

Report



Transatlantic Dialogue on Climate Change – The New Agenda

**Summary of a survey among key experts from both sides of
the Atlantic**

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Background

Global Climate Change is a long-term challenge that requires sustained global collective action. Since the early 1990's, the international community has coordinated its efforts by adopting first the United Nations Framework Convention on Climate Change and, in 1997, it's Kyoto Protocol. In the light of recent developments and announcements the Protocol will entry into force at the end of this year although the US as the world's largest emitter of greenhouse gases rejected its ratification. However, it is not realistic to find sustained policy solutions without including the US. Therefore, a new Trans-Atlantic partnership is necessary in order to advance the international climate talks in the long run.

In order to strengthen dialogue and foster cooperation in the field of global climate change between the United States and Europe, Adelphi Research approached key experts on climate change and energy policy from both sides of the Atlantic to discuss key challenges on climate change policies and to explore new venues to foster dialogue among relevant stakeholders. This informal survey is part of the transatlantic initiative "INTACT – International Network To Advance Climate Talks" of the *Stiftung Wissenschaft und Politik* (SWP), Europe's largest foreign policy think tank (see also www.intact-climate.org).

This paper sums up the main findings of the expert survey and focuses on both the most prominent challenges for future climate change talks as well as on the main addressees and mechanisms in order to enhance future dialogue. Before presenting those results it is noteworthy to emphasize that the expert community shares similar perspectives on the main challenges and that at least among the selected experts no significant geographical differences could be identified. The survey indicates that the Kyoto Protocol is not an end in itself but that the problem of climate change is too diverse with respect to its causes, impacts, solutions and involved societal actors to only be dealt with in an extremely complex international diplomatic process. Therefore, the scope of both addressees as well as policy approaches must be broadened to move beyond Kyoto towards a comprehensive and long-term governance approach in the field of climate change. However, the survey also shows clearly that the main international endeavors in the near future will focus on the implementation of the Kyoto Protocol or will at least be related to the respective international climate change regime.

Key Challenges of future climate talks

Achieving a Common Ground

The lack of adequate dialogues in the context of transatlantic relations is one significant reason for the diplomatic failure of COP 6, Part I in the Hague. Thus, a precondition for any new initiative in the field of climate change is to create a common ground for action among a wide range of decision makers from both sides of the Atlantic. Paving the way for a common understanding of both the problem and its consequences means to bring the United States back to the table in order to find innovative policy solutions, regardless of whether this table is in Kyoto or somewhere else. In addition, all endeavors must include developing countries and their perspectives and interests from the beginning. Otherwise, a global solution to the problem

would lack credibility and could not be achieved. This is especially important against the background of the further development of the international climate regime since the next step should allow the participation of developing countries. However, the first step has to be taken by industrialized countries. Against this background, different aspects were identified with respect to creating a common ground.

Firstly, the knowledge of the impacts of climate change on specific regions must be expanded and specified. This could help to make climate change a central or at least a more important issue of upcoming elections by weakening the obstacles of perception on the part of both the electorates and the local, regional and national authorities. Therefore, scientific findings are to be translated into political and social contexts in order to be understood. The issues of food security, increasing water scarcity, the enormous impacts on ecosystems in general as well as on certain branches of industries like the tourist industry are crucial and could help to make climate change more concrete.

Secondly, it is fundamental to cooperate on cost estimates for emission reductions in order to get a common understanding in this regard. Today, there still exists an enormous gap concerning the perceptions of costs and benefits of implementing climate change policies between the transatlantic partners. Considering new transatlantic policy dialogues or even concrete policy approaches requires a common notion about the costs and benefits of emission reductions measures. This applies accordingly to the area of emission trading as mentioned in more detail below.

Thirdly, ways must be found to increase technological cooperation. In the light of the common knowledge about the consequences of climate change provided by the IPCC, a successful climate policy depends on the breakthrough of technological innovations especially in the energy and transport sectors. Decision makers have to pave the way for an accelerated worldwide technological change and they must offer the framework to advance the diffusion of innovations.

Finally, a mutual understanding of the political systems, the specific political forces, and the fundamental decision making processes is needed as a starting point for every new dialogue initiative. It also requires a clear picture of the respective styles of policy making which must be taken into account when developing new transatlantic approaches. Although this requirement seems to be more than clear it has been emphasized by most of the consulted experts. Linked to this aspect of creating a common ground are the questions of how decision makers could be brought together, what the appropriate mechanisms are, and who could facilitate this process. To a certain extent, the following action points provide an answer to these questions.

