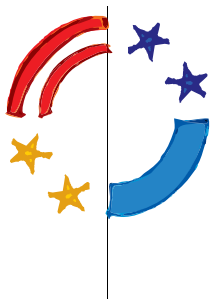


BRUSSELS FORUM

PAPER SERIES

RETHINKING CLIMATE DIPLOMACY

NEW IDEAS FOR TRANSATLANTIC COOPERATION POST-COPENHAGEN

NIGEL PURVIS
THE GERMAN MARSHALL FUND OF THE UNITED STATES

ANDREW STEVENSON
RESOURCES FOR THE FUTURE

G|M|F The German Marshall Fund of the United States
STRENGTHENING TRANSATLANTIC COOPERATION

The German Marshall Fund of the United States
1744 R Street, NW
Washington, DC 20009
T 1 202 683 2650
F 1 202 265 1662
E info@gmfus.org

This publication can be downloaded for free at http://www.gmfus.org/publications/index.cfm. Limited print copies are also available. To request a copy, send an e-mail to info@gmfus.org.

GMF Paper Series
The GMF Paper Series presents research on a variety of transatlantic topics by staff, fellows, and partners of the German Marshall Fund of the United States. The views expressed here are those of the author and do not necessarily represent the view of GMF. Comments from readers are welcome; reply to the mailing address above or by e-mail to info@gmfus.org.

About GMF
The German Marshall Fund of the United States (GMF) is a non-partisan American public policy and grant-making institution dedicated to promoting greater cooperation and understanding between North America and Europe.

GMF does this by supporting individuals and institutions working on transatlantic issues, by convening leaders to discuss the most pressing transatlantic themes, and by examining ways in which transatlantic cooperation can address a variety of global policy challenges.

Founded in 1972 through a gift from Germany as a permanent memorial to Marshall Plan assistance, GMF maintains a strong presence on both sides of the Atlantic. In addition to its headquarters in Washington, DC, GMF has seven offices in Europe: Berlin, Bratislava, Paris, Brussels, Belgrade, Ankara, and Bucharest.

About Brussels Forum
Brussels Forum is an annual high-level meeting of the most influential American and European political, corporate, and intellectual leaders to address pressing challenges currently facing both sides of the Atlantic. Participants include heads of state, senior officials from the European Union institutions and the members states, U.S. Cabinet officials, Congressional representatives, Parliamentarians, academics, and media. For more information, please visit www.brusselsforum.org.

Rethinking Climate Diplomacy

New ideas for transatlantic cooperation post-Copenhagen

Brussels Forum Paper Series

March 2010

Nigel Purvis*
The German Marshall Fund of the United States

Andrew Stevenson*
Resources for the Future

*Nigel Purvis is president of Climate Advisers and senior fellow at the German Marshall Fund of the United States. He previously served as a senior climate negotiator at the U.S. Department of State.

*Andrew Stevenson is a researcher at Climate Advisers and Resources for the Future.

1 Introduction

Reporters and climate pundits have spent the past few months trying to make sense of the mixed and messy outcome of the Copenhagen climate change summit last December. Like a great play, Copenhagen offered a compelling story line, unexpected plot twists, complicated characters, and many levels of meaning. Good and evil were not always discernable, and even the heroes had visible flaws. Watching nations clash over ideologies, values, and national interests was at once gripping political theater and depressing evidence that the world still lacks the essential political will to solve the climate challenge.

With so much political intrigue, it is not surprising that much of what has been written about Copenhagen has been fascinating, accurate, and unhelpful. Yes, the United Nations did a poor job organizing the conference—encouraging 45,000 to attend a venue built for 15,000. (Tens of thousands of civil society observers spent hours day after day in freezing temperatures in often fruitless efforts to gain access to the conference site.) Yes, Danish leaders and politicians in charge of facilitating the negotiations made mistakes that squandered valuable negotiating time. Yes, U.S. President Barack Obama took the initiative to hammer out a three-page deal—the Copenhagen Accord—with leaders of Brazil, South Africa, India, and China (the so-called BASIC group of major emitting emerging economies). Yes, Europe was not "in the room" when this happened, and that proved somewhat awkward, if not embarrassing, for European politicians who consider climate leadership a core part of their political identity.

However newsworthy, these colorful stories obscure the enduring insights the United States, Europe, and others must learn from Copenhagen to mobilize an effective global response to climate change. In strategic terms, Copenhagen was a defining moment—a point when fundamental national interests were revealed in ways that allow one to glimpse the future and distinguish between past optimism and sobering realities. In this paper, we highlight these strategic implications of Copenhagen and offer principles to strengthen transatlantic climate cooperation in the new strategic context. Before doing so, however, we first trace the recent evolution (or lack thereof) of climate negotiations to show how and why the Copenhagen process culminated in the Accord.

Copenhagen was a defining moment—a point when fundamental national interests were revealed.

2 Before Copenhagen

Europe was among the first to articulate a comprehensive conception of what should come out of the final negotiating session in Copenhagen.

The road to Copenhagen began in 2007 in Bali, Indonesia, when the international community agreed to a loose mandate for ongoing climate negotiations. With the first commitment period of the Kyoto Protocol expiring at the end of 2012, a new approach was (and indeed still is) urgently needed. In the Bali negotiating mandate, countries committed to finalize by the end of 2009 a "shared vision of long-term cooperative action, including a long-term global goal for emission reductions," and to achieve "enhanced action" on mitigation, adaptation, technology cooperation, and international financing. The Bali mandate failed to specify with any precision the nature of the shared long-term vision, what kinds of actions nations should take, whether those actions should be legally binding, or the types of international institutions needed.

After Bali, Europe was among the first to articulate a comprehensive conception of what should come out of the final negotiating session in Copenhagen. Grounded in the aspirations of the environmental and scientific communities on both sides of the Atlantic, in particular the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report, the Europeans envisioned an international climate protection system that would: (i) limit temperature increases to 2 degrees Celsius; (ii) reduce global emissions 50% by 2050, with developed nations reducing emissions at least 80%; (iii) reduce collective developed country emissions 30% below 1990 levels by 2020; (iv) achieve a 15–30% reduction below business-as-usual emissions from developing nations by 2020; (v) mobilize needed financing to help developing nations pursue low-carbon growth and adapt to climate change; (vi) create strong multilateral institutions to make the system work; and (vii) codify all this in an internationally legally binding agreement with strong compliance provisions.[1] Europe proposed reducing its emissions 30% below 1990 levels by 2020 if other developed nations took comparable action; otherwise it would reduce emissions 20%.

More broadly, the European approach had two dominant characteristics. First, it was "top-down" rather than "bottom-up." In a top-down approach, national responsibilities are derived from a collective pre-defined objective—in this case holding temperature increase to 2 degrees Celsius. Achieving that outcome takes precedence over other national interests. In contrast, a bottom-up approach would calculate responsibilities through a nation-by-nation assessment (financial, technical, and political) of how much progress is feasible, taking into account public willingness to pay for climate protection relative to other national objectives. The former approach favors environmental certainty, the latter economic predictability. The top-down approach is science-based but runs the risk of crashing on the rocks of political infeasibility. The bottom-up approach is more politically feasible but runs the risk of being scientifically inadequate. Opinions differ on which approach is best, even among those for whom climate change is the primary concern. Shoot for the moon or skim over the nearby mountains? Each is dangerous.

Second, Europe envisioned what international relations scholars call a "strong regime," whereby international institutions and treaties contain

[1] European Commission (2009). *Towards a comprehensive climate change agreement in Copenhagen,* Brussels, Belgium.

legally binding commitments that are verified internationally and enforced through significant non-compliance consequences (see Table 1). The World Trade Organization is a relatively strong regime, with legally binding disciplines, dispute-resolution bodies that resemble legal courts, and authority to permit aggrieved nations to retaliate economically against rule-breakers. In contrast, global environmental agreements are typically based on a "weak regime." Legal obligations (if they exist) tend to be procedural, international review is usually political rather than judicial, and the sole compliance mechanism is almost always political dialogue achieved within a loosely structured process. The Kyoto Protocol's rules for developed countries—legally binding mitigation commitments, international review and financial penalties of a sort for non-compliance—are the biggest exception to this rule. The strength of that regime explains partly why some major emitters, including the United States, were not willing to join Kyoto. Strong regimes are often more effective than weak regimes, although this is not always the case. Experts and scholars differ on which approach would work best for climate change. Some argue that a strong regime is necessary to make sure states do what they promise. Others argue that strong regimes discourage ambitious action by causing delay as nations fight over the design of the regime and, in addition, states end up promising very little climate action in an effort to avoid non-compliance consequences.

While Bali opened the negotiating process, and Europe had clear goals, the world had to wait until the January 2009 inauguration of Barack Obama for negotiations to begin in earnest. (George W. Bush envisioned U.S. emissions rising until 2025, and nations were unwilling to negotiate seriously on that basis.) In its first months, the Obama administration did not push back against the European approach. It was eager to mend fences with Europe on climate and sought to project to Europe and others a humble, multilaterally-inclined U.S. foreign policy. Thus by early 2009, Europe's strong, top-down approach had become the yardstick for Copenhagen's success in much of the world. Europe's approach was popular with the European public, environmental groups in the United States, and governments in some least developed countries, which welcomed a robust, science-based vision.

By early 2009, Europe's strong, top-down approach had become the yardstick for Copenhagen's success in much of the world.

Table 1: Alternative international climate regimes

	Strong	Weak
Top down	• Science-based, internationally negotiated targets • Targets are legally binding and have legal consequences for non-compliance	• Science-based, internationally negotiated targets • Targets are not legally binding and have political rather than legal consequences for non-compliance
Bottom up	• Nationally determined targets/ actions based on political and economic feasibility • Targets/actions are legally binding and have legal consequences for non-compliance	• Nationally determined targets/ actions based on political and economic feasibility • Targets/actions are not legally binding and have political rather than legal consequences for non-compliance

Despite their differences, the United States and Europe had much in common compared to major emerging economies.

