

Low Carbon Development and Poverty Alleviation - What can Denmark do?

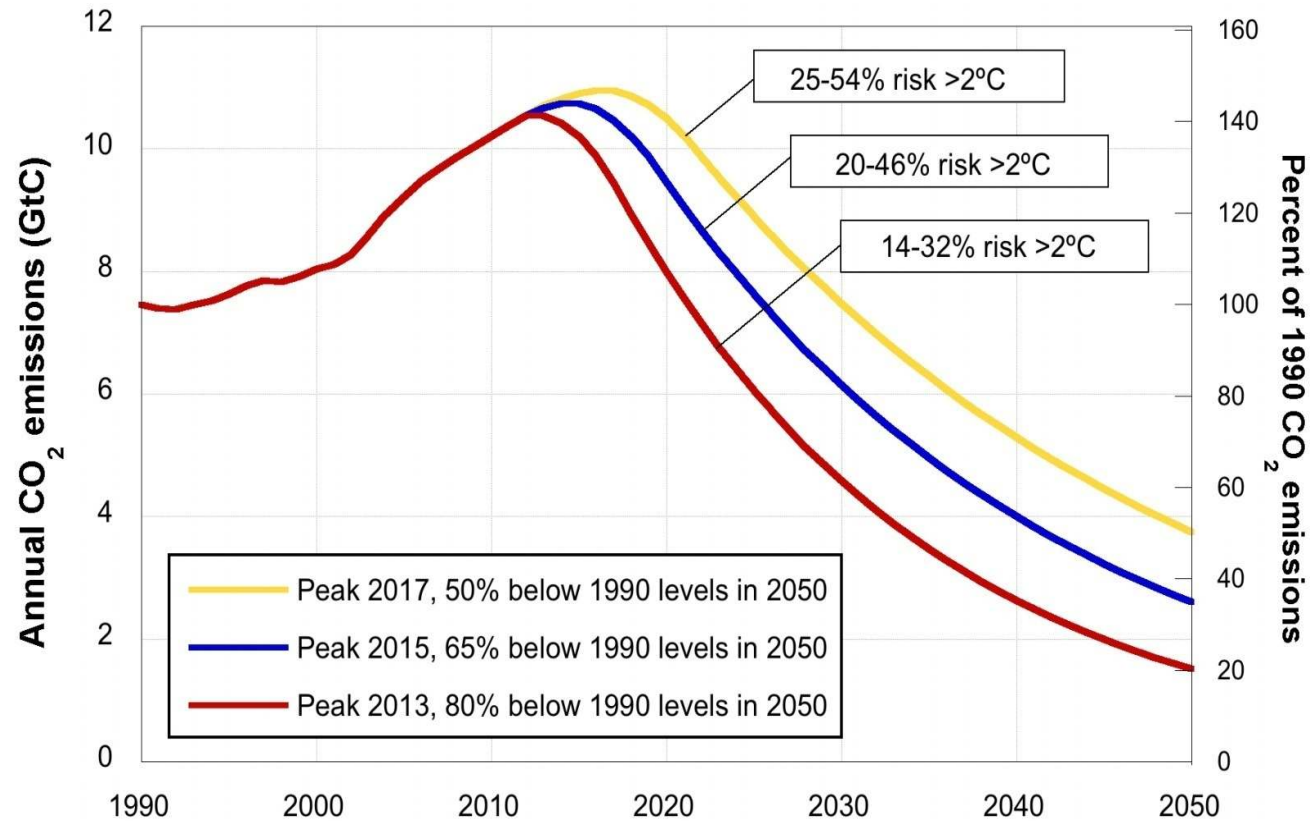
John Nordbo
WWF Denmark
September 23, 2009





Low carbon development is a must

- In order to have a reasonable chance to stay below 2°C, global CO₂ emissions in 2050 should be reduced to the same level as in 1950.





