The 17th Conference of Parties to the UN Framework Convention on Climate Change met in Durban in December 2011. Negotiations were heated and acrimonious, as the world desperately searched for new ways to avoid the toughest of questions—how to drastically reduce emissions to keep the world somewhat within safe levels and how to do this while ensuring equity. With uneasy answers, the easy solution was to push the world to another round of messy negotiations for a new treaty, protocol or legal instrument or something like that. But one move of the developed world was to change the nature of the original treaty that differentiates between past polluters, responsible for the first action, and the rest. The aim at Durban was to erase equity as the basis of any global agreement to cut emissions. Ironically, the world chose the land of Mahatma Gandhi and Nelson Mandela to set the scene to build a new apartheid in climate talks. Down To Earth and the Centre for Science and Environment bring you an analysis.

Issue Date: 2011-12-31

At Durban, the European Union (EU) pushed hard for a legally binding agreement for all. The aim, it said, was that this legal instrument would bring the US on board, as it would include China, India and other big developing countries to commit to cut emissions. [1]

The world needed a new legal deal because under the Framework Convention on Climate Change there is a firewall—differentiating the actions of the industrialised countries, responsible for the bulk of the stock of greenhouse gas emissions in the atmosphere, and the rest, who need space to grow. The EU and its coalition had pushed for the launch of a process to develop a protocol or another legal instrument. The blackmail—counter deal—it held out was that it would not accept a second commitment period for the Kyoto Protocol (KP) unless this new deal was negotiated. But India had insisted on the inclusion of “legal outcome” as an option to this menu. It wanted flexibility to being bound to legal arrangements when it knew nothing of its contents. Indian minister Jayanthi Natarajan had...
made it clear, “My biggest concern with reference to the texts is there is no reference to the principle of equity and common but differentiated responsibility (CBDR).”

But this two-word inclusion was the deal-breaker—it led the COP to go into extra-time to resolve the matter. The informal plenary began at 3 am and ended in the wee hours of the morning of December 11. Excerpts:

**President**: The package before us is a bridge that will join us together. Let’s make history tonight.

**EU**: We are happy with the words protocol and legal instrument. However, adding the word legal outcome puts a doubt in the sincerity. We need clarity. We need to commit. The EU has shown patience for many years. We are still ready to be almost alone in a second commitment period for five years. We don’t think we ask too much of the world. Those who will not commit to the second commitment period of KP will be legally bound. Let’s strive for a protocol or a legal instrument by 2018.

**Colombia**: We cannot accept “legal outcome”. It’s weak wording. It’s not enough.

**India**: We have shown more flexibility than any other party. The centrepiece of a climate change debate is and has to be equity and the equity of burden sharing cannot be shifted. Is it that certain parties have to say something and the entire world goes with it? Otherwise, the entire Convention will collapse, and India will be blamed? India will never be intimidated by threats or intimidation or any kind of pressure. How do I give a blank cheque and give a legally binding agreement to sign away the rights of 1.2 billion people and many other people in the developing world? Is that equity, madam?

**Grenada (Alliance of Small Island States’ chair)**: We have protocol, legal instrument and legal outcome—this is climbing down the ladder of ambition. One hurricane devastated our economy in a few hours. The sense we get is let them develop and let us die.

**China**: We support India. We need to develop. We need to reduce poverty, protect our environment and deal with climate change. We are doing whatever we should; we are doing things you (developed countries) are not doing. We are taking actions. We want to see you take actions.

**Bolivia**: What a paradox that the country that has used 40 per cent of emissions never made a commitment under KP. Today it is a rich country, while there are other poor countries where there is a great deal of misery that need the right to develop. This is what the Indian minister is putting to us as an argument. The document must establish CBDR.

**Philippines**: I have here in my hands hard copies of our Convention and the KP, circa 1998. These booklets are in danger of being relegated as relics of a lost era. Equity must take the central focus in our negotiations.

**Brazil**: We come from countries that have huge challenges. We need others to act as well. We must leave Durban with a legally binding deal. Let’s not lose sight of the political importance of this moment. Let’s seize this opportunity to make history. Let’s not reopen documents.

**Egypt**: I see the passion in the support for a new legally binding instrument. I wish the same passion existed for the current one.

