

Beyond Copenhagen: what role for Asia?

The Copenhagen summit on climate change brought Asia's major economies China and India to the forefront of negotiations, underlining their essential role in dealing with this global challenge. Despite, or perhaps rather because of their participation, the resulting Copenhagen Accord lacked progress on almost all fronts. However, the engagement of Asia and China in particular, remains critical for the success of any international regime on climate change.

Bram Buijs

THE END OF 2009 saw the biggest climate change summit to date, but left behind few results and many doubts about whether a global governance framework to deal with the issue can ever be organised successfully. What was originally designed to yield an important 'as-conclusive-as-possible' follow-up treaty to the Kyoto Protocol, brought forth a three-page statement omitting many of the most crucial issues. It was clear from the outset that the position of the US made the original objective – a legally binding treaty – impossible. At the Asia Pacific Economic Cooperation forum in Singapore in November 2009, President Obama acknowledged as much when he endorsed a 'one agreement, two step approach'. Yet despite these lowered expectations, no political agreement could be reached on what would need to be confirmed by a binding treaty, for instance at the COP-16 meeting in Mexico in November 2010.

The Copenhagen Accord

The only explicitly quantified goal in the Copenhagen Accord is the long term commitment to keeping a global temperature increase below two degrees Celsius. This reaffirms the critical threshold presented by the Intergovernmental Panel on Climate Change (IPCC). However, it lacks the vital step of translating this into global emission reduction goals, both medium- and long term, let alone affirming a rough 'burden-sharing' of required reductions between developed and developing countries. To put this in perspective, it is worth recalling the G8 summit in Italy in July 2009 which elicited an agreement on a long term goal of reducing global greenhouse gas emissions by 50% by 2050, with an 80% reduction objective for developed countries.¹ Furthermore, at a side meeting of that summit, 17 nations including Brazil, China, India, South Africa and the G8 had already agreed on the two degrees threshold; so in this regard the Copenhagen Accord yielded little progress. While a common goal in the United Nations Framework Convention on Climate Change (UNFCCC) arena has stronger authority and support than the G8 pledges, the Copenhagen Accord was not unanimously endorsed but merely 'noted' by the General Assembly of the Parties to the Convention. One of the most fundamental issues still to be resolved is the role of the Kyoto Protocol in a future international climate change regime, a major point of dispute between the US and the major developing countries. Whether the Accord provides enough common ground to make it a significant starting point for a new international framework on climate change remains very doubtful.

On the positive side, many countries announced national emission reduction targets in the run-up to Copenhagen. Pledges from both developing and developed countries, have now been officially appended to the Accord and considerable financial support was promised to the most vulnerable developing countries. However, illustrating the failure of Copenhagen from a 'climate' perspective, none of the major parties present increased their reduction targets in the course of the negotiations.

Asia's increasing prominence in the climate change debate

It became clear in Copenhagen that Asia has arrived at the forefront of climate change negotiations. Whereas the negotiations on the Kyoto Protocol revolved mainly around striking an agreement between the European Union and the US, together with other developed countries, the COP-15 summit saw China and India, Asia's biggest emerging economies, around the table with the US, Brazil and South Africa engaged in last-minute negotiations. It reflects the importance of Asia in addressing climate change, as the predominant share of growth in emissions will take place there, with the main drivers being the continuing economic development and rising welfare levels in China and India.

It became clear in Copenhagen that Asia has arrived at the forefront of climate change negotiations.

Consequently, any solution to the climate change challenge must lie in Asia. With China and India accounting for more than one-third of the world's population and growing fast economically, their increasing energy consumption and carbon footprint pose a major challenge to international energy markets and the climate alike. Per capita energy consumption and emission levels are still far below Western levels, signifying that there is still a staggering potential for further growth.³ As an example, if all Chinese would have the same per capita oil consumption as the US, today's complete world oil production (about 85 million barrels per day) would be required just to satisfy China's needs.

A crucial factor contributing to the rapid rise of emissions from China and India, is their reliance on coal. Coal is the most carbon-intensive fossil fuel, releasing about double the amount of carbon dioxide when combusted compared to natural gas. Unfortunately, it is also the most widely available and cheapest of all fossil fuels: China and India have the third- and fifth-largest proven reserves of coal, respectively. As a whole, Asia is projected to account for 97% of all incremental consumption of coal globally up to 2030, with China accounting for 65% and India for 20%.

