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Down But Not Out? Reviving the EU's Political Strategy after Copenhagen

Nick Mabey, E3G¹, January 2010

As immediate emotions fade, space is opening for more measured reflections on the “lessons” of Copenhagen. Nowhere is realistic assessment more important than in Europe. The last weeks have seen many commentators gleefully proclaiming the end of multilateralism, and asserting the marginalisation of European power. But these readings of Copenhagen are wrong. The real lesson is that an active EU remains central to preventing catastrophic climate change, but the EU needs to match its political strategy to the geopolitical realities which Copenhagen so starkly revealed.

Time to plan for 4°C?

In many ways the outcome of Copenhagen is still uncertain. The ongoing negotiations could lead to a legally binding agreement, a weak voluntary regime or fade away into endless talks like the Doha Trade Round. But in one way the outcome is clear; whatever happens we have not delivered a reliable basis for future climate security.

The emission reduction pledges that countries will put forward under the Copenhagen Accord by the end of January will be at the lower end of their stated ambitions. This puts the world on an emissions trajectory consistent

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with, at minimum, a 3-4°C future. Even these weak reductions may deliver less than expected as many loopholes in the agreement have not been addressed, and there is no commitment to control growing emissions from international aviation and maritime transport. These trajectories can to some degree be changed in the future, but it will be more expensive and will not happen without a much stronger global consensus on climate risks.

From their negotiating positions at Copenhagen it seems that China and India – and probably many other countries – have yet to decide that limiting climate change to below 2°C is fundamentally in their national interest. All major countries rejected the 1.5°C goals put forward by Africa and the Small Islands States. The debate on defining a collective level of climate safety is still unresolved, and will only reopen with the next IPCC report in late-2013.

This means that the responsible course of action is for national policy makers responsible for infrastructure, humanitarian and security planning to develop their future investment proposals based on a 3-4°C future. This will drive increases in costs in the short term, but only by making explicit the real consequences of the post-Copenhagen emissions trajectory will we be able to motivate more ambitious action in the future.

It was the Politics Stupid!

The debate over the 2°C goal is but one example of the basic message to take away from Copenhagen. For all the focus on confusion and chaos around the final two weeks of negotiations, this was a failure of politics more than process.

The negotiations were badly handled by everyone but these obstacles could have been overcome with real political will. Much of the process chaos in the final days also reflected calculated obstructionism by countries that aimed to (and succeeded) in derailing moves towards a substantive outcome.

For all that the Copenhagen Accord does reflect the collective agreement of the world's most powerful leaders; though unfortunately at the lowest end of their potential ambition range. Leaders in the US, China and India balanced their perceptions of the risk to economic development against the projected costs of climate change, and decided against radical and binding action. At least not until others were seen to act first. This “low ambition coalition” has for the time-being decided the level of climate risk we will all have to live with.

Despite the calls for moving the climate process outside the UN, it is clear that putting leaders in a different room will not change the fundamental politics. The run up to Copenhagen saw leaders and ministers discuss climate change at the G8+5, G20, Major Economies Forum, UN Special Summit and countless bilateral and regional meetings. Most routes have been tried and there is no magic process bullet. In fact some participants feel these near-negotiations distracted countries from the real business of textual negotiation.

Copenhagen also shows how unconvincing it is that the type of “bottom-up” pledging process contained in the Copenhagen Accord could ever lead to collective action which is consistent with the science. Countries need to have clear, binding and transparent commitments from others if they are going to go back and take on their domestic lobbies. A voluntary pledging process can never deliver this; so countries will never commit to tough reductions. The role of the UNFCCC has also been confirmed as indispensable. The Copenhagen Accord confirms that the institutional architecture of the UN is the only place to independently measure and verify emissions or agree the complex range of technical issues needed to guide an effective global climate regime.

This does not mean that the process and institutions cannot be improved. The UN climate talks must be run better, and allow those that want to move faster to lead. The climate regime must become more multilayered, with the UN as the capstone but implementation and subsidiary agreements happening at multiple levels. Countries need to devote more resources to understanding each other through real climate diplomacy. The run-up to Copenhagen saw too much talking and too little listening between the major countries. The resulting mismatch of expectations was a primary cause of the poisonous atmosphere in the negotiations.

