

## Briefing Note

# UN climate negotiations in Durban, South Africa

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### At a Glance

This note provides a general overview of the issues on the table at the annual UN climate conference in Durban, South Africa, and assesses the Government of Canada's positions heading into the talks.

## A. Context

Global action to limit greenhouse gas emissions remains seriously out of step with the level of ambition necessary to prevent dangerous climate change. 2010's Cancun Agreements reiterated the common goal of limiting the increase in average global temperature to 2°C above the pre-industrial level,<sup>1</sup> a level identified by many scientists as the threshold for dangerous climate change. However, the targets and actions that have been pledged thus far fall well short of this

<sup>1</sup> FCCC/CP/2020/7/Add.1 ("Cancun Agreements," COP) (Report of the Conference of the Parties on its sixteenth session, held in Cancun from 29 November to 10 December 2010; Addendum; Part Two: Action taken by the Conference of the Parties at its sixteenth session), paragraph I.4.  
<http://unfccc.int/documentation/decisions/items/3597.php?such=j&volltext=%22cancun%20agreements%22#beg>.

goal. Current pledges (assuming they are met) would lead to warming of over 3°C,<sup>2</sup> and potentially more than 3.5°C.<sup>3</sup> Based on the policies actually implemented to date in pursuit of those pledges, however, the International Energy Agency foresees an even more pessimistic outcome, with warming of 6°C or more.<sup>4</sup>

Canada's National Roundtable on the Environment and the Economy (NRTEE) recently projected that even modest warming would cost the Canadian economy between \$21 billion and \$43 billion per year by mid-century.<sup>5</sup> However, they also warn that under scenarios with less action to control emissions the costs will be much higher. The costs of catastrophic climate

<sup>2</sup> Niklas Hohne et al, *China emission paradox: Cancun emissions intensity pledge to be surpassed but emissions higher* – *Climate Action Tracker Update, 4 October 2011* (Climate Action Tracker, 2011).  
[http://www.climateactiontracker.org/press\\_briefing\\_panama.pdf](http://www.climateactiontracker.org/press_briefing_panama.pdf).

<sup>3</sup> See 'New Policies' case, International Energy Agency, *World Energy Outlook 2011* (IEA/OECD, 2011).

<sup>4</sup> See 'Current Policies' case, *ibid.*

<sup>5</sup> National Roundtable on the Environment and the Economy, *Paying the Price: The Economic Impacts of Climate Change* (Government of Canada, 2011), 40.  
<http://nrtee-trnee.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price>.

change — consistent with the emissions path we are currently on — could be in the range of 5 to 25% of national GDP.<sup>6</sup> These losses would be the result of flooded coastal communities, degraded forests from pests and fires, and the costs of dealing with the health impacts from worsening urban air quality.

The potential costs evaluated in the NRTEE report are just on the economic side of the equation. The social and environmental costs of impacts such as species extinction or communities losing a traditional way of life are also significant, but not easily plugged into an economic calculation.<sup>7</sup>

Several recent analyses warn that the window for action to contain climate change within the 2°C limit is rapidly closing. Detailed studies of emissions pathways suggest global emissions should peak before 2020 and decline to a level of approximately 44 billion tonnes of carbon dioxide equivalent (Gt CO<sub>2</sub>e) by the end of the decade in order to maintain a reasonable chance of staying within the 2°C limit.<sup>8,9</sup> This must be followed by steep reductions in emissions (averaging 3% per year) to 2050 and, in many cases, negative emissions from

key sectors later in the century. While it is possible to peak emissions later than 2020, this would require even more aggressive action after the peak and a greater reliance on eventual negative emissions.

The message is clear: we urgently need global action to halt and begin reversing the growth of emissions within this decade.

