

After Buenos Aires: A Development and Environment NGO Perspective¹

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We have to choose between...a world which condemns a quarter of the human race to starvation and squalor, and one which offers everyone at least a chance of prosperity, in a healthy environment...

*UN Secretary-General Kofi Annan's address to the World Economic Forum, Davos, Switzerland
31 January 1999.*

The above declaration would have been appropriate at any session of the various Conferences of the Parties to the United Nations Framework Convention on Climate Change: particularly the fourth, held in Buenos Aires in November 1998. Limited progress in the implementation of the Protocol and the Convention was made at that Conference. The action plan that was finally produced is little more than a checklist of technical options, avoiding the political tensions that surrounded the negotiations.

Global warming nevertheless remains a global problem, and as such it is relevant to all the world's citizens. Equitable solutions to this problem therefore require a **political vision** to guide the implementation of the Convention. States may not always agree on such a vision, but **civil society**, in various forms and in different areas around the world today, frequently considers global environmental problems to be of too great importance to be left wholly at the mercy of state sovereignty².

It is the importance of this long-term vision that has led NGOs, in their involvement in the various stages of the negotiation and implementation of the UNFCCC, to aim at **consistency** in their proposals concerning the instruments for achieving the objectives of the Convention, despite the more contingent political imperatives to which it is often subject. NGOs have advocated consistency in the role of the GEF and its relation to the flexibility mechanisms, as they have consistently emphasised the importance of equity and sustainable development in the proposed mechanisms. In attempting to find viable answers to the greenhouse effect, support for institutional and human capacity-building efforts in the South, especially in Africa, remains a priority concern for NGOs. These positions have

¹ Many of the issues in this paper were broached in a number of papers prior to Buenos Aires. In particular:
- **“Sustainable Development : a Centrepiece of the Kyoto Protocol. An African perspective”**.- Youba Sokona, Stephen Humphreys, Jean-Philippe Thomas - ENDA TM, Position Paper for the Fourth Conference of the Parties to the UNFCCC, Buenos Aires – Argentina, November 2-13, 1998. 8 p.
- **“Equity in the Clean Development Mechanism”**.- Youba Sokona, Stephen Humphreys, Jean-Philippe Thomas - ENDA TM, - Dakar, octobre 1998. 5 pages. Document de position pour l'Assemblée Africaine des Ministres de l'Environnement, PNUE, Nairobi – Kenya, 19-23 October 1998.
- **“The Clean Development Mechanism : What Prospects for Africa”**.- in “Issues & Options, The Clean Development Mechanism”.- Youba Sokona, Stephen Humphreys, Jean-Philippe Thomas - UNDP, New York, 1998. P. 110 – 120. French version: **“Le mécanisme pour un Développement Propre : quelles perspectives pour l'Afrique”**.- in Bulletin Africain, n° 9, « Dossier : Changements Climatiques » – June 1998. P. 18-26.
- **“De l'Application conjointe au Mécanisme de Développement Propre : les position africaines ont-elles changé ?”**.- Jean-Philippe Thomas, in Liaison Energie-Francophonie, Québec, n° 39 – 2ème trimestre 1998. p.33-37.

These papers are available on the Enda Energy website: <http://www.enda.sn/energie/indexpea.htm>

² Climate Action Network (CAN) tend towards this position.

been appreciated by other actors in the negotiations: proposals originating from NGOs were adopted by the Conference of African Environmental Ministers in Nairobi (October 1998), for example, preparatory to the Buenos Aires Conference. The Parties to the Convention and other bodies involved in implementation have further recognised the role of non-governmental actors at various stages in the negotiation and implementation of the Convention (see Article 7 of the Convention).

The flexibility mechanisms introduced by the Kyoto Protocol are essentially directed at easing the burdens of developed countries in meeting their emission reduction commitments by the period 2008-2012. The Buenos Aires Plan of Action focuses almost exclusively on a series of technical issues related to these mechanisms and avoids the issues of equity and sustainable development which had been raised by developing countries.

Analysis and discussion of the mechanisms has recently progressed as though the flexibility mechanisms were unrelated to each other and to the Convention as a whole, as though merely their technical implementation were worthy of debate. However, the issues surrounding the implementation of all the flexibility mechanisms are highly inter-related, and inseparable from the ultimate objectives of the Convention which they are intended to serve. A large emissions trading market is under construction and future analysis must begin with the new circumstance that this global market presents. If there is to be coherence and consistency in the operation of the flexibility mechanisms and the objectives of the Convention, the first imperative is to align the mechanisms with each other and with other activities taking place in the same domain. If, following Kyoto, a major lever towards achieving these objectives is to be the creation of **a unique market for emission credits** where every country has the right to trade, the order of the technical problems requiring resolution must be prioritised accordingly.

