

16 Climate Change and Global Governance: Which Way Ahead?

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1. Introduction

Climate change poses serious challenges to traditional global environmental governance models. It is, therefore, a fascinating issue on a number of fronts. For one, it represents a strong challenge to traditional (neo-)realist paradigms of international order, which assume state or national hegemony in an anarchic world. The staying power of the neo-realist model in frustrating real progress on climate change should not be underestimated, however. This dimension will not be addressed in this paper.¹ Second, the issue represents a concrete manifestation of sustainable development. While at its core climate change remains an environmental issue, the responses required to effectively address it lie far beyond traditional environmental challenges (such as ozone depletion or acid rain). So far beyond, in fact, that legitimate questions arise as to whether the appropriate policy and/or negotiating forums for addressing climate change should be left in the hands of environment ministers. This article argues that to address the multi-faceted climate challenge we face, governance efforts must evolve beyond the current global regime-building model, and that environmental and development policies must become much better integrated.

2. Rethinking Climate Governance

In the 20-plus years that climate change has been a subject of serious international negotiations, we have seen a trend of broadening participation in those deliberations, but, for the most part negotiations continue to be led by environment departments and environmental con-

stituencies. Initially, when the science of climate change was the dominant topic, the discussions were, not surprisingly, dominated by climate and meteorological specialists who sometimes were based in environment departments and sometimes not. In Canada, for example, the initial group responsible for negotiating the *United Nations Framework Convention on Climate Change* (UNFCCC) was Atmospheric Environmental Services Canada, the sector of Environment Canada responsible for weather forecasts and atmospheric sciences. This was fairly typical of most countries, with the notable exception of the United States, where all international negotiations – including those on environmental issues – have been led by the State Department.

Much of the reason the environment departments took such a predominant position in all matters relating to climate change – including mitigation and adaptation – is rooted in the establishment of the Intergovernmental Panel on Climate Change (IPCC). It was founded by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) and was mandated to assess – on a comprehensive, objective, open, and transparent basis – the scientific, technical, and socio-economic information relevant to understanding the scientific basis of the risk of human-induced climate change, its potential impacts, and options for adaptation and mitigation.² What was interesting right from the start was that, despite the fact that the IPCC was very much the brainchild of UNEP and WMO, it ventured into areas far beyond their particular area of expertise. While Working Groups (WG) I and II, focusing on the science and impacts of climate change, clearly implicated the climate and environmental scientific community, WG III, focusing on adaptation – in the First Assessment Report – and mitigation activities, required expertise far different from climate or environment. Hence it was made up of development economists, energy specialists, agriculturalists, foresters, and so forth.

And yet, WG III continued to be led by individuals and staffed by secretariats that first had extensive experience in climate change matters. Even when it did begin to engage specialists from these other fields, it usually was dominated by those who had a strong background in the climate change field – that is, more often than not, they would be energy specialists from an environmental department rather than pure energy specialists.

It must be noted that this issue has been recognized by the IPCC in its development of the Fourth Assessment Report. WG III, under the leadership of Bert Metz of the Netherlands,³ actively sought out sector

experts and industry specialists in the development of the report, and also held a series of outreach sessions with industry around the world to ensure that they had ample opportunity to contribute to the development of the final report.

Nor, of course, does the panel work in a vacuum. It served as the credible, independent source of scientific information for the development of the UNFCCC and later the *Kyoto Protocol*.⁴ In particular, the role of the first and second assessment reports, respectively, cannot be underestimated in laying the groundwork and support for the convention and the protocol.

It is hoped that the Fourth Assessment Report will work in the same manner, providing momentum for the successful launch of the post-2102 negotiations at Bali. In this interaction between the IPCC and the UNFCCC, it must be kept in mind that many of the government reviewers of the Summaries for Policy Makers and the Synthesis Reports were also, in fact, negotiators at Rio and Kyoto. What we constantly have to be on the watch for, then, is having policy developed by a tightly knit climate change community that does not sufficiently reach out to the mainstream of policy-making.

