

A stylized world map composed of a grid of dots in various shades of gray, with several dots highlighted in red to represent specific countries or regions.

## Saving Tomorrow – Today?

International Perspectives in the Run-Up to the  
UN Climate Change Conference 2011 in Durban

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- In view of the impending expiry of the first Kyoto obligatory period in 2012 and the modest results produced by the climate conference in Cancún last year, there is tremendous pressure on the parties to the negotiations at the upcoming World Climate Conference in Durban to conclude the climate negotiations on a successful note. Because it is not very realistic to hope that an accord binding under international law can be concluded within the framework of the UNFCCC, the minimum objective must be to agree on a second obligatory period of the Kyoto Protocol.
- One of the key lines of conflict continues to be the crisis of trust and confidence between industrialised and developing countries. It will only be possible to reach an accommodation in the negotiations if, on the one hand, newly industrialising countries such as Brazil, China, India, Mexico or South Africa act as honest brokers and show a willingness to assume obligations commensurate with their economic and political power. On the other hand, however, the industrialised countries must take the lead both financially and with respect to their willingness to set binding, appropriate reduction targets.
- This publication intends to provide an overview of positions of key states in the negotiations as well as an analysis of their respective reasons and backgrounds. The chapters examine the role played in climate negotiations to date by Brazil, China, the EU, India, Latin America, Mexico, South Africa and the USA and offer a look ahead at the positions they are likely to adopt in Durban.



## Contents

<b>Saving Tomorrow – Today?</b>	
<b>What to Expect from the Climate Change Conference in Durban</b> .....	<b>3</b>
<i>Nina Netzer and Judith Gouverneur</i>	
<b>Country Perspective: Brazil</b> .....	<b>7</b>
<i>Julianna Malerba</i>	
<b>Country Perspective: China</b> .....	<b>13</b>
<i>David Maleki</i>	
<b>Perspective: The European Union</b> .....	<b>19</b>
<i>Matthias Duwe</i>	
<b>Country Perspective: India</b> .....	<b>23</b>
<i>Meeta Keswani Mehra</i>	
<b>Perspective: Latin America</b> .....	<b>29</b>
<i>Claudia Detsch</i>	
<b>Country Perspective: Mexico</b> .....	<b>33</b>
<i>Andrés Ávila Akerberg</i>	
<b>Country Perspective: South Africa</b> .....	<b>37</b>
<i>Garth le Pere</i>	
<b>Country Perspective: The United States</b> .....	<b>41</b>
<i>Alexander Ochs</i>	

## Saving Tomorrow – Today?

# What to Expect from the Climate Change Conference in Durban

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Although the United Nations' climate negotiations have attained minor successes in specific areas over the last few years, no real breakthrough has been achieved. This state of affairs takes on even greater salience when one considers that ongoing climate change constitutes one of the most urgent and pressing challenges of our times – a fact recognised virtually everywhere in the world. Since the alarming analyses issued by the IPCC World Climate Council at the latest it has moreover become clear that time is of the essence. On top of scientific findings, the consequences of climate change are already obvious in many countries and regions: especially developing countries are witnessing an increase in extreme weather events such as hurricanes, storms, torrential rainfall and flooding. Not only does this jeopardise economic development in many countries – it also compounds the risk of environment-related migration and conflicts.

In order to remain below the level of 2°C regarded by the international community as a critical threshold<sup>1</sup> and thus avoid the dangerous repercussions of global warming, the international community of states has agreed upon the objective of reducing global greenhouse emissions by at least 80 percent of 1990 levels by 2050. But in spite of the awareness that action is urgently needed, efforts to achieve an international agreement setting out binding emission targets have not been successful to date. The time pressure looming over negotiations in Durban will moreover be much greater as a result of the fact that the Kyoto Protocol agreed upon in 1997 is set to expire in 2012, which means that there will no longer be any international agreement if the international community does not succeed in arriving at a compromise soon.

The community of states already painfully experienced how difficult it is to achieve an accord in 2009 in Copen-

hagen: instead of an internationally binding agreement, merely the »Copenhagen Accord« was produced, a voluntary declaration of intent by 131 states. Nor was the Climate Summit in Cancún able to institute a comprehensive, legally binding climate protection regime for the period after 2012 in spite of some successes being registered in specific areas. Whether an international agreement can be achieved in Durban will be a crucial indicator of the seriousness of the global community's climate protection efforts.

## From Cancún to Durban

One important success registered by the World Climate Conference in Cancún was that the 2°C limit – until that point in time only an obligation assumed by states on a voluntary basis – was adopted by the community of states in a UN consensus. The return to the UN process in the wake of the Copenhagen debacle and hence to a forum which makes it possible for all states to continue negotiations on a level playing field is especially important from a diplomatic perspective as well. From a climate-policy perspective, on the other hand, this success is tarnished somewhat by the fact that the resolution on the 2°C limit within the framework of the UN Climate Convention was not least made possible by postponing key decisions yet again. Thus, it will have to be determined at the COP 17/CMP 7 negotiations in Durban what global reduction target the community of states is to set for 2050. Secondly, it must be determined when the peak in the rise of global emissions is to be reached. This question requires an answer now, as each delay in the required reversal in the trend leads to increasing costs and jeopardises the attainment of the 2°C target.

From a climate-policy perspective, however, it must be viewed in a positive light that the voluntary emission-reduction targets specified in Copenhagen by the Kyoto industrialized nations and the USA have been laid down in writing in the UN process, augmenting pressure on national governments to act. In addition, the two final

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1. Many experts contend that the 2°C target is already highly problematic, as this may not be sufficient to save *inter alia* smaller island states, and argue in favour of a 1.5°C target.

documents produced by the COP 16/CMP 6 negotiations stipulate that all states are to improve their voluntary reduction targets by 2020 in order to meet the 2°C target. To what extent these more ambitious objectives will suffice is to be verified in a review process taking place within the framework of the Convention negotiations between 2013 and 2015. In response to pressure applied by the Alliance of Small Island States (AOSIS), it is also to be reviewed by 2015 whether to reduce the temperature target from 2°C to 1.5°C. Specifying the modalities of this review process will constitute an additional important task at the upcoming climate summit.

With respect to the question of long-term funding of the required climate-protection measures, it was resolved in Cancún to set up a »Green Climate Fund«. A committee made up of 25 developing and 15 industrialized countries has been working since April 2011 on the design of the fund and will present its results for a vote in Durban. But here as well important decisions are still pending. For instance, it must be determined in Durban which sources are to provide the 100 billion US dollars pledged by the industrialized countries each year beginning in 2020 to finance mitigation and adaptation measures in developing and newly industrializing countries. It must also be decided how the funds are to be split up between the two areas of adaptation and mitigation. While progress has been made in the area of adaptation with the Cancún Adaptation Framework and in the appointment of a committee, the effectiveness of the framework will hinge on whether adequate funds are indeed made available. It is furthermore unresolved to what extent levies on international aviation and shipping can be included in the funding of climate-protection measures based on the »polluter-pays-principle«.

In addition to the establishment of the Green Climate Fund and the Cancún Adaptation Framework, additional major packages aimed at forest protection and cooperation in the area of technology were also adopted within the framework of the COP negotiations in 2010. On top of this, the industrialized countries assumed the obligation of submitting »low-carbon development plans« – even though no deadline was set for this. Newly industrializing and developing countries are also encouraged to submit plans and show what legislation and activities already exist at the national level and where international support is needed. Moreover, the international transparency of climate-protection activities was strengthened

by having programs and activities measured and verified at the national level, but requiring this to be done in line with the guidelines agreed upon in the Convention.

With a view to the upcoming World Climate Conference in Durban, it can be said that, although good results have been achieved in Cancún in the areas of forest protection, financial aid for adaptation and climate-protection measures in developing countries and technology transfer (the areas where agreement has been easiest to reach), key items nevertheless remain unresolved. In addition to specifying a global reduction target, determining the emissions peak and the difficult issue of long-term finance, one of the biggest challenges facing negotiations in Durban will be agreeing on the legal form of the accord being sought in view of the diverging interests of key actors. An agreement which is binding under international law must be designed flexibly enough so that different requirements can be imposed on the parties to the accord along the lines of Common but Differentiated Responsibilities (CBDR). Aside from voluntary strategies such as the Copenhagen Accord, there are two options within the UN framework: the first possibility would be a second obligatory period for the Kyoto Protocol, which would mean, however, that the USA, the only industrialised country which has not ratified the Protocol, or countries such as China, which are among the non-Annex B states of the Protocol and thus do not have to assume any reduction obligations, would not be included even though they are responsible for a majority of emissions in the world. Many observers view this possibility to hold out the advantage that the UN process would be continued, however. The second possibility would be a new agreement within the framework of the UNFCCC and its 164 parties which would also include the USA or China and would hence be more desirable, although it is much more unrealistic to expect that this can be achieved. Whether the current strategy of a parallel negotiating process will work or not will be seen in Durban at the latest: it aims to continue to negotiate a second obligatory period of the Kyoto Protocol for the industrialised countries with the exception of the USA in order to avoid a gap between treaties after the first obligatory period expires (2012). At the same time, the possibility is left open to set out the results of the negotiations conducted within the framework of the Kyoto Protocol in a larger joint framework accord, to which the newly industrialising countries and the USA would also be signatories.

## Climate protection and justice

Achieving success in negotiations in the area of international climate protection is not least quite difficult because they are closely interconnected with the problem of a world order which is perceived as being profoundly unjust. In the best case scenario, climate change – a transnational environmental problem affecting the entire community of states – raises awareness with respect to the question of historical responsibility and obligations so that it may lend new momentum to the debate. In the worst case scenario, however, this issue will impose too heavy a burden on climate-protection negotiations. The question of a just world order is especially salient in the area of climate policy, as those states which have contributed least to the acceleration of climate change are the ones most affected by it. Industrialised countries whose economies have been based on finite resources and fossil fuels for decades bear the historical responsibility for global warming. A glance at both total aggregate CO<sub>2</sub> emissions as well as per capita emissions clearly shows this: the industrialised countries (UNFCCC Annex I states), which only account for 20 percent of the world's population, are responsible for 46.4 percent of total global greenhouse emissions. The developing countries, on the other hand, where 80 percent of the world's population live, merely cause 53.6 percent of global emissions.<sup>2</sup> As a result of this historical responsibility and their powerful economies, the industrialised states are now obligated to drastically reduce their emissions while at the same time supporting developing countries' own climate-protection efforts by funding the establishment and expansion of their capacities. While there is international agreement that the principle of common but differentiated responsibilities agreed upon within the framework Climate Convention can be interpreted as a financial obligation on the part of the industrialised countries, there is an ongoing struggle and debate over how »responsibilities« and »capacities« are supposed to be defined: if one understands responsibility to go above and beyond the historical dimension to mean an obligation towards future generations, this raises the question as to the extent developing and especially newly industrialising countries such as China and Brazil should be involved in the financing of climate protection as well. On

top of this, the industrialised states have not reduced their emissions in the scope necessary to date, and they have furthermore failed to live up to the international financial obligations they have assumed. As a result, the crisis of confidence between the developing and industrialised countries has been worsening over the last few years, significantly reducing the prospects for an international accord taking the interests of all actors into account. The willingness of individual states to make concessions in the negotiations and assume obligations of their own is thus highly dependent upon whether solutions to these unresolved issues which are just in the eyes of stakeholders can be found.

## Aim of the publication

The complex structure characterising global climate policy resulting from questions of international justice, the need to act quickly and countervailing national interests not only with respect to climate-policy issues themselves, but other political areas affected by climate protection as well, portends a very difficult negotiating process. As was the case with the preceding summits, the climate summit in Durban will also face the challenge of forging results in the face of widely ranging national interests – results which can offer the foundations for an ambitious, resolute, equitable and just global climate-protection policy.

This publication is aimed at providing an overview on the positions of key states in the negotiations and their backgrounds. First of all the positions of the respective countries in climate negotiations down to the present as well as possible positions they may adopt in Durban are examined. Secondly, international and national factors influencing the negotiations are explored. The overall aim is to strengthen the dialogue between North and South at different levels of politics, science, civil society and business as well as promote understanding of the various interests and positions. This is intended to not only show the pitfalls along the road to a climate agreement posed by numerous diverging national and international interests, but also reveal areas of common, overlapping interests and potential alliances on various sub-issues.

2. Rogner, H.-H. et al. (2007): Introduction. Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge: Cambridge University Press.

## Country Perspective: Brazil

Julianna Malerba\*

### 1. Summary: Brazil's Historical Position in International Negotiations on Climate Change

Brazil is currently considered the fourth largest greenhouse gas (GHG) emitter, according to 2005<sup>1</sup> data. These emissions correspond to six per cent of total emissions worldwide. For a country with an average income (GDP per capita) in global comparison, Brazil's GHG production pattern is very peculiar – half of the country's emissions come from deforestation and the energy sector has relatively little influence on the total sum of Brazil's emissions compared to other countries.<sup>2</sup>

This emissions profile – along with its position as an emerging country with a booming economy and the relevance of the Amazon in the global carbon cycle – greatly defines the positions that Brazil has taken in the sphere of international negotiations regarding climate change.

Since the beginning of the negotiation process, Brazil has advocated for a premise that currently constitutes the defining principle of the international climate negotiation regime. This premise is that there are *common, yet different responsibilities* of countries when considering differences in terms of absolute emissions between those countries – both those that began the industrialization process more than one century ago and those that started later.

Based on this premise and on the demand for the right to development as a condition to improve the country's social and economic indicators, Brazil has never agreed

to establish any type of mandatory GHG emissions threshold goal for the countries that are identified as non-Annex I Parties<sup>3</sup> in the Kyoto Protocol. The country has also advocated for financial and technological transfer from Annex I countries in order to implement mitigation actions in other countries. This is particularly true in emerging economies, which, if current growth patterns and rates hold, will soon be significantly responsible for global emissions.

Its peculiar emissions profile – which frames it as an emerging economy with low emissions from the energy sector and from consumption of fossil fuels – has provided Brazil with the power to be a leader in advocating for these positions, oftentimes representing the G 77 + China and acting as a bridge in the dialogue between this group and the European Union and the United States, which are favourable to the establishment of binding goals for non-Annex I countries.

A significant example of its role as a mediator was the adoption of the two-track negotiation approach (the Kyoto Protocol Track and the Convention Track<sup>4</sup>), which had been defended by Brazil since the COP 11 (Montreal) and was established in 2007 at the COP 13 (Bali). This approach led the United States to formal negotiations on the future of the Convention, engaging it in discussions on mitigation commitments that are comparable to those undertaken by other developed countries. This strategy was also responsible for breathing new political life into developing countries' commitments to

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1. Source of data regarding emissions resulting from changes in land use: Hough (2008); source of the data regarding emissions resulting from fossil fuel combustion: Boden, Marland, and Andres (2009).

2. Second National Communication presented in 2010 by Brazilian government at the COP 16. National Communications are an instrument of the National Policy on Climate Change that must be presented at the Convention Framework of the United Nations on Climate Change, which has as one of its guidelines the commitments assumed by Brazil at the Convention Framework of the United Nations on Climate Change, at the Kyoto Protocol, and in the remaining documents on climate change. Law n. 12.187 of 29 December 2009.

3. These correspond to the countries that, in the scope of the Convention, assumed commitments to reduce emissions. They are basically the OECD countries.

4. Kyoto Protocol Track is for the new mandatory emission reduction goals for industrialised countries that are Parties to the Kyoto Protocol; the Convention Track establishes the negotiations for the strengthening of the Climate Convention implementation, including goals for industrialised countries that are not Parties to the Kyoto Protocol (at that time Australia and the United States, but currently just the United States) and emission reduction actions for developing countries, supported by financing and technology, in a measurable, reportable and verifiable manner. This negotiating process has been conducted by two plenary institutional structures: the Ad-Hoc Workgroup for long-term cooperation on the new obligations of the industrialised countries on the Kyoto Protocol (AWG-KP), and the Ad-Hoc Workgroup for long-term cooperation on the implementation of the Convention (AWG-LCA). Brazil was elected chair of the AWG-LCA in 2008 and is currently chair of AWG-KP. See Machado (n.d.).

mitigating activities, and it consolidated an image of Brazil within the international system as a country committed to the outcome of negotiations and as effectively having relative power to influence the course of negotiations.

On the other hand, high rates of deforestation, especially in the Amazon, have also influenced its position. This has prompted the country to try to avoid having forests become an object of international regulation during the negotiation process out of fear that, in a post-Kyoto agreement, Brazil would be the object of mandatory reduction goals. Until 2009, this concern led Brazilian negotiators to position themselves against inclusion in the Convention of mechanisms for reducing GHG emissions coming from avoidable deforestation.

Negotiators for Brazil are aware of both the burden that deforestation of the Amazon represents for the country in international negotiations and the progressively rising trend in emissions due to the economic growth experienced by the country, which could lead Brazil to commit itself to mandatory goals in a post-Kyoto period. As a result, Brazil's position has been oriented by the affirmation that fighting climate change has to be a global effort and that the non-Annex I countries have to undertake voluntary actions and mitigation goals, with financial and technological contributions to Annex I countries.

