

***Climate Change Negotiations: Problems and
Possible Solutions through a Target-Based
Request-Offer Approach***

Symposium on Taiwan under Global Climate Change

Chang-fa Lo

Chair Professor and Distinguished Professor, National Taiwan
University

23 October, 2010

Why this topic

- Important: They shape the future and framework of climate change management
- Complicated: They involved different stages with different approaches
- Needing new thinking: There were problems with the previous approaches

What to be discussed in my paper

- History of climate change negotiations
- The latest deal: the Copenhagen Accord
- Problems with the Accord
- Various approaches used and their problems
- A target-based request-offer approach

Brief History

- The UNFCCC:
 - Adopted in 1992 in response to climate change arising from global warming with the objective of achieving “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

- The Kyoto Protocol:
 - Adopted in 1997 and entered into force in 2005 under the UNFCCC.
 - Under the Protocol, there were 37 industrialized countries, plus the European Community, having committed to reducing their emissions by an average of 5 percent by 2012 against 1990 levels.
 - It also allows these countries to engage in certain market-based arrangement so as to meet their emission reduction commitments.

- Bali Action Plan:
 - In 2007, UNFCCC Parties discussed and agreed on the future of the international climate regime after 2012.
 - The plan was ambitious in expecting developed countries to contribute to the mitigation of global warming by making “measurable, reportable and verifiable” commitments, including quantified emissions limitations, by all developed countries.
 - It also expects developing country Parties to adopt “nationally appropriate mitigation actions”.

- Copenhagen Accord of 2009: Merely a political agreement with no strict binding effect, but containing important and noticeable elements:
 - “climate change is one of the greatest challenges of our time” and they emphasized their “strong political will to urgently combat climate change”
 - “the increase in global temperature should be below 2 degrees Celsius”

- Parties were encouraged to associate themselves with the Accord and to pledge reduction of GHG emission.
- Industrialized countries are expected to “commit to implement individually or jointly the quantified economywide emissions targets for 2020.
- Developing countries are to record nationally appropriate mitigation actions.

Implementation of the Accord

- Almost all developed countries have made their commitments. Many countries included certain conditions in connection with their pledges.
- Many developing countries also decided to associate themselves with the Accord with some reservations.

Problems with the Accord

- The “climate responsible level” of global emission in 2020 should be about 44 billion tons.
- However, the targets and intended actions under the Accord could only achieve the global annual emissions of about 48.2 to 49.2 billion tons, not to mention that the pledges are not necessarily meeting the targeted goal set forth in the Accord.
- In other words, the existing commitments are not enough to properly cope with the serious global warming situation.

Evolution of Various Approaches

- **From Mandatory to Voluntary Approaches:**
 - Kyoto Protocol was a binding agreement.
 - However, the Copenhagen Accord is non-binding. It is merely an operational document

- **From Cap-and-Trade Approach to the Deviation from the Cap Requirement**
 - Cap-and-trade under Kyoto is to set the cap and allow polluters to trade their credits
 - Copenhagen did not set the cap.

- **From Science-Based (Top-down) Approach to the Pledge-and-Review (Bottom-up) Approach**
 - UNFCCC and Kyoto Protocol involved scientists informing the negotiators about the cap on global emissions for the purpose of controlling climate change; negotiators agreeing to targets and timetables to achieve the emission cap
 - Copenhagen Accord only expects countries to submit their pledges

Problems with Previous Negotiations

- First, the processes were too heavily affected by and too much dependent on the good-will of a limited number of key emitting countries.
 - For instance, President Clinton signed Kyoto Protocol. But President Bush did not honor it.
 - Also under the pledge-and-review process, countries were to come up with their own pledges without being subject to negotiations with other countries.
 - There must be a mechanism to be based upon for other countries to interact with the pledging countries before finalizing their pledges.

- Second, the pledge-and-review approach is basically very non-transparent.
 - Other countries would not be able to know the specific commitments before the submission of a pledge and thus would not have a chance to make comments.
 - There must be a process enabling other countries to make their requests in the first place and to react after an initial pledge has been put on the table.

- Third, domestic polluters have played too much role in shaping the framework and mechanisms of the climate change management regime.
 - Pledges under the Copenhagen Accord are based on domestic policies and legislations.
 - Domestic policies and legislations, in turn, are usually heavily influenced by domestic polluters.
 - As a result, there would be too much compromise concerning the pledges.

A Possible New Target-Based Request-Offer Approach and Its Elements

- First, there must be science-based targets in place to be based on for countries to achieve, so that at the end, the climate change will be control at a scientifically desirable level.
 - Scientists would play key role in deciding the goals to be achieved at different stages.

- Second, all countries must be given the opportunities to make substantive requests of emissions reduction from other countries based on certain criteria.
 - The requested countries would have to respond by making their offers, which should be justified by scientific principles and facts.
 - The requesting countries would be able to make comments or further requests after receiving the offers from the requested countries.

- This process would help countries to clearly know the “pledges” to be finally proposed by other countries and to engage in positive interaction with one another.
- This process is transparent in that countries will know each other’s proposed commitments prior to the conclusion of a final deal and that it can avoid unexpected outcome to certain extent.

- This can ensure that there will be no carbon leakage, i.e. the movement of emissions to a less regulated country and thus no job losses as a result of carbon leakage, mainly because the respective countries could raise specific fields of carbon leakage in the request-offer negotiation and ensure that their respective commitments are made in consideration of this issue.
- Under the target-based request-offer countries will have better chance to build mutual trusts through understanding the initial offers of the other sides and thus reduce the speculation and uncertainty.

Thank you and look forward to your comments!