The Durban Deal

Implications for Pakistan

2-2012
Malik Amin Aslam Khan
Former Minister of State for Environment
& Senior Climate Advisor – UNDP / LEAD
PAKISTAN

Outline

- The Durban Outcome
- Implications for Pakistan – going ahead
- Road map for 2012

The Durban Outcomes

- Three fold challenge :
  - Resuscitate the Kyoto Protocol – 2nd CP
  - Deliver climate finance to vulnerable countries
  - Survive in the overall economic recession
- Agreed text – "Durban Platform"
  - A multi-faceted outcome
  - A number of decisions

Durban Platform

- Agree to a second commitment period of the Kyoto Protocol
  - Details to be worked out in 2012 and made effective from 1st January 2013.
- Initiate a process and work plan to negotiate a new future global regime on climate change.
  - This will be done under the newly formed, AWG-DP (Ad Hoc Working Group on the Durban Platform) which will complete its work by 2015 and aim for the new emission reduction regime to be operational by 2020.
- Extend the work of the AWG-LCA by one year.
- Allow "carbon capture and storage" (CCS) under the CDM.

Durban Platform

- Implement the Cancun agreements, as agreed in 2010, particularly :
  - Operationalise the Green Climate Fund in 2012
  - Establish the Standing Committee on finance
    - Comprising 20 members with equal developed-developing country representation, to oversee matters related to climate finance
  - Finalization of the Adaptation Committee composition and be directly accountable to the Conference of Parties
    - To have 16 members with 2 members from each regional group, one from SIDs/LDC, and 2 each from Annex-1 and Non Annex-1 parties
  - Extend the National Adaptation Plans (NAP) process to non-LDC developing countries for participation
  - Agreement on a work plan for "Loss and Damage" including a possible international mechanism.
  - Operationalize the TEC (Technology Mechanism) by 2012 including agreement on a host for the Climate Technology Centre and Network.

The real deal ?

The bridge to the Durban outcome

Three key agreements had to come together in Durban to keep international climate process moving forward; without each, the entire structure falls apart.

Kyoto Protocol

Adopted: 1997

Reauthorized: 2011

Total emissions covered: 42% in 1990; 27% in 2008; expected 15% in 2011

Targets: Binding only for developed countries, 5.2% below 1990 emission levels to 2012

Key features: Clean Development Mechanism; Joint Implementation; Emissions Trading

Cancun Agreements

Adopted: 2010

Expires: 2020

Total emissions covered: 80%, with submissions by developed and developing countries

Targets: Nonbinding but aims to keep world on 2 degree Celsius stabilization pathway

Key feature: Green Climate Fund (launching in 2012); Clean Technology Center; Measurement, Reporting and Verification features

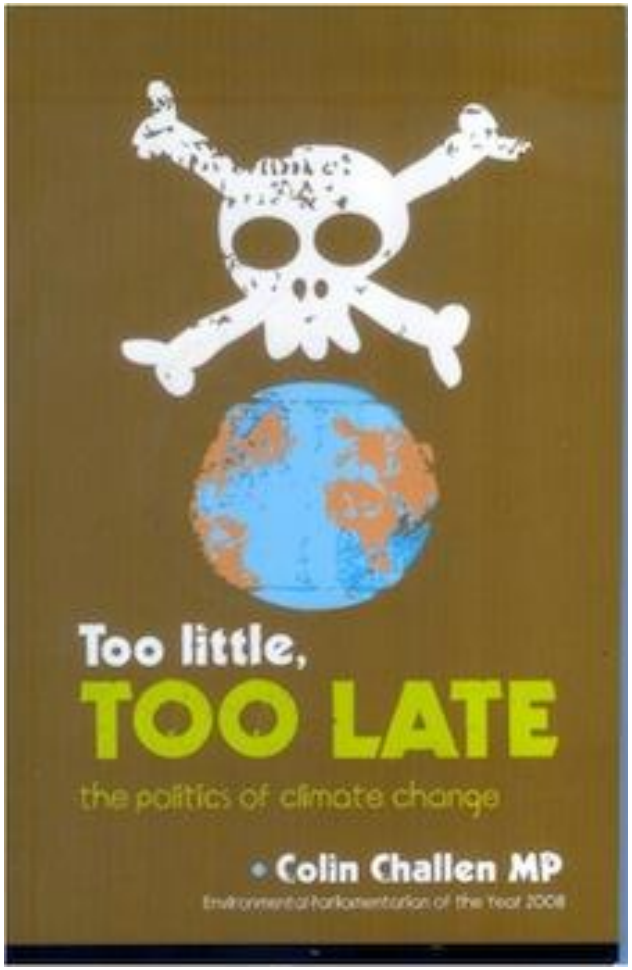
The Durban Platform

Adopted: 2011; To be completed in 2015 with goal to enter into force in 2020

Total emissions to be covered: 100%

Targets: To be decided

Key features: Also to be decided, but it triggers a process to close the gap between the Cancun targets and 2 degree Celsius target



The real deal ?