While the Obama administration's desire to cap U.S. emissions brought goodwill and optimism in Europe and elsewhere, the new administration and Congress were not fully in line with Europe's thinking from the start. President Obama shared Europe's long-term vision (two degrees, 50% reduction by 2050, at least 80% reduction by developed nations), but it formulated U.S. policy with a keen awareness of obstacles in Congress. The United States would only promise to reduce emissions to about 1990 levels by 2020 and would not accept legally binding obligations and strong international institutions unless China and other emerging economies were part of the system on comparable terms. This seemed unlikely since, as 2009 unfolded, China, India, and others rejected many elements of the European plan and advocated continuing the Kyoto Protocol's sharp division between developed and developing nations. In their eyes, only developed nations should have new climate commitments binding them to a strong multilateral climate regime. Developing nations should take action, they conceded, but only if incremental costs were financed by new internationally administered carbon taxes. Despite their differences, the United States and Europe had much in common compared to major emerging economies. They downplayed their differences and made common cause to move China, India, and others toward more forthcoming positions.

At the July 2009 Major Economies Forum (MEF), which brought together leaders of the world's 17 largest emitters, the divergence between developed nations and the major emerging economies was on full display. While leaders agreed by consensus to take note of the scientific view on the need to limit climate change to no more than two degrees Celsius and welcomed positive indications from the developed world on mobilizing climate financing, leaders from the major emerging economies rejected all other elements of the European vision for Copenhagen. China and India, in particular, objected to legally binding obligations, the articulation of a year by which their emissions must peak, the proposed global goal of reducing emissions 50% by 2020, and ideas for international verification of their emissions. These were all described as unacceptable intrusions on their national sovereignty and unfair infringements on their economic growth. With developed and developing country leaders pledging to "spare no effort to reach agreement in Copenhagen" it was difficult for observers to determine whether workable compromises could be found or whether fundamentally different perceptions of national self-interest would foreclose all avenues for progress by the end of 2009.

3 Copenhagen Accord

In the end, Copenhagen produced significant but fairly narrow progress. In the Copenhagen Accord, all major emitting nations agreed to limit temperature increases to two degrees Celsius, implement mitigation actions toward this goal, register their actions internationally, and periodically report to and consult with the international community on their progress. Developed nations also pledged to register quantified mitigation targets for 2020, to provide $30 billion in public funds by 2012 to developing nations, and to help mobilize $100 billion per year by 2020 from public and private sources in the context of a new, yet to be negotiated, global agreement. This progress was made possible by the direct and unprecedented engagement of world leaders, without whose involvement the Copenhagen talks would have collapsed entirely.

While much was agreed in Copenhagen, even more was left unresolved. Once again, global mitigation targets for 2050 were rejected by emerging economies, as was the notion that they should fix a year by which their emissions should peak. A few nations[2] were able to prevent the official adoption of the Copenhagen Accord, forcing the conference to merely "take note" of it, and thereby denying it any status as a basis for future UN negotiations. Even if it had been officially accepted by all nations, the Accord would have been "politically binding" (technically, an oxymoron) instead of legally binding. The mitigation actions registered by countries that have associated themselves with the Accord fall well short of the agreed-upon two degrees Celsius pathway.[3] The level of ambition is more likely to produce global temperature increases of three or four degrees Celsius. Furthermore, the future of the Kyoto Protocol remains unresolved. Most countries that have commitments under Kyoto appear eager to let it expire, but many developing nations (with no commitments under Kyoto) are adamant it must be extended. The Copenhagen Accord is an agreement with no forum for action, and the United Nations offers a forum with no agreement. In short, the path forward is highly uncertain.

The Copenhagen Accord is an agreement with no forum for action, and the United Nations offers a forum with no agreement.

[2] Cuba, Bolivia, Venezuela, and Nicaragua (several of the so-called "ALBA" countries) plus Sudan, which served in Copenhagen as the temporary head of the developing-country (G77+China) negotiating group and Tuvalu (a low-lying small island state threatened by climate change).

[3] Climate Interactive (2010). *C-ROADS analysis of Copenhagen Accord submissions*, http://climateinteractive.org/scoreboard.

4 Strategic Implications of Copenhagen

What are the lessons from Copenhagen and the preceding climate diplomacy? There are several. Most are unwelcome and difficult to accept, but that does not make them any less true.

1. America may commit but it might not act

Despite its progress, the United States is still an unreliable partner on climate change.

The first strategic implication from the Copenhagen process is that the *United States is still an unreliable partner on climate change*. The sad truth is this: despite years of effort by civil society groups and European governments, and the 2009 transfer of power to more climate-friendly policymakers in the White House and Congress, the United States has been unable to agree on a national climate policy and, unfortunately, there is good reason to believe that it may not change anytime soon. While the United States may commit itself internationally (politically or legally) to significant climate action, it still might not be able to carry through on these pledges. Domestic politics in the United States will continue to drive U.S. engagement in climate negotiations and define opportunities for transatlantic cooperation. What U.S. diplomats say in places like Copenhagen matters, but what the Obama administration and Congress do on energy and climate legislation is much more critical. President Obama no doubt wants to move decisively toward a clean energy economy, but the political path forward remains dangerous and possibly quite long.

Congress made substantial progress on ambitious climate and energy legislation in 2009. In June 2009, the House of Representatives passed the first U.S. bill to ever contain mandatory emissions limits (the American Clean Energy and Security Act), which, if adopted, would reduce covered emissions 17% below 2005 levels in 2020.[4] Action then turned to the Senate. In July 2009, the Senate Energy and Natural Resources Committee passed a bipartisan bill that included a 15% national renewable energy standard in 2021, and in December 2009, the Senate Environment and Public Works Committee passed a climate bill that would reduce covered emissions 20% below 2005 levels in 2020.[5]

Since then, momentum has stalled for several reasons. Climate change is viewed differently in the United States and Europe. According to a recent study by the German Marshall Fund, while 65% of Americans are "worried" about climate change (compared to 84% of Europeans), only 43% of Americans are willing to sacrifice economically to slow global warming, compared to 69% of Europeans (with Slovakia the least-willing European country at 53%).[6] While Europeans ranked climate change as one of the world's most serious problems (above international terrorism and a major global economic downturn), even among Democrats in the United States it ranked below health care, education, social security, the budget deficit, and illegal immigration.[7] According to one prominent conservative pollster, in the United States stopping "climate change" is the least popular aspect of the climate agenda, paling in comparison to support for reducing dependence on foreign oil or creating clean energy jobs.[8]

[4] Including funding for supplemental reductions from deforestation in developing nations and reductions outside the cap, the House bill would reduce U.S. emissions 29–33% below 2005 levels by 2020.

[5] Including funding for supplemental reductions from deforestation in developing nations and reductions outside the cap, the Senate Environment and Public Works committee bill would reduce U.S. emissions 28–33 % below 2005 levels by 2020.

[6] The German Marshall Fund of the United States (2009). *Transatlantic Trends* 2009, (Washington, DC: The German Marhsall Fund of the United States).

[7] European Commission (2009), *Special Eurobarometer: Europeans' attitudes towards climate change*, Brussels, Belgium. Pew Research Center (2007), *Global Warming: A Divide on Causes and Solutions*, Washington, DC.

[8] The Word Doctors (2010), *The Language of a Clean Energy Economy*, Washington, DC. http://www.edf.org/documents/10738_Language-of-a-Clean-Energy-Economy.pdf

In addition, the Obama administration faces a crowded and short legislative calendar in 2010. Climate change is at best the administration's fourth legislative priority in 2010 (down from number two in 2009). A "jobs bill" (economic stimulus) tops the list, followed by reforming the nation's financial system and finishing the long effort on healthcare. Since Congress will recess in September ahead of November elections, the already daunting task of passing all four major pieces of legislation in a single year will require an even more Herculean effort.

The reality of an election year does not just mean a shortened calendar but also a heightened political environment. Conservatives are eager to create a sharp contrast with liberals ahead of the 2010 elections, and a compromise on climate and energy issues may not serve their interests. Liberals are extremely concerned about how they will fare in the elections. The percentage of Americans who approve of the President's performance has fallen from 63% one year ago (with 20% disapproving), to 49.5% approving (and 46% disapproving).[9] In addition, the President's Democratic Party suffered an upset for a critical Senate seat in a liberal state (Massachusetts) in January 2010. President Obama carried Massachusetts by 26 percentage points in the 2008 Presidential election. This loss also had a broader psychological impact, leading to caution and slowing momentum on the President's legislative agenda, including climate change.

Overall, the current political environment has created a difficult dynamic in the Senate, where under traditional rules at least 60 out of 100 votes would be needed to enact climate legislation. Democrats hold 57 seats and have support from two left-leaning independents. Of these, only about 40 are strongly supportive of climate legislation. About 30 conservative Republican Senators are firmly opposed. This leaves, in round numbers, 20 Democrats and 10 Republicans potentially undecided. These are mostly Midwestern liberals from coal or manufacturing states and coastal-state Republicans.

Many of the undecided Democrats feel caught between environmentalists on one hand and powerful business and some labor interests on the other hand. Their preference may be to avoid taking a side at all by working to stop a climate bill from coming up for a vote this year. As things stand, an insufficient number of these undecided Democrats would vote for a climate bill if they were forced to take a yes or no position in 2010. For their part, moderate Republicans face a similar dilemma. They understand that climate change is a threat and that climate legislation offers them a chance to advance energy policies they support for other reasons (including nuclear power and offshore drilling for oil and natural gas) but many moderate Republicans fear criticism from conservatives and businesses that oppose greenhouse gas regulation. While President Obama strongly believes climate legislation is in America's national interest, it remains unclear how much he will push this year or what difference that would make to these undecided Senators. Even more sobering is that 2010 may be the best chance for action until at least 2013 because the president's party is expected to lose seats in Congress in November.

