



Bali as litmus test for Heiligendamm

An analysis of the climate relevance of the G8 summit 2007

Abstract

At this year's G8 Summit in Heiligendamm (Germany) new momentum for the upcoming UN climate negotiations was produced at the executive level. Whether or not this is enough to get the necessary comprehensive negotiations started remains to be seen. Every G8 Nation recognized the report of the Intergovernmental Panel on Climate Change (IPCC) as scientific basis. The necessity of legally binding UN agreements with substantial greenhouse gas reductions was emphasized. The G8 nations agreed to negotiate a post-2012 agreement within the framework of the UN by 2009. A compromise that demands action from emerging countries without overly burdening them, seems to be in sight. But how far all this rhetoric goes is anyone's guess. A common, general target as to how much greenhouse gas reduction is necessary to avoid an all-out, catastrophic climate change, could not be agreed upon. This December, the environmental summit in Bali will now act as the litmus test for the G8 Summit. It will then become clear whether the necessary negotiation package will be given the green light. The targets can only be assessed after the negotiations which are currently planned to end in 2009.

Seldom has a decision in international climate protection produced such ambivalent assessments as those from the G8 summit in Heiligendamm. There are three fundamental reasons for this.

First, commentators differ in where they set the bar. The necessity of climate policy to keep global warming below the dangerous two degree limit? Or the art of the possible, namely persuading the USA, Russia, and other reluctant nations to negotiate?

Secondly, the commentators who apply that necessity of climate policy (two degree limit) differ in whether or not they expected a breakthrough at Heiligendamm in this regard (that is, cooperatively with the Bush administration) or just a serious start for UN negotiations which can result in such a breakthrough with a new US administration in 2009.

Thirdly, commentators differ in their evaluation of the momentum that Heiligendamm created for the international climate negotiations. Is a green light for serious UN climate negotiations from Bali (December 2007) to Copenhagen (2009) in the agreements from Heiligendamm to be seen? Or will the Heiligendamm Declaration stay bogged down in non-binding rhetoric? Does Bali also threaten to become a negotiation round about whether nations are willing to start negotiations in the future (talks about talks about talks)?

The snail's pace of the last UN climate summit in Nairobi (November 2006) was a demonstration of such diplomatic idleness. The delegates from many nations (delegations are often lead by the environmental ministers) often had such a narrow mandate, that they could only take meaningless baby steps in terms of the big picture. Germanwatch, for its part, titled its evaluation of the environmental summit, "Climate Change Must Become Top Priority." Lastly, only the heads of government can give more leeway for the negotiations, so that truly serious negotiations, ones that can lead to groundbreaking results by 2009, can start at the UN

climate summit in Bali. Bali will be the litmus test for Heiligendamm. Will it succeed in setting the necessary negotiation package for ambitious climate protection in motion?

Hopefully, the results of the negotiations will be achieved by 2009: a longterm, binding framework, which is relevant for the financial markets, and a credible turn towards the prevention of a globally dangerous climate change.

The G8 summit in Heiligendamm raised the chances for a serious and comprehensive negotiation mandate that is oriented at guiding the world away from dangerous climate change. But it can only be said that Heiligendamm paved the way there, if this actually succeeds.

First Interpretations of the G8 Declaration by 20 Environmental Ministers

Shortly after the G8 Summit the environmental ministers from 20 nations (alongside the EU, the USA, China, and India and others) central to the future climate regime met in Riksgården, Sweden for the Midnight Sun Dialogue on Climate Change (MSD). The results from Heiligendamm were to be evaluated and the climate summit in Bali prepared in this informal setting. The summary of the results of this ministerial meeting, written by the Swedish Minister for the Environment¹, point to the extent that Heiligendamm can create a positive negotiational momentum. The ministers expect the Bali summit to have the capability to expand the agenda of the negotiations and in doing so lay a foundation for the future climate regime. Simultaneously Bali should articulate a road map for a resolution to be adopted in 2009. This would, if well-executed, be of the same importance as the Berlin Mandate in 1995, which led to the Kyoto Protocol of 1997.

Cornerstones of a Future Environmental Climate Regime Loom

In Sweden, the ministers set down central elements for a post-2012 resolution. They see as a foundation that "The science behind climate change is now clearly established and broadly accepted." (MSD) The negotiations should be guided by a common vision of the primary goals. It remains unclear whether or not the necessary and ambitious goal, namely the scientifically grounded "2-degree limit" suggested by the EU which is reflected by the goal of at least halving global emissions by the middle of the century (the cooperative suggestion from the EU, Japan, and Canada) would be widely accepted.