- Strategic realignment of traditional groupings
  - SIDS/LDCs – drift towards EU
  - BASIC countries huddle together
  - G77 + China remained under stress
- Certainly an agreement to "keep on talking"
- Saved the negotiations…….maybe not the climate

The real deal

- All tough decisions frustratingly delayed :
  - Final shape of 2nd CP of KP – 2012
  - Emission cuts on carbon polluters – 2020
  - Decision on how large the cuts would be – 2015
  - Delivery of climate finance – 2020
- Politically expedient denial – evading the urgency of climate change
- Only thing rescued – UN multi-lateral process and a fruitless negotiation process.

The Ominous Omissions

- Issue of "Equity" and "CBDR" ……conveniently pushed under the rug
- Collective interest of developing countries compromised…… "tragedy of the commons"
- Alarming signals :
  - A rapidly narrowing negotiations space
  - The trend moved away from hard fought principles towards a politically "un-equal" global reality

The implications for Pakistan

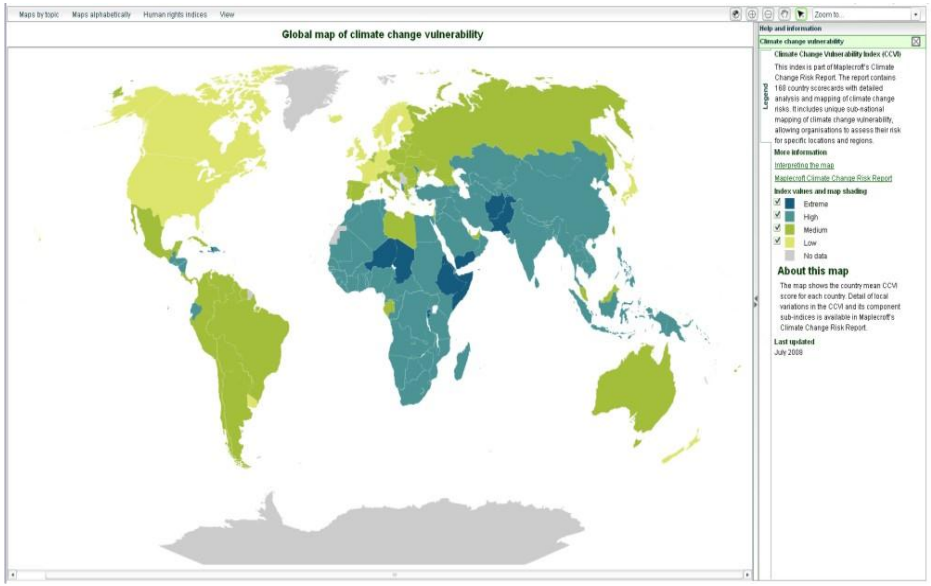
- At Durban, Pakistan's focus was on its "red lines" :
  - Extreme climate vulnerability definition
  - Scoping climate finance – access and attain
  - Ensure it's development pathway not constrained
- Achieved…..so far…..but :
  - Pakistan highly vulnerable to climate change
  - A country with a sharply rising emissions future