Every further delay comes with costs. The International Energy Agency (IEA) has warned that any delay in coming to a global agreement will lead to significant “lock-in” of carbon intensive infrastructure which, if allowed to operate for its full lifetime, would account for virtually all of the energy sector’s allowable emissions to 2035. Existing facilities and those currently under construction already account for 80% of these emissions, and a delay of just five years would account for the remainder.<sup>10</sup> Thus, “every year of delay of introduction of a global framework with the sufficiently powerful economic incentives to direct investment to follow the path of the [2°C scenario] has two consequences: It increases the amount of capital stock that will need to be retired early, mostly in the power and industry sectors; [and] it limits dramatically the amount of more carbon-intensive infrastructure that can be added in the future.”<sup>11</sup>

Delaying action to 2015 will increase the costs of action by \$4.3 for every \$1 saved, in order to compensate for the increased emissions.<sup>12</sup> If the pledges made in Copenhagen and Cancun continue to represent the level of ambition countries are

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<sup>6</sup> Ibid., 38.

<sup>7</sup> Ibid., Chapter 6.4.

<sup>8</sup> This can be compared to 2010 levels of 48 Gt (see Joeri Rogelj et al., 2) and expected 2020 levels from current pledges of 49-53 Gt, depending on the stringency and accounting rules assumed. United Nations Environment Program, *The Emissions Gap Report: Are the Copenhagen Accord Pledges Sufficient to Limit Global Warming to 2°C or 1.5°C?* (UNEP, 2011).

<http://www.unep.org/publications/ebooks/emissions-gapreport/>.

<sup>9</sup> Joeri Rogelj et al., “Emission pathways consistent with a 2°C global temperature limit,” *Nature Climate Change*, November 2011.

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<sup>10</sup> IEA, 231.

<sup>11</sup> Ibid., 231.

<sup>12</sup> Ibid., 205.

willing to pursue, that path will increase the cost of action by \$1 trillion over the next two decades, compared to a path that takes ambitious action immediately.<sup>13</sup>

This level of urgency deserves an all-hands-on-deck approach to deliver the needed solutions at the international negotiations. Unfortunately, this has not been the case to date. While acknowledging the insufficient level of ambition, the UN talks have struggled to address it. Divisions between countries and a system where nations propose their own goals have made it difficult to close the gap.

“The uncomfortable message from the scientific community is that although the difficulty of achieving [the 2° C goal] is increasing sharply with every passing year, so too are the predicted consequences of failing to do so.”

— International Energy Agency, *World Energy Outlook 2011*<sup>14</sup>

In Canada, the federal response has thus far been dominated by slow and insufficient action such that the government’s commitment in practice to achieve its own weak 2020 target is questionable. The provinces have provided some positive examples of the types of responses that will be needed (e.g. B.C.’s carbon tax and Ontario’s coal phase-out), but many gaps continue to exist in the provincial efforts as well.

The upcoming round of international negotiations in Durban, South Africa,

provides an opportunity to launch swift action towards a fair, ambitious and legally binding global agreement with a second commitment period of the Kyoto Protocol to ensure there is no gap before it is in place. However, securing such an outcome will require significant leadership and flexibility. In this backgrounder we will briefly outline several key negotiating issues for Durban, and explore Canada’s role in the talks.

## B. Key negotiating issues in Durban

There will be several key issues on the table in Durban. Overall, a primary focus of the meeting will be on implementing the Cancun Agreements by reaching agreement on a number of detailed design elements and guidelines, including on climate financing. Another critical issue will be the future of the Kyoto Protocol and the path towards a new fair, ambitious and binding agreement.

Each issue has a unique importance and negotiating history, as well as a distinct role to play in a balanced outcome that will be acceptable to all parties. As is typical with such complex negotiations, issues become closely interlinked. Progress in one area can unlock movement in another. Conversely, inaction in one forum can grind the entire talks to a halt. While we will outline the issues relating to the ‘legal form’ and financing in greater depth below, all of the issues will have an influence in Durban. The two highlighted here provide an example of a significant potential barrier and a significant potential enabler of progress, respectively. Managing the process to deliver a balanced outcome will be a primary challenge, and key to making progress.

<sup>13</sup> Ibid., 209.

<sup>14</sup> Ibid., 207.