High carbon development

Vietnam

- GNP increase by app 6 % per year from 1990 to 2005
- Emissions from the energy sector have increased from 24 MT in 1994 to 86 MT in 2005 (av. annual increase of > 12%)
- Emissions from agriculture have increased from 50 MT in 1994 to 65 MT in 2005 (av. annual increase of 2,5 %)

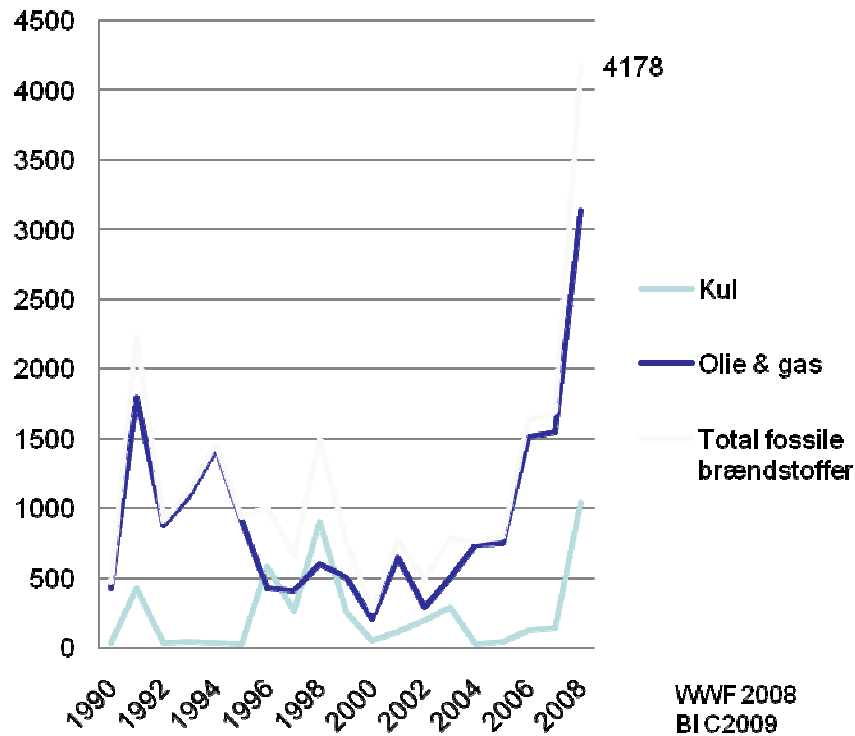
Small adjustments will not do the job. – And there are no role models out there.



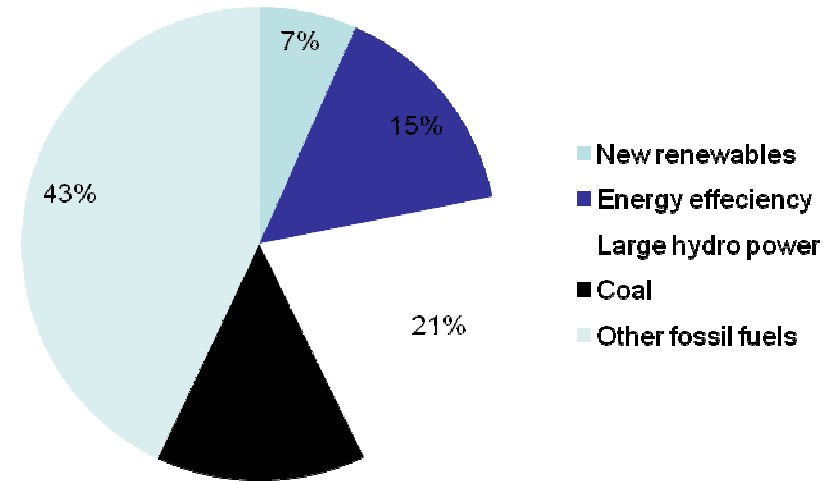


Stop subsidizing fossil fuels

WB investments in fossil fuel projects (mio. USD)



WB energy-related investments (2008)





The World Bank

- In 2004 the independent "Extractive Industries Review" recommended that the World Bank should stop subsidizing fossil fuels projects.
- Denmark chose to focus on increasing assistance to renewable energy projects.
- This summer, the UK called on the bank to spend at least 60 percent of energy-related assistance on clean energy. – And to introduce a shadow price on carbon.
- Ulla Tørnæs has signalled that Denmark could follow UK.
- The question is if this is good enough. – And will Denmark develop a real strategy to change the bank (and the regional banks)?





More on energy

- NGO proposals on technology:
 1. To set global technology objectives in the treaty from Copenhagen. Eg. to secure access to energy for all by 2025.
 2. To develop a series of global technology action programs with clear targets and funding. Eg. wind, concentrated solar power.
- Change of energy policies in developing countries will probably require an active and competent civil society.





