

Debrief on “Bali Roadmap” December 2007

At the 13th Council of the Parties to the U.N. Framework Convention on Climate Change, delegates negotiated for two weeks about negotiations for the next two years on how to address climate change starting two years after their deadline to agree...

The result of their effort is a series of decisions that, taken altogether, is called the “[Bali Roadmap](#).”

A number of expert groups will provide detailed analysis of the roadmap. In the meantime, this memo is designed to field a number of recurring inquiries about the process and the outcome for those interested in more than what was available through basic press coverage.

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A. Developing Country Commitments

What was the controversy about developing country mitigation commitments?

U.S. negotiators sought to eliminate language that would distinguish between “developing” and “developed” countries, which were enshrined in the Kyoto Protocol as Annex I and Non-Annex I countries. The U.S. preferred, instead, to argue for the need for mutual commitments to reach a shared global goal, seeking similar language to apply to all countries.

The developing countries, on the other hand, pointed to the UNFCCC assurance that action would be negotiated “on the basis of equity, and common but differentiated responsibilities and capabilities.” They argued that erasing any distinction in the language for mitigation commitments had the effect of treating the U.S. like a developing country. The developing countries prevailed.

What was the last minute proposal at the final plenary that led to a stand-off?

Whereas industrialized countries had agreed in the Bali Action Plan to the following:

“Measurable, verifiable, and reportable nationally appropriate mitigation commitments or actions... by all developed country Parties...;”

The Bali Action Plan presented at the final plenary committed developing countries to:

“Measurable, verifiable, and reportable nationally appropriate mitigation actions by developing country Parties, in the context of sustainable development supported and enabled by technology, financing, and capacity-building.”

India proposed a revision that would move the first four words to the end of the statement, thus *shifting accountability from themselves exclusively to include countries providing the sources of technology and financing necessary to enable their actions*:

“Nationally appropriate mitigation actions by developing country Parties in the context of sustainable development supported and enabled by technology, financing, and capacity-building, in a measurable, verifiable, and reportable manner.”

India asserted it was not a new proposal but a restoration of language they understood had been agreed when negotiations had ended at 2:00am, and they felt betrayed to see the version preferred by the U.S. still in the final text just as the Bali Action Plan was presented for adoption.

In response, there was apparently disagreement among members of the G77+China, leading to hours of additional deliberation and negotiation between them while the U.S. and E.U. delegations milled around on the convention center floor. By mid-day, Ban Ki Moon and President of Indonesia had both arrived to find the Bali Roadmap in jeopardy, delivering impassioned speeches about the need for cooperation and flexibility in the face of the world’s expectation that they not fail to come away with an agreement.

Why did the U.S. appear to change positions saying “No”, then “Yes”?

After India finally made a formal proposal supported by the G77+China to revise the statement in section (1)(b)(ii), eight nations spoke in support, some of whom were speaking on behalf of larger blocks of countries (Portugal for the E.U., Maldives for the Small Island States, Saudi Arabia for OPEC, Switzerland for five other countries).

Meanwhile, the State Dept delegation got on the phone. Because they were all sitting in one place at that time, it seems unlikely that they were calling each other to confer, and instead, probably others in the U.S. When the list of countries waiting to speak had been exhausted, all eyes turned to the U.S., which said, “*We cannot accept this formulation at this time.*” The two rationales it gave for declining to support “at this time” were (a) earlier statements made by developing country leaders about willingness to make commitments did not seem to be reflected in the document, and (b) the Indian proposal represented a “significant change” in the balance negotiators had worked toward over the last week.

Delegates broke the decorum of diplomacy to boo the U.S., punctuated with cries of “shame!”, and then they proceeded to berate, beg, and entreat the U.S. for the next half hour. Delegates from South Africa and Brazil said they were willing to accept commitments that were unthinkable a year ago, but also that they had expected the U.S. to make greater commitments itself based on historical responsibility. Speakers from Papua New Guinea, Uganda, Tanzania, Mali, Pakistan and Tuvalu also weighed in – but China, India, and Indonesia remained silent on the matter. Meanwhile, members of the U.S. team were still on the phone.

