



SHARED VISION: from general to precise



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Introduction

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The negotiations on a shared vision for long term cooperative action, perhaps, offers one of the best examples of the process wherein scientific knowledge interacts with political and economic realities. The scientific knowledge presented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the economic and political realities deeply embedded in the United Nations Framework Convention on Climate Change (UNFCCC) processes required a careful drafting of the paragraph 1(a) of the Bali Action Plan (BAP) which mandated the need for a shared vision. This shared vision is expected to be agreed upon in the Copenhagen summit in December 2009. After the Bali Conference, many countries as well as non-governmental organizations (NGOs) submitted proposals on what should be the content and nature of a shared vision. In this brief, we have tried to analyse and interpret the language of and issues covered within the debate on shared vision with a view to its implications for global governance. The emphasis here is on interpretation rather than details of the debate. Considering that developing countries are the most vulnerable to climate change and by extension they are also the most sensitive to implications of a shared vision, a positive developing country bias is integral to the analysis presented here. Therefore, the guiding question for the arguments in this brief is: how to make the future climate regime more inclusive of developing countries? The entry points from a developing country perspective are substantially based on the discussions on the subject held during the stakeholder consultation that TERI organized on 30 July 2009 in New Delhi.

Shared vision: mandate and interpretation

The mandate of shared vision is embedded in Para 1(a) of the BAP which calls for-

'a shared vision for long-term cooperative action, including a long-term global goal for emission reductions, to achieve the ultimate objective of the Convention, in accordance with the provisions and principles of the Convention, in particular to the principle of common but differentiated responsibilities (CBDR) and respective capabilities, and taking into account social and economic conditions and other relevant factors.'

Thus, the explicit mandate of the shared vision is to have Parties agree on a global emission reduction target and mode of cooperation to achieve it. As per Article 2 of the Convention, the achievement of a global emission reduction target has to '*be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.*' Therefore, mere agreement on a time bound global emission reduction target and its achievement is not enough, but an agreement on how it has to be achieved is a critical component of shared vision. This is categorically stated in the Decision CP.13.1, of the BAP, which calls for '*a comprehensive process to enable the full, effective and sustained implementation of the Convention*'. It can be argued, therefore, that the shared vision should also take cognizance of the challenges that block the full and effective implementation of the Convention.

The BAP also mentions '*technology*' and '*finance*' as key areas where cooperation among countries is a must to enable '*access*' as well as enhance '*capability*' for

taking appropriate adaptation and mitigation actions. This implies recognition of differential access to means and capabilities to address climate change of countries. In other words, it can be argued that the BAP envisages a 'shared vision' for long term cooperative action that should also aim at diminishing 'inequities in all aspects' with a provision of short to mid-term cushions for those who suffer due to prevailing 'inequities'. Thus the mandate of the shared vision goes much beyond arriving at emission reduction target and the strategy to achieve it and includes in its scope the principles that should set a process in motion towards diminishing inequities among countries.

Key issues and debates

The concept of 'environmental justice' in the context of climate change refers to an 'ethical analysis of strategies to eliminate unfair, unjust and inequitable conditions.... (and) to uncover the underlying assumptions that may contribute to and produce differential exposure and unequal protection'.

Shared vision cannot be seen in isolation from other elements of the BAP, that is, the four building blocks of mitigation, adaptation, technology development and transfer and finance. The key debates within the discourse on shared vision are concerned with these issues as well. In broad terms, the definition of 'fair allocation' is perhaps the single most important normative question that describes the current climate change debates.¹ The context, in which the 'fairness' has to be defined within climate change negotiations, ranges from allocation of rights to greenhouse gas (GHG) emissions among nations and generations to distribution of responsibilities to mitigate climate change among nations.² The fairness of international law is measured by the degree to which its rules satisfy the participants' expectations of a justifiable distribution of costs and benefits, and with what the participants perceive as the right process.³ Fair allocation of access to the environment among nations and generations and responsibilities towards protecting the environment is closely linked to the idea of 'environmental justice', which broadly refers to the 'distribution of environmental quality' and its impacts.⁴ The concept of 'environmental justice' in the context of climate change refers to an 'ethical analysis of strategies to eliminate unfair, unjust and inequitable conditions.... (and) to uncover the underlying assumptions that may contribute to and produce differential exposure and unequal protection'.⁵

