

Taking the long view

With the Kyoto Protocol soon to enter into force, attention is turning to a post-2012 international climate change regime.

Elliot Diringer considers the options

Twelve years after its launch, the international effort against climate change is poised – finally – to start delivering. In November, heeding the pleas of European leaders over those of some of his top advisers, Vladimir Putin concluded Russia's ratification of the Kyoto Protocol. The treaty's fate had been much in doubt after the United States rejected it four years ago as "fatally flawed". But with Russia now on board, Kyoto will very soon enter into force. And with it will come the first binding international commitments to reduce greenhouse gas (GHG) emissions.

Kyoto's entry into force marks a significant advance in the international climate effort. It provides a critical backstop for the emission reduction efforts already emerging in Europe, and forces countries such as Japan and Canada to confront difficult choices of their own. It sends a broad signal to markets that the atmosphere is no longer cost-free, and establishes a market-based approach to

reduce emissions cost-effectively. Finally, and perhaps most importantly, it sets in motion the diplomatic machinery that could take countries beyond Kyoto, to an agreement both broader and deeper.

While it was not always apparent in the overheated debate over the Protocol, it was understood from the start by those who shaped and negotiated the treaty that it was hardly the final answer to global warming. As it is, with the US out, the treaty's emission limits cover just a third of global emissions, and only over the 2008–12 period. Kyoto jump-starts the international climate effort. But ahead is a far greater challenge: engaging all the world's major emitting countries in a long-term effort that fairly and effectively mobilises the technology and resources needed to stabilise the climate. And meeting that challenge will require something more than Kyoto.

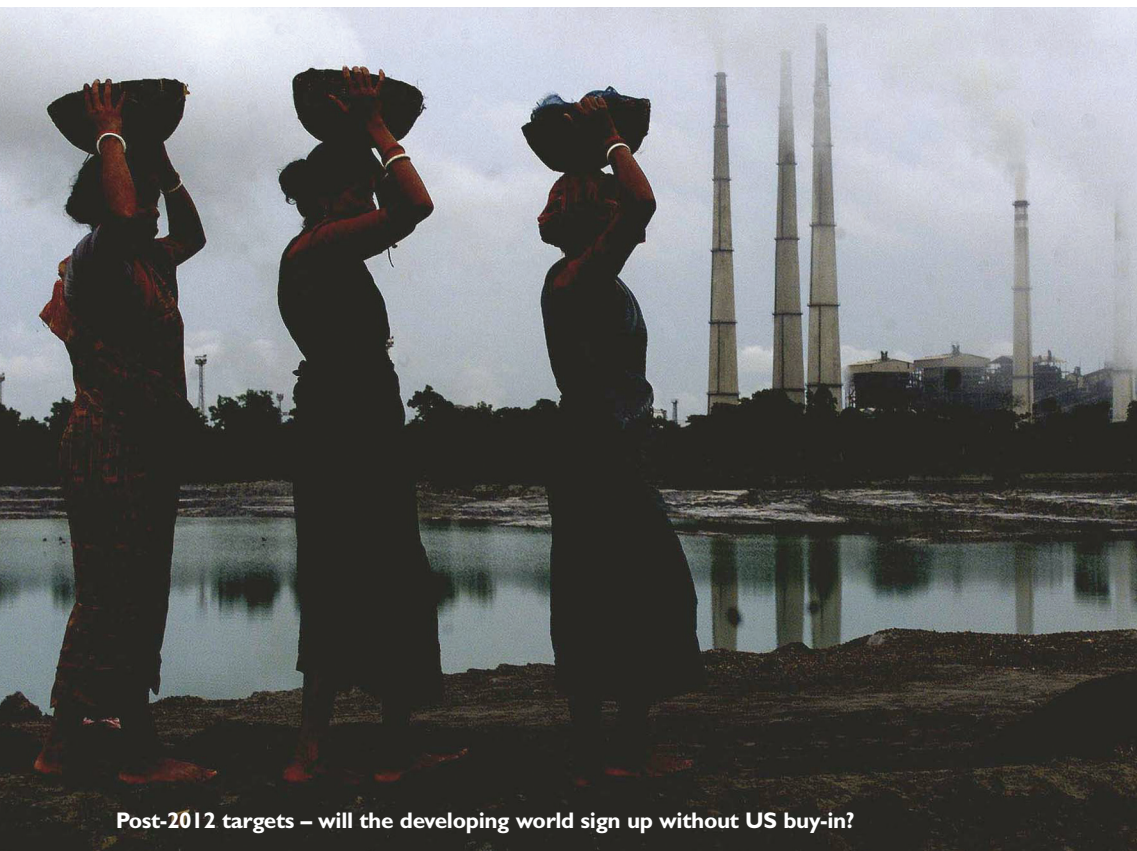
Experts of all types have put forward scores of ideas for the next stage of the cli-