Of course, one of the other critical institutional features of the UNFCCC process was, and continues to be, an extremely competent and (despite formally answering to the UNEP) autonomous secretariat. One of the unintended impacts of this feature had been to further marginalize the UNEP as an effective international champion for sustainable development – the very issue that has helped raise the environment to the top of the global agenda was the one issue that the UNEP has had the least direct control in managing (at least at the international policy/management side). Having such a competent secretariat in place also had the unintended effect of limiting cross-fertilization with other UN multilateral institutions in championing sustainable development. This fact has not only helped to further marginalize the UNEP but also made more difficult coordination with other agencies and institutions that were not able to demonstrate the same degree of commitment and/or capacity.

All of these factors played a role in determining where we ended up with Kyoto. What at the end of the day was the outcome of Kyoto? And can we learn lessons from that experience so that the post-2012 regime captures a broader group of emitters with more realistic targets, particularly for countries whose economies are rapidly growing and rely on natural resources for a large part of that growth? Kyoto played a critical

and necessary role in establishing a global value for carbon and in sending positive investment signals, directly and indirectly, for clean-energy investments worldwide.⁵ This alone is a tremendous achievement and, in the view of the author, more than justifies the treaty coming into force. In addition, it set in place the critical architecture for responding to climate change: covering reporting, monitoring, verification, and compliance regimes (as weak as the latter are), and coordinating market mechanisms under the clean development mechanism (CDM), joint implementation (JI), and international emissions trading (IET). Kyoto's primary weakness, in my view, was the politically charged, top-down process by which targets were established, with all too little thought by country leaders whether those targets were achievable and how we could go about achieving them. I would submit that now is *the* time, starting at Bali, to get that dynamic right and not be so panicked about having ever more stringent reduction targets (accepted by fewer and fewer participants) in order to maintain fealty to environmentally correct thinking. The targets established at Kyoto were much more the result of an agreement amongst G8 leaders trying to 'outgreen' one another than any rigorous analysis.

There is a growing consensus that, at a minimum, global greenhouse gas (GHG) emissions will need to be reduced at least 50 per cent by the middle of this century. Clearly, achieving such a goal will require the engagement of all major economies and, just as clearly, those same countries need some time and opportunity to seriously figure out what they can do domestically; how regional or international coordination can help; and what the potential contributions of discrete sectors are in that formulation. Give the economies some time to address these questions *seriously* – publics won't let them do otherwise – and then revisit the possibility of a globally binding regime by the end of this decade, assuming countries are now much more informed and engaged on what they can actually accomplish.

What does this mean for the short- and long-term international governance of climate change? The UNFCCC should continue to play the critical environmental role as the home and protector of Article 2 – the ultimate objective of ensuring that anthropogenic interference does not permanently damage the global environment. It also needs to continue reviewing countries' actions and should expand that activity to review the effectiveness of regional and bilateral efforts to reduce greenhouse gas emissions. In other words, it should be the 'bellwether,' in cooperation with the IPCC, in notifying where emissions are going and what

the likely concentration-impacts of that would be. It should also serve as the pressure point in clearly identifying what emissions reductions would be expected at these different levels and report on the extent to which those targets are being met.

In addition, a more effective regime clearly needs to be established on the mitigation side – and here we could look at the possibility of establishing expert roundtables or forums where industry, academics, and governments can work together and seriously commit to ways in which they can cooperate to alter the course of development in climate-friendly and clean-energy directions. This in no way should be considered as an out for addressing climate change as an urgent issue. We have an increasingly limited time to get this right – anywhere from 120 to 200 months to stabilize global GHG emissions if we want to avoid the risk of serious environmental and social damage. In that respect, while some may want to use the Asia-Pacific Partnership on Clean Development and Climate (AP7) model as an example of how to proceed on the mitigation side, I am proposing a model with some important differences. For one thing, these sector groups need to agree on what their contributions to a global reduction should be. Initially, if sectors can't come to agreement, one may simply use their current emissions profile in determining what would be an appropriate contribution. But it might also be possible to determine contributions in other formats areas – for example, in the case of carbon capture and storage (CCS), by setting target dates for a certain percentage of coal-based plants in a country or region to have CCS implemented on-site. Another example might be supporting renewable energy by setting targets for the penetration of renewables in a country or region's energy profile. This means, of course, that any such initiative must have some real and significant money behind it, with clear programs of action. And, of course, it must have a broader constituency comprising all major economies, including that of the European Union.