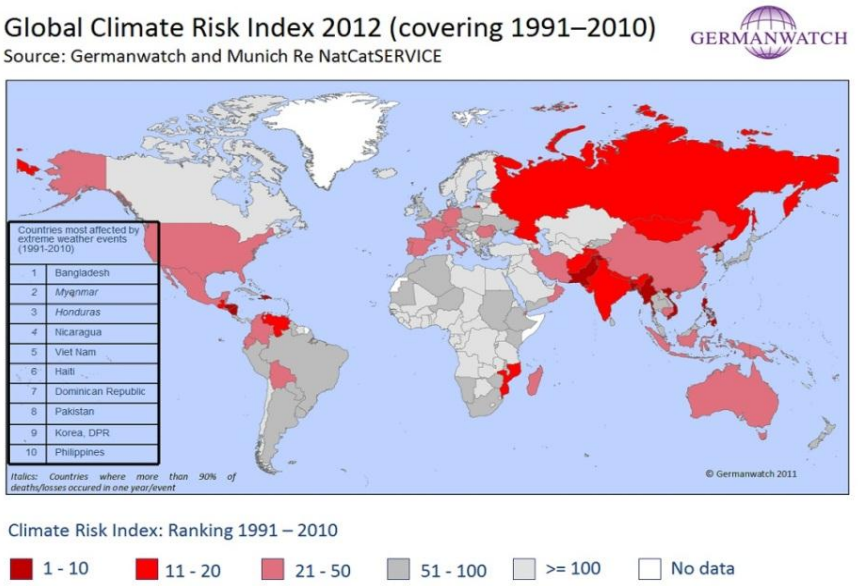
Pakistan – where we are on climate front?

A very low emitter but one of the worst victims of climate change:

- Maplecroft vulnerability index places us in High/Extreme category

- Germanwatch places Pakistan as "Most affected" for 2010 and in "Top 10" for 1990-2010