## From Bali to Durban

Negotiations on a new agreement to follow the first phase of Kyoto were first launched in 2007 in Bali. Under the Bali Action Plan, accepted unanimously, industrialized countries agreed to adopt further binding commitments to reduce emissions, in line with the range of 25–40% below 1990 levels as suggested by the science.<sup>15</sup> Developing countries agreed to substantially reduce their emissions below business-as-usual, supported by increased financial and technological support for climate action.<sup>16</sup>

The Copenhagen conference two years later was meant to result in an agreement along the outlines of the plan. However, the talks devolved into acrimonious gridlock and a political agreement, the Copenhagen Accord,<sup>17</sup> was presented at the last moment. The Accord was negotiated by a small group of leaders behind closed doors in a significant departure from the traditionally open and consensus-based UN process. It was not agreed to by all parties, so instead of being formally adopted it was merely “taken note of” by the COP. The process and outcomes of Copenhagen created a serious collapse of trust, particularly between developed and developing countries.

The following year’s talks in Cancun sought to rebuild this trust and largely succeeded. Much of the Copenhagen Accord was brought formally under the Convention as the Cancun Agreements, but many details — as well as central questions, such as the future of the Kyoto Protocol — were left to later talks.

As time runs out to agree on a second phase of the Kyoto Protocol and set the path for agreeing to a fair, ambitious and binding deal by 2015, Durban will be a critical meeting to ensure we avoid warming over 2°C.

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<sup>15</sup> FCCC/CP/2007/6/Add.1 (“Bali Action Plan”) (Report of the Conference of the Parties on its thirteenth session, held in Bali from 3 to 15 December 2007; Addendum; Part Two: Action taken by the Conference of the Parties at its thirteenth session), Paragraph 1.b.i, <http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf#page=3>.

<sup>16</sup> Ibid., Paragraph 1.b.ii.

<sup>17</sup> FCCC/CP/2009/11/Add.1, 2/CP.15 (“Copenhagen Accord”) (Report of the Conference of the Parties on its fifteenth session, held in Copenhagen from 7 to 19 December 2009; Addendum; March 2010), Paragraph 8, <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf>.

## The fate of Kyoto

Central to the outcome in Durban will be the fate of the Kyoto Protocol. The Kyoto Protocol's first commitment period ends on December 31, 2012, and unless it is extended or replaced by a second commitment period, the era of legally-binding international climate commitments will temporarily end with it. The Protocol itself will continue to exist. However, it will lack its central element: legally-binding emissions caps for industrialized countries.

The continuation of legal commitments under the Kyoto Protocol is an extremely important issue to developing countries, who see it as essential that industrialized countries continue to take the lead in combating climate change and are held accountable for their commitments. The legal architecture of Kyoto and its mechanisms has taken over a decade to assemble, and if it is jettisoned before a replacement is in place, there will be a legal gap of unknown, but possibly lengthy, duration. Negotiations on a second round of commitments under Kyoto have been underway for five years.

At the same time, it is clear that broader actions than a second phase of the Kyoto Protocol will be required to limit warming to 2°C. The U.S. did not ratify Kyoto, and emerging economies such as China, Brazil and India, which do not face binding commitments under the protocol, have become increasingly major emitters in recent years. These factors point to the necessity of a new legally-binding agreement that includes all major emitters while accounting for their common, but differentiated responsibilities — something

which could run in parallel with the Kyoto Protocol or ultimately merge with it.

The elements of that agreement could include the commitments pledged to date under the Cancun Agreements, including mitigation actions from all major emitters and financing to support climate action in developing countries, as a starting point. But it must also drive a process to scale up ambition from all parties to ensure that the collective goal of limiting warming to 2°C or below is met in a fair manner. Norway and Australia have jointly proposed a process for this to take place by 2015.<sup>18</sup>

The European Union and several others are willing to agree to a second Kyoto commitment period in Durban, provided that countries also agree to launch negotiations for a new binding agreement encompassing all major emitters. China has indicated that a second phase of Kyoto is a precondition for negotiations on a new agreement and has also recently called on developing countries to develop concrete plans to limit their emissions,<sup>19</sup> highlighting the potential space for a compromise agreement.

