New Approach to a Climate Change International Agreement: Top 10 High-Level Negotiations and Sustainable Development

Eugen Taso

Introduction

The Kyoto Protocol and the UN Framework Convention on Climate Change (UNFCCC) were novel approaches to the controversial issue of climate change, and as such they carried high hopes for action. They signaled governments’ intention to address the topic in an international arena and constituted what many hoped would be a significant move toward an international climate change treaty focused on emissions reduction, mitigation, and adaptation. After almost two decades, it is now apparent that both largely failed to serve either as an instrument of emissions reduction or as a consensus-building mechanism for addressing climate change. Despite binding targets, world emissions have continued to rise over the last decade, and most of the Kyoto commitments will not be met by the signatories (e.g., Australia or Canada, to name two). Major economies (including the United States) did not ratify the agreement, making it less effective. After numerous Conference of Parties (COP) meetings, including the one in Cancun in 2010, the world appears to be no closer to a comprehensive agreement than it was a decade ago. Despite increasingly conclusive evidence of climate change, the process the world is using to mitigate damage is not working. The framework under which the international community is currently operating should be modified if the world is to address climate change successfully.

This prescriptive memorandum proposes a new and different approach to climate change policy and international environmental treaties. While the UNFCCC and comprehensive international summits with 190+ participant countries on this global problem should not be abandoned outright, a different conversation should be initiated immediately by a set of “leadership countries.” A new, two-step approach is advanced here:

First, international negotiations aimed at achieving agreement on climate change need to occur at a different level and in different forums than they are today. Since the key obstacle to global action at present is the absence of adequate leadership, heads of state, prime ministers, and others with the power to make national

decisions should lead the initiative. The 10 largest economies should hold bilateral and multilateral talks at the highest levels to formulate a consensus on how to take responsibility for climate change issues without adversely affecting the global economy. The agreements they reach should then be brought to the UNFCCC forum for further discussion, approval, and implementation, leading to meaningful action on climate change. If the 10 largest economies can agree on what to do to address climate change and work toward reducing greenhouse gas emissions to pre-1990 levels, the process will in all likelihood be able to win support from the rest of the nations in the UNFCCC forum.

Second, the focus of the international negotiations in the top 10 forum should shift away from emissions reduction and toward sustainable development through the provision of energy services less dependent on fossil fuels. Leaving the controversial issue of emissions reduction to other arenas, the top 10 forum would focus on promoting sustainable energy development, deployment, and access. This tactic is more likely to lead the rest of the world toward environmentally sustainable development, and in the process reduce emissions and address adaptation and mitigation issues—those efforts that currently meet with the most opposition in the UNFCCC from both developing and developed countries worried about economic development. In essence, climate change and emission reductions should be treated as additional to sustainable development and achieved through the vehicle of promoting sustainable energy services and accessibility worldwide.

This memorandum will describe the proposed new approach and the concrete steps needed to achieve these recommendations. It will also address possible objections to this solution, analyzing whether it is the best alternative to continuing on the current path. There is no guarantee this approach will work. However, the current system is clearly not achieving the desired results fast enough, and while the international community can and should continue to search for an agreement in COP meetings, an alternative, concomitant approach is urgently needed. Society cannot afford to continue to rely solely on the current path if it wishes to address climate change and reduce emissions, goals that have largely eluded international consensus for decades.

Background and the Argument for New Approaches

The starting point for these recommendations is the assumption that the scientific community is correct in theorizing that the world is currently experiencing climate change as a result of anthropogenic emissions. 1 Recently, the science has become more assertive, with the Fourth Report of the Inter-governmental Panel on Climate Change (IPCC), released in 2007, reporting such linkages with a high level of certainty, and the new report soon to be released enforcing the findings. 2 A recent investigation into the so-called “Climategate” affair of leaked emails 3 actually reaffirmed the IPCC as the scientific authority on this issue. 4 However, even if the science is incorrect and climate change is not as problematic as evidence currently suggests, the recommendations of this memorandum remain valid, as the development of sustainable energy services is a priority worldwide.