The stalemate threatens not only the prospects of U.S. emissions mitigation but also the potential for U.S. financial contributions for developing-country action. The House climate bill, if enacted, would mobilize $30 billion per year by 2020 for assorted climate activities in developing nations (international adaptation, reducing tropical deforestation, and promoting clean technology).

The stalemate threatens United States emissions mitigation and especially financial contributions.

[9] According to an average of six leading polls. Real Clear Politics (2009) *President Obama Job Approval*. http://www.realclearpolitics.com/epolls/other/president_obama_job_approval-1044.html

The Copenhagen Accord does not fundamentally change the political calculus in the Senate.

These funds would come from a combination of (i) dedicated revenues from allowance auctions (about $7.5 billion) and (ii) projected carbon market purchases by the private sector (about $22.5 billion).[10] Should cap-and-trade legislation fail in the Senate, securing congressional support for alternative financing mechanisms would be a major challenge. International funding is perhaps the least popular element of climate legislation. Without a cap-and-trade program, it is hard to see how the United States would meet its share of the $100 billion per year agreed in the Copenhagen Accord. Based on past contributions to multilateral initiatives, the United States would need to contribute around $20 billion of the $100 billion total. U.S. foreign assistance appropriations for international climate-related activities will total just above $1 billion in fiscal year 2010.[11] Meeting the $20 billion benchmark without private-sector contributions via the carbon market would require a 20-fold increase in climate foreign aid or the development of a completely unknown mechanism for raising international funds.

Even though the Copenhagen Accord is a step forward, it does not fundamentally change the political calculus in the Senate. The Accord has helped blunt the charge that China and other emerging economies are unwilling to act. The United States' refusal to accept legally binding obligations since China would not do the same has also been popular in Congress. However, the president's pledge to help mobilize $100 billion annually by 2020 has raised new questions. Can the United States afford to send this sum of money overseas during tough economic times and with enormous budget deficits? The chaos in the negotiating process and absence of a new negotiating deadline has also lifted pressure on U.S. lawmakers (although international pressure was never that effective).

It is worth noting that U.S. climate diplomacy in 2009 managed to advance U.S. national interests, as defined by the Obama administration. The United States was not perfect. Announcing publicly a deal had been reached in Copenhagen before a vast majority of world leaders had examined the text, for example, was unwise and caused some of the initial backlash to the Copenhagen Accord. Overall, however, the United States avoided outcomes that could have harmed the prospects for climate legislation at home. It minimized international criticism, led in Copenhagen, and managed to reshape the emerging climate regime toward its interests—action by all nations, weak multilateralism, and no legal obligations unless they apply to China—despite the fact that U.S. climate laws have yet to change significantly for the better. The president's good intentions created a better atmosphere internationally and bought the United States time to show its resolve. Next year, however, may look very different if America proves able to commit in Copenhagen but unable to act at home. International patience is running out.

2. China will act but it will not commit

Perhaps the most important strategic insight from Copenhagen is that *China will take action but, contrary to what many believed prior to the conference, it will not commit.* China believes that it needs to appear concerned about climate change, and indeed it is, but China still does not believe its national interests are served by a strong, inclusive, top-down international climate protection regime that actively ensures compliance. How do we know this?

[10] In 2009 dollars, using average of allowance prices and offset volumes projected by U.S. Environmental Protection Agency, Congressional Budget Office, and Energy Information Administration analyses of House climate bill.

[11] Climate Advisers analysis, based on a review of final FY 2010 appropriations legislation. Includes bilateral assistance and contributions to multilateral initiatives.

There is ample evidence that China will take significant (but not necessarily sufficient) actions to reduce greenhouse gas emissions, although they will not always be taken in the name of climate change. China already has an impressive record. Both within its five-year plans and through other laws, China has pursued ambitious goals for renewable energy and energy efficiency in the power and manufacturing sectors that substantially bent the emissions curve below business-as-usual. China has also set goals for boosting forest cover and reducing key air pollutants.[12] While concerns about energy security, local pollution, and industrial competitiveness have driven these initiatives, China is on the way to achieving its goals of reducing energy use per unit of gross domestic product (GDP) 20% from 2006–2010 and increasing renewable energy to 15% (or more) of its electricity supply by 2020. The energy intensity target alone would reduce emissions over 1 billion tons per year below business-as-usual by 2010.[13]

China has also been quick to highlight its emissions mitigation accomplishments to convince the world that it is behaving responsibly. The day after President Obama announced in November that the United States would reduce its emissions in the range of 17% from 2005 levels by 2020, the Chinese State Council (presided over by Premier Wen Jiabao) announced that China would reduce its carbon emissions per unit of GDP 40–45% below 2005 levels by 2020.[14] China has highlighted these actions in its post-Copenhagen UN diplomacy.[15] While this 2020 goal may lack sufficient ambition, China has bettered some past energy and environmental goals by a wide margin. For example, China is expected to reach its 2020 wind energy target eight years ahead of schedule.[16]

Yet, China systematically sought to impede progress in Copenhagen. In private, American and European senior negotiators describe China's tactics as "highly destructive," likening them to a "wrecking ball." China did all it could to undermine others and create procedural obstacles.[17] While other emerging economies had strong objections to U.S. and European proposals, China's obstruction was in a league of its own. As U.K. climate secretary Ed Miliband noted after Copenhagen, "The procedural wrangling was, in fact, a cover for points of serious, substantive disagreement."[18] The only persuasive explanation is that China concluded before Copenhagen that the direction the negotiations were heading was not in its national interest.

China will take action but, contrary to what many believed prior to the conference, it will not commit.

[12] China (2006). *The 11th Five-Year Plan*, http://www.gov.cn/english/special/115y_index.htm.Wong, J.L. and Light, A. (2009). *Climate Progress in China: A Primer on Recent Development*, Washington, DC.

[13] Wong, J.L. and Light, A. (2009). *China Begins Its Transition to a Clean-Energy Economy China's Climate Progress by the Numbers*, Washington, DC. Levine, M.D. and Price, L. (2010). *Assessment of China's Energy-Saving and Emission-Reduction Accomplishments and Opportunities During the 11th Five Year Plan*, http://china.lbl.gov/sites/china.lbl.gov/files/LBNL11th%20FYP%20Presentation%20for%20WRI%20Dec%202.2009.pdf.

[14] The White House (2009). *President to Attend Copenhagen Climate Talks*, http://www.whitehouse.gov/the-press-office/president-attend-copenhagen-climate-talks; Xinhua (2009). *China announces targets on carbon emission cuts.* http://news.xinhuanet.com/english/2009-11/26/content_12544181.htm.

[15] Wei, S. (2010). A*utonomous domestic mitigation actions*, http://unfccc.int/files/meetings/application/pdf/chinacphaccord_app2.pdf.

[16] Li, J. (2008). *China's Wind Power Development Exceeds Expectations* (Washington, DC: Worldwatch Institute).

[17] Prior to Copenhagen, China leaked and harshly criticized a draft compromise text prepared by the Danish government, despite cooperating with the Danes for months. During Copenhagen, China made no effort to moderate the obstructionist behavior of hard-line nations that depend on China, such as Sudan (which served as the influential temporary chair of the developing-country group). China refused to allow new compromise documents to be put forward and blocked proposals to create informal working groups, thus ensuring gridlock for most of the Copenhagen conference. Once leaders arrived, Chinese Premier Wen Jiabao declined to participate personally in informal negotiations organized by President Obama, sending a relatively junior official instead.

[18] Miliband, E. (2009). "The road from Copenhagen," *The Guardian.*

Contrary to what many believed prior to Copenhagen, China was promising to mitigate its emissions but not to allow the creation of a strong regime.

Going into Copenhagen, European and American policymakers interpreted China's willingness to take domestic action and its eagerness for international respect in this area as evidence that China could accept at the end of the day a strong international climate protection system—one in which nations agree to norms, procedures, and institutions that foreclose high-carbon growth paths. Europe in particular was confident that China had turned a corner, that it now considered the adverse impacts of climate change to be a bigger threat to its economic prosperity and political stability than stronger climate cooperation. In a speech before the U.S. Congress in November 2009, German Chancellor Angela Merkel said, "I am convinced that if we in Europe and America show that we are ready to accept binding obligations, we will also be able to persuade China and India to join in."[19] Confidence in this perception was built on years of political outreach at the highest levels. The Obama administration's own bilateral dialogue with China in 2009 seemed to reaffirm Europe's optimism. When President Obama and President Hu met in Beijing in November, they agreed to "take significant mitigation actions and stand behind these commitments."[20] It is clear now that China was promising to mitigate its emissions and be a reliable partner, but not to acquiesce in the creation of a top-down, strong climate regime.

The goal here is not to blame China but to understand it. Why would China take climate action at home but resist progress in Copenhagen? Some have rightly noted that the transatlantic partners and the rest of the world (particularly the United States) did not offer China much in Copenhagen.[21] The United States had yet to enact a new climate law, and the bills being debated, even if adopted, would have achieved relatively modest *domestic* emission reductions through 2020. U.S. financial pledges in Copenhagen were vague and short-term, and U.S. negotiators emphasized publicly and undiplomatically that no monies would go to China. Europe's emissions mitigation and financing packages were more ambitious and specific, but Europe refused to get too ahead of the United States on financing. For example, Europe declined to articulate its share of the financing package of $100 billion annually by 2020. In return, the transatlantic allies expected China to abandon long-held, deeply felt national positions. The alliance wanted China to agree to register its climate actions internationally, report internationally on the implementation of those actions, subject itself to international verification, and make its mitigation actions binding under international law. In retrospect, perhaps what is surprising is that China compromised at all in Copenhagen.