mate effort. As we approach COP 10 – the annual UN climate talks, convened in Buenos Aires – it is clear that some governments have also begun to weigh the options. In November, the European Commission convened a stakeholder consultation in preparation for talks in March among EU leaders on post-2012 approaches. In Japan, both the Environment Ministry and the Ministry of Economy, Trade and Industry have launched processes to consider their positions. Other governments will soon feel compelled to act as well – by the Kyoto Protocol itself. A key provision of the treaty requires that negotiations toward a new round of commitments begin in 2005.

Bringing Kyoto to life was a major diplomatic achievement. Getting to the next stage of the climate effort is certain to be more challenging still. The governments that have taken on binding commitments under Kyoto, in many cases despite strong industry opposition, cannot sustain the effort on their own. They will be hard-pressed to take on deeper emission cuts post-2012 without evidence of stronger action by the US and the major developing countries. Moving from Kyoto to a broader, stronger effort will, in the final analysis, require the emergence of stronger political will on many fronts. It will also require creative new approaches that can better align the diverse interests of countries with their collective interest in a stable climate.

Recently, the Pew Center on Global Climate Change, a US-based think-tank, gathered together 25 senior policy-makers and stakeholders from 15 countries to explore options for next steps in the international climate effort. Participants, invited in their personal capacities, include policy-makers from Australia, Brazil, Canada, China, Germany, Japan, Mexico, Tuvalu, the UK, and the US; executives of companies such as Alcoa, BP, DuPont, Rio Tinto, and Toyota; and NGO representatives from India and the US. These off-line discussions, which began in July 2004, are called the Climate Dialogue at Pocantico (they take place at the Pocantico Conference of the Rockefeller Brothers Fund in Tarrytown, New York). Our goal is a set of options recommended by the group for consideration by the broader policy community.

At the outset, to frame their discussion, dialogue participants



Post-2012 targets – will the developing world sign up without US buy-in?

agreed that, in advancing the international effort, the aim should be an approach that:

- engages major emitters;
- satisfies the collective sense of fairness;
- provides flexibility for different national circumstances and strategies;
- integrates climate and development;
- allows for activities-based (non-target) approaches;
- couples near-term action with a long-term focus; and
- addresses adaptation needs.

The focus on major emitters reflects some practical considerations but presents sensitive political issues. According to an analysis prepared for the dialogue, the 25 largest emitting countries account for 83% of global GHG emissions; most are also among those countries with the largest populations and largest GDPs. This grouping of major emitters varies little whether counting only carbon dioxide (CO₂) emissions from fossil fuel combustion, or CO₂ from land use change as well, or other GHGs; or whether looking at present, cumulative or projected emissions.

The top 25 emitters are a very diverse group, however, with almost equal numbers of developed and developing countries. Their per capita emissions and incomes vary tremendously. While the goal of reducing global emissions might logically suggest a focus on the largest emitters, global politics might not favor a sub-global approach. Most governments prefer to continue working within the 1992 UN Framework Convention on Climate Change, Kyoto's parent agreement, where all parties have a hand in shaping outcomes.