From the standpoint of making the establishment of voluntary goals feasible, Brazil created the Amazon Fund in 2008. The proposal aims to obtain resources to promote preservation of the Amazon – initially at the international level, but not connected to the carbon market and offsetting – by financing preservation projects, fighting deforestation, and through preservation and sustainable use of the forests in this biome.

The Amazon Fund has become the first instrument in the world to raise international resources based on the quantified reduction of emissions. The Fund's proposal is in contrast with what has been and is being proposed at the Convention level, such as an agreement for Reducing Emissions from Deforestation and Forest Degradation (UN-REDD+), which establishes a market approach where credits generated from forest conservation would be bought by countries that have mandatory emission reduction goals. Up to that point, the government had defended its position by saying that REDD would only function as a voluntary mechanism for financing forest

protection and preservation projects, in the same manner as the Amazon Fund. It argued that as a market tool, REDD would not enable Annex I countries to significantly reduce their emissions.

On the eve of the COP 15, this position was reviewed due to intense lobbying carried out by Amazonian state governments that were motivated by the expectation of monetising forest preservation (Fatheuer 2011). In Copenhagen, REDD was included in the text as a mitigation mechanism for cutting emissions and was to be used by countries in their mitigation efforts.

Because of common interests, Brazil has been investing in the formation of an informal negotiation group comprised of Brazil, South Africa, India, and China (BASIC) in an effort at establishing bloc negotiations of the agenda of these countries. These negotiations are mostly related to technology transfer, financing, and maintenance of a second commitment term for the Kyoto Protocol as well as maintaining the reduction goals for those countries historically responsible for GHG emissions. By acting in a bloc, they also seek to reinforce the defence of voluntary commitments for developing countries in the form of national mitigation actions (NAMA), advocating that such commitments should be reportable and verifiable.

## 2. Looking back: Brazil and the Cancún Climate Change Conference

The growth of the domestic climate agenda in the public sphere in Brazil started taking shape in 2009. On the eve of the COP 15, in Copenhagen, the federal government announced a seemingly ambitious domestic emissions mitigation plan, which was later undertaken as a voluntary commitment within the scope of the Convention and incorporated into the National Policy on Climate Change, set forth in federal law<sup>5</sup> in December 2009. In this plan, Brazil established the following reduction goals in terms of percentage: 36.1 per cent to 38.9 per cent below the projections for 2020.

During the COP 16 in 2010, these targets were detailed in absolute terms – setting a limit of 3,236 gigatonnes of carbon equivalent for Brazil's emissions in 2020 – establishing a brand new ceiling for the world. Even if its com-

5. Act n. 12.187/2009.

mitment is related to future emission expectations in a business as usual scenario – and not as a mandatory goal related to the base year 1990 as with the commitments undertaken by Annex I countries – because it is the first country to formalise its emissions curve in a scenario of slowly advancing international negotiations for reducing emissions, Brazil has increased its prominence in the climate debate at the international level.

Also during the COP 16, in Cancún, the government announced a decree regulating the law establishing the National Policy on Climate Change, announced in Copenhagen, based on five sectoral plans.<sup>6</sup> It also presented a series of actions that indicated advances in terms of domestic policies to fight climate change; worth mentioning are the systematic cutbacks in Amazonian deforestation, which had at that moment reached its lowest rate in the last 21 years.<sup>7</sup>

With these results and a proactive position vis-à-vis the establishment of mitigation goals, Brazil had a major role in the handling of the most controversial issue of the COP 16 – the definition of a second term of commitment for the Kyoto Protocol. Most of those defending maintenance of the terms that were signed in Kyoto are developing countries, such as Brazil. At the other extreme are the Annex I countries, which argue that because the Protocol includes neither the United States nor emerging economies, it would be incapable of achieving effective global action.

Although it was not possible to achieve a binding agreement in Copenhagen, it was possible to advance on the basis of what had already been agreed at the COP 15. The mitigation commitments announced in Copenhagen by almost every country were put in the text of the Convention and, even with many inaccuracies

and uncertainties, there were advances in the creation of some mechanisms and guidelines: the Green Climate Fund was created; a record was established to store information on NAMAs to facilitate obtaining international support; and an adaptation committee was established along with a work programme for this committee. The REDD+ mechanism had its concept, guidelines, safeguards, and main implementation rules approved under the scope of the Cancún Agreements.

As for Brazilian positions regarding financing and transfer of resources and technology, the creation of the aforementioned mechanisms represents an advancement, even if the very process of negotiation has proven how complex and slow implementation of global mechanisms can be. The positive image of the country at the international level was maintained and reinforced, helping to increase its leadership in this process among the G-77 countries and its power in multilateral spheres.

However, the scenario for Durban, where maintenance of a second term for Kyoto will in fact be defined, may be less positive. Progressive changes in Brazil's emissions profile and the ambiguities in construction of domestic governance over the climate represent challenges for Brazil in maintaining its leadership in constructing a new architecture of global governance regarding climate change.

### 3. Before Durban

Already in 2009 when a group of researchers from the University of São Paulo were measuring GHG emissions from 1994 and 2005 in Brazil, they noted that Brazil's emissions profile was undergoing a major change.<sup>8</sup> Emissions from deforestation had increased eight per cent in this period, whereas emissions from energy, agriculture and livestock farming, industrial processes, and waste increased 41 per cent. Although deforestation was still the main source of greenhouse gases, these data indicated that if this trend was maintained, industrial as well as agricultural and livestock farming processes in addition to urban and rural waste would surpass emissions from forest clearance fires.

6. They are: i) plan of action for Legal Amazon deforestation prevention and control; ii) plan of action Brazilian Savannah (Cerrado) deforestation prevention and control; Sectoral Plans of Energy; Sectoral Plans for the Agricultural and Livestock Farming; and the Sectoral Plan for Substituting Coal from Deforestation by Coal from Planted Forests in Steel Mills.

7. Among the actions announced, one can highlight: i) the regulation of the Climate Fund that would have an initial budget forecast of 226 million South African Rand to start mitigation in 2011; ii) the guidelines of the five first sectoral plans of the Climate Policy for emission reduction and adaptation, including policies for incentive for low-carbon agriculture; and iii) delivery of the second National Communication of the country to the Climate Convention, which includes the second of Brazil's emissions inventory and provides a detailed table of Brazilian emissions to help monitor the goals assumed in a more efficient way.

8. Rumo a Copenhague: o que esperar da posição brasileira, *A Tribuna Campineira*, 4.11.2009; available at: <http://www.tribunacampineira.com.br/brasil/1279-rumo-a-copenhague-o-que-esperar-da-posicao-brasileira> (last accessed on 20.10.2011).



Even if a reduction in Brazil's emissions really occurred between 2005 and 2010 as the result of actions to control deforestation and the effects of the international financial crisis on the Brazilian economy, emissions started to increase again in 2010. This time, the rates were no longer driven by deforestation but were due to significant growth in other economic sectors. In 2005 emissions were at 60.6 per cent for deforestation and changes in land use, 18.9 per cent for farming, 15 per cent for the energy sector, 3.4 per cent for industry, and 1.9 per cent from waste; in 2010 deforestation contributed 35 per cent of emissions, with the energy sector at 32 per cent, farming at 25 per cent, industry at 5 per cent, and waste at 3 per cent (Viola and Franchini 2011: 15).

The second Brazilian Communication, announced during the COP 16 and which presents data up to 2005, does not reflect this trend. Furthermore, voluntary goals presented by Brazil at Cancún are much less bold than they seem. In addition to proposing reductions in relation to expected future emissions in a business as usual scenario, the reference year for cutting emissions (2005) was in fact a peak year regarding the deforestation rate in the Amazon.<sup>9</sup> Most of the goal went hand in hand with a downward trend that was already under way. In a way, Brazil promised something that had already been done.

Therefore, voluntary goals end up clouding the fact that Brazil's emissions are significantly increasing when compared to the emissions in the country in 1990, the base year for the mandatory commitments of Annex I countries.<sup>10</sup>

According to the Energy Research Company, between 2010 and 2020 the energy demand in Brazil will increase at an average rate of 4.8 per cent a year if Brazil's GDP is to grow at the projected average of 5 per cent a year. This means that it is necessary to add around 3,500 MW per year to the energy grid, which corresponds to more than 5,000 MW of installed capacity. For comparison, the installed capacity of the Madeira river complex corresponds, on average, to 6,500 MW. Evidently, Brazil will

not be able to add this amount of energy to the system with hydropower plants alone, which are considered a clean source of energy, although there is evidence that those plants also contribute to GHG emissions (Fearnside 2011). Thus, considering growth in demand and delays in scheduled construction of hydropower plants, analysts anticipate a significant increase in the number of thermal power plants, which usually run on gas, oil, or coal and have high CO<sub>2</sub> emissions.<sup>11</sup>

It is worth highlighting that the oil industry is the energy sector that has experienced the largest expansion, with significant support from the government, since the announcement of the discovery of the sub-salt oil reserves. Current production of 2.5 million barrels per day is expected to reach 6 million<sup>12</sup> by the end of this decade. This significant increase will require intensive use of energy throughout the exploitation and production chain, highlighting the progressive relevance that the sector may have in the country's relative GHG production.

Of course, with knowledge of this trend – and the fragility that stems from it for maintaining its position in favour, for instance, of non-implementation of mandatory goals by the emerging countries – Brazil has sought to advance the National Policy on Climate Change by establishing a national policy that sets up measures to control emissions from various sectors. It created a new fund (in addition to the Amazon Fund) – the National Climate Change Fund – to ensure resources for activities aimed at mitigating and adapting to climate change.

Despite these efforts, there are still many uncertainties regarding the implementation of the National Policy on Climate Change and its sectoral plans.

The most recent data on deforestation show that the process of easy control of deforestation has ended: according to the Ministry of Environment, between August 2010 and April 2011, in the nine states that form the Legal Amazon, deforestation has increased by 27 per cent compared to the previous year (Viola and Franchini 2011: 23).

9. Governo apresenta inventário de emissões de gases de efeito estufa, *Notícias Socioambientais*, 27.10.2010; available at: <http://www.socioambiental.org/nsa/detalhe?id=3198> (last accessed on 20.10.2011).

10. In 1990, total emissions from farming, the manufacturing industry, energy, and waste treatment were a little over 500 million tonnes of carbon equivalent. In 2008, the estimate was almost one billion tonnes; idem.

11. Brasil dependerá cada vez mais das termelétricas, *Brasil Econômico*, 19.7.2011; available at: [http://www.brasileconomico.com.br/noticias/brasil-dependera-cada-vez-mais-das-termeletricas\\_104463.html](http://www.brasileconomico.com.br/noticias/brasil-dependera-cada-vez-mais-das-termeletricas_104463.html) (last accessed on 20.10.2011).

12. Petrobras pode se tornar a maior produtora de petróleo listada em bolsa, *Veja*, 3.6.2011; available at: <http://veja.abril.com.br/noticia/economia/petrobras-pode-se-tornar-a-maior-produtora-de-petroleo-do-mundo-em-10-anos> (last accessed on 20.10.2011).

This trend intensifies when accounting for the passage of changes in the Forest Code – already passed by the National Congress and under debate in the Senate – which weakens deforestation oversight and criminalisation actions, making it more difficult, for instance, to achieve the federal government's goal of cutting deforestation in the Amazon region by 80 per cent.

National transport is still dominated by motorways and the sectoral transport plan has only recently been discussed. But without the support of the relevant stakeholders who would force a structural change in transport policy, it will advance slowly. Both the recent decision of the government to adjust the price of petrol to avoid inflationary pressure as well as the push made in recent years to increase the national car fleet through a reduction in the Tax on Manufactured Products (IPI)<sup>13</sup> as a way to stimulate sales and dampen the effects of the global crisis show how unlikely the elaboration and implementation of an effective transport plan is in the current situation.

On the other hand, some positive signs, such as the priority given to disaster planning and adaptation to climate phenomena, demonstrate a significant change compared to previous periods.

Regarding the REDD+ proposal, despite Brazil's international position signalling the country's support of inclusion in the international agreement, internally the bill to regulate the system nationally is meeting resistance from the Ministry of Foreign Relations, which argues that no definition at the national level should be made before an understanding at the international level is reached. The Ministry of Environment, in contrast, argues that the country should play a leading role in defining the scope of said mechanism.

In spite of the ambiguities and contradictions in the domestic scenario, Brazil still maintains its leadership vis-à-vis the non-Annex I countries, especially G-77 + China, as proved by the meeting of BASIC members that occurred in Brazil in August 2011 to discuss positions to be taken in Durban.

13. Sob IPI reduzido, vendas no varejo cresceram 30% em maio, G1, 25.6.2009; available at: [http://g1.globo.com/Noticias/Economia\\_Negocios/0,,MUL1207759-9356,00-SOB+IPI+REDUZIDO+VENDAS+NO+VAREJO+CRESCERAM+EM+MAIO.html](http://g1.globo.com/Noticias/Economia_Negocios/0,,MUL1207759-9356,00-SOB+IPI+REDUZIDO+VENDAS+NO+VAREJO+CRESCERAM+EM+MAIO.html) (last accessed on 20.10.2011).

#### 4. Outlook: Brazil and the Durban Climate Change Summit – What Is to Be Expected?

The international scenario points to the fact that without US ratification of a domestic law that compels the country's industries to quantify emission reductions, a new, comprehensive, and binding post-Kyoto treaty has little chance of being approved. It is certain that Brazil will maintain the position assumed in Cancún of trying to guarantee the approval of a second term of post-Kyoto commitments and setting quantified emission reduction goals for Annex I countries. Another concern the country has is guaranteeing recovery of negotiations on resources to finance mitigation and adaptation actions in the countries defined in the Convention as developing economies.

Since the Copenhagen summit, Brazil has known that it can only frame its position in terms of actions to cut deforestation. The Brazil government understands the need to take all of the sectors that impact emissions into account – establishing with them measures for change in order to ensure a successful strategy for Brazil in international negotiations.

Nevertheless, the contradictory trends that the domestic scenario points to may weaken the leadership role that the country has built in the sphere of negotiations. This is due to a change regarding internal tensions in Brazil's alliance bloc that occurred during negotiations. Previously, Brazil's positions assumed at the international level – supported by national actions (such as the reduction in deforestation rates and the establishment of voluntary actions and goals) – have contrasted with the conservative positions of China and India, pointing towards permanent tension in the country's political alliances in the COPs. Simultaneously, this very tension has provided Brazil with the power to mediate the agendas of emerging powers and Annex I countries.

With the advancement of the »ruralist« sectors, which succeeded in passing the changes in the Forest Code in the National Congress, and the significant increase in the contribution of the energy sector to Brazil's emissions without an effective response from the government, the discourse about the historic right to economic growth adopted by Brazil in the negotiations will be much harder to sustain. This may have possibly negative effects for the Brazilian position favouring the maintain-

ing of voluntary goals for the economies represented by the G-77 + China. As an important mediator in the negotiation processes of the Convention, the fragile position with which Brazil may arrive in Durban – given the uncertainties evidenced by the internal difficulties of the country to maintain the commitments assumed with the mitigation of climate change – tends to increase the possibility for impasses regarding the passage of a new term of post-Kyoto commitments.

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## Country Perspective: China

David Maleki\*

### 1. Summary

China's stance on climate action can be viewed as an enigma. It is the biggest CO<sub>2</sub> emitter and has thus been repeatedly cited as the most influential country regarding climate politics, while at the same time aligning itself with some of the states most vulnerable to the consequences of climate change. China is channelling massive levels of investment into clean energies and has catapulted to the forefront of cutting-edge transport technology by setting up a countrywide high-speed rail network. But it regularly points to the alleged incompatibility of cutting emissions and uplifting its citizens from poverty, and it refuses to join a legally binding climate agreement.

What might seem like contradictory behaviour at first glance is rather the result of the complex position China finds itself in regarding international climate negotiations. As in so many other fields, China's inner political, social, and economic extremes – in combination with its size – lead to a complicated constellation of interests that are difficult to reconcile. This complexity is a stark contrast to the superficially simple approach that China has followed in climate negotiations. Its position is characterised by its insistence on a simplistic distinction between industrialised countries on one side and developing countries on the other, which leads to a polarisation in the negotiations that allows China to side with the victims of climate change. According to China, the former should carry the main burden of measures to deal with climate change – due to their historic emissions as well as their economic capacities – and support climate action in developing countries. This strict interpretation of the formula »common but differentiated responsibilities« has been and will probably remain the rationale for China's behaviour in the negotiation process.

### 2. Looking Back: China and the Cancún Climate Change Conference

Never before had China's influence in climate negotiations been more visible than during the 2009 UN Climate Change Conference in Copenhagen. The high ex-

pectations for a groundbreaking climate deal that preceded the summit – in combination with unprecedented media interest – put China in the spotlight of public attention when the negotiations failed. Many observers considered the country to be the main culprit for the stalemate due to questionable negotiation tactics and an uncompromising position on crucial items like emission targets as well as measuring, reporting, and verifying greenhouse gas emissions (MRV). The German Environment Minister, Norbert Röttgen, called this a demonstration of »Chinese power to impede progress«.<sup>1</sup> Nevertheless, even among those who shared this view, opinions diverged on whether this was a success for China or not. While some saw the country as the clear winner of the summit – having demonstrated its power and thus prevented any major concessions on its behalf – others focussed on its obviously failed ambition to present itself as a responsible and constructive leader in the global effort to combat climate change. Instead of being seen as a bridge-builder between developed and developing countries, China found itself in the role of a scapegoat, losing face in front of major negotiation partners. Even though China portrayed the Copenhagen Accord domestically as a result of its successful leadership, the summit was a traumatising experience.