When the list of countries waiting to speak had once again been exhausted, all eyes turned back to the U.S., which started off by saying it was heartened to hear the commitments expressed by developing countries, “especially the major emerging economies.” Next the U.S. defended itself from the charges made by South Africa and Brazil that it should have made larger commitments itself. And finally, the U.S. closed by saying, “The U.S. wants to make sure we all act together, so let me say, we *will* go forward and join consensus.”

Responding to media questions about why the U.S. changed its position, members of the Bush administration said they had been satisfied by assurances given by major emitters among the developing countries. On its face, this explanation seems odd since among all the countries that had spoken, only one (Brazil) could have even remotely qualified as a major emerging economy. It seems more plausible (and dignified) that the U.S. neither “switched” nor “caved-in” as reported in the press, but merely finally got through to whomever they were trying to reach by phone after midnight in Washington, D.C., to confer about a “significant change.”

Nevertheless perceptions may be the more important part of reality in the historical interpretation of this closing stand-off between the U.S. and the rest of the world

B. Global Targets & U.S. Implications

What was the emissions target statement that the U.S. rejected?

First, some important background:

- All parties to the U.N. Framework Convention on Climate Change (which includes the U.S.) are charged to “*prevent dangerous anthropogenic interference with the climate system.*”
- The determination about what is dangerous is political, not scientific. However, several of the most politically engaged scientists have advised that the intensifying and accelerating climate impacts observed now are *already* dangerous – that the present charge is to avoid catastrophe.
- In the IPCC Fourth Assessment Report, scientists identified the stabilization path to a concentration of 350-400 parts per million (ppm) CO₂ in the atmosphere (or 450ppm CO₂-equivalent, including all greenhouse gases) as having the best chance of containing the increase in global average temperature to 2.0-2.4 degC.
- To frame the challenge of a 350-400ppm CO₂ target, it is helpful to recall that the atmospheric concentration of CO₂ is *already approximately 380ppm*.
- In its Fourth Assessment Report, the IPCC assessed 177 global emissions scenarios published in peer reviewed literature since the Third Assessment Report in 2001, and six explored the 350-400ppm CO₂ target (450ppm CO₂-eq), the lowest of those in the scenario literature.
- Few scenario analysis teams have tackled these lower targets, partly because their models have difficulty characterizing the mitigation measures that would be necessary to reach them.

Draft text of the Bali Action Plan referenced findings of the IPCC in its preamble, citing a consideration being made by the Parties to the Kyoto Protocol (which does not include the U.S.):

“Recognizing that much deeper emissions cuts by developed countries will be required and that Parties to the Kyoto Protocol are considering the indicative range of emission reductions of Annex I Parties as a group of 25-40% below 1990 levels by 2020...”

The U.S. objected to even that statement, suggesting it did not want to “recognize” what the Kyoto Parties clearly were considering, as evidenced by their Ad Hoc Working Group (see below.) Ultimately, the Bali Action Plan recognized that “much deeper emissions cuts by developed countries will be required to achieve the ultimate objective of the Convention”, and included a footnote reference to a page number in an IPCC Technical Summary that advises:

“Under most equity interpretations, developed countries as a group would need to reduce their emissions significantly by 2020 (10-40% below 1990 levels) and to still lower levels by 2050 (40-95% below 1990 levels) for low to medium stabilization levels (450-550ppm CO₂-eq).”

Why did the U.S. reject target language?

(1) One U.S. negotiator argued that these difficulties in the scenario analysis field implied that stabilization at 350-400ppm CO₂ was an unrealistic target and the results were uncertain. My own research on interpreting stabilization scenarios illustrates that the characterization of demand reduction options in leading models is incomplete. For this reason, the models can imply implausibly high dependencies on large-scale, high-risk, supply-side technologies (e.g. carbon sequestration, nuclear power, or solar-sourced hydrogen) while underestimating the potential for current renewable energy technologies and energy efficiency options at the same carbon prices.

Therefore, it is critically important to distinguish between the climate scientists' calculations and the engineering-economic modeling tools used by the scenario modeling teams. Challenges to scenarios exploring *how to achieve* a specific target relate to different calculations than the ones that give a scientific indication of the *extent to which emissions would need to be reduced* in order to meet a target. The U.S. negotiator called the science behind the former "uncertain", but the IPCC target statement is actually based on the latter.