**Gambia (Least Developed Countries’ chair)**: We call for the same legally binding instrument that must provide a strong basis for an adequate, binding, enforceable
commitments with respect to all pillars of the Bali Action Plan, particularly quantified emissions reduction commitments of developed countries that are not party to the KP and financial obligation for developed countries.

**Norway:** There is absolutely no disagreement over equity. Many developing nations have taken great strides to combat climate change, even doing more than developed nations. Everything rests on two simple words—legal outcome. I believe these two words are unnecessary … I appeal to the Chair to find a compromise.

**EU:** The EU can support the suggestion that we just heard from Norway. We heard some interesting proposal from India on equity. We endorse that you facilitate a conversation between some of us who have divergent views.

**US:** The Durban package is very powerful and the US supports it.

**President:** I have listened attentively to all the interventions. I can allow the EU and India and other delegations who would want to find a corner here for 10 minutes to do a huddle.

**Huddle happens:** The EU and others come to Indian table. Intense discussions bring a breakthrough. It is agreed that the word legal outcome will be changed to “agreed outcome with legal force”. This is acceptable to all.

Parties resume meet at 5.30 am

**President:** We agree on four elements of the package:

- Second commitment period of the KP
- Decision of the AWG-LCA
- Green Climate Fund
- Agreement on Durban Platform

**India:** In a spirit of flexibility and accommodation shown by all, we have agreed to this.

**EU:** Thank you in particular to India for showing this flexibility. We think this is a strong result.

**Russian Federation:** The art of achieving results in negotiations is the art of attaining results around the negotiating table and not on the negotiating table. It is difficult to understand what happened in the room, who was talking to whom or who was agreeing with whom. I have no option but to ask for further explanations and see the document in writing.

**President closes meeting.**

**Durban Package**

*The deal to keep dealing*
What is in the deal

An Ad Hoc Working Group on the Durban Platform for Enhanced Action will be established and the existing Ad Hoc Group on Long Term Cooperative Action—set up after COP13 in Bali—will cease to exist by 2012 end.

- A process to develop a protocol, a legal instrument or an agreed outcome with legal

The legal form was the surprise centrepiece of the Durban COP. In the past two years, the world had been negotiating, first at Copenhagen and then at Cancun, a voluntary agreement, moving away from a global legal regime. This was done purportedly to bring the US on board, arguing that it would never accept a legal deal and that it would not accept any deal in which China and India were not parties. So, Cancun formalised the Copenhagen accord. In doing this, it buried the idea of equity as the basis of a global agreement on climate change (see ‘Equity’s slippery history’).

The Cancun agreement was reached after much resistance from developing countries. But the industrialised countries, led from the front by a belligerent US supported by the European Union (EU) and the grouping of small island nations (AOSIS), got their way. The voluntary pledges—including the insignificant pledge made by the US—became the basis of the new deal to cut emissions. This when it was well understood in Cancun that the pledges were inadequate for an effective deal (‘In which poor countries gave in’, Down To Earth, January 1-15, 2011 [2]). It was also a fact that the pledges passed the burden of costly transition to a low-carbon economy to the developing world (‘Poor man’s burden’, Down To Earth, January 1-15, 2011 [3]).

But in Durban a new idea for a new deal emerged. This time, the EU was in lead. It wanted that the world should agree to commit to a global legal agreement to cut emissions; this agreement would be applicable to all parties—thereby removing the differentiation between the industrialised world and the rest. [4] It was suggested that this agreement, which would come into force as early as 2015, would replace the Framework Convention on Climate Change and step up levels of ambition for all. The second commitment of the Kyoto Protocol (KP-2) was the bargaining chip for this new agreement. The EU said it would not agree to KP-2 unless the world acceded to its demand for a legal instrument to bind all. [5]

India, which opposed the legally binding option, was marked out as the deal-breaker. In the second week, the Chinese put an offer on the table that was supported by BASIC countries (Brazil, South Africa, India and China). They did not oppose the new arrangement, but suggested a different schedule: negotiations to begin after the scientific review in 2015 and deal to be operationalised in 2020. They also set conditions that the existing commitments of industrialised countries, including funding, should be implemented. They also stressed that the basis of the new agreement had to be equity. [6] But there was no appetite for these ideas. In the week that followed, shrill pressure grew on all countries to take up the offer on the table. It was a no-choice deal.