If we accept that climate change is a significant problem, the Kyoto Protocol and the current UNFCCC framework for negotiation are proving inadequate solutions. Since 1997, when the protocol was signed, the world has attempted through numerous meetings and international negotiations to take Kyoto’s provisions and use them as the backbone for an international agreement on climate change. The latest installment in Copenhagen was less than successful. The COP15 talks resulted in an unofficial accord by 10 developing and developed countries drafted in the 11th hour, without real commitments. In addition, many observers and participants regarded the accord as moot because it failed to address the critical issues of development and emissions reduction. 10

The main problem with the UNFCCC system is that it attempts to address the symptoms rather than the root cause of the disease. Consider the analogy of a high fever. A fever can be treated with aspirin, and it may subside temporarily, but if the infection causing that fever is not treated, then the whole organism is in mortal danger. 11 In UNFCCC negotiations, emissions are the symptoms and climate change is the disease—one that we as a society “caught” through the actions taken on our development path. Addressing emissions could alleviate some climate change symptoms in the short term, but the root of the problem would remain the world’s development path. According to William Moomaw, professor of international environmental policy at the Fletcher School of Law and Diplomacy at Tufts University, climate change is many ways the manifestation of the unsustainable provision of energy services. 12 As long as countries go without a sustainable development mechanism, emissions problems will recur, and climate change will progress unchecked.

---

5 Moomaw, William. Professor of international environmental policy at the Fletcher School of Law and Diplomacy, Tufts University. Lecture on international environmental negotiations, Harvard Law School, November 8, 2010.
6 William Moomaw, personal communication, March 17, 2011.
New Approach to a Climate Change International Agreement

The second problem is structural: The UNFCCC is too bureaucratic. The system is bound by checks and balances and lacks serious implementation and verification mechanisms to ensure compliance once an agreement is negotiated in the plenary. Our society is not closer to a comprehensive plan than it was 13 years ago, while emissions are rising and scientists alert us with increasing certainty that it will be more difficult to combat climate change in the future if action is not taken today. The current process represents a waste of global resources on meetings yielding close to zero net gains. Developing countries refuse to take action that would hinder their development and accuse developed countries of not sharing responsibility for the damage that already occurred. Developed countries disagree and claim they will not commit to anything unless the developing countries do the same. It is a zerosum game, the signal that the system is not working.

The forum for discussion in the UNFCCC is also inefficient. Having summits with 190+ participants is a lengthy and redundant process; no decision is likely to get everyone on board. Plus, even the most modest agreements typically can't get past most of the individual countries' legislatures. The negotiators are not their countries' top decision-makers, and they don't have the power to act. Any real negotiating is thwarted because those who can make the decisions send negotiators with instructions that cannot be altered.

Finally, given the uncertainty of the debate and the skepticism surrounding climate change issues in both developed and developing countries, modeling a comprehensive agreement on other, more focused international negotiations such as chlorofluorocarbon elimination, nuclear weapons reduction, or acid rain is problematic. These issues were less complex than climate change, and it was easier to rally people given their urgency and observable negative effects. Solutions were also easier to implement due to the availability of substitute products, the support of industry, and the small size of the disruption to development and economic activity. Climate change is different; its headline in international negotiations renders the process less efficient because economic and development issues are paramount, and since the effects are not currently observed on a large scale, there is significant skepticism from public opinion and decision-makers. Therefore an agreement is less likely in the future, when it is arguably needed most. Without a shift in leadership, any subsequent meetings will likely have the same inadequate outcome as Cancun or Copenhagen.

One of the largest concerns of world leaders from developed and developing countries alike is that taking action and implementing policies to reduce emissions will affect their current development path and competitiveness in the world market. Development is an issue that the international community has tried to address through numerous strategies. Despite sustained action, currently 35 percent of the world’s population lives below the poverty line, and the problem is distributed widely: 14 percent in the United Kingdom, 12 percent in the United States, 19.8 percent in Spain, 18 percent in China, 25 percent in India, and 31 percent in Brazil, to give a few examples. While approaches to address this situation are different (lifting the poor out of their condition or adopting a “trickle-down effect”), poverty is an issue that persists. Energy access is similarly distributed, with developing countries struggling to provide their populations with reliable, affordable access to energy, and aiming to do so with conventional sources that typically raise emissions. Therefore, a shift from a focus on regulation and emissions targets to agreements that would help provide clean energy services may be supported and in fact adopted by all members.

