

Managing Climate Change

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Managing Climate Change is undoubtedly the greatest challenge the United Nations System has faced since it was established. Climate change is a borderless phenomenon that cannot be addressed successfully by nation-state individually or in non-universal coalitions or by the magic of the marketplace. It requires effective action by an international public sector. If efforts to manage climate change fail, our grandchildren will live in a world in which we would not have wanted to live.

The specific problem to be addressed is rather simple: the increase in average global temperatures anthropogenically caused must be limited to a maximum of 2 degree Celsius, or less. This much was agreed at the 16th meeting of the Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen in December 2009. How to address the problem has been the problem.

To put climate change management into context, its complexities need to be outlined. While the problem is borderless and cannot be addressed by the usual mechanism, the actions that need to be taken do involve national policies and programs, as well as market mechanisms. Moreover, climate change has a link with almost all other international problems. On the one hand, this can help mobilize support for management, but on the other can complicate the management tasks.

This paper tries to put the tasks and the international institutions into a kind of conceptual order. The climate change negotiations are trying to create an international regime. These consist of a series of agreements: on the principles, on the norms, on the rules and on the procedures. When the process is complete, there should be a functioning institutional structure to deal with the problem. Table 1 shows the institutions related to different elements in the regime creation process.

Regime Element	Institution Mostly Concerned
Principles	IPCC
Norms	UNFCCC - COP
	Financial Mechanism
Rules	COP - Kyoto Protocol
Procedures	
Elaboration	Subsidiary Body for Scientific and Technological Advice (SBSTA)
Information	Subsidiary Body for Implementation

processing	
Verification	?
	UNFCCC Secretariat
Finance	CDM
	Joint Implementation
	The Carbon Market

An institutional structure has begun to be created, although it is a work in progress. The main institution for agreeing on the facts of climate change is the Intergovernmental Panel on Climate Change, created in 1988 by the World Meteorological Organization and the United Nations Environment Programme. The IPCC, a unique hybrid of scientific and intergovernmental consensus-building has succeeded, through four appraisals, in defining the parameters of the problem and providing a basis for setting the 2 degree Celsius target. Its role will continue since the Fifth Appraisal, due in 2014, will help determine whether the target needs to change, as well as expanding on the likely results of different policy options.

The UNFCCC was an innovative approach to regime creation, which inevitably has to be built on an international convention. Normally, these conventions, particularly when the issues are complex, can take decades to negotiate and even then may not obtain universal ratification for additional decades. The negotiators on climate change, mindful about the uncertainties involved in the facts of climate change, opted for a new approach, a framework convention. In the framework convention, the agreed principles would be reflected, as would the norms, but the rules and procedures would be left for subsequent negotiations. This made it possible to reach an agreement.

The mechanisms created are led by the Conference of Parties, which would continue the negotiation process and oversee the system. The COPs (of which there have now been 15) have been the place where negotiations take place. The first success in elaborating the rules was the Kyoto Protocol that was agreed at COP-3 in 1997. Because the United States did not agree with the basic premise of the Protocol (and of the UNFCCC itself) that only Annex I countries had an obligation to reduce emissions, there was a long delay until the Protocol entered into force (in February 2005). This has not given much time for institutional arrangements to be established. Moreover, the Kyoto Protocol is designed to expire in 2012.

Since COP-13 in Bali, the COP has worked through two Ad-Hoc Working Groups (AWG), one on the Kyoto Protocol and the other on Long-term Cooperative Approaches. The latter AWG was established because the United States is not a party to the Kyoto Protocol and therefore would not be bound by the results of any negotiation taking place under the Kyoto auspices.

There are two subsidiary bodies established under the Convention, arguably at the expert level, that would act as preparatory bodies. One, the SBSTA, would develop scientific advice for application. It implements an agreed Nairobi work programme

on impacts, vulnerability and adaptation to climate change whose objective is to assist all Parties, in particular developing countries, including the least developed countries and small island developing States to:

- improve their understanding and assessment of impacts, vulnerability and adaptation to climate change;
- make informed decisions on practical adaptation actions and measures to respond to climate change on a sound scientific, technical and socio-economic basis, taking into account current and future climate change and variability.

The SBSTA has a responsibility for agreeing on how to define, in practice, the information to be reported under the Kyoto Protocol. This has been a slow process.