The Parties have recognized the ethical essence of the climate question in so far that there is an agreement that the developed country Parties should take the lead and provide technological and financial support to developing countries. This recognition is embedded in the Principles of 'equity', 'common but differentiated responsibility' and 'respective capabilities' (Article 3.1). It is important to note that the Convention does not define the terms 'equity', 'responsibility' and 'capabilities', leaving it open for interpretation by the negotiators. Consequently, the Parties are to arrive at an agreed upon understanding of 'fairness' in global climate policy which satisfies an agreed interpretation of these terms through rounds of negotiations. As a result, there exist multiple criteria, answering 'equity of what' question in the climate change negotiation process including 'burden sharing', 'per

¹ Vanderheiden S. (ed). 2008. Political Theory and Global Climate Change, Cambridge: MIT Press.

² Raymond L. 2008. Allocating the Global Commons: Theory and Practice in Political Theory and Global Climate Change, edited by S Vanderheiden, pp.3-24, Cambridge: MIT Press.

³ Adamian M J. 2008. Environmental (In)justice in Change in Political Theory and Global Climate Change, pp. 67-88, edited by S Vanderheiden, Cambridge: MIT Press.

⁴ Low N. (ed). 1999. Global Ethics and Environment, London: Routledge.

⁵ Bullard R. 1999. Environmental Justice Challenges at Home and Abroad in Global Ethics and Environment, edited by N Low, pp. 33-46, London: Routledge.

capita emissions, *total emissions*, and so on.⁶ However, the Convention categorically requires developed countries to *'take the lead'* (Article 4.2.a), *'provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations'* (Article 4.3), *'assist'* vulnerable developing country Parties in meeting *'cost of adaptation'* to adverse effects of climate change (Article 4.4) and *'take all practicable steps to promote, facilitate and finance'* the transfer or access to environmentally sound technologies to developing country Parties (Article 4.5).

The challenge, however, is in terms of resolving the questions relating to implementation of these Principles. Subsequently, the prominent questions consistently causing impasse in climate change negotiations refer to emission reduction targets for developed countries; magnitude, source and mechanism of financial resource transfers; mode of technological support, including Intellectual Property Rights (IPR) issues; role of developing countries and ensuring compliance and accountability. The implicit assumption in these key questions is that if developed country parties achieve their emission reduction targets and adequate technological and financial support is provided in time to developing country parties in a transparent manner, it is possible to limit the global warming from causing irreversible damages. Moreover, it would enhance, in principle, a fair allocation of resources as well as inter- and intra-generational equity and thus enhance environmental justice. So far the question of environmental justice has been debated in the negotiations in following terms.

Short, mid and long term global emission reduction targets

In light of various scenarios presented by scientists, the level of emissions that could be allowed in the atmosphere at a given point of time has become a key question. The Parties have proposed either to set a limit on rise in global mean temperatures or on the GHGs concentration levels in the atmosphere. For temperature rise, two options are being negotiated: 1.5 °C and 2 °C. It appears, however, that a political consensus is emerging on 2 °C target as the political leaders at other forums than the UNFCCC, such as G8⁷ and Major Economies Forum (MEF)⁸ have already agreed to a 2 °C limit. The SIDS countries are insistent on 1.5 °C target. Correspondingly, for the limit to GHGs concentration levels in the atmosphere 350–450 CO₂e parts per million (PPM) are proposed.

Who should mitigate?