Step 1: Setting the New Environment and Actors for Negotiation

International negotiations must happen at a sovereign state level, since states have the authority to make decisions and influence domestic constituencies. They are also accountable to the international community as a whole (including civic society, businesses, nongovernmental organizations or NGOs, etc.) and not only within one sector or area. Any other setup is likely to fail to bring a believable and verifiable agreement to the table in an international setting. Separate sectoral agreements, feedback, and involvement should be encouraged with participation from the business community, NGOs, and other stakeholders; however, international negotiations need to occur at a sovereign state level. This part of the current UNFCCC framework should remain.

The first step in the proposed approach is to set a new stage for negotiations and define the core participants: bring together the top 10 economies by GDP level in a setting outside of the UNFCCC framework. According to International Monetary Fund (IMF) projections, the top 10 economies are not likely to change dramatically from 2009 to 2015. The major economies in the world will remain the United States, China, Japan, major EU countries, and Brazil, with India likely to join the group soon. In 2009, the top 10 countries were responsible for approximately 65 percent of the total world GDP. By 2015, IMF predicts that total will reach 70 percent of the world GDP. Whether or not GDP is the optimal way to measure economic performance, these countries are the largest engines of growth in the world economy by a large margin, and they are likely already billable for the major development aid going to developing countries, which is sufficient to qualify them as leaders. In addition, they represent developed and developing countries just like the current climate change negotiations taking place, with different goals and aspirations of growth and development, aiming for providing the best services to their citizens.

largest emitters at the negotiating table will be useful and is indeed recommended.
China, the United States, major EU economies, India, and Brazil, as well as Russia are in that group, making it an ideal environment for discussion and action that will significantly impact the world.

This distribution provides representation for the developed and developing countries alike, with significant geographic and political diversity. It also accounts for 52 percent of the world population, making it a significant economic and social environment for leadership. While Africa and the island states are not represented, every other major group is included in this top 10 subset, legitimizing the group in making decisions and promoting them in the UNFCCC framework.

How is this new proposed forum different from the G8+5 Climate Change Dialogue, established in 2006 to convene the leaders of the top 13 polluters, or from the World Economic Forum, which aimed to bring leaders together in partnerships to shape global, regional, and industry agendas?17,18 The focus of this group would not be on pollution, emissions, climate change, or industrial agreements and economics. As presented in the second step of the proposal, getting the leaders of the top 10 countries together to discuss development and energy services access is a different approach. The idea is for this group to come to agreement before bringing action items in front of the UNFCCC plenary. It is a first step that will not prevent other countries from reaching agreement, but rather lead the way for followers.

The proposed top 10 body would not be a new organization; it will not hold separate forums or have permanent membership representation, a secretariat or specific rotating leadership, and regular meetings. It will be an informal bilateral

---

New Approach to a Climate Change International Agreement

and multilateral discussion and environment where the issues of sustainable energy services can be debated. The Organization for Economic Cooperation and Development (OECD) currently gathers together the top 35 countries responsible for more than 85 percent of world GDP, but the OECD is not the right forum for action mitigating the effects of climate change through a new agreement on development.\(^\text{19}\) The organization has a set structure, a well-developed leadership apparatus, and a well-functioning body. But its mission is too broad, its structure too rigid, and its options too limited—as demonstrated by the bureaucracy, issues stemming from the 2008 financial crisis, and other responses that have taken too long and are too limited for the purpose of addressing climate change. While initial contact could be made through OECD, the G20, G8+5 polluters, or the World Economic Forum, the new structure of the top 10 for sustainable development needs to be separate in order to have a new mandate and a new operational ability not possible within the confines of structures already in place and associated with other purposes. One thing to notice is that, over the years, the top 10 will likely change (at least marginally). It is also true that the criteria for selection may be challenged sometimes. Instead of increasing the number of countries by design, the process would be jump-started with the initial 10, after which it would expand to more nations as they emerge as leaders in their regions.

This new approach would sacrifice the apparent democracy of the current system for efficiency and results. It is a more manageable size for negotiations than the UNFCCC plenary of 190+ members, or even the OECD or the G20. And, while the World Trade Organization negotiations succeeded in creating a body with enhanced powers, it is still unclear how some of these solutions can be applied, and therefore the model is not ideal for this framework. In a large setting, countries tend to be combative rather than cooperative. The interests of the participants are too wide and diverse. In addition, the opportunity for collaboration, pre-negotiation, and small working groups is often limited, and the timeline for talks is very short. The top 10’s destinies are intertwined by trade, diplomatic relations, and military and geopolitical concerns. Since they hold the economic power, they have the incentive to keep it—a factor the new approach can utilize to encourage agreement.