Equity: embedded or lost?

The most crucial phrase of the Durban Platform is the fact that the new agreement, legal or not, will be under the UN Framework Convention on Climate Change. The convention is based on the principle that the world has to accept the differentiation between countries, based on their contribution to the problem. However, the Durban Platform
force under the UN Framework Convention on Climate Change applicable to all parties, will be launched under the new Durban Platform ad hoc group.

- Work will begin in early 2012 and the deal will be completed for adoption in 2015 and for implementation in 2020.
- The process shall raise levels of ambition and shall be informed by the fifth assessment report of the Intergovernmental Panel on Climate Change, the outcomes of the 2013-2015 review and work of subsidiary bodies.
- The work plan will explore a range of actions that can close the ambition gap with a view to ensure highest possible mitigation efforts by all parties.

does ask that the mitigation efforts must involve all parties. This does weaken the position of developing countries in taking on such binding cuts. But how much emissions will each country be asked to reduce? What will the target be based on? Clearly, the challenge will be to ensure that the next round of negotiations, moving towards the new treaty accepts the principle and premise of equity. The battle is ahead.

**Kyoto Protocol-2**

At Durban, the second period of KP had to be negotiated. The EU held it up as its bargaining chip: KP-2 only when the world would accept a legally binding agreement for all. After holding out for days, a draft decision on “Further commitments for Annex 1 parties under the Kyoto Protocol” was issued. The draft decision says little, leaves much to be worked out and provides opportunity for Kyoto Parties to not walk the talk.

The decision says aggregate emissions of greenhouse gases of Kyoto Parties would need to be reduced by 25-40 per cent below the 1990 levels by 2020. But it does not set individual country targets—quantified emission limitation or reduction objectives (QELROs)—without which the Protocol cannot be implemented. It invites these parties to submit information regarding their QELROs at the next meeting.

The second commitment period would begin on January 1, 2013, and end either on December 31, 2017, or December 31, 2020, says the decision.

Just hours after this decision was gaveled by the chair as adopted by the COP, one key KP party walked out. The Canadian minister announced, as his plane landed in his country, that Canada could not take on the “economic burden” of meeting the legal commitment they had signed on [7]. They junked the protocol.

Clearly, this is the big challenge for KP-2 as well. Will developed (Annex 1) parties take on legal commitments that measure up to the drastic emission reduction required? And even if they do, will they stick to it?

**Green Climate Fund**

In Copenhagen 2009, the world decided to create a Green Climate Fund (GCF). In Cancun 2010, the “pledge” was repeated. In Durban 2011, the governing instrument for GCF was agreed upon. Now all that the world is waiting for is money.

The questions before the fund were: who will manage and disburse the money. The proposal to get the World Bank
as the fund’s manager ran into trouble. The Durban decision skirts this issue to say that the fund will be accountable to and function under the guidance of the Conference of Parties. It has been decided that the fund will have a board of 12 seats for developing countries—equal to representation by the Annex 1 countries.

These 12 developing country seats will be distributed between Asia-Pacific, Africa, Latin America, small island states and least developed countries. Once the Board is appointed, it will, in turn, appoint an interim secretariat.

The other big issue was how the fund would balance the needs of mitigation and adaptation. Clearly, both challenges will require investment in the developing world and there is concern that financing priorities could be distorted and add to vulnerabilities of the poorest. The decision once again avoids this, saying it will request the Board of the fund to balance allocation between these two sets of activities.

But the issue that remains unresolved is where the money will come from. The fund is expected (not committed) to mobilise US $100 billion a year by 2020. But there was little clarity on its capitalisation and parties only emphasised once again the need for long-term financing. But even as discussions progressed, developed countries were quick to point out that funding was difficult in times of looming recession and economic downturn.

They wanted money to be either accessed through the private sector—the fund provides for a private sector window—or wanted the world to look for “innovative sources” of long-term financing. But as yet there is little idea where this money will come from.

A connected issue was to decipher whether the funding for GCF was indeed either new or additional, or repackaged development assistance or even private sector investment.

