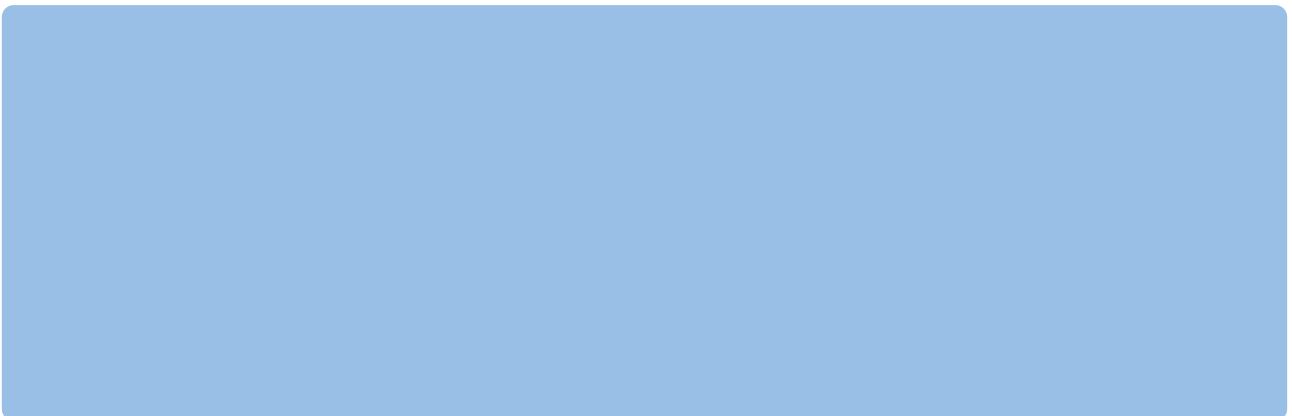


Analysis of Processes to Meet Future Climate Commitments

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**Analysis of
Processes to
Meet Future
Climate
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Analysis of Processes to Meet Future Climate Commitments

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Summary and Conclusions

Summary

The purpose of this investigation was to analyse processes to achieve future climate commitments. Focus has been on other processes than UN processes. The first task was to make an overall survey of ongoing climate initiatives, both climate initiatives in a broad perspective and those with particular focus on post-Kyoto commitments. A second task was to survey networks/forums that may – but need not – have environmental issues on their agendas. It has been of particular importance to survey forums in which developing countries, Non-Governmental Organisations (NGOs) and/or the private sector are participants. The third task was to analyse Sweden's prospects of influencing climate debate and whether there are any existing networks/forums in which Sweden has a comparative advantage in participation.

During the survey work, it has been pointed out on several occasions and by several different actors that far from all initiatives move the overall issue forwards. The initiatives mentioned by most people as the most promising ones are the Centre for Clean Air Policy (CCAP), the Organisation for Economic Co-operation and Development Annex 1 Expert Group (OECD – AIXG) and the work done at the Pew Center for Global Climate Change. What these three initiatives/forums have in common is that all are working on both the development of analysis tools and as a forum for discussions. The Pew Center has also proved its ability to influence American thinking.

Many interviews point to Sweden not having a particularly prominent role in international processes. Sweden's membership of the EU means that Sweden cannot deviate significantly from the EU position (irrespective of networks/forums). The EU is also a negotiating party in the climate negotiations. On the other hand, Sweden can work to further improve its role/position in the climate field and use its credibility to influence the EU negotiating position. The fact that Sweden has a high degree of credibility is, then, something that can be regarded as a comparative advantage for Sweden. Sweden can also strengthen its profile, for example by ensuring that knowledge generated by research projects and NGO initiatives is put to use, and by being active in climate issues in other forums in which Sweden is active as a country. Sweden can also take supporting initiatives designed to increase understanding in other negotiating parties.

Apart from Sweden's general credibility in climate-related issues, Sweden has also developed specialist competence in issues of particular interest, such as flexible mechanisms, Arctic issues and carbon sinks. This means that Sweden can actually be said to have a comparative advantage in acting in certain forums. The forums that seem most relevant for Sweden are the Nordic Council and the Nordic Council of Ministers, the Arctic Council and the Barents Council, and the Council of Baltic Sea States.

Background

The Kyoto Protocol will enter into force if it is ratified by Russia. Many expect this to happen in the near future, although not before the 2004 Presidential election. When this happens, it will be a milestone in the climate process and will mean that emissions from a majority of the Annex 1 countries will be capped for the 2008-2012 period. Under the UNFCCC, negotiations about a second commitment period will begin in 2005, with the goal of achieving an agreement prior to

the start of the first commitment period in 2008. Discussions are, however, already underway about the nature of the second commitment period in both academic and scientific circles.

Within the EU, the majority of member states are expected to encounter great difficulties in meeting their Kyoto commitments. When the member states revise their climate strategies and proceed to implement the Kyoto Protocol, the challenge of “delivering Kyoto” will probably affect negotiating positions on future commitments.

It has become clear that climate negotiations in conventional UN forums are hampered by the fact that there are widely diverging views among negotiators on important issues. Such differences exist in, for example, the cost of reducing emissions, the economic consequences of a carbon-limited world, and North-South equity. The developing countries want the developed/industrialised nations to “do their bit” first, while the developed/industrialised nations want the developing countries to participate before they undertake more commitments. One possible way out of this situation is to raise climate issues in other forums that may, but need not, have environmental issues on their agenda.

Problems and methodology

ECON was given an assignment by the Swedish Environmental Protection Agency to investigate the following main points:

To make an overall survey of work/debate/initiatives now underway with respect to:

- a. Climate issues – a broader perspective*
- b. Post-Kyoto commitments*

A second task is to survey forums that may – but need not – have environmental issues on their agendas. Particularly important are forums in which developing countries, NGOs and/or the private sector participate, and where there may be opportunities of bringing the climate issue onto the agenda. Examples of such forums are The World Economic Forum, G8/G10, AOSIS, APEC, ASEAN.

What initiatives exist, in what forums are the issues discussed, how are the discussions proceeding and what are Sweden's prospects of influencing the discussions? Focus is on forums outside the UN processes.

An analysis of Sweden's prospects of influencing discussions is closely related to the above, as is the question of whether there are any existing networks/forums in which Sweden has a comparative advantage in participation. It is equally important to carry out the opposite analysis, i.e. whether there are networks/forums where other countries have a comparative advantage in acting and in which Sweden should not act.

ECON has used the following methods in the assignment:

- Discussions with our principal about the structure of the assignment.
- Meetings with the principal, the Swedish Energy Agency, a representative of Sida (the

Swedish International Development Cooperation Agency) and other consultants involved in “Post Kyoto” at the Energy Agency's programme conference on 28-29 October 2003.

- Participation in the workshop “The Post Kyoto Assignment” arranged by our principal on 30 October 2003.
- Interviews with key persons from the Ministry of the Environment, the Ministry of Trade, Industry and Communications and Sida. Other key individuals have also been contacted, including Anders Wijkman and Bo Kjellén.
- Qualitative/theoretical discussions about Sweden's potential comparative advantage in acting in various forums.

Conclusions

A total of 33 ongoing initiatives have been surveyed: 24 climate initiatives, divided up into climate initiatives in a broad perspective and post-Kyoto commitments, and nine ongoing initiatives/networks/forums that can, but need not, have environmental issues on their agenda. The results of this survey and the interviews indicate that far from all initiatives move the overall issue forwards. The initiatives mentioned by most people as the most promising ones are the Centre for Clean Air Policy (CCAP), the Organisation for Economic Co-operation and Development Annex 1 Expert Group (OECD – AIXG) and the work done at the Pew Center for Global Climate Change, the latter because it has proved its ability to influence American thinking.

With regard to Sweden's actions and its prospects of taking action in climate issues, only initiatives described as Government Initiatives enable Sweden to act as a country. This means that Sweden can act and strengthen its current position/role within the EU, the OECD-AIXG, the OECD-DAC (OECD Development Assistance Committee), the International Energy Agency (IEA) and – in the future, once the work is underway – the UN Commission on Sustainable Development (CSD). The situation is different for NGO initiatives and research projects, since Sweden does not act as a country in these forums. Of course Sweden can support those initiatives and make use of the research results produced; in this way, Sweden can use these forums to strengthen its own position/role in forums in which Sweden is active as a country. Since Sweden is a small country, it is important where appropriate and where possible to make use of what is done in these various forums and use it to strengthen the Swedish resource base.