According to the Consensus Building Institute, there are four key approaches to achieving mutual gains in an international negotiation:\(^\text{20}\)

1. **Preparation:** Understand the negotiation partners, define the mandate, be aware of the best alternative to a negotiated agreement (BATNA) for each party, and how to improve it if at all possible, know the home and opposing interests—the key is to be prepared without compromising one’s own position.

2. **Creating Value:** Propose solutions without committing.

3. **Distributing the Value:** Build trust and realize ways in which to implement the results.

4. **Following Through:** Agree on monitoring agreements, perform the agreed-upon commitments, and work toward improving relationships in the future for subsequent negotiations; the means of dispute resolution also need to be included in the negotiations.

These steps are hard, if not impossible to achieve at a UNFCCC plenary level of 190+ members. However, in a 10-member negotiation and any subset thereof, it becomes easier to know the position of the other players, negotiate alternatives, and create value for everyone. Economics plays a large role, and so negotiations focused on trade, energy, and other critical items for these societies will likely follow this model and arrive at beneficial results.

For example, China may not want to reduce emissions outright and unilaterally, but may be interested in providing development aid to African countries via clean technology produced in its factories and purchased at market prices. Alternatively, the United States may not want to commit to reducing emissions by a percentage, but may agree to fund energy services in Asia if American companies are used. These smaller working groups would help build trust and can be structured in such a way that makes it easier to live up to commitments, combat criticism at home, and work toward the common goal of sustainable development.

With the top leaders of these economies involved in the negotiations, the likelihood of reaching an agreement is significantly higher than in other arenas. The United States, China, major EU economies, Japan, Russia, India, and Brazil all have a stake in the economic development of the world for trade, geopolitical, and environmental reasons. These major economies are already acting as a united block in several arenas: the United States, Japan, Russia, Canada, Germany France, the United Kingdom and Italy participate in the G8; major European economies (Germany, France, Italy, the United Kingdom) also have the United Nations (the European Union); and China, Brazil, and India are part of the Group of 77. The relationships that exist can thus be solidified around trade negotiations, bilateral agreements, economic cooperation, and diplomatic relations. This will allow them to renounce opposition to climate change action for a value-creating situation that would be easily distributable and significantly easier to implement than a large agreement like the Kyoto Protocol. Individual European countries would have the chance to act autonomously, giving their own stamp to any programs that are agreed upon, then returning to influence the larger European Union into participating for the benefit of the whole community.

The best forum for top 10 negotiations would be high-level meetings scheduled to work out trade agreements or treaties; the goal would be to reach an agreement.
New Approach to a Climate Change International Agreement

that could then be brought to the UNFCCC forum for further debate and approval. Such a setting would benefit negotiations by being out of the public eye; it is apparent that expectations are high when a treaty is discussed in a formal setting, with media and society waiting for an outcome. Undue scrutiny is brought upon the negotiators, and there is urgency for results. Incorporating climate change talks into the process of negotiating other treaties, as long as the item is added to the agenda and the right individuals are part of the official mission, would allow consensus to be achieved without any time constraint. Any new deal brokered by the top 10 would then advance to other levels, such as the UNFCCC.

Bilateral agreements already in place, existing treaty regimes, and diplomatic relations would be a starting block for the new system, demonstrating action at all levels is possible; the informal structure of this system will not interfere with current agreements. Discussions can and should take place at the members' discretion, and common ground can be covered during negotiation of said treaties and agreements. Once the initial relationships are built and common goals articulated, the structure can develop organically (see proposed timeline). NGOs, industry, lobby groups, and other countries can make their positions known and offer suggestions and alternatives for action to the top 10 governments. However, the negotiations should occur in the top 10 forum, with implementation falling directly on them after the treaty, agreement, or initiative is signed. This would cut red tape, eliminate inefficiencies, and allow society to make real progress toward addressing climate change.

