October-November, 2015
BPC Policy Brief - V. 5 N. 11

BPC Policy Brief

The BRICS on the road to COP 21

Alice Amorim, Beatriz Mattos, Maureen Santos e Paula Morales

BRICS Policy Center Centro de Estudos e Pesquisas - BRICS

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BRICS Policy Center/Centro de Estudos e Pesquisas BRICS
Rua Dona Mariana, 63 - Botafogo - Rio de Janeiro/RJ
Telefone: (21) 2535-0447 / CEP/ZIP CODE: 22280-020
www.bricspolicycenter.org / bpc@bricspolicycenter.org

BPC Team

GENERAL SUPERVISOR
Paulo Esteves

ADMINISTRATIVE COORDINATOR
Lia Frota e Lopes

ADMINISTRATIVE ASSISTANT
Bruna Risieri

COMMUNICATION ANALYST
Camila Bourgard

DESIGN
Felipe dos Santos

BPC Policy Brief V.5. N.11 - October - November/2015. Rio de Janeiro. PUC.
BRICS Policy Center
ISSN: 2318-1818
13P ; 29,7 CM
1. Climate change 2. COP 21 3. INDC
4. Adaptation 5. Climate finance

BRICS and Climate

The impact of the actions of the countries that constitute the BRICS goes beyond the scope of the economic sector, reaching, among others, the socio-environmental agenda through issues such as the exploitation of natural resources, land use, the promotion of rights as a crucial part of this agenda, and most of all climate change. Hence the growing need, in recent years, to promote researches and disseminate.

In order to engage this debate and contribute positively to the climate agenda, the BRICS Policy Center and the GIP—Gestão e Interesse Público Pesquisa e Consultoria—have established a partnership aiming at stimulating and strengthening researches and debates between scholars, civil society, government, and other sector of Brazilian society on the subject. This is the context in which the BRICS and Climate project is born.

BRICS and Climate Team

SUPERVISOR
Paulo Esteves

RESEARCHER
Maureen Santos

RESEARCH ASSISTANT
Beatriz Mattos

GIP CONSULTANCY
Ana Toni
Alice Amorim

RESEARCH TRAINEE
Paula Morales

Instituto de Relações Internacionais · PUC RIO · RIO PREFEITURA · CNPq Conselho Nacional de Desenvolvimento Científico e Tecnológico · FAPERJ Fundação Carlos Chagas Filho de Amparo à Pesquisa do Estado do Rio de Janeiro · CAPES · OXFAM Brasil

Summary

List of Acronyms

ADP—Ad Hoc Working Group on the Durban Platform for Enhanced Action

BASIC—Group of countries uniting Brazil, South Africa, India, and China on climate change negotiations

CBDR-RC—Common but Differentiated Responsibilities and Respective Capabilities

CDM—Clean Development Mechanism

INDC—Intended Nationally Determined Contributions

IPCC – Intergovernmental Panel on Climate Change

GHG—Greenhouse Gas

GEF—Global Environmental Facility

GCF –Green Climate Fund

NAP—National Adaptation Plan

UNFCCC –United Nations Framework Convention on Climate Change

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1. Introduction

Between November 30th and December 12th of this year, in Paris, France, the 196 countries that are part of the United Nations Framework Convention on Climate Change (UNFCCC) will gather in search for consensus on a new global agreement on climate change. Their objective is to reach an agreement that might substitute the only binding instrument of the Convention, the Kyoto Protocol.

The participation of emerging countries in this process is crucial. This is not only due to their growing importance in the international system, but also to their in depth contribution to the climate crisis in recent years. Hence, they must take part in the global solution to it. Though Brazil, China, India, Russia, and South Africa do not act as BRICS in the climate negotiations, in view of the lack of comparative analysis of the positions of these countries in the climate regime, we have decided to keep Russia as part of this brief.

By analyzing the national contributions of each country, it becomes evident that climate change is absent of the BRICS agenda. Furthermore, such comparison will allow us to demonstrate how the BASIC group[1] seems to not have worked towards a substantive alignment of their positions, at least regarding the production and presentation of intended nationally determined contributions (INDCs).

The proposed analysis in this brief is divided in five parts: the first offers a short contextualization

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(*) Translation by Paulo Chamon.

(1) Agrupamento que reúne Brasil, África do Sul, Índia e China nas negociações da convenção do clima.

of the process leading to COP 21 in Paris; the second deals with INDCs from the perspective of the issue of mitigation, while the third engages the topic from the viewpoint of financing, the fourth analyzes the INDC from the perspective of adaptation; finally, the fifth section draws some recommendations to Brazilian negotiators.

