

The Cancun Climate-Change Summit: Implications for Chile

There were few breakthroughs at Cancun but the agreements, at least orally, restore confidence among nations and in multilateral processes. In fact, steps forward allow hoping that in the future, nations should agree a deal to replace the Kioto Protocol.

The general consent – although not free from detractors - has accepted as a real fact that if climate change is not stopped, the earth temperature may raise considerably by the end of the century. Particularly, although climate forecast is subjected to uncertainty, it is esteemed that a duplication of the atmospheric CO₂ will generate a warming between 1.8 and 4 Celsius degrees.

If this forecast is hit, consequences may be devastating. Among others, the rising of the sea level, changes in the precipitations and the isotherm levels, glacier thawing, desertification, disappearance of plant species, etc., may cause important economic losses that the ECLAC has esteemed in at least 1% of the annual GDP for the Latin American region between 2010 and the end of the century.

According to the estimates of the Intergovernmental Panel on Climate Change (IPCC), in order to avoid strong changes, temperature must not increase more than 2°C in relation to the averages of the pre-industrial era. As it is presumed that climate change has been caused by human activities, it has been agreed to take actions to reduce their impact which supposes to reduce the total amount of greenhouse gas emissions (GGE)ⁱ.

Then, the agreements outlined in this matter are not enough. The previous Summit held in Copenhagen in 2009 (COP 15) was disappointing, since members did not attain a binding deal to reduce de CO₂ emissions. Moreover, in this opportunity the United States

(U.S.A.), China, India, South Africa and Brazil signed a parallel agreement, with less demanding targets than those proposed in the Summit. The expectations for Cancun 2010 were not very high given the previous experience and the different positions of the participants: India, and some emerging countries did not accept binding deals; U.S.A. did not want restrictions that may adversely affect its labour market; China avoided measures tending to verify its progresses and Europe seemed unable to undertake efforts due to the fiscal crisis-. In fact, it seemed that a binding deal was difficult to submit.

In this context, the 16th Conference of Parties under the United Nations Framework Convention on Climate Change (COP 16) was initiated between November 29th and December 10th, where representatives from 194 nations discussed measures that must be adopted in order to counteract the greenhouse gas effects and the global warming (reducing the carbon emissions).

Results of the COP 16

Although at the Cancun Summit representatives did not reach a global binding deal, some important results were achieved which seem to be positive. Besides the consent that the climate system warming is real and caused by human intervention, which obliges to take some specific actions, some steps forward were made in specific areas:

Among the agreements – and subscribed by all the country parties (including USA and China) except Bolivia- matters such as mitigation and adaptation, financing, emission reduction due to deforestation and forest degradation (REDD+) and technology transfer, were submitted. In relation to mitigation of developed countries, it was recognized their historical responsibility for emissions. In consequence, countries from Annex Iⁱⁱ were exhorted to establish targets to reduce GGE emissions; and to inform on their fulfilment every two years, and on their emissions inventory, annually. For developing countries, it was agreed to take appropriate national mitigation actions (NAMAs) directed to attain a deviation of the foreseen emissions for a *business as usual* scenario in 2020. Memorandums on NAMAs, to be implemented by countries not included in Annex I were written, and a NAMA registry was created to look for financing. Moreover, every two years, developing countries must publish a report of their own emission registry, their mitigation actions and the aid required in order to inform their progress and developments in the emission reduction made with the financing