One requirement for such a regime would be a new maturity in industry whereby, and this is particularly the case for the energy industry, it will need to depart from its parochial ways and truly seek solutions in its sectors that work for the common good. Industry must do more than either justify current practices or set about focusing on why their particular technology represents *the* answer to all the world's woes. A tall order, I know, but an absolutely critical one for industry's more serious and active participation to have any credibility.

Does this activity need to take place strictly under UN auspices? Per-

haps I might try to reformulate a legendary Canadian policy response to fit this particular debate. During World War II, Canada's Quebec-Anglo relations were severely tested on the issue of mandatory military service, with Quebec strongly opposing any such measure and English Canada supporting it as strongly. Prime Minister William Lyon McKenzie King's answer to the question (before the government had decided in favour of conscription): 'Conscription if necessary, but not necessarily conscription.'

I would submit we are in the same kind of sensitive quandary on the question of an international regime on GHG mitigation activities – outside the UNFCCC if necessary, but not necessarily outside the UNFCCC. This proposition is in no way intended as a slight to the already mentioned unparalleled competence of the secretariat. In fact, the secretariat needs to be strongly commended, particularly under the current leadership of Yvo De Boer, for seriously exploring innovative ways in which non-governmental actors, including industry, can play a more effective role in the multilateral process.

My argument has more to do with the current reluctance of major economies – including three of the top four global emitters – to submit their GHG emission activities to strict, internationally binding commitments. If, for example, a mitigation regime strictly under the UN means further delay in the United States on a post-2012 agreement, due to its Senate being unable to ratify such an agreement, then why not try and set up an alternative structure, even if only as an initial step? Or, given the challenges faced in ratifying any internationally binding agreement in the U.S. Senate, could we actually envision a situation where the UN regime would apply everywhere *but* the United States? And if so, what would motivate major developing-country economies to agree to submit to a system the United States had refused?

These are all extremely difficult questions of course. What can the UN system do to build more confidence on the part of major economies to submit to an internationally binding GHG-emission-cap regime? The UN system certainly needs to continue to find new ways in which to engage actors other than states in their particular areas of expertise. Indonesia's leadership is calling for separate meetings of finance and trade ministers, respectively – another initiative that needs strong support as a way of demonstrating that the solutions to climate change lie well beyond the brief of environmental policy. Is it perhaps time, as the Pew Centre, the World Business Council for Sustainable Development (WBCSD), and others are proposing, to relax the reins a bit in the

UNFCCC when it comes to absolute, legally binding targets? Advocates argue that this may provide an opportunity for a serious re-visiting of what can actually be accomplished, and, once that is clear, major economies may be less reluctant to commit to an internationally binding regime. Others are legitimately concerned that such an approach would play into the hands of the disingenuous who will have found yet another effective tactic to delay making any real progress.

However, there may be a new trump card on the global policy horizon which will force the issue – global public opinion. Unlike at Kyoto, the public won't let us get away with smoke and mirrors any longer, so now governments have little choice but to seriously address the issue. The goal over the longer term, certainly by the end of the next decade, is a mitigation regime that finds a home in a reformed UN – one that has managed to make itself less a state-centric institution (at least on the issue of climate change) while being able to effectively engage economic, natural resource, and energy decision-makers in both the public and private sectors.

Some thought also needs to be given to the international carbon market and whether the UN should continue to be the home for the international registry, recording and approving all individual transactions under IET, CDM, and JI. Again, to this point the UNFCCC has played an invaluable role in getting these mechanisms off the ground. But as international standards on the different modes of carbon market transactions become codified, thought should be given towards transferring these tasks to an external entity (or entities), whereby an independent body would oversee a range of national and private registries.

3. Development and Climate Change⁶

A sustainable-future regime also has to be closely tied to an aggressive development agenda for developing countries and least-developed countries (LDCs) consistent with the agreement or 'bargain' struck in drafting Agenda 21 at the Rio Summit in 1992: namely, that developing countries will shoulder important environmental responsibilities and, in return, developed countries will take on serious commitments to help fund and support them in that process. At the very least, it was expected that member governments of the Organisation for Economic Co-operation and Development (OECD) would meet their commitments to provide 0.7 per cent of their GDP to provide development assistance. Other modalities of this deal have been the subject of debate