

**NEW INTERNATIONAL CONTEXT OF
CLIMATE CHANGE POLICY**

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Human-induced climate change is a global problem, and the only solutions are global. Effective climate change mitigation requires large contributions from all substantial economies. And yet each economy from a narrowly national viewpoint is likely to be better off economically if it contributes less rather than more to an effective global effort.

The incentives for unilateral action are mostly negative, making a global mitigation agreement more difficult than multilateral negotiations to remove barriers to trade, or to control the accumulation of military capacity. This is the central reason why I described climate change mitigation as a diabolical policy problem in the Garnaut Climate Change Review (henceforth “the Review”).

Climate change mitigation embodies the prisoners’ dilemma of games theory. The formal theory suggests that communication leading to agreement on the division of benefits from cooperation is essential for a successful outcome. What is required is agreement amongst all substantial economies on the contribution that each will make to the reduction of emissions, and to side payments to induce some developing countries to contribute more than they would otherwise be willing to do.

I should quickly add a caution about pushing the formal logic of the prisoners’ dilemma too far. All countries have a strong interest in effective global mitigation of climate change, and the action or inaction of one affects the policies of others, and this affects the calculus of costs and benefits of early action. It happens that Australia has the strongest interest in effective action amongst all developed countries, so these considerations are especially relevant in this country. For all but the largest economies, national mitigation is important to the extent that it influences the behaviour of others.

In some areas of international affairs, it is common to volunteer contributions to the collective good, without calculations of whether the benefits of others’ action could be secured even if the home country made no or minimal contribution. If the objective is recognised as being good, a small country will not usually seek to shirk all participation on grounds that it benefits more from a narrowly national point of view if it free rides on others. In the debate on Afghanistan in the House of Representatives last week, some voices argued that the United Nations’ continuation of the war did not serve a good purpose. None argued that the cause was good, but that Australia could receive the benefits of the war without the costs if it withdrew and rode free on the efforts of others. We are used to thinking of international relations in this way, so that it is not altogether

surprising that Australian instincts move us towards doing our proportionate part in an international effort, even if it might cost us less if we did nothing.

Nevertheless, there is no challenge in international relations with a higher degree of difficulty than the mitigation of the effects of climate change. The international community has been crashing on other issues with much lower degrees of difficulty.

There has been a recent tendency for supporters of effective global mitigation to argue away the prisoners' dilemma completely: to note that there are economic gains to countries which move first and by implication alone in reducing emissions, which justify such action. There are some economic benefits in moving first and alone in some circumstances. But there are likely to be net benefits only in a particular set of circumstances. Net benefits from acting before there is widespread international action require an expectation that at least some major economies will be undertaking strong mitigation. In these circumstances, it is reasonable to presume that there will be pressures for others to conform, so that latecomers carry excessive costs from having to undertake structural change more rapidly, or face discrimination in international trade; or else the early movement of others captures most of the first mover advantages in producing goods and services embodying low emissions technologies. Such possible benefits from early action have to be weighed against the direct costs. At the moment, others have moved far enough readily to justify a substantial effort on Australia's part.

Enough of the prisoners' dilemma survives to make explicit agreements on cooperation an important element in effective global action to achieve strong mitigation objectives. The resolution of the prisoners' dilemma to allow an optimally large mitigation outcome remains the central task of an international agreement.

Chapters 7, 8 and 9 of the Review defines the essential elements of an effective international agreement. There has to be agreement on three things.

The first is the mitigation objective, agreement on which defines the total amount of carbon dioxide equivalent that could be emitted into the atmosphere over a specified period of time—an emissions budget. The Review suggests that it is in Australia's national interest to seek an objective of emissions concentrations in the atmosphere of 450ppm or lower—roughly equivalent to having a reasonable chance of holding average temperature increases to about 2 degrees Celsius above pre-industrial levels. The Review discusses a time path for slowing emissions growth that is consistent with the budget.

The second is a set of principles for allocating the derived “emissions budget” amongst countries, and arrangements for monitoring and enforcing compliance. The allocation principles need to be seen as being fair by all countries that are required to be part of an international agreement. The unambiguous allocation across countries of the budget of greenhouse gas emissions removes the market failure associated with the external costs of emissions-intensive economic activity. The Review takes the view that no agreement on the allocations is likely unless it is based on eventual convergence towards equal per capita entitlements.

