

Climatico

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Poznań Debriefing An Analysis of Outcomes



Key Messages

- Despite the urgency, almost all of the key decisions critical to reaching an agreement on a post-Kyoto framework were postponed until 2009.
- An agreement on the financing of the Adaptation Fund (AF) means it will be operationalized in early 2009, yet developing countries strongly criticized funding levels to be wholly inadequate to cover their financing needs.
- Large developing countries offered conflicting proposals in some of the negotiations, potentially changing the negotiation dynamics between developed and developing countries in future meetings.

1. Introduction and Context

In December 2007 at the COP-13 in Bali, more than 180 countries adopted the Bali Road Map, a two-year negotiating process for designing a successor to the Kyoto Protocol, the climate agreement set to expire in 2012. An important outcome was a shared recognition among countries that deep cuts in global emissions will be required to avoid dangerous climate change. The COP-14 in Poznań was the most important interim meeting before the negotiating process is expected to be concluded, at COP-15 in Copenhagen in November 2009. As such, a lack of significant progress in Poznań could jeopardize the time frame agreed upon at COP-13 in Bali, a point frequently made by observers.

Expectations of a negotiating breakthrough lowered with the onset of the financial crisis and there were few ambitious statements from delegates prior to the meeting. Observers still hoped for progress on four issues in particular. First, an agreement on long-term emissions reduction targets. Second, a reform of CDM within the current commitment period that would increase the efficiency of project registration and the quality of projects. Third, an agreement on whether and reduced emissions from deforestation and degradation (REDD) would be included in the CDM markets. And fourth, the completion of the talks on the financing and disbursement of the Adaptation Fund.



2. Main details and reporting

Below is a brief overview of the main outcomes.

Clean Development Mechanism (CDM)

The CDM has been under significant recent criticism because of the poor quality of projects and the cumbersome UN-led registration process. Yet, there was no agreement on devolving registration power from the CDM Executive Board to the Secretariat, or setting a threshold for the level of emissions saved (additionality) from potential CDM projects. Instead, delegates simply urged the CDM Executive Board to reduce the bottleneck by speeding up the registration process. In terms of long-term reforms of the CDM, the debate is about whether and how CCS, nuclear and forestry should be included in the CDM market, but decisions were postponed pending further assessment reports by two technical bodies, the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI).

Technology Transfer

Delegates agreed that technology transfer will be managed by the Global Environment Facility (GEF), which will be charged with conducting country-level assessments of technology needs, and devising plans for implementing technology transfers. The World Bank's Clean Investment Fund (CIF) and the UNDP will also be involved in this process, which also includes a commitment to local capacity-building.

“Financial crisis has reduced the political will of delegates to stick to their commitments”



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Carbon Capture and Storage

As part of the general enhancement of CDM, Carbon Capture and Storage (CCS) was contemplated as another technology to include in the CDM toolbox. Due to the complexity of the issue and its inherent uncertainties, delegates halted and postponed any further consideration of the matter. However, CCS received significant attention among delegates and it is likely that some sort of deal will be struck prior to the COP-15 in December 2009.

Forestry

Nations reached a deal on REDD, overcoming previous disagreements about financing mechanisms for forestry-related mitigation. According to the deal, countries will be rewarded not only for stopping further deforestation, but also for planting new forests and rehabilitating degraded land. However, there was disagreements among parties as to how to handle the rights of indigenous people, which leaves open the question as to whether forest dwellers have land rights in cases where their land is being developed to secure emissions credits.

Climate Adaptation

In line with expectations, the final negotiations on operationalizing the Adaptation Fund (AF) ended with an agreement. Accordingly, the AF Board can now start releasing funds within months, a development that is crucial for developing countries that are already feeling the adverse impacts of climate change. Its main source of future financing is a 2 percent levy of proceeds from the CDM, which is not expected to be nearly sufficient to cover their adaptation financing needs. Some experts have said that US\$15 to US\$20 billion may be needed each year. However, some developed countries were reluctant to commit funds because of the lack of consensus on project selection criteria. This leaves the AF severely under-funded (currently US\$80m from previous levying), and many developing countries voiced their strong disappointment.



“China, Brazil and Mexico took the lead, but an agreement will need commitment from many more”



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Long-Term Emissions Targets

Delegates were unable to agree on a global long-term target as part of a discussion on how mitigation obligations in a post-Kyoto agreement should be distributed among parties. However, parties did introduce new and reiterate their existing commitments. The EU affirmed its goal of 20 percent reduction by 2020, while the office of U.S Senator John Kerry released a statement affirming President-elect Obama's pledge to cut emissions 80 percent by 2050. Australia is expected to announce its long-term target on Monday. Among developing countries, Mexico notably endorsed the G8 target of 50 percent by 2050 and introduced a plan to use carbon trading within industrial sectors, whereas Brazil pledged to reduce deforestation by 70 percent by 2020 as part of a new national action plan. Meanwhile, China announced it would inject US\$600 million into energy efficiency and start the world's largest tree planting programme.

3. Analysing the Poznań negotiations

In recent years, the remit of the UNFCCC decision-making process has widened significantly. At Poznań delegates negotiated a wide array of issues, including forestry, nuclear power, CCS, alongside long-term targets and the performance of the Kyoto Protocol in the process up to 2012. The introduction of the Ad-hoc Working Groups in the Bali Road Map doubled the number of plenary sessions at Poznań relative to previous COPs, and increased the frequency of ministerial-level meetings during the year.

However, the lack of progress on key issues cannot be solely attributed to a congested agenda or a cumbersome negotiating process. The financial crisis meant that several significant parties, notably EU member states, were busy negotiating stimulus packages and bail-out plans for struggling industries. This focus on economic recovery, boosting employment and enhancing competitiveness seemed to reduce the political will of delegates to follow through on their commitments to mitigate GHG emissions.

**“The lack of significant progress could jeopardize
the time frame agreed in Bali”**



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The fact that a looming economic recession among developed countries caused such a lowering of ambitions is deeply troubling. Despite making previous statements endorsing the view that transitioning to a low-carbon economy is complementary to economic growth, some developed countries with large manufacturing bases - notably Germany, Poland, and Hungary - seemed more interested in meeting the short-term demands of their carbon-intensive industries. In order for a deal on mitigation to be struck between the major emitters in the developed and developing world, it seems critical that the former are steadfast in their commitments to reduce emissions even in times of economic hardship, as a way of signalling to developing countries that promoting a low-carbon economy is not only cleaner, but leads to more economic growth.

Despite the lack of progress, the deadline for completion remains December 2009 at COP-15 in Copenhagen. But despite agreement on an intensive work program with additional meetings during the next year to find agreement on outstanding issues, some delegates privately expect negotiations to continue into 2010 before all the details of a post-Kyoto framework are fleshed out.

About Climatico

Climatico is a network of researchers and experts providing independent analysis of climate change policy. We cover national and international policy and negotiations, and have a particular focus on developing countries.

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