Step 2: Shifting the Focus—Sustainable Development through Energy

Changing the actors and the decision-making process will not be enough to address current environmental challenges. The smaller, more targeted, high-level negotiations among the world's top 10 economies proposed here might still fail if the focus of the talks remains on emissions reduction, the contentious issue that has plagued Kyoto and the UNFCCC, a zero-sum game without a foreseeable solution. Therefore, another shift is necessary for constructive results; the focus of talks must change from climate change to sustainable development, with an emphasis on increasing the availability of energy services worldwide. In a forthcoming paper, Moosmav argues that what the world needs is equal access to energy services, as a right and not a privilege. This should become the major point of discussion for the top 10 group. Development requires energy, and no country is willing to give up its development path for a non-verifiable climate treaty, as has been repeatedly stated by world leaders. Furthermore, with climate change as a secondary goal, not an agenda item, and development through energy as the main and most important target, an agreement that seems implausible today may be reached, addressing climate change indirectly and efficiently.

The World Bank has announced it is going to reallocate 60 percent of its development funds to renewable energy projects. This unprecedented move toward sustainability is recognition that such projects hold the key to global development. The top 10 world economies should go one step further, since they largely provide the funding for the World Bank, and take a more general approach within their borders as well as in developing countries: they should establish that the goal of international negotiations and agreements is sustainable development through access to energy services. Such an approach would enable countries to circumvent opposition from domestic actors who doubt climate change and gain support from countries not involved in early stage negotiations. The result would be an international all-encompassing agreement.

Energy is the appropriate focal point for the new development program because energy is the root cause of climate change and emissions. Development should occur while giving people access to energy services. A household in India, a manufacturing plant in China, a distributor in Africa, or a law firm in New York may not care if their energy comes from coal, nuclear, biofuels, hydro, or wind. But they certainly care that the source be reliable and available at a reasonable market price. Development funds and investment should therefore be devoted to supporting technologies that are currently deployable (natural gas, hydro, nuclear, some wind and solar, biofuels), so that emissions can be cut for new projects, and eventually polluting old plants can be taken out of service. The 4,800 MW South African Medupi coal plant financed by the World Bank that is set to emit 25 million tons of carbon should be a thing of the past, with new development funds targeting projects that ensure development in a sustainable manner.

How would the system work? The top 10 currently allocate development funds and fulfill commitments unilaterally and multilaterally, mainly targeting developing countries through financing. In fact, the top 10 are the major donors to organizations such as the World Bank, IMF, and others. Some also have different regional institutions providing aid, such as the US Agency for International Development, the African and Asian Development Banks, and many more. While new funding would be appropriate, even without additional funds the new negotiated agreements can do a lot to encourage sustainable development, thereby reducing emissions and combating climate change. Funds allocated for new or existing projects must have add-on conditions for sustainability of operation and reduced impact on the environment.

For example, the government of China might commit to stop building coal power plants within its borders and stop funding coal plants elsewhere if the United States

---


New Approach to a Climate Change International Agreement

agreed to provide some of the funding and know-how to develop biofuels or nuclear power. In exchange, the United States could receive controlled currency depreciation, or free access to Chinese markets for US companies under the full protection of the Chinese government. The United States might also agree to spend a proportional amount to maintain the economic balance of the accord through energy investment in similar alternative-energy plants at home, based on the Chinese experience. This example illustrates the kind of approach that could help reduce emissions while encouraging, rather than hindering, development. Since providing energy services to its people is paramount, the Chinese government could work toward reducing its emissions and developing its industry through cleaner energy funded in part by its partners. Furthermore, both China and the United States could work toward providing the same energy services to other developing nations through funding and project management aimed at reducing emissions but sustaining development.

Currently, development aid is not accomplishing the needs of the people and is not helping many out of poverty. While assessing the success of development targets is not the purpose of this agreement, addressing the basic need of energy access is. Providing development funds from the top 10 to the least developed countries is already occurring. Affixing certain conditions and verification systems to development dollars should allow the countries to develop their energy sectors, ultimately providing energy access to more of their citizens. If a new power plant is built in Nigeria, for example, new funds should be available from the top 10 through the agreement to supplement the funds that the country is putting toward construction to make it a low-emissions plant, in effect subsidizing the cost of new sustainable projects that would otherwise not be possible. With access to energy come education, health care, and other social benefits that can be coined as development mechanisms, an intended trickle-down effect of this agreement.

The agreements negotiated by the top 10 should go beyond financial assistance, because the top economies also have the means to provide technical and operational aid. Countries might choose to provide assistance in exchange for reduced tariffs, military cooperation, political concessions, or an improved business environment. Developed and developing countries are more likely to reach agreement if benefits don’t only go from north to south. The argument is that, through providing access to energy by funding and endorsing clean technologies instead of current development paths, the top 10 would advance sustainable development, and in turn reduce emissions and address climate change indirectly.