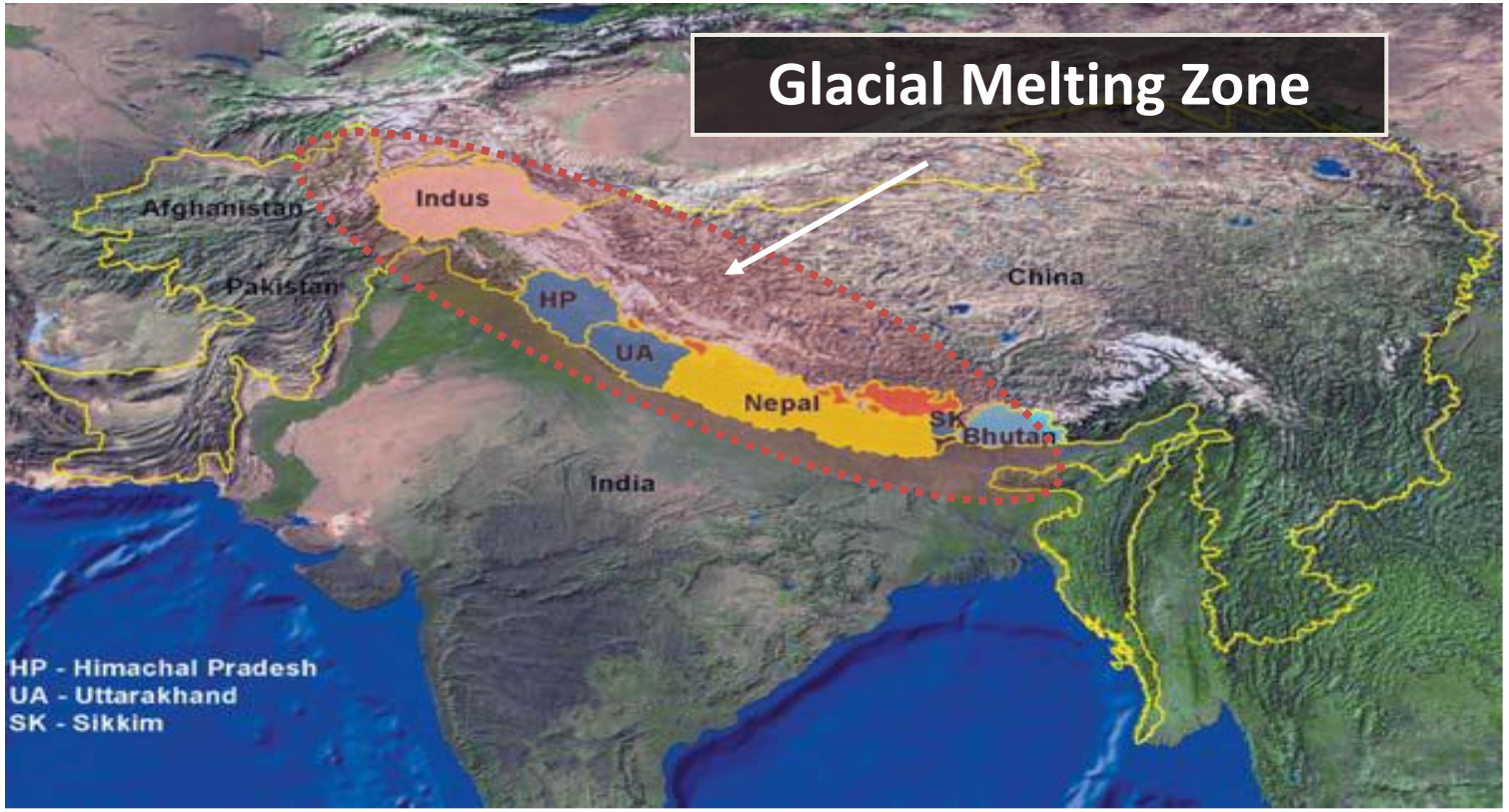


Global Climate Risk Index – 2010

(German Watch)

Rank	Country	CRI Score	Death Toll	Deaths per 100000 inhabitants	Absolute Losses (M $ PPP)	Losses per unit GDP in %	HDI
1	**Pakistan**	**3.5**	**1891**	**1.1**	**25316**	**5.42**	**145**
2	Guatemala	6.33	229	1.59	1969	2.80	131
3	Colombia	8.0	320	0.70	7544	1.73	87
4	Russia	11.0	56165	39.3	5537	0.25	66
5	Honduras	14.67	139	1.73	220	0.65	121
6	Oman	17	24	0.81	1314	1.73	89
7	Poland	17.83	151	0.40	4745	0.66	39
8	Portugal	19.67	47	0.44	1749	0.71	41
9	China	23.50	2889	0.22	33395	0.33	101
10	Tajikistan	24.17	27	0.35	262	1.77	127

Basis of Vulnerability ?



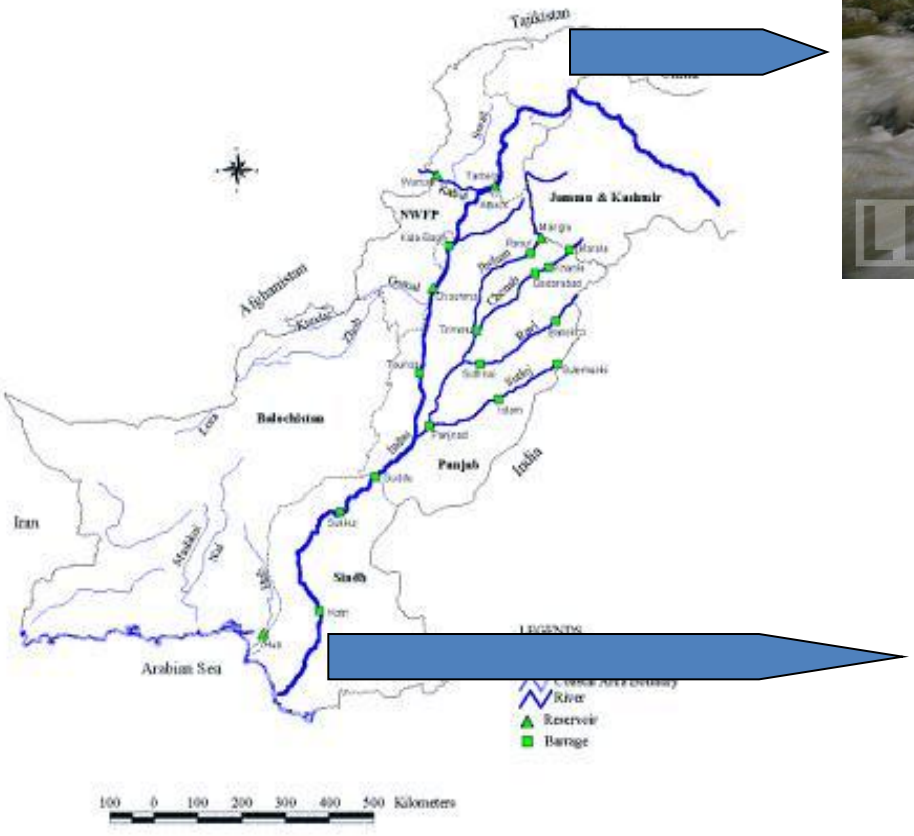
…….In a neighborhood of Unavoidable "vulnerability" with main issue being "WATER"……too much and too little and at wrong place ….issue of concern for region