As a consequence, projections indicate that Chinese energy-related carbon dioxide emissions will nearly double by 2030, while India's emissions will come close to tripling. The share of these two countries in global annual emissions has risen from 14% in 1990 to about 25% now, and is expected to rise to 37% in 2030, with China accounting for 29% and India for 8%.⁴ Considering that global emissions should start falling before 2020 in order to have a decent chance of limiting the temperature increase to two degrees, this growth in emissions will be very hard to accommodate. While part of these rising emissions might be compensated by declining emissions in developed countries, action must be taken in developing countries as well in order to have any chance of meeting a two degree scenario.

China, India and other developing economies offer huge opportunities for mitigating emissions as they are still in the process of development. Since much of the energy-consuming infrastructure – e.g. power plants, cars and buildings – is not yet in place, there is still a chance of shifting towards a more low-carbon developmental pathway. According to some studies, China would be able to reduce its emissions by nearly 50% by 2030 if it would vigorously deploy low-carbon technology options currently available, such as power generation from renewable energy sources, electric cars and energy-efficient buildings. The speed of starting implementation is crucial however, with 30% of the mitigation potential already lost after a five year delay.⁵

Yet for both China and India economic development is currently the absolute priority. China, wary of being lured into future restrictions, reportedly played a critical role in eliminating suggested global emissions reduction targets from the Copenhagen Accord. Moreover, a mention of 2010 as the deadline for a legally binding treaty was also removed.

Carbon intensity targets and a way forward

In spite of their conservative behaviour at Copenhagen, China and India both took an unprecedented initiative by declaring *carbon intensity* targets, indicating how much they would lower greenhouse gas emissions relative to the size of their economy. Even though both targets are not overly ambitious, they do signal an important step forward.



In recent years, China in particular gained much acclaim for its progressive policies promoting renewable energy sources and increasing energy efficiency. China is already the largest generator of power derived from renewable energy sources. It has the largest installed capacity for hydropower, and is the world's biggest growth market for wind energy and nuclear power. These measures improve China's energy security and reduce environmental problems arising from coal use, but there is also a clear strategic economic perspective to this Chinese energy policy. Chinese companies are among the world's largest manufacturers of solar panels and a great number of Chinese wind turbine manufacturers have sprung up and started looking at sales possibilities abroad. The Indian wind energy company Suzlon is already a significant global player. Furthermore, research and development is being scaled up in the field of electric cars, cleaner coal technology and carbon capture and storage techniques.

These trends have the potential to contribute significantly to the global transition to a more sustainable energy system and are to be cherished. Yet, how these will develop and what will be the political reaction in Europe and the US as international competition in low-carbon industry sectors becomes fierce, is another key question for the future of international climate change and energy policy. In order to stimulate the development and deployment of low-carbon technologies worldwide, while countering issues concerning economic competitiveness, some kind of global climate change regime remains essential. In the case that further UN summits do not yield results, it will become necessary to look at different cooperation systems, in order to secure an environment encouraging economies to pursue a low carbon-growth strategy. Given its crucial position in the climate change debate, one thing is clear: regardless of the future format of such a regime, Asia must be part of the solution.

Bram Buijs
Clingendael International Energy Programme
The Hague
The Netherlands

See www.clingendael.nl/ciep
 for CIEP research papers,
 including the CIEP Energy Paper
 'China, Copenhagen and Beyond'

Notes

1. The G8 consists of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States. G8 Italy 2009, *Chair's Summary*: http://www.g8italia2009.it/static/G8_Allegato/Chair_Summary.1.pdf.
2. G8 Summit Italy, 2009. Declaration of the Leaders of the Major Economies Forum on Energy and Climate: http://www.g8italia2009.it/static/G8_Allegato/MEF_Declaration.pdf.
3. Per capita emissions for China stand at about half of the OECD average, for India at one-tenth.
4. All carbon dioxide emissions and coal consumption statistics and projections are based upon the International Energy Agency's *World Energy Outlook 2009*.
5. See McKinsey&Company, 'China's Green Revolution', 2009, and Clingendael International Energy Programme, 'China, Copenhagen and Beyond', 2009.