

Hope rises from fiasco

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New opportunities could leaven the disappointing aspects of Copenhagen.

THE United Nations meeting on climate change at Copenhagen was a fiasco. But the several months of intense discussion among leading economies that culminated in the Obama Accord in Copenhagen at the weekend was not. These months have changed the context of international co-operation on climate change. It is worth taking some time to understand the change and its implications of what might be made to happen next.

First, the fiasco. It has been clear from the beginning that the Copenhagen meeting was never going to deliver a more ambitious objective than reasonable prospects of holding warming to 2 degrees; it has been clear at least for several months that it was not going to deliver binding targets from the major countries. The public distress at the disappointment of such unattainable expectations was all part of the colour of 40,000 people, and leaders and camp followers of hundreds of NGOs, congregating in one place at one time.

Copenhagen was not predestined to be quite such a fiasco. No one quite predicted the long diversion led by Tuvalu. No one quite predicted the extent of noise from the one-man band from Sudan with international vocal accompaniment. The diversion and extra noise have probably ensured that there will never again be such a meeting, attended by heads of government of most of the serious countries. That is no bad thing for climate change mitigation.

There is now general support among governments on an objective of holding carbon dioxide in the atmosphere to concentrations that provide reasonable prospects of holding temperature increase within 2 degrees of pre-industrial levels. In the currency used in the Climate Change Review, which I undertook last year for the Federal Government, that equates to 450 parts per million (ppm) of carbon dioxide equivalent. If that really were a global goal, Australia's proportionate part in achieving the outcome would require reductions on 2000 emissions of 25 per cent by 2020 and 90 per cent by 2050. That's new. Only two-and-a-bit years ago, the Stern Review said that 550 ppm was the most ambitious target that was achievable.

The major developing countries have indicated that they will adopt measures to reduce emissions levels substantially below business as usual, from now, or in China's case from 2005. In the crucial case of China, leaders have said the emissions intensity of output would be reduced by 40 to 45 per cent below 2005 levels by 2020. What is more, China is already making rapid progress towards that goal. That's new.

The Garnaut Review introduced into the international discourse the then radical proposition that China would have to reduce emissions by 10 per cent below business as usual by 2020 for the world to have any chance of reaching the 450 ppm objective. Attainment of China's stated objective would reduce its emissions by much more than required by the review's arithmetic.

India, Indonesia, South Africa and Brazil have also said they will take substantial steps in mitigation. So have Singapore and Korea — other countries that had not been expected to contribute substantially to global mitigation under the Kyoto Protocol and its follow-up in Bali.

There is now wide support among developed countries for substantial transfers to developing countries for

climate change mitigation and adaptation — seen in earlier United Nations negotiations as preconditions for an ambitious global agreement. This is new — and the commitment to commence the transfers before 2013 newer still.

Of course, some of the change is badly aligned with the hopes of a supporter of strong mitigation. None of these developing and newly industrialised countries have made internationally binding commitments. Nor has the United States — still not bound by ratification of the Kyoto Protocol. And the US's commitment is far weaker than would be required if the world's largest economy, and one of its richest in per capita terms, were to contribute its proportionate part to an ambitious global mitigation effort. The commitments from the US and the major developing economies are not in forms that would trigger commitments from the most ambitious ends of the ranges specified by the European Union, Australia and other developed countries. And yet it is the most ambitious ends of the ranges that would be Europe's and Australia's proportionate commitment to an ambitious global mitigation effort.

The non-binding character of the commitments from the US and the major developing countries has other consequences. It does not provide a firm basis for environmentally and economically efficient trade in emissions entitlements, which can substantially reduce the costs of mitigation — and therefore influence what is eventually judged to be attainable in the way of ambitious mitigation.

The Obama accord leaves lots of questions. What are the prospects for turning domestic into binding international commitments in the major developing countries? What are the prospects for the US Government being able to deliver into law its general commitments — let alone more ambitious but for the time being unattainable goals? Are there alternative ways of giving countries enough assurance that others will be pulling their weight, to bring forward offers from the most ambitious ends of the spectrums that countries are prepared to contemplate? Are there means of achieving gains from international trade in entitlements without binding commitments to targets?

The international context of co-operation on climate change mitigation has been changed by the Obama accord. It will take some time to work through the implications, which are not all bad for mitigation. Some are very good.

Let us react carefully and in a measured way to the fiasco at Copenhagen, so that we make the best use of the opportunities in the new context.