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### 14/12/15

## The Non-Binding Paris Deal And Its Implications

### After Paris: China's New Coal Boom In Asia



TOLD YOU SO!

The real battle about the implications of the Paris climate agreement has just begun. The fuzzy and essentially aspirational deal suits most governments and allows them to declare a victory. Its woolly and non-committal form, however, poses a serious challenge to the EU's and Britain's climate policy framework. The Government has been clear that the UK may revise the fourth carbon budget in light of developments in the EU. If member states refuse to turn the 2030 pledge into nationally binding targets, we can expect Mr Osborne to finally achieve what he has been trying for years: to revise the UK's 2025 target to more modest commitments. --Benny Peiser, The Daily Telegraph, 14 December 2015

It's is a fraud really, a fake. It's just bullshit for them to say: 'We'll have a 2C warming target and then try to do a little better every five years.' It's just worthless words.

There is no action, just promises. As long as fossil fuels appear to be the cheapest fuels out there, they will be continued to be burned. --James Hansen, The Guardian, 12

December 2015



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At the Paris climate conference, China has won praise for pledging to stop the growth of its greenhouse gas emissions by 2030, largely by reducing its use of coal. But these reductions are being undercut as Chinese state-owned companies, backed by state loans, build coal-fired power plants across the developing world despite concerns about global warming and air pollution. Once complete, the 92 projects will have a combined capacity of 107 gigawatts, more than enough to completely offset the planned closing of coal-fired plants in the United States through 2020. Coal-fueled power plants account for 68 percent of the electrical generation capacity built by China in the rest of Asia, and that figure is set to rise. --Michael Forsythe, The New York Times, 12 December 2015

The UK's global network of climate diplomats is facing the chop days before negotiations on a new UN deal to tackle global warming open in Paris. More than 100 posts are under threat, with the Foreign and Commonwealth Office (FCO) set for 25-40% resource budget cuts by 2019-20 under a spending review due out on 25 November. "The rumours - so we have been told - are they are going to axe the climate posts once the COP [Paris climate summit] is over," said Barry Gardiner, Labour's shadow climate minister. --Ed King, Climate Home, 1 December 2015

The green movement hopes that [the Paris deal] mwill produce real change, but those hopes seem likely to be disappointed. Developing countries can and will excuse their inaction by pointing to the absence of that \$100 billion slush fund, and, in any case, the governments of many developing country are surprisingly indifferent to the views of first-world NGO scolds. Much as the last great Malthusian panics (the population bomb and peak oil) quietly fizzled out, the panicky, Chicken Little aspects of the green movement are likely to fade over time. The economy of the future will produce more abundance and leave a smaller footprint than the economy we have today. It will be capitalism and innovation that we have to thank for that; fortunately, United Nations climate diplomacy isn't humanity's line of defense against eco-catastrophe. --Walter Russell Mead & Jamie Horgan, The American Interest, 13 December 2015

# 1) Benny Peiser: The Non-Binding Paris Deal And Its Implications The Daily Telegraph, 14 December 2015

The real battle about the implications of the Paris climate agreement has just begun. The fuzzy and essentially aspirational deal suits most governments and allows them to declare a victory. Its woolly and non-committal form, however, poses a serious challenge to the EU's and Britain's climate policy framework.

The problem arises because the EU failed to achieve its core objective, namely that the Paris agreement should adopt "CO2 mitigation commitments that are legally binding on all Parties." This failure has major consequences for Britain's unilateral climate policy.

As part of its Paris negotiations, the EU had offered to cut CO2 emissions by 40 per cent below the 1990 level by 2030. However, this pledge was conditional on all major emitters adopting legally binding targets.

In contrast to the Kyoto Protocol (which runs out in 2020), the new accord no longer includes legally binding CO2 reduction targets. Instead, it is based on voluntary pledges of intentions determined and monitored by individual governments in line with their national interests.