After drawing conclusions about its experiences in Copenhagen, China resorted to a more constructive approach in the run-up to the 2010 UN Climate Change Conference in Cancún. By hosting preparatory talks in Tianjin for the first time, it demonstrated its willingness to contribute actively to the negotiations. A gentler tone was adopted, especially towards the United States, and a special effort was made to engage the global media and to assure the public of China's willingness to do its part in fighting climate change (Morgan and Seligsohn 2010).

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The views expressed in this essay are personal and do not necessarily reflect the views of the World Bank.

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1. China Doesn't Want to Lead, and the US Cannot. Interview with German Environment Minister Norbert Röttgen, in: *Spiegel Online* (28.12.2009), available at: <http://www.spiegel.de/international/world/0,1518,669208,00.html> (last accessed on 12.10.2011).

In the constructive atmosphere of Cancún, the negotiations got back on track. The resulting Cancún Agreement addressed various issues at the core of China's interest. Most importantly, China agreed to formalise its voluntary Copenhagen pledges of lowering its emissions 40-45 per cent per unit of GDP by 2020 compared to 2005 levels. It thus gave way to a major demand of the United States and other industrialised countries that insisted on clear commitments for all major emitters. Of course, it did so after reiterating once more that industrialised countries should make ambitious, legally binding commitments rather than the voluntary pledges it envisions for developing countries. In this context, the re-affirmation of the Parties to support a second commitment period of the Kyoto Protocol – as envisaged in the Bali Road Map – was a success for China.

After difficult negotiations, China also compromised on the important question of MRV. Calls for international control of emission reductions have been met with great scepticism and had been a major point of contention in Copenhagen. Fearing infringements on its sovereignty and possible revelations about potentially insufficient monitoring capacities, China has been advocating only voluntary international verification of emission reductions, with low formal requirements for developing countries. The compromise found in Cancún stipulates that mitigation activities of developing countries will be monitored, reported, and verified nationally, but in accordance with internationally agreed guidelines and under consideration of their effectiveness. Only their biennial emission reports will be analysed by international experts. In return, the corresponding processes for developed countries under the Convention were strengthened, too, and extended through reporting of financial and technological support provided to developing countries (Morgan and Seligsohn 2010). For China, it was of utmost importance that especially the United States became part of a more rigorous MRV system.

In the areas of finance and technology, Cancún brought satisfactory results for China. By urging developed countries to quickly deliver the climate funding they had promised in Copenhagen, it could demonstrate its engagement on behalf of other developing countries in an area where it did not expect support for its own climate actions. The establishment of a new Technology Me-

chanism to foster technology transfer for mitigation and adaptation activities in developing countries was another desirable outcome for China.

Even though China had to make compromises in Cancún, the conference was a success for the country. Not only had it achieved important concessions from the industrialised countries and especially its main competitor, the United States. By cooperating closely with other emerging powers in the BASIC group (Brazil, South Africa, India, and China), supporting the claims of the G77, and demonstrating the willingness to make compromises that would satisfy the industrialised countries, it could also retrieve some of its standing that it had lost in Copenhagen.

### 3. Before Durban

#### 3.1 China's Position within the Global Negotiation System

China's economic power is immense today and is projected to continue to grow for many years to come. With Western countries weakened by the financial crisis, China seems to be more influential than ever, especially through its ever-expanding economy, its position as the largest holder of United States debt, and its ability to control access to one of the most significant consumer markets in the world. China's weight is particularly increasing when it comes to low-carbon development. Not only is it a major provider of rare earth metals and other raw materials needed for the production of clean high-tech – being the largest producer of solar panels and wind turbines in the world – it has also become a principal manufacturer of clean technology. With its hunger for energy far from peaking, it is also considered to be the biggest market for renewable energy itself. China's general economic weight and especially its role in low-carbon technologies, both as a producer and a consumer, guarantee that its voice is heard in any international negotiation, and particularly in the area of climate change.

Like in many other countries, the topic of climate change in China has moved in recent years from a niche topic of environmental agencies to the core of its political agenda. Due to the economic opportunities of low-carbon development and the chance to gain financial and tech-

nological support, climate change became the responsibility of the powerful National Development and Reform Commission (NDRC) in 1998 (Minas 2011). The importance of the issue for China is thus clearly reflected in its political institutions.

In recent climate negotiations, China has been very concerned with its image in the international community, especially after the negative publicity around its role in Copenhagen. China's excellent organisation of the Tianjin talks and its moderate yet determined approach in Cancún symbolise well its ambition to be perceived as a leader in overcoming this global challenge. This commitment is one of many recent examples of how China has been trying to assert more influence internationally. While some of these examples – like China's efforts to secure resources in Africa – clearly reflect its focus on economic development, others – like its increasing involvement in peacekeeping missions – seem to indicate a desire for more visibility and political influence in the international arena. As the climate agenda offers a unique opportunity for China to address both its development needs and its desire to demonstrate visible leadership on global challenges, it can be expected that China will continue to show strong interest in climate change negotiations and consolidate – rather than refrain from – its emerging leadership role.

A returning element in China's line of argument is its insistence on the principle of »common but differentiated responsibilities«, from which it deduces a clear distinction between industrialised and developing countries. Applying this bi-polar view, China frames itself as part of the bloc of developing countries. It aligns itself with the G77 and urges industrialised countries to adopt more ambitious mitigation targets and to scale-up their support to developing nations. At the same time, using its weight in terms of economic capability and overall emissions, China presents itself as a major political power in negotiations. Politically, it plays in the same league as major industrialised emitters and regularly refers to the United States as the main reference point for its positions.

Although the tensions between these two roles are obvious, China is firm in its efforts to promote a second commitment period for the Kyoto Protocol and thus to stick to the dual-track approach that maintains the distinction between legally binding emission reduction targets for developed countries on the one hand, and vo-

luntary pledges for developing countries on the other. It remains to be seen how much longer China can keep up this dichotomy and present itself alongside nations like Rwanda and Laos. In Cancún, voices from developing countries that criticised China's refusal to commit itself to a legally binding climate agreement could be heard (Minas 2011). Nevertheless, China is a powerful ally for the G77 and has proven reliable in advocating the group's interests, especially with regards to the Green Climate Fund and generally in the area of climate finance.

Another important alliance for China is the BASIC group of the large emerging economies, which it forms together with Brazil, South Africa and India. At regular Ministerial Meetings on Climate Change, the group members exchange and coordinate their views.

### 3.2 The Domestic Context

#### Domestic Programmes

While China refuses to commit to any legally binding emission reductions internationally and often slows down the negotiations rather than move them forward, its domestic programmes on low-carbon development are highly ambitious. Green growth is a national priority for China and it seeks to be at the forefront of clean technology development, especially in the energy sector. However, in order to keep its scope of action, China has not been willing to translate these domestic goals into international commitments, especially not as long as the United States does not make significant concessions at the negotiation table, too. Observers therefore assume that China's domestic actions will exceed its Copenhagen pledges.

The Chinese ambition to become a leader in low-carbon development is illustrated best by the 12<sup>th</sup> Five-Year Plan that was released earlier this year. For the first time, China has announced a carbon intensity target. The 17 per cent reduction intended for the next five years is in line with its Copenhagen pledges (World Bank 2011). The Plan also contains an energy intensity target of 16 per cent and a new energy target of 11.4 per cent of primary energy supply. These figures are considered to be in line with the suggestions of the International Energy Agency for China's contribution towards avoiding an increase in global temperatures of more than 2° Celsius (The Climate Group 2011). A more detailed low-carbon

plan will be issued later this year. It is expected to include a cap on energy consumption of 4.1 billion tonnes of coal equivalent by 2015.<sup>2</sup> China will also introduce new market-based mechanism, most notably carbon trading schemes. Pilot programmes are expected in six regions, and by 2015 even a national scheme might emerge (World Bank 2011).

Avoiding the negative impacts of climate change is not the only – maybe not even the major – concern that the government is addressing with these policies. They also aim at accelerating China's infrastructure modernisation, consolidating its leadership role in low-carbon technology, improving energy security, and fighting pressing environmental problems like health-threatening air pollution. Implementing these policies will be challenging, especially given the need to get the sub-national levels involved. However, Beijing has learnt from its experience with the last Five-Year Plan how important it is to set the right incentives for provincial and local authorities and should be able to apply these lessons-learnt.

#### China's Energy Structure

China's energy structure is a major determinant for its position in international climate negotiations. In order to meet its economic and environmental goals, China needs to massively expand its energy production and, at the same time, improve demand-side energy efficiency. In the past five years, the country has been able to decrease its energy intensity by more than 19 per cent. Primary energy savings could be achieved particularly through the Top 1000 Energy Consuming Enterprise Programme, which required major energy consumers to implement energy-efficiency measures, and through shutting down inefficient coal-fired power plants. Another important element for China is expanding its renewable energy production. Due to a rapid increase in its wind and hydropower capacities especially, China covers at present approximately 10 per cent of its primary energy from non-fossil fuel sources (including nuclear energy) (The Climate Group 2011). Now that many low-hanging fruits have already been picked, continuing on this path will be more challenging than ever. Technology has been – and will remain – the key for the modernisation of China's

energy infrastructure. This is illustrated by its emphasis on technology transfer in any climate talk. At the same time, China's dependency on fossil energy and especially coal, which provides more than 70 per cent of its energy supply, will remain. It is therefore hardly surprising that China – despite its ambitious low-carbon policies – is still very reluctant to commit to emission targets internationally.

#### Impacts of Climate Change

Due to its enormous size and its different climatic zones, the expected impacts of climate change on China are very diverse. They reach from increased heat waves and droughts to flooding and coastal erosion (Farber 2011). While it is not clear to what extent climate change has been affecting China so far, it is undoubtedly suffering today from the immediate environmental consequences of decades of rapid economic growth. Air and water pollution due to insufficiently regulated industrial activities and soil erosion caused by unsustainable agricultural practices are only some of the problems that Chinese citizens have to deal with. Non-governmental organisations, citizens' action groups, and the media are increasingly making their voices heard, meaning that decision-makers have started to pay more attention to these issues in order to avoid public unrest. Such current events give an idea how the consequences of a changing climate might further challenge the efforts of the Chinese government to maintain political and social stability.

## 4. Outlook: China and the Durban Climate Change Conference – What Is to Be Expected?

Backed by its recent domestic achievements and commitments, China will enter the negotiations in Durban with new credibility concerning its willingness to contribute to global efforts to mitigate climate change. There is no doubt that the Chinese government will use it to underscore once more its demands expressed at previous summits. Xie Zhenua, the Vice-Minister of the NDRC, has indicated what China's priorities in Durban will be. He demanded that the conference should follow the Bali Road Map and focus on the following tasks.

Firstly, the Parties would have to establish a second commitment period for the Kyoto Protocol with ambitious emission reductions. Secondly, comparable targets

2. China to Cap Energy Use in National Low-carbon Plan, in: *The Guardian* (4.8.2011), available at: <http://www.guardian.co.uk/environment/2011/aug/04/china-cap-energy-plan> (last accessed on 12.10.2011).

should be introduced for industrialised countries that are not parties to the Protocol. Thirdly, the previously agreed arrangements for climate finance and technology transfer should be implemented. Lastly, MRV and other transparency-related issues should be pushed forward, particularly in the context of the mitigation targets of industrialised countries as well as their pledges for financial and technological support for developing countries.<sup>3</sup>

Judging from the preparatory talks in Bangkok and Bonn earlier this year, all of these issues will be major points of contention in Durban (The Climate Group 2011). Japan, Canada, and Russia have refused to extend the Kyoto Protocol and have called for a new agreement that includes all major emitters, especially China and the United States. The latter, however, will hardly be able to join the Protocol given the Republican opposition in Congress. In fact, even any other agreement with significant emission reductions might be difficult to ratify domestically unless China is part of it, too. This, however, would run contrary to the Chinese insistence on a dual-track approach.

On finance and technology, not much news is expected from China in Durban. Its negotiators will continue to foster their relations with the G77 by supporting the group's calls to industrialised governments to implement their commitments from Copenhagen. As the period of fast-start finance is coming to an end, special attention will be given to the delivery of medium-term funding up to 2020.

Hope for substantive progress seems to be justified when it comes to MRV. The Chinese government is aware that an effective monitoring system is a prerequisite for achieving the goals laid down in its new Five-Year Plan, especially when it comes to emission intensity. It might therefore be open to further compromise on this issue, especially if it can be convinced that international advice on how to set up an MRV system will move its domestic agenda forward. Given the desire of ambitious provincial and local officials to be credited for their contributions towards achieving national goals in conjunction with an increasing recognition of the significance of transparency for efficient governance, chances might be better than ever to convince China that MRV is about building trust rather than finger-pointing (Seligsohn 2010; Cameron 2011).

3. Climate Change Challenge, in: *China Daily* (3.3.2011), available at: [http://www.chinadaily.com.cn/opinion/2011-03/03/content\\_12106866.htm](http://www.chinadaily.com.cn/opinion/2011-03/03/content_12106866.htm) (last accessed on 12.10.2011).

The European Union could play a decisive role in engaging China in the climate change challenge. With its own ambitious climate agenda, it has the necessary credibility to mediate between China and the United States on contested issues. It is also the last major industrialised power that supports China's central demand of a second commitment period for the Kyoto Protocol, making the EU an important ally for Beijing. In complex areas like MRV, the EU could facilitate agreement by making concrete proposals on how to create an effective monitoring system for mitigation activities. It also has a lot to offer China outside the climate change agenda, especially in the area of trade. Package deals across policy areas could create incentives for further Chinese compromises in climate negotiations.

In Cancún, China demonstrated that it was able to learn from its failure in Copenhagen by adopting a more reconciliatory negotiation approach. Still, some of the most contested aspects on the climate agenda need to be resolved. The climate conference in South Africa will show whether China can do justice to its aspirations to be a global leader on climate change and pursue its interests without alienating its partners.

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## Perspective: The European Union

*Matthias Duwe\**

### 1. Summary: The EU in the International Negotiation Process and Its Official Position on Climate Change

The European Union (EU) has been championing an effective global regime to stop dangerous climate change for more than 20 years, and has invested significant political and economic capital in furthering climate policy at home and abroad (Oberthür and Pallemmaerts 2010; Wurzel and Connelly 2011). However, at present its usual drive has been somewhat hampered. The disappointment following the 2009 Copenhagen summit and a lack of visible progress in climate policy in other parts of the world (notably the United States) – combined with the pressures of the global economic downturn and the euro crisis – have dampened the appetite of many European leaders for bolder climate action, at home or within the UN. At the same time, EU emissions have come down, additional targets are now cheaper to meet following the recession, and research promises significant economic benefits from further investments in energy savings and other clean technologies.

For the upcoming climate conference in Durban, the EU finds itself caught in a particular conundrum: on the question of the future of the Kyoto Protocol framework, there is mounting pressure for it to drop its last defences regarding the continuation of the Protocol, but few industrial emitters seem willing to join with the Europeans to support a continuation, and uncertainty remains over the stringency of other Parties' contributions.

The EU has a track record as a progressive force in the negotiations and is certainly the greenest among the industrialised country players. It has put an emphasis on the overall objectives of the negotiations being based on the latest findings in climate science and was a strident supporter of inscribing into the Copenhagen Accord the goal of keeping global warming temperature rises below 2°C when compared to pre-industrial levels. It further advocates at least halving global emissions by mid-century (a specific objective that did not make it into the Accord) and in that context

accepts a long-term reduction target of up to 95 per cent for itself and other industrialised countries by 2050 (European Council 2009). It has been a strong supporter of a Kyoto-style framework addressing climate change with internationally binding national targets for emission limitations and reductions and a strong compliance regime.

Historically, the EU played a key role in ensuring the adoption of and, later, the entry into force of the Kyoto Protocol. In 2007, the EU became the first major industrial emitter block to put forward further reduction targets for 2020 – a then welcome impetus to the negotiations on the future of the UN system beyond 2012. This offer to commit to deeper emission cuts by 2020 came in two parts – a minimum 20 per cent reduction from 1990 levels by 2020, and the possibility to step to 30 per cent on the condition that others would follow suit with similar efforts as part of a global deal (European Council 2007).

Observers have questioned whether these EU targets are sufficient for a global pathway in line with the global long-term goal of keeping global warming temperature rises below 2°C. The 20 per cent reduction target is outside the range of 25-40 per cent reductions recommended for industrialised countries by the 2007 report of the IPCC. But also the conditional 30 per cent reduction offer has not been judged a sufficient contribution by some critical evaluators (Climate Action Tracker 2011). Notwithstanding, the EU clearly recognises and is trying to address the gap between the current reduction and action pledges made under the UNFCCC for 2020. It acknowledges the global efforts required and is seeking ways to develop the process to address them.

