

Unclassified

SG/SD/RT(2009)9

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

English - Or. English

GENERAL SECRETARIAT

Cancels & replaces the same document of 22 April 2010

Round Table on Sustainable Development

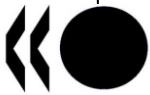
CHAIRMAN'S SUMMARY

Comparing Climate Change Commitments: Technical versus Political Judgement

**24th Round Table on Sustainable Development
New York
21 September 2009**

For further information please contact John Stephenson, Principal Advisor
Round Table on Sustainable Development, OECD Tel: +33 (0) 1 45 24 14 57
Email: John.STEPHENSON@oecd.org

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format



**SG/SD/RT(2009)9
Unclassified**

English - Or. English

COMPARING CLIMATE CHANGE COMMITMENTS: TECHNICAL VERSUS POLITICAL JUDGEMENT

The following is a summary of the discussion on 21 September 2009, issued under the Chairman's authority. Please note that, in keeping with Round Table procedures, this summary in no way represents an agreed outcome.

Ensuring comparable effort amongst countries' commitments to reduce greenhouse gas (GHG) emissions is a key issue in the current negotiations towards a post-2012 agreement on climate change. However, defining a broadly acceptable basis for comparison is challenging. A sceptical or minimalist view might regard comparability as limited to judgments that are essentially political and subjective. A more ambitious view is that comparability can be judged on the basis of systematic analyses that draw on common data, thereby providing an objective basis for measurable differences in national circumstances. A reasonable definition is likely to rely on elements of both approaches.

Participants at the meeting of the Round Table discussed how comparability of climate change commitments between Annex 1 countries might be assessed. The discussion took in expert judgement on the kinds of technical analyses that could be used to gauge comparability. Participants discussed whether such analyses could or should be elevated in the UNFCCC negotiations towards a post 2012 agreement to control climate change.

There is no "golden comparability calculator"

A point of broad agreement in discussions was that there is, as one person put it, "no golden comparability calculator" upon which commitments can be constructed or compared. Particular national circumstances cannot be easily accommodated by standard analytical approaches. Furthermore, a common basis for gauging comparability may not account for subtleties in the rules of any climate agreement which can affect countries differently, e.g. rules on banking emissions units and treatment of land use and land use change, and flexibility mechanisms.

One key difference between countries that is not adequately reflected in technical judgement is public preference. Political leaders in some countries may be criticised for doing too much while others are more likely to be criticised for doing too little. Emissions reductions commitments take place in a political context which cannot be ignored. This is particularly so in the context of defusing competitiveness concerns which dominate public debate over climate policy in many Annex I countries.

Ultimately, any deal must be able to withstand public scrutiny. All the criteria in the world cannot substitute for the need to apply political judgement. However, if comparability can be demonstrated analytically and if this helps to make domestic debate more sophisticated and accommodating of the need for comparable global efforts then that would be no bad thing.

Political judgements need to be informed

Most participants agreed that political judgement needs to be informed and ideally with the use of common information across Annex I Parties – an analytical yardstick for decision makers.

One participant likened the use of analytical information to criteria for buying a house. Analytical judgement can set the parameters for knowing what is reasonable and what is not and for guiding decisions.

There were divergent views on just how much technical judgement is useful and how it should be applied. On the one hand there were those who could see value in concrete analytical support with a strong role in the negotiations for ensuring a comparable or equitable outcome of efforts and sufficient overall ambition in Annex I commitments to reach stated goals of constraining warming to 2 degrees above pre-industrial levels.

Another view was that analysing commitments at the top level and across countries was the wrong general approach. In this view sectoral analysis and building commitments from the bottom up was preferable. Such an approach was better suited to taking account of diverse national circumstances and also particular political difficulties located in specific sectors. This has the additional benefit of focussing attentions on the particular sources of emissions, irrespective of their location, and pointing to where action needs to be taken. Technical judgement would also be important in this context. The relevant unit of count, however, would be sectors or firms rather than comparability evaluated solely at the national level.

The right tools exist

When thinking about analytical approaches to comparability there was a preference for simplicity and transparency. In this regard simple indicators can be useful e.g. comparing countries' commitments based on relative GDP per capita or green house gasses (GHGs) per capita.

Of the four comparability principles discussed in the background paper (summarised in Table 1. below) capability and responsibility appear most easily evaluated.¹ Mitigation potential and early action are hard to measure without using more complicated modelling rather than simple indicators.

Opinion was divided over the usefulness of models to evaluate mitigation potential or mitigation costs as a common basis for understanding comparability. In general these were thought to be useful in evaluating comparable distribution of effort after this was determined by simpler analyses or indicators.

While sufficient information exists upon which to evaluate costs, it is questionable whether there is enough confidence in, or understanding of, cost models for them to be accepted as a basis for constructing comparable commitments.