In this context NGOs are now raising a number of questions, cautions and proposals concerning the direction of the current negotiations on the implementation of the Kyoto Protocol, the Buenos Aires Plan of Action, and the preparations for COP5 (Bonn 1999). In the future debates in preparation for COP5, the following five proposals should merit particular attention from African and other developing countries:

1. Limited recourse to the flexibility mechanisms

- (a) The developed countries, who are historically responsible for the high concentrations of emissions in the atmosphere, do not appear ready to take on **domestic policies and measures** to satisfy their commitments, much less to tackle the ultimate objectives of the Convention. It is therefore imperative that the international community take a clear position on the **amount** of reduction targets that should be fulfilled domestically. In other words, a ceiling (“cap”) on the extent to which flexibility mechanisms can be used seems unavoidable in order to ensure that developed countries fulfil their commitments in an equitable manner. It should be noted in passing that the European Union’s insistence on the primacy of domestic measures positions them fairly close to developing countries on this issue.
- (b) Article 3.2 of the Kyoto Protocol states that “each Party included in Annex I shall, by 2005, have made demonstrable progress in achieving its commitments”. Reliable

stringent indicators must be set in order to ensure that this **monitoring of compliance of Annex I countries** can be carried out effectively and meaningfully.

- (c) The *a priori* problem however, seems to be a lack of political will in Northern countries to introduce new methods of production and consumption – to direct, in other words, their growth towards the objectives outlined in Agenda 21 and away from carbon intensive systems. This issue extends beyond the UNFCCC, whose global reduction objectives cannot in any case be reached solely through application of the Kyoto Protocol and its flexibility mechanisms (i.e. least cost reductions). At best the mechanisms should be considered as instruments to assist a variety of societies to transit towards low carbon energy and economic systems.

2. Equal emissions entitlements

The flexibility mechanisms rest on market principles: an exchange value is accorded to a given countries' entitlement to emit greenhouse gases. Each player's market potential therefore depends on their allocated emission entitlement. The distribution of such entitlements to each country is a second area where the international community must ensure fair play and set itself the task of establishing equitable allocation procedures. Ultimately, the basic principle underpinning such allocation of the "right to pollute", as with other rights affecting all human beings, must be that each individual on the planet is entitled to an equal share.

Moreover, the "quantified commitments" taken on by industrialised countries (article 3.1. of the Protocol) become *de facto* "property rights" for these countries since they can freely exchange them (as their "assigned amount"). This right is not given to developing countries, who can only exchange emission reductions through the CDM. The effect is that only indebted countries (those required to reduce) have the power of exchange over their debt, while supposedly unrestricted countries (with no reduction requirement) find themselves excluded from the market, or restricted to the residual second market of the CDM. The net result is an operational disequilibrium far from the principles advocated by the international financial institutions.

Carbon emission patterns today illustrate a profound global imbalance: 63% of global CO₂ emissions are produced by the richest 20% of the world's population. The poorest 20%, by contrast, are responsible for only 2% of total CO₂ emissions³. The pattern of production is "luxury" emissions for a minority and "survival" emissions for the rest. This will no doubt remain the case in the near future, but ultimately the aim of global efforts under the aegis of the UN Convention must be to ensure an equal *entitlement* to emit greenhouse gases for each global citizen. As restrictions begin to come into force, there is an imperative to ensure that the distribution of rights over the shared global property of greenhouse gases does not reflect the vastly unbalanced patterns of current carbon consumption.

The Centre for Science and the Environment in India and the London-based Global Commons Institute have proposed a principle of "contraction and convergence", whereby countries would be allocated an amount of emissions representing their share of a determined "global carbon budget" according to their population⁴. The budget would

³ "Profiles in carbon : an update on population, consumption and carbon dioxide emissions" - Robert Engelman, Population Action International, Washington DC, 1998.

⁴ "The Kyoto Protocol in an unequal world: The imperative of equity in climate negotiations", Anil

represent the optimum level of greenhouse gas concentration in the atmosphere and could be authorised by the IPCC (for example) on the basis of the most recent and reliable projections (CSE suggest 450ppm of CO₂ as a possible level). The population levels of a fixed year (1990) would be used to extrapolate each country's share on a per capita basis. This would then act as the horizon towards which all countries would agree to converge over a defined time period. Countries producing more than their share of global emissions would reduce over time, while those producing less than their share will be allowed to increase their targets until gradually the optimum global concentration is achieved equitably. The market can then operate as intended, but with the possibility of including all countries equally and the certainty of no further "leakage". These suggestions were sidelined in the aftermath of Kyoto, but have been relaunched since Buenos Aires and now constitute the best grounds for equity in implementing the Convention.

