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## Tianjin Climate Meeting Delivers Little

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The latest round of international global warming negotiations wrapped up late Saturday night in Tianjin, China with little meaningful progress having taken place. The talks were seen as a stocktaking exercise before the 2010 UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP), which will get underway at the end of November in Cancun, Mexico.

Two major elements of the Copenhagen Accord - which emerged from last year's COP in Copenhagen - have been in the spotlight of the climate negotiations throughout 2010 and in Tianjin: climate finance and the procedures that will be used to check whether countries fulfil their obligations with regards to cutting greenhouse gas emissions.

In the Copenhagen Accord, developed countries promised to make US\$30 billion of "fast start" financing available from 2010 to 2012 to support developing countries' plans to mitigate and adapt to climate change. By 2020, the amount of climate finance should reach US\$100 billion annually. Besides concerns over whether these funds would be additional to existing Official Development Assistance (ODA), it has been difficult to agree on the mechanism through which the money should be distributed.

### Climate fund begins to take shape

In Tianjin, the contours of a global climate fund were discussed. Current options include establishing some form of a financial board and advisory panel that would then also put the architecture in place. The United States proposed to gather Finance Ministers and have them work on the details.

In turn, developing countries - and especially the largest among them - promised in Copenhagen that their efforts to cut greenhouse gas emissions will be subject to measurement, reporting and verification (MRV). In other words, developing countries will put a set of processes and procedures in place through which factual information is provided, assessed and checked to determine whether, when, and how effectively they are able meet their climate change mitigation obligations. The BASIC countries (Brazil, South Africa, India and China) meanwhile are reluctant to provide the level of information that is being demanded of them.

This balance between funding from developed countries and accountability from developing countries was at the heart of the climate negotiations last week in Tianjin. But by the end of the week, countries seemed further apart though on these and other issues than they were in Copenhagen. The high global expectations or political pressure that was palpable before Copenhagen seems to have eased off. Even the UNFCCC Executive Secretary, Christiana Figueres, had to admit that "Mexico will not deliver a comprehensive agreement on climate change this year." Instead, hopes are turned to the South Africa COP, which will take place at the end of 2011.

### Cancun expectations

So the question "what *can* Cancun deliver meanwhile?" turned out to be the unofficial theme of the Tianjin talks. One outcome of Cancun that Parties are considering is a set of discrete "Decisions" on specific topics that are ripe for agreement: technology, adaptation, REDD plus, agriculture, and market mechanisms.

The technology discussions in Tianjin considered the possibility of establishing a Technology Mechanism, the option to create Technology Networks and Information Centres, and talk of establishing

a committee that would continue working on details for how an eventual Mechanism or agreement might work.

For adaptation, the current draft includes options for a new Adaptation Protocol, the establishment of a more robust Adaptation Fund - separate from, yet somehow connected to, the current Adaptation Fund of the Kyoto Protocol. Developing countries were fighting amongst themselves over who should receive priority for adaptation funding. Many oil producing states continue to insist that funding for adaptation also be available to cover the adverse effects of response measures - in other words, provide compensation and support to fossil fuel producing countries when their revenues plummet as a result of a climate agreement.

Discussions on Reduced Emissions from Deforestation and Land Degradation (REDD plus) hit some bumpy road in Tianjin. The jury is still out as to whether this issue will be able to have a standalone “decision” in Mexico.

On a positive note, the discussions on agriculture advanced some more and, while it is unclear that this sector could have a standalone agreement with significant actions, it could generate a process that would advance expertise, options, and eventually results in the sector and could eventually provide confidence for the same in other sectors.

The negotiations on market mechanisms are as difficult as ever, but the interests are great within the EU particularly, and thus they continue. Many of the same developing countries that form part of the ALBA group, consisting of Venezuela, Bolivia, and Cuba continue to block hard on this discussion. As global carbon markets continue to burn out, the pressure is high to keep markets alive, especially in light of the uncertainty on a second period for the Kyoto Protocol upon which most of the markets rely.

### **Observer organisation policy under consideration**

One final issue to keep an eye out for in Mexico is the question of observer organisation involvement. Historically, observers, made up of civil society groups - that include business community, NGOs, international organisations, academics, environmental advocates, youth organisations, and others - have attended the climate discussions and often provide copious amounts of information and dialogue around the issues under negotiation. While other UN bodies have more integrated or participatory mechanisms for observer organisations, the UNFCCC approach has been less participatory, but not heavily criticised. However, since last year when the Danish government ran in to numerous problems handling the high number of observer organisations attending the talks, the UNFCCC has begun to put limits on the numbers and manner of participation. At the same time the Subsidiary Body on Implementation (SBI) agreed in 2009 to address the question of participation this year.

The Mexican Government has taken a keen interest in this topic and is working on several ideas that could make the Mexican COP unique in this regard. The venue for this year’s climate talks is split into two separate buildings, with the observer activities houses a bus ride away from the negotiations. Many observer organisations have already approached the UNFCCC Secretariat about these arrangements and the quotas on observer delegations. They say the climate talks would benefit from the knowledge, experience, and myriad other kinds of support that observer organisations have to offer in the talks.

### **Bumps ahead?**

While there is a promising outlook for a string of separate decisions on key topics in Cancun, the United States has already clearly stated that they are only willing to agree to a comprehensive package. For the US, if the biggest developing countries do not agree to monitor, report and verify (MRV) all of their mitigation actions, then the US will not agree to any of the cherry-picked decisions. Whether justified or not, the US’s major concern is loss of economic competitiveness vis-à-vis the emerging countries in the case of costly emission reduction measures. In exchange for clarity on developing country actions to mitigate climate change, the US would, in principle, support a comprehensive agreement that includes a new technology development and transfer mechanism, reduction of their own emissions and climate finance.

Meanwhile the BASIC countries say that they are not as pressed for financing and technology as small and medium sized developing countries, and that the comprehensive offer on the table is not that interesting. Moreover, the BASIC countries hold that the indication of commitment to reduce emissions and to provide financial and technological support to the developing world from the developed countries

falls far short of what is needed and that past promises have not been adhered to. Based on their historical contribution to the climate problem, the BASIC countries say the equitable approach would be for developed countries to show leadership in reducing emissions and delivering support.

Finally, trade is main point of concern as the United States and European countries have called for trade restrictions, known as border adjustments, on goods imported from countries such as India and China who do not agree to binding emissions reduction targets. They argue that import tariffs are needed to offset the loss of competitiveness industries in countries which accept binding targets are likely to face. In Tianjin, officials from the BASIC pushed again for the introduction of a text to “reject the use of unilateral protectionist measures” by developed countries, said Jairam Ramesh, India’s Minister of Environment and Forests.

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