SHARAKA
ENHANCING UNDERSTANDING
AND COOPERATION IN EU-GCC RELATIONS

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تعزيز التفاهم والتعاون في علاقات الاتحاد
الاوروبي ودول مجلس التعاون الخليجي

COMMENTARIES

Will the UN climate conference in Doha boost EU-GCC cooperation on climate change?

by Emanuela Menichetti

The final declaration of the recently concluded World Summit on Sustainable Development held in Rio on 20-22 June 2012 ("The Future We Want") expresses concern about the scale and gravity of the negative repercussions of climate change, and highlights the need for urgent and ambitious action.[1] The international community has widely recognised the scientific evidence that the increase in global temperature needs to be kept below 2° C compared to pre-industrial levels in order to avoid catastrophic consequences. However, international action to date has not been sufficient to prevent this ceiling from being exceeded, and global greenhouse gas emissions are still on the rise, even in years of economic downturn. If we continue on our current path, greenhouse gas emissions could actually double over the next 50 years, leading to a rise in global temperatures of 3° C on average or more by the end of the century. The annual economic damage from climate change is estimated to be 1-2 percent of world GDP by 2100, if temperatures increase by 2.5° C. There is wide recognition that inverting these trends will require stronger commitment both in the industrialized and developing world and that a wider set of countries should define binding emission reduction targets after the end of the Kyoto Protocol period.

Within this context, the EU and the GCC region represent two relevant cases worth analysing, as they display different yet complementary profiles. Enhanced cooperation on climate change between these two groups of countries would bring clear benefits to both, and lead to renewed ambition in the fight against climate change at the international level.

Greenhouse gas emission profiles and the status of climate policy in the EU and the GCC

The EU contributes about 10 percent of global greenhouse gas emissions. Between 1990 and 2010, greenhouse gas emissions excluding land use, land-use change and forestry (LULUCF) in the EU region decreased by some 15 percent, against a fall of only 8 percent achieved

1 *The Future We Want:* outcome document adopted at Rio+20, http://www.uncsd2012.org/thefuturewewant.html.

by Annex I Parties in aggregate.[2] As a comparison, over the same period greenhouse gas emissions excluding LULUCF in the United States increased by 10 percent. This means that the EU is successfully delivering on its climate commitments. Yet the global trend is of rapid growth. GCC countries, on the other hand, display rather low emission profiles in absolute value and contribute to a very minor share of total greenhouse gas emissions at world level (about 3 percent). However, they are characterised by some of the highest per capita emission rates worldwide. As an example, in 2009 per capita CO2 emissions in Qatar amounted to 40 tonnes, the highest rate in the world. The average for the GCC region is 20 tonnes, against 7 tonnes in the EU27. Furthermore, in terms of carbon intensity, the emission profile of GCC countries is almost 4 times higher than the EU27.

As non-Annex I countries to the UNFCCC,[3] the GCC countries are not compelled to any emission reduction under the Kyoto framework. However, in order to develop in a more sustainable way, GCC countries can take advantage of the Clean Development Mechanism (CDM).[4] In order for any one country to become eligible under the CDM, some basic requirements need to be respected. In the first place, its government must have ratified the Kyoto Protocol. Secondly, its participation must be voluntary and thirdly it must have established a Designated National Authority (DNA).

Table 1 shows some basic information regarding the institutional framework in the GCC countries regarding the Kyoto Protocol mechanisms, and the action implemented to date. A DNA has been established in all GCC countries. Four out of the six GCC countries have prepared an initial communication, including a greenhouse gas emission inventory, and have identified sectoral policies on mitigation and adaptation. Only three countries have issued additional communications. Strengthening capacity in this field and ensuring timely delivery of emission inventories should become one of the key priorities for GCC countries. In this respect, the EU can embody a reference model, given its highly comprehensive institutional, policy and regulatory framework.

2 United Nations Framework Convention on Climate Change (UNFCCC), *Greenhouse Gas Inventory Data*, http://unfccc.int/ghg_data/items/3800.php.

3 Non-Annex I Parties to the United Nations Framework Convention on Climate Change (mostly developing countries) are those countries which are not required to reduce their emission levels, unless developed countries supply enough funding and technology. Largest emitters, like China and India, as well as fossil-fuel rich countries of the Gulf are considered developing countries within the framework of the Convention.

4 The Clean Development Mechanism (CDM), defined in Article 12 of the Kyoto Protocol, allows a country with an emission-reduction or emission-limitation commitment under the Protocol (Annex B Party) to implement an emission-reduction project in developing countries. Such projects can earn saleable certified emission reduction (CER) credits, each equivalent to 1 tonne of CO2, which can be counted towards meeting Kyoto targets.

