

Distribution of the remaining carbon budget must be the basis of climate talks

Kuala Lumpur, 24 Dec (Hilary Kung) – Experts from developing countries pointed out that the focus of climate talks must be on how the remaining carbon budget, based on equity and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) is distributed between developed and developing countries. They also revealed the inequity of the global mitigation targets, adopted from the scenarios of the Intergovernmental Panel on Climate Change (IPCC).

This was stressed by **Dr. Tejal Kanitkar** from **India**, at a side-event held on 1 Dec. 2023, co-organized by the Third World Network (TWN) and the government of Bolivia during the recently concluded climate talks in Dubai, UAE.

The event was moderated by **Meenakshi Raman**, Head of Programmes of TWN, and was joined by **Diego Pacheco** from Bolivia, who is also the spokesperson for the Like-minded developing countries (LMDC), **Dr. Tejal Kanitkar**, an associate professor from India, **Professor T. Jayaraman**, a senior fellow at M S Swaminathan Research Foundation (MSSRF) in India, and **Andres Mogro**, an expert on climate finance from Ecuador.

In her presentation on “Deconstructing the global mitigation targets and enabling global just

transition”, Kanitkar said the carbon budget is the best available science which should be the global collective goal; not the “reduction in greenhouse gas (GHG) emissions by 43% by 2030”. How to distribute the remaining carbon budget based on equity and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) should then be the focus of the climate talks, she added.

Explaining further, Kanitkar said developed countries refused to speak about their overuse of the global carbon budget and historical responsibility; instead they focus on targets like (a) reduction of emissions by 43% by 2030 (based on 2019 levels); (b) peaking of emissions by 2025; (c) global net-zero emission by 2050; (d) tripling of global renewable energy (RE) capacity by 2030 and (e) doubling energy efficiency by 2030.

(Some of these global mitigation efforts have been accepted in the decision adopted under the global stocktake (GST) on Dec. 30 at the conclusion of the Dubai talks). (See here for the [outcome of the first GST.](#))

Said Kanitkar further, “However, you can't talk about the fact that you need urgent action for the 1.5 °C limit without talking about why is it that you need urgent action today? We wouldn't have

needed urgent action if we weren't at 1.1 °C already. So, the fact that you have such little carbon budget left is the reason why we are under so much pressure today."

"It's high time we start deconstructing some of these targets and start talking about what are the real challenges that actually emerge, especially in the context of meeting all of these targets equitably, either in this decade or the next decade or in the foreseeable future," urged Kanitkar.

Kanitkar explained that the call for "reduction in GHG emissions by 43% by 2030" came from the median value of the global modelled scenarios that have been assessed by the 6th Assessment Report of the IPCC. "There are about 97 scenarios that the IPCC assessed, with a 50% probability, to limit warming to 1.5 °C in this century. The median of these scenarios suggested a 43% reduction in GHG emission by 2030. However, these scenarios assume that developing countries have extremely high contribution to mitigation in this decade," added Kanitkar further.

"Sub-Saharan Africa, for example, is expected to reduce emissions by 80% in this decade; whereas North America and Europe are to reduce emissions only by 50%, which is what they've said they would do in their nationally determined contributions (NDCs)," explained Kanitkar further.

Kanitkar also said that the scenarios assume that "over 70% of the (carbon dioxide) removal is supposed to come from developing countries, largely from Asia and Sub-Saharan Africa." Under the most stringent 1.5 °C scenarios, the number of people at risk of hunger is going to increase because of land use conversion from food crops to energy crops (land-based mitigation that is assumed in these scenarios including carbon dioxide removal through bioenergy, carbon capture and sequestration)"

According to Kanitkar, under the IPCC scenarios, Annex-I is expected to do 43% reduction; and non-Annex-I is expected to do a 45% reduction. "What this means is that eventually, developing countries will provide the negative emissions that are required to sustain fossil fuel emissions, oil and gas use in the developed world," said Kanitkar.

The alternative scenario constructed by Kanitkar and team, which adheres to the carbon budget of 500 gigatonnes to limit warming to 1.5 °C, requires the developed countries to do immediate, sustained and rapid reductions right now in this critical decade (to reduce by at least 96%); while the non-Annex-I emissions can have a small increase of 9% to 12% (not their fair share but a little more equitable than what the IPCC scenarios say).

