



# EU-ASIA DIALOGUE

*Shaping a Common Future for Europe and Asia –  
Sharing Policy Innovation and Best Practices in Addressing Common Challenges*

## Conference Report

# “The world after Warsaw - What prospects for achieving a global climate agreement by 2015?”

**BRUSSELS, BELGIUM, 5 DECEMBER, 2013**





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## **Report**

### **Policy Panel**

#### **"The world after Warsaw - What prospects for achieving a global climate agreement by 2015?"**

On 5 December, 2013, the EU-Asia Dialogue organized a policy panel on "The world after Warsaw - What prospects for achieving a global climate agreement by 2015?" in Brussels, Belgium. Four distinguished speakers from Europe and Asia discussed the outcomes of the most recent Conference of the Parties of the United Nations Framework Convention on Climate Change in Warsaw.

**Artur Runge-Metzer**, Director for International and Climate Strategy in the Directorate General for Climate Action at the **European Commission**, said that, to outsiders, the Warsaw meeting had appeared a failure. That is not the view of those involved. It is necessary to look at the larger picture and see the progress made in addressing climate change since the problem had been recognised in 1992.

He noted that many countries are now at the stage the European Union was after Kyoto 14 years ago, while the EU is accelerating with its policies. Warsaw was important since all participants had agreed to come forward with contributions in early 2015. They recognised that this is a necessary condition for an agreement that year in Paris.

However, expectations are very different. For developing countries, contribution does not just mean reducing emissions but also how they will be helped with finance and technology for adaptation measures. He wondered how this would be sequenced and who would make the first offer. What the EU puts on the table next year for its 2030 climate and energy package will have wider implications. If the targets would be low, then other G20 members would also start from a low base. What is needed is extensive discussion – "climate diplomacy" – among the G20 major economies to develop a common understanding on how to take matters forward. The following step would require the next 20 to 40 economies in the world to make pledges. "They will have to be part of the Paris agreement." This should include China and "little tiger economies" such as Vietnam, Malaysia and the Philippines. Asia is a highly important partner for the EU and constructive engagement between the two could create the necessary momentum to raise ambition for Paris.



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**Run Wang**, Professor at the Institute of Urban Environment, **Chinese Academy of Sciences**, pointed out that there are many issues from Warsaw which China is not satisfied with, but could accept. China's priorities had been to take concrete action to implement the results of the Bali road map negotiations on mitigation, adaptation, funding, technology, reviews and transparency and see developed countries honour the pledges made.

He noted that disagreements between the US and China represents one of the biggest obstacles to a global climate change regime. That conflict could be seen in Warsaw. At one point, the Chinese delegation, along with the G77 group of developing countries, walked out of the negotiations because of disagreements over finalising details to reimburse developing nations for climate change damage. He said that the US has always been reluctant to accept drastic emissions cuts, especially if these would place the US at an economic disadvantage to China.

China is now on track to achieve the target of reducing carbon intensity by 40-45% between 2005 and 2020. It achieved a 21% reduction in 2010 compared to 2005 levels and is on its way to achieving the 17% carbon intensity target by 2015 compared to 2010. The country's current capacity in hydro, nuclear, solar and wind power all rank first in the world, making a positive contribution to addressing climate change.

The country's new leadership and society's demand for better air quality are helping to reduce pollution and address fossil fuel issues. The Premier has outlined ten measures to curb pollution and all provinces have taken active steps to formulate mid and long-term plans to address climate change. Proposals are also on the table for an emission cap target and experimental carbon trading systems have been opened in Beijing and Shanghai with more expected in the future. "China's domestic policies are moving quickly, which means we can be more radical in international talks," he concluded.

**Abetnego Tarigan**, Director of **WALHI-Friends of the Earth Indonesia**, noted that Indonesia has one of the largest rainforests in the world and is very active on both adaptation and mitigation. The biggest source of emissions is changed land use. He considered it positive that Warsaw had agreed on decisions to help developing countries reduce greenhouse gas emissions from deforestation by pledging \$280 million to REDD+. But climate action is under the authority of the country's president and a change of president in the 2014 elections could lead to a change in policy.

He wondered how REDD+ would be implemented given that some 14 million people live in and around forests. Land rights are a strong issue and the government is heavily focused on material resources such as palm oil, nickel and gold which are main sources of income. The country, whose economy is largely dependent on exporting raw resources, has already given 11.9 million hectares to palm oil and plans to increase this to 30 million. When it comes to fossil fuels, Indonesia is a large consumer and the world's second largest exporter of coal. Marine pollution is also a problem since mining waste can be disposed directly into the sea.



**Delia Villagrasa**, Senior Advisor on Climate Change Diplomacy at the **European Climate Change Foundation**, pointed out that various political factors had weakened the outcome from Warsaw. These included the announcements of Japan and Australia that they were downsizing their commitments to tackle climate change; the lack of ambition sought by the Polish presidency; and the dominance of economic interests witnessed by a parallel conference on coal as an energy source occurring in the Polish capital at the same time.

On the other hand, the typhoon that hit the Philippines gave a spur to the climate negotiations. In addition, civil society, disappointed at the slow progress, walked out of the negotiations, and declared their ambition to continue the work at a local level and place pressure on national capitals. On the plus side, she welcomed agreement on REDD+ and the emphasis given to monitoring, reporting and verification. Against that, she pointed to the loss of a clear review period and a lack of clarity on the pledges countries are committed to make.

She emphasised that the next meeting in Peru had to agree on clear criteria and be forward looking, rather than focusing on historical responsibility for emissions. The pledges made should be seen as fair and equitable, otherwise there will be no agreement. It is essential that the EU puts down a marker on mitigation and the European Council next spring should come forward with a strong position.

## Discussion

**Run Wang** said China had to do its homework for the next round of negotiations and put something on the table for the Paris meeting. He pointed out that Chinese emissions will peak in 2027, with 70% of them coming from industry. China is working closely with the EU as it puts emissions trading plans into place.

Asked about Indonesia's policy of fossil fuel subsidies, **Abetnego Tarigan** explained that these are designed to keep costs down. While the government would like to reduce them, this would mean increasing the minimum wage. In addition, any increase in fuel prices would have a big economic impact in Indonesia.

**Delia Villagrasa** emphasised the need for the next meeting in Peru to provide clarity on the pathway to the 2020 financial commitments. Developing countries had requested this after the use of the fast funds, but this had not been fully addressed. Without that, there would be no deal. She maintained that an EU pledge to cut emissions by 40% by 2030, as some suggest, would not be sufficient. Instead, she argued for over 50%. This would be feasible and in line with science.

On finance, **Artur Runge-Metzer** noted that the fund would be fully operational by mid-2014 and that finance for both mitigation and adaptation would be part of the Paris package. He explained that the carbon market is being used as a domestic policy tool to achieve reductions at least cost. That is what the EU is currently doing and China will do the same in



the future. Placing a price on carbon is one of the easiest ways to address the issue and prevent emissions moving from one country to another as prices will gradually converge. He warned that a lot of expectations are being placed on the leaders' September 2014 summit in New York. However, this is not a negotiating venue. The best message to emerge would be if participants pledged to be ready for an agreement in Paris six months later.



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