Without legally binding de-carbonisation caps, there will be strong opposition within the EU to making its own conditional pledges legally binding. Poland and other poor member states in Eastern and Central Europe are widely expected to rebel against accepting new unilateral policies that have seriously undermined Europe's competitiveness. But if EU member states reject new binding targets for the post-Kyoto period, Britain's aggressive climate policies would stick out like a sore thumb, making them politically and economically toxic.

After all, Britain's unilateral decarbonisation policy makes no sense in the absence of the world's major economies adopting equally binding caps. As a result of the voluntary Paris agreement, both the EU and the UK will be pushed to abandon CO2 unilateralism.

That's why Amber Rudd, the Secretary of State, has promised that the government's new climate policy will no longer go it alone, but "travel in step with what is happening in the rest of the world" so that energy bills remain affordable for households, business remains competitive, and the economy remains secure.

Ms Rudd is following in the footsteps of George Osborne, who has led the fight against the fourth carbon budget. In 2011 the Coalition government, under pressure from the Liberal Democrats, set the UK's carbon budget to cover 2023 to 2027. It set out a C02 reduction of 50 per cent compared to 1990 levels by 2025 - the most aggressive target in the world and far more ambitious than the conditional EU target of 40% by 2030.

Mr Osborne has warned repeatedly that adhering to its current targets would damage Britain's economy significantly. He has pledged that the UK will no longer adopt unilateral policies that "cut our carbon emissions faster than our fellow countries in Europe."

The emissions target of the Climate Change Act may be amended if there have been significant developments in international law or policy that make it appropriate to do so. The Government has been clear that the UK may revise the fourth carbon budget in light of developments in the EU. If member states refuse to turn the 2030 pledge into nationally binding targets, we can expect Mr Osborne to finally achieve what he has been trying for years: to revise the UK's 2025 target to more modest commitments.

The Secretary of State is to be commended for stressing pragmatism over the unrealistic carbon budget. Even the Climate Change Act must logically be up for amendment given that the Paris summit rejected Europe's and Britain's key demand. The battle for rational climate and energy policies has just begun.

Benny Peiser is the director of the Global Warming Policy Forum



TOLD YOU SO!

## 2) After Paris: China's New Coal Boom In Asia

The New York Times, 12 December 2015

#### Michael Forsythe

Coal-fueled power plants account for 68 percent of the electrical generation capacity built by China in the rest of Asia, and that figure is set to rise.

Altogether, Chinese engineering firms have built or signed contracts to build 14 coal-fired plants along the Vietnamese coast over the past five years, most of them with the help of loans from the government's China Export-Import Bank.

The building spree here is hardly unique. Since 2010, Chinese state enterprises have finished, begun building or formally announced plans to build at least 92 coal-fired power plants in 27 countries, according to a review of public documents by The New York Times.

At the Paris climate conference, China has won praise for pledging to stop the growth of its greenhouse gas emissions by 2030, largely by reducing its use of coal. But these reductions are being undercut as Chinese state-owned companies, backed by state loans, build coal-fired power plants across the developing world despite concerns about global warming and air pollution.

Once complete, the 92 projects will have a combined capacity of 107 gigawatts, more than enough to completely offset the planned closing of coal-fired plants in the United States through 2020. The expansion is the equivalent of increasing China's own coal-fired electricity output — already more than twice as much as any other country's — by more than 10 percent.

The overseas push comes as China's state engineering firms are struggling with declining profits and a glut of coal-fired power plants at home, where economic growth is slowing. Beijing has encouraged state firms to "go out" and seek projects abroad to stay in business, increase demand for Chinese steel and bind the Chinese economy more closely with those of its neighbors. [...]

Coal-fueled plants account for 68 percent of the electrical generation capacity built by China in the rest of Asia, and that figure is set to rise, according to a recent paper that Phillip Hannam, a scholar at the Princeton Environmental Institute, helped write. By contrast, coal-fueled plants made up only 32 percent of the operating capacity built by other nations without Chinese support.