At the end, Durban has the dubious distinction of creating an empty shell—a fund with no money.

**REDD and REDD+**

Last year, at COP16 in Cancun, the Parties to the UNFCCC had agreed to a set of social and environmental safeguards to ensure that REDD+ (reducing emissions from deforestation and forest degradation, sustainable management of forests and enhancing forest carbon stocks in developing countries) activities do not adversely impact biodiversity or local communities. Additionally, the Subsidiary Body for Scientific and Technological Advice (SBSTA) was given the charge of helping establish a Safeguards Information System (SIS) to ensure that the implementation of the REDD+ safeguards is monitored and reported.

With most countries supporting REDD+, the expectations from the COP17 were that it would smoothen the technicalities. These included a mechanism for review of safeguards, forest carbon monitoring techniques and guidelines on setting forest sector emissions baselines. Among the trickier issues which needed resolution were whether REDD+ projects would be used as offsets by developed countries, and what role markets would play in financing of these projects.

The final decision was to agree to decide on little substantially or best to leave it to governments to decide nationally. Non-governmental organisations following these negotiations criticised the Durban “outcomes” on REDD and REDD+. The Accra Caucus on Forests and Climate Change, a coalition of 100 organisations from 38 countries, point out the Durban decisions would put forests and forest-dependent people across the world at a “huge risk”, as they would allow governments to set their own reporting guidelines for
On financing REDD+, India was clear it did not want private players to enter the arena. The Cancun COP had pointed towards the roadmap of exploring further financial options—and that was exactly what the Parties were doing at Durban, said Indian negotiators. However, this optimism was missing from the NGO community. FERN, a Dutch NGO which works on forests and climate change, felt the developed world’s insistence on being allowed to trade in carbon offsets to finance REDD was essentially self-serving and aimed at using it to meet its own emission reduction obligations. With carbon markets being touted as the main source of finance, REDD+, said FERN, will end up with no finance in the long-term as there was no money in carbon markets.

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**Equity’s slippery history**

**1992: UN Framework Convention on Climate Change**

Recogises the concept of historical and per capita emissions

“That the largest share of historical and current global emissions of greenhouse gases has originated in developed countries, that per capita emissions in developing countries are still relatively low and that the share of global emissions originating in developing countries will grow to meet their social and development needs.”

Recogises the need for action based on common but differentiated responsibilities

“That the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response, in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions.”

Categorises developed country parties as Annex 1 and charges them with first action

**1998: Kyoto Protocol**

Provides that those parties listed as Annex 1 in the Framework Convention shall be taking on legally binding emissions reduction

“with a view to reducing their overall emissions of such gases by at least 5 per cent below 1990 levels in the commitment period 2008 to 2012.”

**2007: Bali Action Plan**

Provides for a global goal for emissions reduction, but based on the principle of common but differentiated responsibilities and respective capabilities. For the first time, provides that parties, not listed in Annex 1 (industrialised) would also take action, but this action would be based on nationally appropriate mitigation actions, which would be enabled with money and technology.

**2010: Cancun Agreements**

While accepting that developed country parties have to take the lead in combating climate change because they have contributed the largest share of historical global emissions, the agreement makes a strategic shift. It also includes the nationally appropriate mitigation actions being implemented by developing country
parties (those not included in Annex 1 of the Convention). So for the first time, developing countries were also required to take on mitigation actions. More importantly, because actions—either by developed or developing country parties—were no longer based on countries’ contribution to the historical or current emissions, the principle of equity was given a go-by. In other words, all countries, irrespective of their responsibility, were now required to take action and it would no longer be based on targets set globally, but would be based on contributions.

The principle of equity had been successfully erased. Now the noose in Durban was tightened with the proposal that there would be a global legal agreement, removing the differentiation once and for all. The outcome at Durban only partially recovers the space that developing countries have lost. It is now accepted that all will take mitigation actions (like in Bali), but the targets—who will cut how much emissions—will be set under the principles of the Convention.

Where was the US in Durban?

The impending elections in the US seemed to have affected the country’s delegation. While vocal and aggressive in the Copenhagen COP, President Barack Obama made the trip to the conference and helped broker the deal to change the nature of the agreement. In Cancun, the US demanded that countries like India should be flexible in agreeing to voluntary targets and that these domestic targets would be open to global scrutiny through a regime of measuring, reporting and verification.