(2) The U.S. objected to inclusion of any statement that might later be used to pressure adoption of a mid-term target that may be expensive and inconvenient to achieve, such as 25% below 1990 by 2020. However, delegates from other countries received this position as a rejection of any intent to even try to stabilize global warming below 2 degrees C, exposing the world to greater climate damages and higher risk of catastrophic changes to the climate. One pundit quipped, "The United States is behaving like first-class passengers in a jumbo jet, thinking a catastrophe in economy class won't affect them."

(3) The U.S. also argued that it didn't want to prejudge the outcome of the negotiating process over the next two years, and it didn't want to preclude any options. Others pointed out that the U.S. itself intends to convene talks among major emitters in six weeks at which it has raised the expectation that negotiating mitigation commitments would be part of the agenda for that process, so surely it must have some idea of at least a minimum level of commitment it could make. Also, while it wanted to avoid "precluding any options" on mitigation targets, it is well known in the field of climate science that further delay in mounting campaigns for mitigation will impose higher costs, preclude lower stabilization levels, and close off the option of avoiding worse climate damages.

In the end, the contested statement based on the IPCC Summary for Policy Makers was relegated to a page reference in a footnote. However, it did persist as a key element of the Ad Hoc Working Group of Parties to the Kyoto Protocol in discussions about a post-2012 commitment period – so basically, all other Annex I countries except Turkey and the United States signed an agreement in Bali that committed them to the concept of a 25-40% reduction below 1990 levels by 2020 in order to hold open the option to stabilize global warming at 2 degC.

Could the U.S. achieve such a target?

If the U.S. is committed to answering a moral mandate to limit climate damages (either because it recognizes climate change harms most those who have benefited least from the luxuries of fossil fuel use, or because it finally feels the pain of ecological and economic disruption), then the nation can certainly do so with sufficient political will and funding. With the U.S. spending \$2 billion each day on its military projects, there is no shortage of cash, but not yet sufficient political will to redirect effort and investment.

However, the mid-term global target range of 25-40% below 1990 by 2020 does pose a serious challenge to the U.S. if it were to try to achieve those reductions entirely inside its borders within 13 years. If the U.S. had adopted even a commitment as small as the Kyoto Protocol (7% below 1990 by 2012), then the challenge would not be so great. Instead, when it bypassed the Kyoto Protocol, Congress also signaled to the private sector it could continue investing in the fossil fuel economy, and U.S. emissions will likely be around 20% *higher* in 2012 than 1990, rather than that benchmark like the E.U. and Japan.

After paying for as much mitigation as could be reasonably implemented by 2020, the U.S. could meet the rest of the mandate through international offsets, or large-scale financing for technology transfer that would relieve an equivalent amount of emissions. Congress does not yet appear to have an interest in any international offsets, however, and it is doubtful at this point that 67 Senate votes for ratification could be mustered in 2010 to support a treaty that involved a large transfer of wealth out of the U.S. *in addition to* the large transfer payments that would already be due for adaptation.

What are the implications of Bali Action Plan without a low stabilization target?

If one accepts the need for a low stabilization target, then it doesn't matter whether it is in a footnote or in the Bali Action Plan itself. The quest is to figure out how to at least hold open a 50% chance of being able to contain the warming to 2 degC. Doing otherwise provokes a number of moral claims against the United States that cannot be defeated with arguments about cost or inconvenience.

The Bali Action Plan guides a process that leads to Copenhagen in December 2009, where UNFCCC parties are expected to seal their next round of international commitments. As a result, Congress has less than 24 months to change its disposition to the extent that the State Department could confidently negotiate an agreement that would support a low stabilization target such as 350-400ppm CO₂ with a mid-term global reduction target of 25-40% below 1990 levels by 2020.

The quest would have four stages: understanding the science, understanding the international politics (including the geopolitical consequences of failing to act), understanding the national obligation, and understanding how it could be met. Recognizing the world may not have a second chance at the 350-400ppm CO₂ target, one headline on the Bali deal declared it to be a "new start on a last chance."

Al Gore promised that replacing the Bush administration will make a big difference in the U.S. negotiating position. Will it?

