

Chapter 16

New Directions: Rebuilding the climate change negotiations

Philippe Pernstich

Global Commons Institute, 42 Windsor Road, London, NW2 5DS, UK

E-mail: philippe@gci.org.uk

The Buenos Aires round of climate change negotiations have demonstrated that the Kyoto Protocol is a landmark on the road to nowhere. The continuing divisions over the details of the so-called Kyoto Mechanisms are an indication that the Protocol is not only inadequate in addressing the scientific facts of climate change, but it is also politically unworkable. The debate over voluntary targets, emissions trading and the Clean Development Mechanism (CDM) have distracted the attention away from the second review of the adequacy of commitments under the Convention. Consequently, the only conclusion to emerge from Buenos Aires on this point was an acceptance that the Kyoto Protocol was not sufficient to prevent harmful climatic change. Any talks about more meaningful measures, however, have been postponed.

The present impasse in the negotiations is the result of a failure to address the fundamental problem of distribution of a limited resource that is far outstripped by demand. By taking an historic perspective on the matter and trying to agree on cuts of emissions from present and past levels, we are bound to miss both the scientific goal of concentration stabilisation and the political requirement for equity. Instead, we should be looking at the resources safely available to us in the future and solve the question of distribution from that angle.

Equity has so far been the greatest stumbling block of negotiations since the very beginning of the process in 1990. The resulting division into Annex I and non-Annex I countries along the North–South divide seemed the obvious answer from the historic perspective. Taking this division into the future, however, will preserve the imbalance without slowing the climatic change. There is no question that developing countries will not be able to increase emissions indefinitely, so any delay in the shift towards more sustainable development paths ultimately represents a loss of opportunity for these countries. No one can deny the United States' claim that climate change is a global problem, and the conclusion that it therefore requires a global solution should be obvious.

The problem of distributing a scarce resource on a global scale can only be solved on an equitable basis. This is not for any ethical considerations, but

simply because it is the only chance of reaching an agreement that all major parties can accept. There are five criteria which will determine the success of any distribution model:

The basis of allocation must be known to each party and known to be known by other parties (Barret, 1992 in: *Combatting Global Warming: Study on a global system of tradeable carbon emission entitlements*, United Nations, New York).

Moral arbitrariness should be avoided (Kverndokk, *Environmental Ethics*, 4, 2, pp. 129–148, 1995).

The system should follow a simple allocation rule (Kverndokk, 1995 and Barret, 1992).

It should be consistent with other international policy goals, e.g. poverty alleviation in developing countries (Rose, 1992 in: *Combatting Global Warming*). Any reallocation of emission permits should cause minimal disruption in the short term.

The targets set in the Kyoto Protocol clearly fail the first three of these criteria. The complete lack of any underlying structure to the Protocol means that it can only lead to a dead-end. The focus of negotiations needs to shift towards establishing a framework upon which to build a long-term, efficient and effective solution to global warming.

One proposal for such a framework that arises out of the consideration of the five criteria listed above is known as 'Contraction and Convergence'. Unlike the present approach, this takes the ultimate objective of emission stabilisation as its starting point to determine global emissions curve over a fixed period of 50–100 years or more. This global budget is then allocated to countries according to a convergence path to equal per capita entitlements by an agreed date. The entitlements are allocated in budget periods of up to five years and start out in the first period with the current distribution of per capita emissions. In each subsequent period the allocation is adjusted to narrow the present inequity in emissions until all countries receive equal per capita entitlements.

'Contraction and Convergence' is a political framework that can only work if all parties accept the need to compromise in order to achieve the Convention's ultimate objective. If this is achieved, then 'Contraction and Convergence' is the structure that can form the basis of negotiations regarding global budgets and target dates. Without it, the acceptance of compromise will never be turned into commitments if 160 countries each apply their own criteria.

In practical terms, for a stabilisation scenario of CO₂ at 450 ppmv, for example, this would mean that most developing countries would be allocated an increasing budget up to 2030 (see Fig. 1). In the case of the least developed countries, entitlements would grow well beyond any reasonably realistic growth of actual consumption, resulting in a surplus of entitlements. At the

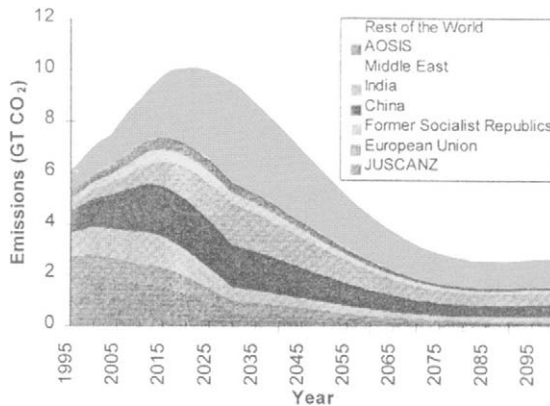


Figure 1. Stabilisation scenario of CO₂ at 450 ppmv under "Contraction and Convergence" including the Kyoto commitments. Convergence is completed by 2030 with a 70% reduction in CO₂ over 1990 levels by 2100. (AOSIS = Association of Small Island States; JUSCANZ = Japan, USA, Canada, Australia, New Zealand).

same time, industrialised countries would face quite rapid cuts in their entitlements reflecting the present gross over-consumption. Under a regime of convergence of emission entitlements, emissions trading is not only efficient but necessary. Reductions are achieved at least cost, a transfer of resources to developing countries occurs and even those countries without any real constraints on emissions in the near future have a real incentive to minimise their emissions.

Trading under this circumstance would be very different from the present proposals, where a weak trading regime including 'hot air' amongst industrialised countries only is further undermined by hypothetical savings achieved through the CDM and Joint Implementation. If credits from these mechanisms can be used to offset domestic action, the Kyoto commitment of a 5.2% reduction may well turn out to be stabilisation at best.

If the climate change negotiations are not to fail or become meaningless in the next few years, it will be necessary to take a big step back before progressing on a more principled basis. Politically, the challenge will be to achieve this without a seeming loss of face on any side. For this reason, the new approach would have to be initiated in parallel with the conclusion of the Kyoto Protocol.