During the interviews, it has been pointed out on a number of occasions that resources (both financial and in terms of staff) are too few to bring the climate issue onto the agenda in forums other than the conventional ones. This does not mean that no opportunities are available. It is important, however, to point out that considerable resources would be required, in terms of both money and manpower, to really influence the agenda – it is not sufficient to simply support existing forums and organisations. It has also been said that attempts to bring the climate issue onto the agenda in “new” forums will only succeed if the representatives in these forums so wish. This also means that the issues will not necessarily be handled by the usual climate experts. It is sometimes said that negotiations in UN organs favour states with good negotiating skills, which is true, while it must be said that this is nothing specific to UN organs, but applies to all negotiations.

The following applies to initiatives/networks/forums that can, but need not, have environmental issues on their agenda. In the World Economic Forum, Sweden does not act as a country: the primary actor is the private sector. The World Economic Forum will probably play an important role in future climate contexts but Sweden's ability to act will be more a case of working via multinational corporations that are mainly Swedish-owned. Sweden is not a member of either the Alliance of Small Island States (AOSIS) or the Asia-Pacific Economic Cooperation (APEC) which means that its prospects of taking action are small. Similarly, Sweden is not a G8 member, although the EU does participate as an observer and is represented by the country currently holding the Presidency. The same applies to the EU's dialogue with the Association of South-East Asian Nations (ASEAN). Sweden is a G10 member however, though it must be said that the prospects of bringing the climate issue onto the agenda at G10 meetings are currently small. The reason for this is that the issues hitherto discussed have not been climate-related. The Asia-Europe Meeting (ASEM), however, offers a budding opportunity although there have so far only been two meetings of Environment Ministers.

Sweden's membership of the EU means that Sweden cannot deviate significantly from the EU position (irrespective of networks/forums). The EU is also a negotiating party in the climate negotiations. On the other hand, Sweden can work to further improve its role/position in the climate field and make use of its credibility to influence the EU negotiating position. The fact that Sweden is a very credible country is, then, something that can be regarded as a comparative advantage for Sweden. Sweden can also strengthen its profile by, for example, ensuring that the knowledge generated by research projects and NGO initiatives is put to use and by being active in climate issues in other forums in which Sweden is active as a country. Sweden can also take supporting initiatives designed to increase understanding in other negotiating parties.

Apart from Sweden's general credibility in climate-related issues, Sweden has also developed specialist competence in issues of particular interest, such as flexible mechanisms, Arctic issues and carbon sinks. This means that Sweden can actually be said to have a comparative advantage in acting in certain forums. The forums that seem most relevant for Sweden are the Nordic Council and the Nordic Council of Ministers, the Arctic Council and the Barents Council, and the Council of Baltic Sea States.

1 Introduction

The Kyoto Protocol will enter into force if it is ratified by Russia. Many expect this to happen in the near future, although not before the 2004 Presidential election. When this happens, it will be a milestone in the climate process and will mean that emissions from a majority of the Annex I countries will be capped for the 2008-2012 period. Under the United Nations Framework Convention on Climate Change (UNFCCC)¹ negotiations about a second commitment period will begin in 2005, with the goal of achieving an agreement prior to the start of the first commitment period in 2008. Discussions are, however, already underway about the nature of the second commitment period in both academic and scientific circles.

The international climate negotiation process is a complex system of processes and actors. A number of strategies can be used to deliberately influence negotiating processes, such as leadership roles, use of experts and networks, use of jointly agreed wordings and strategic integration/separation of issues. The global, and grave, nature of the issues has brought many actors into the process. These are countries and alliances of countries as well as scientists, the media, industry, the oil and coal lobby and various environmental NGOs.

The USA withdrew from the Kyoto Protocol partly because of internal pressure for a more directly global approach to climate issues. This action made the need for the participation of the developing countries in the process clear, and created new challenges in getting the USA back into a joint effort. Meanwhile, the developing countries have been unwilling to discuss further commitments or even time frames and processes for such discussions. As long as the Kyoto Protocol has not come into force, the developing countries can point to the fact that the industrialised countries have not taken the necessary initiatives. It is thus quite clear that the developing countries have a key position, not just in speeding up the climate process but in maintaining it by revitalising US participation.

Within the EU, the majority of member states are expected to encounter great difficulties in meeting their Kyoto commitments. When the member states revise their climate strategies and proceed to implement the Kyoto Protocol, the challenge of “delivering Kyoto” will probably affect negotiating positions on future commitments. Academics and organisations have in recent years proposed and analysed a large number of technological solutions and mechanisms for how future commitments should be shared. It is clear that negotiations are not being held back by a lack of proposals. What is required is a process that enables negotiators to reach a common view of the need for action and to limit the number of possible alternatives. Methods that facilitate this process have much greater potential to achieve future commitments than do other alternatives.

It has become clear that the climate negotiations in conventional UN forums are hampered by the fact that there are widely divergent views among negotiators on important issues. These differences exist in, for example, the cost of reducing emissions, the economic consequences of a carbon-limited world, and North-South equity. The developing countries want the developed/industrialised nations to “do their bit” first while the developed/industrialised nations want the developing countries to participate before they undertake more commitments. One

¹ Also known as the UN Climate Convention or just the Climate Convention.

possible way out of this situation is to raise climate issues in other forums that may, but need not, have environmental issues on their agenda.

ECON was given the Swedish Environmental Protection Agency's (the principal's) assignment to investigate the following main points:

1. To make an overall survey of the work/debate/initiatives now underway with respect to:
 - a. Climate issues – a broader perspective
 - b. Post Kyoto commitments
2. A second task is to survey forums that may – but need not – have environmental issues on their agendas. Particularly important are forums in which developing countries, NGOs and/or the private sector participate, and where there may be opportunities of bringing the climate issue onto the agenda. Examples of such forums are the World Economic Forum, G8/G10, the Alliance of Small Island States (AOSIS), the Asia-Pacific Economic Co-operation (APEC) and the Association of Southeast Asian Nations (ASEAN).

What initiatives exist, in what forums are the issues discussed, how are the discussions going and what are Sweden's prospects of influencing the discussions? Focus lies on forums outside the UN processes.

3. An analysis of Sweden's prospects of influencing discussions is closely related to the above, as is the question of whether there are any existing networks/forums in which Sweden will have a comparative advantage in participation. It is equally important to carry out the opposite analysis, i.e. if there are networks/forums where other countries have a comparative advantage in acting and in which Sweden should not act.

1.1 Conditions of the Assignment

ECON was given the assignment on 10 October 2003 and final reporting was to take place on 31 December 2003.

In agreement with our principal, greater emphasis was placed on points 2 and 3 (above). Point one is a relatively general survey of the work in progress and a compilation of already existing material/information. Point two is in many ways similar to point one but has been supplemented by some semi-structured interviews² to obtain information on the views of key individuals about Sweden's prospects of exercising influence. Point three is an analysis of the networks/forums in which Sweden may have a comparative advantage in acting. Apart from literature studies, this also consisted of a number of interviews with key Swedish individuals.

The following methods have thus been used for the implementation of the assignment:

² Semi-structured interviews involve open questions on a given theme.

- Discussions with our principal on the structure of the assignment.
- Meetings with the principal, the Swedish Energy Agency, a representative of Sida and other consultants involved in “Post Kyoto” at the Energy Agency's programme conference on 28-29 October 2003.
- Participation in the workshop “The Post Kyoto Assignment” arranged by our principal on 30 October 2003.
- Interviews with key individuals from the Ministry of the Environment and the Ministry of Trade, Industry and Communications and Sida. Other key individuals including Anders Wijkman and Bo Kjellén were also contacted.
- Qualitative/theoretical discussions about Sweden's comparative advantages in acting in various forums.

2 Climate Work in Sweden

To obtain an understanding of Sweden's prospects of influencing climate negotiations, it is important to first obtain an understanding of the cooperation carried out within Sweden.

Swedish climate policy is coordinated by the Environment Ministry, with the Foreign Ministry responsible for climate policy development issues. The Ministry of Trade, Industry and Communications is responsible for issues concerning energy supply, energy use, energy research, and security and preparedness in the energy field. Overall responsibility for Swedish reporting to the Climate Convention is coordinated by the Environmental Protection Agency and the Environment Ministry.