None of this is to say that the UNFCCC and the Kyoto Protocol should be abandoned. The Clean Development Mechanism (CDM) and similar tools could be discarded as the new system is taking shape, since reducing emissions can also be achieved by reallocating funds to programs that encourage sustainable and low-emissions energy services. But others, including REDD, should be maintained, as sustainability requires conservation of forests and natural habitats. This system could work similar to the US Conservation Reserve Program, which pays farmers to take arable land out of production and into conservation for a period of 5-10 years. 24 This will ensure that forests and other habitats are preserved by providing in essence a subsidy for energy services. Once a country signs on to the new sustainable development requirements, it will be required to pledge to adhere to the program guidelines, and reduce emissions implicitly.

UNFCCC requirements for adaptation should also be maintained by the new system of development aid, with funds aimed at helping countries decide how to handle possible changes in climate patterns, hurricanes, floods, and rising sea levels (like the world has seen in Moscow and Pakistan in 2010). Development aid is needed for all these issues, and a focus on sustainable development should take into account adaptation, just as it should focus on energy services and basic human rights and needs. Mitigation is hard to achieve and define. Adaptation is palatable and can easily be funded and achieved through new development programs.

**Possible Objections to the Proposed System**

Several objections can be made to the new system, both in terms of its organization and its potential efficacy. It is important to address them in order to see whether the system can actually work in the current world environment and to assess whether the idea can be implemented with minimal international pushback.

First, countries outside the top 10 may object to being excluded from negotiations that center on development. The current international system is as democratic and as transparent as possible, giving everyone a vote and the opportunity to state opinions. 25 However, one of the lessons we learned from Copenhagen is that sacrificing transparency and excluding many actors from negotiations can result in an agreement that would most likely not have been reached in plenary. It is true that the proposed system would be exclusionary and nontransparent in its early stages. But agreements could be derailed in the plenary of the United Nations, UNFCCC, or other forums, and countries may not sign on.

It is also true that even in the current system, individual country positions and side agreements are not always transparent. 26 Saudi Arabia’s side deals to derail the process are a case in point; since they are a major oil exporter, a climate change deal committing countries to emissions reductions would impact their exports and thus their economy; as a result, African countries are actually calling on them to stop their interference. 27 Since the proposed 10 are responsible for close to 70 percent of world GDP, they would be likely billable for the major development aid going to

---

developing countries and beneficiaries of whatever measures are put in place. They also have a growth path in mind, and it is prudent to allow them to achieve it together, coordinating their efforts. The BATNA is to let them compete with each other, waste resources and continue on the current path, which is not sustainable. Trading transparency for a more effective outcome may be warranted.22

Furthermore, it is unlikely that countries that are offered aid to participate in the sustainable development agreement will refuse it because they were not consulted. They will have input on implementation, which should give them control over their development. Aid is necessary, technology is welcome, and expertise in many of these fields is required if countries wish to develop. States feel they should have a say in the policies developed should make a point of approaching the countries at the table and making their arguments and requests (for example, the rest of Europe could tag along with the EU participating countries; African nations could influence South Africa and China, which has large interests in the continent, etc.).

The top 10 cannot take unilateral action, because they need the rest of the world for other agreements, and burning bridges is unwise. Also, signing onto these agreements would be voluntary. The top 10 economies will discuss trade agreements, bilateral treaties, and other points that, through their magnitude, will likely impact the world economy regardless. The current system is no more transparent and democratic than the proposal in this memorandum. Why not at least try to see if society can reap the benefits through an accord on development, which will in turn lead to indirect but effective emissions reduction?

Another counterargument for this system is funding. How is the disposition of funds to be handled and by whom? What is the verification process for ensuring that the funds were used for the development of energy services in the poorest nations? Where is the money going to come from? Will development funds already allocated for development be diverted, and if so, how will the more basic needs such as food, health, etc. be achieved? All are valid concerns, and in truth the system that we currently have in place for development, while not perfect, is well established. By using the World Bank and other regional aid organizations, as well as the current foundations and NGO networks in their respective constituencies, the top 10 countries can target development in such a way as to make the largest possible impact. Some of the current development aid can be redirected to the new programs (such as the World Bank renewable energy program described above), while new funds can come from private industry (energy companies arriving in new regions where they did not have prior access, for example) or from governments involved in the negotiations in exchange for either trade access, technology acquisition, preferred commodity exports, or other incentives. It is not a perfect system, but if not attempted it is impossible to tell whether it will work or not.