Natural Disasters

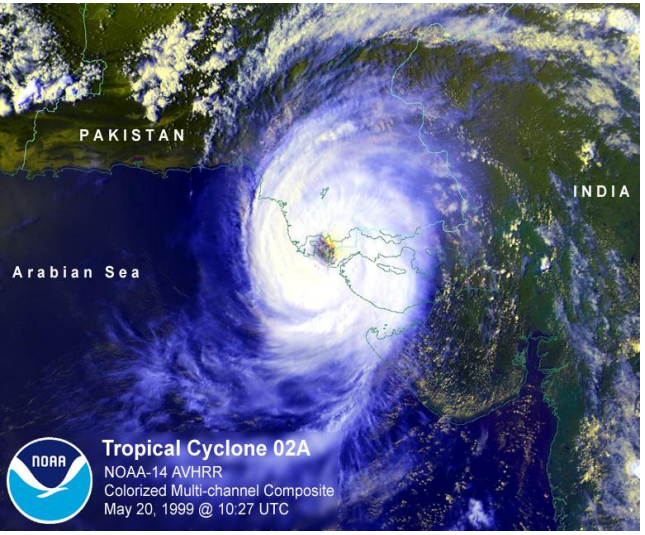
- Maximum natural disasters (90% in the Table) are climate related.
  - The damage costs of these natural disasters is going up with the top three disasters occurring in the past three years
  - The frequency of these natural disasters is going up with 60% occurring in the past 10 years.

	Disaster	Date	Damage (000 US$)
1	**Flood**	2010	9500000
2	**Earthquake**	2005	5200000
3	**Storm**	2007	1620000
4	**Flood**	1992	1000000
5	**Flood**	1973	661500
6	**Flood**	1976	505000
7	**Flood**	2007	327118
8	**Drought**	1999	247000
9	**Flood**	2001	246000
10	**Flood**	2008	103000

Variable Monsoons + Glacial Melting

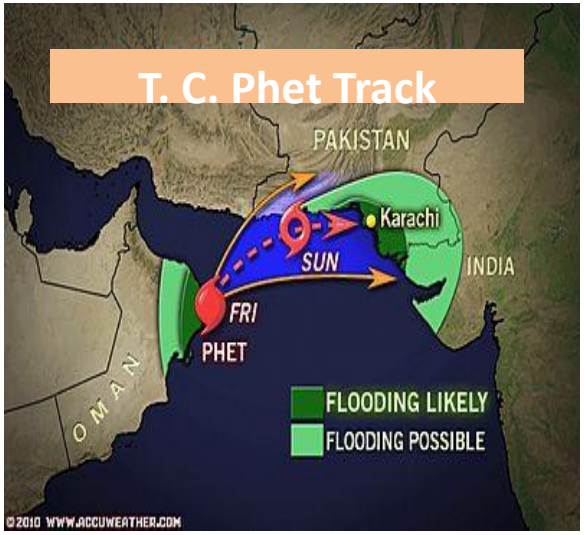


Enhanced & unpredictable cyclones



1999

2007



2010

Rising frequency and intensity

This leads to…..

Massive displacements and climate refugees……

The price tag !

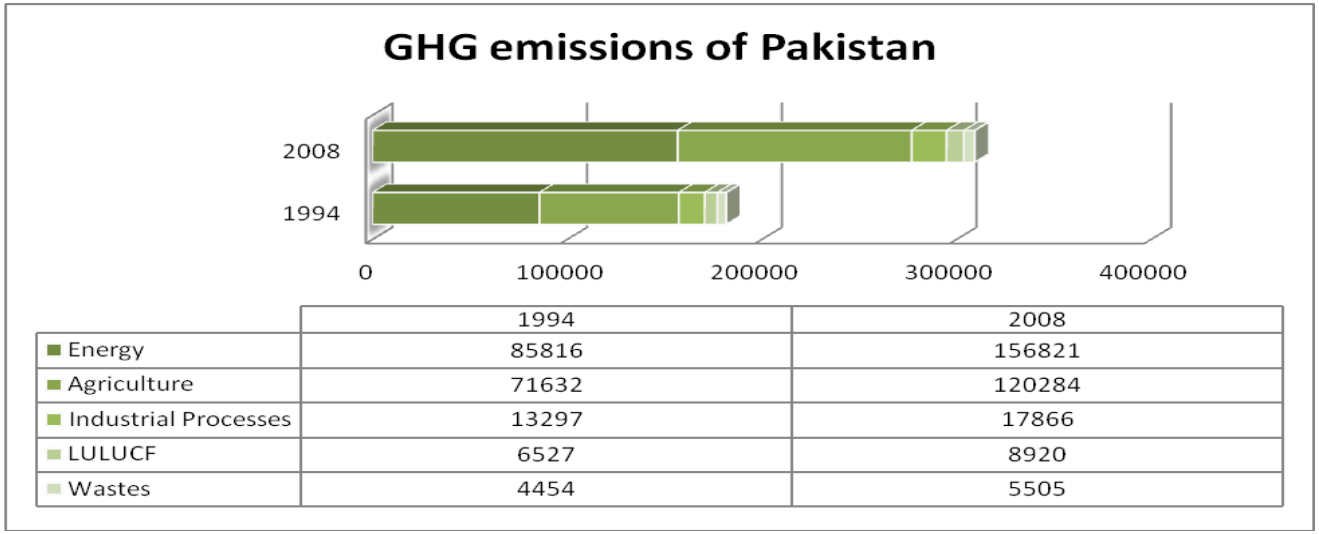
Method	Time period	Cost of adaptation per annum
Actual (2010)	One year (2010)	9.7++
As a percent of GDP	2010-2050	10.71
Per Capita Basis	2010-2050	7.12 to 14.0
Disaster Modeling (Floods only * 3)	2010-2050	6.09 to 11.3