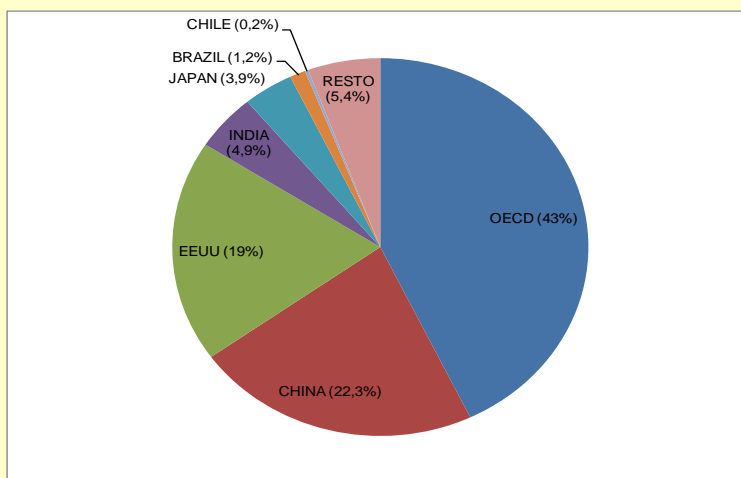
received from developed countries. In financing, the goal established by the Copenhagen Accord, in which the developed countries committed themselves to supply US\$30,000 millions to finance developing countries during the period 2010-2012 was incorporated, and a goal to raise US\$100,000 millions was established for 2010. Moreover, it was decided to propose a process in order to design a Green Fund operating under the COP guidelines, although only the basic guidelines were established.

Regarding the adaptation, the need of greater efforts and cooperation was recognized to undertake actions to reduce the damage derived from the climate change. In fact, many times measures taken for the adaptation are more cost-efficient than those of mitigation, so they deserve to receive enough resources. Progress was made to strengthen the developing countries' efforts to reduce emissions from the REDD+ actions, and some actions to promote the technology transfer were recommended, thus enabling the development and dissemination of environment-friendly technologies.

In short, some progress was made that allows to rebuild confidence in multilateral negotiations which in the future might facilitate the creation of a global binding accord that avoids a possible interruption between the first period of the Kyoto agreement, ending in 2012, and the expected second global commitment.

Chart 1

IN GLOBAL CARBON EMISSIONS' SHARE (% TOTAL, YEAR 2009)



Source: Key World Energy Statistics 2010, IEA.

Chile in the Cancun Summit

The Chilean approach was correct during its participation in the Cancun Summit. The official position was to defend differentiation between developed and developing countries and that the emission reduction is based on the historical responsibility and the capacities of the respective countries, which encourage changes in the emission patterns of the developing countries, instead of accepting quantifiable commitments of emission reduction.

Chile defended the international financing support for mitigation in developing countries in the definition of the nationally appropriate mitigation actions (NAMAs). Moreover, the representatives were ready to boost the requirements in measurement and communication matters, and seconded the extension of the use of market mechanisms (Clean Development Mechanism, CDM) towards the developed countries' emission reduction.

This position is quite reasonable for a country that has made minimum contributions to the effects of greenhouse gas accumulationⁱⁱⁱ and which also represents only 0.2% of the global emissions; this is not consistent with the acceptance of obligations concerning emission reduction matters. As for the rest of the developing countries, the former may derive in a higher cost for the economic growth with the correspondent delay in their development process and poverty uprooting.

In the COP 15 framework, Chile had just submitted an agreement to reduce 20% of its carbon emissions by 2020 in relation to the scenario projected since 2007. Therefore, this summit's goal shall focus in providing international resources to allow the development of mechanisms which enable carbon emission reductions. In consequence, the Chilean position was consistent with the results obtained in the Cancun Summit.

Nevertheless, it is possible that the Chilean position may seem insufficient and certain people would like to boost a more active action in GGE mitigation at domestic level. It must be remembered that Chile has been recognized by the Environmental Performance Index (EPI) as having a high environmental performance. The EPI is a method for measuring and numerically classifying the environmental performance of a country's policies^{iv}. According to EPI 2010, Chile obtained 73.3 points from a total of 100, reaching place Nr 16 worldwide.

Based on this indicator, it is possible to confirm that our environmental condition is, in fact, much better than the one perceived by public discussion. Chile is situated among the best 10% in the global ranking, better than countries like Germany, Japan and Denmark.