At the dialogue's second session in October, participants began reviewing specific post-2012 options, winnowing down an extensive list to seven basic "elements" to be further developed, analysed and discussed. Each element represents both a distinct approach, and a building block that might be combined with others in a more comprehensive design. The elements include:

A long-term goal. Many parties favour some type of long-term goal to elaborate or support the ultimate objective of the Framework Convention: stabilising atmospheric GHG concentrations at levels that "prevent dangerous anthropogenic interference with the climate system." One possibility is an "aspirational" temperature or concentration goal that could be adopted individually or collectively by governments, businesses, or expert communities (as opposed to a formally negotiated target that would be the basis for future commitments). Another is the adoption of "zero emission" goals for one or more sectors, such as transportation or power. (This option is an example of an activities-based approach, focusing on the types of actions needed, rather than a desired environmental outcome.)

Targets and trading. Continuing the basic approach forged in Kyoto would entail new emissions targets coupled with emissions trading. While Kyoto, however, sets absolute reduction targets, a post-2012 approach could incorporate other forms, such as GHG intensity tar-

gets or "no-lose" targets – essentially, a non-binding commitment allowing a developing country to market emission credits if its emissions fall below its target but imposing no penalty if the target is exceeded. Apart from the form of target, key issues are their stringency, to what countries they would apply, and when.

Development. A way to build stronger support for climate action, particularly in developing countries, is through measures that simultaneously advance climate and development objectives. Energy sector policies such as cost-

lenge is generating the necessary political will. And that challenge is nowhere more critical right now than in the US. With Kyoto's entry into force, most industrialised countries can now credibly claim to be delivering on their pledge in the 1992 Framework Convention to lead the effort against climate change. But developing countries will not consider that pledge fulfilled, nor are they likely to consider commitments of their own, without stronger action by the US.

As President George Bush prepares for a

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based pricing, for instance, can help improve energy efficiency and expand energy services while reducing GHG emissions growth. Another option is revamping the Clean Development Mechanism established under Kyoto so that developing countries can earn emissions credits for instituting broad policy shifts, rather than just for discrete projects.

Sectors and technology. Kyoto establishes national emissions targets. An alternative is to structure commitments, whether targets or other policies, at the sectoral level. This could focus efforts on discrete economic sectors responsible for the largest share of emissions and, by ensuring comparable efforts across countries, ease competitiveness concerns within key sectors. In transportation, major auto manufacturers and countries that are major car producers or markets could agree on common fuel economy standards. For the power sector, governments could negotiate GHG intensity targets, require increased use of non-fossil energy sources, or mandate the use of CO₂ capture-and-storage technology on new coal-burning power plants.

Other elements under discussion within the Pocantico dialogue include technology approaches to stimulate long-term research and development; bottom-up approaches that might encourage climate efforts in the absence of an overarching agreement; and approaches to assist especially vulnerable countries in adapting to or coping with the impacts of climate change. In subsequent sessions, dialogue participants will further consider these elements, and possible combinations, to see if they might agree on a set of options for consideration by governments and stakeholders.

As noted earlier, identifying good policies is only part of the answer. The greater chal-

second term in office, the administration appears steadfast in its climate policies, which set a course for continued emissions growth. Internationally, the administration emphasises its technology initiatives and maintains that discussion of post-2012 options is "premature". But there are signs of a continuing shift in climate politics in the US. In Congress, Senators John McCain and Joe Lieberman continue to advocate their proposed legislation to begin reducing US emissions by 2010, alongside an economy-wide emissions trading system. Key states, meanwhile, are stepping into the policy void. California, traditionally at the forefront of US environmental efforts, recently adopted standards to reduce GHG emissions from cars. And nine Northeastern states, including New York, New Jersey, Massachusetts and Connecticut, will soon consider a regional emissions trading system for the electricity sector.

As scientists continue to discern the evidence that climate change is already underway, this patchwork of "bottom-up" efforts will likely expand, and the American public will likely grow more vocal. Still, it will be some time, perhaps several years, before an effective national programme is established. And it will probably be only then that the US is in a position to take on a binding international commitment.

In the meantime, it is imperative that other countries push ahead with their efforts, and that, as the post-2012 debate gets underway, everyone concerned thinks broadly and openly about the best options to move the world beyond Kyoto, to the next stage in the international climate effort. **EI**

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Additional information on the Climate Dialogue at Pocantico is available at www.pewcenter.org/pocantico.cfm.