The Environmental Protection Agency's responsibilities include keeping statistics and reporting on greenhouse gases to the government, the European Commission and the UN Climate Convention, and information work about climate issues. The instructions that were issued to the Environmental Protection Agency and that came into force on 1 February 2004 also state that *“the Environmental Protection Agency is the central administrative authority in the environmental field and is to be an engine and coordinator in environmental work. The work of the Agency is intended to promote sustainable development on the basis of the ecological dimension. In this respect, the Agency is to be guided by the environmental quality goals and the strategies to achieve these set out by the Riksdag (the Swedish parliament). The Environmental Protection Agency will contribute material and expert knowledge to the government's national and international environmental work. The Environmental Protection Agency will participate in Sweden's international environment work. The Environmental Protection Agency will also participate in the environmental work that is conducted within the framework of Swedish development work and in Swedish policies for global development. The Environmental Protection Agency will be responsible for international reporting within its area of responsibility.”*³

The Energy Agency's responsibilities include Sweden's contribution to the pilot phase of Joint Implementation within the framework of the UN Climate Convention. The Energy Agency's instruction also states that *“the Swedish Energy Agency is the central administrative agency for issues concerning the use and supply of energy. The Agency will work in the short and long term to secure the supply of electricity and other energy on terms competitive with those of the rest of the world. It will also promote a cost-effective energy supply and efficient use of energy. Within its remit, the Agency will act to ensure that impacts on health, environment and climate are as low as possible. The Agency will contribute to the changeover to an ecologically sustainable energy supply.”*⁴

Sida's role is to be responsible for development issues, prepare bases for decisions and to participate in coordinating meetings and negotiating rounds where appropriate. Sida is primarily a resource in development cooperation-related issues and can thus support the Foreign Ministry in promoting a coherent view that brings a North-South dimension and multilateral cooperation issues into Swedish climate policy. Sida gives priority to participation in contexts that contribute to increased awareness of the importance of the climate issue in development and development

³ <http://www.notisum.se/mp/sls/lag/20011096.htm>

⁴ [http://www.stem.se/WEB/STEMFe01.nsf/V_Media00/F450C88727AA00ECC1256DAC0033B591/\\$file/1_1.pdf](http://www.stem.se/WEB/STEMFe01.nsf/V_Media00/F450C88727AA00ECC1256DAC0033B591/$file/1_1.pdf)

cooperation. Sida participates in the work of supplying the government with material for Swedish reports to the OECD and the Climate Convention about climate-related aid. Sida represents Sweden in those organs that are developing practices for such reporting, and Sida is a member of the OECD-DAC's statistics group and its environmental group.^{5, 6}

The interviews carried out indicate that if climate policy is to be successful, it is important to continue to improve national coordination between ministries and agencies. One step in this direction was the establishment of a coordinating office for sustainable development at the Cabinet Office on 1 December 2003. The task of the new coordinating office is to coordinate Cabinet Office work on sustainable development. The reason is that sustainable development today is an overarching goal of government policy, which means that all political decisions are to be designed so that they take long-term economic, social and environmental consequences into account. On 16 December 2003, the Riksdag passed the government Bill *Shared responsibility: Sweden's policy for global development* (2002/03:122). The effect of the Bill is that the development policy goals of equitable and sustainable global development now apply to all policy fields. The office is also responsible for developing Sweden's international work in environment and sustainability issues, within both the EU and the UN Commission for Sustainable Development (CSD).

⁵ OECD-DAC = Organisation for Economic Co-operation and Development-Development Assistance Committee

⁶ "Climate change and development. Sida's view", document dated 29 October 2003.

3 Survey of Initiatives/Forums

A first task is to make an overall survey of the ongoing work/discussions/initiatives with respect to:

- Climate issues – a broader perspective
- Post-Kyoto commitments

The above division into climate issues in a broader perspective and post-Kyoto commitments was made on the suggestion of the principal. The nature of the issues means, however, that there is some overlap between the two categories. The survey in this section is intended to supply a general picture of what initiatives exist.⁷ Focus is on forums outside the UN processes.

3.1 Climate issues in a broad perspective

Numerous forums have arisen in which the future of climate work is being discussed, and Sweden is active in several of these. The activities can broadly be said to consist of government initiatives, non-government (NGO) initiatives, and research projects. Below is a list of the activities surveyed, followed by the survey itself.

- OECD, Annex I Expert Group (AIXG)
- OECD - other/IEA
- Japan
- UN Commission for Sustainable Development (CSD)
- WWF
- European Climate Forum (ECF)
- Centre for Clean Air Policy (CCAP)
- Development and Climate
- “Helping Operationalise Article Two” (HOT)
- The transatlantic dialogue on climate change: New ideas for a new era
- International Network to Advance Climate Talks (INTACT)
- Sixth EU framework programme (FP-6)
- Stockholm Environment Institute (SEI)
- Tällberg Foundation
- BLICC/Sweden

⁷ This section is partly based on the compilation made by the Wuppertal Institute, available at <http://www.wupperinst.org/Projekte/Klima/1085-e.html>.

3.1.1 Government initiatives

OECD, Annex I Expert Group (AIXG)

(<http://www.oecd.org/>)

The long-term objective of the work is to investigate how possible policy decisions, including future commitments, may progressively ensure the long-term success of the UN Convention on Climate Change. The highest priorities are the development of analysis tools and a forum for discussions on technical issues between the policy-creating organs of governments. The expert group is an ad hoc group of government officials from Environment, Energy and Foreign Affairs ministries from the Annex I countries (Sweden is thus represented in the group). Both the OECD and the International Energy Agency (IEA) carry out analytical work for this group to support the Annex I countries in the UNFCCC negotiations and to support national climate policy development. This means that most of what is produced by the group is various types of document dealing with relevant issues. The group's documents and reports can be found on the Internet at the following address:

http://www.oecd.org/document/44/0,2340,en_2649_34359_1904108_1_1_1_37459,00.html. The work of the group is divided into a number of programmes:

- Long-term issues. In this programme, the objective is to investigate how various decisions, including decisions about future commitments, may ensure the long-term success of the UNFCCC.
- Emission trading. The objective of the work in this programme is to develop a practical implementation framework, or options, for an international greenhouse gas emission trading system.
- Project-based mechanisms. The objective of the group's work is to focus in particular on "baseline design" for JI and the CDM.⁸
- Policies and instruments. Under this programme, the group holds workshops and collects material related to design, implementation, evaluation/assessments of various national policies.
- Support to countries with Economies in Transition. The group's work is primarily about increasing public awareness of climate issues in the economies in transition, and to support the climate work of these economies. These economies are members of the expert group since they are also Annex I countries.
- Monitoring and compliance. This programme has material produced for the group and deals with various aspects of monitoring and compliance.

OECD - other/IEA

The OECD carries out regular reviews of the national and international environmental policies of its member states. In the environmental field, these reviews take place every seven years. In the

⁸ JI = Joint Implementation ; CDM = Clean Development Mechanism

environmental review, a country's environmental performance is examined, as is how national targets and international commitments are implemented. The reviews always lead to a number of recommendations. Sweden is now due to be reviewed.⁹ The OECD's environmental reviews are now in a second cycle. The first cycle began in 1991, and Sweden was most recently reviewed in 1996.

Apart from the work described above and carried out by the OECD, the OECD-DAC works on climate change issues – the 2001 Pilot Project on Sustainable Development and Climate Change. In this pilot project, four individual case studies were carried out that covered Brazil, India, West Africa and Southern Africa. All documentation about these case studies can be found at the OECD-DAC website.¹⁰ As previously mentioned, Sida is represented both in the OECD-DAC statistics group and its environmental group.

The International Energy Agency (IEA) is an independent organisation linked to the OECD. The IEA has 26 member countries (including Sweden), and the EU also takes part in the work of the IEA. The member countries have given the IEA a mandate to carry out analytical work about the energy dimension of climate change and the implications of the UNFCCC and the Kyoto Protocol for the energy sector. So, a good deal of the IEA climate work has close links to the UNFCCC. Apart from the IEA's work on national policies and measures to promote lower greenhouse gas emissions from the energy sector, and its development of climate-friendly technologies, the IEA is working on international cooperation (the CDM and emissions trading) so that greenhouse gas targets can be achieved as cheaply as possible. The IEA has also developed an interactive website – Dealing with Climate Change – that is about climate issues, at <http://www.iea.org/envissu/index.htm>.