### 2. Looking back: The EU and the Cancún Climate Change Conference

The EU came back from the Copenhagen summit in late 2009 disappointed and somewhat disillusioned. It had put high stakes on the historic conference, and its proceedings and meagre outcome thus provided at least a temporary set-back for the EU's reputation as a global player, with some accounts reporting that EU leaders were sidelined

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during crucial hours of the Copenhagen summit or that the EU's positions did not making a significant difference to the final outcome. With the UNFCCC bruised and battered after the last hours of Copenhagen, some commentators – even within the EU – questioned the validity of the UN process and its ability to deliver a workable outcome.

Historically, the EU had built the political justification for its own climate policy largely on the requirements of the international system and the EU's reduction commitments under the Kyoto Protocol for 2008-2012. However, in part as a consequence of growing uncertainty over the future of the current system, the architecture of more recent EU climate legislation aimed at 2020 (such as the Climate and Energy Package adopted in 2008) had now been designed to work largely independently of the UN regime and its progress. Nevertheless, public and political support remains closely linked to the international process, and success at the UN level was (and still is) an important strategic goal for the EU. Thus in the wake of Copenhagen, EU heads of state felt the need to restate their commitment to the UNFCCC process publicly (European Council 2010).

At the same time, the EU negotiators and their ministers were very clear about the prospects for the climate summit in Cancún, Mexico, in 2010, in that they did not expect the conference to deliver what Copenhagen had failed to accomplish, that is, create a new comprehensive and binding framework for a future climate change regime post-2012. Going into Cancún, the EU's main objective was to salvage as much as possible from the Copenhagen outcomes and – in the official turn of phrase – to »anchor« the so-called Copenhagen Accord, which comprises the most important political outcomes of Copenhagen, but the Accord had only been noted and not accepted by the state Parties assembled in Copenhagen in the UNFCCC negotiations. The EU was hoping for specific decisions on a variety of issues referenced in the Copenhagen Accord such as the review of the regime in 2015, REDD+, the Green Climate Fund, and a new technology mechanism, as well as areas of key concern to the EU that had remained largely unresolved, including long-term targets as well as transparency and accounting for mitigation actions.

From the EU's perspective, the final outcome of the Cancún summit, the so-called Cancún Agreements, were at least a partial success. A number of the specific decisions the EU had looked for were taken. In the words of the environment ministers' résumé of the conference, »the Cancún

Agreements reaffirm(ed) the strength of the UNFCCC multilateral process as a means of finding global solutions to global problems« (Environment Council 2011a).

### 3. Before Durban: The EU and Climate Change Policy in Times of Crisis

2011 has not been the year for major progress on climate change policy in the European Union. The agendas of its political leaders have been dominated by the euro crisis and European engagement (or lack thereof) in the conflicts and revolutions in North Africa and the Middle East. Preparations for the 2012 battle over the next EU budget have taken precedence over other issues in Brussels circles. And the ongoing economic crisis makes anything that hints at additional cost a hard sell.

Therefore, it is not surprising that internally the EU is, at present, divided over key elements of its future climate policy and how it should or should not act in international negotiations. There exists a group of champions for a higher (30 per cent) climate target led by the United Kingdom, with Germany and Denmark in tow. They see the feasibility of the reductions being made, the economic opportunities resulting from it in local jobs in building retrofits and establishing future clean technology markets, and they also value the political gains to be made internationally by moving towards this target. At the same time, a number of other countries, notably Poland (holder of the EU's rotating Presidency until the end of 2011), are very clearly in opposition to a stronger effort, arguing that it will result in higher costs for industry and consumers and that reductions have already been achieved.<sup>1</sup> This is not simply a matter of an East/West divide – Hungary, for example, which held the Presidency in the first half of 2011, has been markedly more positive about additional action on climate and energy savings.

These debates are also taking place within a variety of national governments. As climate change-related matters have broadened and now clearly affect other policy dossiers, the issue brings ministerial advocates of divergent interests to the table: namely, environment advocates, with their inherent interest in climate protection and renewable energy and energy efficiency; economic

1. At the June 2011 Environment Council, Poland prevented adoption of conclusions on the issue. <http://www.pointcarbon.com/aboutus/press-room/pressreleases/1.1556295>.

advocates, with their broader energy and transport portfolios; and finance advocates, which fear they will have to foot the bill at the national and international levels. And as climate is currently not a headline issue and people and the press in an economic crisis focus on jobs and recession, support from heads of state and at the government level is hard to come by. Only in the United Kingdom and Denmark have the respective leaders openly supported increasing the EU emission reduction target unilaterally to 30 per cent by 2020.

But there are also some positive aspects: analysis by the European Commission shows that the cost for higher reduction levels have come down significantly compared to their own calculations from 2007. At the same time, a closer study of the positive effects of emission reductions has uncovered billions of euros in savings for the European economy and state budgets on account of fewer health problems, reduced oil imports, and lower household energy bills due to more efficient consumption, among other factors (European Commission 2010; HCWH and HEAL 2010; CAN-Europe 2011; PIK 2011). Some economic actors are taking up the call and have started asking European decision-makers to adopt a higher climate target to steer investment into low-carbon technologies (The Climate Group 2011).

There are, of course, significant external factors influencing the EU's considerations. Chief among those is the EU's rather lonely position as the leading climate protector among the industrialised countries. In the United States (not even a Party to the Kyoto Protocol), hopes for a federal climate bill were defeated in 2009. Without such a bill, the government has little leeway to engage ambitiously at the international level. The Canadian government can be expected to default even on its Kyoto targets. Russia is largely interested in safeguarding its current special status and has proposed economic business as usual for its share in the effort. And on the question of a continuation of the Kyoto Protocol with a second commitment period, most of these countries have responded negatively, most notably and publicly Japan in 2010.<sup>2</sup> For many political decision-makers, the case for a higher target in the EU and new commitments under the Kyoto Protocol is a hard one to make against a background of a seemingly low level of participation.

2. Reports on Japanese statement in December 2010. <http://www.guardian.co.uk/environment/2010/dec/01/cancun-climate-change-summit-japan-kyoto>.

There is also the issue concerning the mutual lack of trust between developed and developing countries. On the one hand, the EU holds little sway over the key developing countries with its current emission targets. Despite a better track record than most, the EU gets lumped in together with the other industrialised countries when it comes to the charge of a lack of achievement on its existing targets. There are also accusations that the achievements made so far are due to specific historic events and not targeted policy interventions. At the same time, to the ears of many EU representatives, some of the developing countries' traditional arguments – still used in reference to the group as a whole – have a hollow ring. Notwithstanding the historical responsibility of industrialised countries, they see the technological advancements in China and the economic progress in countries that have joined the OECD and are asking for more nuances. This perception is strengthened in European policy-makers by warnings sounded by industry representatives in Brussels and other European capitals about the impacts of the EU »going it alone« on their international competitiveness.<sup>3</sup> Under current political and economic conditions – and for the sake of the long-term integrity of the UNFCCC regime – the EU negotiators feel they need to have specific commitments and systems for the monitoring of and verification for developing-country actions.

Regarding the conference in Durban, this landscape presents the EU with a potential calamity because a central theme of the conference is the legal form of the future regime and the timing of its components. The EU will be under immense pressure to formally (and permanently) commit to a second commitment period under the Kyoto Protocol – it has indicated its willingness to do so in principle. This would require for the EU to have a number of specific assurances about what others are going to do (and how serious they are). It needs to know that the United States and those Annex-1 countries who may decide not to be bound by the Kyoto Protocol any longer will face similar target levels and stringency as the EU when it comes to reporting and compliance. It will also need to have sufficient certainty that developing countries – certainly the major economies – will agree to have their actions registered and evaluated under a UNFCCC legal framework as well.<sup>4</sup>

3. See for example the climate change position of the association Business Europe. <http://www.businessseurope.eu/content/default.asp?PageID=657>.

4. EU Environment Ministers meeting at their Council in October 2010 outlined these conditions in more detail than ever before in their conclusions (Environment Council 2011b).

It is unlikely, if not impossible, that such assurances (as a minimum in terms of process and timeline) can be agreed upon in Durban. But from the EU's perspective, agreeing to Kyoto post-2012 without adequate pledges from other Parties would be the equivalent of handing over its final trump card before anyone else has shown their hand, thereby taking itself out of the game from that point forward.<sup>5</sup>

#### 4. Outlook: The EU and the Durban Climate Change Summit – What Is to Be Expected?

The EU ministers and negotiators preparing for the Durban conference have a variety of things they will want to make progress on in the form of specific decisions (Environment Council 2011a, Environment Council 2011b). Regarding the overall environmental ambition level, the EU will seek to enshrine a specific global 2050 goal and peaking year for global emissions – an issue likely to be resisted by major developing countries. The specific scope and process for the review foreseen in the international system for 2015 (and thus the next chance to make progress on the current set of targets) will also be a key concern. In combination, the goals and the review could provide a means of ramping up the ambition level for the process over time.

The EU will also seek to close certain issues – such as the methodology for Land Use, Land-Use Change and Forestry (LULUCF) accounting – and will look to make progress on other cornerstones of the Cancún Agreements, such as REDD+ methodologies, the design of technology mechanism, and allowing both the Adaptation Committee as well as the Green Climate Fund to become operational. In addition, the EU is likely to push more fervently for the discussions and decisions on new market-based mechanisms to further develop instruments to finance emission reductions – and to broaden the global carbon market.

The most difficult issue for the EU will certainly be the legal form question, combined with the need to have sufficiently stringent monitoring, reporting, and verification (MRV) systems in place. A positive outcome for the EU would likely be a specific timeline for a final agree-

5. It is important to note that the character of the EU's objection to a second commitment period is indeed both substantive (in terms of wanting to have a better treaty going forward) and strategic (in terms of not giving in too early in a negotiation), but does not stem from a lack of willingness to agree to a legal framework to inscribe its actions (as is the case with other Parties), since the EU's own legislation already makes its 2020 climate targets legally binding domestically.

ment on the legal form under both the Kyoto Protocol and UNFCCC negotiation tracks, combined with a clear, common understanding of the substantive issues to be decided within those processes. The UN climate regime needs at least that, if not more – with only one year to go until the end of the first commitment period of Kyoto, there is no time left to lose.

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## Country Perspective: India

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### 1. Summary

Since the inception of international climate talks, India has emphasised adherence to the precept of »common but differentiated responsibility«. It has laid thrust on the historical responsibility of the industrialised nations, whose carbon-based industrial activity over the last two centuries has been primarily responsible for climate change.

India would not want to be described as a »major emitter«, with per capita carbon dioxide (CO<sub>2</sub>) emissions of a mere 1.4 tonnes – the per capita world average is 4.2 tonnes and most OECD countries are at 10-20 tonnes per capita. Although India is ranked number three in terms of total emissions behind the United States and China, the gap with the first- and second-ranking countries is very large. »The US and China account for over 16 % each of the total global emissions, while India trails with just 4 %, despite its very large population and its rapidly growing economy« (Government of India 2009). This has implied that India is not willing to accept any internationally agreed upon, legally binding caps on its carbon emissions as – given its low cumulative contribution and per capita emissions – any curtailment of emissions will hamper its convergence to a higher economic growth and development trajectory. Thus, India's official position states that the United Nations Framework Convention on Climate Change (UNFCCC) should suggest deep and significant emission cuts by the industrialised nations. Nonetheless, India believes that despite not being subject to any targeted emission reductions under the UNFCCC, it will not allow its per capita greenhouse gas (GHG) emissions to exceed the average per capita emissions of the developed world (Government of India 2009).

On a broader spectrum, prior to Cancún, India had adhered to a hard line and non-committal position of not accepting any legally binding commitments. However, in trying to portray a more cooperative picture of India in the international negotiations, there was a slight softening of India's position at Cancún as the then Minister

for Environment and Forests, Jairam Ramesh, conceded that developing countries too should be curbing their emissions. This flexibility in stance experienced a slight change when the current Environment Minister, Jayanthi Natrajan, emphasised the need for a second commitment period of the Kyoto Protocol after her first meeting on climate change issues with 150 environment ministers in Pretoria, South Africa, in September 2011.

### 2. Looking Back: India and the Cancún Climate Change Conference

At the end of the Copenhagen summit, India emerged as a member of the BASIC bloc of countries (Brazil, South Africa, India, and China), which committed to act cooperatively in international climate negotiations. This regional or ad-hoc partnership was a response to the positions of leading political and economic forces evolving in the global negotiations arena. Even as part of the BASIC bloc, there was continuation of India's position, in that the Kyoto Protocol remained the core, adequately binding text at the international level, thereby implying no need for a new text. India believed that even for the period after 2012, a mere re-determination of new targets and new time frames needs to be debated upon. While rejecting internationally enforced limits on its own emissions, India voluntarily pledged to reducing the emission intensity of its gross domestic product (GDP), that is, the emissions per unit of output, by 20-25 per cent below the 2005 level, by 2020 (Ministry of Environment and Forests 2010).

After adopting a somewhat rigid position, it was at the Cancún summit that India's stance was made a little more accommodating. Minister Ramesh discarded the policy of the last two years by expressing the need for all countries to accept binding commitments in place of its oft-claimed policy of only voluntary action to reduce GHGs. He proposed that developing countries' mitigation actions be submitted for international consultation and analysis, albeit in a manner that is »non-intrusive, non-punitive and respectful of national sovereignty.« At Cancún, India moved to a more concessional viewpoint, even as regards equitable sharing of the carbon space by replacing

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it with »equitable sharing of sustainable development« (Ramesh 2010, Section II, 1). The minister's statement received considerable reservations domestically, only to be clarified later by him that at Cancún he had called for a binding commitment »under appropriate legal form« and not a legallybinding commitment (UNFCCC 2010). Moreover, it was stated that India would not be able to even consider a legallybinding agreement until there is clarity on the substance, the penalties for non-compliance, and the monitoring system (The Climate Group 2010).

In specific terms, the key gains achieved by India at Cancún took the following form. First, there was the formulation and inclusion of »international consultation and analysis« for developing countries in a manner that their sovereign rights remain protected. Second, it managed exclusion of 2015 as a peaking year and 2050 as an emissions-lowering target year. Third, there was inclusion of representation from developing countries on the committee for international assessment and review for developed country mitigation actions as well as on the committee evolving the technology transfer mechanism. And finally, there was recognition of the fact that unilateral measures to combat climate change should not »constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade« (The Climate Group 2010).

Recently, there has been a toughening of India's stance at the meeting of the environment ministers in South Africa (in September 2011). There has been reiteration of the need for a second commitment period of the Kyoto Protocol and a re-emphasis for the rich countries to provide additional financial resources to developing countries to address climate change through voluntary action. In addition, three agenda items – equity, trade, and technology related to intellectual property rights – have been put forward for the Durban Climate Conference.

### 3. Before Durban

#### 3.1 India's Position within the Global Negotiation System

Deliberations have been ongoing to provide the much-needed political impetus to the international climate negotiations in the run-up to December's United Nations (UN) Climate Change Conference in Durban. The key

elements of the agenda for negotiations comprise the following individual country positions. Japan and Russia have stated their compliance with a second commitment period under Kyoto, conditional on involvement of major developing countries, such as China and India. The US position is more negative – it will neither sign up for a second commitment period of Kyoto nor accept a binding international agreement. The European Union (EU) believes that their bloc cannot deal with climate change on its own and would want countries to undertake some action, whether under Kyoto or some other way, if a unified cooperative implementation framework is not feasible.

In this setting, India's position is best understood by analysing India's energy economy, since a major chunk of anthropogenic emissions of GHGs emanate in the energy sector (Sawhney and Mehra 2010).

Energy is a key input into the growth and development of an economy such as India. India is poised to grow at an annual rate of 8-9 per cent over the next two decades (Planning Commission 2006). India's population is likely to reach a level of 1.45 billion by 2030, with the proportion of urban population rising from the prevailing 30 per cent to 49 per cent in 2030. On account of these economic and demographic changes, it is emerging as an economic giant and a centre for energy use. Furthermore, the fact that in 2007 the level of per capita consumption of primary energy in India is a mere 0.53 toe (tonnes of oil equivalent) – as compared to the per capita consumption of 1.48 toe in China, 3.48 toe in the United Kingdom, 7.75 toe in the United States, and 1.82 toe for the world as a whole (IEA 2007) – India's energy consumption must grow to sustain higher economic growth rates, support developmental priorities, and enhance economic well-being.

The total primary energy supply (TPES) (from commercial and non-commercial sources) in India in 2007 was estimated at 595 mtoe (million tonnes of oil equivalent),<sup>1</sup> in comparison with China's at 1,956 mtoe, the United Kingdom's at 211 mtoe, and the United States' estimated to be 2,340 mtoe. In terms of aggregate efficiency of energy use, captured by the energy intensity of

1. In comparison with these IEA estimates, the Expert Group on Integrated Energy Policy (Planning Commission 2006) puts TPES in 2006/2007 between 542 and 550 mtoe, of which 153 mtoe is drawn from non-commercial energy forms; TEDDY (2009) puts the total primary commercial energy supply at 360 mtoe in 2006/2007.