Understanding the New Global Order

The Copenhagen negotiations brutally exposed the emerging power dynamics of the 21st century. The impact of Copenhagen is being felt as much on the geopolitical stage as in the climate regime itself.

The emergence of an activist China creating the BASIC block (including India, Brazil and South Africa) took most seasoned diplomatic observers by surprise. It overturned decades of the “peaceful rise” policy, where China took care to align with the G77 group of developing countries and show it accepted the shape of

the existing global order. China's move effectively split the G77 group as a negotiating force at Copenhagen, and marginalised Africa and the Least Developed Countries from the decision making process. Countries that did want a binding Copenhagen deal, and who represent 50% of global emissions, also marginalised themselves by failing to organise into a viable coalition for action, despite last minute attempts by France and UK to broker an EU-Africa alliance over climate finance.

The long term sustainability of the BASIC group is unclear as they have fundamentally different positions on climate change issues; ranging from a firm commitment to 2°C target and a binding global regime in South Africa to ambivalence on both counts in India. The group is held together by wider geopolitical interests that, at least temporarily, have trumped their climate change positions.

China has paid a high political price for its positions at Copenhagen; not least in generating a highly negative attitude to China's rising power from European policy makers. This will impact on issues around trade and other areas, and has led many European countries to seriously consider the use of border tax adjustments against Chinese (and US) imports. In some ways this is unfair. China decided that its national interests lay in avoiding binding commitments, at least until it saw proof of ambitious domestic action by the US. This is an understandable position that it had announced before Copenhagen, and is similar to many other countries like Japan. China was damaged more by the way it defended its interests – by blocking the process of negotiation – than by the unreasonable nature of its substantive position.

Another big political loser from Copenhagen was low carbon industry. Despite a flurry of CEO statements from cleantech companies on the need for a Copenhagen Deal, they had little impact on the negotiations. Governments in all countries – including Europe - listened instead to incumbent industry calls for caution and against unilateral action. Cleantech companies only have themselves to blame. Most of their corporate lobbying resources were devoted to defending their intellectual property rights (IPR) in the negotiations, not supporting the overall deal.

So the last night stitch-up between the US and China was not the act of a new strong G2 coalition, but a moment of détente between two rival global powers which served their national political interests. The US gained a weak agreement to international monitoring of Chinese emissions, which pleased the Senate, and

the Chinese avoided any binding commitments. This type of “G2” alliance cannot create action on the global stage, but it can block anything it doesn’t like.

Rejecting the Siren Call of EU Irrelevance

The power to block is not the same as the ability to forge solutions. The EU was marginalised from one part of the final deal, but only because it was hesitant to agree that trade-off directly. But the EU was central to most of the positive progress on climate change made over the last year. The EU developed, promoted and drafted most of the content of the Copenhagen Accord, but lacked a workable political strategy to deliver the high ambition deal it wanted.

The question remains whether Europe still has the will to lead? By learning the right lessons from Copenhagen, Europe can rebuild confidence in its ability to shape its own future. The alternative is to stand by and watch others determine our collective climate security.

The elements of Europe’s power are unchanged: the world’s largest economy; largest trading and investment block; biggest aid donor and most advanced low carbon technology provider. But Copenhagen has generated many emotional barriers to leadership. Many in Europe seem comfortable to be fatalistic followers of the US and China, but this is a fantasy foreign policy which would fail the European people. A key lesson of Copenhagen is that no-one – especially not the US – will deliver on European interests except Europe itself.

The EU remains the only global power capable of mobilising a coalition for effective climate action. Only Europe has the public political support, the clear understanding of the risks of climate change to its security and prosperity, and the economic and technical weight to lead. But Europe cannot lead as a “Great Power”; it must act in a way which fits its assets and legal character. Europe can act as a pathfinder in developing the elements of the low carbon economy; as an enabler of practical cooperation and other countries’ domestic action; and as a convenor of a progressive political coalition to build an effective climate regime.

Copenhagen showed us that when Europe put forward a positive agenda it gained influence and shaped events. Europe succeeded when it worked in ways consistent with its soft power nature, and marginalised itself when it tried to wield hard power threats. European leaders must learn from this tactical miscalculation and work with the grain of European power in the future.