Chinese firms have also built and financed plants in South America and Africa, and this year Romania approved plans for a Chinese-built plant.

#### **Full story**

# 3) UK Climate Diplomats Face Axe After COP21 Paris Summit Climate Home, 1 December 2015

Ed King

Network of envoys working on low carbon strategies and climate vulnerability in developing countries likely to shrink after Foreign Office cuts



negotiations on a new UN deal to tackle global warming open in Paris.

The UK's global network of climate diplomats is facing the chop days before

More than 100 posts are under threat, with the Foreign and Commonwealth Office (FCO) set for 25-40% resource budget cuts by 2019-20 under a spending review due out on 25 November.

"The rumours - so we have been told - are they are going to axe the climate posts once the COP [Paris climate summit] is over," said Barry Gardiner, Labour's shadow climate minister.

## Full post

## 4) A Manufactured "Success" In Paris

The American Interest, 13 December 2015

Walter Russell Mead & Jamie Horgan

The Paris negotiation was always a distraction from the real work of reducing humanity's planetary footprint.

Is that green smoke we see above Notre Dame? That can only mean one thing . . . we have a climate deal! Climate delegates in Paris approved an agreement this afternoon to much cheering, back-patting, and triumphant quote-giving. The New York Times reports:

After a day of stops and starts, Mr. Fabius, the president of the climate conference, declared that there was a consensus and struck down the gavel at 7:26 p.m., a surprisingly abrupt close to formal proceedings that had threatened to last into the night. [...]

The new deal will not, on its own, solve global warming. At best, scientists who have analyzed it say, it will cut global greenhouse gas emissions by about half what is necessary to stave off an increase in atmospheric temperatures of 2 degrees Celsius, or 3.6 degrees Fahrenheit. That is the point at which scientific studies have concluded the world will be locked into a future of devastating consequences, including rising sea levels, severe droughts and flooding, widespread food and water shortages, and more destructive storms.

The agreement is a far cry from the binding international treaty eco-activists envisioned in the run-up to the summit. Instead, it is the codification of national pledges called Intended Nationally Determined Contributions (INDCs) made by UN members. These pledges trickled in in advance of the conference and, according to the treaty (which you can read here), countries "shall communicate a nationally determined contribution every five years." Instead of the UN's setting targets for individual countries to adhere to, nations are charged with creating their own plans themselves, and updating those plans every five years going forward.

But for many greens, the reality is now sinking in of just how watered-down this "successful" summit really was. The NYT has more:

Several thousand climate activists from across Europe and many from farther afield gathered peacefully near the Arc de Triomphe on Saturday to protest the outcome of the COP 21 climate conference about 12 miles away. [...]

Even as the delegates at the official conference center reached a landmark accord and applauded their achievement, the crowds on the street made clear their belief that it would take much more than the measures in the deal to halt global climate change.

Expect this feeling to deepen within the environmental community in the coming weeks as the treaty's wording is parsed and its implications are spelled out. And from the greens' perspective, it's not hard to understand the dissatisfaction. As Bjorn Lomborg pointed out before the conference began, the sum total of INDC commitments through 2030 would only reduce warming by 0.048 degrees Celsius by the end of the century, and those commitments extended out through 2100 would cut global temperature rises by just 0.17 degrees Celsius. These are not the sorts of numbers the environmental movement wanted to see.

Overall what came out of Paris was the diplomatic equivalent of a New Year's resolution to go on a strict weight loss regime involving no more than six chocolate eclairs between meals. But the negotiators did pay some attention to one green concern: The goal has been lowered. Instead of pretending to take actions that will hold the total temperature increase down to 2 degrees Celsius, we will now, in the words of the document, solemnly pretend to "[pursue] efforts to limit the temperature increase to 1.5 °C." There was, however, no mechanism specified to reach this target; nobody volunteered to adopt more aggressive decarbonization policies to implement this change in the real world. In other words, the world announced that it intends to lose weight on the same six eclair diet as before.