But the critical question is this: Would better terms for China—more mitigation and financing by Europe, America, and others—have made a difference? The answer is almost certainly no. This is because China has never shown any interest in subjecting itself to a top-down, strong multilateral climate protection regime. For more than 20 years China, like India, has carefully avoided substantive or procedural norms that might constrain its behavior. Procedural roadblocks have been a staple of Chinese climate diplomacy since the 1990s. China has almost never taken the initiative to

[19] Merkel, A. (2009). *Speech before U.S. Congress*, Washington, DC, http://www.spiegel.de/international/europe/0,1518,659196,00.html.

[20] The White House (2009). *Joint Press Statement by President Obama and President Hu of China*, http://www.whitehouse.gov/the-press-office/joint-press-statement-president-obama-and-president-hu-china.

[21] Hill, S. (2010). "Europe's Post-Copenhagen View of Obama," New York, NY: *The New York Times*. Wynn, G. and Evans, D. (2009). "China urges U.S. to increase Copenhagen offer," Reuters.

develop compromise approaches in global climate talks and has tended to stick to its positions even when doing so risked the collapse of negotiations.[22]

Over the years, furthermore, China has consistently rejected the elements of the European vision for climate cooperation. In 2009, Chinese climate diplomacy centered on what nations were doing domestically and on proposals for securing international financing, with little interest in negotiating a global emissions pathway. In the MEF and elsewhere, it rejected the idea of negotiating an internationally agreed upon date by which China's emissions should peak. China and India have repeatedly called many ideas—including legally binding obligations—"non-negotiable" and, prior to Copenhagen, said they would "coordinate our exit if any of our non-negotiable terms [are] violated."[23]

China's opposition to strong climate multilateralism has many origins and explanations, most of which relate to the government's desires to maintain order and control. China's integration into the global economy has not changed its hostility—no, severe allergy—to expanding zones of international concern. As a global superpower with growing influence, China does not accept the distinctly European notion that mutual constraints on sovereignty are desirable. It considers institutions with mandates to verify its data, evaluate its actions, and challenge its policies precedents that must be avoided. In rare cases, such as the World Trade Organization, China has considered the tradeoff acceptable. However, that is far from its usual posture.

In the Chinese government's view, over the past two decades, nothing has done more for political stability and poverty alleviation than double-digit economic expansion, and nothing is as threatening as poor economic performance. Chinese leaders view strong top-down climate commitments as a threat to economic growth and state publicly that growth is their overriding concern (albeit in a sustainable manner). They believe that more ambitious emissions mitigation would undesirably constrain output. In his speech before the Copenhagen conference, Premier Wen Jiabao stressed that "action on climate change must be taken within the framework of sustainable development and should by no means compromise the efforts of developing countries to get rid of poverty."[24] China will probably remain skeptical until developed nations demonstrate (or it proves to itself) that ambitious mitigation and economic growth are positively correlated and even mutually beneficial.

In addition, the Chinese leadership has historically pushed the narrative at home and abroad that climate change is a problem that was created by developed countries and should be solved by developed nations at their expense. In his speech in Copenhagen, Premier Wen emphasized the historical responsibility of developed countries and stated that it is "totally unjustified" to ask developing countries to "undertake emission reduction targets beyond their due obligations and capabilities in disregard of historical responsibilities."[25] It is unclear how deeply this

China does not accept the distinctly European notion that mutual constraints on sovereignty are desirable.

[22] China has staked-out "take-it-or-leave-it" positions many times, including at the following critical negotiating sessions prior to Copenhagen: Berlin in 1995 (no new climate commitments for developing nations), Kyoto in 1997 (same), Buenos Aires in 1998 (no voluntary commitments by developing nations), and Bali in 2007 (no international verification of actions by developing nations unless those actions are supported by international financing).

[23] Dasgupta, S. (2009). "Copenhagen conference: India, China plan joint exit," *The Times of India*. United Press International (2009). "Counter-proposal drawn up for Copenhagen," (Washington, DC: United Press International).

[24] Wen, J. (2009). *Build Consensus and Strengthen Cooperation To Advance the Historical Process of Combating Climate Change*, Copenhagen, Denmark.

[25] Ibid

The problem in Copenhagen is not that the transatlantic alliance offered too little, but rather that China never shared the same goal of a strong climate regime.

narrative has taken hold, given that a recent poll conducted for the World Bank found that a higher percentage of Chinese than Americans thought their government should commit to taking steps to limit its emissions in a global agreement or take unilateral steps if no agreement was reached.[26] However, agreeing to a strong regime would require walking back from its long-standing public position on the issue and no doubt create backlash among Chinese people who have accepted the government narrative.

The problem in Copenhagen, in sum, was not that the transatlantic alliance offered China too little but rather that China does not share the same goal—it just never saw a strong top-down climate regime as something that would advance virtually any of China's most important national interests.

To some observers, this insight has called into question the wisdom of transatlantic policy toward China, which since the early 1990s has been premised on the notion that integrating China into the global economy will make its strategic posture, political system, and national values more like the West.[27] Global trade has fueled economic growth in China, but there is little evidence that China is any less keen on projecting power externally or any more democratic and observant of human rights at home. Instead, China has clamped down and expanded its spheres of influence.

Is Copenhagen further evidence that our China policy has failed, that China is becoming less like the transatlantic partners? Not really. China policy may or may not be working, but Copenhagen should not be seen as proof of either. China's suspicion of multilateralism and refusal to allow international environmental negotiations to dictate domestic policy seem decidedly American, albeit for different reasons. The United States wants to preserve sovereignty to sustain the *global pax Americana*, while China's fixation with sovereignty appears to flow primarily from a desire to maintain domestic control. Regardless, Copenhagen is further evidence of European exceptionalism as a superpower that is comfortable with large zones of shared sovereignty. But given the many points of friction with China—currency manipulation, intellectual property theft, human rights violations, tension regarding Taiwan, and enormous trade surpluses—Copenhagen may nonetheless fuel populist anger against China in the United States and Europe.

3. European power is real but limited

Climate change has played a central role in European foreign policy. Europe has undeniably been the global leader. It has taken impressive steps internally, such as creating the first regional emissions trading system. Its economic engines—Germany, France, and the United Kingdom—have better records on emissions mitigation, energy efficiency, and low-carbon energy than most other developed nations. Internationally, Europe kept the Kyoto Protocol alive after the United States rejected it, and Europe has done more to implement Kyoto at home than nearly all other countries. Over the past decade, no world leaders have worked harder than European politicians to make climate a global priority. Since Kyoto, Europe has done more than any other nation or group to define a comprehensive vision for global climate cooperation, and that vision has become the barometer of success in much of the world.

While Europe has led, it has also faltered. Europe has tried for more than two decades (going back to well before the 1992 Rio Earth Summit) to convince the world to embrace strong climate multilateralism

[26] World Bank (2009). "Public attitudes toward climate change: Findings from a multi-country poll," (Washington, DC: The World Bank).

[27] *The Economist* (2010). "Europe and an inscrutable China," London, U.K.

based on top-down emission targets and timetables. However, the world's two largest emitters—accounting for almost half of global emissions—continue to balk at this approach. As Germany's environment minister Norbert Röttgen said after Copenhagen, America is willing but unable; China is able but not willing.

Europe has been both willing and able, but will this continue in view of the Copenhagen outcome? There is reason to believe Europe needs time to regroup. For one thing, Europe is likely to be consumed by the important, internal task of implementing the Lisbon Treaty, which entered into force in December 2009. A primary objective of Lisbon was to help make Europe a more powerful global leader, on par with the United States. The treaty creates, for example, a new two-and-a-half year president of the European Council and combines previous foreign policy positions into a more powerful high representative for foreign affairs and security policy, who also serves as vice president of the European Commission. The treaty consolidates additional powers in Brussels and changes member-state voting rights. Managing the transformation of European institutions and decision-making will take time, particularly since both national leaders and the European public appear ambivalent about the prospects of a stronger Europe. (Why else would leaders not choose the most high-profile and experienced candidates for EU Council president?) Lisbon may help Europe sail toward global leadership, but Europe will have to find its sea legs first.

In addition, Europe is becoming more divided domestically on climate change. While the United Kingdom, Germany, and Sweden will continue to push for leadership, Europe must also confront the demands of coal-intensive nations such as Poland (with almost 60% of its energy consumption from coal in 2007).[28] In 2009, these Eastern European nations were quite effective in blocking efforts to (i) raise Europe's mitigation commitment from 20 to 30% below 1990 levels and (ii) quantify Europe's (rather than the world's) commitment to finance climate action in developing nations. In the end, leaders agreed to put forward a euro 7.2 billion total before 2012 but balked on providing a specific number for long-term financing.[29] Some East European countries have challenged their emission allocations in court and, for the time being, seem to be making headway.[30]

In addition, many East European nations share the same concerns about cost, competitiveness, and energy mix that predominate in some regions of America. Just as it has done in the United States, the economic downturn in Europe may shift political attention away from climate change. The EU27 unemployment rate hit 9.6% in December 2009, the highest since January 2000 and an increase of more than four million people since December 2008. Unemployment in Spain, often held up in the United States as one of Europe's leaders in clean energy, hit a staggering 19.5%.[31] In the aftermath of Copenhagen, moreover, Europe is reexamining the effectiveness of its lead-by-example strategy. It is hard to argue that this strategy has worked so far with the United States or China, although it could if Europe can prove convincingly that low-carbon growth strategies are not only affordable, but also preferable to traditional economic models.

While Europe has led it has also faltered. Post-Copenhagen, Europe needs time to regroup and re-examine its leadership.

---

[28] U.S. Energy Information Administration (2010). *International Energy Statistics.*

[29] European Council (2009). *Conclusions*, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/111877.pdf.

[30] Ennis, D. (2007). "EU ups Slovakia CO2 limit, lawsuit may be dropped," *Reuters.* Phillips, L. (2009). "EU court slaps down Brussels attempts to lower eastern CO2 emissions," (Brussels, Belgium: EUOBSERVER).

[31] Eurostat (2010). *Euro area unemployment rate up to 10.0%*, http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-29012010-AP/EN/3-29012010-AP-EN.PDF.