- Adaptation to climate change is going to be a **high value figure** in the future
- **(U$ 6-14 bn per year range)**

Inevitable - Strategy for Adaptation

- "National Adaptation Action Plan" being prepared to encompass:
  - Vulnerability mapping
  - Community led adaptation planning
  - Disaster risk reduction
  - Climate resilient future development
  - Climate proofing of existing infrastructure
  - Water conservation / improve efficiency of use
  - Increased Storage for summer outflows
  - Early warning systems for natural calamities

Existing Situation on GHG emissions



	1994	2008
Energy	85816	156821
Agriculture	71632	120284
Industrial Processes	13297	17866
LULUCF	6527	8920
Wastes	4454	5505

- Energy is the most significant GHG contributor (51%) and the sector with highest percentage increase (almost doubled)
  - Increase in coal reliance projected
  - Depleting gas reserves
  - Energy shortfall of 5000 MW
  - Transport accounts for 21% of emissions but rapidly rising
- Agriculture/livestock is 38%
  - Livestock (enteric fermentation from cattle) is 67% / Rice paddies (21%)
- Cumulatively 89% -so thrust of mitigation effort is in these two sectors

Future projections - BAU

3 fold increase

Almost halved

	2011-15	2016-20	2021-30	203 0	2041-50
GDP % Growth	4.7	6.0	5	6.9	7.1
Energy Consumption (% Growth)	3.7	4.8	5.2	5.6	5.7
% Share by Source					
Gas	43.9	45.4	45.4	42 3	32.9
Oil	27.5	24.3	19.5	14.9	14.1
Electricity Sources	15.7	16.2	17.5	17.9	16.9
Coal	11.3	12.4	15.7	22.8	33.6
Other (incl. LPG)	1.6	1.7	1.9	2.2	2.6