This approach will require Europe to be bold, take risks and invest in outcomes. This is not a strategy which guarantees success, but it is the only strategy that has a chance of success. It is a bitter irony that this crisis of confidence comes just after the conclusion of the Lisbon Treaty, and it presents the new President and High Representative with a clear challenge to show that Europe is still capable of delivering global influence. European leaders must decide if they want to be marginalised or build a real potential for delivering climate and energy security. The UK and France back an active strategy. Poland and Italy seem opposed. Germany still seems ambivalent following Copenhagen. The outcome is still finely poised.

Elements of a European Strategy

If Europe decides to be active, what type of strategy should it follow? Some elements are clear already, others will take time to emerge as the dust settles after Copenhagen and other countries reflect on where their interests lie.

Europe must avoid taking action for actions sake, or thinking “one more push” will result in a different outcome. There is a need to maintain momentum but not have self-deluding hopes of breakthrough. The fate of the Doha round shows that constant repetition of unmet intentions leaches political will. We cannot afford this type of dysfunctional process on climate change.

The passage of a US Climate and Energy Bill could provide additional political impetus into the next round of negotiations in Cancun. In the absence of a strong US bill it seems unlikely major progress will be made. The EU should play a balanced game; building a firmer foundation for success and being prepared to act swiftly when political conditions improve.

Domestically the EU should accelerate action on driving the low carbon transition. The recession means that the next 5 years are economically the best time to undertake major investments in energy efficiency, low carbon innovation and renewable energy. Material costs are low and there is great need for new jobs in Europe. Given the fall in European emissions, these economic benefits will only be delivered if Europe moves to a 30% target and so creates stronger incentives for private investment. Most analysts agree this goal is now less costly to achieve than the estimates made in 2008 for delivering the currently agreed 20% reduction target.

Europe should undertake a rapid strategic review of its low carbon international cooperation, with a view to prioritising relationships with progressive countries like Mexico, Indonesia and Brazil. Fast-start finance should be directed towards countries that showed the will at Copenhagen to develop low carbon growth plans, and supported ambitious global action. The EU should develop a system of sectoral agreements, consistent with reformed CDM rules, and use these to incentivise real low carbon transformation in selected developing countries. The EU should also prioritise delivery of the Major Economies Forum commitment of doubling low carbon RD&D and drive forward international technology partnerships on carbon capture and storage and energy efficiency.

These actions would increase European competitiveness in low carbon sectors, begin to demonstrate that low carbon growth is possible and incentivise countries that are prepared to take ambitious domestic action.

In the international negotiations, the EU should take the initiative in building elements of a new UN regime based on parts of the Copenhagen Accord. This should initially be done in partnership with a wide range of like-minded countries, and delivered as input to the formal process. Rapid progress should be made on initiating an international process on innovative climate finance, defining the architecture of the Climate Fund, and completing work on technology mechanisms. Working with countries to flesh out the detailed elements of practical measurement, reporting and verification (mrv) systems; starting with mrv of finance and technology cooperation. Building consensus on reforms to the UN process and strengthening the UNFCCC secretariat.

The EU should also test the appetite for an interim agreement on some elements; perhaps combining action on deforestation and international shipping and maritime emissions as a package of measures.

Finally, Europe must strengthen the fundamental political foundations for future action. It must expand the scope of the climate regime by building supportive elements into a wide range of fora and relationships; for example, addressing climate resilience of trans-boundary water regimes in Africa; supporting mandatory disclosure of corporate carbon liabilities at the OECD; and supporting further work on energy subsidy removal in the G20. It must drive international cooperation on the analysis of climate change threats to international security, development and humanitarian cooperation. And it must invest in far stronger climate change diplomacy, especially with the BASIC countries.

Public Voices and Political Choices

EU leaders must decide how they will move forward beyond Copenhagen over the next few months. This choice will have political implications far beyond the climate change regime. For if Europe is unwilling to lead on this area, where it has collectively invested billions of Euros in driving a global agenda, what chance is there for it to be a global actor on any other issue?

Polling repeatedly shows that the European public see the EU as essential to solving external problems like climate and energy security. Europe's relevance as a political grouping will depend on its competence in delivering these public goods for its citizens. Over the next few months European citizens must make their voices heard over the noise of incumbent industries and press their leaders for continued strong action on climate change.

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