Europe must continue leading with a new openness to alternative approaches.

Until Europe does more to prove the economic case, its leadership is likely to go unrewarded internationally.

This insight should not be interpreted as reason for Europe to abandon its climate leadership. On the contrary, Europe has several reasons to stay out front on climate policy. Internal European climate regulations and initiatives will help create good jobs, transform its energy sector, promote economic growth, improve energy security, and shore up Europe's place as a global economic leader throughout the 21st century. Plus, if Europe steps back on its domestic leadership, the world will careen toward dangerous warming, and Europe itself will be among the biggest losers.[32] No, for its own good and for the sake of the planet, Europe must continue leading on climate change. Importantly, however, it must do so with a new openness to alternative international approaches and with more realistic expectations about how long it may take for some key countries, including the United States, to catch up.

4. Climate negotiations will progress slowly

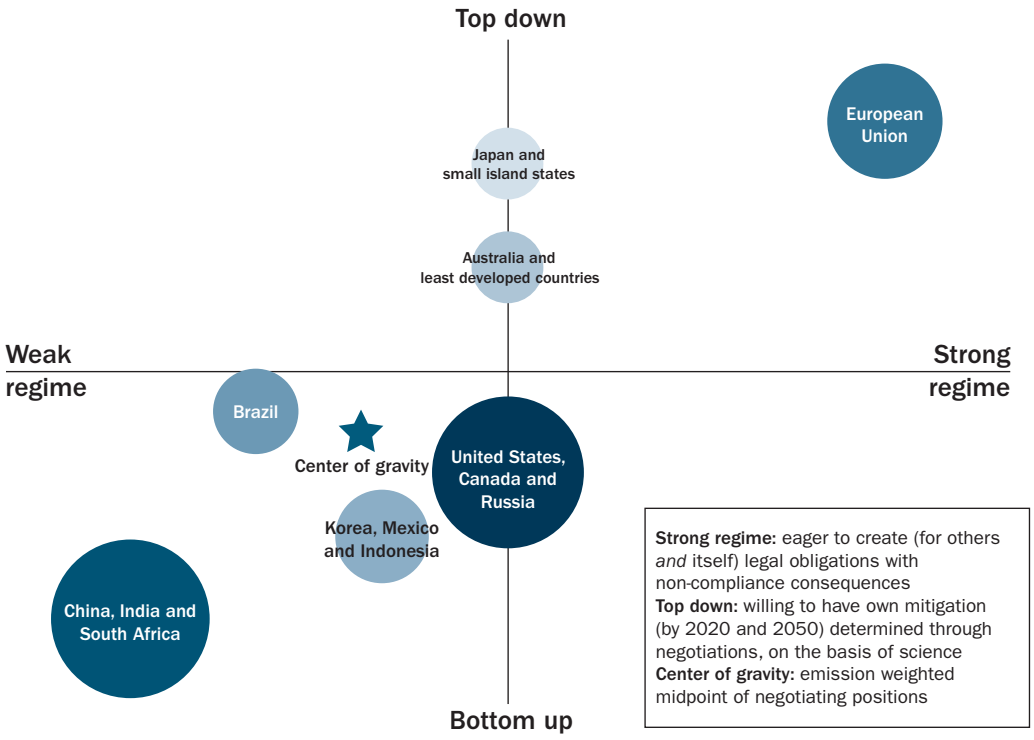
While no one knows for certain, the likely outcome of global climate talks is starting to crystallize. Europe's top-down, strong multilateral system seems highly unlikely in the near term. There is no reason to believe that China, India, and other emerging economies will drop their longstanding opposition to this approach, even with significant but plausible increases in financial assistance. These nations simply do not want legal obligations or strong international climate institutions at this juncture.

Nor is there reason to believe the Obama administration will negotiate an emissions mitigation commitment that is comparable to Europe's, at least from 1990 levels. At this point, 17% below 2005 levels defines the outer edge of what is possible. Nor should Europe expect the United States to accept binding legal obligations and non-compliance consequences in the face of continued Chinese and Indian opposition. President Obama and his senior advisers have been at pains to tell Congress and foreign leaders that they learned the lessons of Kyoto. Neither the Senate nor the American people will support an agreement that applies to the United States but not to China. The administration believes it can explain domestically why China's commitments might be tailored to fit its national circumstances, but it could not explain why the United States should be subject to a strong regime if China is not. The United States' desire for bottom-up target setting and its concerns about equivalence or symmetry of commitments with emerging economies are shared by other developed nations, including Australia, Canada, and Japan. While these countries state their support for a legally binding agreement, it is always coupled with statements about conditionality based on emerging-economy actions (although not as explicitly as the United States). Figure 1 plots the national positions of several key states.

Absent a seismic shift in global climate politics, the center of gravity of global climate talks will drive the final negotiated outcome toward a bottom-up, weak regime. Of course, Europe may choose to hold its ground. Since domestic constituents in Europe's major powers—Germany, France, and Britain—and climate leaders—Denmark, Norway, and Sweden—will likely continue to be vocal in their support for existing European diplomatic objectives and strategies, Europe may prove somewhat slow in understanding the true implications of Copenhagen. Should this occur, Europe may extract a few concessions from developing nations and possibly slow down the

[32] UK Met Office (2009). *New evidence confirms land warming record,* Exeter, United Kingdom.

Figure 1: National Positions on Mitigation



See endnote for rationale on placement.

Source: Climate Advisers analysis, 2010

talks, but it would be unlikely to move substantially the center of gravity of global negotiations. Just locking in the concessions that China and other emerging economies have made in principle via the Copenhagen Accord will take time. These nations are likely to delay elaborating systems for reporting and international review until developed nations make good on their mitigation and financial pledges. This means Europe, the United States, and other donors would need to be on track to ramp up international climate assistance to the pledged $100 billion per year by 2020—a tall order, as noted elsewhere. Also, China in particular appears to view the Copenhagen Accord with some ambivalence. Absent international pressure, they may have refused to compromise in Copenhagen. If that is the case, negotiating a hard bargain on the rules to implement the Accord may have its own appeal—more delay.

Absent a seismic shift in global climate politics, the center of gravity of global climate talks will drive toward a bottom-up, weak regime.

5. Innovative approaches are needed

It has been said that there are only three choices when it comes to climate change: mitigation, adaptation, and suffering.[33] After Copenhagen, the world is heading toward a potentially volatile cocktail of all three—with more than a splash of suffering, unfortunately.

[33] Holdren, J. (2007). *Speech at John F. Kennedy School of Government*, Cambridge, MA.

The risks of not doing enough on climate change are already enormous and will only grow.

According to a recent analysis, current pledges are much more likely to produce warming of three or four degrees Celsius than the global goal of two degrees.[34] While some nations, perhaps China, may mitigate emissions more than they promised, the opposite seems more likely for most. Will the United States deliver on its pledge to reduce emissions in the range of 17% below 2005 levels by 2020? Can Europe follow through on its 20% reduction target—let alone move to 30%? Can Japan really reduce its emissions 25% below 1990 levels by 2020, given the high costs of mitigation in its energy-efficient economy? Furthermore, almost all of the growth in emissions that must be avoided is in developing nations. Mitigation actions in many of these nations are conditioned on adequate financial support from developed nations. Because there are questions about whether these funds will materialize, the underlying mitigation pledges by developing nations also need to be viewed with some skepticism.

Quite apart from financing, these nations face inherent challenges. Consider the area where progress seems most plausible: reducing deforestation. Can Brazil tackle deforestation if commodity prices return to previous high levels? Can Indonesia reform its forest sector and clamp down on illegal logging? No one knows for sure.

The world is also not doing enough to prepare for climate impacts. The World Bank estimates that the cost of adapting to climate change in developing nations will be $75-100 billion annually through 2050.[35] Donor nations will be expected to provide the lion's share of this funding, since the most vulnerable nations where these investments are needed did little to cause climate change and have the least capacity to adapt on their own. Currently, donor nations have pledged $18 billion to multilateral climate funds (for mitigation and adaptation), but only deposited $2 billion. Even less has been disbursed.[36] Traditional foreign aid for climate adaptation has grown slowly until now.

To meet mitigation and adaptation needs, as noted previously, nations agreed in the Copenhagen Accord to mobilize $100 billion annually from public and private sources by 2020. Whether this pledge is enough is somewhat immaterial since it would represent a doubling or more of all existing foreign aid. The real questions relate to whether the goal will be met. Europe claims to be willing to do its part. If the United States steps forward, European leaders should have the strength to follow through, too, with Japan and other donors joining. America has historically defined the minimum level that other donors make sure to meet or exceed. But does the U.S. Congress have the political will to send billions of dollars overseas for climate purposes? U.S. lawmakers are just getting their heads around the idea of emission limits. Few members of Congress understand why the United States should invest tens of billions a year to help emerging economies make their factories more efficient and out-compete U.S. companies—and that is how these programs would be portrayed. Will Europe be able to provide roughly $30 billion annually by 2020 if the United States balks? The difficulty of securing Europe's short-term financing

[34] Climate Interactive (2010). The latest scientific evidence, regrettably, suggests that two degrees of warming may create unacceptably high risks of catastrophic climate change, but in a spirit of optimism let us focus on the feasibility of limiting warming to two degrees. Project Catalyst (2010). "Taking stock—the emission levels implied by the pledges to the Copenhagen Accord," (San Francisco, CA: ClimateWorks Foundation).

[35] World Bank (2010). "The Cost to Developing Countries of Adapting to Climate Change New Methods and Estimates, The Global Report of the Economics of Adaptation to Climate Change Study,"(Washington, DC: The World Bank).

[36] Climate funds update (2010). *Pledged v deposited v disbursed*, http://www.climatefundsupdate.org/graphs-statistics/pledged-deposited-disbursed.

pledge in 2009 and the lack of a 2020 EU financing pledge have shown, at least for now, the limits of European leadership. The odds of falling short are all too real.

