

Kyoto Protocol: rising from the dead

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The year 2004 marked ten years of the global fight against climate change which was initiated in 1994 with the ratification of the United Nations Convention on Climate Change — the international agreement encompassing 189 countries which laid the foundation for a concerted global response.

A decade later, the world can look back with “guarded pride and satisfaction” at a global fight pitched against heavy odds. The process for establishing scientific certainty of the climate issue as well as politically negotiating a course of action has been constantly challenged with diverse interests and complex interactions — often pulling in contradictory directions and leading to discouraging delays and disappointments.

However, significant milestones such as the Buenos Aires Plan of Action in 1998, the Bonn Agreements in 2000, the Marrakech Accords in 2001 and the Delhi declaration in 2002 have encouragingly kept the world on course. These political benchmarks have ensured that the world does not abandon the search for a politically palatable strategy and that the unprecedented levels of human intellect, time and effort invested in the search of a viable solution, does not all go to waste.

Climate change is today recognised as one of the 21st century's most pressing challenges, threatening not only the global environment but also global prosperity and security. While political negotiations have slowly crept forward, there is increasing scientific evidence to suggest that human activity is

rapidly destabilising the global climate. Most disturbingly, over the past decade, the potential threats of a changing global climate have become alarmingly visible through devastating droughts, volatile floods and increased frequency of freak weather events sending a very clear and potent message — climate change is already upon us and nature is not waiting for the politics on the issue to be settled.

In the face of growing concerns over the issue, it is only opportune that ten years of political negotiations have coincided with the unexpected revival of the Kyoto Protocol, which had been almost pronounced “dead” after the US suddenly opted out of the agreement in 2001.

The country interest-driven politics around the Kyoto Protocol became evident with the US pullout in 2001, which almost dealt a deathblow to the Protocol itself. This unexpected exit particularly ironic as the only previous experience of utilising the “emissions trading” instrument, the cornerstone of the Kyoto Protocol was domestically in the US; it was their insistence that brought this into the Protocol — even against stiff early resistance from the EU as well as most developing countries. The Protocol was thus seen to have been tailor-made to extend cost savings and attain domestic acceptance of the US industry. This made the unceremonious exit all the more shocking and devoid of moral justification.

The mechanics for ratifying the Protocol that required countries representing 55 percent of the total global emissions were suddenly thrown into total disarray. The US was the biggest carbon emitter (almost 25 percent of the

global carbon emissions) and their refusal to enter the Protocol raised the bar considerably for the rest of the world. The global commitment to the issue was directly and unilaterally challenged.

The challenge was uphill and the odds stacked against it. However, it was taken up and ably led by the European Union and Japan, who grouped together a “coalition of the willing”. This initiative had to weather a violent political storm before, literally bringing the Protocol back from the brink. In the end, the global commitment to combatting the climate issue prevailed. As the final straw, Russia had to be convinced and cajoled to ratify the Protocol. After a lot of vacillation and confusing signals they finally came through at the last minute — to the joyful amazement of the rest of the world. The Russian entry has allowed the Kyoto Protocol to attain the global political mandate, which will now translate it into international law by February 2005.

The coming into force of the Protocol will hopefully set in motion an era of “Kyoto Capitalism” that is sensitive to the concerns of climate change, and which can use market forces to address the issue and become a showcase for collective concern and global cooperation. The Kyoto revival has sent strong and unequivocal signals into the global market place.

Firstly, the world has spoken that the science supporting and defining the issue is real, increasingly apparent and disturbingly visible. The acceptance of legally binding commitments by over 30 industrialised countries and their consent to bear the associated economic costs clearly vouches for this.

Secondly, the rekindling of the Kyoto Protocol is a boost for multilateralism, as the world has reaffirmed that the issue demands a concerted and cooperative global approach and not a unilaterally administered one.

The third evident message is that the growth of the global economy has to be put on a path with a low carbon trajectory. Kyoto re-affirms that this is not only possible but the only sustainable way forward.

Finally, through the concept of emissions trading a new “carbon” commodity has been given birth. This commodity will impact how global business is conducted, with carbon emissions or reductions getting capitalised and reflected on company balance sheets. Already, the predicted size of this global “carbon” market is being envisioned in the range of billions of dollars. The size and mechanics of this new market commodity will certainly influence how global business is planned and conducted.

Pakistan has immense opportunities for reaping the benefits of the upcoming carbon marketplace, which can be capitalised by attracting financing for cost effective climate mitigation projects, especially in the renewable, energy efficiency improvement and forestry sectors. All these opportunities are in line with our defined national sustainable development priorities. The Clean Development Mechanism (CDM) is the vehicle under the Kyoto Protocol that allows us to compete for this carbon financing in the international marketplace. These opportunities now need to be packaged with a focused policy, assisted by the en-

hancement of human and technical capacity and aided by appropriate transfer of technologies.

The sceptics need to be won over by demonstrated action and constructive engagement. The process in the future will need to be open and flexible to allow for late entrants. The hope, and the need, for the US to also join the regime cannot be underestimated. A lot of domestic action on climate change is already happening in the US, driven by states such as California, but the largest carbon emitter needs to be part of the global efforts against climate change. Eventually, this is an issue of global consequences and an issue on which we need the world to be united in action.

This unison was evident in Buenos Aires where the world gathered recently for the COP meeting of the Climate Convention. The undeniable signal coming out of this meeting was that of hope. As already stated, there was universal joy at the coming into force of the Kyoto Protocol, the start of the EU trading regime in January (2005), the registration of the first CDM project after years of bureaucratic delays and the launching of the Japanese Carbon Fund for development.

All this fuels the hope of concrete and visible action finally beginning to take place on the climate issue. Most importantly, the message emanating from the Kyoto revival is that the world has recognised the treaty as the “right” way forward. Although a small step in the battle against climate change, it is a globally endorsed step in the right direction.