The third is required to remove the market failure associated with externalities in research, development and commercialisation of new low-emissions technologies. There will be too little private investment in innovation in low-emissions technologies in the absence of public support for such activity, because the innovator can capture only part of the benefit of her investment. The externalities operate at national as well as firm levels. The Review suggests that all developed countries should commit a minimum amount of public investment in innovation based on income levels and size to support of innovation in low-emissions technologies.

The Review notes the importance of some other elements of international agreement that are in the nature of “side payments” to encourage participation of developing countries. These include developed country commitments to fund adaptation to climate change and use of low-emissions technologies in developing countries. The side payments are important because of developing countries’ lesser capacity to carry costs of mitigation, and in recognition of the historical reality, that earlier economic growth in high-income countries has depleted the major part of the atmosphere’s capacity to absorb greenhouse gases without dangerous climate change.

There are some additional requirements of an international agreement that minimises the economic cost of achieving a specified mitigation objective. Wide international differences in the cost of reducing emissions across countries mean that the cost of mitigation would be substantially lower if there were open international trade in entitlements. Participation in international trade can also greatly increase incentives for lower income developing countries to embark upon strong mitigation. Rules for trade are therefore important subsidiary elements in an international agreement. Ideally, most substantial countries would participate in trade, leading to similar entitlements prices in most countries. Clear and binding targets—whatever the principles from which they are derived—are the necessary condition for efficient international trade in entitlements.

How to reach agreement across this large agenda, when so many countries with such diverse interests have to be part of the solution, and when each has incentives to do less than its share?

The Review refers to a possible saving grace within the diabolical problem. Substantial proportions of people in each country—with varying strength, but in all countries to a surprising extent—support their own country taking substantial action on climate change in the absence of comprehensive and binding international agreement. There is more support for action on climate change in Australia, for example, than on any of the policy reforms involving major structural change in the economy over the past quarter of a century. It turns out that the saving grace has had considerable power over the past year, not least in Australia.

The effort to build an international agreement for effective climate change mitigation began at a conference sponsored at Rio de Janeiro in 1992, within a Framework Convention on Climate Change (UNFCCC). This led to an agreement in Kyoto in 1997 on a set of reductions in emissions in developed and transitional countries in the period to 2012. It was accepted at Rio de Janeiro and Kyoto that developing countries would join the mitigation effort with strong commitments once progress had been demonstrated by developed countries. Developed countries were to provide developing countries with funding for application of low emissions technologies, and for the developing countries' adaptation to the effects of climate change. Developing countries were to contribute to a global mitigation effort, within a framework of "differentiated" treatment. The Conference of the Parties within the UNFCCC met in Bali in 2007 to define a way towards a follow-on to Kyoto on mitigation and related issues. This would be preparatory to a meeting at Copenhagen in 2009 which, it was hoped, would define a mitigation agreement for the period after the conclusion of the expiry of the Kyoto commitments at the end of 2012.

The approach to international agreement developed by the UNFCCC covered many of the matters that would have to be part of an effective global agreement. However, the Rio-Kyoto-Bali approach to mitigation was overwhelmed by two developments. First, developed countries were slow to implement the commitments that they had made to constrain emissions (and two of them, the United States and Australia, announced in 2001 that they would not ratify the agreement to which they had been parties in Kyoto). Second, the large developing countries entered a period of stronger growth in the early twenty first century—the period that I have called the Platinum Age—in which the higher growth was much more energy-intensive, and energy much more emissions-intensive, than had been (unreasonably) anticipated in the 1990s. It was a contribution of the Review to the international discussion, to highlight these

awful realities of the Platinum Age. There were two corollaries for climate policy. First, the global emissions budget defined by a strong (450ppm or tighter) mitigation objective would require far larger reductions in emissions in all developed countries than had previously been anticipated (in the order of 90 percent, compared with around 60 percent from 2000 levels by 2050). Second, about 90 percent of emissions growth under business as usual to 2030 would come from developing countries; it would not be possible to achieve strong mitigation objectives whatever developed countries might do, unless there were an almost immediate slowing of emissions growth in China below business as usual, followed before too long by slowing in other large developing countries.

So the international community had added a new layer of difficulty to what was already a diabolical policy problem. It agreed—with the developed countries central to the agreement—that developing countries would not be required to make binding commitments to emissions constraints for a period after the expiry of the Kyoto commitments at the end of 2012. This contradicted the reality, that strong mitigation targets could not be reached without major mitigation efforts from China, and soon after from other major developing countries.