Japan

The Japanese Foreign Ministry has arranged two meetings in the past two years with the objective of establishing informal discussions about how climate work can be strengthened in the future. Representatives of both industrialised and developing countries have been present. For the most recent meeting in July 2003, Japanese authorities (MITI) published a first basis for discussion.¹¹

UN Commission for Sustainable Development (CSD)

The UN Commission for Sustainable Development was formed in 1992 to secure effective follow-up of UNCED (United Nations Conference on Environment and Development, Rio 1992). The Commission is to monitor and report on local, national, regional and international implementation of agreements that were concluded at the time of UNCED. These agreements were the UNFCCC and the Convention on Biological Diversity (CBD).¹² The UN Commission for Sustainable Development and its work are thus within the UN process and are therefore outside the focus of this assignment. But since the new coordinating office is also responsible for developing Sweden's international work in environmental and sustainability issues – both within the EU and the UN CSD – it may be of interest to describe the future programme of work of the

⁹ http://miljo.regeringen.se/M-dep_fragor/internationellt-moten/oecd/oecd-index.htm

¹⁰ http://www.oecd.org/department/0,2688,en_2649_34421_1_1_1_1_1,00.html

¹¹ <http://www.meti.go.jp/english/report/downloadfiles/gClimateChange0307e.pdf>

¹² Support was also expressed for the Rio Declaration and The Forest Principles, and Agenda 21 was adopted.

Commission, see Table 3.1.

*Table 3.1 Programme of Work for the UN Commission for Sustainable Development*¹³

Cycle	Thematic cluster
2004/2005	Water Sanitation Human Settlements
2006/2007	Energy for Sustainable Development Industrial Development Air Pollution / Atmosphere Climate Change
2008/2009	Agriculture Rural Development Land Drought Desertification Africa

So, the Commission will be focusing particularly on climate issues in the 2006/2007 period. Sweden thus has the opportunity to prepare now for climate issues being raised in the UN Commission for Sustainable Development.

3.1.2 NGO initiatives and research projects

The WWF

The WWF¹⁴ is working to reduce carbon dioxide emissions. It works via information campaigns, its own climate initiatives such as GO4KYOTO, progressive partnerships with large corporations in various countries, and by collaborating with scientists and technical experts. The WWF is an independent foundation that is subject to Swiss law. The foundation has the following organisation: there are a number of independent offices and a number of offices that work under these independent offices, and there are also a number of associated NGOs. Apart from these offices, there are two specialist offices – one in Brussels and one in Washington DC. The office in Brussels works to influence EU policies and activities while the office in Washington DC works to influence global institutions such as the World Bank.

European Climate Forum (ECF)

The ECF¹⁵ is a way of bringing together representatives of various parties that are interested in

¹³ http://www.un.org/esa/sustdev/csd/csd11/CSD_multyear_prog_work.htm

¹⁴ http://www.panda.org/about_wwf/what_we_do/climate_change/what_we_do/index.cfm

¹⁵ <http://www.european-climate-forum.net/>

the climate problem. More exactly, it involves the coal, oil and gas industries, companies involved in renewable energy technology, big energy users, the insurance and finance sectors, environmental NGOs and scientific experts. The core activity is to carry out joint studies that aim to provide a stronger scientific basis for long-term climate work for sustainable development.

Centre for Clean Air Policy (CCAP)

The Centre for Clean Air Policy (CCAP) is an independent thinktank in the environmental field.¹⁶ Since 2000, the CCAP has arranged eight meetings for informal discussions about the development of the CDM and about international frameworks for climate measures after 2012. Representatives of over 45 countries, including both industrialised and developing countries, took part. An important aim of the meetings has been to create the conditions for informal discussions alongside the formal negotiations that take place under the auspices of the Climate Convention.

At the end of October 2003, representatives of 40 countries met in South Korea to discuss future perspectives on international climate policy. Both Annex I and non-Annex I countries took part. The conference was jointly arranged by the South Korean Ministry of Foreign Affairs and Trade, the Institute for Global Environmental Strategies in Japan and the Center for Clean Air Policy. The first day was devoted to a session arranged by the CCAP that dealt solely with the situation of the developing countries. The session brought together a number of participants from non-Annex I countries to discuss their own future measures. Over the next two days, countries within and outside Annex I took place in the discussions, which concerned possible future measures. Throughout, a “policy matrix” was used which has been developed by the CCAP with the object of identifying important opportunities, including standards for carbon intensity and for technology, adaptation, and mechanisms to influence the effects of international financial flows on the climate.

The dialogue on the CDM and future commitments is supported by a number of industrialised countries including Sweden.

Development and Climate

The UNEP Collaborating Centre on Energy and the Environment; National Institute of Public Health and Environment (the Netherlands); International Institute for Environment and Development (UK). (www.developmentfirst.org)

The Development and Climate Project is a coordinated initiative by 12 institutions from industrialised and developing countries. The project works on the basis that a less polarised way of dealing with the challenges posed by constructing sustainable environment and climate development is to focus on prioritised development areas that are of particular importance to the developing countries.

The project is coordinated by the UNEP Collaborating Centre on Energy and the Environment; the National Institute of Public Health and Environment (the Netherlands) and the International Institute for Environment and Development (IEED, UK). The project includes partners in India, Senegal, Bangladesh, South Africa, Brazil, China, the USA, Canada, Germany, France and the Netherlands.

¹⁶ Se www.ccap.org

“Helping Operationalise Article Two” (HOT)

The programme is coordinated by the Institute for Environmental Studies (IVM) and the National Institute for Public Health and the Environment (RIVM), the Netherlands. Other participants are TERI, India; ENDA, Senegal; COPPE, Brazil; and the Tyndall Centre, UK.

(http://www.falw-nieuw.vu.nl/Onderzoek/index.cfm?home_subsection.cfm?subsectionid=C3C65FAD-A69D-4E6E-BAA8A1851C2323BD)

The HOT project brings together policymakers, actors and researchers from different parts of the world to discuss, on the basis of regional and global perspectives, issues such as:

- acceptable and unacceptable climate impact,
- possible and effective strategies for limiting greenhouse gas emissions, and
- reasonable distribution of emissions control and adaptation costs.

HOT intends to guide participants in linking their long-term perspective on effective and reasonable choices to a developed climate policy in the medium term. The project also aims to increase mutual understanding and respect for differences in the stages of development of various countries, at the same time as a common point of departure for measures is sought.

The Transatlantic Dialogue on Climate Change: New ideas for a new era

Centre for European Policy Studies, Belgium; McDonough School of Business, USA; and Fondazione Eni Enrico Mattei, Italy

(www.ceps.be/climate-dialogue.php)

A number of workshops have been arranged within the framework of the project regarding climate-related issues in Europe and North America. The aim has been to gather specialists and actors in informal ways to allow a broad discussion and enable new ways of approaching the issue of differences between American and European views of climate change.

International Network to Advance Climate Talks (INTACT)

German Institute for International and Security Affairs

(www.intact-climate.org)

INTACT aims to supply useful information, contribute to new climate policy solutions and ignite the enthusiasm of key actors in developing a common climate strategy in the Post-Kyoto process. Behind this initiative are Stiftung für Wissenschaft und Politik in Berlin, the Brookings Institution and the German Marshall Fund. Participants are politicians, businesspeople, researchers, NGOs etc. Project manager is Alexander Ochs in Berlin.

In its first phase, the project is intended to provide a common communication platform between the USA and Europe, i.e. an attempt to start constructive talks across the Atlantic – not necessarily with the Bush Administration, but with other American groups. Important activities include an exchange of ideas with the focus on transatlantic partnership, by making current data available and bringing together experts and decision-makers from both sides of the Atlantic. In a

second stage, cooperation is to be extended by bringing countries from the southern hemisphere into the process.

The 6th EU Framework Programme (FP-6)

Within Europe, the sixth EU framework programme is an important driver in research. The aim is not only to stimulate research, but also to contribute to the formation of a homogenous and effective European research area. Two specific climate research initiatives are mentioned:

- Overcoming barriers to bio-energy, Network of Excellence coordinated by VTT (Finland).
- Adaptation and Mitigation Strategies for Europe, a big European consortium under the leadership of the Potsdam Institute for Climate Change Research (PIK).

Stockholm Environment Institute (SEI)

(<http://www.sei.se/>)

The SEI was a pioneer in the climate field and released its report “Global Warming” in the autumn of 1990. This activity was one of the triggering factors behind the formation of the IPCC (Intergovernmental Panel on Climate Change). The SEI has continued to produce various types of books and reports in the climate field, for example with focus on negotiations, case studies of developing countries, policies and measures, the Baltic states, energy efficiency, joint implementation (JI), etc.

