

Sobering Days in Bonn

An IISD Commentary

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We are at the precipice of what is supposed to be a landmark global decision on climate change at Copenhagen in less than 16 weeks, and yet anyone with his or her eyes open cannot help but come to the conclusion that we are in seriously dire circumstances. It is quite ironic how the last session of each of the negotiations over the last while has so accurately reflected the “spirit” or *geist* of those negotiating sessions. The June session in Bonn ended with recriminations abounding as the Kyoto Protocol negotiating group, led by China, accused developed countries of not acting in good faith. This time it ended in what can most accurately be described as a farce. The week did very little—if anything—to actually help bridge negotiating positions. Even simple process issues unwound all too easily for the international community to witness. What was the big issue late on Friday? Why, translation services of course! And whether a text we can’t even call a negotiating text yet needs to be translated in all six official UN languages before it can be further distributed. Yet another indication of the core mistrust that abounds between the negotiating blocs in these negotiations.

All sorts of surprises did occur during the week, few positive. The one that blew this observer away was the intervention by South Africa, on behalf of the African group. During a session on financing, and immediately after a Canadian intervention that noted that financing for climate change impacts and adaptation should be targeted towards the most vulnerable and poorest nations, South Africa insisted that there be no differentiation in access to climate-change-related development funds among developing countries. Are we now to believe that Africa agrees that its countries are no less vulnerable or developed than China or Brazil? As Yosemite Sam might comment, “What in tarnation is going on?” Speculation in the hallways is that South Africa appears to have lost its zeal in “pressing the envelope” towards forging a constructive agreement by Copenhagen. Some think that SA has finally recognized that maintaining the status quo has benefited China and India and now they want in on the action, and the only way to do this is to keep things in vague, non-specific terms. And apparently the new minister is not as wedded to the issue of climate change as her predecessor was. But why is the rest of Africa so acquiescent in all this? Bilateral deals with China and/or India on other fronts? Who knows, but it is extremely curious. Another notable intervention was hearing Colombia, an erstwhile ally of a global carbon market in the past, suddenly oppose standardized baselines for the Clean Development Mechanisms, which is critical for the CDM to have any robust future. And there is a worrying accumulation of radicalized developing countries, including Bolivia, Venezuela and Ecuador, that appear to be more interested in voicing politically correct quasi-Marxist dialectic rhetoric than any serious discussions. And India, our dear friends in the negotiations, was of course as obdurate as ever, avidly supported by Bernaditas of the Philippines, in insisting that, for all intents and purposes, what we should do is simply photocopy the UNFCCC (with perhaps some erasures of some incriminating statements in

Article 4.1 of the UNFCCC that refer to common responsibilities) and be done with it!

On the Annex 1 side, we saw very few new initiatives coming out of the EU, but the interventions by the U.S. are making it clear that we are unlikely to see a strong internationally binding agreement by Copenhagen, certainly not one with punitive consequences for non-compliance: they in fact said as much. And given that the Senate does not differentiate between China and the U.S. the way the UNFCCC community might, the prospect of a regime where there remains a strong distinction between Annex 1 and non-Annex 1 Parties will undoubtedly come under fire in Copenhagen. While the U.S. said that its obligations would be both actions and outcomes (including targets), and developing countries would only be actions, the difference is, in fact, minimal, if you don't have strong internationally binding compliance regimes.

We also had a preparatory meeting of G-20 ministries looking to set the agenda for finance ministers in early September and later that month among leaders. From all reports, it was pretty much a waste of time, with OECD ministries insisting on using their relatively junior and unbriefed staff, while developing countries insisted on bringing their veteran climate change negotiators to the meeting. Talk about Bambi meeting the hunters. But, alas, it has happened too many times before to be real news.

Of course, at the end of the day, any final deal will need to swing on a U.S.–China accord. And here the developments may not be as desultory. What was noticeable this time around was, with the exception of one intervention by China on financing, the lack of accusatory, finger-pointing statements on their part. India was all too happy to voice its parting shots at this last session; China, most noticeably, was not. Strong rumours persist that there will be a regular list of announceables between these two political, energy and economic superpowers on climate change between now and Copenhagen and there is a strong MOU signed off recently between the two that could work to launch other initiatives. And let's hope to God that it will happen; one thing they do share is an equal conviction among those countries' scientific communities that climate change is a real and growing threat that must be addressed. It is, I'm afraid, the only hook we have left. The real question remains whether China would actually break from India's bottom line positioning in the negotiations and if history is any indication, probably not.

One final note on Canada's profile—it was appropriately understated, and only looking to provide interventions when it was thought to be value-added to do so. The only time considerable attention was paid to Canada was when its representatives elaborated on the government's stated target on reducing their emissions 20 per cent from 2006 levels by 2020, as Canada's contribution to the post-2012 international target regime. Aside from India's curious remark that Canada has to do some “soul searching” (talk about the pot calling the

kettle black), the most notable part of the intervention was the government's insistence that the target, "for all intents and purposes" would be met via domestic actions, even though a strongly linked carbon trading market, particularly with the U.S., remains a priority for Canada. While on the surface, this sounds quite laudable, most recent analysis indicates that the costs of going a domestic route alone would be prodigious to put it mildly—easily north of \$100 per tonne almost immediately into the commitment period if it were to start in 2012. And why would we want a linked system with North America to be a priority if most of our reductions were to be domestic? Some might respond that "domestic" refers to a North American suite of actions that focuses on complementary energy and appropriate offset actions on our continent. But that argument doesn't go very far, I'm afraid: the U.S. has made it clear that for the period up to 2020, a considerable part of those reductions would be met in purchasing international offsets, which would mean they would meet a similar numerical target at a much lower cost than Canada if it were to rely on domestic actions to meet its targets. The government needs to be careful about how it is positioning itself in these negotiations—any claims now of limited access to the international carbon market may constrain Canadian policy options in the future when the government will have to face the real cost of meeting its mitigation commitments.

So now, it's on to Bangkok at the end of September, for the next set of negotiations, but before then we have a host of other critical meetings, not the least of which will be a G-20 summit to be held in Pittsburgh, and before that, a meeting of finance ministers in early September that will focus on the critical financing elements of the eventual accord. But we cannot afford another "same old, same old" scenario at Bangkok or at any other negotiating session prior to and at Copenhagen. The time for showing true progress is now—in fact, some think that it may be already too late for us to have a comprehensive agreement in place by Copenhagen.

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