

Climate Change: Towards Global Participation

EQUITY CRITERIA

No human being / social group / nation / regional economic organization is inherently entitled to use a global externality (such as the capacity of the atmosphere to absorb GHGs without disrupting the climate system) more than others.

- ❖ Present differences are just a “de facto” situation, a recognized starting point.
- ❖ In the long run, the most basic equity criterion would require a controlled process of convergence of GHGs emissions per capita.
- ❖ This process -and its timing- must take into account many other criteria. Among others:
 - grandfathering,
 - GHGs emissions / economic output,
 - socio-economic development conditions,
 - technological capacity
- ❖ It is easier to agree upon a temporary, ad-hoc differentiation, than to achieve consensus on specific criteria for this differentiation.

Historical examples:

- how to distribute Marshall Plan funds for post-war economic reconstruction of Europe;
- how to differentiate QELROS at COP3.

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REGULATORY EFFICIENCY

- ❖ **At the national level:**
The environmental regulation of an industrial sector usually starts with the big industries, those covering a large percentage of the sector's output.
- ❖ **At the multilateral level, considering only energy-related CO₂ emissions:**

Six industrialized countries [USA, Russia, Japan, Germany, United Kingdom, Canada] represent 44 % of the world's emissions.
- ❖ **If we add two developing countries [China and India] the percentage reaches 62%.**
However, the latter have very low emissions *vis a vis* their population: 2.59 and 0.91 t CO₂ *per capita*, well below the world's average: 4.02 t CO₂ *per capita*.

MULTI-TIERED GLOBAL SYSTEM

(Examples)	Total CO ₂ emissions* Mt CO ₂	tCO ₂ / capita
I USA	5,324. ⁵²	20.05
	15.5	5.66
II Mexico	342. ¹⁹	3.54
	8.8	6.8
III Vietnam	39. ²³	0.52
	17.7	7.4
IV Tanzania	2. ²¹	0.07
	1	1

*Energy-related CO₂ emissions

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LEGAL INSTRUMENTS

- ❖ A global problem requires a global solution
- ❖ A global system for controlling climate change can only be based on a set of multilateral agreements: ⇨ UNFCCC
- ❖ UNFCCC: Article 3 [PRINCIPLES] . 1:

“The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Accordingly, the developed country Parties should take the lead in combatting climate change and the adverse effects thereof”.
- ❖ Differentiation:
 - Amount of effort;
 - Timing
- ❖ Commonality:
 - All countries (Parties to the UNFCCC) are concerned and should do their best –in accordance with their responsibility / capability- to mitigate climate change.
 - No country can claim that *it can do nothing*.
- ❖ UNFCCC: A fragile instrument, reflecting a very delicate balance.
- ❖ The Kyoto Protocol: An even more fragile instrument. It will not enter into force if developed countries are not willing to “take the lead”.
- ❖ Current binary differentiation: Developed / developing, or Annex I / Non-Annex I, will eventually have to give way to a three / four tiered differentiation.

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INCENTIVES / DISINCENTIVES

- ❖ **Currently, there are no specific incentives for Non- Annex I Parties to take on quantitative targets. Most flexibility mechanisms are restricted to Annex I.**
- ❖ **Annex I commitments [especially, UNFCCC Art. 4.2 (a) and (b)] are tailored according to the capabilities of industrialized countries. The mechanism established by Art. 4.2.(g) is insufficient.**
- ❖ **A *stick and carrot* policy for inducing “voluntary commitments” among Non- Annex I Parties might be dangerous:**

STICKS	CARROTS
<ul style="list-style-type: none">➤ Could be illegal, contrary to existing multilateral agreements➤ Could break down confidence, trustfulness, good will	<ul style="list-style-type: none">➤ May induce acceptance of “hot air” in exchange for legal commitments➤ May lead to commitments that limit required growth in developing countries