Table 1

ENVIRONMENTAL PERFORMANCE INDEX (EPI) 2010

Mundo			Latinoamérica			APEC		
1	Islandia	93,5	1	Costa Rica	86,4	1	Nueva Zelanda	73,4
2	Suiza	89,1	2	Cuba	78,1	2	Chile	73,3
3	Costa Rica	86,4	3	Colombia	76,8	3	Japón	72,5
4	Suecia	86	4	Chile	73,3	4	Singapur	69,6
5	Noruega	81,1	5	Panamá	71,4	5	Perú	69,3
6	Mauricio	80,6	6	Belize	69,9	6	México	67,3
7	Francia	78,2	7	Antigua y Barb.	69,8	7	Canadá	66,4
8	Austria	78,1	8	Ecuador	69,3	8	Filipinas	65,7
9	Cuba	78,1	9	Perú	69,3	9	Australia	65,7
10	Colombia	76,8	10	El Salvador	69,1	10	Malasia	65
11	Malta	76,3				11	EEUU	63,5
12	Finlandia	74,7				12	Tailandia	62,2
13	Eslovaquia	74,5				13	Rusia	61,2
14	Reino Unido	74,2				14	Brunei	60,8
15	Nueva Zelanda	73,4				15	Vietnam	59
16	Chile	73,3				16	Corea del Sur	57
17	Alemania	73,2				17	China	49
18	Italia	73,1				18	Indonesia	44,6
19	Portugal	73				19	Papua N.G.	44,3
20	Japón	72,5						

Source: Yale University

In brief, Chile has demonstrated a good environmental performance and it is expected that it will improve over time, since the international evidence suggests that as the income level increases, the environment quality also improves. So, it is important to continue in the track of cooperation in the international agreements which pursue the improvement of the world's environmental conditions, but always guaranteeing that the development capacity is not constraint by restrictions that are not consistent with the country's social and

economic conditions. In other words, the climate change must not be used to sentence countries to the underdevelopment.

Conclusions

There were few breakthroughs at Cancun but the agreements, at least orally, restore confidence among nations and in multilateral processes. In fact, steps forward allow hoping that in the future, nations should agree a deal to replace the Kioto Protocol. So, a better position was attained in the light of South Africa 2011 (COP 17).

This is an important fact, because the only way to progress in environmental matters is through a global deal since the carbon presence in the atmosphere influences the climate change, independently from where it is produced; in consequence the emission reduction will only be achieved through a global agreement.

What is worth highlighting in relation to the Cancun Summit is the confirmation of Chile as a vulnerable country, and that the most rich and developed countries must help developing countries with the necessary financing which allows reducing emissions. Developed countries are the main responsible of the current pollution. Given the least responsibility and resources scarcity, Chile and other developing countries require international resources to fulfil their emission reduction targets.

A challenge which is still pending in the international negotiation framework is to define if the emission reduction is actually the most efficient mechanism or if the world should put forward a carbon tax. This may be eventually more simple and transparent, and the market shall have to look for more cost-efficient solutions for the nations' economic development.

ⁱ A report from the United Nations for the Environment Program (UNEP) indicates that the target by 2020 should be that the atmosphere sustains 44 gigatons of carbon dioxide equivalent but if nothing is done the atmosphere would sustain 56 gigatons of carbon dioxide equivalent.

ⁱⁱ Countries included in list of Annex I are: Germany, Australia, Austria, Belarus, Belgium, Bulgaria, Canada, Croatia, European Union, Denmark, Slovakia, Slovenia, Spain, U.S.A., Estonia, Russian Federation, Finland, France, Greece, Hungary, Ireland, Iceland, Italy, Japan, Latvia, Lithuania, Liechtenstein, Luxembourg, Monaco, Norway, New Zealand, Netherlands, Poland, Portugal,

United Kingdom of Great Britain and Northern Ireland, Czech Republic, Romania, Sweden, Switzerland, Turkey, Ukraine.

ⁱⁱⁱ Countries included in Annex I are responsible for 74% of GGE emissions since 1850 to 2006.

^{iv} The EPI as well as its predecessor, the Environmental Sustainability Index (ESI), was developed by the [Yale University's Center for Environmental Law and Policy](#) in collaboration with [Columbia University's](#) Center for International Earth Science Information Network. Version 2010 ranks 163 countries. Variables considered are divided in two big targets: environmental public health, and ecosystem vitality and management of natural resources.