The challenge of reaching an agreement is further complicated by the U.S. At the close of the most recent round of talks in Panama,

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<sup>18</sup> Governments of Australia and Norway, "Submission under the Cancun Agreements – Enhanced action on Mitigation," September 2011. [http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/lca/application/pdf/australia\\_norway\\_mitigation\\_submission\\_.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/australia_norway_mitigation_submission_.pdf).

<sup>19</sup> Fiona Harvey, "Climate Talks: China calls on developing countries to 'step up'," *The Guardian*, November 3, 2011. <http://www.guardian.co.uk/environment/2011/nov/03/climate-talks-china-developing-countries?INTCMP=ILCNETTXT3487>.



U.S. lead negotiator Jonathan Pershing told the press conference, “we do not see a meeting of the minds on these issues. We do not want to launch negotiations on an agreement we would not be able to join.”<sup>20</sup> If a way forward towards a new agreement is found in Durban, securing US participation may prove to be a difficult challenge. This is an area where Canada could potentially play an important role by not supporting the U.S. if they are taking a blocking position.

There is limited time to produce an agreement. If global emissions are going to peak and begin declining in this decade, then the agreement must come into effect well before 2020. Negotiation of the Kyoto Protocol under the Berlin Mandate took two years, but its ratification took much longer. As Fatih Birol, chief economist of the IEA recently warned, “If we do not have an international agreement whose effect is put in place by 2017, then the door to [holding temperatures below 2°C] will be closed forever.”<sup>21</sup>

## Financing

One of the critical features of the Copenhagen Accord is financing to support climate action in developing countries in both the short and long term. These commitments were incorporated in the

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<sup>20</sup> Lisa Friedman, “Nations Headed to Durban Climate Talks Remain Deeply Divided,” *New York Times*, October 10, 2011. <http://www.nytimes.com/cwire/2011/10/10/10climate-wire-nations-heading-to-durban-climate-talks-remain-1993.html>.

<sup>21</sup> Fiona Harvey, “Rich nations ‘give up’ on new climate treaty until 2020,” *The Guardian*, November 20, 2011. <http://www.guardian.co.uk/environment/2011/nov/20/rich-nations-give-up-climate-treaty>.

Cancun Agreements and will play an important role in enabling — or obstructing — progress in Durban.

Developed countries first accepted an obligation to provide funding for climate action in poorer countries with the 1992 Framework Convention on Climate Change. The Copenhagen Accord contained several specific commitments by developed countries to provide this financial support, including:

- An amount “approaching” US\$30 billion in “new and additional resources” from 2010 to 2012, “with a balanced allocation between adaptation and mitigation.”
- A goal of “mobilizing jointly US[\$]100 billion ... a year by 2020,” with the funding coming from a variety of sources (including “alternative” sources).<sup>22</sup>

Although \$100 billion a year may sound like an enormous sum of money, a series of credible estimates show that far more will likely be needed. A 2009 estimate from the World Bank concluded that the cost of adapting to a 2°C increase in global average temperatures in developing countries is in the range of US\$75–100 billion a year from 2010 to 2050. As the report points out, this is “of the same order of magnitude as the foreign aid that developed countries now give developing countries each year, but it is still a very low percentage of the wealth of countries as measured by their GDP.”<sup>23</sup> A 2007 report from the UNFCCC estimated

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<sup>22</sup> Copenhagen Accord, Paragraph 8.

<sup>23</sup> World Bank Group, *The Costs to Developing Countries of Adapting to Climate Change: New Methods and Estimates* (World Bank Group, 2010), 1. <http://siteresources.worldbank.org/INTCCC/Resources/EACCRpt0928Final.pdf>.

the additional global cost of mitigation will reach US\$200–210 billion a year by 2030, of which over half would be needed in developing countries.<sup>24</sup> Looking solely at the energy sector, the International Energy Agency concluded in a 2011 report that US\$15.2 trillion in additional “cumulative energy-related investment” would be needed from 2011 to 2035 to stay within 2°C of global warming, with almost half of that total needed in developing countries.<sup>25</sup>

On the ground, climate financing would support initiatives like providing malaria protection in new regions as the disease spreads, or covering the extra cost of providing a community’s power with solar energy instead of coal. Financing plays a central role in climate negotiations as well: it’s a crucial element of re-building trust, because it shows developing countries that they will not be left alone to cope with a problem they did little to create.