2. The road to Paris

The agreement that might be approved in Paris has been under negotiation since 2010 when the Durban Platform for Enhanced Action (ADP) was launched at COP 17 (Durban). The ADP's mandate, which will expire during COP 21, has been to elaborate the constitutive elements of a new legal instrument applicable to all Parties of the Convention.

Brazilian negotiators commonly state that Paris is not the final destination, but the starting point. This because the agreement that might be adopted in Paris will not be a broad, deep, and substantial agreement on climate change, but a legally binding multilateral instrument indicating how the climate regime will function in the following years. In this sense, the COP 21 will most likely renew the mandate of the Conference of Parties, allowing the institution of specific mechanisms that, while indicated in the new text, might not be further deepened now due to deadlocks in the negotiations.

The most common critique to the climate change regime, when compared to other environmental regimes, revolves around issues of implementation and efficacy[2]. Given the difficulties around the theme, some authors consider the international regime on climate change to be a regime complex, that is, "loosely coupled sets of specific regimes"[3]. Since its establishment in 1992 and coming into force in 1994, 21 years of annual negotiations have elapsed without, however, obtaining significant advancements towards the objectives of the Convention. To these critics, the climate convention never moves from the negotiation phase to the implementation one.

The structure of the Paris agreement that has thus far been delineated is centered on obligations of conduct instead of obligations of results. In this sense, the proposal of Intended Nationally Determined Contributions (INDCs) aims to assure the universality and contribution of all the countries that are Parties to the Convention in the new agreement. More particularly, it hopes to assure the participation of the United States and China, the two largest emitters of greenhouse gases (GHG), none of which have signed the Kyoto Protocol.

From the perspective of climate negotiations, it is important to trace alignments that lays across BRICS countries. In 2007, Brazil, South Africa, India, and China created a forum for regular dialogue on the negotiations that, in 2009, at COP 15 (Copenhagen), was named BASIC. The group stands out for taking positions that are supposed to represent the interests of developing countries, and for defending the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), a principle of international environmental law agreed upon at the 1972 Stockholm Conference and an integral part of the UNFCCC.

(2) Young, O. R; Levy, M. A. "The Effectiveness of International Environmental Regimes". In YOUNG, O. R. The Effectiveness of International Environmental Regimes: causal connections and behavioral mechanisms. Cambridge: MIT Press, 1999; Keohane, R., Victor, D. "The Regime Complex of Climate Change". Harvard Kennedy School, 2010.

(3) Keohane, R., Victor, D. "The Regime Complex of Climate Change". Harvard Kennedy School, 2010, p.5.

Russia, however, does not align itself with the BASIC countries. While both Russia and BASIC agree on strongly defending the principle of CBRD-RC[4] and in invoking the "right to develop" approach, Russia aligns itself with the positions of its own negotiating scheme, the Umbrella group[5], formed by developed countries.

The secretariat of the Convention published this year a Synthesis Report[6] on the aggregate effect o the 119 national contributions communicated by 147 Parties (the EU members have informed their INDCs as a bloc). The report offers an overall view of the commitments made for the new agreement.

The main conclusion of the document confirms what most civil society organizations and scholars have been arguing: the sum of INDCs presented will not be sufficient to limit the forecast temperature rise to 2oC. On the contrary, without a revision of national contributions post-2030, estimates put the average temperature rise at 2.7oC[7].

Another important conclusion of the report relates to national efforts on mitigation and on the additional measures that could be undertaken if international financing was made available. Indeed, some countries decided to include in their INDCs both an unconditional and a conditional component for mitigation. Conditional components are usually tied to financial support, technology transfer, and capacity building, and translate into a percentage increase in national contribution. In the case of the BASIC, India and South Africa made this differentiation explicitly, while the possibility of strengthening mitigation measures was also mentioned in the Brazilian contribution.

Finally, we call attention to the commitments taken in adaptation. Over a hundred countries have presented in their INDCs adaptation efforts, pointing at key impacts and vulnerabilities. Among these countries, many have referred to their national adaptation plans (NAP). As will be presented below, all the BASIC countries have included, with more or less emphasis, adaptation actions in their INDCs.

3. The BRICS countries' INDCs and mitigation issues

In 1997, the Kyoto Protocol was signed, and established commitments to developed countries (listed in the Annex 1 of the Convention) to mitigate their GHG emissions in the short run. The commitments to be ratified in the Paris agreement cover the period post-2020 precisely because they aim to succeed the second timeframe of the Kyoto Protocol.