In order to achieve these targets Parties have also proposed that all Parties collectively reduce global emission levels ranging between 50% to 95% from 1990 levels by 2050.⁹ Some proposals also include mid-term and long term emission reduction targets for developed and developing countries. Developing countries, particularly India, are very keen on defining short-and mid-term emission reduction targets for developed countries on account of monitoring. These proposals assign developed countries an emission reduction target ranging from 25–45% below 1990 levels to be achieved by 2017 or 2020 and 75%–95% below 1990 levels by 2050. For

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⁶ Raymond L. 2008. Allocating the Global Commons: Theory and Practice in Political Theory and Global Climate Change, edited by S. Vanderheiden, pp.3–24, Cambridge: MIT Press.

⁷ <http://www.earthtimes.org/articles/show/276737,g8-leaders-see-2-degree-cap-to-climate-change--summary.html>

⁸ MEF Declaration, details available at <http://economictimes.indiatimes.com/News/Politics/Nation/India-has-not-abandoned-stand-on-climate-change-Manmohan/articleshow/4835951.cms>.

⁹ Some proposals do not mention base year.

developing countries, it is suggested that they deviate by 15%–30% from baseline by 2020 and 25% below 2000 level by 2050. It is important to emphasize here that these ‘negative emission rights’ are largely based on feasibility considerations (including technological breakthroughs) highly dependent on mathematical calculations with respect to an agreed limit on rise in global mean temperature.

Apparently there is a consensus emerging on reduction in global emissions by 50% by 2050¹⁰, yet the key questions of how much a country or a group of countries should reduce and whether developing countries should take binding emission reduction targets at all remain unresolved. An analysis of pledges that Annex I countries have made so far suggests that the aggregate Annex I pledges are way off the minimum necessary emission reduction required to remain within the 2 degree target.¹¹ This implies that Annex I countries are not willing to commit enough. Considering this, and referring to the fact that developed countries have not met their emission reduction targets under the first Kyoto commitment period, developing countries are reluctant to take any legally binding commitment. Moreover, social and economic development remains their overriding priority.

Mode of technological support

Developing countries point out that IPRs not only add to the cost of technology, but also make the process of technological capacity building difficult

Access to technology is seen as critical for a country’s ability to address climate change. It is generally agreed that most of the developing countries lack access to environmentally sound technologies and therefore there is a need for developed country support for capacity building and technology transfer. The debate is concerned about whether technology transfer should take place on commercial basis or should allow for building domestic technological capabilities. While developing countries insist on complete technology transfer, including know how and know why, developed countries prefer to keep it within the commercial technology transfer framework. Consequently the issue of IPR becomes critical. Developing countries point out that IPRs not only add to the cost of technology, but also make the process of technological capacity building difficult. Developed countries on the other hand strongly support the protection of IPRs on the grounds of promoting innovations. A closer look at the debate suggests that this debate may be primarily about maintaining economic hierarchy in global economic order. While developing countries, by way of building their own technological capabilities, want to break free from the dependence on developed countries for technology, besides becoming more competitive, developed countries want to maintain status quo.

Magnitude and mode of support to developing countries

While Parties agree in principle that developed countries should not only lead the way but also help developing countries in implementing their mitigation programmes, there is no clear consensus on its details. Agreeing on the magnitude of support is perhaps not the immediate mandate of the shared vision, but the nature and mode of support is critical. While developing countries demand new and additional public funding referring to historical debt that developed countries owe to the developing world, developed countries prefer the role of public funding to be limited to leveraging private funding and stimulating market based mechanisms. Apart from historical debt argument, the demand for public funding by developing countries is also rooted in the predictability concerns of

¹⁰ The G8 has agreed to 50% reductions in global GHG emissions by 2050 in principle but do not have any specified base year.

¹¹ Wagner F and M Amann. 2009. Analysis of the Proposals for GHG Reductions in 2020 Made by the UNFCCC Annex I Parties: Implications of the Economic Crisis. IIASA. November 2009. Details available at <<http://gains.iiasa.ac.at/Annex1.html>>.

