

COP 16 Cancun Agreement and Future Domestic/Overseas Challenges Regarding Global Warming Issue

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On December 11, the 16th Conference of Parties to the United Nations Framework Convention on Climate Change, known as COP 16, ended with the adoption of the "Cancun Agreement." As expected earlier, the parties fell short of agreeing on a new international framework from 2013 after the 2012 expiration of the Kyoto Protocol due to the structural confrontation between industrial and developing countries, complicated national interests, and the current international political and economic situations, postponing the matter and other controversial problems (including a possible extension of the Kyoto Protocol) to the COP 17 meeting in South Africa's Durban and later negotiations.

While key problems have been left unsolved, postponing critical discussions, the Cancun Agreement and COP 16 discussions might have made the following important achievements. First, the COP 16 meeting prevented post-Kyoto framework negotiations from breaking down, maintaining the momentum for future international talks on global warming measures. In a situation of various structural confrontations and conflicts of interest, accumulated considerations and compromises may inevitably result in agreements that are equivocal and postpone problems for future talks, including the latest Cancun pact. But the COP 16 meeting avoided a negotiation failure or breakdown and secured future talks among all of the participants without leading to any causes of failure or blackening any party. This is significant for the future.

Second, the COP 16 conference upgraded the framework and contents of the Copenhagen Agreement of which the parties took note at the COP 15 meeting, incorporating them into an official document. Although the Cancun Agreement has no legal binding power unlike the Kyoto Protocol, it is important for such major greenhouse gas emitters as the United States and China to have been incorporated into the negotiation framework. According to data for 2007, the Copenhagen Agreement participants account for 85% of global CO₂ emissions, against only 28% covered by the countries that are required to cut emissions under the Kyoto Protocol. The coverage has increased substantially. Irrespective of GHG reduction targets to be worked out in the future, the present

negotiation framework is “better” to address the global warming issue that the entire world must tackle. The Cancun Agreement is expected to become one of the focuses of discussions toward the COP 17 meeting.

Other important points of the Cancun Agreement are: (1) that the parties should act so that there is no “gap” between the Kyoto Protocol’s first emission reduction commitment period ending in 2012 and the next one, (2) that the parties should consider and quickly build a new emission reduction framework covering all major GHG emitters, (3) that industrial countries should reduce GHG emission based on their planned reduction targets and report emissions every year, (4) developing countries should reduce GHG emissions in 2020 from levels for the baseline case including no emission reduction measures and report emission reductions every two years, and (5) that global warming measures include fund and technology transfers from industrial countries to developing nations, forest protection and enhanced efforts for adaptation to warming. All of these points include very important elements. This report may not be suitable for discussing all such elements. Regarding the first point, however, I would like to point out that the agreement sets a deadline for efforts to avoid the gap while providing no suggestions about how to do so.

The Cancun Agreement has no legal binding power. International negotiations toward the COP 17 meeting will remain sandwiched between the goodwill to promote global warming prevention as a global interest, and national interests and motives. No agreement came on the Kyoto Protocol's simple extension to which Japan maintained its persistent, firm opposition. I would like to express my respect for the Japanese delegates' persistent negotiations based on right arguments. As far as the Cancun Agreement is concerned, however, no optimism may be warranted about future discussions, trends of international arguments and public opinions, and various pressures toward the COP 17 meeting. Given that China, India and other emerging countries are expected to further increase their presence and influences and that the United States is not in a position to unify domestic initiatives to positively tackle the global warming issue, the situation is expected to remain tough for Japan. Even just after the COP 16 meeting, Japan may have to begin again to collect and analyze relevant information, devise strategies and enhance international approaches toward the next meeting.

Meanwhile, discussions will grow more important about how to promote domestic measures against global warming based on the Cancun Agreement. While the domestic political and economic situations will grow more uncertain, Japan may have to consider a domestic emissions trading system, an environmental tax, a complete feed-in tariff system for renewable energy-based electricity and other measures that are significant for preventing global warming. It is important for Japan to get back to the basics to consider the best mix of policies for the “three E” goals – energy security, environmental protection and economic efficiency – with the duration of specific measures and their effects taken into account, while watching global discussions and trends.

A future international framework for global warming measures is still uncertain, with any agreement on such framework being postponed at least until next year. No optimism can be warranted on future negotiations on the matter. The current situation means that uncertainties will continue lingering about world politics and economy and the energy problem. Energy policy makers and industry people around the world including in Japan will remain forced to make tough policy or investment decisions even under high uncertainties. Under the situation, our institute, specialized in energy and environment problems, must contribute to finding solutions to global warming and energy problems in Japan and in the world by collecting and analyzing information in a timely, accurate manner and by providing objective and rational messages based on such analysis. Given the difficulty and complicatedness of these problems, we may have to establish and implement an arrangement for comprehensive cooperation among policy, industry and research sectors.

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