The important agreement on a further architectural principle important for the post-2012 negotiations is mired in bureaucratic language: "We have concluded that it will be necessary to seek a balanced architecture that is differentiated between and within the annexes." (authors note: the "annexes" denote the two country groups "industrialized countries" and "developing countries"). Thus the industrializing nations have for the first time accepted within this informal framework that different regulations will be negotiated with them than with the other developing nations.

Four Tracks with Country-specific Focuses

With that as a foundation, the ministers agreed on four negotiation tracks, the center of which is four different groups of nations.

¹The Midnight Sun Dialogue on Climate Change. Riksgården, 11-14 June 2007. Chairman's Summary. www.sweden.gov.se/content/1/c6/08/42/80/d1db5962.pdf. This text is here referred to as MSD.

Track 1: Extension of Absolute Reduction for all Industrialized Nations

The first negotiation package revolves around the extension of the Kyoto goals for industrialized nations. "Industrialized countries must continue to take the lead and reduce their emissions substantially, given their historic responsibility, economic strength, and capabilities." It is elucidated that, "binding quantitative emission reduction commitments by Annex I countries (author's note: industrialized nations) should continue to be an essential element of the new regime." (MSD)

Track 2: Decarbonization for Emerging Countries

At the same time it is held that the problem cannot be solved solely by the industrialized nations. It is recognized that developing nations have already made important contributions. In the future their engagement will be part of the overall effort in limiting and reducing emissions. The ministers in Sweden expressed in no uncertain terms which commitments the developing countries can expect in a post-2012 agreement. It will not be expected that they "take on such commitments now, but there should be incentives for them to take measurable and reportable actions of different kinds, such as sustainable development policies and measures (SD PAM), intensity goals, or sectoral benchmarks." (MSD) On the one hand this specifies the direction of the goals for the developing world. A framework for incentives should be formed, in which the intensity of the greenhouse gases will be reduced as a function of gross national product or various sectors.

Then again it should be taken into account what is not excluded by the formulation of the MSD. The industrialized countries have at least not completely given up the hope for binding limitation goals for emerging countries. On the other hand it remains thinkable that the emerging countries are already ready to commit to future reduction goals.

Track 3: Adaptation especially for the most vulnerable Developing Countries

The third negotiation package revolves around adaptation. Adaptation measures must be set in motion by every nation, particularly for the most vulnerable countries. (MSD) In Sweden the process of upward reevaluation of this matter was carried forward. "High priority has to be given to adaptation. The industrialized countries have a clear responsibility to assist developing countries in dealing with the impacts of climate change. ... For a great number of least developed countries and small islands, which have generally very small emissions, adaptation will be part of survival strategies. Climate change could have dramatic consequences and threaten economic and social stability."

It is interesting to see that now, along with the implementation of the Nairobi Work Program on Adaptation, innovative paths should be investigated: "We noted the need to examine further prospects for climate change risk insurance mechanisms." Effective incentives for adaptation could be achieved through intelligent design and cooperative financing from the industrialized world; incentives that would not leave the affected with nothing in case catastrophe strikes.

Track 4: Stopping Deforestation

A special negotiation package looms, in the center of which are the countries, whose untouched forests are in danger of slash-and-burn or logging. The ministers committed to progress in the containment of the rapidly accelerating deforestation by the Bali summit in December of this year: "We believe that the issue of deforestation should be subject of urgent attention by the Conference of Parties."

International Emissions Trading plus Technology Initiatives

It now also becomes more concrete, in addition to these four tracks, which instruments for the reduction of greenhouse gas emissions will be the subject of negotiations. The two core elements – an international emissions trading regime and technological development and transfer – should cooperate to that end. The USA and Australia had long argued that technological initiatives could replace emissions trading. It now appears rather that an international consensus will prevail, in which the market price for emissions and an emissions trading regime will be viewed as a necessary, but insufficient, framework for the necessary transformation of the energy and transportation systems. And that a combination of push and pull instruments is necessary to get the necessary technologies, hopefully quickly, implemented.

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The full version of this paper is available in German at www.germanwatch.org/klima/g8klim07.htm - a full English translation will be published soon.