TABLE 1: INSTITUTIONAL FRAMEWORK FOR CLIMATE CHANGE IN THE GCC COUNTRIES

Country	Initial National Communication	Additional Communication	DNA
Bahrain	25 April 2005	15 March 2012	General Directorate of Environment & Wildlife Protection
Kuwait	Not yet	No	Environment Public Authority (EPA)
Oman	Not yet	No	Ministry of Environment and Climate Affairs
Qatar	20 June 2011	No	Ministry of Environment
Saudi Arabia	29 November 2005	25 October 2011	National Committee for CDM
UAE	2 January 2007	7 April 2010	Environment Agency - Abu Dhabi

Source: elaborated from UNFCCC, *National Communications (Non-Annex I)*, http://unfccc.int/national_reports/non-annex_i_natcom/items/2979.php

As far as the CDM mechanisms are concerned, they are still an overlooked opportunity in the GCC region, despite the enormous potential for energy efficiency, solar development, waste management and other CO2 abatement solutions. As of 1 June 2012, only 6 CDMs are registered by the CDM Executive Board, for a total CO2eq savings of about 38 million tonnes through 2020 (table 2). Some additional 20 projects are currently at validation. The United Arab Emirates (UAE) are taking the lead in the implementation of CDM projects, followed by Saudi Arabia, Qatar and Oman. There are no CDM projects in the pipeline either in Bahrain or Kuwait.

TABLE 2: CDM PROJECTS REGISTERED AND AT VALIDATION IN THE GULF COUNTRIES

Project title	Host country	Status	Project type	Credit start	Credit start to 2020 ktCO2e
Waste Management Project at Al-Amerat	Oman	At validation	Methane avoidance	01/09/2011	297
Associated Gas Recovery and Utilization at Block 9	Oman	At validation	Oil field flaring reduction	01/01/2012	7246
Al-Shaheen Oil Field Gas Recovery and Utilization Project	Qatar	Registered	Oil field flaring reduction	29/05/2007	34002

Project title	Host country	Status	Project type	Credit start	Credit start to 2020 ktCO2e
Medium Pressure Steam Condensate Recovery at Ras Laffan Power Company, Doha, State of Qatar	Qatar	At validation	Higher efficiency using waste heat	01/04/2010	71
Madinah Landfill Gas Capture Project	Saudi Arabia	At validation	Landfill gas flaring	01/01/2011	1413
Jeddah Old Landfill (JOLF) and Jeddah New Landfill (JNLF) Landfill Gas Recovery Bundled Project	Saudi Arabia	At validation	Landfill gas flaring	01/01/2012	3266
Solar Power Project at North Park Building	Saudi Arabia	At validation	Solar PV	01/07/2012	92
ADFEC 10 MW Solar Power Plant.	United Arab Emirates	Registered	Solar PV	08/06/2009	174
Biogas Technology Group Ras Al-Khaimah Landfill Gas to Energy Project	United Arab Emirates	Registered	Landfill power	11/07/2009	457
Abu Dhabi Solar Thermal Power Project, Masdar	United Arab Emirates	Registered	Solar thermal power	01/09/2011	1633
Low pressure steam generation by recovering waste heat using Heat Reclaimers at Emirates CMS Power	United Arab Emirates	Registered	Higher efficiency using waste heat	09/10/2009	1191
Implementing energy efficient measures to reduce fuel gas consumption at GASCO	United Arab Emirates	Registered	Energy efficiency in industry - petrochemicals	01/04/2011	76
Biogas based Steam Generation Project by Union Paper Mills	United Arab Emirates	At validation	Methane avoidance	01/10/2008	100

Project title	Host country	Status	Project type	Credit start	Credit start to 2020 ktCO2e
ADGAS Recovery and utilization of flare waste gases	United Arab Emirates	At validation	Oil and gas processing flaring	01/01/2011	1514
Recovery and utilization of flare waste gas at GASCO Habshan Refinery	United Arab Emirates	At validation	Energy efficiency in industry - petrochemicals	01/01/2012	303
Dubai CFL Project	United Arab Emirates	At validation	Energy efficiency in households - lighting	01/03/2012	142
UCC RAK Waste Heat Recovery	United Arab Emirates	At validation	Energy efficiency own generation - cement heat	01/01/2012	602
10MW Photovoltaic Plant in Dubai, United Arabic Emirates	United Arab Emirates	At validation	Solar PV	01/03/2012	72
Regenerative Burners for Melting Furnaces	United Arab Emirates	At validation	Energy efficiency in industry - Non ferrous metals	01/03/2012	105
DEWA Chiller Station L	United Arab Emirates	At validation	Energy efficiency service - air conditioning	01/07/2012	240
LFG Flaring Project at Dubai, UAE	United Arab Emirates	At validation	Landfill gas flaring	01/04/2012	2867
Flare gas reduction through spiking compressor at Shah	United Arab Emirates	At validation	Oil field flaring reduction	01/01/2013	881
Sir Bani Yas Wind Farm Project	United Arab Emirates	At validation	Wind	01/04/2013	328
Nour 1 PV Project	United Arab Emirates	At validation	Solar PV	01/01/2014	997