This new layer of complexity was in itself enough to make it inevitable that the Copenhagen meeting of the UNFCCC would fail to reach a binding international agreement that could achieve strong mitigation outcomes.

I will come back to Copenhagen. But first, it would be useful to say something about the wider context of international relations one decade into the Platinum Age, and in the aftermath of the Great Crash of 2008.

The Rio and Kyoto conferences had been convened during the world's brief unipolar moment. The collapse of the Soviet Union had placed the political ideologies, the institutions and the power of the developed capitalist democracies, first of all the United States, in an overwhelmingly dominant position. Fukuyama's *The End of History and the last Man* was a best seller in the United States and influential everywhere. It was possible for the Rio-Kyoto climate change regime to embody the conceptual framework of a self-confident developed world, while accommodating generously the perceptions and expressed interests of major developing countries.

The Platinum Age of accelerated growth in the large developing countries changed the context of all international relations. Large differentials in growth rates were shifting global economic weight towards the developing and away from the established developed countries. With the passing of time, this was bound to be associated with a shift in strategic weight towards the large developing countries, first of all China. Sooner or later, these developments would bring to an end the world's unipolar moment, and put in its place an

international regime within which the United States and the European Union shared global leadership with at least China and India. The Platinum Age would take us into a world in which none of the big international issues would be settled unless at least China and India as well as the United States and the European Union accepted the terms of settlement.

Sooner or later became sooner with the Great Crash of 2008. The Great Crash left a legacy in the United States and Western Europe of greatly diminished growth prospects for a long way into the future. It hardly affected at all the growth trajectories of China and other large developing countries. It accelerated the shift of economic and strategic weight to China and the large developing countries.

Internal developments in China are contributing to the acceleration in the rate of change in the global economic and strategic balance. In the years immediately preceding the Great Crash, from about 2004, there were indications that China had entered the “turning point” in economic development. The absolute increase in demand for labour had been rising each year, while the annual addition to the labour force was falling. Labour was becoming increasingly scarce, and real wages were beginning to rise strongly. Resources were moving out of simple, labour-intensive into increasingly technologically complex and capital-intensive production. From 2005 to 2008, the real exchange rate appreciation associated with the increase in real wages caused the international purchasing power of Chinese relative to United States output to rise about twice as rapidly as the differences in national growth rates would suggest.

The acceleration of China’s “catching up” with the United States was briefly interrupted by the Great Crash (Garnaut with Llewellyn Smith, 2009). From October 2008 until some time in the first quarter of 2009, Chinese industrial production and trade fell more sharply than in most developed countries. The short term check to growth was brought quickly to an end by a huge fiscal and monetary expansion—the largest Keynesian response to recessionary pressures ever to be applied in any country. By the middle of 2009, output was expanding at pre-Crash rates. Since then, China has been back on a trajectory of sustained rapid economic growth, rising real wages, and structural change to reflect the intensifying scarcity of labour. It has been back on a track of Chinese international purchasing power catching up relative to United States international purchasing power, at around twice the rate that would be expected from differentials in output growth. Chinese relative to United States production value, both valued at international purchasing power, is doubling about every four years.

The Chinese story of growth and structural change and its quick resumption after the Great Crash is the most powerful and influential in the developing world. But the story of well-established rapid economic growth based on deepening integration into international markets, briefly interrupted during but quickly restored after the Great Crash, is present in other large developing countries. It is present in the next most populous after China of the developing countries—India and Indonesia.

The Great Crash has accelerated movement from a global economy and polity dominated by the old developed world, especially the United States, to a multipolar world in which the assent of the big developing countries is essential to any successful international cooperation. This affects every important area of international relations in which cooperation amongst States is required. It affects international negotiations to promote more liberal trade, and to constrain nuclear arms proliferation. It affects climate change. The Copenhagen Conference of the parties within the framework convention on climate change was an early major test of the world's capacity to manage international affairs within the changing distribution of global economic and strategic weight.

The shift in economic and strategic weight after the Great Crash has been occurring more rapidly than our capacity to think through its implications for the system of relations between States, and to develop the new ideas and to implement the institutional reforms that are necessary to allow international relations to work within the new power structures.