A more comprehensive and consistent approach to forests and agriculture

- A new Danish law requires that the oil companies add around 5 percent of biofuels to gasoline and diesel.
- So far there are no social safeguards, and no safeguards against indirect land use change.
- There are certification schemes or roundtables for sustainable forestry, palm oil, soy, and biofuels. Can/shall Denmark support these schemes?





Do not forget poverty-related assistance

- A key demand from developing countries is that climate finance is 'new and additional'.
- In a recent communication from the EU Commission it is envisaged that climate finance can be taken from ODA.
- Denmark claims to fight for additionality, but refuses to have separate counting systems for ODA and climate finance.
- ODA also has a role to play. Eg. better education and women's rights are keys to get population growth under control.





Summary

1. It is not enough to adjust the growth part. A new model must be created.
2. Start getting basic economic signals right – stop subsidizing fossil fuels.
3. Global technology action programs are important.
4. The North has a role in creating sustainable production of commodities from agriculture and forestry.
5. Do not make the poor pay for a problem the rich have created. – Do not take climate finance from ODA.





Extra slides





The 2 degree target

“We recognize the scientific view that the increase in global average temperature above pre-industrial levels ought not to exceed 2 degrees C.” (Major Economies Forum, 9.7.2009)

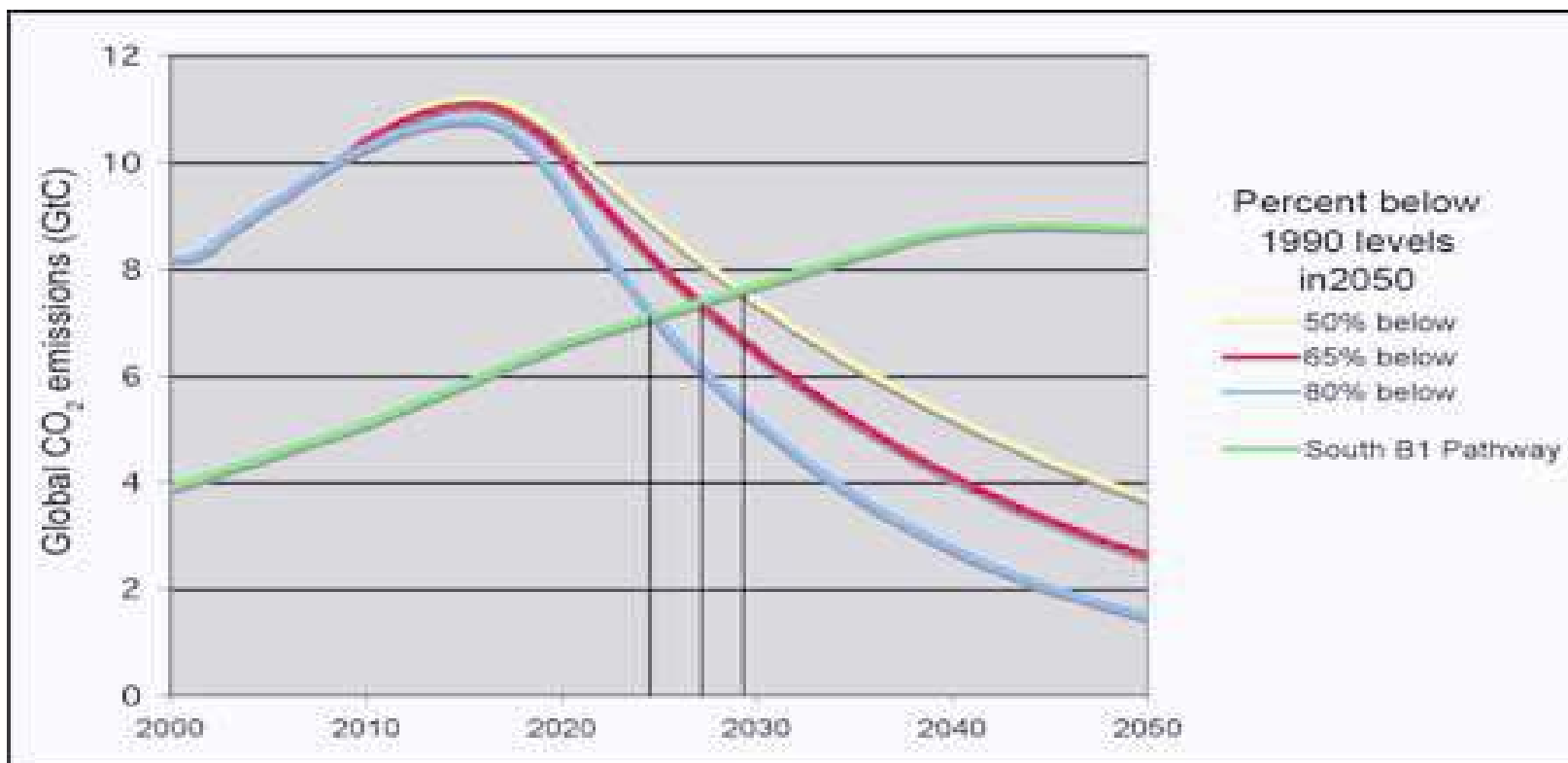
“A 2°C rise in temperature above pre-industrial remains the most commonly quoted guardrail for avoiding dangerous climate change, it nevertheless carries significant risk of deleterious impacts for society and the environment.”