In 2007, at COP 13, the Bali Action Plan opened negotiations on a new agreement to regulate policies for fighting climate change in the long run. This year's Paris agreement will be the central reference point to this endeavor. One of the main questions raised at the time was the commitment of non-Annex 1 countries to implement voluntary actions to contain their emissions of GHG. This led

(4) http://www.climatechangenews.com/2013/11/12/russia-cools-talk-of-separate-loss-and-damage-climate-mechanism/
(5) http://unfccc.int/parties_and_observers/parties/negotiating_groups/items/2714.php
(6) http://unfccc.int/resource/docs/2015/cop21/eng/07.pdf
(7) http://www.carbonbrief.org/un-report-climate-pledges-fall-short-of-cheapest-route-to-2c-limit

to the understanding that, while developed countries had to deepen their national and international mitigation endeavors, shared efforts between developed and developing countries—under the principle of CBDR-RC— is necessary.

In light of the significant contribution of BRICS countries to global emissions rate (see infographic), their level of effort—or "ambition", in the jargon of the Convention—in mitigating GHG emissions has become a crucial point for the future of negotiations. The countries of the group, with the exception of Russia, are united and categorical in claiming their "rights to develop" and in pointing the need to provide economic growth and social inclusion to their citizen as a restriction to more vigorous mitigation commitments.

There are many different ways of expressing this position. China and South Africa, for instance, decided on GHG mitigation targets that account for a trajectory of peaking emissions in the next decades and for a subsequent decline (starting in 2030), while India proposed to progressively reduce its emissions per unit of gross domestic product (GDP). On its part, Brazil opted for presenting an economy-wide absolute emission reduction target defined in terms of a reduction in the level reached in a past reference year. In doing so, Brazil approaches the target demanded from developed countries, thus taking a leadership position among developing countries in the framework of the Convention. Finally, Russia decided for the least consistent contribution amongst the BRICS, taking advantage of the significant capacity of carbon capture of its vast forests to reduce emissions, as well as of the progressive decline of emissions since the end of the Soviet Union and the respective decrease in the country's economic growth.

A more detailed analysis of the INDCs of the BASIC countries in the field of mitigation is needed in order to understand their different national circumstances and challenges. For instance, the reliance on the use of coal as an energy source—and its associated high level of emissions—is crucial for some of the countries of the group, most notably China, India, and South Africa. On the other hand, emissions from deforestation and agriculture are much more relevant for Brazil's GHG mitigation efforts. All the contributions of the BASIC countries, however, suggest a willingness to assume more responsibilities and, thus, a position of leadership, in issues of mitigation. Beyond the importance of these contributions to the joint global efforts to tackle global warming, these commitments have been influencing, and will continue to influence, national policies to deal with climate change. They will guide the actions to be taken by different sectors of national economies in order to achieve the targets set in the agreement—a topic to be further expanded in a Policy Brief to be published as part of the BRICS and Climate project over the next year.

4. The BRICS countries' INDCs and climate finance

Debates on climate finance in the context of the UNFCCC concentrate in two aspects: mobilization of resources by developed countries to finance developing countries' mitigation and adaptation measures in a credible, predictable and sustainable way; and establishing a better definition of what should and should not count as contributions to the bulk of climate finance available for developing countries.

Regarding the first issue, the main financial multilateral mechanisms to mobilize climate finance are the Global Environmental Facility (GEF) and the Green Climate Fund (GCF). Since 2010, at

COP16 (Cancun), developed countries were supposed to jointly mobilize at least US$100 billion per year, through the GCF, by 2020. Although the pledges are increasing, there is still little confidence that contributions will reach this amount. Indeed, by October 2015, developed countries' pledges amounted for only US$10.2 billion[8].

Despite their high levels of economic growth in the past decade, none of the BRICS countries have pledged to contribute to the GCF. On a recent joint U.S.-China statement on climate change, the Chinese government announced a contribution of ¥20 billion to a new Fund[9], roughly matching the US contribution to the GCF.

On the second aspect of these debates, the discussion around what does or does not counts as climate finance has two dimensions: one regards the nature of the funds[10] (public, private, from multilateral banks, grants, loans, credit); the other concerns the allocation of funds between mitigation and adaptation projects. Civil society organizations across the globe and many developing countries argue that climate finance should primarily come from public sources of developed countries pledges[11]. Additionally, the distribution of resources between mitigation and adaptation initiatives should roughly be equal. Despite these claims, a recent report from the OECD suggests that private climate finance reached almost 25% of the bulk of developed countries climate finance resources, and that over 75% of it goes to financing mitigation[12].