A major success in Cancun was the agreement to establish a new global climate fund, known as the Green Climate Fund (GCF). The GCF will serve as an operating entity of the Convention’s financial mechanism to streamline the provision and availability of climate financing. It will be governed by a board of 24 members with equal representation from developed and developing countries, with the World Bank serving as interim trustee.<sup>26</sup>

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<sup>24</sup> United Nations Framework Convention on Climate Change (UNFCCC), *Investment and Financial Flows to Address Climate Change* (UNFCCC, 2007). [http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/application/pdf/background\\_paper.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/application/pdf/background_paper.pdf).

<sup>25</sup> IEA, 224-225.

<sup>26</sup> Cancun Agreements (COP), Paragraphs 102-111.

Operationalizing this new fund requires agreement on the details of the fund’s design. These details, among many other important design elements, have been negotiated throughout the year by a 40-member Transitional Committee established by the COP,<sup>27</sup> with the goal of approving them at Durban. The Transitional Committee has now completed its work. However, it was unable to reach consensus at its final meeting when Saudi Arabia and the U.S. refused their support. The Transitional Committee’s design recommendations will therefore be forwarded to COP-17 for consideration, but they could potentially be reopened for negotiations. This would delay the implementation of this important fund.

Beyond reaching agreement on the design of the GCF, another important goal for Durban will be to outline a credible pathway to scale up climate financing after 2012 in order to ensure that the GCF can begin operation immediately and with adequate and predictable resources. As Brazil’s lead negotiator, Luiz Alberto Figueiredo, stated recently, “We cannot have an empty shell. It is important to have the structure [of the GCF] in place, but it is also important to have a clear commitment for funding.”<sup>28</sup> There must not be a gap between when the fast-start period ends and the 2020 goal of \$100 billion per year. Setting a clear, predictable pathway will allow developing countries to plan their investments with confidence. On the other hand, without a

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<sup>27</sup> Ibid., Paragraph 109.

<sup>28</sup> Suzanne Goldenberg, “Climate aid dispute ‘would jeopardise Durban conference,’” *The Guardian*, November 21, 2011.

<http://www.guardian.co.uk/environment/2011/nov/21/climate-aid-dispute-durban-conference>.

clear indication that developed countries are serious about meeting their financing commitments, the talks will have difficulty moving forward.

An important part of this pathway will be so-called “innovative” sources of finance, such as a redirection of fossil fuel subsidies, globally-coordinated carbon fees on international shipping and aviation, a portion of revenues from carbon pricing systems, and a financial transaction tax. A World Bank-led study prepared at the request of G20 Finance ministers found that each of these instruments could raise tens of billions of dollars in new and additional financing for climate and development.<sup>29</sup> The G20 Leaders’ Summit in Cannes discussed this report and asked their finance ministers to report back to them on the progress made on climate financing at their next meeting.<sup>30</sup>

Lastly, it will be critical to ensure that the remainder of the fast-start financing pledged is promptly and transparently delivered. The sooner recipients are able to access the funds, the sooner communities and nations can begin reducing their vulnerability to climate change and start cutting emissions.

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<sup>29</sup> World Bank Group et al, *Mobilizing Climate Finance: a Paper prepared at the request of G20 Finance Ministers* (G20, 2011). [http://www.g20-g8.com/g8-g20/root/bank\\_objects/G20\\_Climate\\_Finance\\_report.pdf](http://www.g20-g8.com/g8-g20/root/bank_objects/G20_Climate_Finance_report.pdf). See also Bill Gates, *Innovation With Impact: Financing 21<sup>st</sup> Century Development* (G20, 2011). <http://www.thegatesnotes.com/Topics/Development/G20-Report-Innovation-with-Impact/>.

