

Climate Change Agenda after the Durban Conference

As a member country of the OECD, Chile will not be indifferent to the climate change discussion, the reduction of GGE and the measures that could be taken in the future. Therefore, it is important to defend its developing country condition, whose priority is still poverty uprooting, and calls for the availability of external resources for the fulfillment of its commitments.

A new climate change summit concluded on December 9th in Durban, South Africa. The meeting was highly relevant, in view of the imminent expiry date of the Kyoto Protocol (December 2012), which in a certain way puts at stake the real intention of the countries to compromise specific actions to cut greenhouse gas emissions.

The outcomes, however, were not particularly auspicious, since no new binding agreements were taken. Nevertheless, certain progresses were made, such as an initial agreement to extend the Kyoto Protocol and the commitment to work on a new agreement by

2015, which incorporates both developed and developing countries to the emission reduction starting 2020.

Chile has not been indifferent to this process and has actively participated in the climate summits. The country's position and its negotiation capacity have been and will continue to be highly relevant for our future development; thus, the international agreements reached in these processes should not pass unnoticed.

International Agreements on Climate Change

Mitigation and adaptation to the climate change has been set as the major environmental challenge observed in recent years. As a matter of fact, there is a certain consensus regarding the need to stop the

current climate change to avoid the Earth's temperature rise. The idea is based on studies carried out by the Intergovernmental Panel on Climate Change (IPCC); in its last assessment report, they stated that *“Warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and the rise of the global average sea level”*ⁱ. In this context, it indicates that the Earth temperature could rise between 1.8 and 4°C, with partially negative to devastating consequences for the world's welfare.

It is also assumed as true that the cause of climate change is anthropogenic, that is, caused by man. Since the Industrial Revolution, there has been a substantial increase of the greenhouse gas emissions (GGE) over time, which is the main cause of the planet's temperature rise, according to the IPCC Report. Therefore, it has been agreed to force decisions tending to reduce its impact by cutting total GGE.

Along these lines, almost two decades ago the world's nations gathered in an international treaty, the United Nations Framework Convention on Climate Change, in order to develop solutions in view of the risks for human kind generated by global warming. Thus, since 1995, annual conferences called COP (Conference of Parties) are carried out to deal with this problem.

A milestone was marked in 1997, since a protocol on climate change was adopted in Kyoto (Japan), which entered into force in 2005. The purpose of this international agreement was to reduce the emissions of six greenhouse gases causing climate change, the main one being carbon dioxide (CO₂). This contaminant accounts for 72.9% of the GGEⁱⁱ and, in fact, it has increased by 42.2% during the period 1990-2008.ⁱⁱⁱ

The Kyoto Protocol agreed a 5.2% average reduction in the emission levels in relation to 1990, for the period 2008-2012. The emission reductions were distributed among the so called Annex I Parties^{iv}, mentioning that the treaty was juridically binding, although the parties could withdraw from the treaty with no sanctions whatsoever, as it was later proven.

The Protocol embraced several aspects; among them, the obligation for the parties to create national plans that would reduce their emissions by means of specific measures. Likewise, joint project implementation mechanisms were proposed where, for example, two

nations could agree to compensate with clean projects one of the contaminant projects of the other party. Additionally, clean development mechanisms, technology transfers and emission exchanges were subscribed. And it was also defined that countries should be able to measure their GGE impact, and create institutions that would deal with this matter.

COPs have been useful as a discussion forum for the Kyoto Protocol parties, entailing decisions and resolutions for the implementation of agreements among parties. However, after a few years, it became evident that the Kyoto Protocol would not achieve its main target, which was the emission reduction in the agreed percentages. In addition, the United States, which is the main polluter, had not been willing to sign the agreement.

Conscious of the fact that it was necessary to make some progress towards a treaty that would imply an emission reduction commitment by developed and developing countries generating a great amount of emissions (such as the USA, China and India), a conference was held in 2007 in Bali (COP13) with the aim of designing a roadmap that would define how to incorporate them. It was also proposed to prepare mitigation plans according to the countries' capabilities and their development challenges (NAMAs, Nationally Appropriate Mitigation Action), which should help to execute and finance emission reductions in countries with less resources.

In both climate change conferences previous to Durban (Copenhagen 2009 and Cancun 2010), progress was made in achieving financial support from the leading economies to the developing countries for reducing contaminants, so as not to strengthen their limitations regarding economic growth and poverty uprooting. Furthermore, they defined that the phenomenon should be faced in a differentiating manner, thus recognizing that developed economies have generated most GGE accumulated over the years. These conferences also encouraged countries to stop forest degradation, and to create cost-efficient market mechanisms for mitigation and prevention, and to promote technology transfer in this area.