The US also put on record its own voluntary target of reducing emissions by 17 per cent by 2020, but over its 2005 emission levels. The baseline was strategically given as US emissions actually peaked by 2005—increased one billion tonne over 1990 levels. In this way, the country needed to reduce emissions by only 3 per cent below its 1990 levels, when it needs to cut by 40 per cent in this period, based on past, present and future dangers.

But in Durban, the big emitter was surprisingly a non-player. Its opposition to a global legally binding deal is well known. The Kyoto Protocol had been dumped by the US on these grounds. So, there is little chance that the US will now bow to a deal which is legally binding. At a press briefing, when asked this question, Alden Meyer from the US NGO, Union of Concerned Scientists, said they would hope that the US would accept these terms because of civil society pressure. But this is when the same civil society is struggling to get its country to take even the minimum emission reduction targets and make them happen.

The US delegation in its press conferences made its preference for a non-legally binding deal obvious. But what it did not do strenuously enough was to oppose the EU push for the new deal. The Durban design, it seems, was to make China and India join a legally binding deal. This is because the US has made it clear that it wants to bring down the famous firewall—the differentiation between the developed and developing countries—which separates the countries historically responsible for climate change
from the rest. It may be for this reason that the US gave a tepid, but unconditional assent to the final outcome at Durban.

The high point of US delegation’s interaction was the statement by its top negotiator Todd Stern that the 2°C target was just a guidepost. In other words, the US made it clear that it had no intention of cutting its emissions so that the world can definitely stay below the guardrail of future security. At Durban, the US was perhaps the biggest winner. It staved off any discussion on its abysmal emission reduction target; won time till the next scientific review for this to be revised upwards, as it must. Most importantly, it got what it most wanted: no action unless India and China would take similar steps.

The next round of hard negotiations will determine how much it has won.

**Right to development, not pollute**

Photo: Surya Sen

The Durban outcome is not good for developing countries, per se. It is as good a deal as they could have got in a situation where the developed world was keen to renego on commitments, and the developing world was divided on what should happen. The Durban Platform, the key agreement at the conference, reflects the fact that the world is far from bridging the gap on emissions reduction to stay on track to avoid catastrophic climate impacts. This is because the developed world is not keen to take on the burden of reducing emissions—emissions are related to growth and the world has still not found an easy or cheap way to grow without polluting.

The Durban conference reflected this obduracy of the developed world to not act. But it also came after a period when global media and civil society had successfully changed the nature of the climate discourse—moved it away from the fundamental question of equity in distribution of the global commons to the need for all countries, including India, to act. It is in this backdrop that when countries like India arrived in Durban, they were pushed into a corner by the powerful western public opinion, which could only see their growth as the problem for the world.

Worse, as the world has not acted decisively to cut emissions, the crisis of climate change has grown. In all this, the poor are getting divided and turning against each other. Island nations, from Maldives to Fiji, believe that the world has not delivered on its promise to cut emissions and is today jeopardising their future. But island nations do not have the power to fight the powerful interests. So, they have turned against their partner developing countries. For instance, they now blame India for inaction. This is when the per capita emission of most island states is more than that of countries like India. But they want India to take legal commitments to reduce emissions, dismissing concerns of equity as inconsequential.

But in the end, India and key developing countries showed some spunk at Durban. They fought back, as best as they could, given the power of the rich countries and the loss of ground of the poor countries in the years before. What they got was an assurance that the future agreement will take into account their need for development. They got this by ensuring that the agreement, legal or of legal force, would be created under the UN Framework Convention on Climate Change. This will protect the differentiation between
the developed and developing countries and provide equity as the basis of mandatory emission targets.

Countries like India will now need to make sure that in the next round, in Qatar in 2012, they make the world listen to the message that the world is running out of time, not because of the intransigence of the poor, but because of the selfish actions of the rich. They need to stress that they want tough actions to reduce emissions because they are vulnerable. But this action must be built on their right to development, not the right of the rich to pollute. This is the challenge for future.