Tällberg Foundation

(<http://www.tallbergfoundation.org/index2.html>)

The Tällberg Foundation is a non-profit organisation that was founded in 1980 on the initiative of Bo Ekman. For more than two decades, the foundation has worked to deepen our understanding of issues related to leadership and change in business and society. The Foundation's main focus of activity is to gather leaders from around the world with varying backgrounds for discussions and reflection. For this purpose, the Foundation organises a yearly workshop in Tällberg, a small village north of Stockholm.

In 2005, a very large meeting will take place in Tällberg with 400 participants from around the world. One of the aims is to discuss the climate issue. The overarching theme is “How on Earth can we live together? Exploring frameworks for sustainable global interdependence.”

BLICC/Sweden

The BLICC programme (Business Leaders Initiative on Climate Change) at international level is the first action programme within the framework of the business network Respect Table which was established at a seminar in Brussels with the EU's Environmental Commissioner Margot Wallström in 2000. BLICC aims to exercise long-term influence on a broad front on developments, and to reduce climate impact. BLICC has been active for a number of years at international level, and the first national equivalent of the climate initiative is currently being started by a group of companies based in Sweden. The companies are active in different sectors, but take a common approach to the climate issue. The main focus is to find new means of reducing emissions in construction and transports. The participants in BLICC are:

Participants in BLICC International

Participates

EU, Margot Wallström, Environmental Commissioner (present at CEO meetings)

Members

- IKEA Group
- Interface
- Stora Enso
- DHL Nordic Region
- Maersk Sealand Nordic Region
- Respect/Europe

Participants in BLICC Sweden

Participates

Environmental Protection Agency, Lars-Erik Liljelund, Director-General (present at CEO meetings)

Members

- AB Fortum Värme, co-owned by City of Stockholm, Åke Pettersson, CEO
- NCC Construction Sweden, Olle Ehrlén, CEO
- Swedish Civil Aviation Administration, Lars Rekke, Director-General
- Stena Metall, Anders Jansson, Group CEO
- SMHI, Maria Ågren, Director-General
- MKB Fastighets AB, Lars Birve, CEO
- Vasakronan, Håkan Bryngelson, CEO
- Respect/Europe, Per-Uno Alm, founder

An article in the Dagens Nyheter newspaper on 14 January 2004 formulated the following points for BLICC/Sweden¹⁷:

- BLICC/Sweden supports the Kyoto Protocol and we realise that this is an important first step in reducing environmental impact and mitigating the threat to the climate.
- We wish to see a clear vision for greater energy efficiency in Sweden's buildings. We invite environmentally aware politicians to cooperate with BLICC/Sweden and other proactive companies in the adaptation of energy use in society.

¹⁷ <http://www.dn.se/DNet/jsp/polopoly.jsp?d=572&a=222416>

- We want to see a more rapid timetable for the ongoing adaptation work, with clear, ambitious demands and in which long-term sustainable solutions are facilitated by favourable regulations. Stimulate the implementation of energy-saving measures in both new and existing buildings, so that energy use for heating, ventilation and illumination are at a minimum but supplying the same level of comfort. Inform property owners of possible methods for achieving greater energy efficiency and cost savings, and stimulate the use of energy-efficient and environmentally friendly district heating and district cooling.
- Let us join together to halve energy use in the country's buildings. Both households and companies benefit from energy-saving and climate-promoting measures. Export opportunities for energy-intelligent technology are also good. We see that a better environment goes hand in hand with greater employment in the property sector. Let Sweden be a pioneer and halve energy use in domestic and commercial property.
- From words to action. We want to produce and put into practice good examples of energy saving in our companies. Why not also make government-owned buildings, such as the Riksdag building, role models in energy saving?

3.1.3 Discussion

With regard to Sweden's actions and potential action in climate issues, only initiatives described as Government Initiatives enable Sweden to act as a country. That is to say, Sweden can act and strengthen its present position/role in the OECD-AIXG, the OECD-DAC, the IEA and – later, when the work has got underway – probably also in the UN Commission for Sustainable Development. The situation is different for NGO initiatives and research projects, since Sweden does not act as a country in these forums. Of course Sweden can support those initiatives and make use of the research results that are produced. Sweden can thus use these forums to strengthen its own position/role in other forums in which Sweden is active as a country. Since Sweden is a small country, it is important where appropriate and where possible to make use of what is done in these various forums to strengthen the Swedish resource base.

3.2 Post-Kyoto commitments

It can sometimes be difficult to separate the initiatives that deal with the climate issue on a broad front from those that are primarily focused on post-Kyoto commitments. An attempt has been made to make such a division in the following however. As is the case with broad climate issues, a number of initiatives have begun that are focused on supporting or influencing international climate negotiations concerning future commitments.

Most of these initiatives are research projects or NGO initiatives but there are also government initiatives. Some initiatives are focused on an informal dialogue between the parties to improve the chance of progress during the formal climate negotiations. Others are focused on using analysis to provide answers about what a post-Kyoto regime might look like and what consequences various proposals might have. Below is a list of surveyed initiatives/forums, followed by the survey.

- European Union – “Expert group on further action”.
- German Federal Environmental Agency

- Beyond Kyoto: Advancing the International Effort Against Climate Change (Report completed in December 2003) – Pew Center For Global Climate Change
- Developing a post-2012 policy architecture – Institutional Dimensions of Global Environmental Change (IDGEC) as part of the International Human Dimensions Programme (IHDP)
- Climate of Trust: Global Participation in Combating Climate Change - World Resources Institute
- Institute for Global Environmental Strategies (IGES)
- Climate RESOLVE - The Business Roundtable/Wuppertal Institute for Climate, Environment and Energy
- Centre for International Environmental Law

3.2.1 Government initiatives

European Union – “Expert group on further action”

An expert group for future climate action (EGFA) has been established in the EU climate group with the intention of preparing a strategy for future negotiations. The objective is to identify suitable starting points for negotiations that can help secure the participation of the USA and developing countries in international climate cooperation work. The EGFA compiles and analyses existing research results in order to provide a scientific and strategic basis for the EU's position in the negotiations on future commitments. In addition, a workshop was arranged in May 2003 about the integration of developing countries, and some of the issues discussed were: burden-sharing measures and their costs for specific regions/countries, the most recent research about regional climate impact, vulnerability of regions, links between aid and development priorities, and demands to protect the climate.

German Federal Environmental Agency

The German agency took initiatives for future climate commitments in the summer of 2003. Apart from developing and analysing existing proposals, the aim is to identify and establish contact with key persons and actors in developing countries. The intention is to create the conditions for improved understanding of the incentives for the developing countries to assume commitments as a basis of the forthcoming negotiations.

3.2.2 NGO initiatives and research projects

Beyond Kyoto: Advancing the International Effort Against Climate Change (Report completed in December 2003)

Pew Center for Global Climate Change (www.pewclimate.org)

The Pew Center was formed in 1988 and is an independent, non-profit organisation. The mission of the Center is to “... provide credible information, straight answers, and innovative solutions in the effort to address global climate change”. The Center has just completed the project “Beyond Kyoto: Advancing the International Effort Against Climate”, which is a “catalogue of ideas” in which the most important challenges in effectively drawing international attention to global

climate change have been identified. The report is available at http://www.pewclimate.org/global-warming-in-depth/all_reports/beyond_kyoto/index.cfm and consists of the following parts:

- A Long-Term Target: Framing the Climate Effort (Jonathan Pershing and Fernando Tudela)
- Climate Commitments: Assessing the Options (Daniel Bodansky)
- Equity and Climate: In Principle and Practice (John Ashton and Xueman Wang)
- Development and Climate: Engaging Developing Countries (Tomas C. Heller and P. R. Shukla)
- Addressing Cost: The Political Economy of Climate Change (Joseph E. Aldy, Richard Baron and Laurence Tubiana)
- Trade and Climate: Potential Conflicts and Synergies (Steve Charnovitz)

The report contains no definite conclusions or recommendations: its purpose is instead to stimulate constructive thinking and dialogue.

The Pew Center is seen by many as having an important role to play in the climate issue since it has proved itself able to influence American thinking.