In the IPCC scenarios for 2°C limit, Kanitkar pointed out that the extra budget is also allocated to the Annex-I countries. In other words, developed countries get to reduce a little slower; but again, if we can have Annex-I reduce more rapidly, there will be little more room available for non-Annex-I countries, she explained.

(Annex-I Parties to the UNFCCC include the industrialised countries that were members of the [Organisation for Economic Co-operation and Development] in 1992, plus countries with economies in transition [the EIT Parties], including the Russian Federation, the Baltic States, and several Central and Eastern European States. Non-Annex-I are all the developing countries).

Regarding the peaking of emissions by 2025, Kanitkar, again highlighted that "It's only with very high (levels of) emissions reductions in Annex-I countries to reach net zero by early 2030s that the developing countries get a little bit of room to peak a little later in early 2030s".

"If you burden Annex-I countries more in these scenarios, developing countries won't have to peak by 2025....We are scientists in the Global South; whatever it is, even if we're talking about equity, we understand that we need to limit warming. We need to address climate change...and therefore we need to adhere to science and science tells us that we have a very limited carbon budget....The peaking (for developing countries in the alternative scenario) doesn't get delayed too much beyond 2030," explained Kanitkar.

As for the tripling global renewable energy (RE) capacity, Kanitkar said "The real question to ask is where is this capacity going to be built? The electricity demand is highly varied across developed and developing regions. Developed

countries don't have very high growth in demand. Developing countries have much higher growth and demand to catch up with their development needs, building infrastructure, building schools, roads, hospitals, housing, etc. All of that requires higher energy. Capital-scarce countries are going to have higher energy demand growth in the near term. If the United States (US) retains its existing fossil fuel capacity, it will require only 26 gigawatts to meet its additional demand, unless the tripling target goes hand in hand with a phase-out of fossil fuels in the developed countries, a large chunk of the burden of this tripling RE capacity is going to fall on developing countries because that's where the new capacity is going to be needed."

Finally, on the doubling energy efficiency by 2030 target, Kanitkar explained that energy efficiency is typically calculated at the firm level; but at the national level, the proxy that is used is the energy by GDP ratio.

Using the example of the US, Kanitkar pointed out that the reduction of energy intensity by 58% in the US between 1965 and 2018 was partly due to the movement from manufacturing to the services sector and improved technology, among others.

"But their fossil fuel carbon dioxide emissions have increased by 58% in this period. So energy efficiency target doesn't guarantee a reduction in emissions....Because our main target has to be emissions reductions. And so, a doubling of energy efficiency really doesn't guarantee this. It is also a factor of development, right?" asked Kanitkar.

Elaborating further, she said, "Countries tend to have a higher and increasing trend in energy efficiency or energy intensity at a certain stage of development. When you have small and medium sector enterprises (SMEs), for example, it's much harder for SMEs to achieve energy efficiency or harder for them to use new technology and improved technology. You will have capital constraints. But once you achieve [economies of] scale, it becomes easier. So, the question remains, again, who is going to be burdened? If those with currently high levels of energy intensity, are they going to be expected to do more to achieve this energy efficiency target? This means those with, for example, SMEs are going to find it much more challenging. So, there are actual implementation

challenges of these targets, (though) they might look great on paper."

Kanitkar also highlighted the significant lack of any kind of effort in the decades between 1990 and 2020. Annex-I countries emitted 47% total GHGs (without Land Use, Land Use Change and Forestry -LULUCF) between 1991-2020 when they were supposed to take the lead in mitigation after the adoption of the UNFCCC, and this is why developing countries speak about the pre-2020 pledges and gaps.

Further, she said, "The Annex I Parties which constitute about 19% of the global population are responsible for 68% of the historical carbon emissions, whereas the non-Annex I Parties which are 81% of the global population are responsible for only 32% of the historical emissions till 2019. (But) the historical shares are not stated as clearly in terms of developed and developing countries because you have developed countries refusing to speak of developed and developing countries. They want to break down this differentiation and not speak about the Convention that talks about this differentiation."

