in deforestation and degradation (REDD) will require resource mobilization from a variety of sources. Environmental integrity will need to be maintained if a REDD mechanism is linked to the international carbon markets.

Accounting for emissions and removals from Land Use, Land-Use Change and Forestry (LULUCF) must be based on what the atmosphere sees. For example:

- Countries must account for actual changes in emissions from forest management, compared to a historical reference level;
- countries must not be allowed to pick and choose a reference level to erase planned increases in emissions or continued business-as-usual practices from their reported emissions.
- Major sources of emissions must be accounted for, for example from forest degradation.

- Countries must commit to report on the achievement of goals and verifiable measures to protect reservoirs of greenhouse gases in natural forests, wetlands and grasslands, for example through the creation of protected areas.

## **FAILURE TO ACHIEVE TARGETS VS. LEGAL ACTIONS**

Under today's KP treaty the failure to achieve targets does not invite legal action. Any of the Annex 1 countries in the Kyoto Protocol will not be punished for its failure to meet its 2008-2012 emission reduction targets. In order to make the future international deal credible the punitive action should be included.

## **Nuclear Energy**

Nuclear energy can ruin climate mitigation. A number of countries are proposing that support for mitigation in developing countries shall include nuclear power. This is not the case for the current CDM mechanism. While this would lead to increased spread of nuclear materials, and maybe new developing countries becoming nuclear, it will also lead to much less CO<sub>2</sub> reductions than support for non-nuclear mitigation. With current prices for new nuclear power plants, electricity prices will be 15-25 UScent/kWh and the CO<sub>2</sub> abatement cost, if nuclear power would replace new coal power, about 200 - 300 US\$/ton. This is several times the cost of replacing new coal power with a cost-optimal combination of renewable energy and energy efficiency. A nuclear mitigation strategy will then drastically reduce the mitigation possible with the funding that will be available, in practice making it impossible to reach climate targets. As some countries want to promote the construction of nuclear power instead of renewable energy and energy efficiency, the only way to stop this waste of funds is to exclude nuclear power from climate funding in a Copenhagen agreement.

## **UNFCCC**

In force members believe that the UNFCCC is the primary international, intergovernmental forum for negotiating the global response to climate change. The principles declared in the Rio Declaration and the UNFCCC and its Kyoto Protocol, in particular, the principle of common but differentiated responsibilities and respective capabilities should be the core of any future international agreement.