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High-stakes power ploys in the global greenhouse

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Bonn, 15 June 2009. The goal of achieving an ambitious climate protection convention in Copenhagen in December calls for a new development paradigm, and that in turn has implications for established power structures.

The urgency of the need to adopt an ambitious follow-up agreement of the Kyoto-Protocol later this year in Copenhagen was just recently highlighted once again by climate science. In an article published in *Nature*, researchers at the Potsdam Institute for Climate Impact Research (PIK) point out that in order to avert the likely occurrence of dangerous climate change, it will be necessary to cap global emissions at 1000 billion tonnes of CO_2 in the period between 2000 and 2050. One third of this amount was already emitted between 2000 and 2008, and what this implies in effect is that the remaining two thirds is going to have to suffice for over 40 years. That in turn means that the international community needs to reduce greenhouse gas emissions as quickly as possible if it is to give a socially compatible shape to the reduction path and the process of structural change that is certain to accompany it. If global emissions peak too late, the downward path will be that much steeper, and the necessary process of economic and social change will inevitably be that much more radical.

However, the recent round of negotiations conducted in June in Bonn proved challenging and thorny. Indeed, the goal of reaching a – necessarily ambitious – reduction path implies more than implementing a number of individual projects or programmes; it calls for the implementation of a new development paradigm, one in which climate policy must serve as a normative framework, determining the most important priorities involved. And it goes without saying that the power shifts that this implies between countries, institutions, and economic actors will not be to everyone’s taste.

The wrangling over existing and new structures extends to all areas covered by the climate talks. To cite an example, negotiators from the developing world are calling for the creation of a new institution to transfer funds. This institution would be under the oversight of the UN Framework Convention on Climate Change (UNFCCC) and keyed to the goals and objectives set out in it. Most of the funds involved have until now been channelled through bi- and multilateral development cooperation. Developing countries have criticised the donor predominance in the relevant institutions, arguing that funds paid out under the climate regime are mandatory in nature and should not be seen as voluntary transfers of the kind effected in connection with development cooperation. What this means in effect is that the criteria, terms, and conditions under which development cooperation funds are transferred to developing countries would not apply for climate-related transfers. Representatives of development policy and the industrialised countries have countered by arguing, for their part, that creation of new institutions is far too costly and protracted a process and that efforts to adopt and implement a climate agreement would thus be better served by falling back on the years of experience gained in development cooperation.

Another central point of contention concerns the division of tasks between public and private actors. This goes in particular for the field of technology cooperation. The lion's share of the climate-friendly technologies presently available are in the hands of private corporations in the industrialised countries. These technologies' global market prospects hold out promise of major profits. In return for their involvement in climate protection, however, the developing countries are calling for provision, at favourable terms, of climate-friendly technologies; indeed, some are even demanding compulsory licensing arrangements for intellectual property rights. The latter are mainly countries that see prospects for their own industries in the relevant markets. In other words, what we see here is a clash between material economic interests, and this may hamper efforts to concentrate on the actual goal of the talks, namely climate protection.

The funding provided to finance REDD (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries) likewise moves in the field of tension defined by various interest groups. The ongoing discussions centre on two funding options, each of which is driven by different interests. Countries like Mexico, Tuvalu, Norway, and Germany, which view REDD in terms of the primacy of effective climate protection, have come out in favour of a funding system based on auction proceeds. This, it is claimed, would ensure that reductions in the forest sector would be reached in addition to reductions of fossil emissions in industrialised countries. The second option under discussion is a proposal to integrate REDD into the carbon market. This approach, though, would involve one major drawback, namely that it would drag out the necessary process of structural change, above all in the energy and industrial sectors. These sectors are responsible for a large share of emissions, and it is here that the stage needs to be set – before 2020 – for a process of fundamental structural change. The proposal enjoys the backing of an "unholy" alliance made up of countries like Australia and the US, business corporations, and major US conservation organisations, with the former banking on cheap emission certificates and a new, lucrative market and the latter setting its sights on billions for the protection of tropical forests.

A demanding and ambitious post-2012 climate protection regime will necessarily clash with outdated structures and special interests. Under the Kyoto-Protocol, climate protection has not managed to gain the upper hand in this high-stakes game of power politics, and global emissions have not been reduced sufficiently. But if it is to afford effective climate protection, a new agreement in Copenhagen must establish climate protection as the normative framework for a new development paradigm.

A recent Ecofys and Germanwatch study on the "climate friendliness" of the stimulus packages adopted by the EU, France, Germany, Italy, the UK, and the US casts doubt on the will of the industrialised countries to embark on this path. No more than 7% of their pertinent investments – that is, no more than 73 of a total of 1100 billion US$ - has gone into climate-friendly measures. This is certainly not what a "Green New Deal" is supposed to look like.