GDP, the TPES/GDP ratio, India stands to perform well internationally.<sup>2</sup> At 0.15 toe, it uses a lower level of primary energy for producing each thousand dollars of GDP (in 2000 prices and PPP terms) as compared to China (0.20 toe), Russia (0.42 toe), the United States (0.20 toe), and the similar world average (0.20 toe) (IEA 2007). Electricity is one of the cleanest forms of energy in consumption and has been found to have a strong positive link to important development indicators, such as the Human Development Index (HDI) (Planning Commission 2006). The corresponding comparison for electricity consumption per capita presents a similar picture for India. Its electricity consumption is a mere 543 kWh per capita per annum as compared to 2,328 kWh per capita for China, 6,143 kWh for the United Kingdom, 13,615 kWh for the United States, and the world average of 2,752 kWh. India's electricity consumption will have to grow in the future to allow it to reap the benefits of economic development.

From a micro-perspective, energy poverty is a distinguishing feature of India's energy economy. In 2009, over 450 million people in India were below the 1.25 US dollars per day level, which is the global poverty threshold of the World Bank, meaning that they also have poor and inefficient energy access. India houses nearly 403 million people with no access to electricity (380 million rural and 23 million urban). There is an undue 78-80 per cent overall dependence of the population on traditional biomass energy forms for its cooking and heating end-uses (IEA 2010). Providing the poor with minimum energy services will amount to less than 1 tonne of CO<sub>2</sub> per person (Prayas 2009).

Given its growing consumption of oil and natural gas, and limited availability from domestic sources, India's overall energy import dependence at 25 per cent – and a much higher oil import-dependence at 74 per cent in 2007 – continues to be highly relative to that for other emerging market economies. This has significant implications for its energy security.

The Expert Group on Integrated Energy Policy (EGoIEP) estimates that at an 8 per cent rate of growth of India's GDP, its CO<sub>2</sub> emissions in per capita terms in 2031/2032 will rise to a mere 2.6-3.6 tonnes as compared to over 20 tonnes in the United States and the global average of 4.2

tonnes (both in 2004) (Planning Commission 2006). Furthermore, recent studies and models projecting CO<sub>2</sub> emissions in India and other countries, including projections made by the World Bank (2007), the IEA (2007), and the EGoIEP, point towards a decline in India's CO<sub>2</sub> emission-intensity through 2030 (World Bank 2007; IEA 2007). This implies that there exist prospects for India to remain on a relatively low-carbon growth trajectory in the future.

India has assumed the role of an important actor in international climate change negotiations. In general, since the Copenhagen summit in 2009, it has been a forerunner in the tussle between the industrialised and developing countries, even culminating in deadlocks. At Cancún in 2010, it did facilitate evolving a consensus to bring the talks back on track. It has been increasingly recognised by the world community that it is imperative to have on board large emitters such as India, China, South Africa, and Brazil to address climate change mitigation in an effectual manner (Dubochet 2011).

Being a global public good, climate change mitigation is beset with concerns of free-riding by countries. That is, everyone benefits from climate change mitigation, while only those who undertake it have to bear the mitigation cost. Large-scale cooperation among countries is, therefore, difficult to implement given the sovereignty of the participating nations, absence of a supra-national authority to impose emission targets, and significant side-payments obligated to make any cooperative endeavour feasible. What is witnessed instead is the formation of several loose alliances or climate blocs of countries. For instance, the Copenhagen summit saw the BASIC bloc emerge as a critical new actor in the negotiations, which permitted it to limit concessions on monitoring of developing country emissions. Despite the cooperation achieved at Copenhagen (as a last-minute consensus on a more generic framework of negotiations), the coherence of the BASIC bloc was somewhat lacking at Cancún as the negotiations strived towards more specific agreements. It is at this point that divergences of opinion emerged between India and China on the one hand, and Brazil and South Africa on the other, as the former group were opposed to internationalisation of mitigation targets. Seemingly, another crucial threat is the economic power of China, which – besides it being a major GHG polluter – has prompted countries such as the United States, Japan, and other OECD members to refuse commitments to binding mitigation targets in the absence of its participation (Dubochet 2011).

2. Here, GDP is measured in purchasing power parity (PPP) terms to enable international comparison.

Another crucial alliance forged by India is the coalition of the BASIC bloc and G77 countries. India has always been a part of the broader coalition of the G77, whereas, more recently, the BASIC bloc has been inclined to work closely with the G77 in terms of forwarding the latter's concerns over climate finance for the smaller countries within the group. Notably, however, some disagreements between these alliances have emerged. While the Alliance of Small Island States (AOSIS) and Africa want to bring in an immediate and ambitious legally binding treaty for all the countries – a stance stemming from their extreme vulnerability to climate change – the BASIC bloc is viewed as a barrier to progress in negotiations. On the whole, the BASIC-G77 alliance is a delicate coalition whose sustenance is supported by a common cause but marred by differences in vulnerability and economic influence. As Jairam Ramesh stated, »most countries, including our BASIC partners Brazil and South Africa, our developing country partners in AOSIS, LDCs, Africa, and four of our SAARC partners (Bangladesh, Maldives, Nepal and Bhutan) shared [the view that all countries must agree to a legally-binding agreement]. (...) It was, therefore, important for India to demonstrate that it was not completely oblivious and insensitive to the views and opinions of a large section of the global community« (Ramesh 2010, Section V). This points towards the fact that India's international image and foreign policy have also played a key role in evolving its policy stance of being a »constructive, solution-oriented player in global negotiations« (Ramesh 2010, as quoted in Dubochet 2011).

### 3.2 The Domestic Context

Quite apart from India's international perspective, its stance in global climate negotiations is also influenced by its domestic situation and priorities. On the one hand, it is imperative for India's emissions to grow if it is to meet its domestic policy goals of high economic growth and energy poverty alleviation, while on the other hand its recent assessments indicate extreme vulnerability to warming of the Indian subcontinent.<sup>3</sup> Both aspects are also affected by political and special interest groups in

the domestic economy, in terms of influence exerted by opposition parties, industrial interests, and non-governmental organisations.

Another aspect that is noteworthy is India's energy consumption basket. India's total primary commercial energy supply (including imports) in 2006/2007 was estimated at 360 mtoe, of which over half (53% or 191 mtoe) was derived from coal and lignite. Of the remaining share, 128 mtoe (36%) was obtained from crude and petroleum products, 29 mtoe (8%) from natural gas, and a relatively small amount of 12 mtoe (3%) from power from hydro, nuclear, and renewable energy sources (TEDDY 2009). On account of large domestic reserves, this overwhelming dependence on coal (particularly coal-based power generation) is likely to persist into the future under most of the baseline and alternative policy trajectories charted out for India's energy economy (IEA 2010). Thus, any domestic action being pursued will have to be discussed against this backdrop.

As part of its proactive agenda, India has voluntarily pledged to reduce the emissions-intensity of GDP by 20-25 per cent from its 2005 levels by 2020. In consonance with this goal, a multi-pronged approach has been conceived under the National Action Plan on Climate Change (NAPCC), released by the Government of India in June 2008. The NAPCC comprises eight national missions, including the National Solar Mission, the National Mission for Enhanced Energy Efficiency, and the National Mission on Sustainable Habitat, in pursuance of which specific actions have been envisioned and are already under way. The National Solar Mission charts out an ambitious goal of establishing 20 GW of solar energy on grid and another 2 GW off-grid by 2022 (Rastogi 2011). The National Mission for Enhanced Energy Efficiency aims to set up a Perform, Achieve and Trade (PAT) mechanism for trading energy efficiency certificates for designated consumers in all the key energy-intensive sectors. With stakeholder consultation completed, this is planned to be rolled out in 2011. The Bureau of Energy Efficiency (BEE) under the Department of Power had launched energy-efficiency labelling for refrigerators and other appliances. Under the Sustainable Habitat mission, in 2007 the Energy Conservation Building Code was introduced by BEE, initially on a voluntary basis, to establish energy performance requirements for commercial buildings with loads of 500kW and above to enhance energy efficiency in end-uses such as lighting,

4. This is likely to result in intensification of daily minimum and maximum temperatures, a small rise in precipitation levels, increased return-periods of storm surges in the east and intensity cyclone systems, declining agricultural productivity (in particular of wheat, rice, maize, and sorghum) and livestock productivity (see Government of India 2010).



space cooling, service water heating, and electric power distribution (Sawhney and Mehra 2010). Further impetus for a low-carbon trajectory is closely linked to access to climate finance and technology.

In addition to the NAPCC, India has embarked upon other measures towards climate change mitigation. The 2010 Central Budget issued a levy on domestic and imported coal of about 1 US dollar per tonne in the nature of a carbon tax. The revenues derived from this tax instrument have been earmarked for research and development in clean-energy technologies and other environmental protection programmes. An Expert Group to chart out alternative low-carbon development pathways has also been set up to make recommendations that will flow into the country's 12<sup>th</sup> Five-Year Plan (Rastogi 2011).

#### 4. Outlook: India and the Durban Climate Change Conference – What Is to Be Expected?

As in the past, India's stance at the Durban Climate Change Conference will be determined by its existing domestic priorities as well as its international political agenda. On the domestic front, it is facing the diverse objectives of addressing mitigation of climate change impacts on the one hand, while there is the need to grow and to provide greater energy access and energy security to its large populace on the other hand. In the global arena, India has a growing economic and political clout and would want to project itself into the role of a global »deal-maker« and a technology leader in clean energy.

Against this backdrop, India's position is best summarised in terms of adherence to »common and differentiated responsibility«. This can be translated into the following three positions, which outline India's outlook on deliberations at the Durban summit. First, India is in support of establishment of an effective technology transfer mechanism. Second, it has called for effective transfer of climate finance to support mitigation and adaptation measures in developing countries. Third, as regards GHG mitigation targets, India has reiterated restoration of binding commitments for the industrialised countries under the Kyoto Protocol while rejecting commitments for developing countries. As has been highlighted again in a recent communiqué from the Ministry of Environment and Forests (UNFCCC 2011), the »achievement of

the global goal must not compromise the sustainable development imperatives of developing countries and must fully take into account the overriding priority of social and economic development and poverty eradication in such countries«.

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## Perspective: Latin America

*Claudia Detsch\**

### 1. Summary

Latin America as a regional actor has the potential to assume a key role in the forging of a global climate agreement. First of all the region's environmental and climate-related potential is enormous – both in terms of potential savings on emissions as well as use of renewable energies. Secondly, economic development of the region is jeopardised by climate change. With its rising economic powers and developing countries, the region could also act as an honest broker between the North and South. Thus far, however, the still-secondary importance of climate policy on the whole and ideological differences have precluded a stronger role for Latin America in climate negotiations. This is particularly evident in the United Nations' international climate negotiations: Latin America does not negotiate with coordinated positions – on the contrary, there are fundamental differences over key issues. The specific positions of the respective countries are more greatly influenced by the ideological preferences of individual governments than in other regions. As a result, Latin America displays almost the entire bandwidth of views to be found among newly industrialising and developing countries. There is only agreement over those issues which fundamentally relate to the relationship between industrialised countries on the one hand and developing and newly industrialising countries on the other. Thus, for example, the Latin American states insist on a second obligatory period of the Kyoto protocol. They are calling in unison upon the industrialised nations to set more ambitious targets for the reduction of their emissions than they have to date. The region also for the most part agrees that adaptation to climate change has been devoted too little attention in negotiations thus far. The Latin American governments are concerned over the fact that the least developed countries are to be given priority in the funding of adaptation measures. There is a widespread fear that Latin America will be left alone to cope with climate change by itself. Latin America was responsible for approximately 6 per cent of global CO<sub>2</sub> emissions from industrial processes and energy production between 1990 and 2005.<sup>1</sup>

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1. <http://cait.wri.org/cait.php?page=cumul&filter=1&mode=view&zoom=&mapx=&mapy=>

This compares with 48 per cent of global CO<sub>2</sub> emissions as a result of changing soil use, however (PNUMA and SEMARNAT 2006). As a result of the comparatively low percentage of global greenhouse gas emissions caused by the region and the fact that it is much more greatly affected by climate change, the view that the current situation is unjust is shared by actors spanning the entire political spectrum of the region. But when the issue becomes what tools and instruments are best suited to combat climate change, fundamental differences crop up.

### 2. Looking back: Latin America and the Cancún Climate Change Conference

The countervailing positions characterising Latin America also became evident at the Climate Summit in Cancún. There was a showdown between the Mexican host of the conference, Foreign Minister Patricia Espinosa, and the leader of the negotiating team from the Bolivian delegation, Pablo Solón, on the last day of the conference. Up until that point, the Bolivian delegation had refused to accept resolutions because in its opinion the agreements made were far from what was needed. Espinosa finally pointed out to the Bolivian negotiators that consensus does not mean unanimity. So it was that the position of Bolivia was recorded in the Summit documentation, but resolutions were adopted anyhow, overriding Bolivia's objections. This was surprising because in the end Bolivia did not have the support of its ALBA allies (Bolivarian Alliance for the Peoples of Our America/Alianza Bolivariana para los Pueblos de Nuestra América). The delegations from Venezuela, Ecuador and Cuba merely called on the other countries to hear Bolivia's view, but the Bolivian delegation did not receive any more resolute support from these countries. It was too important in their view to prevent a failure of the summit – which would probably have ultimately meant the end of multilateral climate negotiations at the UN level as a whole. At the Climate Summit in Copenhagen one year before, in contrast, the ALBA members had still formed a solid front. And it was primarily as a result of their stance that the Copenhagen Accord was not **adopted**, but rather **acknowledged**.

There was widespread relief in Latin America over the continuation of multilateral negotiations in the wake of the Cancún Summit, but disappointment over the meagre results. Hope still existed, however, that the Cancún Resolution could serve as the basis for more far-reaching agreements at the next climate summit in Durban. In particular progress made on the Green Climate Fund and REDD (Reducing Emissions from Deforestation and Degradation) was welcomed in most of the region – with the aforementioned caveat that funds must not only benefit the poorest countries.

### 3. Before Durban

#### 3.1 Latin America's role within the global negotiating system

The countries of Latin America are members of a multitude of alliances in the UN climate negotiations. First of all, with the exception of Mexico they are members of the G-77, the group of developing countries comprising well over 100 countries. Mexico, an OECD member, is part of the so-called Environmental Integrity Group (together with South Korea, Monaco, Liechtenstein and Switzerland). The G-20 members Mexico and Brazil have established themselves as key actors in the negotiations over the last few years; both countries have moreover submitted national strategies on climate change. Brazil is a global leader in climate negotiations for the BASIC group (Brazil, Africa, India and China), with the Amazon state regarding itself as a spokesman for the South. In 2011 Argentina, also a member of the G-20, but which had not played any major role in climate negotiations until then, was also invited to a preparatory meeting of the BASIC states. Mexico in its capacity as host was instrumental in bringing the summit in Cancún to a conclusion on a relatively positive note, thereby instilling new life in the UN climate negotiations. The country is seeking to assume the role of an honest broker between the industrialised states and the newly industrialising and developing countries.

The Caribbean countries are part of the Alliance of Small Island States (AOSIS), which constitute an important moral force in the negotiations due to the fact that they are greatly affected by climate change. Like the Caribbean states, the countries of Central America are also highly vulnerable and are therefore pressing

for far-reaching decisions and financial aid to adapt to climate change in the negotiations. Countries with governments propagating free market economics such as Columbia, Chile and (at least to date) Peru are also arguing that market mechanisms should be used to cope with climate change. They are comparatively close to the positions of the European Union in the negotiations. In 2010 Columbia initiated the »dialogue of Cartagena« (Araya 2011), a forum that is aimed at promoting an open-minded exchange of opinion free of preconceptions between developing, newly industrialising and industrialised states and which seeks to stake out possible compromise solutions. In addition to countries from Africa, Asia and Europe, the countries of Chile, Costa Rica, Guatemala, Colombia, Mexico, Panama, Peru, the Dominican Republic and Uruguay also participated in the forum in 2010.

Regional unions of economic integration have in contrast scarcely played any role at all to date. The debate over a common climate policy is only beginning to get underway in Mercosur, CAN and Unasur and communiqués from these have not gone beyond very general wordings and demands. One exception is the politically motivated ALBA alliance. Made up mainly of Cuba, Venezuela, Bolivia and Ecuador, the anti-imperialist ALBA group is calling for radical systemic change. Because capitalism is based on the exploitation of natural resources and thus the actual culprit behind climate change, the overthrow of capitalism is the only solution in the opinion of this alliance. Hence the ALBA members reject market-based tools and instruments to combat climate change, with Ecuador adopting a more flexible position regarding this issue. This group organised the »World Conference of Peoples on Climate Change and the Rights of Mother Earth« in the Bolivian city of Cochabamba in 2010. The main demands forwarded by the conference were the establishment of an international environmental and climate tribunal and a global referendum on climate change. At the same time, the economic models of Venezuela, Ecuador and Bolivia are also primarily based on the exploitation of their natural resources – especially oil and gas – under their socialist governments as well. This contradiction has not led to any abatement in their radical rhetoric at the international level thus far. In the case of Bolivia and Ecuador, however, it is stirring up at times heated domestic protest, in particular by indigenous organizations and environmental groups.