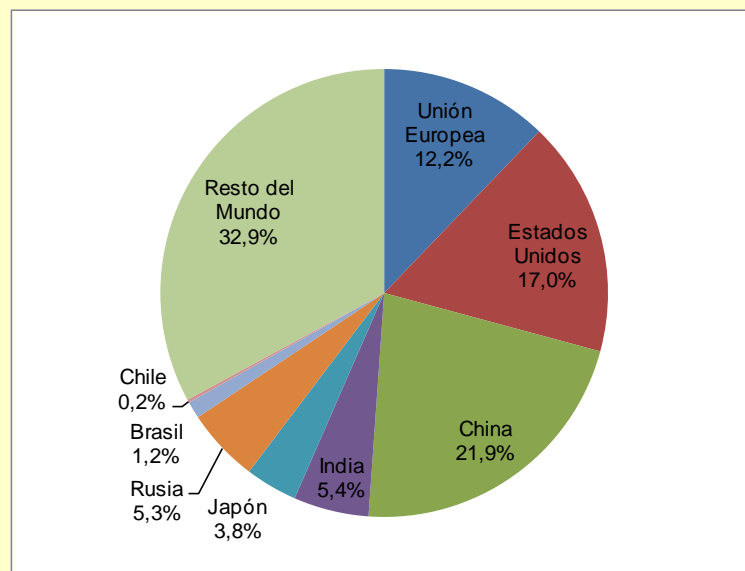
The Durban Conference (COP17)

This year's conference, held in Durban (South Africa), sought to continue the process started in Bali. Its purpose was to achieve a binding agreement for emission reduction that would replace the Kyoto Protocol in view of its expiration, and include all the parties.

Expectations were not easy to fulfill in the light of last years' experience, where divergence among countries had made negotiations very difficult and slow. As a matter of fact, the conferences already held have achieved a quite deceiving outcome regarding agreements and results. Specifically, there has been no GGE reduction commitment to date with legal force for the United States, China, India, Japan and Brazil, nations representing together 51% of the CO₂ emissions.

Chart 1

SHARE OF GLOBAL CO₂ EMISSIONS (TOTAL PERCENTAGE, 2008)



Source: World Bank

During the Durban Conference, the progresses were not the expected ones either. Europe demanded a juridically binding agreement for GGE reduction, while China and India did not wish to introduce reforms that meant to sacrifice their economic development goals. On the other hand, small island states and other countries which would be more affected by warming, demanded urgent measures and attacked the claims of least vulnerable and developing countries, while, in the opposite front, Canada and then Russia announced their withdrawal from the Kyoto Protocol.

Notwithstanding the latter, the conference extended itself beyond closing time, and after long hours of negotiation, certain agreements were achieved. The main one was to extend the Kyoto Protocol beyond 2012 (the date shall be determined in the next COP) and to set a roadmap for a future global agreement, explicitly stating a process for drawing up a protocol or other juridical instrument that includes all countries. The new agreement should be confirmed by 2015 and should enter into force as of 2020.

Another relevant feature was the definition of funds for developing economies aimed at financing their emission reduction actions. Thus, in the future countries could present their NAMAs to have access to these funds. The fund, called “Green Climate Fund”, should amount to US\$100.000 millions, although no one knows yet where this money is going to come from (a pending issue for the next conference).

Chile’s Position

Chile has actively participated in the climate summits, thereby accepting the IPCC conclusions. In the last years, the official position has been to foster a possible legal binding global agreement under the Convention, but it defends differentiation among developed versus developing countries.

Specifically, Chile has advocated that developed countries must take charge of their historical responsibility for emissions, considering that, over time, the United States and the European Union have accumulated 54.5% of the historical emissions. Therefore, it has insisted upon privileging a reduction policy based on “shared causes but differentiated commitments”.

Chile has also decided in favor of defending a unique category of developing countries, with no distinction between less developed or more vulnerable economies to the effects of climate change. This idea seeks to avoid discriminations against some countries that are still developing, in order to benefit those that are considered even more vulnerable, which could exclude our country.

On the other hand, Chile has supported the development of appropriate national mitigation actions (NAMAs), which could allow changing the emission patterns of developing countries. The idea is that NAMAs, subjected to high measurement and verification standards, are entitled to international and national financing, thus