The developing countries believe that developed countries can certainly devote more resources than they are currently proposing as some of them refer to the huge sums allocated to deal with the financial crisis

financial support that could be generated through market based mechanisms. This, however, does not imply that developing countries are in any way against market based approaches. Their concern with a market based approach is, perhaps, rooted in the fact that their immediate concern is building adaptive capacities of the poor and it is rather unpredictable to mobilize market forces to provide finances for this task. Therefore, they envisage the role of market as complementary to public sources of finance. Another reason why developing countries are suspicious of market based mechanisms is the perception that through market based approaches developed countries get the flexibility of not undertaking serious mitigation actions domestically and utilizing actions in developing countries to meet their emission reduction targets by way of paying for those actions. The mixed experience with the Clean Development Mechanism (CDM) in terms of technological and financial flows and mitigation activities also adds to their unease.

This doubt is further strengthened by the fact that voluntary financial pledges that developed countries have made so far fall substantially short of what various studies have estimated. While the pledges do not even add up to \$10 billion a year¹² many studies estimate the need to be in the range of \$100 billion. These studies have estimated the emission pathways and financial resources required for achieving mitigation and adaptation targets, including development and deployment of environmentally sound technologies. These estimates include an additional cost up to 1% of Global GDP by 2050,¹³ additional investment flows to developing countries between \$95–\$150 billion annually during 2010–2020,¹⁴ a partial estimate of resources needed for overcoming just some market barriers to technology transfer to be around \$1.9 billion in the next five years.¹⁵ Meyer, *et al.* (2009) suggest an estimate of financial commitments beginning with \$160 billion per annum of which \$55 billion would go directly towards mitigation and technology. These were starting numbers with expenses expected to increase past 2017.¹⁶ The developing countries believe that developed countries can certainly devote more resources than they are currently proposing as some of them refer to the huge sums allocated to deal with the financial crisis. This adds to the lack of trust that developing countries have in developed countries, doubting the willingness of developed countries to seriously take any actions and be accountable for their actions.

Accountability of efforts and commitments

The debate on the question of measurement, reporting and verification (MRV) is central to the complexity of negotiations. The Annex I Parties have fared rather poorly in terms of complying with their commitments and responsibilities, particularly the inadequate technological and financial support to developing

¹² <<http://thejakartaglobe.com/afp/eu-leaders-to-pledge-billions-in-climate-aid/346812>>

¹³ Stern Review. 2005. Executive Summary, p. xiii

¹⁴ Gerstetter C and Marcellino D. 2009. **The Current proposals on the Transfer of Climate Technology in the International Climate Negotiations: An Assessment**. Washington DC: Ecologic Institute. Details available at <<http://ecologic.eu/2998>>

¹⁵ UNFCCC. 2009. P-37–38. Details available at <http://unfccc.int/resource/docs/2008/smsn/igo/027.pdf>.

¹⁶ Meyer, A. *et al.*, (2009). 'A Copenhagen Climate Treaty Version 1.0: A Proposal for a Copenhagen Agreement by Members of the NGO Community' <<http://unfccc.int/resource/docs/2009/smsn/ngo/157.pdf>>

countries. Consequently developing countries want the shared vision to ensure that the provision for developed country support for adaptation as well as nationally appropriate mitigation actions (NAMAs) in developing countries to be MRVable. A particular emphasis here is on ensuring the adequacy, timeliness and predictability of financial flows. To make these provisions MRVable, it is suggested that it could be done through the provisions of technology cooperation and transfer, capacity building, financial resources and compensation. Developed countries, on the other hand, have proposed in their submissions and during negotiations that developing country actions should also be subject to MRV. While developing countries are not as such against MRV of their domestic actions, they do not agree with the idea of MRV for non-supported domestic actions. On the whole there are two aspects that drive the debate on MRV. First, there is a lack of trust among Parties, and second, in the absence of MRVed actions it becomes difficult to track whether a country is complying with its commitments or not.