Developing a post-2012 policy architecture

Institutional Dimensions of Global Environmental Change (IDGEC) as part of the International Human Dimensions Programme (IHDP)

(<http://fiesta.bren.ucsb.edu/~idgcec/html/partnerships/html/kyoto.html>)

This project brings together researchers from Norway, Germany, Japan, China and the USA to discuss and create a basis for recommendations to decision-makers about how a body of regulation adapted to the post-Kyoto period can be designed. The intention is to assist decision-makers in negotiations and in their attempts to establish a broader common view between key actors with regard to what can be achieved and concerning suitable negotiation arrangements.

Climate of Trust: Global Participation in Combating Climate Change

World Resources Institute

(<http://www.wri.org/>)

Climate of Trust is a cooperative organ for institutions from around the world, with the focus on problem-solving and on bridging the North-South divide in the issue of attitudes to climate change.

In 2002, the WRI published a report based on current research called *Building on the Kyoto Protocol: Options for Protecting the Climate*.

Institute for Global Environmental Strategies (IGES)

(<http://host-4.iges.or.jp/index.html>)

The IGES in collaboration with the National Institute for Environmental Studies in Japan has begun a research project about post-Kyoto commitments

(<http://www.iges.or.jp/en/cp/pdf/bkp/briefing.pdf>). The main aim of the project is to identify “key issues” and produce proposals for how to achieve an efficient, equitable, cost-effective climate

regime on which it is possible to reach consensus. Focus is on the role of the USA and involves research institutes in the USA. The project began in April 2003 and will last until March 2005, when a final report will be produced. The IGES also has a number of other activities about Post-Kyoto, including analyses and seminars. The Stockholm Environmental Institute has links to the IGES and is a participant in the project.

Climate RESOLVE

The Business Roundtable

(<http://www.brt.org/>)

The Business Roundtable launched Climate RESOLVE to mobilise resources and expertise from BRT member companies in support of the common goal of improving voluntary measures for the control of greenhouse gases and the improvement of greenhouse gas intensity in the US economy. The Business Roundtable is an organisation for leading representatives of the big US companies, with a total US workforce of more than ten million.

Wuppertal Institute for Climate, Environment and Energy

(<http://www.wupperinst.org/>)

The Wuppertal Institute and The Energy & Development Research Centre (South Africa) have begun a dialogue between 14 research institutes from various parts of the world with the aim of discussing the prospects of future measures in international climate policy. The aim of this “north-south dialogue” is to produce actual recommendations for future negotiations. The recommendations are to be able to be combined with more specific policy goals over a few years and are also to be compatible with the long-term framework, based on the principles of “equity”, “relevance” and “development”.

Centre for International Environmental Law

(www.ciel.org)

The Center for Environmental Law (CIEL) is a public non-profit firm of lawyers that focuses on environmental law. The firm was founded in 1989 to support international and comparative environmental law throughout the world.

The CIEL made public an alternative proposal to the Kyoto Protocol's “cap-and-trade” system for developing countries at COP 9 in Milan.¹⁸ This was a new approach, “cut-and-trade”, that would better suit the particular needs and circumstances of developing countries. The method utilises fixed or dynamic “reduction targets” rather than the emissions targets used in “cap and trade”. Such a reduction target is a commitment to achieve a reduction in emissions rather than a commitment about the highest level of emissions.

Cut and trade would, according to the CIEL, be able to achieve the same level of cost-effectiveness as “cap and trade” but would also involve greater certainty for the developing countries about the effort, including financial effort, required to meet the commitments. Cut and trade would have less impact on energy prices, which in turn would lead to more equitable effects

¹⁸ Se http://www.ciel.org/Climate/Cut_Trade_12Nov03.html

on the developing countries than conventional and market-based systems for emission reductions, such as “cap and trade” or taxes. It would involve less administration, since monitoring could be scaled down. Since cut and trade would not result in any “hot air”, it would not inflate the global ceiling (cap) or require the Annex I countries to adopt more stringent targets. Nor would the USA any longer have an excuse for remaining outside the protocol.

3.2.3 Discussion

As previously mentioned in section 3.1.3, Sweden as a country can act in those initiatives described as Government Initiatives. For NGO initiatives and research projects, participants are often individuals (not in the capacity of representatives for a country), business representatives, researchers, representatives of sector organisations and others. What Sweden can do is to support this type of ongoing NGO initiative and research project and make use of the results produced. It is also important that Sweden continues to work to strengthen its role within the EU. One way of doing this can be to actively cooperate with some of the ongoing initiatives to obtain effective access to new knowledge.

3.3. Results of interviews and discussion

During the work of this survey, it was pointed out on several occasions and by several different actors that far from all initiatives move the overall issue forwards. The initiatives described by most people as the most promising are the OECD-AIXG, the CCAP and the work done at the Pew Center for Global Climate Change. What these three initiatives/forums have in common is that all are working both on the development of analysis tools and as discussion forums. The work at the Pew Center for Global Climate Change is regarded by many as particularly important since it has proved its ability to influence American thinking.

With regard to Sweden's actions as a country, interviewees have pointed to the fact that Sweden does not have a particularly prominent role in international processes. Sweden acts as a country in the initiatives called Government Initiatives, i.e. the OECD-AIXG, OECD-DAC, IEA, CSD and EGFA. The interviewees have also indicated that Sweden, partly because of its membership of the EU, would find it difficult to act independently, other than in a purely supporting role, and that Sweden should therefore act within the EU.

Sweden is a small country with few resources. There is therefore good cause to ensure where possible that knowledge produced in research projects and generated by NGO initiatives is made as useful to Sweden as possible. This is so that Sweden as a country can continue to work on strengthening its profile in certain areas/special issues, thus further improving its international role/position. Although the focus of this assignment lies on initiatives outside the UN process, it can be mentioned, for example, that Sweden supports the active participation of the developing countries in global environmental negotiations. Among other things, Sweden supports regional coordination meetings and also funds participation in COP/MOP¹⁹ for representatives of developing countries.

¹⁹ COP = Conference of the Parties; MOP = Meeting of the Parties.

4. Survey of Networks

Another task is to survey networks/forums that may – but need not – have environmental issues on their agendas. Particularly important are forums in which developing countries, NGOs and/or the private sector are participants and in which there may be opportunities of bringing the climate issue onto the agenda. The aim of the survey is to examine what initiatives there are, within which forums the issues are being discussed, how the discussions are going and what Sweden's prospects are of influencing the discussions. Focus lies on forums outside the UN processes. The principal and ECON agreed to pay particular attention to the following forums: the World Economic Forum, G8/G10, AOSIS, APEC and ASEAN. During the work, however, other forums have appeared relevant and they are described below. The networks surveyed are therefore:

- The World Economic Forum
- G8/G10
- AOSIS
- APEC
- ASEAN
- ASEM
- The Arctic Council and the Barents Council
- The Nordic Council and the Nordic Council of Ministers
- The Council of Baltic Sea States

4.1 The World Economic Forum

The World Economic Forum (WEF) is an independent international organisation committed to improving the state of the world. The organisation provides a collaborative framework for world leaders to discuss issues of global importance, engaging its corporate members in global citizenship.

In recent years, the organisation has devoted attention to climate issues but has not specifically dealt with the issue of future obligations and obstacles within international climate negotiations. The WEF has the potential to play an important role in promoting negotiations about future obligations thanks to the aims, work methods and members of the organisation.

Background

The WEF is a forum for dialogue between business, political, intellectual and other leaders of society. The WEF has a strategic vision to be the foremost organisation in bringing up strategic issues for discussion and to be a forum in which decision-makers can constructively develop their views.

The base of the organisation is 1,000 global corporations that finance the work of the forum. Some members – known as strategic partners – strongly support the aims of the organisation and are active participants in the work. Central corporations with Swedish ownership include ABB. All regions are represented among WEF members, and 35% is reserved for participants from

developing countries and for businesses that are pioneers, either in technological terms or within their business areas. The organisation therefore spans the globe, from East to West and South to North – as do the climate negotiations.

The work and initiatives of the WEF are based on its three principles and values which are:

- To be a forum in which world leaders can discuss issues of global importance
- To promote innovation and activity in the global interest
- To maintain an impartial and independent position

Particular importance is attached to the organisation's promotion of environmental protection and sustainable development, and that the WEF plays a role as a keeper of the global environment.

Climate initiatives

Climate issues were effectively brought onto the WEF agenda at its annual meeting in Davos in 2000. A vote among participants resulted in climate issues being declared the biggest challenge of this century. Climate was also declared to be a field in which the private sector can usefully take a leading role.

