

Will the Cancun Agreement reshape energy policy?

Samuele Furfari

The “success” of the Cancun Agreement has raised a lot of expectations. Strangely enough, before the Cancun meeting, “warmists” were refusing to call the Copenhagen meeting a failure, but after the Mexican conference the new chorus is “after the failure of Copenhagen, the success of Cancun has put the UN’s process on track once more “.

Months before Cancun it was generally accepted in the chancelleries that this sixteenth meeting of the Parties after the 1992 Rio Convention would not be a success. This is why, in contrast with Copenhagen, the Head of States didn’t show-up at this international gathering. Nobody was expecting this meeting to deliver enough to justify the attendance of top level leaders. This consideration alone should make us wary of calling Cancun “a success”. However a vice-president of the IPCC ventured to call it an “*historical success*”. It is, but only if we measure success on the same scale as the previous fifteen other Conference of Parties (COP) meetings ... with the exception of Kyoto COP-4 in 1997.

Does this means that Cancun has not made progress? No, since a lot was *decided* during this gathering. A lot! The principal document adopted is the so-called “Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention”¹. This 30-page document merits careful analysis. It is full of “progress”, but whether this “progress” will deliver practical measures is an open question.

Decisions have definitively been taken in Cancun

Analysing the document by counting the significant words used is revealing. Here (next page) is a table of action verbs or nouns which appear frequently in the agreement.

The first thing we have to accept is that *decisions* were taken in Cancun. The word “decides” appears 54 times. Clearly everybody should accept that the COP-16 took decisions. This is an irrefutable fact. But the right question is a different one: will these “decisions” have any effect on CO₂ emissions, or to be more politically correct, will they be able “to hold the increase in global average temperature below 2°C above pre-industrial levels”. Oddly paragraph 4, which contains this key sentence, does not start with “Decides” but with “Further recognizes”. Is this by chance or rather because it does not represent a real commitment by the Parties? The following paragraph suggests the latter

¹ http://unfccc.int/files/meetings/cop_16/application/pdf/cop16_lca.pdf

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establish	12
shall be	11

undertake	8
gender	6
registry	6
elaborate	6
convene	5
shall have	5
make	4
prepare	4
organize	2
mandates	1

since it says “Agrees, [...], to work towards identifying a global goal for substantially reducing global emissions by 2050, and to consider it at its seventeenth session”. “Work toward” and “to consider” are weak expressions committing nobody. Therefore, despite the desired target of limiting the increase in temperature to 2°C, the Cancun agreement is no more robust than the feeble Copenhagen agreement.

Others suggest that Cancun agreed to a 1.5°C limitation. Really? Is the expression “recognizes the need to consider [...] strengthening the long-term global goal [...] including in relation to a global average temperature rise of 1.5°C” a clear signal that it would be dangerous for the global average temperature to rise above this target.

Money, money

Another so-called success of Cancun conference is the creation of the “Green Climate Fund”. Let’s recall that the existing “*collective commitment by developed countries*” is to provide resources “*approaching USD 30 billion for the period 2010-2012*”, i.e. \$10 billion per year. The word “approaching” should ring a bell about the nature of this commitment. Parties are requested to submit by May 2011, 2012 and 2013 information about the resources with which they intend to fulfil this commitment; note also that this is not a one-shot commitment but one that needs to be repeated year-by-year with some flexibility related to global economic conditions. The present financial situation limits our optimism on this short-term resource raising exercise.

But based on the fund proposed in the Copenhagen Accord the COP-16 also “*decides*” that “*adequate funding shall be provided*” for the longer term. It “*recognizes that developed country parties commit [...] to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries*”. Picking the right *language* is a speciality of multilateral negotiations. “*The goal of mobilizing*” does not mean that developed countries will give this sum. This is not a commitment that the EU, the USA, Japan and a few others will *provide* “*USD 100 billion*”. Whether the resources raised will ever reach the agreed amount is yet to be demonstrated. Moreover the following paragraph is very explicit on the vagueness of the commitment as it says that the funds “*may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources*”. Fund raising from charitable citizens may end up as part of the solution... In the mean time and for a start the Agreement names the World Bank as the interim trustee of the Fund, despite objections from many developing countries.

Much more red tape is just around the corner

The second most common action word used in the Cancun agreement is “*Requests*”. Yes, the COP-16 is requesting a lot : requests to elaborate, requests to develop, requests to record, requests to compile, requests to support, requests to organize, etc...

31 occurrences!

It “*Requests [...] to continue its work drawing on the documents...*” is just one example of how many documents and reports have to be prepared. Report or reports appears 27 and Reporting 24 times. “*Guidelines*” appears 16 times in the agreement demonstrating that there will be much guidance for the material to be submitted (19 occurrences of “*submit*”). Clearly there will be plenty of paperwork for the administrations of the Parties and a glut of international meetings will be needed to draft these reports. Mountains of pages will have to be drafted and there will inevitably be a great deal of travelling involved. The UN process has always worked this way, but this excessive proliferation should raise serious questions.