<sup>30</sup> G20, *Building our Common Future: Renewed Collective Action for the Benefit of all*, Cannes summit final declaration, November 2011, paragraph 63. <http://www.g20-g8.com/g8-g20/g20/english/for-the-press/news-releases/cannes-summit-final-declaration.1557.html>.

Transparency in how the funds are disbursed is essential for building trust and ensuring that the funding is truly new and additional.

## C. Canada’s role

Canada’s role in the international climate change negotiations can be measured on two major factors: the country’s ability to live up to the pledges it has made, and the degree to which it exhibits leadership and flexibility in trying to reach agreements. Given Canada’s vulnerability to climate change and the country’s strong history of being a constructive contributor to international issues, one would expect strong performance on each metric. Unfortunately that has not been the case to date.

With respect to pledges made under Kyoto, Canada has one of the worst track records globally, with our national emissions projected to be an average of 29% above our target through the Kyoto period.<sup>31</sup> It is understandable why there are concerns about Canada’s ability to live up to its commitments.

The more recent history largely mirrors this story. Despite Canada’s poor track record with climate commitments to date, the federal government has detailed only 25% of the reductions need to achieve Canada’s target under the Cancun Agreements:<sup>32</sup> a

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<sup>31</sup> Environment Canada, *A Climate Change Plan for the Purposes of the Kyoto Protocol Implementation Act – May 2011* (Government of Canada, 2011). [http://www.climatechange.gc.ca/Content/4/0/4/4044\\_AEA7-3ED0-4897-A73E-D11C62D954FD/COM1410\\_KPIA%202011\\_e%20-%20May%2031%20v2.pdf](http://www.climatechange.gc.ca/Content/4/0/4/4044_AEA7-3ED0-4897-A73E-D11C62D954FD/COM1410_KPIA%202011_e%20-%20May%2031%20v2.pdf).

<sup>32</sup> Environment Canada, *Canada’s Emissions Trends* (Government of Canada, 2011). <http://www.ec.gc.ca/Publications/default.asp?lang=E>



target that is weaker than the Kyoto target that Canada will miss by a large margin, despite being a decade later. It is important to note that the past several years have seen some promising climate change policies implemented at the provincial level (e.g. B.C.'s carbon tax and Ontario's coal phase-out). The impact of these policies is already included in the federal government's 25% estimate and still leaves Canada with much more work to do to get on track to achieve its targets.

Canada's actions within the current negotiations have also been counter-productive. Rather than working towards a balanced outcome in Durban that would advance both Kyoto and talks on a new comprehensive agreement, Canada has joined Japan and Russia in taking a hard line against a second Kyoto commitment period. Environment Minister Peter Kent insists that Canada will not join a second commitment period, "however acute the international pressure."<sup>33</sup>

This stance has drawn an unusually harsh public rebuke from host South Africa's high commissioner to Canada, Mohau Pheko, signaling the seriousness with which they view this issue as key to a successful outcome in Durban. "Are you going to follow the United States, are you also going to become a serial non-ratifier of any agreements?" she asked. "Why take a moral high ground before, on the issue of the environment, and suddenly do an about-

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<sup>33</sup> Hon. Peter Kent, "Announcement on Domestic Climate Change Adaptation," November 8, 2011. <http://www.ec.gc.ca/default.asp?lang=En&n=6F2DE1CA-1&news=412D3E84-714D-41E4-B2EA-53AA9FE871CC>.

turn now? We can't afford to sign on to UN conventions and, when we don't like the toys that are inside there, start throwing out the toys that we don't like."<sup>34</sup>

Canada has also been actively lobbying against climate policies in other countries. Canada has sought to weaken the European Commission's fuel quality directive and the State of California's low-carbon fuel standard,<sup>35</sup> and has joined others in fighting the inclusion of aviation in the European Union's emissions trading system.<sup>36</sup>

Canada has played a more constructive role in the fulfillment of the fast-start financing pledges. Based on other shared commitments from industrialized countries, Canada's fair share of the total was estimated at 4%, or \$400 million, per year for three years starting in 2010.<sup>37</sup> Canada was one of the first countries to meet its 2010 commitment. Looking forward, there is an expectation that Canada will renew that commitment for 2011 and 2012, but no announcement has been made to date

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<sup>34</sup> Geoffrey York, "Ottawa slammed for stand against Kyoto extension," *The Globe & Mail*, November 14, 2011.