**The invisible hand**

*Industry gets what it wanted on CDM*

The CDM market has turned unilateral, a deal between private companies. Durban has given this turn a big thumbs up (Photo: Pratap Pandey) When the Confederation of Indian Industry (CII) delegates, led by SRF Ltd chairperson Arun Bharat Ram, met Indian environment and forests minister Jayanthi Natarajan in Durban, their demand was unequivocal: continue Kyoto Protocol (KP) so that the billion-dollar Clean Development Mechanism (CDM) market can flourish. They had no other business in climate change—only cheap money.

The Indian industry should be more than satisfied with the outcome at Durban. The conference agreed to the second commitment period of KP, continuation of emissions trading and project-based mechanisms to meet the emission reduction commitments of the Kyoto Parties. It also agreed to “define” a new market-based mechanism which would allow developed countries that are not party to KP—like the US, Canada, Russia and Japan—to meet part of their mitigation targets by buying carbon credits from developing countries. The decision on the architecture of this new market-based mechanism, which will be built upon the existing flexibility in mechanisms like CDM, will be taken at COP18 in Qatar in 2012.

**CDM made easy**

For all the fights between the developed and developing countries at Durban, the one issue which progressed without any squabble was market mechanism. The Durban climate conference gave the go-ahead to all issues that were on the table on CDM. It has made the registration of CDM projects easy, and it has also bowed to the might of the fossil fuel industry and has agreed to the modalities and procedures for inclusion of carbon capture and storage (CCS) as a CDM project. CCS is a technology to capture CO₂ emitted by fossil fuel burning industry and store it in geological formations.

According to a report published by the Massachusetts Institute of Technology, a CCS-equipped thermal power plant will burn 40 per cent more coal to capture CO₂ than a conventional power plant. Since CO₂ will be stored in geological sites, which might run across many countries, CCS will create waste sites that will need to be carefully monitored and managed for hundreds of years to ensure that CO₂ does not escape into the atmosphere. At Durban, industry lobbyists sold CCS as an important mitigation technology to help developing countries provide electricity to the poor and solve climate change.

One other such industry-friendly decision was the inclusion of materiality standard within
the CDM. Materiality is an accounting principle that deals with omission, misstatement or erroneous reporting of information. The Bonn-based CDM Executive Board now rejects or sends for review many projects because these claim higher carbon credits than the actual emissions reduction. The projects do this because of accounting errors or omission or misstatement of information. The projects are rejected or sent for review irrespective of the level of excess carbon credit they claim.

The COP meet at Durban has now fixed a tolerance limit for excess carbon credit. If the excess carbon credit claimed by projects due to accounting errors or omission or misstatement of information is within the tolerance limit, the project will be accepted, else rejected. This means many projects will not have to go through repeated review if the designated operational entity which is conducting the verification gives an assurance certificate that the error in accounting of carbon credit is within the tolerance limit.

The tolerance limit for excess carbon credit has been fixed on the basis of the size of the projects. Projects reducing emissions by 500,000 tonnes of CO$_2$ have tolerance limits of 0.5 per cent; for small-scale renewable energy and energy efficiency projects, it is 10 per cent.

**No leapfrog**

The credibility of CDM as a tool to leapfrog to low-carbon economy is already in doubt as it has allowed generation of carbon credits from coal-based thermal power plants using a little more efficient technology than the ones being used currently. There are already 45 coal power plants in the CDM pipeline. Recently, the CDM Executive Board suspended the carbon crediting rules for coal power projects after it found that these projects were using flawed methodologies to overestimate their carbon credits.

In the age of domestic and voluntary commitments for emission reduction, the big question is should the developing countries sell away their cheap options for a few dollars more. If the Indian industry’s myopic view is to be accepted, the answer would be yes.

**Emissions imbalance**

*India’s emissions among the lowest in the world*

COP17 at Durban concluded with the adoption of Durban Platform that prepares the ground for adopting a new deal on climate change by 2015—applicable to all countries. Whatever be the legal form of this deal, countries such as India would be bound to commit to greenhouse gas emissions mitigation post 2020.