BASIC usually stresses its developing status and, whenever possible, negotiates in alignment with the G-77 positions. The group suggests preference for public over private climate finance and has been trying to articulate common narratives on demands of financial and technological support from developed countries.

However, all BASIC countries are also regional economic powers; though they are still recipients of development assistance and finance, they are beginning to play larger roles as donors and providers as well. In addition to this, BASIC countries have been absorbing almost all sources of climate finance. A full 52% of the CDM projects that have received Issued Certified Emissions Reductions have been based in China, while India hosted another 21.5%, and Brazil nearly 8%. Along with South Africa's 0.5%, the BASIC countries together hosted over 81% of all CDM projects issued[13].

This entire context, in conjunction with their greater capacity than other developing countries to mobilize resources nationally, puts the group in an awkward position within the climate finance system.

In light of the Finance and Means of Implementation sections of their INDCs[14], it becomes clear that while the BRICS countries identify and stand for the principle of CBDR-RC, they have been

(8) http://www.greenclimate.fund/documents/20182/24868/Status_of_Pledges__2015.10.18_.pdf/18d2b006-c5ff-43b9-92a2-167ef08a3f91

(9) https://www.whitehouse.gov/the-press-office/2015/09/25/us-china-joint-presidential-statement-climate-change

(10) http://www.climatechangenews.com/2015/10/19/loans-or-grants-for-climate-finance/

(11) http://www.caneurope.org/can-and-press/873-finance-ministers-commitment-to-support-climate-action-boosts-momentum-for-the-paris-agreement

(12) http://www.oecd.org/environment/cc/oecd-cpi-climate-finance-report.htm

(13) Hochstetler, Kathryn Ann (2012) "The G-77, BASIC, and global climate governance: a new era in multilateral environmental negotiations", rev. Bras. Polít. Int. 55 (special edition): 53-69. Updated figures did not suffer dramatic changes, suggesting 58%, 12.7%, 6.5%, and 0.7%, respectively. http://pub.iges.or.jp/modules/envirolib/view.php?docid=968

(14) http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx

differentiating themselves from the other developing countries, although they do so outside of the climate change regime.

Finally, it is important to note the role of the markets in establishing criteria that may be used to foster mitigation actions. Here, we highlight mechanisms such as Cap and Trade, carbon taxes, and payment for ecosystem services (also known as payment for environmental services), among others. The debates over the role of market for financing mitigation actions is complex, with different sectors within States and civil society occupying different positions on the issue.

5. The INDCs from the perspective of adaptation

National contributions in issues of adaptation have been mostly presented through a mechanism known as the National Adaptation Plan (NAP). The NAP is a strategy drawn specifically for developing countries in order to reduce their vulnerability to the impacts of climate change by identifying their medium and long terms needs . The stated INDCs indicate a forming alignment on what is being proposed in terms of new directions for adaptation.

The IPCC defines climate adaptation as

> [t]he process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects[16].

Hence, NAPs are dedicated to developing adaptation capacities and resilience, and involve risk management calculations based on the projection of climate scenarios and on the identification of future impacts[17]. These plans are drawn by national governments, including contributions from civil society, private sectors, and other governmental agents. Among the BRICS, Brazil and South Africa have undertaken —and in the Brazilian case, continues to do so— consultations aiming to spur civil society participation in the preparation of its adaptation strategies[18].

Despite their specificities, the adaptation strategies presented by BASIC countries reveal common preoccupations and opportunities for cooperation and technology transfer both within the group and between the group and other developing countries. In this sense, it is worth highlighting five common agendas to the BASIC countries: (i) water resources management; (ii) energy; (iii) ecosystems, forests, and biodiversity; (iv) public health; and (v) agriculture.

Much remains to be done in terms of adaptation in the Convention. Despite being considered “the poor cousin” of the negotiations, the topic has been attracting growing attention from Parties in recent years. There has been an effort in the IPCC and in academic circles to push for setting qualitative targets and indicators for adaptation. However, unlike mitigation—for which both concrete objectives of GHG emissions reduction and forms of quantitative monitoring progresses

(15) http://unfccc.int/adaptation/workstreams/national_adaptation_plans/items/6057.php

(16) IPCC. *Climate Change 2014 Impacts, Adaptation and Vulnerability* (Part B). 2014, p. 1758. Available at http://www.ipcc.ch/report/ar5/wg2/

(17) http://www.mma.gov.br/clima/adaptacao/plano-nacional-de-adaptacao

(18) Idem.

have been established—the situation of adaptation measures remains much more complex. Indeed, strategies of adaptation must take into account not only pre-existing social and environmental issues and vulnerabilities in different countries, but also variations in global warming every year, as they directly impact on animal and ecosystem capacities to adapt. Hence a collective commitment to strengthen cooperation in adaptation made even more urgent considering that populations in developing countries have already been suffering the impacts of climate change.