Two conclusions are unavoidable. First, the risks of not doing enough on climate change are already enormous and will likely grow over the next decade. Second, current strategies depend on both U.S. and European leadership. With the former looking as questionable as ever domestically and with Europe still organized around a top-down, strong regime that is unlikely to materialize soon, it is time for thinking about new strategies on both sides of the Atlantic.

6. The United Nations is neither the problem nor the answer

In the immediate aftermath of Copenhagen, many nations and civil society organizations faulted the United Nations for the disappointing outcome. Some called for UN reform; others argued for moving the negotiations elsewhere.[37]

We should be clear: as a climate negotiating forum, the United Nations is highly imperfect. Climate talks are dominated by professional negotiators who consider defending historical national positions more important than progress. The rules of procedure invite delay and obstruction. It is impossible to negotiate publicly with 192 countries, yet smaller informal negations are often resisted. Rules that require decisions by consensus are often interpreted unnecessarily and unwisely as requiring unanimity. Progress is very slow and often absent.

As bad and as easy to scapegoat as the United Nations is, however, it is not the main impediment to progress on climate change. The outcome in Copenhagen actually serves the interests of China, the United States, and many other major powers quite well. Moving climate negotiations to a new forum with the same nations would change neither their national interests nor the outcome. The MEF is evidence of this. None of the issues that proved so problematic in Copenhagen were any easier in the MEF, even though it involves just 17 countries and is not open to the public.

Moreover, creating an alternative forum for real negotiations (as opposed to political discussion) is not possible at present. The chaos and inefficiencies in the UN process serve the interests of the major emerging economies, petroleum-producing nations, and others. These nations consider delay acceptable or even desirable. They value the normative principles and procedural rules they have built within the United Nations over two decades of climate diplomacy. Because the UN forum perpetuates a sharp (and increasingly inaccurate) distinction between rich developed and poor developing countries, emerging economies are able to use these principles and procedures to easily deflect calls for them to act.

Developing nations also know they have strength in numbers within the United Nations. China caucuses with 134 countries in the UN climate forum, but is one of only five non-OECD nations in the MEF. It was no surprise, therefore, to see the developing nations that negotiated the Copenhagen Accord (China, India, Brazil, and South Africa) issue a joint statement in January 2010 reaffirming their commitment to negotiate only within the United Nations.[38] Indeed, while all

[37] Miliband, E. (2009). "The Road from Copenhagen," *The Guardian*; Loy, F. and Levi, M. (2009). "The Road from Copenhagen," *The International Herald Tribune*. Stavins, R. (2010). *Another Copenhagen Outcome: Serious Questions About the Best Institutional Path Forward*, http://belfercenter.ksg.harvard.edu/analysis/stavins/?p=496.

[38] *The Hindu* (2010). *Joint Statement issued at the conclusion of the Second Meeting of Ministers of BASIC Group, New Delhi*, Chennai, India: *The Hindu*.

major emitters have now sent letters to the United Nations pledging specific climate actions and expressing support for the Copenhagen Accord, China continues to walk a fine line. It has officially submitted its "40–45% below business-as-usual by 2020" target and expressed "support" for the Accord as a political understanding, but it has yet to signal any willingness to be "associated" with it in a formal manner.[39] Indeed, China has said it strongly opposes organizing negotiations around implementing the Accord. It has instead renewed its call for nations to negotiate a continuation of the Kyoto Protocol with obligations for developed nations only.

Overall, it is not possible to bring about major reforms to the UN process, and yet that process is unlikely to deliver. *The United States and Europe have to do what they can to make the UN process work while recognizing that real climate solutions probably need to emerge elsewhere.*

The United States and Europe have to do what they can to make the UN process work while recognizing that real climate solutions probably need to emerge elsewhere.

[39] UNFCCC (2010). "Information provided by Parties to the Convention relating to the Copenhagen Accord," http://unfccc.int/home/items/5262.php. Xinhua (2010). "Chinese premier pledges support for Copenhagen Accord," http://english.people.com.cn/90001/90776/90883/6884972.html.

5 Policy Recommendations

While the outlook may seem bleak, the United States and Europe have a number of meaningful opportunities for ratcheting up global climate action. Progress will depend, however, on letting go of cherished, unrealistic goals while opening up to new ways of thinking. Here are some examples of what that might mean in practice.

Prioritize "actions" over "commitments"

In order to succeed, America and Europe need a new theory of change or strategy with respect to emerging economies. Instead of securing emissions mitigation by convincing these nations to build a strong multilateral climate protection regime in which they commit themselves internationally, *the primary transatlantic climate strategy needs to become directly incentivizing action and penalizing inaction.* This means conditioning financing and imposing consequences not on the basis of the acceptance of a top-down strong regime, but on the basis of actual results in key countries. What actually happens in Beijing or New Delhi is much more important than what happens in global negotiating halls, and success in places like Copenhagen is not the only means to change policies, practices, and behaviors in developing nations.

Major emerging nations have been exceedingly clear about their priorities. China, India, and others are deeply concerned about their energy security in a world where demand for energy, particularly liquid fuels, seems to be outpacing domestic supply. These same countries are also keen to invent and manufacture clean-energy technologies. They understand the potential of this sector to stimulate economic growth, improve their competitiveness, and enhance their global power. In addition, many rapidly growing economies attach enormous importance to tackling local pollution (mainly air and water quality) to improve health and minimize social unrest. The essential strategies for achieving these goals, including investments in energy efficiency, renewable energy, and mass transit, are also extremely climate-friendly.

Dramatically enhancing cooperation with major emerging economies would also produce benefits for the transatlantic alliance beyond climate change. Rapid growth in energy demand in emerging nations increases global energy insecurity. Non-OECD oil consumption is projected to increase from 39.9 million barrels per day in 2010 to 58.2 million per day in 2030 (mostly due to imports), growing from 43.6% of global consumption to about 50% of the global total.[40] To reduce global prices and manage potential price spikes, the United States and Europe have a strong national interest in helping countries like China reduce their overall oil and natural gas consumption. Cooperation on electric vehicles and other relevant technologies could be prioritized.

Increasing demand for clean-energy technologies in major emerging economies would also benefit U.S. and European companies in this sector. As President Obama said in his January 2010 State of the Union address, "providing incentives for energy efficiency and clean energy are the right thing to do for our future—because the nation that leads the clean energy economy will be the nation that leads the global economy." In her November 2009 address to the U.S. Congress, German Chancellor Merkel also emphasized this point, stating, "the development of new technologies in the energy sector offers major opportunities for growth and jobs in the future." In an exceptionally short time, China has become the world's largest manufacturer of solar and wind technology. China's ambitious renewable energy targets, moreover, make it

The primary transatlantic strategy needs to become directly incentivizing action and penalizing inaction.

[40] U.S. Energy Information Administration (2010). *International Energy Outlook*, (Washington, DC: U.S. Energy Information Administration), http://www.eia.doe.gov/oiaf/ieo/pdf/ieoreftab_4.pdf.

Turning vague political promises to mobilize new climate financing into reality is the crux of what Europe and the United States need to do.

one of the world's largest markets.[41] China alone accounted for over 25% of the world's renewable power capacity in 2008, while Europe accounted for about one-third of the global total. Over half was outside Europe and the United States.[42]

Not only is enhanced energy cooperation with major developing nations in Europe's and America's interest, but at the diplomatic level the groundwork has already been laid—there are clear pathways forward. Last year, the world's major emitters created a roadmap for technology cooperation in the MEF. A great deal has already been learned about the technology needs of China, India, and other Asian developing nations via the Asia-Pacific Partnership. Translating these plans and past learning into ambitious actions must become a major priority for the United States and Europe in 2010.

Good energy policy is usually good climate policy. Politically, the door to stronger international energy cooperation is wide open, and America and Europe need to walk through it. What that means in practice is directly related to how much financing will be made available.

Deliver on the Copenhagen funding pledges

The diplomatic stalemate over climate change comes neither from doubting the negative impacts of climate change nor from disagreement about its solutions. Just like developed nations, developing nations understand that climate change presents real threats, and they realize that climate solutions would have multiple benefits. The real disagreements are about "responsibility," which is code for a negotiation about which nations must shoulder the cost of climate action.

In the short term, developing nations will not raise the ambition of their actions to the level needed unless developed nations help finance the incremental costs of clean growth. As the $100 billion annual pledge in the Copenhagen Accord illustrates, in principle, developed nations appear willing to do their part if a global climate agreement can be reached. If Europe and the United States force major emerging economies to choose between paying for greater emissions mitigation and accepting higher risks of dangerous climate change, then most of these key nations may choose the latter. Unfortunately, sharing the cost of mitigation with China, India, and other major developing-country economies is the only near-certain way to raise the level of mitigation ambition of these nations, which as noted before will account for nearly all the growth in global emissions. While some have argued that China's hundreds of billions in surpluses and massive stimulus spending on renewable energy indicate that they do not "need" the money, this does not tell the whole story. Given its massive investment needs in energy and other infrastructure, China will continue to direct investment toward the most cost-effective options. China has the capacity to do much, but developed nations need to help tip the scales in favor of clean energy. European and U.S. financing—which could go mainly to least-developed countries—is needed to both convince China politically that it should do more, and to support international institutions and technical assistance programs that will help China be as green as possible while still pursuing its growth objectives. *Therefore, turning vague political promises to mobilize new climate financing into reality is the crux of what Europe and the United States need to do to achieve environmentally meaningful change in developing nations.*

Where will the money come from? There are no easy answers, but a number of reasonable ideas are already on the table. Emissions trading systems and carbon markets hold great promise

[41] Bradsher, K. (2010). "China Is Leading the Race to Make Renewable Energy," *The New York Times*.