In his widely attended address in Bali, Al Gore made the case that action at the state level combined with the political platforms of most of the presidential candidates signal reassurance that it is fine to drop targets in the Bali Roadmap for now because better leadership on climate change is on the way. Surely the State Department negotiators would be given more constructive marching orders under a new administration, but that the nation may not be prepared in just 2 years to ratify anything that would obligate it to aim for a 25-40% reduction target below 1990 by 2020.

Right now, the boldest mid-term target of any climate policy proposal is the Lieberman-Warner bill, which would bring the U.S. just below the 1990 level by 2020. (Waxman, Sanders, Inslee, and California targets all aim for 1990 by 2020.) A 25-40% target would still be possible – but only if Congress was inclined to endorse the financial mechanisms necessary to pay for extensive mitigation in developing countries – on top of its obligation to make adaptation payments. It would be a travesty if the new State Department negotiated an agreement that Congress could not endorse, let alone muster 67 Senate votes to ratify, and it will be a disappointment for the international community to find that the recalcitrance of the present administration to adopt steep targets remains intact in the next regime.

C. Sticking points in the Bali Roadmap

Why were targets in the Ad Hoc Working Group agreement a sticking point?

Under the Kyoto Protocol, parties are obliged to negotiate a second commitment period, for which they have formed an Ad Hoc Working Group (AWG). This process is parallel to the Bali Roadmap negotiation, which is under the U.N. Framework Convention on Climate Change (UNFCCC). Without the U.S. at the table, the AWG was able to include the contested reference to the need for global emission reductions: 25-40% below 1990 levels by 2020 in order to hold open the option of stabilizing greenhouse gas concentrations at the lowest level explored by the scenarios the IPCC assessed in its latest report.

Russia had opposed the language, having nothing to gain from the prospect as a nation sitting on large oil and gas reserves. However, negotiators in the final plenary session were able to isolate the Russian objection to a few words rather than striking the entire section. *As a result, the U.S. effort to eliminate targets in the Bali Action Plan was undermined by all other Annex I countries (except Turkey) that still adopted the target language in the AWG decision, a key element of the Bali Roadmap:*

“At the first part of its fourth session, the AWG recognized that the contribution of Working Group III to the [IPCC] Fourth Assessment Report indicates that achieving the lowest levels assessed by the IPCC to date and its corresponding potential damage limitation *would require Annex I Parties as a group to reduce emissions in a range of 25-40% below 1990 levels by 2020*, through means that may be available to these Parties to reach their emission reduction targets.”

Why was the role of the GEF in the Kyoto Adaptation Fund a sticking point?

Under the Kyoto Protocol, 2% of all Clean Development Mechanism trades are designated for an Adaptation Fund, which had not yet been established due to conflicts over governance. Though the U.S. is not a party to the Kyoto Protocol, it recognized the importance of the precedent this adaptation fund would set, and it argued strongly that the fund should be part of the existing Global Environment Facility (GEF). G77 countries dissented, arguing that the GEF is controlled by Annex I countries and that the fund should be fully under their control because the diverted CDM money is intended for their use and benefit.

In the end, the G77 agreed to allow the GEF to operate the Kyoto Adaptation Fund as a secretariat and to assign the World Bank to manage the fund as a trustee. In exchange, the Annex I Parties agreed to a governing Adaptation Fund Board composed of 16 representatives dominated by non-Annex I countries. By using an existing institution (GEF), it was agreed that the adaptation funds would be available sooner than if a new, separate entity had been necessary.

Why was inclusion of “land-use” in an agreement on reducing emissions from deforestation in developing countries (REDD) a sticking point?

All UNFCCC parties negotiated “approaches to stimulate action” on REDD, which accounts for approximately 20% of global greenhouse gas emissions. (Estimates range from 15-25%). These actions would allow REDD to be a source of revenue for developing countries either through sale of carbon credits via CDM, or through direct payments from an international fund. However, the U.S. wanted to insert into the heart of the main provision the words “and land-use,” arguing that deforestation is just one of several types of land-use change that affects emission profiles, including afforestation, reforestation, and conversion of grasslands.