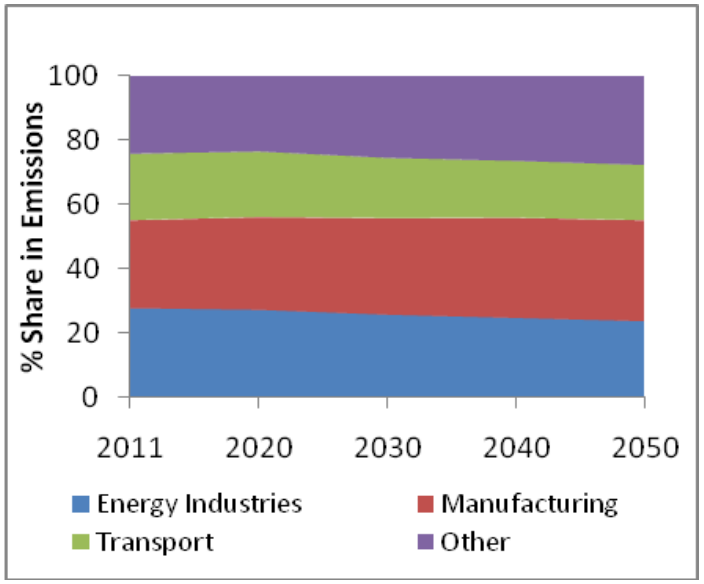
Future projections - BAU

15 fold increase

13 fold increase

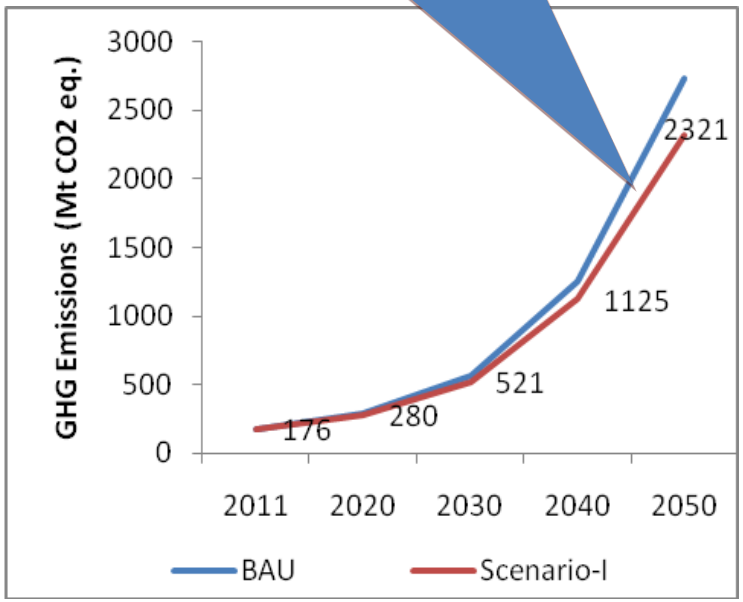
	2011	2020	2030	2040	2050
Total GHG Emissions (Mt CO_2 eq.)	347	557	1046	2156	4621
Energy	176	295	560	1250	2730
% Share	50.6	52.9	53.5	58.0	59.1
Agriculture	134	210	408	812	1765
% Share	38.7	37.7	39.0	37.7	38.2
Industry	20	30	52	61	75
% Share	5.8	5.4	5.0	2.8	1.6
LULUCF	10	13	15	20	35
% Share	2.9	2.3	1.4	0.9	0.8
Waste	7	9	11	13	16
% Share	1.9	1.6	1.1	0.6	0.3

Future projections – Clean Development -1

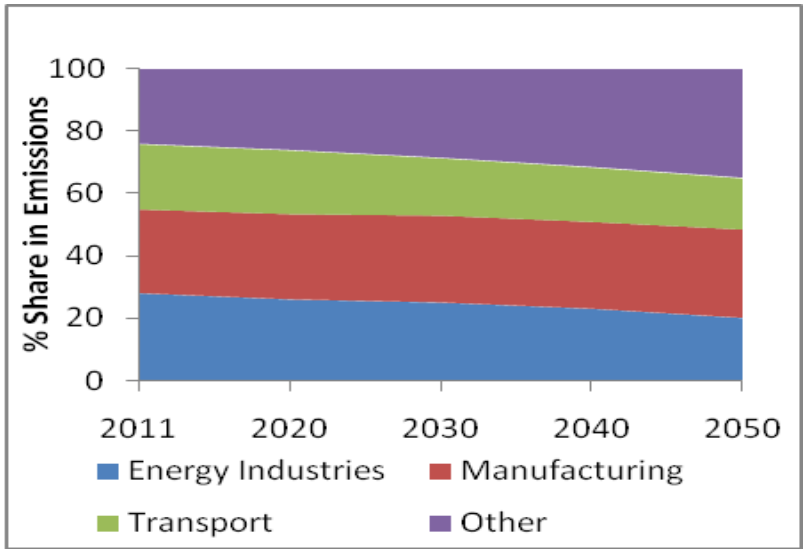


Clean Coal (15% reduction)+ Clean Transport (15% reduction) + 5% RE

- Emissions reduce **18%** over BAU
- Cumulative investments of **U$ 8 billion** required (reverse algorithm used in model)

