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## Briefing Paper

### THE ATMOSPHERIC RIGHTS OF ALL PEOPLE ON EARTH

**Why is it necessary to move towards the 'ultimate objective' of the Framework Convention on Climate Change?**

**CSE Statement by Anil Agarwal and Sunita Narain**

**The Kyoto Protocol is a step ahead in the world's resolve to arrest the problem of human-induced climate change which could wreak havoc on millions of people worldwide. Nobody as yet knows precisely what will happen as a result of human-induced global warming:** Which countries will gain from the resulting climatic changes and which countries will lose out? But polar ice melt definitely has the potential to drown a large part of low-lying countries like the Maldives and Bangladesh and, in India, a shift or an intensification or weakening in the monsoon could wreak enormous economic, social and ecological havoc.

The IPCC has already reported that developing countries will be twice more vulnerable than developed countries, because of their economic conditions, and small island nations will be three times more vulnerable. If carbon dioxide concentration was to double, the economic damages and adaptation costs would amount to 1-2 per cent of GDP for developed countries and 2-9 per cent for developing countries.

The Kyoto Protocol (KP) mandates industrialised countries (that is, Annex I countries) to take the lead in arresting greenhouse gas emissions. But the KP has several deficiencies and inherent infirmities:

1. The strategy outlined in the KP is full of loopholes and allows Annex I parties to meet their commitments without undertaking substantial greenhouse gas reductions at home and may, therefore, not result in the "stabilisation of greenhouse gas concentrations at a level that would prevent dangerous anthropogenic interference with the climate system" — the ultimate objective of the FCCC.
2. Even though the strategy outlined in the KP does not insist on participation by developing countries, except through the Clean Development Mechanism and Emissions Trading, it sets the world on a path that does not recognise the atmospheric rights of the current and future generations of developing countries even as it provides the current generations of industrialised countries greenhouse gas entitlements — not based on equity but on the basis of 'current emissions' — and, furthermore, provides developing countries perverse incentives to pollute further.

As several commentators, especially Western commentators, have already written a lot on the possible "ineffectiveness" of the KP in meeting the ultimate objective of the FCCC, because of the 'creative carbon accounting' it encourages nations to undertake, this statement will dwell more on the neglect of the long-term interests of the current and future generations of people living in developing countries which is inherent in the strategy outlined in the KP. This question has become even more important with the US insistence on "meaningful participation" by developing countries if it is to ratify the protocol.

If stabilisation of atmospheric greenhouse gas concentrations is to be achieved, then it is clear that the current rate of emissions has to be arrested, to begin with in industrialised countries, and ultimately reduced to sustainable levels. The two key elements of the strategy outlined in the KP to achieve this objective are, firstly, the calculation of emissions of a clearly identified base year, and, secondly, agreed emissions reduction targets in terms of percentages of the emissions in the base year.

## I

### The basics of the base year

The basic weakness of the KP is that it has turned 'compliance' into an intense 'numbers game'. With the world's civil society and especially its environmental community demanding strong action, the world is focussing on the percentage reduction being targetted by a country. Countries which promise a higher 'percentage reduction' are seen as good players and those arguing for a lower 'percentage reduction' are seen as difficult ones. As control of greenhouse gas emissions means considerable economic and technological changes, many of which could hurt in the short-term, especially in a world that is so heavily dependent on fossil fuels, most countries are fighting for easy and manageable targets and even more so, easy and manageable ways of meeting them. Therefore, in the Kyoto Protocol numbers game, anything that helps to increase the emissions in the base year, especially because of activities that have since ceased or reduced, immediately gives the country a head start. And emissions trading, joint implementation and clean development

mechanism, further provide opportunities to borrow 'emissions reduction' from other countries where 'emissions reduction' is already taking place because of a slowing down of the economy, like Russia, for instance, or from those countries where reducing emissions is cheaper in the short-run, like developing countries.

For developing countries, which will one day enter this same numbers game, their emissions in the base year, which is yet to be set for them, would be very important. If a developing country were to move towards energy efficiency in a big way, then it would already have an energy-efficient economy by the time its base year is set and then high percentage reductions on that base year would be not only difficult to achieve but also expensive. On the contrary, if that country were to continue using high-emission technologies and fuels, then by the time its base year is set, it could easily accept 'high percentage reductions' and look good in front of the world whereas those who have already taken advance taken and, therefore, contributed proportionately less to atmospheric greenhouse gas concentrations would look bad in front of the world. The strategy spelt out in the KP, thus, provides non-Annex I countries with a perverse incentive to continue with their current rate of greenhouse gas emissions and make it even worse, if possible.