(Synthesis Report from Copenhagen Climate Congress 10-12 March 2009)





The challenge





We are in the 11th hour

- Practically all scenarios for avoiding runaway climate change assume high growth rates for renewable energy and energy efficiency.
Eg. WEO 2008: Wind from 90 GW installed capacity in 2007 to 900 in 2030.
- Modelling done for WWF shows that 20 key technologies – from CCS to efficient vehicles – need to sustain high growth rates from today to 2050.
Only 3 technologies have high growth today: solar PV, wind, biofuels.
- The private sector behind these technologies need clear signals to get into growth mode.
Policy tools such as cap and trade that only promotes low-cost solutions will not do the job. Massive RD&D to get the costs of CCS down is not enough either.
- Such a signal can only come from a robust technology mechanism in a new global climate deal.

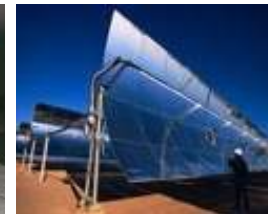




The MEF meeting was a good start

- All countries agreed to develop low carbon growth strategies.
- They gave a pledge to dramatically increase and coordinate public sector investments in research, development, and demonstration of these technologies, with a view to doubling such investments by 2015.
- They started a process to develop action plans, road maps, and possible arrangements to promote technology development, deployment, and transfer of a set of energy technologies.

Lead countries have been selected, and reports are due by November 15.





But UNFCCC Bonn 3 did not pick up...

- The MEF results were not brought into the negotiations.
- Very little substance was discussed.
- Continued tensions about IPR.
- Industrialized countries were not willing to discuss funding + institutional arrangements.





The technology component of a good deal from COP15

1. Technology objectives, e.g. for energy efficiency, renewables, as well as binding commitments on increasing public RD&D in industrialized countries: Doubling by 2012 and quadrupling by 2020 as proposed by the EU.
2. The deal should include agreement on establishment of tailor-made action programs to tackle **20 key technology challenges** (adaptation and mitigation).
 - Some action programs should focus on **long-term RD&D** needs whereas others should deliver **fast roll-out** of urgently needed technologies.
 - Each action program should have clearly defined **targets** for the first 5 years of technology co-operation, and it must be specified what level of **MRV input** (finance, research) developed countries will contribute with.
 - The most relevant existing international **institution** should implement a program.
3. Recognition of IPR barriers, and tackling these through action programs etc.

