The Warsaw 'COP-19' climate negotiations were a widely acknowledged failure. But Assaad Razzouk sees a small silver lining among the dark clouds. There is a real prospect of effective action on climate in the run up to COP20 in Paris, 2015.

Two minor bright spots to take from Warsaw were commitments of $100 million for the Adaptation Fund and $280 million for results-based finance for forest protection in tropical countries - but together, that's not even half of 1% of what is intended to be in place by 2020.

But there were two other bright spots of potentially much more significance over the next few years.

First, one of the few successes of the 20-year UN process, the Clean Development Mechanism (CDM), showed some signs of life. According to a report by the Center for American Progress, the CDM succeeded beyond expectations, unleashing more than $356 billion in green investments. The CDM was on track to deliver $1 trillion in financing but is currently delivering none at all because the carbon price signal it is sending is zero. In a sign that conditions should improve, a decision in Warsaw invited countries to promote the voluntary cancellation of carbon credits without double counting, as a means to close the pre-2020 ambition gap.

This could help to promote demand for the CDM and puts another plank on the bridge between the pre-2020 Kyoto Protocol and the post-2020 Durban Platform.

Politically, the CDM is of critical importance to developing countries who will continue to push for its revitalization over the next 2 years: They have been the principal beneficiaries of the $356 billion in green investments and know that any future agreement is highly unlikely to provide them with a mechanism as effective.

Furthermore, levies from the CDM replenish the Adaptation Fund and any increase in CER prices directly translates into more adaptation dollars for vulnerable countries, a far more promising avenue than waiting on the GCF.

What this means is that contrary to conventional wisdom, realistic expectations now exist for a recovery in CDM carbon prices over the next 2 years. Voluntary cancellation may appeal to both developed and developing countries intending to provide contributions in the first quarter of 2015, and in time, to the aviation and shipping industries.

In addition, because of the importance of the CDM to developing countries, investment funds and other initiatives are already under way (led by the World Bank and some European countries) to rescue stalled mitigation efforts by focusing on buying carbon credits from sectors (for example methane abatement) or countries (for example least developed countries).

Second, in trying to advance the Durban Platform agreed in 2011 in South Africa, Governments decided to accelerate activities on enhancing mitigation ambition by turning to the sharing of best practices and experiences of sub-national and city authorities.

This makes sense because after 19years of UN climate talks, it became clear in Warsaw that certain Governments simply won't agree legally binding commitments to reduce emissions.

Led by China, India and Saudi Arabia, potential commitments were watered down to*"contributions"* - a code word for doing very little or indeed nothing at all.
Counter-intuitively perhaps, this could be a turning point, placing hopes of decisive climate action around the propagation of a carbon price worldwide, away from centralized and ineffective forums like the UN climate talks.

Indeed today, climate action is principally dependent on the private sector (which already accounts for 62% of climate finance flows according to the Climate Policy Initiative) and crystallized around carbon pricing.
According to the Brookings Institute, from 2013 onward, 3 billion people in 36 countries, 11 sub-national jurisdictions in the United States and Canada, and seven cities and provinces in China (and from 2016, all of China) are covered by Emissions Trading Schemes.
Other countries are considering market options or have already implemented them, for example India via the introduction of traded renewable energy certificates.

In the next two years, expect that policy options and reforms needed to connect these heterogeneous carbon markets and ensure low-income countries benefit will be explored and developed, with some implemented.

It is now evident that the signatories to the UNFCCC either cannot or will not agree to take the steps needed to address the impending climate catastrophe: The process of multi-lateral negotiations is too complex to avoid a tragedy on a global scale.

In his 1968 essay entitled 'The tragedy of the commons', Garett Hardin recognizes that individuals will continue to contribute to the depletion of a shared resource - acting independently and rationally according to their own self-interest - despite being aware that depleting the common resource is contrary to the group's long-term best interests.
The carbon budgets presented in the IPCC's 5th Assessment Report focused attention on the threat facing the world's last remaining 'common' and predictably, the response from Governments seems to be *"how do I negotiate the biggest slice of atmospheric space for my growing economy?"*
Consequently, it's time for the UNFCCC to be vastly scaled down to an institution providing technical input on monitoring, reporting and verification and accounting of greenhouse gas emissions.
Expect two dynamics over the next two years: First, baby steps - in other words no major initiatives, short of a climate change-induced calamity which mobilizes action on a big scale and overcomes the current political inertia.

Second, a bottom-up approach anchored around the private sector, countries and sub-national entities, slowly taking over the failed top-down approach pushed by 20 years of UN climate talks.

http://www.theecologist.org/blogs_and_comments/commentators/2200973/climate_action_warsaw_2013_to_paris_2015.html#!