Project title	Host country	Status	Project type	Credit start	Credit start to 2020 ktCO2e
Single to Combined cycle Conversion at Al Ghail & Al Hamra power plants, Ras Al Khaimah	United Arab Emirates	At validation	Energy efficiency in the supply side - Single cycle to combined cycle	01/10/2014	949
Waste Management Project at Dubai, United Arab Emirates	United Arab Emirates	At validation	Landfill composting	01/12/2012	1509

Source: elaborated from UNEP Risø Centre, *Overview of the CDM pipeline*, updated 1 June 2012, http://cd4cdm.org/CDMJIpipeline.htm

The situation is evolving rapidly, as many GCC countries are recognizing the importance of low carbon technologies and a more sustainable energy mix both as a way to lessen environmental pressure and as a business opportunity. The establishment of MASDAR in the UAE in 2006[5] contributed to increase attention towards sustainability and climate change issues in the Gulf and Arab region. The creation of the International Renewable Energy Agency (IRENA), headquartered in Abu Dhabi, is also a sign of the renewed interest in the region by global stakeholders.

To accompany this process and boost climate policy commitments, it is of paramount importance that the EU reinforces its leadership role, by setting even more ambitious targets and adopting a comprehensive strategy which could serve as an example for other countries to follow. The 2011 Roadmap for moving to a competitive low carbon economy by 2050 is a significant step in this direction.[6] With this Roadmap the European Commission starts looking beyond 2020 and suggests that domestic emissions reductions of 40 percent, 60 percent and 80 percent below 1990 levels by 2030, 2040 and 2050 respectively should be considered as milestones in order to maintain the temperature increase within 2° C compared to pre-industrial levels. The recent analysis carried out by the European Commission on the options beyond 20 percent reductions shows that the cost of achieving a 30 percent cut by 2020 is considerably lower compared to previous estimates, particularly in the lower income Member States where the additional investments required by 2020 would be fully

5 MASDAR is a commercially driven enterprise which operates in the sustainable energy technology field. It has five integrated units dealing with carbon management projects, clean tech investments, renewable energy development, sustainable buildings and education and research. It has the ambition to become a leader in renewable energy and to turn Abu Dhabi into a global centre of excellence in the sustainable energy field.

6 European Commission, *A Roadmap for moving to a competitive low carbon economy to 2050* (COM(2011) 112 final, Brussels, 8 March 2011, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0112:FIN:EN:PDF.

compensated by avoided costs due to fuel savings.[7] These results clearly open the door to the establishment of more ambitious policies, fostering innovation and competitiveness. However, the current economic crisis is a significant barrier to the financing of low carbon technologies. Establishing a stronger partnership on low carbon technologies between the EU and the GCC could help mobilize capital, both through private investments and sovereign funds, which are starting to show an interest in clean energy investment opportunities. Furthermore, the possibility to achieve the EU climate policy targets through the use of flexible mechanisms[8] represents an additional incentive to closer collaboration between the EU and GCC. This is in line with the post-2012 strategy outlined by the EC in its 2005 Communication "Winning the Battle Against Climate Change".[9] Following the publication of this Communication, EU Heads of State and Government at the European Spring Council in March 2005 and subsequent Environment Councils reiterated the need to cooperate strategically with third countries, with the Spring Council highlighting in particular the need to consider ways to effectively involve major energy-consuming countries, including those among the emerging and developing countries.

Status of EU-GCC cooperation and conclusions

The EU and GCC established bilateral relations through a Cooperation Agreement signed in 1988.[10] The objective of this agreement was to bolster stability in a strategic region for the EU and to facilitate political and economic relations. It aims at broadening economic and technical cooperation in several sectors including energy, industry, trade and services, agriculture, fisheries, investment, science, technology and environment. Cooperation on climate change is not specifically mentioned in the text, but is rather approached indirectly under the activities envisioned in Article 6, dealing with energy.

More recently, the joint action programme 2010-2013 specifically includes climate change among the main topics for cooperation between EU and GCC. [11] In particular, the

7 European Commission, *Analysis of Options beyond 20% GHG Emission Reductions: Member State Results* (SWD(2012) 5 final), Brussels, 1 February 2012, http://ec.europa.eu/clima/policies/package/docs/swd_2012_5_en.pdf.