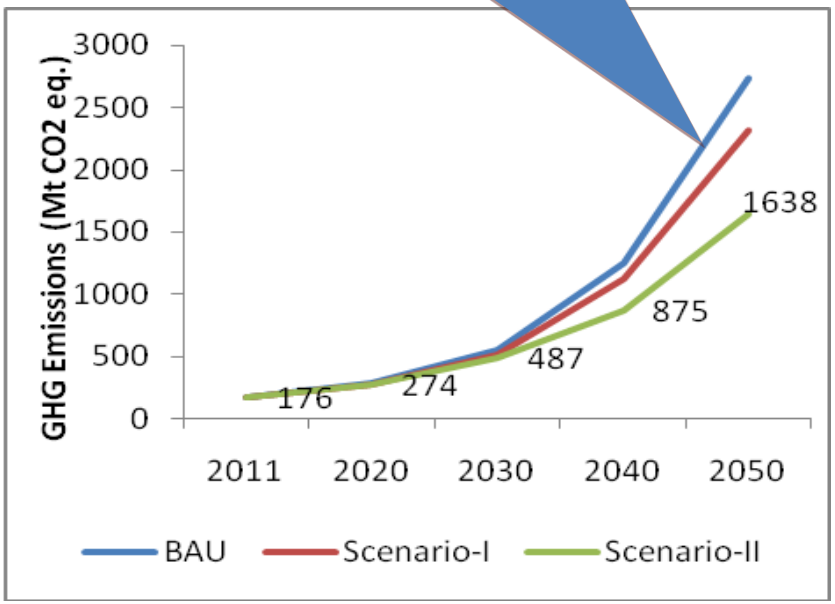


Future projections – Clean Development -2



Clean Coal (30% reduction)+ Clean Transport (15% reduction) + 15% RE

- Emissions reduce **40%** over BAU
- Cumulative investments of **U$ 17 billion** required (reverse algorithm used in model)



Mitigation - Conclusions

- Pakistan's carbon emissions poised to **significantly increase** in the future.
- Growth is possible along a lower-carbon trajectory but:
  - Significant financial needs required - **between $8 billion to $17 billion to 2050**
  - BAU emissions can be **reduced by 40%** from the BAU scenario by employing cleaner technologies.
  - The carbon market could potentially be leveraged to **generate $27.3 billion** for this transition – provided the carbon reductions can be capitalized !
  - Important to generate these **"clean energy" funds soon** - otherwise could get "locked " into long term energy investments.
  - Urgent need to carry out an extensive **"Technology Needs Assessment"** to clearly identify the best available technologies that can be employed in the future to make a clean energy transition.

Implications for Pakistan

- Has to remain "cautiously" engaged :
- Any future emissions limitation regime can have serious implications
    - GHG emissions poised to increase 15 fold in 2010-40 horizon
    - But still need development space
- Lower carbon trajectory possible….but requires:
    - Access to appropriate technologies
    - Facilitative financing
    - Enabling capacity
- Active and "influencing" engagement required in
    - Technologies - TEC and the CTC and Network
    - Finance - GCF and Standing Committee on Finance
    - Adaptation - Prioritized access through fund / Adaptation Committee
        - Shape the design of the "loss and damage" instrument

Keeping abreast – the only option

- As a non-Annex-1 country
  - Very few mandatory submissions
- However…….as an affectee of climate change
  - No option but to remain engaged
  - Make presence felt through informed participation
  - Construct and table national point of view and get it acknowledged
  - Position to shape the future climate regime
- Needs to be aware of timing of all voluntary submissions

Keeping abreast …… 2012

- Nominations to Various Committees :
  - Prioritize and work through the Asian group and G77 + China to secure nominations to maximize influence
- Board of the GCF
- Standing Committee on Finance
- Adaptation Committee
- Adaptation Fund Board
- NAMAs :
  - Slowly transforming into "soft emission targets" …non-binding but footprints for the future
  - None submitted so far by Pakistan but need to start formulating :
- Start with sectoral NAMAs on win-win options / energy cons

Keeping Abreast

- National Communications
  - Only mandatory requirement for NA-1 countries
    - Report on activities undertaken for implementation of Convention
    - Information on GHG emissions and removals
  - Timing not strictly specified – no fixed date
    - Within 4 years of procurement of preparation finance
  - Pakistan needs to submit its second NC

Getting prepared for the future

- Create an enabling and conducive domestic environment to sync with global developments
  - National Climate Change Fund required for:
    - Catalyst to attract and leverage "additional" resources
    - Conduit for unilateral financing
    - Primary focal national entity for interacting with evolving global infrastructure
    - Administratively efficient :
      - An autonomous entity
      - Public-private governance model with civil society inputs

Getting prepared for the future

- Develop anew or designate National Implementing Entity for direct access of funds
- Streamline country CDM structure to benefit from emerging opportunities eg. CCS
- GHG inventory updates required with mandated institutions.

Understand the stakes !