An equitable allocation of entitlements to emit greenhouse gases on this basis would also prepare developing countries both for taking on commitments and for trading on the emissions market. It would constitute an ideal basis for "meaningful participation" by all countries and would encourage all in the direction of low carbon energy economies. Finally it would ensure that the emissions market operates as an open and comprehensive market, where all players have representation and an incentive for involvement.

3. Voluntary commitments: a non-issue for developing countries

Since Kyoto, partly as an attempt to resolve the above problem, some industrial countries – notably the US – have demanded a commitment to emission reduction, or "meaningful participation", on the part of the largest developing countries, such as China, India and Brazil. Argentina articulated this demand by attempting to place the issue of "voluntary commitments" at the top of the COP4 agenda, and further affirmed their intent by themselves taking on such commitments. There are at least two reasons why this direction is inappropriate for developing countries:

- a) Firstly, the priority for developing countries at present is economic growth and the attempt to relieve widespread poverty. They cannot take on **environmental conditionalities** (commitments) in addition to the economic (structural adjustment) and political (such as democracy) conditionalities which hamper them already. To do so would be to distort the sense of the Convention's reference to "common but differentiated responsibilities" based, in particular, on equity.
- b) Secondly, this question diverts attention from the more important current debates over the proofs of intent yet to be made by the industrialised countries, and of their active leadership in confronting climate change, and opting for appropriate policies. This was noticeably the case in Buenos Aires.

The appropriate prelude to the question of voluntary commitments are the principles of entitlement and convergence. With such principles in place, developing countries would be in a position to consider targets which would not limit the growth of their economies.

4. Identical conditions of operation for all flexibility mechanisms

Agarwal and Sunuita Narain. CSE, 1998 ; "Definitions of Equal Entitlements", Factsheet 5, CSE, 1998. CSE are available on the world wide web at: <http://www.cseindia.org>

Each of the points above highlights the extent to which the mechanisms and the objectives of the Convention are highly inter-related. Further fragmentation of the debate can only lead to imperfect implementation of the Convention and finally failure. The mechanisms should be constructed in such a way that their purpose and implementation is in harmony. One aspect in particular requires immediate attention: the notion of the “share of the proceeds” which are to finance the functioning of the CDM as well as adaptation projects, can only conceivably operate when **applied to all the mechanisms of emission credit exchange**. In one stroke this would harmonise the operating conditions of the market and give credibility to the notion of an **adaptation fund** for vulnerable developing countries.

5. Extend the references to sustainability

One flexibility mechanism is aimed specifically at developing countries – the CDM, whose primary objective is “to assist Parties not included in Annex I in achieving sustainable development”. Sustainability is generally understood to have three aspects: economic, social and environmental⁵. In addition to establishing indicators in each country for each of these aspects, in Africa a fourth **institutional** component is necessary for sustainable development. Suitable institutional arrangements are an essential part of the process of laying the foundations for economic, social and environmental sustainability. The capacity building activities (institutional strengthening in particular) which are already embedded in the process of implementing the Convention on the continent indicate the existing deficiencies in this area.

This fourth component is crucial in the case of technology transfer (there is currently an IPCC report in preparation dedicated to this subject). It has been observed that the techniques which offer direct solutions to a felt need will transfer automatically through market forces – the recent and relatively rapid growth of information technologies in Africa is a good example. By contrast, in many other areas, such as ecologically rational technologies, barriers exist which can only be surmounted through the intervention of institutional mechanisms: serving as intermediaries, information disseminators, etc.

Finally, developing countries have increasing need of secure financial inflows now that ODA (Official Development Assistance) is on the wane everywhere. The CDM may be a potential source of finance as well as transferred technologies, but developing countries cannot resign themselves to acceptance of the mechanism in a framework in which the principles of equity and sustainable development are reduced to the technical aspects of implementation, as is the case at the current stage of negotiations. The visions and principles of Agenda 21 must continue to illuminate the direction of the negotiations. Other adjacent Conventions are only the means towards achieving the outline of “sustainable” development, and can only operate if they are consistent with that overall objective.

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⁵ “Climate change decision-making : science, policy and economics”.- Mohan Munasinghe, 1998, Int. J. Environment and Pollution, vol. 10, n° 2, pp. 188-239; “Climate Change Policy : Facts, Issues and Analyses”.- C.J. Jepma and M. Munasinghe, Cambridge University Press, 1998.