<http://www.theglobeandmail.com/news/politics/ottawa-slammed-for-stand-against-kyoto-extension/article2236195/>.

<sup>35</sup> Climate Action Network Canada, *The Tar Sands' Long Shadow: Canada's Campaign to Kill Climate Policies Outside our Borders* (CAN-RAC, 2010). <http://climateactionnetwork.ca/issues/getting-off-fossil-fuels/tar-sands/report/>.

<sup>36</sup> James Kanter, "U.S. steps up its effort against a European system of fees on airline emissions," *New York Times*, September 9, 2010. <http://www.nytimes.com/2010/09/10/business/energy-environment/10emit.html>.

<sup>37</sup> Clare Demerse, *Our Fair Share: Canada's Role in Supporting Global Climate Solutions* (The Pembina Institute, 2009). <http://www.pembina.org/pub/1815>.

(compared to a June announcement in 2010). If the additional funds are made available, there is a significant opportunity to improve the allocation of funds relative to 2010. This needs to be shifted towards a much more even balance between support for adaptation and mitigation (in 2010, just 11% of the funding was dedicated to adaptation), and needs to provide the majority of funds in the form of grants, not loans (in 2010, 72% of the funding was in the form of loans to the World Bank's private-sector lending arm).<sup>38</sup> In the event that some loans are included, only the concessional (grant) element should be counted towards our contribution, not the full face value of the loan, as in 2010.

There are positive steps that Canada could take to bring countries closer to a deal in Durban, namely:

- Producing and implementing a detailed and credible plan to meet our emissions reduction commitments, and supporting other countries' efforts to meet their commitments.
- Acknowledging that a second commitment period of the Kyoto Protocol is a central part of a new agreement. Canada should add its support to a second commitment period by agreeing to join and accepting its responsibilities for a binding target.
- Announcing Canada's fast-start funding contribution of \$400 million each in new and additional financing for 2011 and 2012, with an improved allocation over the 2010 contribution. Just as important is to signal our commitment to a

growing contribution beyond 2012, scaling up towards the collective goal of \$100 billion by 2020. This should include active support for moving forward with some of the many options available for innovative sources of financing.

- Working with other countries to scale up the level of ambition represented by the targets agreed to under the Cancun agreement. Any increase in ambition would need to be reflected in the actions needed to achieve those ambitions.

## D. Conclusion

Comparing the frustratingly slow pace of international negotiations on climate change against the ever-increasing urgency of climate change science, it is hard to be optimistic. The level of ambition currently being demonstrated puts the world on track for irreversible and catastrophic climate change. If that scenario is to be avoided, the world needs to do much more to stabilize global temperatures, and success will depend on getting an agreement into place as soon as possible.

With an inadequate plan to meet domestic objectives and often counter-productive negotiating positions, Canada continues to be one of the reasons why it is difficult to be optimistic. Canada is coming into these talks in a very weak position and is not poised to contribute much in the way of positive solutions. Despite our stated support for Copenhagen Accord and Cancun Agreements, we are doing very little to support the agreements in practice. This is not a recipe for success.

Canada's stance is particularly frustrating given there are clear opportunities to be a much more constructive presence. These

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<sup>38</sup> Clare Demerse, "Canada's Fair Share Not As Advertised," blog post, October 5, 2010, <http://www.pembina.org/blog/413>.

opportunities include: demonstrating a commitment to meet our targets through meaningful policy, recognizing the need for Kyoto to continue as a bridge to a next global deal, and taking the next steps in meeting our climate financing commitments.

Canada won't solve the problem on our own, but we have an obligation to do what we can to contribute to a global solution.