The Cancun agreement calls for the creation of a number of committees, bodies, boards... As an example let's take the Green Climate Fund organisation. Although we do not yet know where the resources will come from, Cancun decided how the fund will be managed. There will be a board of 24 members with a careful balance in the countries of origin. Sixty lines with 300 words in the main text and a full Annex provide instructions on how to manage the Green Fund. Better to be careful when public money is being managed...

Another example is the creation of the yet to be defined “Technology Executive Committee” and the “Climate Technology Centre and Network.” *The Cancun agreement set up a structure to assess the needs and policies for the transfer to developing countries of technologies for clean energy and adaptation to climate change.* It recognises rightly that there will be no solution without the deployment of new efficient technologies. Why should we create red tape to reach this key goal? To my knowledge technologies do not belong to countries or international organisation but to private undertakings which are not in the habit of giving them away for free. Best Available Technologies are also known; the EU has been working actively for years on this through the *European IPPC Bureau* based in Seville. Surely countries are convinced that R&D is a must if they want to survive in an ever more innovative world? Yes they are, even if they are not always in a position to allocate more funds to R&D. Is it not in the interest of enterprises that own a technology to deploy it as widely as possible? What this new committee, centre and network will really add alongside administrative work is yet to be demonstrated. Obviously the new committee, centre and network have a duty to report even if the detailed basis for this reporting has not yet been defined; no doubt this will be the subject of further lengthy negotiations...

The real progress at Cancun

An interesting novelty in this process is the recognition that “*Enhanced action on adaptation*” is needed for “*building resilience in developing countries*”. Accordingly the Cancun conference decided to create a “*Cancun Adaptation Framework*”. Obviously this will involve the setting-up of another committee the composition, modus operandi and procedures of which are yet to be defined. Apparently this approach has not satisfied all parties as the agreement “*notes that an international centre to enhance adaptation research and coordination could also be established in a developing country*”.

However it is interesting that the section in the Cancun Agreement on adaptation appears at the beginning of the document before the section on mitigation. This is not trivial: for the first time it is clearly emphasised that adaptation must be a priority compared to mitigation. This is also a consequence of the Copenhagen failure². Negotiators have

² After Cancun it is no longer a taboo to call Copenhagen a failure.

finally acknowledged that current mitigation measures are insufficient to address the limitation of CO₂ emissions.

This is why the Cancun Agreement also develops the so called REDD+ (reduced deforestation and forest degradation, enhancement of forest carbon stocks) in developing countries. It appreciates that reducing emissions from deforestation, reducing emissions from forest degradation, conservation of forest carbon stocks, sustainable management of forest and enhancement of forest carbon stocks are key to further reducing the level of CO₂ in the atmosphere. Cancun foresees the establishment of a program in which the developed countries help prevent deforestation in developing countries working through market mechanisms. This last consideration is the reason why Bolivia opposed the agreement considering it a “global capitalism” approach.³

The importance of adaptation is also underlined by the fact that allocation of the first-start finance (the USD 10 billions per year mentioned earlier) should be “*balanced*” between adaptation and mitigation.

On a different issue it is rather strange to see 6 references to *gender* in this document. *How* on earth does gender influence the need for adaptation or mitigation to climate change? Is it not rather a case of just being politically correct?

And to conclude...

The careful reader might well ask at the end of this contribution why the title mentions energy policy. The answer is the following: the number of occurrence of the word energy in the Cancun Agreement is zero. It does not appear at all, not even as “energy efficiency” nor in a reference to “renewable energies”...

The issue of energy policy, particularly its geopolitical dimension, is and will remain the main issue for humanity. Without affordable and abundant energy consumption there will be no economical development and therefore no job creation, a lack of which is a major factor in social tensions. Without affordable and abundant energy consumption the water issue will continue to be a major cause for concern. Without affordable and abundant energy consumption developing countries will not be able to implement any of the numerous “decisions” or “requests” in the Cancun Agreement.

At Copenhagen unrealistic expectations contributed to the collapse of the vision of a world without fossil energy; the activist NGO and the anti-globalisation proponents were certainly the main culprits. Several observers noted that many delegates – particularly NGO participants – at previous COPs had misled themselves into thinking that ambitious cuts in CO₂ were achievable. They naively dreamt that agreeing on paper to a set of targets would be enough to bring about abandonment of the free market society that has emerged since humanity discovered the power of fossil fuels. With the Cancun Agreement we can only hope that realism has finally eclipsed the misguided idealism that for years now has been present in these international negotiations.

It is time to put our priorities right. Energy affordability for a growing world population is and will remain our major concern, not the fears of a rise in temperature of 2°C more somewhere in a future that not even the Cancun Agreement has been able to determine.

IBL Focus

CHI SIAMO

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COSA VOGLIAMO

La nostra filosofia è conosciuta sotto molte etichette: "liberale", "liberista", "individualista", "libertaria". I nomi non contano. Ciò che importa è che a orientare la nostra azione è la fedeltà a quello che Lord Acton ha definito "il fine politico supremo": la libertà individuale. In un'epoca nella quale i nemici della libertà sembrano acquistare nuovo vigore, l'IBL vuole promuovere le ragioni della libertà attraverso studi e ricerche puntuali e rigorosi, ma al contempo scevri da ogni tecnicismo.