



China Carbon Forum | 中国碳论坛

An independent platform to foster trust and cooperation among China's stakeholders for climate action

First INDCs and Implications for Further Actions: Paving the Way to Paris

Executive Summary

The event, "***First INDCs and Implications for Further Actions: Paving the Way to Paris***", is part of the China Low Carbon Leadership Network 2012-2014 event series jointly organized by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and China Carbon Forum (CCF).

The event featured a range of high-level speakers, including the Netherlands Minister for the Environment, the Head of International Climate Policy at the German Federal Ministry for the Environment, and the Director of International Cooperation at NCSC, the Chinese government's climate change policy thinktank. Following a keynote speech by the Minister, the distinguished panel discussed the progress so far on Intended Nationally Determined Contributions (INDCs) for post-2020 climate action, which will be the subject of negotiation at the UNFCCC Conference of Parties (COP) in Paris later this year.

The panel also featured a representative from the Embassy of Switzerland, which was the first country to submit its INDC to the UNFCCC, as well as from the World Resources Institute (WRI), a prominent climate change policy thinktank.

Keynote speech - *Ms. Wilma Mansveld, Netherlands Minister for the Environment.*

Ladies and gentlemen, First of all I'd like to thank you, the China Carbon Forum, for your hospitality. It's an honour to be a guest of this international network. You play an important part in the fight against climate change: sharing knowledge, listening to each other's ideas and working together, transcending national boundaries and cultural differences.

Chinese Prime Minister Li Keqiang said the following at the World Economic Forum in Davos earlier this year:

'A philosopher once observed that we cannot solve problems by using the same kind of thinking we used when we created them. Dialogue, consultation and cooperation must be explored to find solutions to new problems.'

I agree completely. We need to think more in terms of opportunities and joint solutions. That's why we need international dialogue and the best possible cooperation to tackle the daunting task to keep the world we live in, below 2 degrees temperature rise

Challenges

That attitude of corporation and dialogue is crucial, considering the challenge ahead. In the next 35 years, the world's population will grow by a third. In 2050, there will be nine billion of us. All those people will need food, energy, water and fertile land. And like any other generation, they'll want to be healthy, safe and prosperous.

But for that we need to drastically reduce the emission of Green House Gases, fight pollution and waste, and stop the depletion of scarce raw materials. And to do that we need to build an economy that can cope with this rapidly growing population and demand for raw materials. China is more familiar with this challenge than any other country.

So when I talk about the climate, I always talk about two essential things: solidarity and economy. Climate issues are always related to the economy we want to build in the decades ahead and the world we want to live in together. A world with prosperity for everyone.

Economic opportunity

It's a big challenge. But I'm convinced that this is also a time of big opportunities. We don't have to debate the reality of climate change anymore – we've moved on! The research programme 'The New Climate Economy', carried out by the Global Commission on the Economy and Climate, which is chaired by Mexico's former president Felipe Calderón, has concluded that climate policy can foster a new, flourishing, circular economy, and vice versa.

We don't have to choose one or the other: we can have our cake and eat it too. But we do need to take action now, in the next 15 years. As Mr Calderón put it: 'If we start now, the investments needed for a low-carbon economy could cost about the same as those for a high-carbon, inefficient and polluting economy.'

Paris

That, ladies and gentlemen, is good news.

-Good news for business people, who are looking for new ways to make money, all over the world.

-And good news for politicians too, who will be going to Paris later this year to sign a global climate agreement.

In Paris we need to hear a consistent and powerful message from all countries that they are serious about climate change. A global agreement would send this message. But that agreement will only work if each country contributes to its capabilities. The Paris agreement will have to drive substantial reductions in all categories of emissions, or it won't be effective and credible.

So I'm pleased with the announcements the US and China have made last October on concrete measures to reduce CO₂ emissions.

And when I look at what you're all doing, I have high hopes for your next steps. I look forward to hearing your Intended Nationally Determined Contribution [INDC]. I understand you plan for your INDC to be ready before the next negotiation session in Bonn which starts June.