The emerging international system will only work if major decisions on international cooperation are made with the support of the new great powers (China and India, and on some issues affecting their interests Indonesia and others) as well as the old (especially the United States, but also an increasingly if inconsistently integrated European Union). On economic matters, the new power realities have been institutionalised on economic matters through the financial crisis and its aftermath by the G20 supplanting the G8 as the primary locus of discussion of international cooperation. The world is still groping towards workable arrangements in other spheres. Copenhagen was part of the groping.

The Copenhagen Conference of the Parties was a diplomatic fiasco. On substance, it failed in what had once been seen as its main objective—to develop a binding agreement on a clearly defined set of commitments to mitigation. It was clear from early 2009 that such an agreement was beyond reach, although the failure of participants in the conference to express that reality when it first emerged contributed to the salvaging a different sort of outcome that nevertheless has value.

The Copenhagen conference built a strong objective into the Copenhagen Accord—to hold likely temperature increases to 2 degrees centigrade. But there was no agreement on how this necessary but demanding target could be reached.

China and the other large developing countries resisted any suggestion that they should enter a binding agreement. In this, they were simply standing by what had been agreed in earlier United Nations meetings. While China's rejection of a binding commitment was within the letter of previous agreements on the matter, the continued expectation that they need not go further made it impossible to secure binding commitments from some developed countries, notably the United States. In any case, it was not certain that the United States administration would be in a position to enact the proposals necessary to implement a strong emissions reduction commitment should its hand be called by China and other developing countries. In this sense, the stalemate over binding commitments suited the domestic policy circumstances of the United States.

The Copenhagen Accord suited the political circumstances of the United States and the large developing countries, and would not have been reached if it had not done so. Within the wider fiasco, its emergence required a high order of diplomatic dexterity, in which the President of the United States played a leading role.

The absence of clearly defined, binding targets with reliable mechanisms for monitoring and measuring performance against them ruled out economically and environmentally efficient international trade in entitlements. For some countries, this constrained the ambition of the target to which they were prepared to commit themselves.

The potential for an effective binding and comprehensive mitigation agreement at Copenhagen had been removed when none of the preparations for the conference included the development by at least a sub-group of members of a draft framework of principles for defining how the emissions budget implicit in the mitigation objective should be allocated amongst countries. The Review had stressed the central importance of agreement on principles for allocating entitlements. It had defined a set of principles—a modification of the widely discussed contraction and convergence approach that had been advocated since the early 1990s by the Institute of the Global Commons in the United Kingdom—which was judged to have some chance of widespread international acceptance, and which could deliver a global set of entitlements that added up to the required global budget. To honour the approach that had already been accepted within the UNFCCC, developing countries would accept “one-sided

targets”, where there were incentives for compliance (notably opportunities to trade excess entitlements) but no penalties for failure to comply. The exception was China: there was no possibility of the world achieving strong mitigation objective unless China made substantial reductions in emissions below “business as usual”.

The Review put forward this approach as the starting point for discussion of alternative principles for allocating entitlements, leading to agreement on one of them.

“...how emissions rights are to be allocated across countries...is the question upon which the prospects of effective international agreement over the next two years (ie to Copenhagen) will stand or fall. There are as many different possible international allocations as there are human minds to contemplate them. All can be dismissed if they do not “add up” to a global total that meets the requirement of avoiding unacceptable risks of dangerous climate change. The proposals put forward here add up. They are based on principles that are thought to have a chance of global acceptance. Others, abroad and perhaps in Australia, can develop other proposals that also add up. These can be compared with the Review’s proposal, with a view to arriving at one proposal that adds up and has wide support from heads of government of major economies in advance of the Copenhagen meeting in December 2009” (Garnaut 2008, p200).

The modified contraction and convergence approach of the Review---allowing for an emissions intensity target through a transitional period for rapidly growing developing economies---was discussed seriously in a number of developing countries including China. Its focus on per capita emissions at least was attractive to the business community of Australia, with our expectation of growing population through immigration. However, neither the approach of the Review nor any alternative became the subject of negotiations amongst States prior to Copenhagen. This was yet another sufficient condition for failure to achieve an effective binding agreement directed at achieving a strong mitigation objective. One consequence of this omission was inconsistency in discussion of targets. For example, there was discussion of a proposal that developed countries should commit themselves to reduce emissions by 60 percent on turn of the century levels by 2050, without recognition that this combined with the 2 degrees objective would require per capita entitlements to be much lower in developed than developing countries beyond the middle of the century. An analytic framework that revealed this fact in advance of public international negotiations would have prevented the matter becoming the subject of heated exchanges at Copenhagen.