## II

### The (Un)Clean Development Mechanism

Article 12 defines the Clean Development Mechanism (CDM) which has been identified by the KP as a mechanism for North-South co-operation. But the CDM is riddled with moral and other loopholes. The Kyoto Protocol itself says that the purpose of CDM is to allow developing countries "... to assist parties in Annex 1 in achieving compliance with their quantified emission limitation and reduction commitments..." One can, therefore, ask: Why does the KP see no other role for developing countries in combatting climate change than just helping Annex I countries to meet their commitments under the protocol?

**The purpose of the protocol is to set a strategy that would ultimately help all countries to combat climate change in a way that would benefit both current and future generations and on the basis of equity, which are the two key guiding principles identified in Article 3 of the Framework Convention on Climate Change.** Therefore, the KP strategy should be one which helps all countries to combat climate change taking their "common but differentiated responsibilities" into account.

Developing countries will also not get any long-term benefits from participation in a CDM process. The only existing rationale for JI, one that is being globally pushed at the moment, is the one that was outlined by the government of Norway in the early 1990s. The Norwegian government had argued that cutting future carbon dioxide emissions in industrialised countries will be more expensive than cutting future carbon dioxide emissions in developing countries. This is because developing countries are using outdated technologies which are very energy-inefficient whereas developed countries are already using very energy-efficient technologies. So if Norway wants to cut its carbon dioxide emissions then it should financially assist India to acquire more efficient power stations but the credit for the saving that would thus result in carbon dioxide emissions would go to Norway. Similarly, it can be argued that developing countries can be given money to plant trees on a big scale to remove some carbon dioxide from the atmosphere because it would be cheaper to plant trees in developing countries instead of developed countries, largely because land and labour are cheaper in developing countries. As Raul Estrada-Oyuela, the Argentinian head of the negotiations in the Adhoc Group on the Berlin Mandate recently told a journalist, "Of course, everything is cheaper in the developing countries — including life." And since 'cheapness' of emissions control is the key interest in the creation of CDM, there is no reason why the next logical step — that is of creating a competitive situation so that sellers of emissions sell their emissions at cheapest possible costs — cannot be taken. Many economists and institutions are already talking of and conceptualising such schemes.

But, in all this, it is important to realise that industrialised countries need not change anything domestically and yet meet their carbon dioxide emission reduction targets by investing in JI projects in developing countries.

Many experts and countries have, however, argued that it is false to assume that it is very expensive to reduce emissions in the developed countries. The key problem is the high political cost. For example, many people do not want higher energy prices which would restrict their use of the car and switch to public transport.

### Even if the rationale for JI is accepted, there are several serious practical problems with JI:

**a.** Firstly, there is the economic question. If developing countries accept JI then all that they are doing is to let the cheaper carbon dioxide reduction programmes go to industrialised countries. Let us assume that JI works and developing countries move towards more energy-efficient technologies. But once they have reached high levels of energy efficiency, industrialised countries would have no economic incentive to invest in developing countries. They would rather invest in their own countries. And if global warming is still a threat — as it would be, because industrialised countries which are major producers of greenhouse gases, have not taken any action at home — then there will be pressure on developing countries to cut back on carbon dioxide emissions on their own. And by then the costs of cutting back on carbon dioxide emissions will be very high even for developing countries. So what will be the form of international cooperation then? CDM does not answer this question. It leaves the future of North-South cooperation on climate change hanging in the air. More than that it allows current generations in developing countries to sell off cheaper emissions-control options today leaving their future generations straddled with high cost options.

**b.** Secondly, there is the question of practicality. How will one differentiate when is a more energy-efficient technology being brought into a developing country to cut carbon dioxide emissions and when is it coming simply because foreign or domestic industrialists want to move towards better technology for

competitive reasons. After all, technological upgradation takes place all the time. New cars definitely have less carbon dioxide emissions per km than the older ones. So will all foreign manufacturers of new cars take the credit for reducing carbon dioxide to their home countries. There is also the danger that companies can use CDM to push all kinds of experimental technologies that may not be economically viable otherwise. Developing countries could get easily used as technological guinea pigs.



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