[42] REN21 (2009). *Renewables Global Status Report 2009 Update*, Paris, France: REN21 Secretariat.

for incentivizing investment by the private sector in nations that want to implement this approach. Under current rules, the European Emissions Trading Scheme could direct $3 billion annually by 2020 toward climate-compatible investments in developing nations.[43] The cap-and-trade legislation approved by the House of Representatives in the United States last year would mobilize upward of $22.5 billion in private-sector funding and $7.5 billion in public funding for developing nations by 2020. However, because the United States may not adopt cap-and-trade legislation anytime soon, carbon markets cannot be counted upon as the only or even primary answer in the short term.

Official development assistance can also play an important but limited role. First, developed nations need to reorient existing foreign aid flows to make them climate-friendly. World Bank lending for fossil fuels should not be increasing more rapidly than lending for renewable energy.[44] But greening existing funding will require making hard choices to de-emphasize other international development objectives, and the sums involved will not suffice. Significantly higher overall levels of development assistance are needed. Securing these increases in the current fiscal and economic climate will not be easy, but it must be done. President Obama's proposed budget for fiscal year 2011 envisions a 40% increase in U.S. climate-related foreign aid compared to fiscal year 2010, and this is on top of a similarly large increase the year before. Europe seems likely to make comparable increases, and some nations already are moving in that direction.[45] However, because these increases are from relatively low starting points, it is hard to see how foreign aid alone could mobilize funding on the scale envisioned by the Copenhagen Accord. U.S. funding for climate change in 2010 will be approximately $1 billion. Thus, even if U.S. development assistance for climate increases 500% by 2020, it would represent a mere 5% of the funding promised developing nations in Copenhagen. Several European nations have been more serious about reaching their 0.7% of GDP foreign assistance pledge, but in a time of tight budgets this certainly does not mean additional increases will be easy. Total Official Development Assistance from the 15 primary EU donor nations reached $70.2 billion in 2008, meaning that the 2020 Copenhagen pledge would still require an approximately 30% overall increase in foreign assistance spending in real terms.[46] Foreign aid will be part of the solution, but not the silver bullet.

Even though politically unattractive, the United States and Europe need to think seriously about new mechanisms that would make the Copenhagen funding pledges real. The new High Level Panel on climate finance called for in the Copenhagen Accord may provide one means to analyze "outside the box" options, such as Special Drawing Rights in the International Monetary Fund, a new round of debt relief, or new fees on international transport sectors. It is unclear that any of these ideas will become major solutions to our financing woes for they all have political and other downsides. Regardless, climate finance needs to be at the top of the transatlantic agenda in 2010 and beyond, backed by a willingness to look at new and old ideas with fresh eyes.

Climate finance needs to be at the top of the transatlantic agenda in 2010 and beyond, backed by a willingness to look at new and old ideas with fresh eyes.

[43] Based on an allowance of 1.6 billion tons of offsets total from 2008–2020, assuming equal distribution per year and a $25 per ton carbon price. If Europe raises its target to 30 % below 1990 levels by 2020 it is expected to increase the allowable number of offsets and thus financing directed to developing nations. European Union (2008). *Questions and Answers on the revised EU Emissions Trading System.*

[44] Mainhardt-Gibbs, H. (2009). "World Bank Energy Sector Lending: Encouraging the World's Addiction to Fossil Fuels," Washington, DC: Bank Information Center.

[45] Lew, J.L. (2010). *President's Proposal for the FY 2011 State Department Budget*, Washington, DC.

[46] OECD (2009). "Development aid at its highest level ever in 2008,"(Paris, France: Organisation for Economic Co-operation and Development).

Europe and the United States should tie climate finances more to what countries do at home than to what they commit to internationally.

Pay-for-performance, not commitments

Ramping up international clean-energy cooperation through new climate financing, of course, would have implications for global climate talks. In the past, financial assistance has been seen by Europe and America as one of the few levers they have to convince developing nations to accept legally binding emissions mitigation commitments. However, as discussed previously, conditioning climate financing on negotiated commitments can be both self-defeating and ineffective. Emissions reductions are urgently needed and can be achieved now if funds are made available, with economic and security co-benefits for the United States, Europe, and the world. Moreover, new conditional offers of financial assistance are highly unlikely to convince China, India, and other major emitters to accept ideas they have rejected so consistently. Those nations are simply not interested in a strong multilateral climate protection regime. Making good on financial pledges without too many conditions relating to global climate talks is essential. The key here is to understand that doing so is not raising the white flag of surrender, but that helping to reduce the cost of climate action is a winning strategy for convincing developing nations to act even if those nations continue to resist international climate commitments. America and Europe should insist that emerging economies make good on the commitments they made in the Copenhagen Accord, but holding out for other elements of the original European vision for Copenhagen would be the wrong strategy. New funding would build trust with developing nations and help demonstrate that domestic climate action is affordable and consist with other development priorities, making climate talks easier down the road.

While Europe and the United States need to step back from holding climate funding hostage to unlikely progress toward a strong multilateral regime in the United Nations, conditionality (albeit of a different sort) should be maintained. The Atlantic partners should use new climate monies to encourage early leaders in the developing world and create incentives for more ambitious action by others. The key point is that conditionality should relate more to what countries do at home than to what they promise or commit to internationally. New funds should be made available after nations actually perform. Pay-for-performance approaches would ensure international monies produce real results, and this will make climate financing politically sustainable in donor nations. The United States and Europe should also require that developing nations eliminate trade barriers for clean technology (see below). There is no point in donors subsidizing clean energy if developing nations make it harder and more expensive than necessary to disseminate those technologies. Overall, the goal should be a "race to the top" dynamic where developing nations compete to attract available funding. This is the exact opposite of the consensus-based global negotiations where the outcome represents the lowest common denominator.

Integrate trade and climate

International trade policies must be harnessed to complement other areas of action. Trade represents the most important untapped opportunity to jumpstart climate action. Progress is essential in at least four areas.

First, nations need to phase out fossil fuel subsidies, as G20 nations pledged to do in 2009. At this point, even getting consistent, accurate estimates of the level and nature of subsidies in developed countries—let alone developing countries—remains a challenge. The federal government in the United States provided about $72 billion in fossil fuel subsidies from 2002–2008, compared to under $30

billion in subsidies for renewable energy.[47] EU-15 energy subsidies in 2001 were estimated at about $45 billion, with $8 billion for renewable energy.[48] The International Energy Agency found large developing country energy subsidies for consumers to be in the range of $300 billion per year in 2007, with a combined $60 billion from China and India alone.[49] Economic and environmental benefits of eliminating these subsidies are great—on the order of a 0.7% increase in GDP and 13% reduction in carbon dioxide emissions by 2050.[50]

Second, major emitters need to eliminate trade barriers to clean technologies. Recent research by the World Bank and the World Trade Organization found that the United States imposes tariff barriers on 32 of 43 identified clean technologies, and China imposes barriers on 41.[51] One recent analysis found that Europe and the United States have among the lowest average tariff rates on these 43 environmental goods and service, with average applied rates of 3% and 1.75%, respectively. Rates in Asia averaged 7.5%, Latin America 6%, and Africa 9%.[52] Climate technologies are not formally part of the current Doha round of trade talks, and with the talks stuck, trade ministers and advocates have resisted making the WTO agenda bigger and more complicated. However, the urgency of progress on climate means that a new initiative in this area is vital, whether in the WTO or among a smaller group of willing nations.

Third, Europe, the United States, and other developed nations need to actively promote clean energy exports. In his 2010 State of the Union address, President Obama called for a doubling of overall U.S. exports in the next five years, with clean technology a key component. The president's new National Export Initiative called for an increase in financing from the Export-Import Bank of the United States from $4 to $6 billion annually, with several billion spread across other programs and agencies.[53] While the market for environmental goods and services grew 20% from 2002 to 2007, the share of European and United States exports in key markets has remained steady or fallen. China has captured most of the increase by growing its market share of clean technologies in nearly every region of the world.[54] Reorienting existing funds to the clean technology sector is essential to preventing Europe and the United States from falling further behind in this race.

Finally, the United States and Europe need to explore the feasibility of elaborating rules for when unilateral border measures are permissible or warranted. Visible progress toward creating a system of border measures would give undecided members of Congress confidence that voting for climate legislation now would not harm U.S. economic interests. Serious international discussions of border measures might lead developing nations to increase the ambition of their mitigation actions or be more flexible in global climate talks. Climate-related border measures are the one thing they really fear. There is still uncertainty, however, about how to make border

Trade represents the most important untapped opportunity to jumpstart climate action… Europe and the United States need to actively promote clean energy exports and major emitters need to eliminate trade barriers to clean technologies.

[47] Adeyeye, A., Barrett, J., Diamond, J., Goldman, L., Pendergrass, J., and Schramm, D. (2009). *Estimating U.S. Government Subsidies to Energy Sources: 2002-2008*, (Washington, DC: Environmental Law Institute).

[48] European Environment Agency (2004). *Energy subsidies in the European Union: A brief overview*, Copenhagen, Denmark.

[49] Runnalls, D. (2009). *Achieving the G-20 Call to Phase Out Subsidies to Fossil Fuels*, Geneva, (Switzerland: Global Subsidies Initiative).

[50] Global Subsidies Initiative (2009). *Building Fossil-Fuel Subsidy Reform: Have we got all the blocks?*, Geneva, Switzerland.

[51] Price, D.M. (2009). "Free Trade, Green Trade," *The New York Times.*

[52] U.S. Senate Special Report (2009). *Major Opportunities and Challenges to U.S. Exports of Environmental Goods*, Washington, DC.

[53] Locke, G. (2010). *National Exports Initiative Remarks*, Washington, DC.

[54] U.S. Senate Special Report (2009).