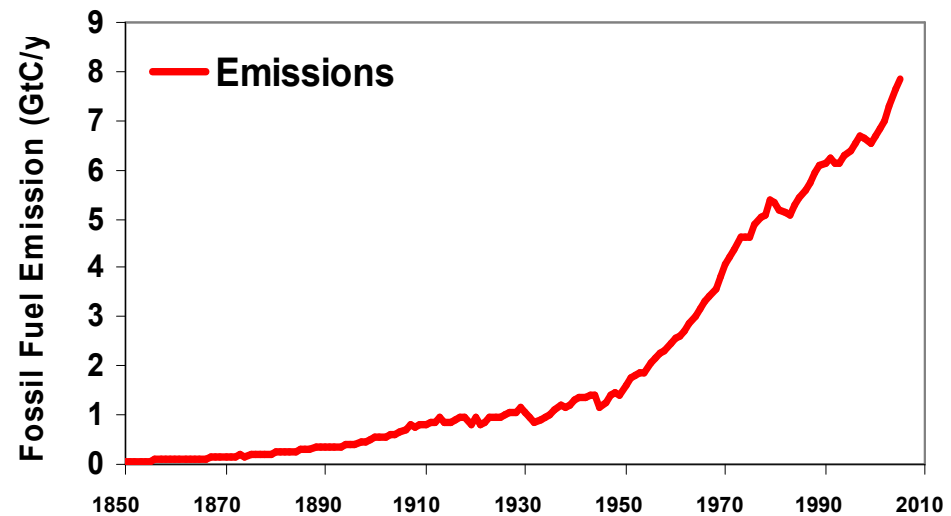




The climate problem is out of control

- 1990-99: + 0.9% per year
- 2000-07: + 3.5% per year
- The most pessimistic of the IPCC scenarios were based on a yearly growth in emissions at 2.7 %.
- This would result in a 4 degree global temperature increase in this century.

Emissions from fossil fuels and cement



Source: Global Carbon Project (2008)





Even 2 degrees seems to be too much

”Recent observations show that societies are highly vulnerable to even modest levels of climate change, with poor nations and communities particularly at risk. Temperature rises above 2°C will be very difficult for contemporary societies to cope with, and will increase the level of climate disruption through the rest of the century.”

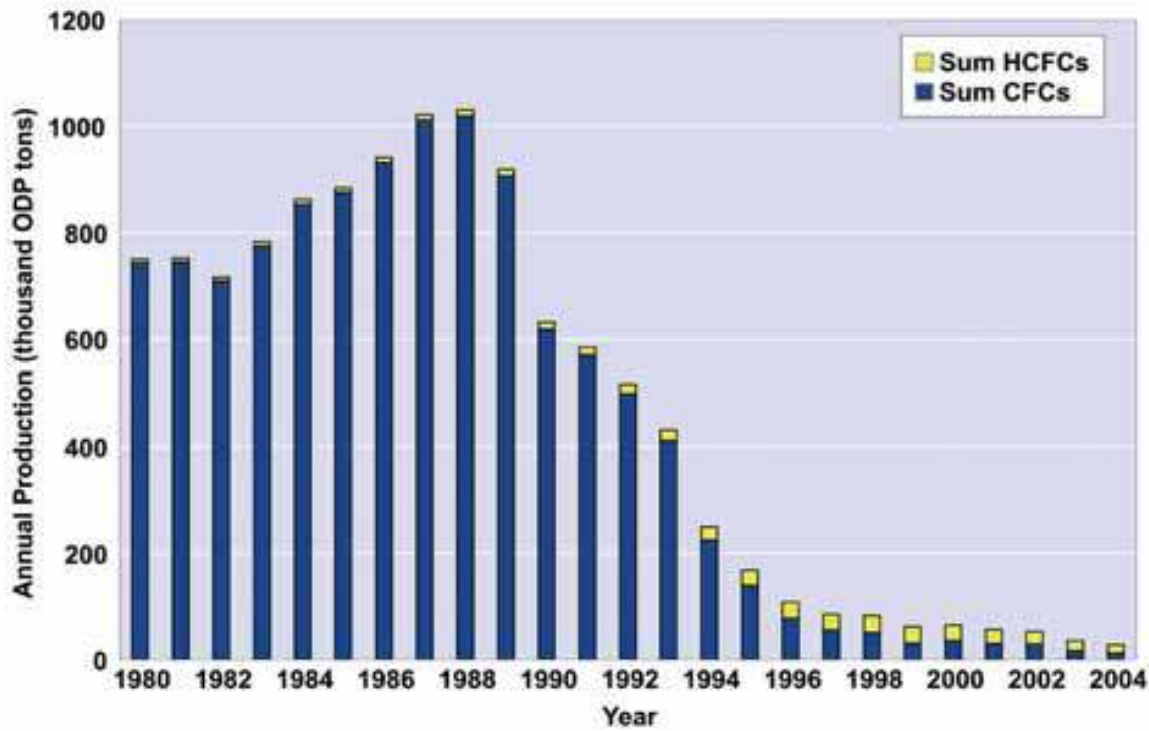
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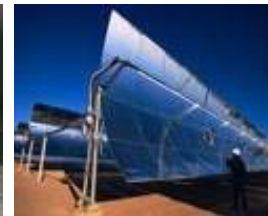




Yes we can!