NEED TO TAKE INTO ACCOUNT HISTORICAL EMISSIONS

Professor T. Jayaraman commented that the developed countries refused to speak about the Convention and pre-2020 commitments, especially in the GST, where it is like the straw that broke the camel's back, blaming "the last straw" (i.e. on the developing countries) that caused the climate crisis.

"The PA did not start from just nowhere", said Jayaraman, explaining that "the stark fact is that 1.1 °C of warming above pre-industrial levels has already taken place, and that this is more than two-thirds of the way to the target of the 1.5 °C limit. So, if you want to come and talk about the implementation of the PA, who is responsible for this 1.1°C warming?", he asked. Going back to the camel idiom, he said "the camel is overloaded (in the first place) and then that last straw that is put breaks the camel's back, and do you say well, the straw is responsible (for the break)?"

“The first thing for the GST is to acknowledge is the pre-2020 gaps (in implementation), CBDR-RC, and historical responsibility, stressed Jayaraman further.

Elaborating further on the GST and its “ratcheting ambition”, he said, “The assumption of the narrative is that developed countries are doing things quite well in the right direction and that developing countries are required to do more ambition, and that we have to do whatever you [developed countries] are doing.”

Jayaraman reiterated that “we must assert in the GST that the forward-looking vision must be on the vision of developing countries, the way they want to develop, and we must be free to pursue low-carbon development based on a fair share of the carbon budget.”

“The other thing we need to do...is turn our attention to adaptation.... We need to adapt. What we cannot do by way of adaptation will result in loss and damage,” stressed Jayaraman further.

Expressing his frustration with adaptation finance, he explained, “Adaptation is the first and foremost necessity. We have turned our backs on adaptation..... Adaptation finance used to come from the proceeds of the Clean Development MechanismSo, it is our money earned through carbon credits in terms of the Kyoto Protocol arrangements that provided for adaptation,” he recalled, calling this “a joke”.

Commenting on the use of the term “transformational adaptation” in the discussions on the global goal on adaptation (GGA), Jayaraman said if one looks up the definition of transformational adaptation in the IPCC, it tells us to be prepared to “change the social and economic structures of society to respond to climate change”. He questioned this, saying that “South Asia only has 4% of global cumulative emissions with 17% of the population.”

He explained that “if developed countries had the same per capita emissions as South Asia, we wouldn't have a climate crisis at all” adding that “developing countries are being asked to change our society, our social and economic structures, our social arrangement in order to cope with the

emissions from the developed world.”

He then explained that there is not enough global carbon budget left and also not enough money for the developing countries to do the same and so, there is no need to talk to developing countries about transformational adaptation.

On maladaptation, Jayaraman said (he and his team) have been analysing all the examples in the IPCC and will publish a report shortly.

“So, what is the definition of maladaptation? Does it mean no increase in emissions? So how do I build houses to protect people from extreme weather if I cannot have any emissions at all, when using concrete?” asked Jayaraman.

He concluded by saying that “we need a sensible and equitable just framework, a non-prescriptive, Party-driven, Party-implemented process that promotes adaptation across the world backed by adequate provision of finance, technology, and knowledge, which is very important, and the capacity to cope with the future.”

Commenting on developed countries refusing to talk about the Convention, he said “In fact, to be a member of the PA, you have to be a signatory to the Convention.”

EROSION OF EQUITY AND CBDR

Diego Pacheco spoke about the UNFCCC which put together the rules of the game to solve the crisis 30 years ago by establishing the legal obligations and commitments of the countries to solve the climate crisis. The developed countries have obligations to reduce GHGs and to provide finance to developing countries to address the climate crisis; developing countries were invited to make all the needed efforts to combat the climate crisis but contingent upon the provision of finance, technology transfer and capacity building.

“[But] developed countries started challenging the Convention and the understanding of the Convention on how to deal with the climate crisis,” he said further and also recalled how the Like-Minded Developing Countries (LMDC) was formed in 2013 and engaged fully towards having what now is called the Paris Agreement (PA). He also

recalled attempts made in Glasgow in 2021 at COP 26 to dilute and re-write the PA, which was resisted by developing countries.