8 The flexible mechanisms have been developed under the Kyoto Protocol scheme to allow countries with emission reduction commitments to reach their targets through market-based instruments. Emission trading, Clean Development Mechanisms and Joint Implementation are the three flexible mechanisms envisaged by the Kyoto Protocol.

9 European Commission, *Winning the Battle Against Global Climate Change*, (COM(2005) 35 final), Brussels, 9 February 2005, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0035:FIN:EN:PDF.

10 EU-GCC Cooperation Agreement, *Official Journal* L 054 of 25/02/1989, p. 3-15, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1989:054:0003:0010:EN:PDF.

11 Joint Action Programme for Implementation of the GCC-EU Cooperation Agreement of 1988, 2010-2013, , http://eeas.europa.eu/gulf_cooperation/docs/joint_action_programme_en.pdf.

programme foresees:

- exchanging views and studies on the causes and effects of climate change as well as policies dealing with climate change within the framework of relevant UN conventions;
- cooperating in developing national adaptation strategies to climate change impact;
- enhancing cooperation in the field of carbon capture and storage and conducting joint studies in this connection;
- cooperating on other environmental aspects which have a link with climate change, such as water management, disaster management, desertification, preservation of biodiversity.

Three main mechanisms are suggested to carry out such activities, namely ad-hoc working groups; events such as seminars, workshops, exhibits and other; and training and capacity building.

The action programme, however, has not been entirely followed through. At the 22nd session of the Joint Council and Ministerial Meeting of the EU and the GCC held in Luxembourg on 25 June, 2012, delegates evaluated the progress achieved so far and agreed to the preparation of a joint work programme for the next period (2013-2016), as well as to identify priorities and objectives.[12] In particular, they agreed to inject greater strategic depth into EU-GCC relations to guide for the preparation of the next programme, which should include sustainable development among the key priorities. As stated by the EU High Representative Catherine Ashton, there is a clear need for both the EU and the GCC to consult and to co-operate whenever possible on global challenges such as climate change, both at regional and international level.

12 Co-Chairs' statement 22nd GCC-EU Joint Council and Ministerial Meeting, Luxembourg, 25 June 2012.

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ABOUT SHARAKA

Sharaka is a two-year project implemented by a consortium led by Istituto Affari Internazionali (IAI).

The project, partially funded by the European Commission, explores ways to promote relations between the EU and the Gulf Cooperation Council (GCC), through the implementation of policy-oriented research, outreach, training and dissemination activities. The overall project aim is to strengthen understanding and cooperation between the EU and the GCC, with particular attention to the strategic areas identified in the Joint Action Programme of 2010, such as trade and finance, energy, maritime security, media and higher education.

For more information visit ***www.sharaka.eu***

Will the next UN Climate Conference in Doha contribute to enhance such cooperation?

It is the first time that this important event is hosted by a Gulf country, which is also member of the OPEC. The choice of holding the conference in Qatar has been criticised by many, as the country is a major fossil fuel producer and exhibits the highest per capita emissions. Yet such choice will put pressure on Qatar and the neighbouring countries to prove their commitment to climate policy issues. The hope is that Qatar will rise to the challenge by announcing long-term climate policy goals, and by pushing for more ambitious targets in the post-Kyoto period. If Qatar goes this way, it will certainly find an ally in the EU, which has been a frontrunner in global climate negotiations. Aligning their respective climate strategies will benefit both parties. On the one hand Qatar, as most Gulf countries, is in need of sustainable technologies, particularly for water desalination. On the other hand, the EU can transfer its know-how in this field and by obtaining access to new markets, revitalize its stagnant economy. Besides, it could take advantage of the opportunities offered by the flexible mechanisms of the Kyoto Protocol to source carbon emission reduction credits in the GCC region, to be used for its own compliance.

It is difficult to predict whether Qatar and other GCC countries will have enough ambition, power and influence to call for a radical transition towards a more sustainable economic path; but if so, they would have a tremendous impact on a global scale, as they would demonstrate that a different growth model is possible, even in fossil-based economies. ■

ABOUT THE SERIES

Sharaka Commentaries is an ongoing series of opinion pieces on topical Gulf issues and EU-GCC relations written by experts and scholars in Europe, the Gulf countries and the North Africa and Middle Eastern region. The series complements the research conducted in the framework of the project Sharaka. The Sharaka Commentaries examine key questions surrounding the political, socio-economic and cultural evolution of the Gulf region as well as the challenges and opportunities in EU-GCC cooperation.