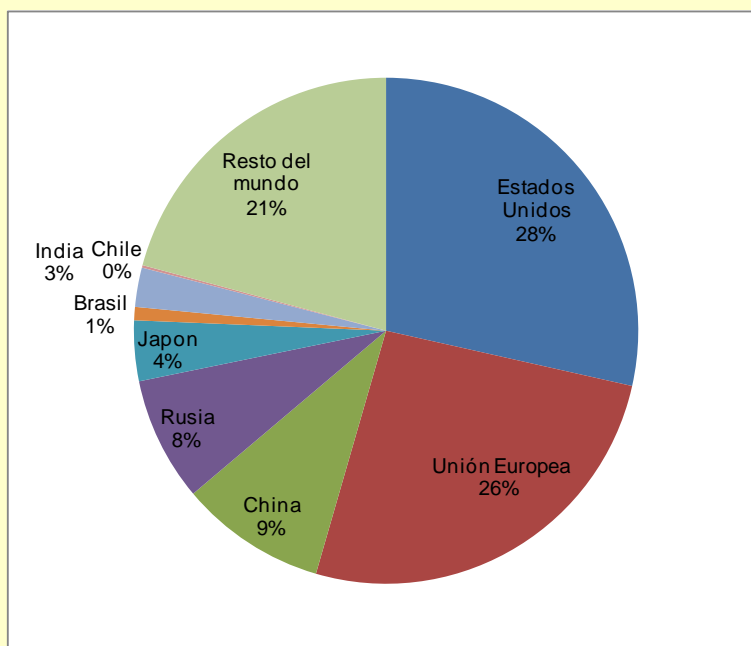
helping to raise funds in the developing countries. Likewise, the country has endorsed the extension of the Clean Development Mechanism. Meanwhile, it is important to highlight that the position of Chile has been to privilege the use of market mechanisms that foster emission reduction, thereby avoiding the establishment of quantified commitments for developing countries.

Finally, Chile has maintained a clear rejection position regarding possible unilateral measures to deal with the climate change subject, since they could be an arbitrary restriction tool for international trade.

In brief, Chile's stand has been quite clear concerning the adherence to the global interest of reducing and mitigating GGE emissions to limit the impact of human activity on climate change. Although this initial premise is questionable, it is consistent with Chile's accession to the different international agreements in environment matters, and to the position that Chile shall hold as of its incorporation to the OECD.

Chart 2

SHARE OF HISTORICAL GGE (TOTAL PERCENTAGE, 1850-2008)



Source: Climate Analysis Indicators Tool 9.0. Resources Institute.

In any case, Chile's stand has been the right one when defending the concept of shared but differentiated responsibilities, since it corresponds to the developed countries to play the main role in emission reduction, both at the domestic level and in the sense of providing funds to developing countries. This is even more evident in the case of Chile, which has minimally contributed to the GGE accumulation, and besides it only represents 0.2% of the global emissions, according to the figures from 2008. Thus, any imposition on emission reduction matters would not only be unfair, but it would also entail a greater cost for economic growth, with a consequent postponing of its development and poverty uprooting processes.

Conclusions

There is no doubt that climate change has been installed in the global agenda as a concern matter. If the necessary measures to reduce GGE are not taken, the earth temperature will probably rise with devastating effects; however, little has been said of the eventual costs of these actions.

Nevertheless, the developed and developing countries seem to understand the effects that a new binding agreement on emission reduction can entail, and this has hindered a progress in the negotiations to succeed the Kyoto Protocol after its expiration. If we add the critical financial situation suffered by countries of the European Union and the USA, it is very likely that the availability of resources and the disposition to undertake commitments in climate change matters are reduced.

Given this scenario, the Durban outcomes were not so deceiving as certain people could argue, since the will to reach an agreement involving all nations was explicitly put forward. Although there is uncertainty about the probability of reaching such agreement and if it is going to guarantee an emission reduction, it means a favorable step in relation to the previous forecast, which was to achieve no agreement at all.

As a member country of the OECD, Chile will not be indifferent to this discussion, and the measures that could be taken in the future. It is therefore important to defend its developing country condition, whose priority is still poverty uprooting, so as to avoid the imposition of inadequate obligations, and it calls for the external resources availability for the fulfillment of its commitments.

Clearly enough, the threat now is that countries that have strongly invested in climate change matters are tempted, in view of the lack of global agreements, to put restrictions to the international trade, using carbon footprint as an argument of unfair competition. This scenario is even more feasible in view of the withdrawal of Canada and Russia from the Kyoto Protocol, which puts at stake any future binding agreement. The latter should certainly be a source of concern for Chile.

ⁱ Intergovernmental Panel on Climate Change (IPCC), Fourth Assessment Report (AR4), 2007.

ⁱⁱ Data from Climate Analysis Tools 9.0, World Resources Institute. <http://cait.wri.org>

ⁱⁱⁱ Carbon Dioxide Information Analysis Center of the U.S. Department of Energy. <http://cdiac.ornl.gov/>

^{iv} Annex I countries include Germany, Australia, Austria, Belarus, Belgium, Bulgaria, Canada, Croatia, European Union, Denmark, Slovakia, Slovenia, Spain, USA, Estonia, Russian Federation, Finland, France, Greece, Hungary, Ireland, Iceland, Italy, Japan, Latvia, Lithuania, Liechtenstein, Luxemburg, Monaco, Norway, New Zealand, Netherlands, Poland, Portugal, United Kingdom of Great Britain and Northern Ireland, Czech Republic, Romania, Sweden, Switzerland, Turkey and Ukraine.