Concerns could arise regarding free riders. If the top 10 lead by signing a voluntary agreement for development advanced by non-transparent negotiations, other countries may decide they don't need to act, reducing the impact. If a country does not sign onto a specific sustainable development agreement and does not develop its energy sector, it will not receive development funds. However, if that country's neighbor signs on and starts prospering from an expanded clean energy sector, its accelerated development path would set an example. That spillover would encourage initial non-signatories to adhere to the program. The free rides that the current system promotes (not reducing emissions while others are and benefiting) would be eliminated.

What if developing nations like China, India, and Brazil see this system as giving their competition an unfair advantage? If China signs on, then India and Brazil will be compelled to follow for competitive reasons. This is not a mutually exclusive competitive agreement. Everyone can benefit from sustainable development of energy, and the more people who sign onto the new agreements, the more emissions reduction and accelerated development is likely to occur.

Critics may argue against this approach due to opposition in home constituencies, international deadlock, and the difficulty of changing an already entrenched system. While there are no guarantees, having small negotiations between the top 10 leading world economies will likely be more successful than the current system. Negotiation theory tells us that there should be a better alternative to the current situation from which all parties can gain. It is a matter of finding that new equilibrium and reaching it in a constructive manner. If leaders come together and discuss these issues without the pressure of having to commit their countries to binding agreements on emissions reductions, domestic support is likely on the good of their constituents and on sustainable development through energy production that will benefit their manufacturing and services industries can be both popular and achieve worldwide emissions reductions.

Arguably, development work already being performed is not yielding significant results. So, some might ask why this new approach would work better. How can the countries that are not making the decisions be persuaded that this will be different? While development is currently a slow and painful process, the proposed approach is not intended to rebuild the development system currently in place. Instead, it proposes that climate change action be refocused through sustainable development of energy services access in both developed and developing countries. Energy services are a big part of the development path for China, India, South Africa, Brazil, but also for the United States, Canada, and Germany. Access to energy is vital to development, and making it sustainable and generally available would benefit everyone. And it can be achieved by incentives. It is a voluntary system, but if one signs on, one receives the funds to develop the energy sector. Clean energy is then available for overall development. In time, it can replace old power plants and possibly keep emissions below 450 ppm. The incentive, of course, is the additional aid and technical assistance.
New Approach to a Climate Change International Agreement

Another question centers on how to certify clean technologies and ensure they are available. As long as energy is provided with lower emissions than before, abandoning the current production practices should yield the necessary results. Going through a verification process would entail the implementation and make it more bureaucratic. When projects are proposed or suggested, feasibility assessments are conducted, and experts consulted. If the consensus is that the energy services in that region are required, then providing them in a sustainable manner would be appropriate.

In addition, there are concerns that interests in the fossil fuel sector will clash with this new mechanism, leading it to fail. Fossil fuel exporters may object, but even countries like Russia and Venezuela need to develop their energy services. The world will not shift immediately from fossil fuels to clean energy, but fossil fuels are on the wane. It is a gradual and lengthy process, similar to replacing the vehicle fleet. There will be pushback, but exports will continue, and while new energy solutions are developed, the exporters can use the revenues to develop their economies and take advantage of financing to provide energy services to their constituents.

Implementation Schedule

Even though the proposed two-step system is meant to be informal, with the pace set by the top 10, the gravity and urgency of the problem demand a clear action plan. A timeline for implementation is useful, and the members of the top 10 group should make an effort to abide by it as closely as possible. It is important to remember, however, that this new system is voluntary and that there is no new organization or body charged with action on this issue.

The proposed implementation timeline and checklist is presented here:

1) The top 10 countries have to make initial contact as soon as possible. One of the countries should take leadership and bring this to the attention of the group in a setting that is appropriate for such communication, such as the G-20, the OECD, WEF, or even at the next UNFCCC meeting. With initial contact under the leadership of one of the members (the initiative can be undertaken by anyone), discussions can begin right away.

