

## **The Politics of Climate Change**

**Sherman Tan**

06 Dec 10

### **More brakes at the Cancun Climate Summit**

Last week, Japan which gave the name to the Kyoto Protocol back in Dec 1997 now stated that it refused to support the future of the Kyoto Protocol. In its statement "Japan will not inscribe its target under the Kyoto Protocol on any conditions or under any circumstances" has not only pulled the brakes on the discussions in Cancun but further drove the wedge between the developed and developing nations. Martin Khor, the executive director of the South Centre (an intergovernmental organization of developing countries) was reported as saying that without the commitments from the developed countries for the second commitment period, the Kyoto Protocol-the only legally binding system that regulates greenhouse gas (GHG) emission cuts could be dismantled. In the worst scenario, developed nations could be increasing emissions by 6% instead of reducing them.

When the Kyoto Protocol was adopted on 11 Dec 1997 and enforced 7 years later on 16 Feb 2005, a total of 191 states <sup>(1)</sup> with the exception of the US have signed and ratified the protocol as of Oct 2010. Under the Protocol, 37 countries (defined as Annex 1 countries) have collectively committed to a reduction of 6 types of GHG emissions by an average of 5.2% from 1990 levels by the year 2012 (known as the first commitment period from 2008 to 2012). The Protocol expires by end 2012.

With Japan (one of the leading developed countries championing the Protocol since its inception) not committing to the second commitment period, other developed countries like Canada, Australia, France and the likes could take on a less committal stand.

### **The Kyoto Challenges**

At the onset, the Protocol was plagued with several challenges – one of which was that developed nations which were responsible for past emissions of GHG are required to commit to reduction of GHG emissions while developing nations are not. During the initial years, the drift between the developed and developing nations were not as intense but in recent years, the economic situation of some of these countries have changed significantly. For instance, the 2008 global crisis have severely crippled the economics of the US and the European Union but left many developing countries in Asia relatively unscathed.

Moreover, China and India, the two major developing countries that have experienced substantial GDP growth since 2000 have also emerged to become the top polluters of GHG. Opponents of the rich nations paying for climate change often leverage on this sticking point resulting in the dismay outcome at the Copenhagen Summit in end 2009 and the various non-fruitful pre-meetings this year leading to the Cancun discussions currently in progress.

Another reason that often stalled discussions evolved around that reduction in GHG emission is a global issue and cannot be isolated solely over the territory of the country emitter. While the flexible mechanisms under the Protocol provided three form of market-based mechanisms (emissions trading (ET), clean development mechanism (CDM) and joint implementation (JI)) to manage the carbon market; critics often alluded that CDM and JI allow an Annex 1 country to continue its polluting activities as long as it is engaged in some form of emission reduction projects in other countries. ET on the other hand allows a country to buy emissions rights from the carbon market instead of making reduction in its home country.

## Climate Change is about Money?

During the Copenhagen Summit in Dec 2009, critics were concerned about the non-legal binding nature of the Accord. Besides not setting real targets to achieve emission reductions, the mobilization of US\$ 100 Billion per year to developing countries will not be fully in place until 2020. Moreover, there was no information or guarantee on who will provide these climate funding and how much per countries. Even less clear was which countries will benefit from any of the funds.

Moving forward one year to Cancun, this money issue will continue to be a contentious issue. Some industry observers felt that finance and the binding element of any accord must go hand-in-hand. Little money will flow unless the developed countries are convinced that they are getting something back in return. To this end, developing countries that receive funding must in turn show commitment to reduce GHG emissions. According to the Global Energy Policy Centre <sup>(2)</sup>, a Green Fund should be used to solve half of the "legal binding" issue. Rewards in the form of funding for developing countries that comply with international commitments and penalties – trade sanctions for developed countries that break their commitments.

While the money talks continue at Cancun, German Watch <sup>(3)</sup> released on 3 Dec 10 it's annual Climate Risk Index 2011 briefing. In this briefing, German Watch noted that the less developed countries are generally more affected than industrialized countries from extreme weather conditions. In its study, Bangladesh, Myanmar and Honduras were the countries most affected by extreme weather events (1990 to 2009) and all of the ten most affected countries were developing countries in the low-income or lower-middle income group. In total, more than 650,000 people died as a direct consequence from almost 14,000 extreme weather events and losses of more than US \$ 2.1 trillion occurred from 1990 to 2009.

---

### Notes:

<sup>(1)</sup> List of 191 states: [http://en.wikipedia.org/wiki/List\\_of\\_Kyoto\\_Protocol\\_signatories#Signed\\_and\\_ratified](http://en.wikipedia.org/wiki/List_of_Kyoto_Protocol_signatories#Signed_and_ratified)

<sup>(2)</sup> Global Energy Policy Centre: <http://www.global-energy.org/international/cancun-climate-summit>

<sup>(3)</sup> German Watch: <http://www.germanwatch.org/presse/2010-12-03e.htm>

*The writer is the Principal Consultant & Director at Innovar Pte Ltd ([www.innovar.com.sg](http://www.innovar.com.sg)). He can be contacted at [office@innovar.com.sg](mailto:office@innovar.com.sg).*