So there were several sufficient conditions for a failure of the top-down approach to a comprehensive and binding international agreement at Copenhagen.

There were good reasons for unhappiness in the aftermath of the Copenhagen conference.

But Copenhagen was as much the beginning as the end of history.

It now seems that the Copenhagen conference developed a new framework for international cooperation on mitigation that took account of the new global power realities, and which may support progress for a time towards effective global mitigation.

It embodies a strong mitigation objective—to hold likely warming to 2 degrees above pre-industrial levels.

It embodies a bottoms-up approach to mitigation. Each country defines a target for itself, involving an absolute reduction in developed countries, and a range of forms of commitment in developing countries with reductions in emissions intensity of production prominent in the largest of them. There are “side-payments” to encourage developing country conservation of natural forests, and to fund some applications of new technologies and adaptation to climate change. There are partially formed mechanisms for monitoring and measuring performance against commitments. It therefore has taken forward discussion of many of the important elements of an effective, binding international agreement.

The absence of binding targets limits the scope for economically and environmentally efficient trade in entitlements. This raises the costs of reaching strong global outcomes to well above what it need be. The absence means that many countries do not go as far in constraining emissions as they might otherwise do.

The sum of the national entitlements to 2020 falls a long way short of the reductions that would put the world on an economically efficient path to 450ppm.

And yet, the commitments now annexed to the Copenhagen Accord would if implemented, move the world a long way from business as usual. They keep open the possibility of strong mitigation objectives being achieved, if these early commitments are met, and are followed by the strengthening of commitments over time. They achieve this result mainly because of the strength of commitments of the large developing countries, led by China. Together, the commitments of developing countries would take emissions as far below business as usual as would have been required within the Review’s notional

allocations of entitlements. The early signs are that the major developing countries are serious in meeting announced commitments.

There is some confusion in some developed countries about the extent to which China's commitment to reduce the emissions intensity of production by 40 to 45 percent from 2000 levels by 2020 represents departure from business as usual. The confusion derives from the absence of analytic rigour in assessing "business as usual". Here the Review's rigorous assessments of the sources of China's anticipated growth, the energy intensity of that growth and the emissions intensity of energy provide firmer ground for assessing departures due to Chinese policy than earlier assessments of several international agencies. The latter, still influential after they have been overtaken by events, amongst other things failed to take account of the once-for-all nature of large reductions in intensity in China in the 1990s as market exchange replaced central planning in the allocation of energy inputs in many industries.

The developed countries' commitments within the Copenhagen Accord have not gone so far towards meeting the required contributions to strong mitigation. The three developed countries which start with the highest per capita emissions—Australia, and even more so the United States and Canada—stand out for the modesty of their unconditional commitments.

The Copenhagen Accord contains no general commitment to minimum levels of investment in innovation in low-emissions technologies and industries. Nevertheless, there has been a marked increase in investment in these areas, partly in the context of the stimulus packages for recovery from the Great Crash. This has been significant in China, the United States, Korea and elsewhere.

Most importantly of all for the prospects of strong mitigation, the large increase in investment in low-emissions processes in China—across the range of technologies including nuclear, wind and solar electricity and low-emissions motor vehicles—has generated sharp reductions in costs. Economies of scale, and learning by doing on a large scale, have both contributed to cost reductions. As a result, the relative cost of low-emissions energy has been falling not only in China, but in all of the countries to which China is now a competitive supplier.

So the Copenhagen agreement on a strong mitigation objective does not appear as isolated from reality as it did in the immediate aftermath of the Conference of the Parties.

Nevertheless, current levels of ambition fall short of the requirements of the mitigation objective. They can be strengthened over time within the current

“bottom up” framework, by rigorous comparison of relative effort, and the resulting peer pressure and (given the saving grace of community support for action) internal political pressure for laggards to strengthen mitigation performance.

Measures of comparative mitigation performance will become important in the dynamics of international mitigation policy. Absolute reductions in emissions from a base year in developed and reductions in emissions intensity in developing countries are emerging as the central basis for comparisons of effort. External verification of measurement of performance would strengthen the tendency for peer and domestic political pressure to raise the level of ambition in mitigation over time.