### 3.2 Regional Context

Reference to its own lag in development as well as that of the other G-77 members is an integral part of the Latin American rhetoric in international climate negotiations. The countries of the North are increasingly drawing attention to the recent economic performance of the Latin American countries, however, which have registered impressive growth rates over the last few years. The region emerged from the financial crash in 2008 relatively unscathed, with the crisis being quickly weathered. Economic success, on the other hand, is largely based on the export of primary goods and raw materials – Latin America thus continues to play its centuries-old role in the international trading system. In climate negotiations, especially major agricultural exporters such as Argentina, Chile and Uruguay stress that a climate accord must not weaken their own trade position – they fear protectionist measures on the part of the industrialised nations and as a consequence competitive disadvantages for their products on the world market. Other items on the agenda in climate negotiations are more attractive to Latin Americans, however: technology transfer and cooperation in the area of renewable energies, for instance, could help quench the region's steadily growing thirst for energy. Energy needs could rise by 75 per cent by 2030 if nothing is done to promote energy-saving, according to the International Energy Agency. Energy bottlenecks could even potentially strangle economic growth. The entire region has a tremendous potential with respect to renewable energies, but aside from hydroelectric power these energy sources have scarcely been tapped to date. In 2009 51 per cent of energy production came from hydroelectric power, 46 per cent was diesel-powered, 2 per cent was produced by nuclear power and 1 per cent came from other energy sources (OLADE 2010: 7). Wind power, photovoltaic and geothermal power have scarcely played any role at all in spite of excellent conditions. To turn this around would require significant knock-on investments by governments, while widespread monopolistic structures in the energy market would have to be broken up and sizable subsidies on the use of fossil fuels would have to be dismantled. It is especially those countries ruled by leftist governments with fossil fuel reserves of their own which have been reluctant to end these subsidies to date.

The energy markets of Latin American countries exhibit some major differences. The countries of Central America and the Caribbean, for example, are highly depen-

dent on imports of energy, while at the same time the electrification rate is still relatively low. This also applies in part to the Andes countries – although these have their own fossil fuel reserves. The major economies of Brazil, Argentina, Mexico, Chile and Colombia have a high rate of electrification and they are dependent on energy imports to a varying extent. The total energy mix of the region in 2008 was 42.1 per cent petroleum, 25.8 per cent gas, 4.6 per cent coal, 0.8 per cent nuclear energy, 2.3 per cent wood and 23 per cent renewable energies, with 1 per cent being accounted for by other energy sources (Cagala and Scaglioni 2011: 31). Latin America has 5 per cent of global coal reserves, 4 per cent of gas reserves and 18 per cent of known oil reserves, the latter primarily concentrated in Venezuela (OLADE 2010: 3, 5f). More important in climate negotiations, however, are the forests of the region – almost 40 per cent of the world's tropical rainforests are to be found here. The biocapacity of the region is enormous and fresh water reserves considerable.

At the same time, Latin America is considered to be a region which is gravely threatened by climate change. Central America and the Caribbean are being hit hard already now. Change in quantities of rainfall, with longer periods of drought intermingled with flooding pose the biggest challenge here. Agricultural production in particular in Mexico, Central America and northeastern Brazil will probably decline in the future as a result of climate change. The electricity supply could also be negatively affected by longer periods of drought as a result of the importance of hydroelectric power. Moreover, the loss of biodiversity on a vast scale threatens tropical Latin America in particular. Islands and areas along Pacific and Atlantic coastlines are in jeopardy here as are the Caribbean's coral reefs. On top of it all, melting glaciers will mean a dwindling supply of fresh water for cities in the Andes over the medium term as well. Parts of the Amazon rainforest could become barren steppe. A massive increase in infectious diseases must be feared as well. In addition to the agricultural sector, the fishing industry and tourism also face the possibility of sharp decline. Climate change consequently poses a threat to the economic and social development of the entire region.

In spite of the menace of global warming, common adaptation strategies have been lacking to date. Even at the national level only very few countries have devised adaptation strategies – among them Mexico and Colombia.

This topic is being given even less attention at the regional level. National mitigation plans for the reduction of emissions have thus far only been submitted to the International Climate Secretariat by Argentina, Brazil, Chile, Costa Rica, Colombia, Mexico and Peru.<sup>2</sup>

#### 4. Outlook: Latin America and the Durban Climate Conference – What is to be expected?

The states of Latin America are hoping that the Climate Summit in Durban will produce an additional obligatory period of the Kyoto Protocol. Public interest in climate negotiations nevertheless seems to have subsided and expectations of the summit in Durban are low. It is to be expected that Bolivia will carry on its now-traditional role as the »final upright instance« which, of course, many other countries including in the South are now regarding as obstructionist. The ALBA member countries have emphasised that they will adopt a common position in Durban. This was already resolved before Cancún, however, and just like last year only the summit itself will show whether these pledges of loyalty will really stand. We will probably witness a certain gap between rhetoric and practice in the actions of the ALBA governments in Durban as well.

Europe should attempt to close ranks with Latin America. Aside from the ALBA hardliners, this should be possible. To achieve this, however, encouraging signals would have to be sent out: raising the European target for reductions in greenhouse gases from 20 per cent to 30 per cent by 2020 would be one such important signal. Comprehensive cooperation between the EU and Latin American countries in the area of adaptation measures – technological, financial and in the training of experts – could also give a boost to the formation of an alliance of the »climate willing« between these two regions while at the same time building confidence. The European Union could use this trust and confidence to move forward the dialogue over the central topic affecting all of our futures: the way to a low-carbon world economy. The UN Conference on Sustainable Development in Rio next year is already receiving more attention in Latin America right now than the COP 17 in Durban. Interest in »Rio+20« is mostly born of distrust, however:

the strategy of a Green Economy – the focal point at the meeting next year – meets with firm rejection in South America due to fears of green protectionism. As a result, the term tends to even be avoided *per se*. The United Nations and progressive forces of the North have their work cut out for them if these views are to be changed.

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## Country Perspective: Mexico

Andrés Ávila Akerberg\*

### 1. Summary

Although Mexico joined the OECD in 1994, it is considered a developing country (non-Annex I) within the United Nations Framework Convention on Climate Change (UNFCCC).<sup>1</sup> Therefore, Mexico is not obligated to follow any emission reduction commitments within the Kyoto Protocol. But it must comply with the development of national communications (Art. 12 of UNFCCC), that is, it has to provide information on its activities regarding climate change, such as vulnerability, financial resources, technology transfer mechanisms, education, training, and public awareness. In 2007, the country presented its Fourth National Communication and is currently in the process of developing its Fifth National Communication. According to the Fourth National Communication, emissions in units of carbon dioxide equivalents (CO<sub>2</sub> eq) for Mexico in 2006 were 709,005 Gg.<sup>2</sup> The contribution by category in terms of CO<sub>2</sub> eq is as follows – energy uses: 60.7 per cent (430,097 Gg); waste: 14.1 per cent (99,627.5 Gg); land use, land-use change and forestry: 9.9 per cent (70,202.8 Gg); industrial processes: 9 per cent (3,526 Gg); and agriculture: 6.4 per cent (45,552.1 Gg).

Mexico has supported the international climate negotiations. It signed and ratified the UNFCCC in 1992, signed the Kyoto Protocol in 1998, and ratified it in 2000. Its position within the UNFCCC negotiation process has been consistent with its non-Annex I status: Mexico accepts its responsibility in the global climate change problem and is contributing to its solution, while highlighting that developing countries should be contributing on a voluntary basis.

### 2. Looking Back: Mexico and the Cancún Climate Change Conference

Hosting the COP 16 in Cancún presented a big challenge to Mexico. The Mexican government had the

difficult task of recovering trust in the multilateral climate change process following the lack of concrete results in Copenhagen a year earlier. The topic of climate change reached the highest level of attention ever in Mexico in 2010 due to COP 16. That was one of the positive legacies of hosting COP 16.

The preparations for COP 16 in 2010 required a considerable amount of work for the host country. One of the first decisions that had to be made was to decide which ministerial body would take the lead in handling climate change: the Ministry of Environment and Natural Resources (SEMARNAT), which had historically handled these matters, or the Ministry of Foreign Affairs (SRE), experts in negotiation but lacking expertise in climate change. Eventually, the President of Mexico decided that the SRE was going to lead the negotiations. It proved to be a good decision. Once that decision was taken, Mexico started a course of action based on principles such as being proactive, in terms of becoming a facilitator to build understanding within negotiations. Specifically, Mexico's objective was to finalise decisions that would cover the five pillars of the Bali Action Plan.

Therefore, Mexico's position towards the Cancún Conference was mainly focussed on achieving multilateral results. It carried out an intense consultation process with all countries and relevant actors with the aim of winning trust back in the multilateral process. One of the channels to do this was to hold informal governmental consultations through a process in which government officials from many countries could explain their perspectives without a verbal or written record of who said what and without modifications of negotiation texts. Moreover, in order to make the process more transparent, the Mexican government organised meetings with different stakeholders such as indigenous peoples as well as people working in the private sector, in NGO's, and in academia.<sup>3</sup>

In terms of the outcomes of COP 16, Mexico achieved most of its goals. Firstly, the Cancún Agreements were

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1. Countries in Annex I of the UNFCCC are those countries that in 1992 were members of the OECD plus economies in transition.

2. Gg = Gigagrams = 1,000 metric tonnes.

3. An interesting approach to the Mexican government experience in 2010 can be found in Luis Alfonso de Alba's «Cancún, una nueva era de acción climática efectiva» [Cancun, A New Era of Effective Climate Change Action], in: *Foreign Affairs Latinoamérica* 10(4), 2010, pp. 2-12.

seen as a success of Mexico's climate diplomacy, since they accomplished putting the negotiations back on track. Secondly, according to the objectives established by the government of Mexico, the country managed to achieve its goals, which included those concerning long-term vision, mitigation in developing and developed countries, adaptation, financing, technology, carbon markets, and CDM projects (Gay and Rueda 2011).

### 3. Before Durban

#### 3.1. Mexico within the Global Negotiation System

Mexico has been an active participant in international climate change negotiations, especially in the last years. In 2009, the President of Mexico announced what was later formally presented within the Copenhagen Accord, that the country aims at reducing its greenhouse gas (GHG) emissions up to 30 per cent with respect to the business as usual scenario by 2020, provided that the provision of adequate financial and technological support from developed countries is part of a global agreement.<sup>4</sup>

In September 2011, the Minister of Environment announced that through the Mexico Global Climate Change Program – a five-year programme operated by USAID – Mexico will receive 70 million US dollars to support its national initiatives for reducing GHG. The programme has two components: the Low Emissions Development Program, which will support Mexico in the development and implementation of its Low Emissions Development Strategy, as well as support for Mexico's efforts on its programme for Reducing Emissions from Deforestation and forest Degradation in developing countries (REDD+).

Within negotiations, Mexico, together with Liechtenstein, Monaco, Switzerland, Luxembourg, and South Korea, forms the Environmental Integrity Group. Although Mexico is also considered part of the Group of Latin America and Caribbean Countries (GRULAC), it has not shown a Latin American position within negotiations. Mexico is also part of the G20, and comprises the G5 together with Brazil, South Africa, China, and India. As

a result, Mexico has identified itself as a bridge between countries with different levels of development.

#### 3.2 The Domestic Context

According to Mexico's National Energy Balance (2009), primary energy production in 2009 added up to 9,852.9 petajoules (PJ). The share of hydrocarbons accounted for 90.5 per cent; renewable energy represented 6.2 per cent; nuclear energy contributed 1.1 per cent; and coal 2.2 per cent. Mexico continued to be a net exporter of primary energy, as it exported 2,868.7 PJ in 2009; 99.9 per cent of such exports concerned crude oil, the total export share of which decreased 12.7 per cent with respect to 2008 totals.

Economically, according to the World Bank, Mexico is the 13<sup>th</sup> largest economy in the world in nominal terms, and it ranks 11<sup>th</sup> concerning purchasing power parity. GDP growth in 2010 was 5.5 per cent, and nominal GDP per capita was \$9,243. The principal drivers of the economy are services (69.5%), industry (26.6%), and agriculture (4%). According to 2010 census figures, Mexico has approximately 107.6 million inhabitants. The country currently ranks 56 of 179 in the Human Development Index (HDI), and nearly half its population lives in material poverty. Approximately 60 per cent of the poor live in rural areas.<sup>5</sup> Consequently, Mexico will face the challenge of satisfying its growing energy needs, which have developed with increased economic growth. Furthermore, it has to find ways to lift half of its population out of poverty without further increasing carbon-intensive consumption and growth patterns. In order to show that an active climate policy is possible without compromising on poverty reduction and development goals, the Mexican government has in recent years adopted a number of national policies substantiating its strategy in the field of energy and climate policy.

In 1997, Mexico presented its First National Communication to the UNFCCC and in 2007 its Fourth National Communication. Since its creation in 2005, the Interministerial Commission on Climate Change has been responsible for formulating and implementing national policies for mitigation of GHG emission and for adaptation to cli-

4. [http://unfccc.int/files/meetings/cop\\_15/copenhagen\\_accord/application/pdf/mexicocphaccord\\_app2.pdf](http://unfccc.int/files/meetings/cop_15/copenhagen_accord/application/pdf/mexicocphaccord_app2.pdf) (last accessed on 14.10.2011).

5. UNDP Human Development Reports; available at: <http://hdrstats.undp.org/en/countries/profiles/MEX.html> (last accessed on 14.10.2011).

mate change impacts. In 2007, the country presented its National Climate Change Strategy and in 2009 its Special Climate Change Program (PECC), which establishes a series of goals in terms of mitigation and adaptation to climate change. The PECC states that Mexico could achieve total annual reductions of 51 million tonnes of CO<sub>2</sub> eq for 2012, with respect to the business as usual scenario.

In 2012, Mexico will have presidential elections, which could potentially mean a shift in the country's position on climate change. The current administration has invested a considerable amount of political interest and resources in dealing with this issue nationally, as exemplified by Mexico's compliance with its international commitments, and its national efforts like the PECC. Legislatively, the process during and after COP 16 in 2010 created momentum in Mexico for addressing climate change, as evidenced by the General Law on Climate Change, the General Law on Adaptation and Mitigation, and the General Law on Sustainability and Climate Change, all of which have been presented to the Mexican Congress, although none of them have been formally voted on.

Mexico is highly vulnerable to the effects of climate change due to its geography, hydrology, and the economic inequality of its inhabitants. A rise in temperature will impact the country's water resources, cause more frequent and extreme climatic events, result in a loss of biodiversity, pose a threat to marine ecosystems, and have social effects such as increased migration, health impacts, and food insecurity. Especially vulnerable to a rise in sea levels are the states of Tabasco, Campeche, and Tamaulipas, all located on the coasts along the Gulf of Mexico. According to the study Economics of Climate Change in Mexico, the costs of climate change in the country would account for 6.22 per cent of GDP (Galindo 2008).

Weather and climate-related events (floods, storms, and droughts) have been the most recurrent and damaging natural disasters in Mexico. Between 1997 and 2006, economic losses from storms and floods averaged 0.17 per cent of GDP. There were 3.5 million people – approximately four per cent of the country's population – affected by hurricanes in this period, with damages reaching 8 billion US dollars. In the same period, 1.6 million people were affected by floods, with damages totalling 3 billion US dollars (Feakin and Depledge 2010). The greatest losses were felt in the agricultural sector, adding further pressure to already stressed rural populations (World Bank 2009).

#### 4. Outlook: Mexico and the Durban Climate Change Conference – What Is to Be Expected?

Mexico holds the Presidency of the COP until the beginning of COP 17, when it will hand it over to South Africa. Therefore, the country's main objective for the upcoming conference in Durban is to push for the implementation of the Cancún Agreements. In terms of mitigation, Mexico's position is that developed countries' commitments should be more ambitious in the short and long term, and that the emission reduction pledges of these countries should be transformed into commitments. Regarding developing countries, Mexico supports the strengthening of Nationally Appropriate Mitigation Actions (NAMAs) in the context of sustainable development and poverty eradication, and with adequate financial and technological support.

Mexico also supports the continuity and improvement of Clean Development Mechanism (CDM) projects, improving methodological aspects of REDD+, and making operational the Green Climate Fund in terms of identifying predictable sources of funding in the medium and long term. For Mexico, it is important that in Durban, agreements are taken on the principles, governance schemes, institutional arrangements, and operational modalities for the Green Climate Fund. In terms of the future of the Kyoto Protocol, Mexico supports the idea of concluding negotiations as soon as possible to avoid a gap between the first and second commitment periods of this instrument.

Mexico believes that important steps must be taken in Durban for moving forward towards a strengthened future climate change regime that provides certitude and ensures the participation of all countries under fair conditions, in accordance with their common but differentiated responsibilities and respective capabilities.

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## Country Perspective: South Africa

*Garth le Pere\**

### 1. Summary

South Africa ratified the United Nations Framework Convention on Climate Change (UNFCCC) in August 1997, and acceded to the Kyoto Protocol in July 2002. On a global scale, South Africa accounts for less than two per cent of total greenhouse gas (GHG) emissions, but because of its highly energy-intensive economy and heavy reliance on coal-based electricity, it is the 14<sup>th</sup> largest emitter in the world. As a developing country (UNFCCC non-Annex I country), it does not have any binding GHG reduction commitments. The Department of Environmental Affairs released its National Climate Change Response Green Paper in November 2010. The Green Paper acknowledges that climate change has the potential to affect almost every strategic sector of the country, including energy and industry, trade, agriculture, water, transport, infrastructure development, finance, and health care. Among others, priority is given to mitigation interventions that anticipate lowering GHG emissions by 34 per cent below business as usual trajectories by 2020, and by 42 per cent by 2025, subject to financial and development assistance from developed countries. Necessary short-term adaptation measures are contemplated for three critically affected areas: water, agriculture, and human health.