India’s emissions are among the lowest in the world relative to the emissions of the developed world and other emerging economies. But this aspect of India’s emissions is rarely portrayed. A recent report by the Netherlands Environmental Assessment Agency held India and China responsible for rise in global emissions in 2010. The Centre for Science and Environment (CSE) analysed the report and found developed countries, legally bound to reduce emissions, have not done so.
Developed countries that have ratified the Kyoto Protocol (KP) remain on target to meet the KP objective of a 5.2 per cent reduction, the report said. The fact is the rich developed countries are hiding behind the collapsed economy of the erstwhile USSR and eastern European countries to meet their Kyoto targets (see: Graph I). When the emissions of Annex I non-economies in transition (non-EIT) countries (rich developed), Annex I countries (EIT: erstwhile USSR and eastern Europe) and Annex I countries were compared, CSE found:

- Annex I emissions in 2010 were 7.5 per cent below 1990 levels
- Annex I EIT emissions in 2010 were 33.4 per cent below 1990 levels because of the collapse of erstwhile USSR and eastern European countries
- Annex I non-EIT emissions in 2010 were 1.7 per cent above 1990 levels
- Canada’s emissions in 2010 were 19.8 per cent above 1990
- Australia’s emissions in 2010 were 45.9 per cent over 1990
India blamed, US culprit

Global emissions increased by 5.8 per cent in 2010 over 2009, the report said. It blamed India and China for emitting 9 per cent and 10 per cent greenhouse gases in 2010 over the 2009 levels. But it did not say the US’s emissions increased by 4 per cent and EU's by 3 per cent (see: Graph II). India’s 9 per cent increase is less than the US’s 4 per cent increase in absolute terms (see: Graph III). It is the same story for per capita emissions (see: Graph IV). US’s per capita emissions in 2010 was 16.9 tonnes; India’s was 1.51 tonnes. The per capita emissions between 2009 and 2010 increased by 0.5 tonnes in the US, 0.6 tonnes in Japan, 0.2 tonnes in EU-15, 0.6 tonnes in China and 0.2 tonnes in Russia. In comparison, India’s increase was 0.1 tonne.

Gigatonne gap

Disparity, loopholes and shifts
Better to climb the new cycle of negotiations than reduce emissions, feels the developed world.

It is now clear that the world needs to keep temperature increase below 2°C above pre-industrial levels—ideally below 1.5°C—to avoid catastrophic climate change. This requires a target for reducing emissions. The question is how close is the world to meeting this target? Is it on track? Recent reports suggest that the current level of action, a combination of the voluntary pledges taken by big polluters like the US, the Kyoto Protocol (KP) targets and the domestic actions being undertaken by developing countries, will not add up to averting danger. The other big question is who is cutting emissions and who will bear the burden of the transition?

The gigatonne gap

The 2011 United Nations Environment Programme’s (UNEP) ‘The Emissions Gap Report’ estimates the world must limit, by 2020, total greenhouse gas emissions to 44 Gigatonne (Gt) to stay within 2°C limit. However, the aggregate of all voluntary and legal pledges will result in emissions in the range of 49-56 Gt—a gap of 5-12 Gt (or the emissions equivalent of US in 2010 or China’s projected emissions in 2020). The gap has actually increased since the last assessment in 2010. In other words, the world is even more off-target than before. If this gap is not bridged the world is on a trajectory of temperature increase of more than 3.5°C, or even 5°C by 2100.

The loopholes

But it is not just the gap that worries scientists. It is also the prospect that the gap is being made wider, because of loopholes—“creative” and double accounting of emissions reduction by developed countries. These loopholes can be plugged but will require changing the accounting rules and strict enforcement. The problem is that the world is not really prepared to take climate change seriously. It is estimated that the sum of the emissions reduction pledges of the developed countries under the Cancun Agreements will lead to cumulative emissions reduction of about 18 GtCO\textsubscript{2}e between 2013 and 2020. However, the cumulative total for loopholes could be between 14.5 and 27.2 GtCO\textsubscript{2}e. If this is allowed, rich countries could potentially increase their emissions by about 10 Gt between 2013 and 2020, and all their pledges to reduce would come to nothing.
Loophole 1: surplus AAUs

Surplus emissions credits, called hot air, are the biggest piece of this carbon scam. In KP, countries of the former Soviet Union agreed to stabilise emissions at 1990 levels during 2008-2012. But because of their economic collapse, these countries have achieved more than their targets. Presently, the emissions of these countries (especially Russia and Ukraine) are 30-40 per cent below 1990 levels. The “excess emissions reduction”—surplus AAUs (assigned amount units)—is estimated at between 9 and 13 Gt of CO$_2$ equivalent (CO$_2$e). Under the KP, these surplus AAUs can be sold off to offset the emissions targets of other countries. But these are not real reductions, simply because nothing was done to
reduce them. These paper reductions would be the worst kind of offsets that the world could see. The European Union (EU) has done little to sort out the matter within its member states like Poland. Russia is even less willing to clean up.