Climate issues and the automotive industry

At the Davos meeting, Leif Johansson of Volvo proposed that the WEF should examine whether and how the automotive industry should tackle the issue of climate change. Against this background, a group was appointed with six car manufacturers (Audi, DaimlerChrysler, Ford, Renault, Toyota and Volvo). The aim was both to improve knowledge of the climate problem in the industry and to use dialogue to provide the opportunity to arrive at a common position and strategy for the automotive industry's role and responsibility.

The initiative resulted in the industry adopting a position on climate in which industry admits the importance of climate change and of its own role, among other things by carrying out research and development. It was also stressed that long-term solutions must be created in cooperation and dialogue with other parties, in particular oil companies, users and authorities.

The position developed represented the views of many car manufacturers, but not all. The process also revealed that the WEF covers many differing interests and that it can be difficult to achieve full agreement outside the framework of the WEF. On the other hand, the example also shows that the WEF can publicise positions on which there is not complete agreement.

Greenhouse gas register

In recent years, investors, users and environmental organisations have been increasingly critical of businesses in North America for not being open to discussion about their climate impact and the risk to which the entire climate problem exposes businesses.

Against this background, the WEF has launched the Global Greenhouse Gas Initiative in cooperation with a number of industrial and environmental organisations. The purpose of the initiative is to contribute to transparency concerning business emissions of greenhouse gases and to give businesses the opportunity to meet the demands of the outside world for greater transparency.

Under the initiative, which was unveiled on 9 December 2003 during COP 9 in Milan, businesses can voluntarily register their greenhouse gas emissions on a public website.²⁰ By providing a joint global register, the initiative can contribute to increased transparency and credibility concerning the climate impact of businesses. The focus is also on the global emissions of multinational companies before nationally limited agreements.

Apart from the World Economic Forum, a number of other industrial and environmental organisations are behind the initiative:

- World Business Council for Sustainable Development
- World Energy Council
- World Resource Institute
- WWF
- PEW Center on Global Climate Change
- International Emissions Trading Association
- BrazilConnects
- Deloitte Touche Tohmatsu

Potential to influence climate negotiations

We think that the WEF has the potential to play an important role in promoting negotiations about future obligations. There are several reasons for this.

- The WEF is a forum that in a global context is able to speak with considerable political weight. It will be necessary to create flexibility in the deadlocked positions in the climate negotiations.
- The challenge of climate is global, while progress in the negotiations is deadlocked by the positions of individual countries. With its global focus, the WEF is (at least on paper) independent of the interests of individual countries.
- Members come from just about every country and region of importance to future negotiations: the developing countries, the USA, Russia and parties that have ratified the Kyoto Protocol.
- The issue of future obligations clearly lies within the objective of the organisation's work. Members have already had climate issues on the agenda and found the issue to be extremely important.
- The work method, with dialogue between leaders from the private sector, the political sphere and academia also suits the interdisciplinary nature of the climate problem.

²⁰ See <http://www.weforum.org/site/homepublic.nsf/Content/Global+Greenhouse+Gas+Register>

The weakness of the WEF is that its members represent many different interests. Particularly among European members, there is an increasing desire for a more global approach to climate issues. It cannot be expected however that this is the same in all member businesses. A common factor, however, is that the private sector and its investments are more or less expressly exposed to a significant political risk in the climate field. The previous initiatives of the organisation show that opposing interests are not necessarily an obstacle to success.

4.2 G8/G10

Background

In 1975, the French President Valéry Giscard d'Estaing invited the leaders of Germany, Japan, the United Kingdom, the USA and Italy to a meeting at the castle at Rambouillet near Paris. The idea was to discuss current global issues informally such as the oil crisis. The leaders decided to make this an annual event. In 1976, Canada joined and they became G7. At the summit meeting in Birmingham in 1998, Russia formally joined the group which then became G8. G8 is neither an institution nor an international organisation. G8 is not a legal body, has no permanent secretariat and undertakes no binding measures. However, a number of extremely important issues have been dealt with there:

- The HIPC initiative launched at the G7 summit in Lyon in 1996²¹
- The Okinawa summit in 2000 adopted the “Charter on the Global Information Society” that defines the framework for the development of the information society and the need of common regulations in the private and public sectors.
- At the 2001 Genoa summit, the UN Secretary General announced the creation of “the Global Fund to Fight AIDS, Tuberculosis and Malaria” with initial funding of 1.3 billion dollars.
- The Kananaskis summit saw the formation of the “Global Partnership Against the Spread of Weapons and Materials of Mass Destruction”
- The Kananaskis summit also adopted “the G8 Africa Action Plan in support of the New Partnership for Africa's Development (NEPAD)”

G10 today consists of eleven industrialised countries: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the USA, who consult each other and cooperate in economic, monetary and financial issues. In 1961, the above countries (apart from Switzerland) agreed to make resources available to the IMF (International Monetary Fund) outside the usual quotas under “the General Arrangements to Borrow”. Together with the OECD and the IMF, the BIS (Bank for International Settlements) provides secretariat support for G10. Finance Ministers and Central Bank Governors of the G10 countries usually meet twice a year.

Climate initiatives

No explicit climate initiatives have been raised under either G8 or G10. Although no explicit climate initiatives have been raised, the climate issue has been brought up at G7/G8 meetings,

²¹ HIPC = Heavily Indebted Poor Countries

e.g. at the environmental ministers' meetings in 1994, 1995, in Florida in 1997 when child health was discussed, and in 2001, 2002 and 2003.

Potential to influence climate negotiations

Even though G8 is sometimes seen as all-powerful, the group has also been criticised since it has limited potential to make decisions. Nonetheless, G8 has an important role because of its capacity for cooperation and ability to push issues forward. Despite the fact that no direct climate initiatives have been on the agenda yet, climate issues have been discussed on a number of occasions. Previous success with other important issues discussed at the meetings seems promising for future climate issues.

With regard to the possibility of bringing up climate issues onto the agenda at G10 meetings, however, things do not look promising at present. The reason is that it is Central Bank Governors and Finance Ministers who meet at G10 meetings, and the issues discussed are primarily of a monetary and financial nature with no connection to the climate issue.

4.3 AOSIS

Background

The Alliance of Small Island States (AOSIS) is a coalition of small island countries and low-lying coastal areas that share similar development challenges and problems with their environment, particularly their vulnerability to serious climate change. The group was formed in 1991 and primarily functions as an ad hoc lobby group and as the voice of the small developing island nations in UN negotiations.

AOSIS has 43 member states and observers from all parts of the world: Africa, the Caribbean, the Indian Ocean, the Mediterranean, the Pacific Ocean and the South China Sea. 37 are members of the UN – this is 28 percent of the developing countries and 20 percent of the UN's total membership. Together, the Small Island Developing States (SIDS) are five percent of the global population.

Climate initiatives²²

AOSIS has adopted a number of principles and goals related to climate issues:

- the principle of preventive action;
- the precautionary principle;
- the polluter pays principle, and State responsibility in the matter;
- duty of all countries to cooperate;
- equity; and
- the principle of common but differentiated responsibility.

On the basis of these principles, AOSIS has also developed a number of key medium-term and

²² Pacific Islands Climate Change Conference, Rarotonga, Cook Islands, 3-7 April 2000, Overview address by H.E. Ambassador Tuiloma Neroni Slade.

long-term goals that guide their own implementation of the Climate Convention and the Kyoto Protocol:

- the review of adequacy and strengthening of commitments;
- reducing scientific and methodological uncertainties associated with the Protocol's commitments and the Kyoto mechanisms;
- commitment to binding energy conservation and efficiency requirements and the development of renewable energy sources;
- development of strong monitoring, verification and compliance regimes; and
- development of mechanisms for meeting the costs of adaptation.

Potential to influence climate negotiations

The AOSIS member countries usually act jointly via their diplomatic missions in New York and in the UN system. AOSIS has no actual budget and no secretariat, and decisions are made at ambassador level during plenary sessions.

AOSIS was founded in 1991, just in time for the first meeting of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change. AOSIS began immediately to make active contributions and attempts to influence the negotiations, and their work ensured that a number of basic positions and issues of importance to the island countries were included in the Climate Convention.

One goal of the work of AOSIS is to press for ongoing monitoring of the adequacy of existing measures and to propose ways in which measures can be boosted. AOSIS made a great contribution to the adoption of adaptation conditions in the CDM of the Kyoto Protocol, and it is working to achieve consensus in the international climate negotiations and to initiate practical efforts via the GEF (Global Environment Facility).