US Secretary of State John Kerry spoke encouraging words earlier this month, in a speech to the Atlantic Council.

Referring to the climate summit in Paris, he said an agreement would be 'an absolutely vital first step, and a breakthrough demonstration that countries across the globe now recognise the problem and the need for each and every one of us to contribute to a solution. And it will set the market moving; it will change attitudes; it will change governments.'

Switzerland and the EU have shown the lead in the world by producing their INDC. The Netherlands of course fully supports the EU's aim of reducing emissions by at least 40% by 2030.

Now it's time for all major economies to show their determinations as well and make their intentions clear.

After Paris

To my mind Paris isn't a goal, but a step towards a goal.

The agreement will be a step towards a global economy that is green, clean and inclusive. And we'll have to take many more steps together after Paris. Those steps will need to focus on action, results and partnerships.

We don't want to have to negotiate a new agreement over and over again. A lot of energy goes into the technical and legal details. We negotiate extensively about the form of the agreement, and when we finally manage to produce an agreement, many are still disappointed with the outcome.

So the Netherlands' aim is for us to produce a durable, long-term instrument. So that we don't have to renegotiate it every five years.

The debate should be about ambitions and opportunities, not about technical and legal problems.

Dynamic and flexible

To countries that would be hesitant to accept such a long term instrument, I would like to add that anew agreement should be legally binding, but also be dynamic and flexible. So that it can easily be accepted and that these countries can contribute according to their means. One size does not fit all and not forever!

Every country has its own position, ambition and possibilities and they evolve over time. We have to give countries room to pursue their own national plans and adopt the necessary legislation. And our international rules must also allow for the latest scientific insights.

Dynamic and flexible does not mean 'without rules'. We need clear commitments from all countries, so that we can all call each other to account on our efforts and achievements.

The INDCs will play a crucial role. They will give us insight into the level of ambition. They will allow us to compare our efforts.

By evaluating every five years, we can be honest and open in discussing our progress and new ambitions. Without having to renegotiate the agreement over and over again.

Dutch deployment

A climate policy based on economic opportunities and solidarity and focused on a dynamic and flexible long-term instrument – that is at the heart of Dutch climate aims.

The Netherlands is a small, densely populated country with a strong economy. We pride ourselves in making good use of very little space. Diverse interests converge in every single square metre. One person's opportunity is another person's risk. So working together is absolutely vital for us.

It all began with our fight against the water. Our country lies in a low river delta by the sea, and we've been fighting the water for more than 800 years. Only by working together on a permanent basis have we been able to protect our country from the sea. If we hadn't, two-thirds of the Netherlands would be flooded.

So we're used to finding ways to adapt to the risks of our sea and rivers this unique Dutch way generates new insights and solutions that we are keen to share with other countries.

- For instance in making our cities climate-proof. The city of Rotterdam is doing this by installing reservoirs under car parks, green roofs and water plazas to catch excess rain water.

- The Netherlands is also good at sustainable waste incineration. The company AEB Amsterdam has developed a technology that can extract more electricity from waste than any other process in the world – with the lowest emissions. Your country has shown interest in this technology.

- And we are leaders in growing salt-tolerant crops, like the potato. We need these crops to cope with the worldwide increase in salinity. China is interested in this expertise too, as growing potatoes requires less water than rice.

In other words: it's not only about recognising the challenges. We can also solve them with today's technology. More and more businesses, cities and authorities are doing this now, every day.

So climate policy always involves striking a balance between different interests. A healthy environment will eventually contribute to prosperity for everyone. The environment, sustainability and climate: these are all social issues. The best place to live is one that is clean, sustainable and good for everyone.

In the Netherlands we have taken two specific steps on the basis of these principles.

- The first was to conclude a national Energy Agreement for Sustainable Growth. More than 40 different groups, from government authorities to environmental organisations and the energy sector, have committed to specific agreements on saving energy, generating more renewable energy and creating 15,000 jobs.

