

Beyond Kyoto

The case for a Global Climate Community

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The climate crisis is the most serious threatening humanity. In *Our Final Century: A Scientists Warning: How terror, error, and environmental disaster threaten humankind's future in this century* (2003), Sir Martin Rees, the UK Astronomer Royal, has written that "human-induced pressures on the global environment" have put humanity "more at risk than at any earlier phase in its history." He gives us only a 50/50 chance of survival. In *A Guide to the End of the World* (OUP, 2003), Professor Bill McGuire warns that "It is now inevitable that we and our descendants are going to face a long and hard struggle as our temperate world draws to a close and we enter the time of hothouse Earth".

All efforts to promote prosperity, tackle world poverty or strengthen international security will be wiped out if climate change continues at the present rate. The cost of climate damage is rising by over 10% a year, three times the rate of economic growth. Some small island states face complete extinction. Many densely populated areas will be devastated by storms, floods, drought or fires. Hundreds of millions could flee low lying coastal areas and arid land to find refuge elsewhere in the world.

In this context, the Kyoto Protocol was a significant political step, but utterly inadequate environmentally.

Since it is unlikely that the US government will take effective action, developing countries and the EU need to take the initiative. We propose that the rest of the world should create a "climate community" with a legally binding framework for managing CO₂ emissions: just as the European Union started with a coal and steel community of six states, so a climate community could start with key developing countries and the EU. It would be based on a legally binding agreement to allocate CO₂ emissions within a global framework of contraction and convergence (C&C) to equal per capita rights. Contraction and convergence is the framework developed by the Global Commons Institute and recommended by the UK Royal Commission on Environmental Pollution, Prof. Bill McGuire, Sir John Houghton (co-chair of the IPCC) and many others as the most likely basis for a long term solution to the climate crisis.

The allocation of carbon emissions are a critical **constitutional principle**, because they determine people's rights to the global commons. Emissions rights are already a tradable property with monetary value. But only countries with quantifiable commitments under the UNFCCC have any rights to this new form of property now being created. Under the Kyoto Protocol these have been allocated on a historic and highly unequal basis between industrial countries (Annex 1). Developing countries have so far excluded themselves from this process, for understandable reasons. But there is a real danger that, like the native peoples of America, they will be marginalised from the high level political decisions on how carbon emission rights are allocated because they do not have ownership rights to carbon emissions.

A full explanation of contraction and convergence is available at www.gci.org.uk, with animated diagram showing the effect of different convergence dates on total allocations of carbon between Annex I and non-Annex I countries:

www.gci.org.uk/images/Animation3.gif

An equitable allocation of emissions rights is more likely to last over the long term. It gives industry a predictable framework to phase out fossil fuels. A well-regulated system of emissions trading would create flexibility and economic incentives to cut emissions in a cost-effective way.

Developing countries could be the main beneficiaries of emissions trading within a Global Climate Community, providing income for investment in sustainable development. But they must be involved in laying down the ground rules to ensure that their needs are fully taken into account.

The benefits of markets in sustainable energy and emissions within the Climate Community will be increasingly attractive to US companies, who will put pressure on the US to join it. As climate damages rise in the US, political pressure to join will also grow. John Dutton, Dean Emeritus of Penn State's College of Earth and Mineral Sciences, estimates that \$2.7 trillion of the \$10 trillion U.S. economy is susceptible to weather-related loss of revenue.

Contraction and convergence also meets US demands for all countries to accept limitations on emissions, as set out in the Byrd-Hagel resolution, as well as more acceptable to developing countries.

Such an initiative should be taken jointly by countries in the North and South, such as Brazil, India and democratic nations of Africa in the South, and Canada, the EU, Japan and New Zealand in the North.

Developing countries may be sceptical of taking part in such an alliance, since the North is the main cause of climate change. But they are also hardest hit by climate change and would be the greatest beneficiaries of a Global Climate Community. As founder members, they would be in a strong position to shape the ground rules to ensure that their concerns are fully addressed.

What might a Global Climate Community look like?

A group of countries, North and South, should form a "coalition of the willing" within the UNFCCC, to agree a long-term legally binding agreement to stabilize greenhouse concentrations at a safe level through a process of Contraction and Convergence. This requires agreement on

- a scientifically based concentration target;
- a global emissions budget derived from this concentration target;
- allocations of annual emissions quota based on contraction and convergence to equal per capita levels by a future date to be negotiated;
- an emissions trading regime to maximise efficiency and transfer resources to poorer countries whose emissions quotas exceed their needs
- enforcement mechanisms and penalties for countries exceeding their annual allocations.

"Empty chairs" ie annual emissions budgets, would be determined for countries that do not join at first. Countries could join the Community at any point, provided they accepted its conditions. The hope must be that the new global emissions market will eventually provide an incentive for the US to join. The Community will need to set up **institutions** which can:

- monitor and ensure that commitments are met;
- take effective and accountable decisions;
- secure a stable currency and payments regime for emissions trade;
- settle disputes fairly and ensure adequate transfer of resources from rich to poor countries.

It will need a Council of Ministers, perhaps a smaller body representing regions and meeting more frequently; a judicial mechanism, and since it will have massive implications for everyday life and economies within the Community, a parliamentary element to ensure that its decisions are accountable, equitable and effective. In short, it would need institutions to apply the rule of law.

To be effective, the Community should include a critical mass of major developing and developed countries as equal members from the start, such as Bangladesh, Brazil, Canada, the EU, India, Japan, Mexico and the Africa group.

The founding group of countries would lay down the ground rules, creating a powerful incentive for countries to be part of the initial group. But only countries committed to the principles of equity, the rule of law, global emissions reductions and the stabilisation of atmospheric concentrations of greenhouse gases should be part of the initial group. Other countries may be associate members. As climate damages rise and the Community cuts emissions among its members, it will become a magnet for other countries seeking to join, just as most states of Europe are now joining the EU.