



BULLETIN

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International Climate Negotiations: Progress and Main Problems

by Artur Gradziuk and Ernest Wyciszkievicz

No binding climate agreement—a successor to the Kyoto Protocol—will be reached at the December 2009 Conference of Parties to UNFCCC. Efforts to hammer out a compromise on future greenhouse gas emissions commitments have failed. Moreover, controversies have arisen over the principles of technology transfer and the financing of climate protection activities. The position of the largest emitters, China and the U.S., has had a decisive impact on the prospects for concluding the agreement. The negotiations could well continue into 2011, which would add to the tasks of the Polish presidency of the EU Council.

Introduction. The United Nations Framework Convention on Climate Change (UNFCCC), its objective to stabilize the level of greenhouse gases (GHG) concentration in the atmosphere, came into force in 1994. Yet the absence of binding commitments was a weakness of this treaty. A breakthrough came in 1997 with the signing, at the third Conference of the Parties to the UNFCCC (COP3) in Kyoto, of a protocol containing detailed commitments of 37 industrialized countries to reduce GHG emissions from 2008 to 2012. Of the developed countries, only the U.S. had not ratified the Protocol, which entered into force in 2005. This document established “flexible mechanisms” (emissions trading, joint implementations and the clean development mechanism) to help states meet their national reduction targets while contributing to the reduction of global emissions. To reflect the principle of “common but differentiated responsibilities,” the parties to the UNFCCC were divided into Annex II countries (the OECD members, as at 1992), Annex I countries (Annex II enlarged by “economies in transition,” chiefly Central and Eastern European countries) and the non-Annex I countries (developing countries being in majority, but with new industrialized countries also included). The Annex I states, which bear the greatest responsibility for the present GHG concentration level, assumed the main burden of reductions commitments, and the Annex II states were additionally bound to assist other countries. One of the weaknesses of the Kyoto protocol is that it puts no obligations whatsoever on the non-Annex I parties, yet the recent dynamic growth of developing countries, in particular of the largest emerging markets (China, India, Brazil), accompanied by their soaring GHG emissions, has made it imperative that these states become involved in the reduction efforts.

Bali Process. At the 13th COP in Bali (December 2007), a plan for talks to be held in the next two years (known as the “Bali Road Map”) was adopted with a view to agreeing at the 15th COP in Copenhagen in December 2009 on a long-term (till 2050) vision for joint action in combating climate change, and to signing a binding agreement on emissions reduction following the expiration of the first period of Kyoto Protocol commitments (2012). To this end two ad hoc working groups were established. In the first, the parties to the UNFCCC conduct negotiations on mitigation (i.e. actions reducing the risk of dangerous climate change), on adaptation, and on financing and technology transfer mechanisms. In the second group, the parties to the Kyoto Protocol are to agree on the new post-2012 reductions commitments and the mechanisms to further the attainment of these targets.

The mitigation negotiations are focused on long-term (till 2050) and medium-term (till 2020) reductions commitments. Yet the developed states’ general declarations are accompanied by their reluctance to articulate specific commitments. The developing states for their part have been pressuring the developed states to commit themselves to far-reaching reductions, invoking the principle of

historical responsibility. To date, the total sum of voluntary commitments has fallen short of the minimum target set by the Intergovernmental Panel for Climate Change of a 25–40% emissions reduction till 2020 compared to 1990. First and foremost, there are no binding commitments from the U.S. and largest developing countries. The main problem is that the emissions reduction debate is in fact confined to the *ad hoc* group of the parties to the Kyoto Protocol, while the EU's proposal to merge the two negotiations tracks has been rejected. Many developed states have pointed to an excessive asymmetry between their future commitments and the non-binding actions contemplated by developing countries, which have become the major source of emissions growth. The developing states counter that *per capita* emissions—which will long remain higher in the industrialized countries—rather than emissions growth should be taken into account. Indeed, they have made additional national-level efforts contingent upon appropriate financial and technical support.

Since the 13th COP there has been more focus on the adaptation to climate change, chiefly in the context of financial aid to countries most exposed to the impact of global warming (many of those belong to the poorest in the world). Yet all that was successfully accomplished in nearly two years was the development of general work rules of the Adaptation Fund, the setting up of which had been agreed at earlier meetings. One of major issues concerns the determination of contributions of the different developed countries which, so far, are willing to shoulder this burden to an extent vastly insufficient to meet the challenges ahead.

The technology transfer negotiations have dealt with: the mechanisms, instruments and institutions to support the development and transfer of climate-related technology; means of their dissemination and implementation; principles of international cooperation in research and development of innovative technology; and matters of intellectual property rights in the same. The negotiations on cooperative mechanisms have concerned the modes and principles of private-sector involvement; here the main area of differences between the developed and the developing countries is whether and to what extent technology transfer should be conducted on a strictly commercial basis. On institutional matters, some states (G77/China) have insisted that a special technology transfer fund financed by the developed countries be set up, while other states have supported the idea of an institution established for exchange of information, consulting, and technology implementation planning. Intellectual property rights are a difficult issue. The developed countries have emphasized the role of these rights in stimulating the development of clean technology, while the developing countries see them as a barrier to technology implementation and push for granting compulsory licensing of technology in this field.

The financing of emissions reduction, adaptation and technology transfer efforts in the developing countries is one of the most challenging areas of negotiations. So far, a compromise on such issues as the division of the sources of financing into public and private; contributions (if any) by the developing countries; relationship between official development aid and the financing of climate-related actions; and a funds management system has proven difficult to hammer out. The developing countries expect from the developed ones commitments as to resources they will make available to them for projects in climate protection. The developed states contend that all countries, with the exception of the least developed, should contribute to an international pool of public funds, according to their emissions sizes and GDP levels.

UN Climate Conference in Copenhagen: Prospects for Agreement. Despite many rounds of talks, both on a long-term vision and on post-2012 emissions reduction commitments, the major parties to negotiations have failed to bring their positions closer and chances for a climate agreement have plummeted. Another factor with an impact on the 15th COP in Copenhagen is that the U.S. Senate has been delaying the passing of a climate law without which the Obama administration will not risk making binding commitments. After the Singapore APEC summit (14–15 November 2009) it was finally confirmed that at the 15th COP in Copenhagen only a “political agreement” would be concluded and work on a legally binding agreement, including the commitments of individual states, would continue in 2010. With the expectations as to the outcome of COP15 lowered, a considerable slowing down of work on an international agreement is quite likely.

The negotiations could even drag into 2011, which would add to the tasks of the Polish presidency of the European Union Council. In such an event Poland would be pressured by the European Commission and by the member states to allow for climate change issues and international negotiations in the planning of its priorities. If so, the coordination and management of negotiation processes within the EU, which is one of the tasks of the presidency, would necessitate substantial reinforcement of the state administration in the field of climate policy.