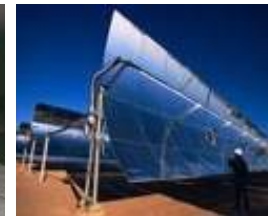
The Montreal Protocol and the Multilateral Fund is a successful example of global cooperation.





Lessons from the Montreal Protocol

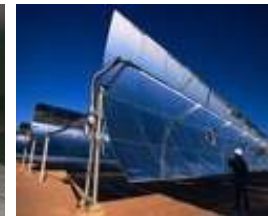
- Success for global cooperation – rapidly increasing emissions were reduced to very low levels within less than a decade.
- The first steps were most difficult. When the Montreal Protocol was agreed in 1987 the target was only to halve the use of CFC's. After few years it was possible to set much more ambitious targets.
- The costs for phasing-out the most important ozone depleting substances turned out to be only a fraction of the estimated costs.
- Western countries supported the phase-out in developing countries (and former East block countries) technically and financially.
- The depletion of the ozone layer has come to a halt – the layer is expected to be restored around in 2nd half of this century.





A good deal from COP 15 in Copenhagen

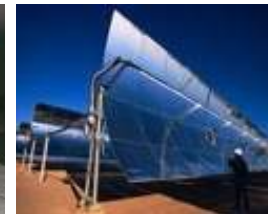
1. The aim should be to keep global warming as much below to 2 degrees as possible.
2. Global greenhouse gas emissions should peak within 2013-17.
3. All countries except the poorest must take part in limiting emissions, but rich countries must take the lead and reduce their own emissions by 25-40 percent in 2020.
4. Rich countries must contribute with finance and technology to reduce emissions and combat deforestation in developing countries as well as to help the poorest and most vulnerable countries to adapt to climate change.





Issue # 1: Emission reductions in industrialized countries

- Kyoto Protocol: ~ 5 percent reduction from 1990 level in first commitment period (2008-12).
- IPCC figures: Industrialized countries must reduce 25-40 percent in 2020 if...
- EU is on track to meet its Kyoto commitment (8 percent) and promised to reduce 20 percent in 2020, and 30 percent as part of a global deal.
- Current targets would lead to aggregate emissions reductions in the order of 8-14 percent in 2020.
- Japan, Canada and Russia are the most problematic countries in these negotiations.





Issue # 2: How to involve the US

- The Obama administration do take the climate problem seriously, but it cannot be certain to have the Congress on board.
- The US Senate will probably never ratify the Kyoto Protocol.

=> How to make room for the US? Special rules?

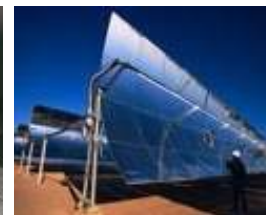
- The recent climate bill from the House of Representatives will reduce US emissions to ~ 4% below 1990 level in 2020. Currently they are 14-17 percent above 1990.

=> Who shall make up for the 'deficit'?