An agreed, principled framework for allocating entitlements and verifying performance against them will be necessary for securing wide international support through a long period of larger and more costly global emissions reductions. The modified contraction and convergence of the Review could still provide a starting point for exploration of principled approaches to allocating a global emissions budget. The breathing space provided by the Copenhagen Accord provides an opportunity for official exploration of modified contraction and convergence and alternative principled approaches to allocating a limited global emissions budget.

Comparisons will also be made of implicit carbon prices as a measure of mitigation effort. Implicit carbon prices have a number of drawbacks as a measure of comparative effort. They are subject to distortion, to the extent that a carbon price is accompanied by other measures that diminish pressure to reduce emissions. Measures of the implicit carbon price would need to take account of the negative price implicit in subsidies for use of fossil fuels. (In this context, recent media reports that the New South Wales is considering allocation of coal to electricity generators, on the condition that the coal is not sold on the open market, are of note and concern. The implicit subsidy to coal-based generation within these arrangements could work against a carbon price, and be much larger than the highest carbon price that has been suggested in the Australian policy discussion).

The implicit carbon price would need to include the costs of regulatory interventions. These are difficult to measure. Regulatory measures that effectively prevent the establishment of new coal-based power generation in some countries have a carbon price equivalent that is the difference in cost between coal-based and the next lowest-cost source of electricity. Measurement of the implicit carbon price requires assessment of costs of the likely alternatives.

The implicit carbon price is a measure of the cost burden imposed on users of emissions-intensive products, and not of mitigation effects. A country that achieves a given degree of mitigation inefficiently will be credited more highly than one which adopts efficient policies to achieve the same results. This is regrettable if the purpose of the comparisons is to improve the environment for reductions in emissions. But if the purpose is to compare the burdens imposed on firms operating in different countries, this is not inappropriate. In the political economy of demands for compensation for trade-exposed industries, affected industries are likely to be more concerned about costs than mitigation effects of various measures.

There are therefore obvious difficulties with the measures of comparative mitigation effort that have been discussed so far. The difficulties highlight the importance of international agreement on principles for allocating a global emissions budget amongst countries. The Copenhagen “bottom up” approach cannot carry as heavy a load as a principled or “top down” basis of allocating entitlements would have done.

Agreement on a set of principles for allocating emissions entitlements would take time and effort to negotiate. That is why it did not happen in the lead-up to Copenhagen, and will not happen soon. But it would still have many advantages over the new approach implicit in the Copenhagen Accord. If it were supported by agreed mechanisms for measurement and monitoring, it would allow authoritative comparisons of mitigation performance against a reasonable assessment of whether individual countries were making proportionate contributions to the global effort.

Such an agreement would be the basis for setting binding emissions constraint targets for all substantial economies. This, in turn, would allow economically and environmentally trade in emissions entitlements. Trade would achieve two important outcomes.

First, it would reduce the costs of mitigation in each participating country, and in the world as a whole. Reduced costs would make acceptance and attainment of ambitious mitigation targets more likely.

Second, it would establish a similar emissions price in all countries participating in trade. This would remove distortions in trade and resource allocation associated with wide differentials in carbon prices. It would remove an important source of pressure for protectionist interventions in international trade. Not all countries would need to allow trade for substantial benefits of this kind to be realised.

Under any of the bases of comparisons of mitigation effort, Australia will be under pressure to go further than the unconditional target presented under the Copenhagen Accord. Australia's exceptionally high per capita emissions and high population growth both argue for Australia to seek a principled basis for allocating an emissions budget amongst countries.

A binding agreement on emissions constraints, extending to all substantial economies, with entitlements allocated according to clear principles, and with support for strong participation from poorer developing countries continues to have large advantages, despite the difficulties of and long path to agreement. We now know that the failure to achieve such an agreement at Copenhagen, and to reach a more limited agreement around different principles, was not fatal to strong global mitigation objectives.

It turns out that momentum developed within the new international power relations of the Platinum age has delivered an outcome that can get us by for the time being. That gives us time to allow new institutions and international political culture to develop around the new power relations, to the point where they can develop the economically and environmentally efficient mitigation regime that we will need to avoid dangerous climate change. It is important that the international community continues to make as much progress as it can within the new policy framework from Copenhagen, while using the time that has been created by the Copenhagen Accord to do the work that will move us towards a later comprehensive and binding agreement that adds up to delivery of the ambitious mitigation objective that has now been agreed.