There was little hope for any other outcome. World leaders can spin this however they like, but the real meaning of the Paris agreement is that the world is as far from adopting the kind of climate strategies greens want as ever. The world's governments (with a handful of exceptions) are determined to go their own way on climate policy, whether that makes greens happy or not.

It's also worth noting that the annual \$100 billion climate fund, established with great fanfare in 2009's failed Copenhagen summit as a way for the developed world to help the developing world cope with the effects of climate change, wasn't exactly enshrined in "legally binding" language. From the relevant section (Article 9, paragraph 3):

As part of a global effort, developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts.

Notice the distinct lack of specific numbers there, and the aspirational tone. The world's advanced countries, so theoretically keen to address the evils of climate change, have refused to commit themselves to handing over the cash. This won't just disappoint developing countries looking for compensation for growth-restrictive ecofriendly policies; it's a bitter blow to the "greentrepreneurs" whose long-term goal remains to use climate politics to mandate huge subsidies for inefficient green tech (like ethanol). Getting taxpayers in the developed world to subsidize inefficient green energy generation in the developing world remains the key goal of many of the investors and money people funding a lot of the climate movement. In the run-up to this summit, we saw the UN rush its first eight climate fund projects through an expedited review process in an attempt to allay the developing world's concerns. In reality, that sort of shoddy green-lighting only exacerbated the developed world's concerns over the fund, and now the world's rich countries have once again backed away from it, perhaps wisely so.

Hypocrisy is the necessary lubricant of international life, and the Paris agreement is about as well lubricated as they come. Nobody is serious about this "agreement," but

the diplomats have agreed that a hollow facade of an agreement is preferable to the PR disaster that failure would have been. There will no doubt be many follow-ups, jet-setting conferences in many more attractive destinations, and climate diplomacy will continue to produce more greenhouse gasses than climate agreements block.

What we will now see is various world leaders striking inspiring historical poses. With Libya in ruins, Syria in flames, Ukraine on the brink, and ISIS on the march, President Obama and Secretary Kerry are particularly eager to convince themselves and the public that the Paris Accord is an actual accomplishment. But historians are likely to agree that the Accord abolished climate change the way that the Kellogg-Briand treaty ended war.

This isn't the game changer many observers hoped it would be, though the establishment of regular updates of those INDCs already makes it a step forward from Copenhagen. Now the world's governments will have to endure self-righteous tongue lashings from self-righteous greens at regular intervals. The green movement hopes that this will produce real change, but those hopes seem likely to be disappointed. Developing countries can and will excuse their inaction by pointing to the absence of that \$100 billion slush fund, and, in any case, the governments of many developing country are surprisingly indifferent to the views of first-world NGO scolds.

The greatest consolation for those who are concerned about climate change is that the Paris negotiation was always a distraction from the real work of reducing humanity's planetary footprint as our prosperity grows. The Chinese are rich enough now to care about how filthy their air is; that will drive change more than anything that happens in Paris. Fracking has made natural gas cheaper and more reliable than coal in the United States. Online shopping is keeping people home from the malls, and more and more workers are working remotely. Down the road, more changes will come as the world shifts from a manufacturing economy based on metal bashing to an information and service economy. Technological change is also coming: self-driving cars, renewable energy that can actually compete with fossil fuels without generous government subsidies, genetically modified plants that don't need fertilizer or pesticide, safe nuclear power. Always and everywhere, capitalism is pushing companies to produce more goods using fewer raw materials and energy, and generating less waste.

Much as the last great Malthusian panics (the population bomb and peak oil) quietly fizzled out, the panicky, Chicken Little aspects of the green movement are likely to fade over time. The economy of the future will produce more abundance and leave a smaller footprint than the economy we have today. It will be capitalism and innovation that we have to thank for that; fortunately, United Nations climate diplomacy isn't humanity's line of defense against eco-catastrophe.

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