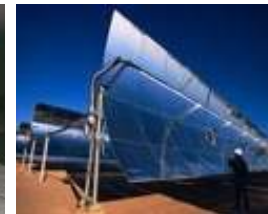
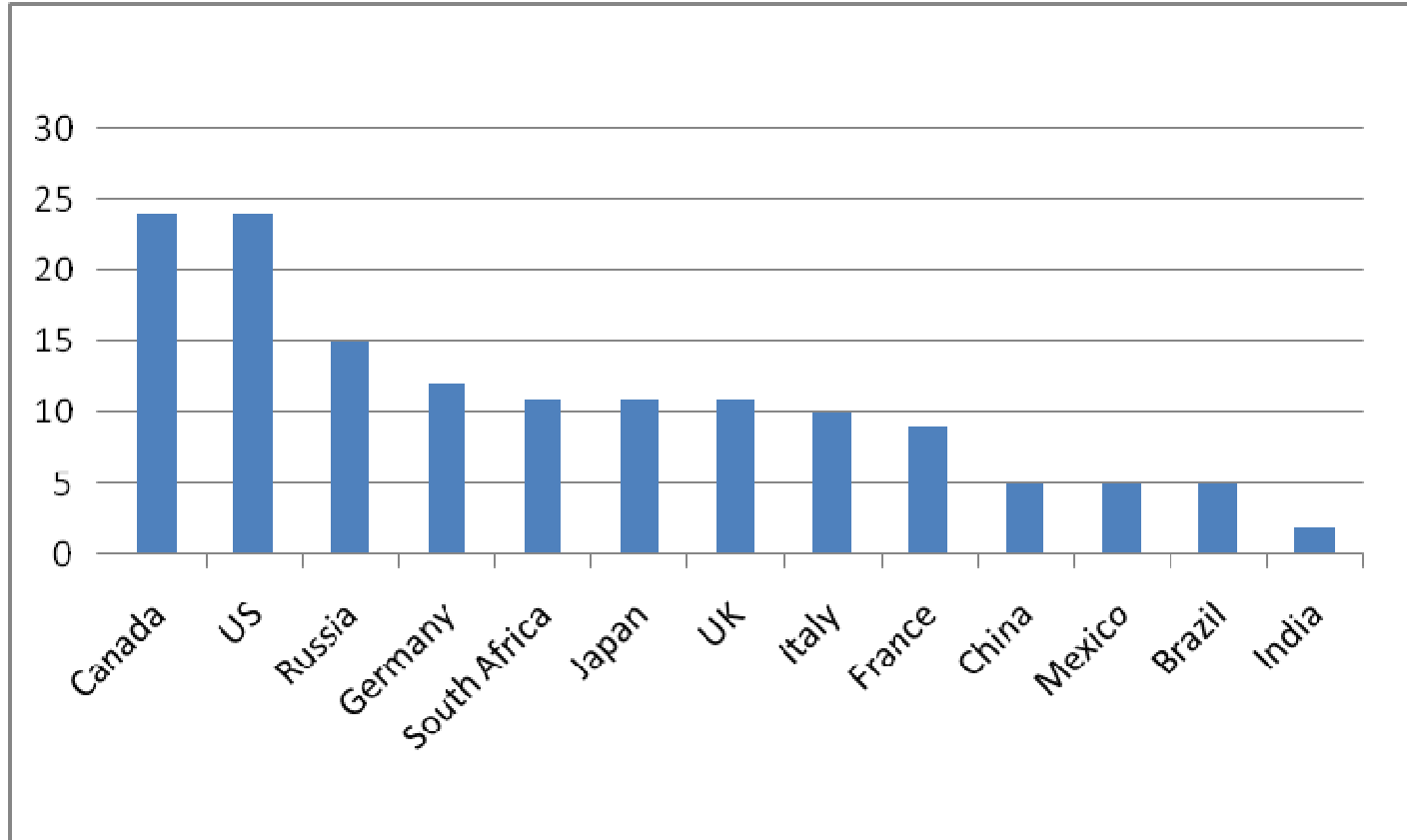