### 2. Looking Back: South Africa and the Cancún Climate Change Conference

South Africa is a member of the BASIC Group (with Brazil, India, and China), which played a critical role with the United States in shaping the Copenhagen Accord architecture (COP 15), inadequate as it was. The BASIC Group was established on 28 November 2009 during a COP 15 preparatory meeting in China. Importantly, South Africa had played a key role in developing the Bali Action Plan and Roadmap in 2007, which established

the twin-track approach for reductions of emissions by Annex I developed countries. The means to achieve this focussed on the KP and the second commitment period after 2012, and it put in place the mechanisms for mitigation, adaptation, technology, and financing, in accordance with UNFCCC guidelines.

Along with the BASIC Group, South Africa asserted that the outcomes of the Cancún Conference in November 2010 should be based on a balance between and within these two negotiating tracks, informed by a process that was consensual, transparent, inclusive, and Party-driven. Also, as part of the BASIC Group, South Africa wanted to see the role of the G77+China strengthened as the formal bloc representing the global South. There was also an effort spearheaded by South Africa to intensify the dialogue in terms of a »BASIC-plus« format that, besides the G77+China, included the African Union, the Alliance of Small Island States, and the 22-member Arab Group. The BASIC Group wanted elements of the Copenhagen Accord containing the political understandings to inform the spirit of Cancún, especially as these related to the negotiating texts of The Ad Hoc Working Group on Long-term Cooperative Action under the Convention and The Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol. Hence the BASIC Group envisaged an ambitious and comprehensive outcome for the negotiations at Cancún under both working groups, insisting that the Cancún outcome should pave the way for a legally binding agreement at COP 17 in South Africa.

The BASIC Group's philosophy was that the Cancún outcome should not in any way deviate from the mandate of the Bali Action Plan. In this regard, the Group urged developed countries to commit to ambitious emission reduction targets under the Kyoto Protocol, and for those that had not ratified the Protocol, to undertake comparable commitments under the UNFCCC (especially the United States). It was stressed that mitigation had to be dealt with as a matter of urgency, with BASIC countries providing leadership by announcing their own national mitigation actions. Moreover, developing countries have

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been affected the most by the impacts of climate change and hence, developed countries had an obligation to provide finance and technology. There was a reaffirmation of the aspiration to keep the increase in global temperature well below 2°C and that sustainable development should be at the core of any climate change agreement. Cracks developed in the Basic Group at Cancún whereby India and China were not in favour of accepting a legally binding agreement because they felt they were under undue pressure from developed countries to do so; whereas Brazil and South Africa were supportive. However, at the end, all four countries welcomed the Cancún agreements as a small but positive step forward, but reiterated that these were no substitute for the Bali Road Map. Disappointment was also expressed about the lack of clarity on the second commitment period and that the 30 billion US dollar commitment made at Copenhagen towards Fast Start Finance to assist poor and developing countries with mitigation and adaptation had not been fulfilled. On the positive side, a Green Climate Fund Transitional Committee has been established, with South Africa, Mexico, and Norway as co-chairs.

### 3. Before Durban

In a multilateral context, the UNFCCC negotiations are the most politically divisive, contentious, and complex. South Africa faces high expectations as the host country as well as being a significant player on the global stage and a leading voice for Africa and the global South.

#### 3.1 South Africa's Position within the Global Negotiation System

South Africa has taken its Presidency of COP 17 very seriously. It has focussed on ensuring that there is sufficient diplomatic and political support to secure a binding agreement in terms of the two tracks in the Bali Action Plan, namely an agreement that is inclusive, fair, and effective and that is based on the principle of common but differentiated responsibilities and capabilities. Such a regime should balance priorities between adaptation and mitigation. Moreover, the needs and challenges of developing countries should be recognised in creating an appropriate balance between climate change, financing, and poverty alleviation. For South Africa, reaching agreement on the second commitment period is a central goal for Durban,

since failure would compromise multilateral cooperation and undermine the rules-bound response required under the UNFCCC. These goals were affirmed at two BASIC Group ministerial meetings held in Durban and Minas Gerais (Brazil) in May and August 2011, respectively.

While a meeting in Bangkok in April 2011 questioned the Kyoto Protocol serving as a normative basis for future agreements, divisions and distrust already started to emerge at negotiations in Bonn in June 2011, wherein the G77+China – representing 131 developing countries – accused developed countries of blocking discussion on renewing their Kyoto pledges. Japan, Canada, and Australia have already indicated that they will not be part of the second commitment period, whereas the United States has never accepted Kyoto. Moreover, the United States and other developed countries want Durban to focus on refining the Cancún agreements rather than dwell on the intractable problems of crafting a comprehensive climate architecture. It is unlikely that China will agree to a legal treaty until it becomes clear what commitments the United States is willing to make. Russia wants to abandon any prospect of a legally binding agreement and prefers a focus on the operational mitigation and adaptation mechanisms arising out of Cancún. The EU has been a strong supporter of both the UNFCCC and the Kyoto Protocol under its European Climate Change Programme. It favours a second commitment period but is increasingly ambivalent about any future agreement because of US recalcitrance. South Africa is also a member of the Major Economies Forum on Energy and Climate Change led by the United States – the Forum represents the 17 countries that account for 90 per cent of all global emissions. As the only African country in this group, South Africa will attempt to use its position to reinforce the agendas and goals of the BASIC Group, the Africa Group, and the G77+China. As the head of the country delegation, South Africa's Department of Environmental Affairs has hosted three meetings this year of the Africa Group Negotiators on Climate Change under the auspices of the African Ministerial Conference on the Environment to establish a Common African Position on Climate Change. The African position enjoys the political support of the Conference of African Heads of State and Governments on Climate Change, which was established in July 2009.

The next meeting of the UNFCCC in Panama in early October 2011 in effect represents the last opportunity for the Parties to identify areas of consensus and disagree-

ment in order reach agreement on all outstanding issues before Durban. It will provide the clearest signal of what can be expected from COP 17, as far as a comprehensive and balanced outcome is concerned.

### 3.2 The Domestic Context

South Africa is an extremely diverse country with great natural beauty and abundant natural resources. It is a big emitter but is also highly vulnerable to the effects of climate change, especially since its economy is energy-intensive and highly dependent on fossil fuels.

#### Programmes and Strategies

South Africa produces 92 per cent of its electricity from coal, and this has retarded the development of renewable energy and other energy-efficient options. In October 2010, the Department of Energy released its Integrated Electricity Resource Plan for 2010-2030. The Plan anticipates that by 2030, South Africa's generation mix should be composed of 48 per cent coal; 14 per cent nuclear; 16 per cent renewables; and 9 per cent open-cycle gas turbines. An estimated R850 billion investment (approximately 100 billion US dollars) will be required to achieve these benchmarks, which will also mean an increase in the cost of power of 250 per cent. At a rate of 100 US cents per kWh by 2020, South Africa will be in the top quartile of countries, together with India and China. A biofuels strategy has been finalised based on no use of food material as feedstock in the first phase ending in 2013. It plans to produce 10,000 GWh of renewable energy by 2013, which will be stimulated by support mechanisms such as the Renewable Energy Feed-In Tariff, Clean Development Mechanism projects, Renewable Energy Certificates, and Solar Water Heating subsidies. There is also an Energy Efficiency Strategy in place, which contemplates a 12 per cent reduction in energy use through new technologies.

Important policy interventions and strategies have been developed and adopted that address the loss of biodiversity, pressures on ecosystems and natural resources, the effects of desertification, and the impact of increasingly warmer and drier climates on the natural environment, society, and the economy. These include: The National Biodiversity Strategy and Action Plan; the

White Paper on Renewable Energy; The National Water Resources Strategy; The National Disaster Management Framework; The National Action Programme for Desertification; and The National Action Programme for Combating Land Degradation to Alleviate Rural Poverty.

#### The Impact of Climate Change

All these efforts come together to move the country towards a low-carbon economy based on strategic frameworks and policies that emphasise mitigation and adaptation. These measures take on added importance given the severe implications of climate change for South Africa. There are predictions that the mean temperature could increase between 1°C and 3°C by the middle of this century. As a semi-arid country, there will be a broad reduction in rainfall in the range of 5 per cent to 10 per cent in the summer, accompanied by an increasing incidence of droughts and floods, with prolonged dry spells followed by intense storms. A rise in the sea level is also predicted by as much as 0.9 m by 2100. Temperature increases could subject more areas and people to malaria and vector-borne diseases and pose various challenges to crop cultivation; already a 20 per cent drop in maize production over the next two decades has been forecast. Higher carbon dioxide levels could reduce proteins in grasslands in livestock-producing areas, and changes in sea temperatures will have direct consequences for fisheries and South Africa's many fishing communities. Evidence-based research shows that 44 per cent of river ecosystems, 23 per cent of estuarine ecosystems, 12 per cent of marine ecosystems, and 5 per cent of terrestrial ecosystems have become endangered, while indigenous forests have been reduced by 46 per cent, mangrove swamps by 90 per cent, and grasslands by 60-80 per cent over the past two centuries.

#### The Political Landscape

South Africa has come a long way in its democratic transition but is still struggling with the legacies of apartheid, as these concern high levels of unemployment, inequality, and poverty, low levels of education, and poor service delivery. Four democratic elections have taken place since 1994 and the African National Congress (ANC) has remained the dominant party ever since. The country's robust constitution and institutions have provided a firm

foundation to build a more equitable society grounded in human rights and development. However, modest economic growth rates have to be assessed against increasing demands for jobs and social services. The global financial crisis of 2008 was particularly serious; in the first half of 2009, nearly 250,000 jobs were lost. Widespread strikes and social protests are symptomatic of the hardship that the majority of South Africans continue to experience. While democratic norms and practices are firmly entrenched, the country faces serious challenges: the economy is in recession, inequality has increased and so has unemployment, and most worrisome are the levels of corruption that have affected almost all levels of government. These factors should not mask the government's strong commitment to addressing the problems of employment, education, health, security, and rural development. Also at the party's Polokwane conference in 2009, the ANC resolved to adopt appropriate policy frameworks and take strategic measures to combat climate change by providing environmental leadership and promoting environmental justice in global debates.

od after the 2015 review when a future regime has been agreed to. The worst case for South Africa would be the demise of the Kyoto Protocol and all that this would portend for combating climate change. This would be based on the lowest common denominator, whereby Durban would decide on a transitional period with no Kyoto Protocol-based obligations that would start in 2012 and continue until the review in 2015.

The future of the climate order is thus delicately poised on the Durban outcome.

#### 4. Outlook: South Africa and the Durban Climate Change Conference – What Is to Be Expected?

There are three broad goals that South Africa wishes to pursue at COP 17: a legally binding framework for the second commitment period of the Kyoto Protocol; financing and a funding architecture for the Cancún agreements relating to adaptation and mitigation; and access to green technology. By all indications, there ought to be substantial progress on the operational and financial aspects of the Cancún agreements, namely, the Green Climate Fund, the technology transfer mechanisms, the forest plan known as Reducing Emissions from Deforestation and Forest Degradation, and the Cancún Adaptation Framework.

However, when it comes to the Kyoto Protocol, it seems unlikely – given the balance of forces at the Bonn meeting – that developed countries will enter the second commitment period and, as a quid pro quo, that non-Annex I countries will commit themselves to a future legally binding agreement under the UNFCCC. More likely is the provisional application of the second commitment period of the Protocol with comparable obligations for non-Parties. This could be followed by a transitional peri-

## Country Perspective: The United States

Alexander Ochs\*

*»No nation, however large or small, wealthy or poor, can escape the impact of climate change. Rising sea levels threaten every coastline. More powerful storms and floods threaten every continent. More frequent droughts and crop failures breed hunger and conflict in places where hunger and conflict already thrive. On shrinking islands, families are already being forced to flee their homes as climate refugees. The security and stability of each nation and all peoples – our prosperity, our health, and our safety – are in jeopardy. And the time we have to reverse this tide is running out.«*

Barack Obama

### 1. Summary

As the world's second largest greenhouse gas (GHG) emitter – passed just recently by China (which has more than four times as many inhabitants) – many believe that US participation and leadership is needed to achieve meaningful global action on climate change. Apart from the gravity of its emissions, the United States could play an important role as a technological and political leader. The ambitions of and types of actions taken by other countries are influenced by the kinds of and level of commitments taken by the United States. As a result, substantially and quickly reducing global emissions entails large reductions in the United States.<sup>1</sup> So much for theory. In reality, however, the United States has largely been seen as a laggard in the 20 years since climate change appeared on the international political agenda.

When the US Congress failed again to pass comprehensive climate and energy legislation in mid-2010,<sup>2</sup> expectations for the 16<sup>th</sup> Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in December of last year in Cancún were rather low. However, despite some significant contentious issues that were mostly left out of the

negotiations, there was significant progress. The COP 16 ended with the adoption of a package of decisions that set all governments more firmly on the path towards a low-emissions future and supported enhanced action on climate change mitigation and adaptation in both developed and developing countries.<sup>3</sup> In light of recent developments, what can be expected of the United States at this year's climate summit, or the COP 17, scheduled for November/December 2011?

### 2. The United States in the International Negotiation Process

When President Barack Obama was elected in 2008, the hope for change was felt by citizens worldwide, including those yearning for a change in US climate policy.<sup>4</sup> After all, Obama had made global warming and energy policy important cornerstones of his campaign. Once in the White House, the newly elected President explained that »few challenges facing America – and the world – are more urgent than combating climate change« and that his »presidency will mark a new chapter in America's leadership on climate change«. Repeatedly, he stressed that »the nation that wins this competition [for new energy technologies] will be the nation that leads the global economy«.

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1. See [http://pdf.wri.org/international\\_negotiations\\_on\\_climate\\_change.pdf](http://pdf.wri.org/international_negotiations_on_climate_change.pdf); <http://www.cbo.gov/ftpdocs/105xx/doc10573/09-17-Greenhouse-Gas.pdf>.

2. The American Clean Energy and Security Act died in the US Senate. This comprehensive national climate and energy legislation would have established an economy-wide, greenhouse gas (GHG) cap-and-trade system and critical complementary measures to help address climate change and build a clean energy economy.

3. See <http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=653&ArticleID=6866&l=en>.

4. Parts of this paper follow, in part verbatim, Alexander Ochs, From Flop'enhagen to Can'tcun? US Climate Policy before the Mid-term Elections and the UN Summit, in *bridges* 27 (October 2010); available at: <http://www.ostina.org/content/view/5229/1390/>.

In contrast to his predecessor, George W. Bush, whose support for climate protection was lukewarm at best and mostly reluctant, senior members of Obama's administration announced that the new climate policy chapter would include international leadership. Secretary of State Hillary Clinton declared that »as we take steps at home, we will also vigorously pursue negotiations, those sponsored by the United Nations and those at the sub-global, regional and bilateral level that can lead to binding international climate agreements. No solution is feasible without all major emitting nations joining together and playing an important part.« Todd Stern, special envoy for climate change, said that the United States would »engage in vigorous, dramatic diplomacy«. <sup>5</sup> In mid-2009, following half a year in office, Obama announced:

»Each of our nations comes to the table with different needs, different priorities, and different levels of development. And developing nations have real and understandable concerns about the role they will play in these efforts. They want to make sure that they do not have to sacrifice their aspirations for development and higher living standards. Yet, with most of the growth in projected emissions coming from these countries, their active participation is a prerequisite for a solution. We also agree that developed countries – like my own – have a historic responsibility to take the lead. We have the much larger carbon footprint per capita, and I know that in the past, the United States has sometimes fallen short of meeting our responsibilities. So, let me be clear: Those days are over. One of my highest priorities as President is to drive a clean energy transformation of our economy, and over the past six months, the United States has taken steps towards this goal.« <sup>6</sup>

Today, almost three years into the administration, the rhetoric has changed significantly. Earlier this year, Stern remarked that a binding treaty is »unnecessary« and may not be »doable«. <sup>7</sup> His comments were seen widely as limiting the chances of a breakthrough in Durban and underscoring the rift between the United States and

most other countries – most importantly the emerging nations, including China, India, and Brazil – as well as Europe, once the long-term partner on almost all important issues in international relations.

