

Bali UN Climate Change Conference What is at stake?

1. What progress has been made since Montreal?

The first commitment period of the Kyoto Protocol runs from 2008-2012, and the commitments negotiated under the Protocol will need to be revisited for subsequent commitment periods. Article 3.9 of the Protocol provides a specific mandate to begin discussions on the consideration of new commitments for Annex I (developed) countries seven years before the end of the first commitment period, ie in 2005. In Montreal, agreement was reached to start work on post 2012 commitments under Article 3.9. An "Ad hoc" working group (AWG) was created to begin discussions about a second commitment period after 2012 for Annex I countries.

Parties in Montreal also agreed that there should be a "Dialogue on long-term cooperative action to address climate change by enhancing implementation under the Convention" ("the Dialogue"). Since this process is taking place under the Convention, those countries that have either not ratified Kyoto or that do not have quantified emission reduction limitations under it, have a forum to discuss issues pertaining to future action. The first Article 9 review took place in Nairobi in 2006 and the second is scheduled for 2008. The talks under Article 3.9 will continue to analyze the emissions reductions potential of Annex I countries until 2008.

2. Post-2012: What is needed from Annex I countries

What does the science demand (IPCC)?

The publication of the 4th Assessment Report of the IPCC leaves no room for doubt. Avoiding dangerous climate change is technologically and economically possible - and beneficial - but the time left to act is short.

Based on the best available scientific evidence, avoiding dangerous climate change can be defined as keeping global average temperatures as far below 2°C as possible, relative to pre-industrial levels. For this to be achieved, global emissions will need to peak by 2015 and begin to decline thereafter. A delay in action of only 5 years will require much greater rates of emission reductions later to achieve the same target, at significantly higher cost.

The most recent IPCC report indicates that, in order to achieve a stabilization level of 450 ppmv CO₂ eq, emissions from Annex I Parties would need to decline to between 25 per cent and 40 per cent below 1990 levels in 2020, and between 80 per cent and 95 per cent below 1990 levels in 2050.

United States

With less than five percent of the world's population, the United States is responsible for about 25 percent of the world's total greenhouse gas pollution. Despite this fact, in 2001 President George W. Bush withdrew the U.S. from the Kyoto process, claiming that the Protocol was unfair to industrialized countries and would hurt the U.S. economy.

Thankfully, Americans are not waiting for the Bush administration to take action and are coming up with creative solutions to reduce global warming pollution throughout the country. This year, an unprecedented number of bills were introduced in the U.S. Congress that focus on climate change. The next presidential election in 2008 will almost certainly strengthen U.S. policies towards the climate crisis. The world needs U.S. leadership on climate issues, but at the same time, it cannot afford to wait. The U.S. will have to get on board as soon as possible.

Australia

Although Australia was one of the first countries to sign Kyoto, agreeing to limit increases in GHG emissions to 8% above 1990 levels, it opted not to ratify Kyoto when the U.S. walked away from the Protocol. However, if Australia's Labor Party wins the country's November elections, Australia would ratify the Kyoto Protocol as an urgent order of business, thus ending a decade of opposition to the pact, according to Labor's environment spokesman Peter Garrett .The move would further isolate the United States and Canada ahead of December's international climate meeting in Bali, which will discuss a new framework for cuts to greenhouse gas emissions beyond 2012, when Kyoto's first commitment period ends.

European Union

The European Union has publicly declared that it considers 2°C as the threshold beyond which the world will experience dangerous climate change. As a result, the EU is pushing for global emission reductions ambitious enough to avoid 2 degrees of global warming above pre-industrial levels. The EU has pledged to reduce its emissions to 20% below the 1990 level by 2020, and if other industrialized countries adopt similar targets, it will strengthen its target to a 30% reduction.

3. Developing countries

Although developed countries have been primarily responsible for the growth in atmospheric concentrations of greenhouse gases since the Industrial Revolution, the projected growth in emissions comes mainly from rapidly industrializing countries.

In order to stay below 2°C, reducing emissions from such countries is essential. It is important to note that developing countries should not take on the same absolute emissions caps that industrialized countries have under the Kyoto Protocol, as these are inappropriate for their level of development. However, in some of the more advanced developing economies, there is potential for emissions reductions through other types of commitments after 2012 that reflect the Convention's principles of equity, historical responsibility and capability to act. The 4th IPCC report underlines that global emissions have to be cut to 50% below the 1990 level by 2050 in order to have a chance of keeping warming within 2°C above pre-industrial levels.

Developing countries generally negotiate in the United Nations through an umbrella group called "the Group of 77 and China", which sets a common negotiating position. By 2000, the G77 and China comprised more than 50% of total global greenhouse gas emissions. However, the group is composed of members with very different economic profiles. In fact, absolute reduction targets (and inclusion in the Kyoto emission trading regime) are appropriate and necessary for some newly industrialized countries -- including South Korea, Singapore, Saudi Arabia, Kuwait and Mexico.

4. What should the Bali mandate contain?

The next two years will be crucial in determining whether the international community is able to stop climate change. The Climate Change Conference in Bali in December 2007 should set the wheels in motion for a negotiation that will take the next two years to complete.

The greatest issue at stake in Bali is whether countries will take on deeper commitments under the Kyoto protocol's architecture, and continue to expand the carbon market it has created, in the second commitment period. To avoid a gap between Kyoto's first and second phases (the first one ends in 2012), we need a new binding treaty by 2009 at the latest. This would allow three years for countries to ratify the agreement.

Success at Bali would mean the creation of a negotiating mandate similar to the Berlin Mandate which led to Kyoto. This negotiating mandate should lead to a new agreement that builds and expands on the mechanisms of the Kyoto protocol. The new agreement, which could take the form of a treaty or an amendment to the Kyoto Protocol, must set the world on track to limiting global warming to as far below 2°C as possible. To do this, the agreement must include:

- Deeper absolute targets for Annex I countries: 30% below 1990 levels by 2020 and 80-90% below 1990 levels by 2050. The United States, Australia and Canada must do their fair share, and that includes making up for lost time.
- New, absolute reduction targets for some newly industrialized countries, such as South Korea, Singapore, Saudi Arabia, Kuwait and Mexico, and their inclusion in the Kyoto emission trading regime.
- Building on the current *flexible mechanisms* under the Kyoto protocol, and including additional mechanisms to create incentives for rapidly industrializing, middle income countries such as China, Brazil, India and South Africa. These countries could:
 - commit to a low carbon development,
 - work to prevent deforestation, and
 - possibly take on emissions intensity targets as well as renewable targets.
- Expand on the current Kyoto carbon market and include new flexible mechanisms such as:
 - A Clean Technology Deployment Mechanism to scale up research, deployment and transfer of technology;
 - A deforestation reduction mechanism that would provide regular and reliable incentives to developing countries to reduce deforestation;
 - An adaptation mechanism to ensure that the most vulnerable countries have the necessary support to adapt to the level of climate change that is unavoidable.