The question was raised as to whether any additional analyses or indicators might be introduced to the discussion but there seemed a degree of agreement that simple indicators such as GDP per capita and GHG per capita were useful and no other ideas were put on the table. Many did point out, however, that it is important to use information that can account for commitments over time and ambition needed over time.

¹ See Stephenson, J. (2009) 'Comparing Climate Change Commitments: Technical versus Political Judgement', Background Paper, 24th Round Table on Sustainable Development, SG/SD/RT/(2009)6, Paris.

It was stressed that a way must be found to include the principle of early action in any assessment of comparability to encourage action by reassuring Parties that their efforts will be taken into account over time.

Table 1. Principals and criteria for comparison

<u>Principle</u>	<u>Rationale</u>	<u>Quantitative measures</u>
Capability	The economic and social ability of a country to take action on climate change. In general one would expect a wealthier country to have greater access to resources to combat climate change and therefore greater success in meeting more demanding mitigation commitments.	1. GDP per capita 2. Mitigation cost as a % of GDP 3. Human Development Index (HDI) 4. Population growth
Responsibility	Historical use of the atmosphere and contribution to climate change. Akin to the “polluter pays” principle.	1. GHG per capita 2. Cumulative emissions (e.g. 1990-2005)
Potential	The technical potential for emissions reductions taking account of the natural environment, existing industrial infrastructure and emissions intensity. For example, a country with high penetration of renewable electricity generation may have less opportunity to reduce emissions than countries with a low penetration.	1. Marginal abatement costs 2. Triptych 3. GHG per unit of GDP
Early action	Countries that have already acted to reduce emissions and perhaps incurred costs in doing so could reasonably expect this to be taken into account. To some extent this should be reflected in mitigation potential.	1. Recent emissions trend (e.g. change in GHG per capita 1990-2005)

Concerns were expressed about the deterministic nature of indicators – i.e. the extent to which they may fail to yield enough flexibility in the future – but it was suggested that such concerns are common to any deal despite how it is constructed. The idea was put forward that safeguards or a similar flexibility mechanism could be created to deal with such concerns.

A single number could be deeply corrosive

Decision makers need to be clear about whether analysis should be used to inform discussions or to justify a set of commitments. These two uses are quite different. In the extreme case, analytical judgement could be used to construct an “ideal” set of commitments but any approach which produced “a single number” could be “deeply corrosive” for both multilateral negotiations and domestic debates by reducing discussions to a binary choice – agree or disagree – without sufficient space to search for a compromise.

It was observed that analytical judgement could push Parties further away from one another rather than closer together. This risk could be minimised if analysis was constrained to being a tool to aid discussions and one which allowed for the inclusion of a range of technical information. Parties must be engaged in the actual discussion over the indicators or other analytical tools, to the extent that such a discussion elucidates common principles and perceptions and is not seen as imposing a particular approach or perspective.

Concern that the use of analytical judgement could encumber negotiations highlights a contradiction. Policy makers almost universally see the usefulness of analysis for one aspect of the negotiations or another but are also quick to point out difficulties wherever such analysis will reduce their own flexibility.

However constraining choices – in the sense of avoiding a self-serving race to the bottom – is precisely what good analysis is designed to do.

Policy-makers need to make judgements about what an outcome means for their particular interests and make the case as to why additional flexibility is required given their particular national circumstances. Analytical judgement helps to contextualise these claims and to constrain the set of feasible outcomes to something that is reasonable and, more importantly, effective.

Top down evaluation key for tracking progress and ensuring environmental effectiveness

There is a gap between the current emission reduction pledges of Annex I countries and what is needed to deliver an environmentally effective outcome in Copenhagen. Technical analysis which takes the overall environmental objective of negotiations as its starting point can be an important contributor to closing that gap.

Analysis shows that Annex I countries cannot control climate change through domestic abatement alone and, in this context, financing needs to be part of the comparability discussion. This raises the question of how financing might be included in any analysis of comparability of effort. Analysis has shown how financing could be wrapped into mitigation commitments. However, some question whether the current negotiations are proceeding in a fashion that can accommodate such analyses. Others cautioned mixing up private and public financing and the extent to which governments should lay claim to any of the former in the negotiating context. At the same time, comparability of financing effort is politically important for many negotiating Parties and it is, to some extent, already part of the discourse in the negotiations.

Will technical judgement deliver a deal in Copenhagen?

Questions were raised: “How can analytical criteria get us a deal in Copenhagen? Does discussing the merits of political versus technical judgement help the process?” These remain unresolved. The discussion revealed a keen appreciation of the extent to which all parties are likely to have recourse to analytical approaches in examining their own proposals and those of other Parties. It also revealed an understandable reluctance to be straight-jacketed by a formal approach that could overlook particular domestic circumstances. One might conclude that while formal comparability measures are unlikely to be decisive, they will increasingly de-limit the broad space in which a political accord is likely to be reached.