**Loophole 2: LULUCF**

Under KP, developed countries were allowed to meet their emissions targets using credits generated from land use, land use change and forestry (LULUCF) activities. Currently, the protocol requires countries to mandatorily account for emissions from only afforestation, reforestation and deforestation activities. Other land-use changes that contribute as either source or sink of emissions, namely forest management, grassland management or grazing land management are left optional. This lets countries ignore emissions from these sectors if they choose. This flexibility has given scope to countries to bend the accounting rules to suit their specific national interests. For instance, countries can choose not to account for large emissions due to timber harvest by classifying it as a forest management activity or set a reference level for forest management that allows it to increase timber harvesting and still not be accounted as net emissions. Australia is actually using this loophole to meet its Kyoto targets. If this loophole is removed, the emissions of Australia is actually 46 per cent above the 1990 levels.

The UNEP report estimates the loopholes in a weak LULUCF-rule regime could add up to 0.6 GtCO$_2$e annually or 4.8 GtCO$_2$e over the eight-year period until 2020. This is more than the projected annual emissions of India in 2020.

**Loophole 3: CDM**

The loopholes and hence dubious carbon offsets from the clean development mechanism (CDM) are many. First, it is still unclear to whom carbon credits that result from a CDM project activity will be credited. This becomes an issue since developing countries that will generate carbon credits, too, have undertaken pledges to mitigate emissions under the Cancun Agreements. The fear is the developing country that generated it and the developed country that purchased the credit will both count it against their targets. This type of double-counting can lead to an increase in emissions in 2020 to the order of 0.6 to 1.6 GtCO$_2$e.

The second kind of loophole arises from non-additional offsets. It has long been established that almost half of the CDM projects do not meet the “additionality” criterion which require projects to establish that they are additional and would not have taken place in the absence of the CDM. On the other hand, some CDM projects, even though additional, can still be a cause for concern, as they tend to overestimate the actual amount of reduction that took place. This loophole, resulting from both overestimation and non-additional projects is estimated at 0.7 to 3.3 GtCO$_2$e.

**Loophole 4: bunkers**

Emissions from both the aviation and the shipping sectors are currently not accounted for under KP. This is mostly because of the complexity in attributing such emissions to specific countries since a majority of these occur outside national borders. Emissions in these
sectors from developed countries are estimated to be between 4.2 and 4.5 Gt of CO$_2$e in 2020.

**Durban’s loophole**

The Durban COP did nothing to address the loopholes. The EU dodged the issue of hot air; CDM reform was postponed and worse, deliberate changes were made in the LULUCF mechanism to increase the loopholes. For instance, countries have been allowed to take a future baseline, a practice, which would lead to over-crediting of emissions and more gaps in accounting. It also increased the scope for further loopholes by bringing in more forms of land-use change like drainage and rewetting. Bad accounting was clearly the name of the game.

**The burden**

The continuing existence of loopholes not only allows the developed countries to renege on effectively delivering their commitments, it also serves to shift the burden from the richer world to the more vulnerable, developing world.

These countries face not just the physical impacts of a warmer world but will also play an increasing role in contributing to emissions reduction. The 2011 Stockholm Environment Institute report on the burden of the gigatonne gap finds “there is broad agreement that developing country pledges amount to more mitigation on an absolute basis, than developed country pledges.” This higher contribution, according to the report, is evident in all the different scenarios considered by the UNEP study.

For instance, in a scenario with strict accounting rules and high pledges, non-Annex I countries add up to 5.2 Gt while Annex I countries only add up to a grand total of 3.8 GtCO$_2$e.

The name of the game is to hide, avoid and shift. That is what climate change action means to the rich. The world is the loser.

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