Last year, European politicians asked President Obama to lead internationally, this year U.S. domestic action should be the priority.

measures WTO-compatible and how to design them to best achieve environmental objectives while minimizing adverse economic consequences. One recent study found that unilateral emissions cuts in Europe and the United States would have negative impacts on output and exports among energy-intensive manufacturing industries. With import tariffs and export rebates based on the carbon content of domestic production, these impacts could be lessened and even reversed so that output and exports increase.[55] Whether one believes border measures are essential, never appropriate, or something in between, one should agree that the rules of the road need to be clarified. Doing so would help avoid unilateral approaches that use climate change as a way to justify a return to protectionism, and be less likely to lead to a trade war.

Discussions about border measures could be initiated bilaterally as a U.S.-EU dialogue or multilaterally in the OECD. Because developing nations are vehemently opposed to any discussion on this issue, involving them via the UN, the WTO, or another global forum would prevent any real progress. There are those who warn that climate-related border measures might lead to retaliation by developing nations, which could have unanticipated economic consequences in the United States and even Europe. These risks are genuine but need to be balanced against the risks of inadequate climate action. Most discussions about border measures have looked at the former, but not the latter. That needs to change—America and Europe need to be at least as concerned about catastrophic climate change as they are about free trade.

The opportunities to promote climate action via international trade are enormous. Trade can help willing nations do more, in some cases without the need for new government appropriations. Trade can also help penalize nations that don't do enough to protect the climate, and that is also potentially useful.

Keep pressing for U.S. action

In no place is getting beyond climate negotiations and focusing on climate action more important than the United States. As was the case last year, the Obama administration and Europe must do everything possible to convince Congress to enact meaningful climate legislation as quickly as possible. While major obstacles exist in the Senate, the odds of success have never been better. Before last year, a climate bill had never made it through even one chamber of Congress. And because conservatives are expected to win in this fall's elections, the odds may not be this good for long. The next few months may prove decisive. Three keys to progress will be (i) securing presidential engagement with the Senate, (ii) convincing the public that climate policy will create jobs (and ensuring that it actually does), and (iii) recreating the type of international pressure that existed prior to Copenhagen. Europe can help with all three. The last of these is not the most important, but it matters nonetheless.

European leaders need to communicate directly to President Obama the vital importance of securing legislation in 2010. Last year, European politicians asked President Obama to lead internationally and to attend the Copenhagen conference. This year, U.S. domestic action needs to be the priority. In addition, European leaders need to meet directly with Senators, as Chancellor Merkel did in 2009. They must focus on the undecided, not the reliable champions, and they need to recruit new, more convincing messengers. Historically, most European governments have sent environment and climate ministers to

[55] Mattoo, A., Subramanian, A., van der Mensbrugghe, G., and He, J. (2009). *Reconciling Climate Change and Trade Policy*, (Washington, DC: The World Bank).

Washington. This is not enough or even the best way to influence Senators for whom climate change is primarily an economic, not environmental, issue. European finance, economic, and trade ministers, as well as business CEOs, must be enlisted to convince skeptical U.S. policymakers that climate legislation is affordable and that its economic impacts can be managed effectively.

The greatest burden of leadership, however, falls to President Obama and Senate leaders. He must find a way to make climate and energy legislation a reality despite a powerful and hostile conservative minority. They have a clear, realistic strategy: offering moderates and conservatives a chance to enact the energy security legislation those groups have sought for years—including offshore drilling, electricity grid modernization, nuclear power, clean coal, and safeguards for manufacturers and workers—provided they agree to meaningful climate controls. Instead of a climate bill with energy bells and whistles, the president and Senate leaders are rightly shifting to negotiating an energy security bill with climate measures. If they secure roughly eight conservatives, recruit a dozen moderates, and hold the roughly 40 Senators on the left (which will be tempted to reject this deal), such a bill would clear the Senate.

Implement the Copenhagen Accord

While directly promoting emission reduction actions must become the primary focus of U.S. and European climate foreign policy, it is essential to make the most out of what can be achieved through climate negotiations. The Copenhagen Accord was at once a profound disappointment and a major step forward. Wallowing in disappointment, however, serves no purpose. U.S. and European policymakers need to embrace the notion that the glass is half full. This has started to happen, with both leaders and climate negotiators on both sides of the Atlantic now emphasizing the progress that was made. In a recent letter, British Prime Minister Gordon Brown wrote that the Copenhagen Accord "represents important progress," and is "a turning point in the global battle to combat climate change."[56]

Implementation must be the goal, and as a practical matter this means two things. First, the transatlantic partners need to work through the United Nations—given that developing nations have made it clear there is no real alternative—to secure formal adoption of the principles reflected in the Copenhagen Accord. This may happen in 2010, or it could take years. Regardless, it will be worth the effort if meaningful provisions for transparency and international review create the basis for an accurate assessment of what nations are actually doing, and this facilitates a robust political dialogue about the adequacy of action. Not only is this progress essential to make the next decade of climate cooperation actually work, but also solutions developed now could form the building blocks of a stronger, more science-based regime down the road, recognizing that this evolution may take years or even decades.

The transatlantic partners need to work through the United Nations to secure formal adoption of the principles reflected in the Copenhagen Accord.

Second, and more importantly, Europe and the United States need to work with other donors to make good on concrete, short-term promises for assistance on technology cooperation, adaptation, and forests. In the Copenhagen Accord, Europe, the United States, and others promised $30 billion in financing by 2012. This commitment is different in nature from the much larger and longer-term financial pledge discussed above, partly because the $30 billion pledge (which amounts to $10 billion a year) can be achieved through traditional foreign assistance. Developed nations must deliver on this short-term financial pledge to have any chance of turning the Copenhagen Accord principles into

[56] Brown, G. (2010). *Letter to Dr Alan Williams MP*, London, U.K., http://www.number10.gov.uk/Page22323.

practical rules. Importantly, financing need not be confined to or occur primarily under the United Nations. Rather, the transatlantic parties should use all bilateral and multilateral mechanisms, including the MEF, the Asia-Pacific Partnership (which could be expanded to include Europe), export agencies, national development assistance programs, and international financial institutions such as the World Bank. Providing financing outside of the United Nations climate process would have many advantages, including eliminating the need to negotiate consensus rules for raising and distributing this new funding.

The transatlantic parties should use all bilateral and multilateral mechanisms to mobilize needed climate financing.

6 Conclusion

The biggest risk for effective transatlantic climate cooperation is that policymakers and thought leaders in Europe and the United States will choose to ignore the strategic implications from Copenhagen, however obvious they may be, simply because those implications are too depressing and politically difficult to accept. The worst thing the Atlantic partners could do now is to reaffirm old strategies with a new sense of patience. The chance of this happening is greatest in Europe because it is the most committed to the top-down strong multilateral solution that seems so sensible in theory but so unlikely in practice, and because some European politicians will see risk in moving away from established orthodoxies.

Yet, to protect the climate, a fundamental shift in thinking is essential. The most effective strategy would begin focusing, country-by-country, on advancing concrete mitigation actions that further broader sustainable development objectives. The keys to success for Europe and the United States in this new approach will be offering financial support on a pay-for-performance basis and aligning international trade policy with climate objectives.

Negotiating formal climate commitments via global talks must turn into an important but lesser priority, informed by realistic expectations about the extent and pace of likely progress. Moving from climate commitments to climate action is not without risk. Developing nations have opened the door, but this approach is untested.

Success will depend on political will around the world. For its part, Europe must lead in old and new ways. It must continue to reduce its own emissions and press the United States for domestic action while also finding for the first time the will to mobilize even larger international climate funds. Europe also must come to terms with the unfortunate truth that U.S. leadership—even in the age of Obama—is far from assured and that Europe must be prepared to continue leading alone. But the greatest responsibility lies with the United States. To whom much is given, much is expected. The United States must find the strength to act even if ideal approaches prove politically impossible. It must accept the reality that U.S. leadership is not only warranted but also essential to avoiding unacceptable risks of catastrophic climate change.

To protect the climate, a fundamental shift in thinking is essential. The worst thing the Atlantic partners could do now is to reaffirm old strategies with a new sense of patience.

7 Endnotes

Endnote: Explanation of national positions on mitigation in Figure 2:

China, India, South Africa: not willing to subject actions to a strong regime under any circumstances; not willing to negotiate its own mitigation actions internationally; not particularly concerned about making its level of mitigation consistent with a 50% reduction in global emissions by 2050.

Brazil: negotiating position the same as China, India, and South Africa (albeit less strenuously opposed to strong regime); domestic emission reduction goals consistent with 50% reduction in global emissions by 2050.

Korea, Mexico, Indonesia: willing to subject actions to international measurement, reporting, and verification; targets stronger than some other major economies but not internationally negotiated.

European Union: willing to accept strong regime, possibly unilaterally, and it is very important to their negotiating position; willing to change mitigation target to a relatively strong level of ambition on the basis of international negotiations.

United States, Canada, Russia: willing to accept strong regime, but only if all other major economies are bound by it, too; relatively weak conditional 2020 targets; not willing to increase 2020 mitigation based on international negotiations; willing to accept global goal of 50% emission reductions by 2050 with stronger mitigation by their economies.

Japan: willing to accept strong regime but only if all other major economies do as well; securing a strong regime does not appear to be a priority; willing to increase 2020 mitigation to an ambitious level based on international negotiations.

Australia: willing to accept strong regime, but only if all other major economies are bound by it; weak unconditional domestic 2020 target but willing to increase ambition based on science and international negotiations.

Small island states: strong preference for a strong mitigation regime based on science, but officially opposed to subjecting themselves to binding emission limits, particularly as they are not being asked to do so; concern about climate impacts would likely lead them to accept reasonable legally binding mitigation obligations in the context of others doing the same if necessary to secure global action.

Least developed countries: general preference for a strong mitigation regime based on science but officially opposed to subjecting themselves to binding emission limits, particularly as they are not being asked to do so; concern about climate impacts would likely lead them to accept reasonable legally binding mitigation obligations in the context of others doing the same if necessary to secure global action.

G|M|F OFFICES

Washington • Berlin • Bratislava • Paris
Brussels • Belgrade • Ankara • Bucharest

www.gmfus.org