- The second was to set up the Dutch Climate Coalition. Dutch businesses, cities, authorities and others have joined forces in a growing network. We started with 50 participants and we already have 150.

This shows us that the days are long gone when only government was concerned with climate policy.

We need businesses, cities, provinces and non-state actors to be involved too, in order to make progress. They are closer to the people, closer to the problems, and closer to the solutions.

Their actions and ambitions need to be recognized and captured in the new climate agreement.

That's why businesses and cities must be part of a global agreement in Paris. My aim is for the Dutch Climate Coalition to show the world that green growth is the standard for economic progress.

Cooperation with China

We're always keen to learn from other countries. That is why I'm delighted to be here with you this evening.

I'm well aware that we live in challenging times.

Times in which we must make active efforts to achieve our end goal: a climate-neutral society with prosperity for everyone.

Our two countries are each doing this in our own way – .Off course there are differences between China and the Netherlands but I feel strongly there is more that unites us than divides us.

But the scale of the social challenges you face as a result of climate change is beyond compare too.

I would be interested to learn from you:

-How do you guarantee food supplies for nearly one-and-a-half billion people?

-How do you handle the energy supply?

-How do you ensure clean air in the cities?

It's impressive to see how you here in China are meeting this challenge. It's inspiring to see the connection your country is making between these issues and economic opportunity. Just look at the speed with which you've become the market leader in solar panels.

Conclusion

Ladies and gentlemen, it's time I came to a close.

No matter how big the differences are between us, we share the same ambition. We're both on the way to the next step: Paris. I hope we will conclude a solid rules based and legally binding agreement there, with everyone contributing what it can to reduce Greenhouse Gasses

An agreement that will serve as a stepping stone towards that ultimate goal: a climate-proof world.

There are big challenges ahead, but plenty of opportunities too. People around the world are looking to the international community to take decisive action. Our generation can make the difference in tackling climate change.

So let's do it. Let's pave the way to Paris. Let's act now and let's act together! Because the conditions have never been so good on the road to our destination.

Thank you.

Record of Discussion

The following is an edited synthesis of discussion that took place at the event among panellists (around 60 minutes) and open Q&A with participants (20 minutes). As per convention, individual's comments are not attributed.

In the coming months, prior to the COP in Paris later this year, governments will be releasing their intended commitments (INDCs) for post-2020 climate action in order to facilitate negotiation at the meeting. INDCs generally are a great improvement to the UNFCCC process, allowing for assessment of commitments prior to negotiations. Switzerland was the first country to submit their commitments, followed by the EU. China plans to release their commitments in the first half of 2015.

It is important to keep in mind the spirit of the Paris negotiations, however it is also important to keep the focus on: **how much we should reduce emissions, how do we reduce emissions, and what instruments should we use?** The panel noted that the EU's INDC aims for "at least" 40% reduction in greenhouse gas emissions compared to 1990 levels by 2030. This made the EU the "first major emitter" to put their commitment on the table, and it is hoped that other major emitters will follow soon. The EU's commitment for "at least" a 40% reduction means that the bloc may go further at Paris. German Chancellor Merkel has since emphasised that this means that the EU's commitments are open to negotiation at Paris, if ambition on the part of other countries is evident. This commitment relates entirely to domestic emissions, without use of external credits. This may change if the EU's commitment is raised. Germany, in particular, has introduced its own domestic climate action programme which goes further than the EU commitment. This has involved a coordinated and transparent cross-government approach.

Switzerland was the first country to formally submit an INDC. **It aims at halving greenhouse gas emissions by 2030 compared to 1990 levels, with at least a 30% reduction by 2030 domestically.** This could be viewed as quite a strong commitment, although some have questioned the extent of “emissions reduction measures abroad”. The political will of the Swiss government is strong, sending a message to domestic actors. Switzerland is already at 6.2 tons of CO₂e per person, lower than the EU average, and much lower than the US. Switzerland’s population is on board with the challenge, as well as insurance companies and other key stakeholders. The country has been a leader in decoupling energy use from economic growth, and the development of low-carbon technologies. Still, Switzerland’s commitment represents a challenge.

