

Cancun 2010

By Raj Kumar

Saturday 11 December 2010 saw the UN Climate Change Conference in Cancún, Mexico draw to a positive conclusion. A balanced package of decisions was adopted that will ensure that all governments are more firmly committed to a low-emissions future. Significantly, steps were taken to support enhanced action on climate change in the developing world.

The Cancún Agreement, as it has become known, decided upon peak emission levels and to restrict any global warming to within a two degree centigrade target. It was agreed to combine details of action taken to tackle climate change by both developed and developing countries into the UN system, following commitments made at the UN Framework Convention on Climate Change (UNFCCC) meeting in Copenhagen in 2009. This is expected to help with the assessment of such measures. At Cancún it was also agreed to place more emphasis than before on adaptation to climate change effects, a key demand of African countries, small island states and less developed countries.

The Cancún meeting agreed to adopt a system to enable monitoring of how countries are living up to their promises on emission reductions. Industrialized countries will have their actions to reduce their greenhouse gas (GHG) emissions subject to measurement, reporting and verification (MRV) by developing countries. Meanwhile emerging economies, such as India and China will only have their GHG emission mitigation actions subject to international consultation and analysis. Their MRV activities will be a domestic matter.

Industrialised country targets are now officially recognised under the multilateral process. These countries are to create low-carbon development strategies and plans and assess how best to meet them. This will include the use of market mechanisms and annual reporting of their inventories. The multilateral process will also recognise developing country actions to reduce emissions. A registry is to be set up to record and match developing country mitigation actions to finance technology support from industrialised nations. Developing countries will also be required to publish progress reports every two years.

On the often contentious issue of finance, Industrialised countries agreed to provide a total of USD 30 billion in fast start finance, to support climate action in the developing world up to 2012, when the Kyoto Protocol's

commitment period ends. However, beyond that date there were no commitments. The decisions also noted the intention to raise USD 100 billion in long-term funds by 2020.

On the sensitive issue of deforestation, Governments agreed to slow, halt and then reverse the wholesale destruction of trees in developing countries. They also agreed to boost action to curb emissions from deforestation and rules to ensure compliance and ongoing monitoring of progress.

The texts contain many elements of relevance to the private sector, including the call for low carbon development strategies. Reporting on emissions, actions to reduce emissions and efforts to raise finance will be intensified. The decision under the Kyoto Protocol states that the project-based mechanisms under the Protocol should continue to be available as the means to meet emission reduction objectives, which should increase confidence in the carbon markets. Private sector and other observers are invited to provide views alongside Parties on the design of market-based mechanisms under the Convention by 21 February 2011.

Overall, the Cancún Agreement contains good news for Green Gas. The Kyoto Protocol's Clean Development Mechanism (CDM) has been strengthened, to encourage more investment into environmentally sound and sustainable emission reduction projects in the developing world. This will encourage the type of CDM projects we are already working on at the El Guacal & El Guabal landfill gas CDM project in Colombia. At the meeting it was also agreed that mechanisms be established to help developing countries access low carbon technology, and adapt to climate change. Again, this should be of benefit to us.

Another outcome that should favour companies like Green Gas, was the decision to start the Green Climate Fund. This also helps developing countries establish projects that reduce greenhouse gas emissions. It will provide a long-term source of finance to help developing countries to adapt towards becoming low carbon economies and to respond better to climatic impacts. The Green Climate Fund will have a Board comprising equal representation from developed and developing countries.

The next conference of the 194 parties to the UNFCCC will be held in South Africa from 28 November to 9 December 2011. By this time, Green Gas should already be feeling the benefits of Cancún 2010.