The introduction of “and land-use” expanded the scope of the agreement to the extent that it deadlocked the parties in a state of disagreement. The U.S. eventually relented, agreeing to withdraw the “and land-use” phrase from a key provision in REDD and instead have it mentioned elsewhere in the document, making the point that other forms of land-use change should be considered in the work program that will prepare REDD as a source of mitigation that can be sold to Annex I countries.

Outside the negotiations, representatives of indigenous people’s groups contested the REDD agreement as an arrangement under which all forests are tacitly presumed to be decimated unless its carbon content is sold to an Annex I country as a mitigation measure. In many tropical forest nations, colonial forces have seized forest lands from indigenous people who are still fighting to have their sovereignty restored. They argued that REDD transactions would reinforce the property rights of colonial land owners, or put pressure on indigenous people’s to sign REDD agreements that would compromise their autonomy and control over their forest homelands. A target for their criticism was the World Bank’s new \$300 million Forest Carbon Partnership Facility, which would sponsor pilot projects that would help “stimulate action” as called for in the REDD agreement.

Why was technology transfer a sticking point?

The UNFCCC Parties rely upon an Expert Group on Technology Transfer (EGTT) to explore, evaluate, and recommend instruments for accelerating technology transfer that would stem the growth of greenhouse gas emissions in developing countries. The EGTT needed to be reauthorized at the last COP meeting, but due to disagreement about the scope of its work, it was only given a one-year extension. Rejecting some of the more assertive proposals made by developing countries last year, the Parties this year were able to agree on an EGTT scope of work for the next five years that would include the role of new financing mechanisms, joint R&D, cooperation between developing countries, and ways to reduce the barriers that intellectual property licenses can pose to technology transfer.

D. Next steps

What happens next?

Under the UNFCCC, the Bali Action Plan set up an Ad Hoc Working Group on Long-term Cooperative Convention that will meet in four times in 2008, including the 14th COP meeting in Poland in December. This Ad Hoc Working Group “shall complete its work in 2009” and present its results for adoption at the 15th COP in Copenhagen.

Under the Kyoto Protocol, the Ad Hoc Working Group that is charged with negotiating a second round of commitments will meet six times between now and COP/MOP 5 which will also be held in Copenhagen in December 2009.

The two Ad Hoc Working Groups (constituted under the UNFCCC vs. Kyoto Protocol) differ primarily by the participation of the United States, which is the only major industrial economy to not yet ratify the Kyoto Protocol. The intention of the Bali Roadmap is to draw the results of these two Ad Hoc Working Groups together in a parallel process that will lead to a common agreement for action post-2012.

The U.S. has unilaterally convened its own process of negotiations through a series of Major Emitters Meetings to be completed before the July 2008 meeting of the G8. The next meeting is in Honolulu at the end of January 2008. Among some MEM participants, the behavior of the U.S. negotiating team in Bali appeared to undermine the credibility of the Bush administration as a broker.

The MEM process does not include countries with greatest risk exposure to the negative consequences of climate change (and therefore, the highest motivation for the lowest emissions targets and the largest claims for adaptation support). The MEM process cannot displace the UNFCCC proceedings, which also include broader negotiations about financing for adaptation, capacity building, and technology transfer.

How does the Greenhouse Development Rights framework relate?

While watching if and how the major emitters line up through the Bush administration process, it is important to also watch the development of another alternative framework for an international agreement gaining attention among developing countries. The approach is based on four fundamental premises:

- Some countries contributed more to the problem than others, and therefore, have more *responsibility*.
- Some countries are wealthier than others, and therefore, have more *capacity* to address the problem.
- In addition to inequality *between* countries, there are vast inequalities *within* countries.
- For any long-term international climate policy to be effective, it must be widely regarded as *fair*.

At a packed side event in Bali, EcoEquity (www.ecoequity.org) and the Henrich Boll Foundation presented their proposal for Greenhouse Development Rights which would constitute a framework for sharing the burden of stabilizing global warming. Under this framework, the U.S. would be obligated to mitigate 1/3 of all emissions and the E.U. would be obligated to mitigate 1/4. This would be accomplished by supplementing domestic mitigation with payment for mitigation in other countries. In order to reach a 450ppm CO₂ target, the Greenhouse Development Rights regime would call on the U.S. to be net carbon neutral by 2025. Key assumptions for these calculations can be modified using a tool freely available online through EcoEquity.