### 3. Looking Back: The United States and the Cancún Climate Change Conference

Already in Cancún, Stern took a much less cooperative position, one that was described by some as »hard-nosed«. <sup>8</sup> The key US objective for the COP 16 was to advance core elements of the Copenhagen Accord struck in 2009. While most of the world's governments were disappointed with this key outcome of the COP 15 – with those from Europe being the most outspoken – the Accord's unbinding »bottom-up« character meets the US position that all countries, including developing nations, should be encouraged but not mandated to pitch individual goals and actions. At the Cancún climate summit, the US delegation adopted a tough all-or-nothing position, fuelling even speculation of a walkout if developing countries did not meet its demands. <sup>9</sup> In the official reading offered by the US negotiator Jonathan Pershing, the United States simply wanted a »balanced package« from the summit. <sup>10</sup>

The Cancún results were fundamentally consistent with US objectives: »Throughout the year, our strategic vision was to consolidate and elaborate on the progress made last year in Copenhagen by many of the world's leaders, including President Obama, and to have such outcome fully endorsed by the Conference of the Parties, all the nations to the Climate Treaty, as the Copenhagen Accord obviously was not.« <sup>11</sup> The US delegation wanted a deal that balanced three core priorities from the developing world – agreement on climate finance, technology, and deforestation – and balanced those with American demands for emission reductions from emerging economies and a verifiable system of accounting for those cuts. In a pre-summit briefing with

5. See <http://www.reuters.com/article/2009/01/26/us-obama-climate-envoy-idUSTRE50P3U920090126>.

6. President Obama, 9 July 2009; available at: [http://www.whitehouse.gov/the\\_press\\_office/REMARKS-BY-PRESIDENT-OBAMA-ON-MAJOR-ECONOMIES-FORUM-DECLARATION/](http://www.whitehouse.gov/the_press_office/REMARKS-BY-PRESIDENT-OBAMA-ON-MAJOR-ECONOMIES-FORUM-DECLARATION/). See <http://www.bloomberg.com/news/2011-04-07/renewable-energy-investments-at-risk-as-un-climate-negotiations-stall.html>.

7. See <http://www.bloomberg.com/news/2011-04-07/renewable-energy-investments-at-risk-as-un-climate-negotiations-stall.html>.

8. See <http://www.desmogblog.com/climate-talks-us-position-may-see-it-leave-cancun-early>.

9. See <http://www.guardian.co.uk/environment/2010/nov/30/cancun-climate-change-summit-america>.

10. Ibid.

11. Todd Stern at the 11th Meeting at the Leaders' Representative level of the Major Economies Forum on Energy and Climate (Brussels, 26-27 April 2011) on the importance of the Cancun Agreement.

journalists, Stern was blunt: »We're either going to see progress across the range of issues or we're not going to see much progress. We're not going to race forward on three issues and take a first step on other important ones. We're going to have to get them all moving at a similar pace.«<sup>12</sup> Stern repeatedly reiterated that the United States would not budge from its insistence that fast-emerging economies such as India and China commit to reducing emissions and to an inspection process that will verify those actions. This has been interpreted to mean: measurable, reportable, and verifiable (MRV) carbon reductions.<sup>13</sup>

The Cancún Agreements were adopted almost unanimously. There was a set of decisions that might prove significant in moving things forward, but there was no legally binding agreement. The Cancún Accord includes the establishment of a Green Climate Fund, which might serve a critical role as a mechanism to deliver support for urgent climate actions. This would include reducing emissions through protecting forests, shifting to greener energy technologies, and establishing technology centres that will cover research, scientific exchange, and technical support for countries looking to improve efficiency and reduce emissions from sectors like energy production, transport, and buildings.<sup>14</sup> The Copenhagen finance promise by the United States and other developed countries to provide 30 billion US dollars for developing countries to mitigate, and adapt to, climate change by the end of 2012, and up to 100 billion US dollars annually from 2020 was confirmed by key parties. But it was not clarified how this money will be generated – despite a majority view among developed countries' delegations that a greater part of these funds would need to come from non-public sources. Governments failed to reach agreement on how far overall global emissions should be cut, and there are still many loopholes for countries that want to avoid making the deep reductions that scientists say are needed.

It was also agreed at Cancún that green technology should be shared, that an adaptation committee will

be set up to help poor countries cope with the impacts that climate change can cause, and that »a climate risk insurance facility« will be considered to help poor countries cope with extreme weather impacts. In none of these areas, however, were final implementable decisions made. Cancún's biggest success was in the area of Reducing Emissions from Deforestation and forest Degradation (REDD). The new scheme aims at paying poor countries not to cut down trees. It also protects the rights of indigenous peoples, promotes biodiversity, and leaves the door open for the private sector to get involved in protecting trees through the carbon offsetting market.

To sum up, the Cancún Agreements established various institutions and processes under the UNFCCC. But most rules have not been finalised and are thus not yet operational. The United States, once again, is seen as being responsible for the lack of adequate binding commitments in light of scientific findings. Senator John Kerry stated that the United States was a »dead weight« holding back other countries because it had not embraced a climate change policy.<sup>15</sup>

#### 4. The Domestic Context: Understanding US Climate Policymaking

What happened to the once high-flying goals of the Obama administration? Domestically, there have been important successes, mostly at the beginning of the administration: over 60 billion US dollars were earmarked for energy efficiency and renewable energy projects as part of the American Recovery and Reinvestment Act of 2009; the first tightening of Corporate Average Fuel Economy standards in three decades; and the federal Environmental Protection Agency's »Endangerment Finding«, which recognises, as a follow-up to the Supreme Court ruling **Massachusetts et al. v. EPA**, that the agency has the right to regulate greenhouse gases as air pollutants under the Clean Air Act. To the great disappointment of environmentalists, however, comprehensive climate and energy legislation – including a market-based system with mandatory economy-wide emission targets as well as strong incentives for the employment of energy-efficiency measures and renewable energy technologies – has not been passed.

12. See <http://www.desmogblog.com/climate-talks-us-position-may-see-it-leave-cancun-early>.

13. See <http://www.dawn.com/2010/12/02/us-stance-at-cancun.html>; <http://www.guardian.co.uk/environment/2010/nov/30/cancun-climate-change-summit-america>.

14. See [http://switchboard.nrdc.org/blogs/hallen/cancun\\_climate\\_talks\\_final\\_res.html](http://switchboard.nrdc.org/blogs/hallen/cancun_climate_talks_final_res.html).

15. See <http://www.youtube.com/watch?v=vZgmkdVoxHQ>.

At the end of 2009, the Obama administration announced that each country should choose its own targets – a remarkable change from the initial goal of a binding agreement and the acceptance of historic responsibility. What happened between those early days and the end of 2009? The situation that unfolded in 2009 and 2010 is almost absurd. The White House and all involved secretaries and agencies support a strong climate policy; a majority of the public want effective climate action; in 2009, a thorough climate and energy bill finally passed the House; and then there was also majority support for climate legislation in the Senate at that time – albeit this majority was not filibuster-proof. The Senate leadership was unable to get 60+ votes. And here the story ended. A minority of 40+ Senators put a hold on domestic legislation and shut a historic window of opportunity to really move US climate policy forward.

Ever since the issue of climate change came onto the political agenda 20 years ago, US climate policy has been quite consistent. It has been consistent insofar as there has always been a lot of loud rhetoric and energetic controversy, but very little concrete action. This has been true on the federal level as well as during international climate diplomacy. There has been much more progress on the sub-federal level, with state and local authorities trying to fill the political vacuum that Washington has left behind.

There are at least four reasons for the US federal climate gridlock. First, in the key area of energy policy, the United States has relatively abundant fossil fuel resources: coal, which despite its catastrophic impact on human health, local environments, and global climate change, is still considered to be cheap; natural gas, including unconventional shale gas, has recently seen a great boom in the country; and oil, whose diminishing domestic resources are compensated for by Canada. Second, there are a high number of potential veto players in the US political system; Presidents Clinton and Obama, who took proactive stances, had to confront a legislature reluctant to act. A third reason is a campaign finance system that puts organised private interests – interests in the status quo – in the driving seat for financing the re-election of public policy personnel. There can be no doubt that strong climate and energy legislation would be in the environmental, health, economic, and security interests of the American people, but there are potential losers

in the carbon-producing and carbon-intensive sectors that are rich and powerful. Finally, there is the increased partisanship of US policy. The Republican Senators, including former climate »champions« like John McCain, closed ranks and opposed climate legislation as a block. It remains McCain's own secret why, in 2003, he introduced cap-and-trade legislation similar to the bills he is opposing today. Like its decision-makers, the country as a whole is increasingly paralysed by a monumental societal divide. On the one side is a society that has drifted further to the right since the early Reagan years, in addition to moderates and very few progressives who want to find political answers to the most pressing questions the nation faces. On the other side is the Tea Party, Fox News, and the »no« faction – no government, no taxes, no change, no climate legislation, no international co-operation.

Ever since the Republicans took over the House at the mid-term elections in November 2010, comprehensive climate legislation – including binding emission targets and timetables – have been taken off the table for the foreseeable future. The Republican Party has grown increasingly hostile to the science of global warming and to cap-and-trade, associating the latter with a tax on energy and more government regulation.<sup>16</sup> According to leading GOP presidential candidate Rick Perry, climate change is »all one contrived phony mess that is falling apart under its own weight«. Michelle Bachman has said that »the science indicates that human activity is not the cause of all this global warming«. <sup>17</sup> Consequently, the Republican-controlled House has already launched a variety of attacks on environmental regulations in the United States.<sup>18</sup> There is a remaining flicker of hope that the EPA will make use of its court-backed authority to regulate industry greenhouse gas emissions as pollutants under the Clean Air Act. This would be an important step forward, but one that cannot substitute for the comprehensive and long-term legislation that seemed possible at the start of the Obama administration.

16. See [http://www.americanprogress.org/issues/2010/10/senate\\_climate\\_bill.html](http://www.americanprogress.org/issues/2010/10/senate_climate_bill.html).

17. See <http://www.guardian.co.uk/environment/2011/aug/12/rick-perry-climate-sceptics-president>; <http://www.desmogblog.com/republican-rep-michele-bachmanns-over-top-nonsense>.

18. See <http://thehill.com/blogs/e2-wire/677-e2-wire/179357-white-house-shelves-smog-rule-in-huge-defeat-for-green-groups>; <http://patdollar.com/2011/09/in-a-victory-for-cantor-and-america-re-election-panicked-obama-forces-cass-sunstein-to-cancel-planned-epa-emissions-regulation-dealing-huge-blow-to-church-of-global-warming/>.



## 5. Outlook: The United States and the Durban Climate Change Conference – What Is to Be Expected?

This is not good news for the international climate negotiation process. Congress essentially has denied the American President his most important tool – credibility – to take a leadership role in international climate diplomacy. At the Durban climate summit, as in Copenhagen and Cancún, we are running the risk that a minority of naysayers in the US Capitol will – in addition to doing damage at home – hold the whole international climate negotiation process hostage with an American delegation that wants to lead but is not able to. It was a diplomatic masterpiece to see how the US President, whose delegation had blocked progress on some of the key issues for much of the Copenhagen negotiations, could return home as the dealmaker of the Copenhagen Accord – complete with the picture of him with his sleeves rolled up and surrounded by the Presidents of the new key powers of China, India, Brazil, and South Africa. Similarly, the United States delegation got what it wanted out of Cancún – that is, the maximum domestic limitations allowable.

The international frustration with the United States, however, is rising. Blame for the international impasse is shifting from China to the United States. The world's two biggest emitters of greenhouse gases play a dominant role in the climate talks, because without them greenhouse gases are unlikely to be reduced. For a long time, they have been in a mutual veto position, with the United States being unable to make any commitments on cutting emissions in light of policymakers at home who are reluctant to make a move without major cuts from China, and with China unwilling to make a move until it is certain that the United States will also cut emissions. This situation might change, but if it does, it is likely that the impetus for change comes from the People's Republic than the States. China has recently indicated that it will impose a national cap on GHG emissions.<sup>19</sup> It would be exciting to see what position the United States takes if China were to put its national targets under an international MRV system, depriving America a proven excuse for the absence of more ambitious action. Already today, commentators find that »the US posture

on climate negotiations continues to reflect not only a lack of leadership and political will, but a hubris that is counterproductive to accomplishing anything. Efforts by the US to suggest that China is responsible for the stalemate in substance reflect an arrogance that is an impediment to addressing the urgency of the issue informed by scientific consensus. Fixating on issues of monitoring greenhouse gas emissions in China is merely an effort to divert attention from its own responsibility to reduce emissions and commit to a fair portion of climate financing.«<sup>20</sup> European policymakers agree. The United States has been criticised by EU officials for derailing the climate change talks while China has been praised for its efforts in combating climate change.<sup>21</sup>

Once the highly acclaimed leader of climate policy but since Copenhagen somewhat tarnished, Europe has to find a strategy for how to deal with a transatlantic partner tied up yet again. Indeed, there is increasing frustration regarding the United States. As for the inability to move domestically, the EU Climate Commissioner Connie Hedegaard said that »when more than 90 percent of researchers in the field are saying that we have to take [climate change] seriously, it is incredibly irresponsible to ignore it. It's hard for a European to understand how it has become so fashionable to be anti-science in the U.S. And when you hear American presidential candidates denying climate change, it's difficult to take.«<sup>22</sup>

Hedegaard also points out that most countries look to the United States for leadership, especially developing countries, and that »if the US is not moving more than you are, then it's easy to hide behind the US.«<sup>23</sup> But not only developing countries are hiding behind US climate reluctance. This is also, to some extent, true for members of the so-called Umbrella-Group, usually made up of Australia, Canada, Iceland, Japan, New Zealand, Norway, the Russian Federation, Ukraine, and the United States. The Umbrella Group evolved from the JUSSCANNZ group (Japan, the United States, Switzerland, Canada, Australia, Norway, and New Zealand), which was active

19. See <http://www.reuters.com/article/2011/08/09/us-china-cdm-point-carbon-idUSTRE7783PE20110809>.

20. Quote from Kyle Ash, Greenpeace U.S.; available at: [http://voices.washingtonpost.com/post-carbon/2010/10/tianjin\\_climate\\_talks\\_sputter.html](http://voices.washingtonpost.com/post-carbon/2010/10/tianjin_climate_talks_sputter.html).

21. See <http://www.bloomberg.com/news/2011-04-15/eu-praises-china-se-action-on-climate-blames-u-s-for-blocking-global-deal.html>.

22. See <http://www.cphpost.dk/component/content/52211.html?task=view>.

23. EnergyNow; available at: <http://www.youtube.com/watch?v=vZgmkdVoxHQ>.

during the Kyoto Protocol negotiations. This group's members share similar values and principles in the climate change negotiations, often centred on the pursuit of flexibility and cost effectiveness. The national circumstances of the Umbrella members are very different, however. Iceland, Japan, New Zealand, Norway, and Switzerland have far lower emissions in absolute terms – as well as per capita and per unit of GDP – than the United States. The United States is also the only country from this group that has repudiated the Kyoto Protocol. Some of its members (e.g., Norway) in the past have been strong supporters of international environmental cooperation, often in sharp contrast. Consequently, the group is only a loose coalition, which rarely negotiates as a single entity.

It will be interesting to see what happens to the Umbrella Group in Durban and thereafter. In the recent past, Japan, Canada, and the Russian Federation have all recently declared that they will not join in a second commitment period under the Protocol, hiding behind US inaction (as well as the perceived »free ticket« of China and other major actors).<sup>24</sup> But as the inability of the United States to lead internationally becomes clearer, and the pressures from climate change and worried citizens stronger, this could disunite the Umbrella Group, and cause countries like Switzerland and Norway join forces in newer and more progressive coalitions that include Europe and constructive developing countries.

To be sure, European collaboration with the United States on climate and energy measures should be increased, not decreased; but it seems to be most promising in contexts other than the UNFCCC: the G-20, the Major Economies Forum/Clean Energy Ministerial, the multiple technology-oriented partnerships. As for the UN process, Europe needs to concentrate on the areas where progress with the United States seems possible – financial assistance for developing countries being the most prominent one – and build new alliances with those who can and want to move forward on the issues that have no possibility of being accepted by the United States. China, India, Mexico, South Korea, and many others are, or will soon be, as reliant on fossil energy imports and as motivated to build sustainable, low-carbon economies as the EU. Not accounting for individual

pockets of progressivism, the United States as a whole is increasingly out of touch with such a new paradigm. Perhaps it has to become irrevocably clear that sustainability means economic boom, not doom, in order for us to see more US companies, commentators, and legislators rethinking their backward-oriented positions.

The COP 17 in Durban will be judged in part on whether it can deliver solid outcomes on the Technology Mechanism, Adaptation Committee, Green Climate Fund, and Standing Committee on Finance.<sup>25</sup> Limited technical progress of this sort seems possible with the United States if developing and emerging countries make further concessions regarding their emission reductions.

However, despite the fact that the United States is highly vulnerable to climate impacts,<sup>26</sup> major shifts in behaviour are very unlikely. The United States will also approach the COP 17 in the »balanced« manner of recent years – an approach that many question as being inequitable, unfair, and ineffective. Buyelwa Sonjica, former South African Environment Minister and a member of the country's negotiation team, has already come to a blunt assessment of the likely outcome at Durban: »A legally binding agreement at COP 17 is not possible«, she said. Pointing out that two Republican Party presidential hopefuls were climate change deniers, Sonjica surmised that the main reason why the COP 17 would not result in a signed, legally binding agreement would be due to US domestic politics.<sup>27</sup>

24. See <http://climate-l.iisd.org/policy-updates/what-can-a-deal-in-durban-deliver/>.

25. Ibid.

26. See <http://www.climate-science.gov/Library/sap/sap4-3/final-report/sap4-3-final-exec-summary.pdf>; <http://downloads.globalchange.gov/usimpacts/pdfs/northeast.pdf>; <http://downloads.globalchange.gov/usimpacts/pdfs/southwest.pdf>.

27. See <http://www.iol.co.za/capeargus/climate-talks-to-settle-for-2nd-prize-1.1138237>.



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