6. Conclusions and recommendations

Despite Brazil's, China's, India's, and South Africa's continued statement of the principle of common but differentiated responsibilities as the basis for their action in the climate global regime, important shifts in their positions have been taking place in recent years. The decision to structure the Paris agreement in terms of obligations of conducts instead of obligations of results might have facilitated such changes, since this has allowed each country to present its own effort for mitigation GHG emissions and define its own strategies to implement its targets. Out of the four countries mentioned above, India maintains a more retracted position, with a less proactive role in the negotiations.

By analyzing the INDCs presented, it becomes evident that there was no explicit articulation among the BASIC countries to establish a common strategy. Furthermore, alignment with Russia seems to have been non-existent. Such approximation could have enabled more cooperation among these countries, in the sense of producing aligned positions at least of the scope of definition and presentation of their national contributions. This could have further strengthened the role of emerging countries in the climate regime.

Regarding adaptation, though still in its initial steps, the theme is gaining terrain in the negotiations and might be the greatest achievement of the Paris agreement, if it comes to be signed and ratified. Indeed, adaptation has always been seen as a national issue, internal to each country; its inclusion in the new global climate agreement would mark its internationalization and a new understanding of adaptation as an issue for collective responsibility and action. The proposals by the BASIC countries reveal at once the specificity of the theme in developing countries and their significant possibility of convergence in terms of the agenda and strategies outlined.

Finally, it is worth noting that, more often than not, the BASIC countries behave differently whether they are inside or outside the climate regime. Despite two of the countries—Brazil and China—having included South-South cooperation as elements of their INDCs, this cooperation, especially from a regional perspective, takes place primarily outside of the framework of the Convention.

Recomendações:

The engagement of BASIC in the climate regime is crucial for the maintenance and strengthening of the multilateral system achieved so far. We believe that the regime and the climate change agenda must be subject to a robust foreign policy initiative that may guarantee Brazil's position of leadership in the field. In this sense, we present the following recommendations:

• The Brazilian Government should propose a more explicit cooperation and information sharing among the BASIC countries on means of implementation, technology, and financing, in order to strengthen and give visibility to its INDC implementation.

• The Brazilian Government should emphasize the role of South-South cooperation as a mean of implementation of the Convention.

• The Brazilian Government should promote a dialogue among the BASIC countries and between these countries and the G-77 on adaptation strategies, especially on issues of: (i) water resources management; (ii) energy; (iii) ecosystems, forests, and biodiversity; (iv) public health; and (v) agriculture.

• It is necessary to open a dialogue on climate issues in the BRICS (including Russia), given the need to bring the "New Development Bank" (the BRICS development bank) to bear on issues of climate finance, as well as their relation to the governance of international financial institutions more generally.

About the authors

Alice Amorim holds a Master's degree (MSc) in Political Economy of Late Development from the London School of Economics and Political Sciences (LSE). She is the Project Supervisor for Climate Change and Development at GIP (Gestão de Interesse Público, Pesquisa e Consultoria) and a Researcher at the BRICS and Climate project at the BRICS Policy Center.

Beatriz Rodrigues Bessa Mattos Luporini, Doctoral Candidate in International Relations at the Pontifical Catholic University of Rio de Janeiro (IRI/PUC-Rio). She is also an Adjunct Professor at the Defense and International Strategic Management Department at the Federal University of Rio de Janeiro (DGEI/UFRJ) and a Research Assistant for the BRICS and Climate project at the BRICS Policy Center.

Maureen Santos, Lecturer at the Institute of International Relations at the Pontifical Catholic University of Rio de Janeiro (IRI/PUC-Rio) and Supervisor of the Socio-environmental Justice Program at the Heinrich Böll Foundation, Brazil. She is also a Researcher for the BRICS and Climate project at the BRICS Policy Center.

Paula Andrea Morales Torres, undergraduate student in International Relations at the Pontifical Catholic University of Rio de Janeiro (IRI/PUC-Rio) and research intern at the BRICS and Climate project at the BRICS Policy Center.

BRICS Policy Center Centro de Estudos e Pesquisas - BRICS

Rua Dona Mariana, 63 - Botafogo - Rio de Janeiro/RJ
Telefone: (21) 2535-0447 / CEP/ZIP CODE: 22280-020
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