2) Following the schedule of meetings at the highest levels between the top 10, discussions should be added to the agenda based on the needs of each country. If, for example, China is planning to build new power plants, then the subject could be brought up in Chinese-US talks on trade for financing and technology reasons. The United States could agree to provide technology for the specific projects under favorable terms if the use of that energy and its distribution to the largest possible percentage of the population has a high return on investment and a social benefit. These types of discussions need not be scheduled in advance, but rather tagged onto talks happening at the highest level every year.

3) Once discussions begin at a bilateral level, agreements that are reached can be taken into other meetings. For instance, if the United States and China reach an agreement on energy services for China and Africa, with funding to come from both parties, joint implementation schedules, and conservation add-ons, the agreement can be brought up in the next meeting between China and India. India would then have the option to participate, expanding the reach of the effort not only to the Indian subcontinent, but also to the rest of South Asia. Over time, the network of discussions and agreements will develop until the web and interlinks reach the top 10 countries and spread out elsewhere. As the network expands, more formal relations could be created under the auspices of the top 10.

4) This process should happen relatively fast. With the UNFCCC taking place in parallel, the impetus for action would be even larger. If the major countries can demonstrate that through cooperation they have developed energy services and modified their energy sectors with cleaner technology, thereby reducing emissions voluntarily, the domino effect will continue throughout the world. The UNFCCC forum will then be useful in bringing world leaders together to measure progress and discuss next steps.

5) Implementation, measurement, verification of investment, and additional agreements on collaboration can occur in the course of the year among the top 10 and other states, or among other states separately. This would lead to the next meeting of the G20, WEF, OECD, or UNFCCC, where top 10 leaders can reconvene and discuss new efforts to improve their economies through enhanced energy services.

6) After the first set of agreements and the first five-year period, with NGO participation and industry involvement, a reassessment of the process and negotiated agreements can occur in the same high-level meetings to measure progress, see if adjustments are needed, and evaluate whether a new approach is more appropriate at that time.

Conclusion

This memorandum has proposed a new approach that would not only change the structure of climate change negotiations, but shift the focus from emissions reduction as a goal to development and energy service. This need for a change in the current system is obvious—underlined by the lack of success of the Kyoto Protocol as an emissions reduction mechanism, and the inability of the international community to reach agreement and sign a comprehensive treaty leading to reductions in greenhouse gas emissions, illustrated by the disappointing Copenhagen COP15 summit.

The proposal is to target sustainable development, treat climate change as an add-on, and do it at a high level between only the top 10 world economies. While the current climate change international negotiation system should be left in place, the
New Approach to a Climate Change International Agreement

top economies should approach the issue in bilateral and multilateral negotiations at the highest levels in meetings that are already taking place (state visits, trade agreements, treaty signing, etc.). Shifting the focus from climate change to sustainable development through various aid and incentive mechanisms, especially universal access to energy services, should take the place of systems like CDM, while keeping REDD and other conservation incentives. Aid funds administered by the World Bank and other institutions can be redistributed, and other funds can be identified and utilized to reach this new target.

Development is a common international goal, and it is unlikely that anyone, from domestic constituents to international actors not included in the negotiations, would oppose it as the target of the program. Addressing climate change would be abandoned as an international agenda item in this forum, removing the stark opposition for action from developed and developing countries alike. Through sustainable development the world can achieve emissions reduction indirectly and perhaps more efficiently, without a need for verification. It is a novel system that may work.

Of course, it is possible that the system will not work as described. But a new approach of some kind is necessary, as money, time, and precious resources are currently being squandered on ineffective efforts to get an emissions reduction agreement. In 1933, when President Franklin D. Roosevelt took office in a United States plagued by the Great Depression, he noticed the system was broken and, not knowing the right way to fix it, he adopted multiple policies he thought would help move the country out of economic collapse. For example, in agriculture, FDR passed numerous acts trying to change the system and assist the farmers. Some failed, but some survived and remain in place today. And the agriculture sector has revived and flourished in the United States. The point is that he tried something to see if it worked. If it did not, he moved to something else.36

While this is not the 1930s, and the world is not the United States, we have a similar problem with climate change: what we have tried so far has not worked, at great cost. The solution should be to try something new, and see whether the new approach will take us closer to action and emission reduction. If it does not, a new solution can take its place. The Depression ended, partly due to FDR’s policies. Our current challenges should be met the same way—with creativity and flexibility. This proposal offers one starting point from which to develop more international agreements on climate change.