The SBI has the responsibility for all of the implementation sections of the UNFCCC, including especially reporting. Its work has been slowed by a lack of agreement on what should be reported and how, especially for developing countries that are major emitters.

Eventually, some mechanism for verifying the accuracy of national reporting will have to be established. At present, this is seen as the development and application of agreed guidelines, but how they will be developed in practice and who will apply them (and verify their use) has not been agreed.

The Convention also established a Secretariat, now located in Bonn. The Convention itself saw the Secretariat, like most treaty secretariats, as essentially supporting the work of the Conferences of Parties, by assembling information, organizing the meetings, doing coordination with other secretariats. While it was not seen as an operational entity, the UNFCCC did specify that its role included “(g) To perform the other secretariat functions specified in the Convention and in any of its protocols and such other functions as may be determined by the Conference of the Parties.”

In practice the Secretariat has increased the functions it performs. It organizes the research on the basis of which the SBSTA makes recommendations, processes and analyzes the information submitted to the SBI, and, more importantly, a growing function of managing operational funds.

Part of the grand bargain behind the UNFCCC was that the developed countries who produced the emissions historically that were causing anthropogenic climate change should provide funds to the developing countries primarily for adaptation. A financial mechanism was foreseen in the Convention, but has been essentially without much content. When the UNFCCC was agreed, the notion was to make use of an existing organization and the only financing organization that was concerned with environment, the Global Environment Facility, was selected. The GEF was established in 1991 as a consortium of international organizations, administered by the World Bank but with its own board working on a one-country, one-vote rule. At

least some of its work is reported to and reviewed by the SBI. The GEF has gone through four replenishments and is completing its fifth. Climate change is only one of its “focal areas”, however, and its resource base is considered to be relatively small. The Third Overall Performance Study of the GEF, completed in 2005, found that “although the GEF’s role is relatively minor in slowing worldwide climate change, the GEF portfolio has satisfactorily performed (given its limited resources), exceeding its interim greenhouse gas (GHG) emission reduction targets set by the Third Replenishment Agreement in an increasingly cost-effective manner.” (GEF, 2005, 2) The Fourth Overall Performance Study found “Despite the overall achievements of its portfolio, the GEF contribution to reduction in greenhouse gas emissions is quite small compared to that needed at the global level to ensure an impact on future climate change and a more sustainable development path.” (GEF, 2010, 26).

The Kyoto Protocol institutions, particularly the Clean Development Mechanism, are expected to increase levels of funding. The CDM basically channels investment resources that are expected to generate carbon credits. It has become increasingly operational and is expected by some, by 2020 to have a throughput of some \$2.5 trillion dollars. Managing the CDM has become increasingly complex since there has never been a task like this assigned to the international public sector.

The Adaptation Fund, with funds provided from fees charged by the CDM, is another new institution. It is so new that it has not yet made any grants.

Most recently, the Copenhagen Accord decided to create a Copenhagen Green Fund to transfer the eventual \$100 billion in funds pledged per year by the developed countries. The Fund is expected to be created under the Financial Mechanism of the UNFCCC but the specific arrangements are still being negotiated.

Finally, one element in the Kyoto Protocol is a system of emissions credit trading. This is expected to be a private sector-driven mechanism, but established under some form of governmental supervision. The European Union’s Emissions Trading Scheme (ETS) is the first of these.

Individually, the tasks to be performed do not seem new. Verification of State compliance with obligations (especially emissions reduction) is an old function, with different mechanisms. The most apt is the nuclear safeguards system managed by the International Atomic Energy Agency, based on national declarations but international inspection. Development assistance has been part of the United Nations repertoire for sixty years and this experience can be applied to the various funds and programs. There is even some experience in regulating markets. For example, dispute resolution in trade has been undertaken by the World Trade Organization.

What is different in the case of climate change management is the scale of the effort and the need to ensure that all of the pieces fit. This will require a larger, more agile

international public sector than has been seen in the past. It will require a civil service that is able to take on much more operational responsibility than in the past. And it will require much more attention to accountability than the international public sector has needed in the past.

This aspect of the regime creation debate has largely been absent in the negotiations, which have focused on State obligations, but needs to be added as the process unfolds. Will the institutional structure be a new entity (possibly built on the UNFCCC Secretariat), will it be based on existing institutions like UNEP and the UN Development System, or will it be some hybrid? These are questions that will have to be addressed over the next few years as the regime is created.