The challenges and way forward

At the root of the debate on the issues discussed above is the burden sharing principle. Accepting emission reduction targets has cost implications. Larger the emission reductions target, higher is the cost of its achievement. Similarly, financial support to developing countries, in particular support to India and China is seen as counterproductive by many developed countries for they are, shortsightedly, seen as competitors in the global market. Clearly diverse national economic interests drive the impasse in climate change negotiations. Apart from lack of trust among countries, which is characteristic of all international negotiations, further complication and uncertainty is added by visible differences in capabilities owing to different levels of economic development and diverse resource endowments. In an open economy world, the absence of additional and adequate financial support, makes the less capable countries apprehensive of competitiveness impact of any strong action they might consider taking. Considering that developed countries too are cautious about competitiveness issues, for example, the argument for the sectoral approaches, it is not surprising that developing countries are protective of their economic interests. This, in more than one way, gives a different meaning to 'lack of trust' in the context of climate change altogether: countries, particularly the less capable ones, are unsure of themselves in terms of taking bold measures and protecting themselves from potential negative impacts. It appears logical to argue, then, that a shared vision's essence lies in elements which build trust as well as capabilities.

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We propose that in a bid to deal with the impasse, it would probably be worth devoting effort to rearticulate 'interests' in a more universal language. We presume, that once the 'interests' are seen from a universal perspective, the meaning of capabilities, in terms of what is required to fulfil those interests, would also change yet be inclusive of the existing differences. Such an approach, arguably, could form the basis of a stronger cooperation among countries in pursuit of universal 'interest' addressing diverse capability enhancement requirements. We understand, however, that the claim of universality in an extremely diverse reality could only be normative. The challenge, then, would be to translate the 'normative' into 'quantifiable' for the key objective of any climate regime is the stabilization of GHG concentration levels in the atmosphere at a comfortable level. In our opinion, the essence of climate challenge and of a shared vision on long-term cooperative action is implementation of the agreed normative foundations of the Convention. A look at the Convention principles from this vantage point gives us two sets of entry points to shared vision. The first, set of principles, inter- and intra-generational

equity, right to sustainable development and cooperation has normative operational implications. The second set of principles – CBDR, respective capabilities, historical responsibility and so on – underlines the existing differences with quantitative operational implications. Currently, the negotiations are driven by the second set of principles, even though the essence of climate change is, arguably, more aptly captured in first set of principles. In our opinion,

- The prominent position of second set of principles is visibly due to difference in countries' capabilities. In our opinion, however, the lack of enough explication of the first set of principles with a view of implementing them also provides space for the second set of principles to come to fore.
- While principles of CBDR and respective capabilities do encompass the idea of 'equity' we believe that it leaves the question of 'equity of what' unresolved, which leads to multiple interpretations of these principles causing impasse in negotiations. An elaboration on how to measure inter- and intra-generational equity would probably have helped in resolving these debates.
- A clear articulation of criteria to assess what elements enhance right to sustainable development would have set clear boundaries for what could be expected from different Parties and how they should cooperate. This would also have given a more concrete meaning to the principle of CBDR and respective capabilities.

It is our contention, therefore, that

- A more detailed articulation of the first set of principles with a view to implementing them would not only allow incorporation of the second set of principles but may also provide a more agreeable basis for long-term cooperative action. In other words, the abstraction of the Convention objectives into a long-term global emission reduction target and flow of technology and finance to achieve that is not enough.
- A more rigorous and elaborate set of parameters needs to be developed which primarily focuses on the principle of inter- and intra-generational equity, right to sustainable development and cooperation.
- Considering that the question of equity is rather philosophical and might be difficult to develop implementable parameters, it might be advisable that cooperation towards realization of right to sustainable development is taken as an entry point.

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