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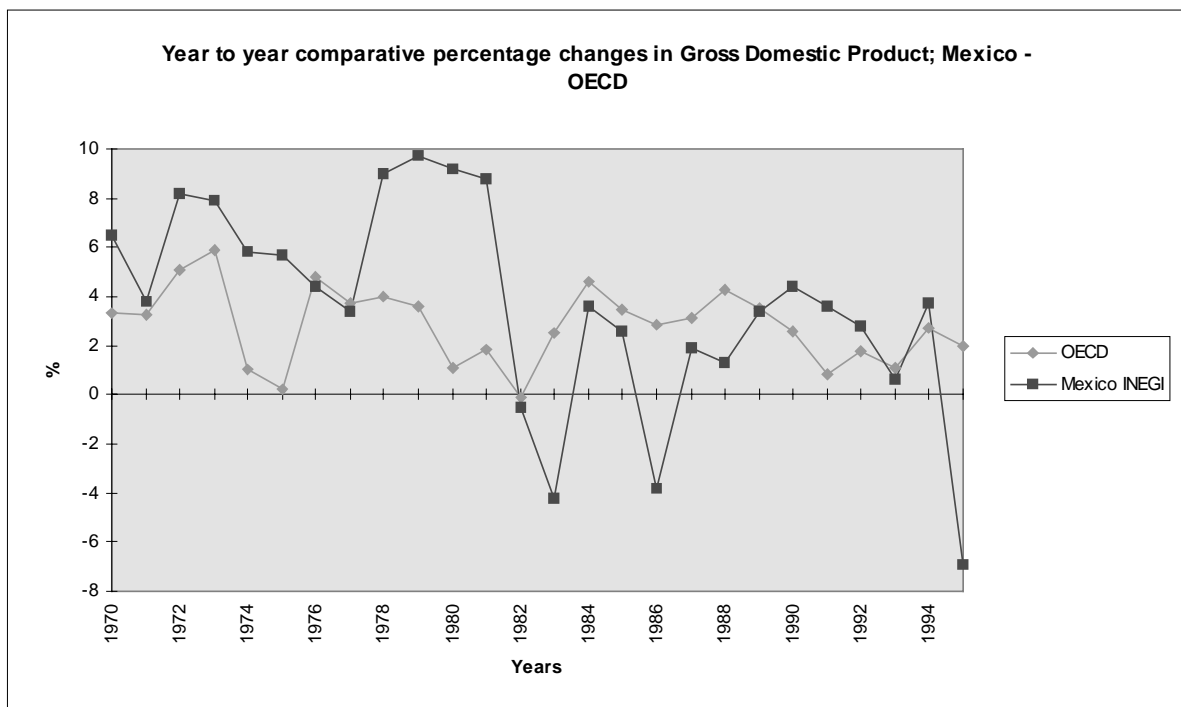
FUTURE EXPANSION OF COMMITMENTS: A PROCESS

In the context of Non-Annex I Parties, taking on targets should be the final stage of a process that might include the following:

❖ **Assessment of initial results of Annex I efforts.**

An expansion in the commitment regime can only be based on equity. Industrialized countries have, historically, been the principal contributors to the problem; it is only fair to expect them to take the lead to solve it.

❖ **In many cases: Some stabilization of economic development, leading to greater predictability of energy requirements.**



Sources:

Mexico: INEGI. Sistema de Cuentas Nacionales de México.

OECD: OECD Environmental Data, Compendia 1997 and 1987.

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FUTURE EXPANSION OF COMMITMENTS: A PROCESS (II)

- ❖ **Alternatively: exploration of different types of targets, such as:**
 - GHGs emissions per unit of economic output (PPP), instead of absolute emissions
- ❖ **Reinforcement of capacities, assessment of methodologies through utilization of CDM**
- ❖ **First and Second National Communications: The drawing up of two consecutive National Inventories of GHGs, showing real trends in emissions**
- ❖ **Strengthening the technical capacity to draw realistic baselines for GHGs emissions, thus avoiding both “hot air” and unnecessary restrictions to growth**
- ❖ **Strengthening the institutional capacity to deal in a coordinated way with the main sectors contributing to climate change mitigation**
- ❖ **Adoption and preliminary assessment of climate- related policies and measures**
- ❖ **“Dry run” adoption of targets prior to formally binding commitments**

In the case of Mexico:

- **A National Climate Change Action Programme** has been proposed, and is currently subject to a process of public consultation. It includes calculations of “avoided emissions” achieved through a set of governmental programmes.
- It is understood that all governmental action included in the Programme should be seen as the **country’s contribution to global mitigation**: no compensation is sought for this through any of the Kyoto mechanisms. However, the use of the Clean Development Mechanism could considerably expand the scope of the national effort, limited by investment/ budgetary constraints that the country is currently facing.