Pacheco also questioned the push for global mitigation targets like “peaking by 2025 for all countries”, “reduction of emissions of 43% by 2030” imposed on developing countries which are not in the PA but which just maintain the inequalities in the world, widening the gap between the North and South. “That’s why the LMDC has been defending the principles of equity and CBDR-RC. It’s not new, and the principles are in the Convention and in the PA,” he stressed further.

Pacheco exposed the paradox that “We now have developed countries saying that more capitalism is the solution to solve the problems that stem from capitalism and that more markets are the solution to solve the problems that stem from markets; and that more inequality is the way forward to solve the problems of inequality in the world. That means deleting and eroding the principles of equity and CBDR [which] means having a scenario with no equity in the world. And that’s the solution to solve the problems of the climate crisis!”

Pacheco explained that “Bolivia worked hard in having Article 6.8 on non-market approaches in the PA” and “we are still waiting and fighting for having direct access to the (resources of the) GCF”.

He said that “we are very tired of waiting, but we need finance in order to deal with the climate crisis, and we need more justice in the world.” Adding that “we are going to continue fighting for the implementation of the PA, and that each COP, we are going to continue fighting for implementing the PA and the Convention, which means achieving some climate justice in the world,” said Pacheco further.

CLIMATE FINANCE OUGHT TO BE NEW, ADDITIONAL AND NON-DEBT CREATING

On climate finance, **Andres Mogro** said officially, it is the financial resources that are flowing from developed to developing countries for climate action and commitments coming from developed countries to provide new and additional financial

resources to meet agreed full costs incurred by developing countries.... (but) new and additional has always been a difficult concept to negotiate because it implies not duplicating resources that are already being reported elsewhere.

Commenting on the newly operationalised Loss and Damage Fund (LDF), Mogro warned that “pledges are not actual deposits into the Fund” [and] we’ve had pledges in the past that have been outstanding forever like the pledge of the US to the Green Climate Fund(GCF), (where the first pledge by President Obama has not been fully realised.)

“But the bigger issue for me in the LDF has to do with governance and with the capacity of the Fund to improve its access to local communities,” said Mogro.

On the new collective quantified goal (NCQG), Mogro said it is a decision from the Paris Agreement (PA) to have a process to set up a new goal on climate finance and by new we meant a goal that would supersede and replace the goal that we have \$100 billion a year by 2020 (now it became 100 billion a year by 2025 and it is still not there).

Adding further, he said, “The new goal opens up conversations on two things: quantitative issues and qualitative issues. The quantitative issue come from official sources like the biennial transparency reports next year, but we do have a report from the Standing Committee on Finance (SCF) assessing the financial needs of developing countries to implement their nationally determined contributions (NDCs). The SCF report speaks of a value between \$5 and 11 trillion dollars (needed by developing countries), which is about \$400 to 500 billion a year.

Mogro then said the bigger thing is the quality of finance. “Over 90% of finance goes to mitigation” and “the same number is reimbursable (because) it’s external debt; so we’re quantifying the outflow of those resources to developing countries but we won’t (be) quantifying the inflow back into developed countries and that brings out a bigger question as to who is paying for climate action worldwide, when most of the climate finance that is being channelled is debt, and we’re having a new wave of external debt in developing countries right

now from climate action,” he said further.

On Article 2.1(c) and the role of the private sector, Mogro commented that the private sector will only finance things where they can get financial revenue but if there is no revenue, the private sector has no reason for being there and in adaptation, it is much more difficult to get revenue than in mitigation. (Article 2.1(c) deals with the goal of “making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.”)

He said further that while “we should have all of our investments be as green as they can, but if we end up counting for all of that and putting a number on Article 2.1(c), then if it's the same number as the NCQG...we're just doing an accounting game....We,

developing countries, are the ones paying for climate change, are the ones acquiring debt and developed countries are just washing their hands of everything that we've agreed to.”

*You may access the recording of the side event [here](#).

* Briefing paper by T. Jayaraman and Tejal Kanitkar on the Global climate targets: Peaking, emissions reduction and renewable energy is [here](#)