The panel described the EU’s commitment as a “bold” step. In addition, the EU’s commitment is in line with the spirit of INDC’s by providing an “at least” commitment. However, **even with the EU’s commitment, and “guesstimating” what other major emitters may submit, the panel suggested that the world would “probably not” reach an outcome that limited global warming to 2 degrees.** Therefore it is important that there be some key next steps that can allow the world to increase ambition for post-2020 and post-2030 action. While it has been suggested that the EU could enhance their commitment with a 2025 commitment, the EU’s target for 2030 is intended to be reached on a fairly linear path, implying a rough target for 2025 already.

On land use change (LULUCF), it is important that the methodology be made clear in order to provide confidence that there will not be overestimation of emission reductions that can be achieved. EU leaders are still to discuss exactly how LULCF will be incorporated in to the target, however there has been conscious expression to avoid any loopholes compromising environmental integrity, which will be backed up by legal measures.

China is now working hard to develop its INDCs, which should be released by the end of June 2015 (although sooner would be better). **China’s commitment to peak its emissions by 2030 is important, however the level of the peak is probably more important.** It is also important to acknowledge that China’s commitments weigh commitments in terms of both mitigation and adaptation. China’s standing has increased, given its increasing willingness to take on commitments. The emissions peak commitment builds on its carbon intensity target presented at the Copenhagen COP. This commitment is also in the context of China’s economic transition and the “new normal” of lower average growth rates. In terms of China’s commitment in Paris, the panel suggested that it should reflect new trends, including reduced coal consumption in 2014 and the slowdown in the

steel sector. How this manifests in the INDC, it is up to the government to explain clearly how they have incorporated these factors in a convincing way.

While China's climate change white papers are sometimes overwhelming for the long list of actions that are taking place across government that it can be hard to know which is most important, this underlines that the effort is associated with comprehensive economic reform and not just narrow targets. The 13th Five Year Plan will also play a major role in China achieving its peaking goal.

Enhancing transparency, the EU did a good job of explaining what the INDC means. **China's explanation of its peaking year is more difficult, scientifically or academically**, so it is important that the INDC explains clearly the thinking behind it. Also, it's important to keep in mind that it will not be precisely accurate, given that it is describing a trend, rather than a specific goal. The panel hopes that China will be able to act timely, transparently and ambitiously in submitting its INDC.

In terms of China's INDC commitments, the panel suggested that **possibly more important than a precise peak year or peak level, is the supporting policies that will be put in place**. Predicting a peak is inherently uncertain, but if ambitious policies are implemented as part of China's economic transition, this will provide the best opportunity for an earlier, and lower peak. For this reason, China's 13th Five Year Plan will have significant implications for China's emissions path.

The lead-up to the Paris COP is very different from the lead-up to the Copenhagen meeting. The climate policy community learned from the Copenhagen experience, meaning that all stakeholders are much better prepared this time around. Climate change is now also back in the headlines, including in China. This should help politicians to be ambitious leading up to the Paris COP. While the problem is worse than it was six years ago during the Copenhagen conference, there are other changes that are positive for the negotiation process. Perhaps most importantly, China and the US are deeply engaged on the issue and working together. In addition, important new analysis has become available that demonstrates viable and economically affordable pathways, especially the New Climate Economy report. All panellists agreed that climate change can no longer be considered a problem that is discussed and dealt with through a single conference. It must be an ongoing and iterative process.

The replacement of Xie Zhenhua as China's representative at the UNFCCC meetings is a pity, in the sense that Xie has been a strong and positive force to progress climate change action in China. On

the other hand, this will not hold China back from further progress. The panel suggested that given his background, **the new “climate change minister” may have even more scope to impact the direction of investment and finance** which would be an important practical asset to help achieve China’s goals.

While some suggest that INDCs should not include adaptation measures, the panel suggested that this is important for developing countries, given the need for them to consider adaptation as part of a comprehensive approach to climate change.