Leaving the Beltway

In order to improve the transatlantic understanding in the area of climate change it is necessary to switch the focus from mainly government-centered cooperation between the European Union, its member states and the US administration to new regional partnerships and addressees. This applies especially to the activities of the NGO community which is mainly concentrated in Washington, D.C. and Brussels. In order to come closer to both the electorates and decision makers that are more reluctant in terms of adopting climate change policies, future initiatives should focus on local authorities, communities, and specific industries. Such a switch must also

seek out different stakeholders such as churches, trade unions or local governments and authorities in order to build new coalitions. This rediscovery of certain societal groups is essential to promote bottom-up awareness raising. Especially with respect to the resistance of climate change measures in the United States, this means to pay increased attention to the Midwest, to identify key reasons for the negative attitude towards international climate policy approaches, and to find tailored solutions for different sectors and specific regional circumstances. It is obvious that there will always be some skeptics that cannot be convinced. However, focusing solely on the US government means to miss promising opportunities of a multi-level approach for new policy dialogues.

Diversification of Strategies and Partnerships

As outlined above, throughout the survey it is highlighted that there is not *one* strategy in order to convince reluctant decision makers because their arguments depend to a large degree on a very specific geographical or socio-economic background. Apart from broadening the scope of stakeholders it therefore seems to be necessary to apply specific strategies to different contexts. Dialogue fora could focus on success stories like innovative sustainable transport systems in cities like Portland, Oakland or Berkeley. Those best practice examples could offer the proof for feasibility of climate related policies and could help to increase transatlantic networks below the federal level at the same time. In this respect it seems to be promising to carry out research to what extent existing networks like CAN or ICLEI already incorporate local US initiatives in this area. Apart from the focus on best practice presentation, another approach could aim at the development of specific policy strategies for states like Texas which on the one hand highly depend on fossil fuel industries but have an enormous potential for the use of renewable energies on the other. Respective strategies must also pay attention to potential issue linkages (for example energy policy and supply security). In addition, single European countries could send delegations to US states in order to build "state to state partnerships" (as for example Germany and California) to improve mutual understanding and exchange experiences in environmental policy making.

Leadership Initiative for Cleaner Technology

It is important to consider that the success stories in US environmental policies are not related to quantitative target setting but to the definition and adoption of product standards (as for example the globally successful "energy star"). A Leadership Initiative for Cleaner Technology could therefore be an additional element of a Public Private Partnership aiming at the set up of a technological and economic assessment panel. This panel should bring together different enterprises in order to discuss highest possible technological standards and to identify what could be done to achieve them. An additional element of such a leadership initiative might focus on accelerating the technological development of fuel cells or the further use of natural gas. Accordingly, medium sized enterprises, which are responsible for the lion's share of new technology innovations, are an important future partner for every climate policy initiative. Key partner are also transnational corporations that are active in different foreign market places. In the long run, this focus on new Public Private Partnerships is much more promising than trying to convince high level policy makers to initiate a top-down policy development. However, the

investment incentives must be provided by the government and – as it gets clear from the survey – much remains to be done in this respect. One conceivable approach to promote a closer cooperation between governments and industry could be the initiation of a worldwide Climate Policy Forum.

From regional to global Emission Trading

Emission Trading will be one prominent way to reduce the emission of greenhouse gases worldwide. Yet it is important to notice that it is only one policy instrument among many others and that it yet has to prove its efficiency in the context of climate change. In the near future, single countries, the EU, and also private actors will gain experience with trading systems. The instrument represents also a potential option for the United States to reduce its emissions. For example, the United States could establish either an internal trading scheme or a regional scheme together with countries of South and Central America. There are moves in this direction, when for example Chicago's Mayor Daley announced intentions to establish an emission trading scheme with Mexico. Hence, the most reasonable approach seems to be a constant exchange of experiences between regional trading systems, aiming at setting up a well designed global emission trading scheme including all countries and polluters in the long run. A transatlantic initiative could facilitate this exchange of ideas and policy results but it needs to be clear that this is only one aspect of a new transatlantic dialogue on climate change.

Identification of a long-term quantitative target: the prospects for a global cap

Climate change will be a long-term issue and the current process of ratifying and implementing the Kyoto Protocol is only one small step forward towards a sustainable solution and a substantial reduction of greenhouse gas emissions. There is still an enormous need for the development of a long-term strategy including all countries. Such a strategy must be designed very carefully especially with respect to the discussion of targets since this is in danger of repeating the shortcomings of Kyoto. There are different options to discuss this issue within a transatlantic dialogue but one general precondition is to involve the developing countries right from the beginning. It is also necessary to differentiate between the countries of the South since their economic power and structural conditions are as different as between the Northern countries. This must especially be taken into account during the discussion of any kind of commitment. There are also different ideas of how an alternative architecture to the Kyoto procedure could look like. Suggestions range from the establishment of regional burden sharing systems comparable to the current EU approach, the adoption of long term goals according to greenhouse gas concentrations or specific efficiency goals for certain sectors, a more flexible way to setting country specific targets by following a non binding "pledge & review" approach, or the elaboration of a global burden sharing system based on per-capita income distribution and supplemented by taking into account specific geographical conditions. One main result of the expert views on the specific question about a global cap is obvious: Every international dialogue mechanism aiming to discuss some form of emission target will result in discussions that are as complex as those during the negotiations of Kyoto. Therefore, this approach does not outline an alternative structure to the ongoing international process but runs the risk to fail for the same reasons.