Issue #3: Mitigation efforts in developing countries





Greenhouse gas emissions per capita





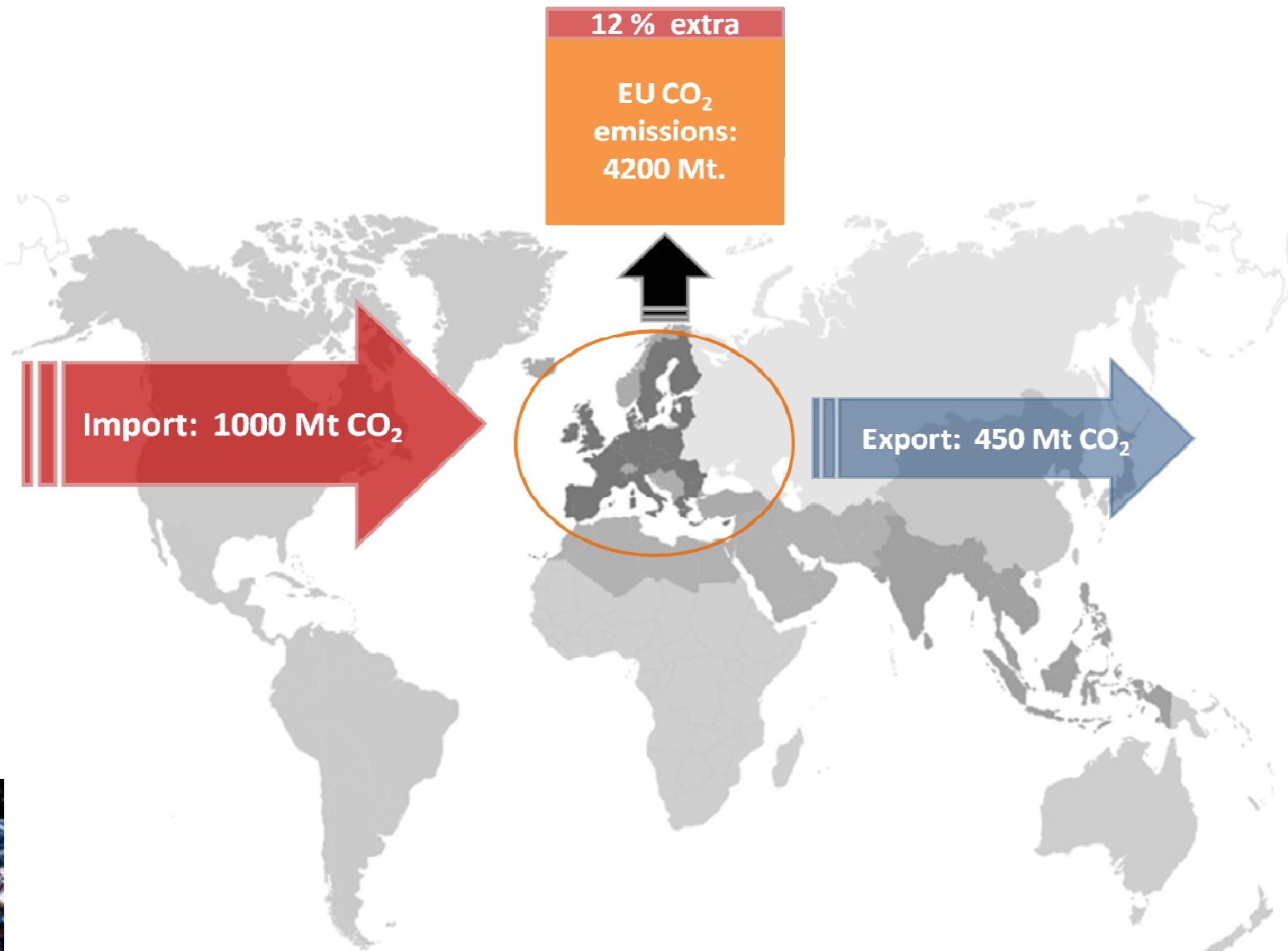
Issue #3: Mitigation efforts in developing countries

- Based on the IPCC-figures it has been calculated that emissions in developing countries must be brought 15-30 percent below business as usual in 2020.
- Must some developing countries take on quantitative commitments?
- EU wants all developing countries to make low carbon development plans.
- Agreement that actions must be measurable, reportable, and verifiable.





EU consumption - global pollution





Issue #4: Finance for mitigation and adaptation

- In Bali it was agreed that mitigation action in developing countries should be supported by finance and technology.
- There is also a huge need for support to adaptation. According to UNDP, total needs in developing countries amounts to 86 billion USD a year.
- The EU has announced that it will pay its 'fair share' – but what does that mean?
- Support must be measurable, reportable, and verifiable, but how do we ensure that climate finance comes on top of ODA?





Issue #5: Technology

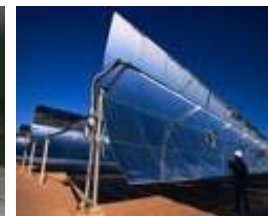
- Need to go from narrow focus on transfer of hardware to technology cooperation.
- G77+China has shown very high interest in technology, and does not just think it is a matter of money.
- EU has so far no ambitions for technology cooperation – they want to limit this element of a deal as much as possible.
- EU has been calling for targets for national R&D expenditures, such as a quadrupling by 2020.





Issue #6: Deforestation

- Deforestation currently make up ~15 percent of global CO2 emissions.
- Reduction of deforestation in developing countries is usually considered to be a cheap way of reducing emissions.
- Market-based approaches have been prepared by international organizations and some countries for a while.
- But how to ensure that deforestation does not just move to another place? Is a national approach enough?
- What about support for countries who increase forest cover?





Worst case for COP 15

- There is no time to waste. We have less than 10 years to bend the curve.
- The worst result of COP 15 would be a deal that gives the impression that the nations of the World are taking care of the climate problem, but in reality not happens.

Characteristics of a bad deal:

1. Weak reduction target for 2020
2. Many possibilities for industrialized countries to avoid changing their own societies by using flexible mechanisms instead
3. Lack of incentives to turn emerging economies on to a low carbon development path
4. Only pocket money for the global climate efforts