AOSIS, then, has managed to influence negotiations on a number of occasions as well as the final texts of the UNFCCC and the Kyoto Protocol.

4.4 APEC

Background

APEC (Asia-Pacific Economic Cooperation) was established in 1989 to promote greater economic growth and welfare in the region and to improve Asian-Pacific society.

Since its inception, APEC has worked to reduce tariffs and other trade barriers in the Asia-Pacific region and has created efficient domestic economies and dramatically increased exports. The key to achieving APEC's visions is the "Bogor Goals" on free and open trade and investment for the industrialised countries in the region by 2010 and for the developing countries by 2020. These targets were adopted by the leaders at the meeting in Bogor in India in 1994.

APEC's 21 member economies are Australia; Brunei Darussalaam; Canada; Chile; Chinese Taipei; Hong Kong; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New

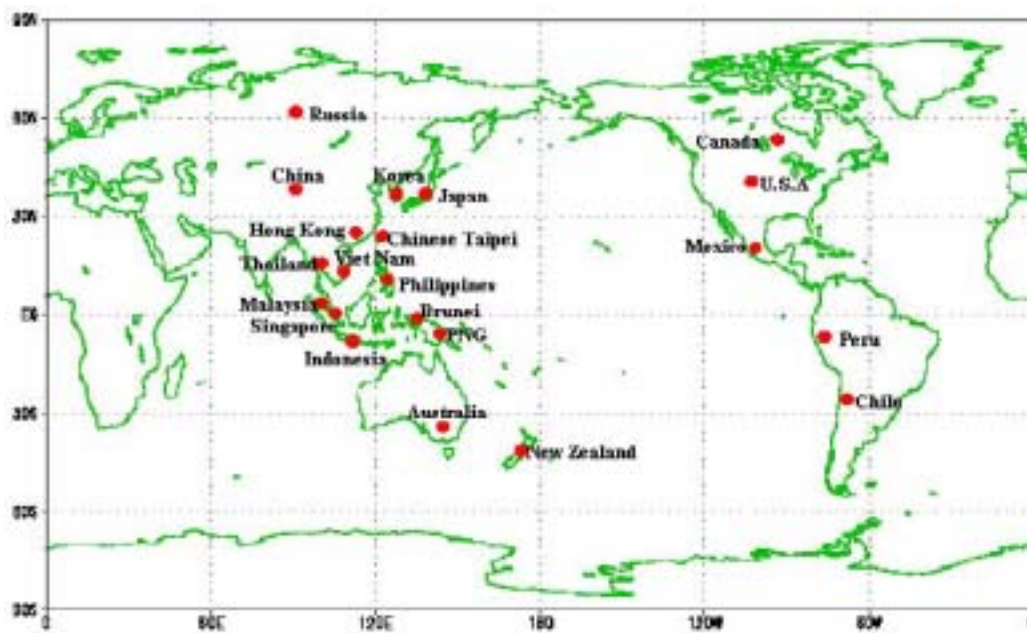
Guinea; People's Republic of China; Peru; Philippines; Russia; Singapore; Thailand; USA; Vietnam.

Climate initiatives

In 2000, the APEC Energy Ministers adopted a “joint statement on clean energy and sustainable development”.

Otherwise, there is a climate network called APCN (APEC Climate Network) that was first initiated by the Korean Minister of Science and Technology at the conference of APEC ministers held in Mexico City in 1998. The background to the proposal is that there is growing insight that international exchange of climate information is significant in minimising the effects of natural disasters and suchlike. Action is necessary to develop “climate early warning systems” and climate information networks to improve supervision and predictions of climate variations. The KMA (Korea Meteorological Association) has run the APCN project with the objective of reducing the impact of natural disasters and promoting industrial and economic activity in the region through international cooperation. Economies participating in the project are shown in Figure 4.1.

Figure 4.1 Participant economies in APCN



Potential to influence climate negotiations

Seven of the ten countries in ASEAN are also members of APEC, which means that there are a good number of similarities between the two organisations where climate issues are concerned. By the same token, both organisations are also somewhat bound by existing positions via their participation in the climate negotiations. Persons interviewed during this work have pointed out that because climate is a very politically sensitive issue in Asia, air pollution is often dealt with separately. This is despite the fact that the processes that generate air pollution and climate gases are largely the same. So, it seems important to actively push for climate issues, including air

pollution, being actually brought onto the agenda. Furthermore, energy-based climate issues (such as energy efficiency issues) should be able to be discussed even more and in more depth in the APEC energy forum, in order to move forward on agreements about greenhouse gas emissions.

4.5 ASEAN

Background

The Association of Southeast Asian Nations (ASEAN) was established in 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Since then, the organisation has been extended to include Brunei, Vietnam, Laos, Burma and Cambodia, and thus now includes nine South East Asian countries. The organisation works to create economic growth, development and stability in the region.

In all, the organisation has a population of over 500 million inhabitants. Three of the countries – Burma, Cambodia and Laos – are classified by the UN as least developed countries. Average per capita income therefore varies considerably between the member countries of ASEAN, from USD 260 in Cambodia and USD 3,400 in Malaysia to USD 29,610 in Singapore.

The basic aims of the organisation are to:

1. Accelerate economic growth, social progress and cultural development in the region.
2. Promote regional peace and stability.

Cooperation has primarily focused on trade and security issues. No military confrontations have occurred between members since the organisation was established. The political dialogue and the building of mutual trust through cooperation in ASEAN are believed to be reasons for this. In trade policy, the organisation aims to establish a free trade area and promote economic integration between the countries.

Cooperation has gradually been extended to include regional environmental issues and collaboration during negotiations under the Climate Convention. ASEAN has in the past year also tried to improve its external relations by establishing the ASEAN Regional Forum (ARF) with participation from a number of important parties in the issue of future commitments. Seven ASEAN countries are also taking active part in ASEM and APEC.

The ASEAN Regional Forum (ARF) includes Australia, Canada, China, South Korea, the USA, India, Japan, New Zealand, Russia and the EU, and so covers a large number of the important participants in the climate negotiations. At the same time, however, it is important to be aware that this is a multilateral forum in which Foreign Ministers meet informally to discuss regional security in Asia and the Pacific region. Discussion of climate issues would therefore require reorientation of this dialogue forum.

ASEAN is interesting in the context of negotiations about future commitments. The organisation

includes a small group of developing countries that already have a foreign policy dialogue with important parties to the climate negotiations. For a number of countries, a future challenge is to have climate change taken into account and to fight for its place in domestic policy.

Climate initiatives

In recent years, ASEAN has increasingly had environmental issues on the agenda and has adopted a strategic environmental action plan for the five-year period from 1999 to 2004. Environmental protection and sustainable use of natural resources are seen as important starting points for long-term economic growth in the countries and in the region as a whole.

The main focus has been widespread forest clearance in the region and its environmental effects, as well as environmental protection, biological diversity and marine environment. Efforts have been more limited in the climate field. Under the existing plan of action, ASEAN has so far concentrated on multilateral environmental agreements under the Climate Convention and the Kyoto Protocol. An ASEAN working party has been formed to seek joint access to the negotiations and implementation of international environmental agreements. ASEAN takes part in Conferences of Parties and helps its member countries to identify common viewpoints in the negotiations.

The ASEAN countries have to only a limited extent developed domestic policies and measures in the climate field. This is a challenge facing several countries. Economic development is however a higher priority, and resources and technological capacity are often limited. It is also important to be aware that the countries have widely differing starting points, see the table below.

Table 1 4.1 CO₂ emissions compared to population and national income

Year = 2000	Tonne CO ₂ per inhabitant	Tonne CO ₂ per USD ¹
Brunei	14.95	0.91
Indonesia	1.28	0.47
Malaysia	4.56	0.56
Myanmar	0.17	0.05
Philippines	0.91	0.24
Singapore	10.45	0.46
Thailand	2.42	0.40
Vietnam	0.52	0.27
Sweden	5.86	0.26

Source: CO₂ emissions from Fuel Combustion, IEA

1) Income is in 1995 USD Purchasing Power Parity.

Potential to influence climate negotiations

ASEAN can however be said to be a suitable forum in which to influence climate negotiations. The dialogue in the ASEAN Regional Forum covers practically all important parts of the climate negotiations, and the organisation may be able to play a role, mainly in relation to India and

China.

We think, however, that expectations on the role of ASEAN should not be too high:

- ASEAN's secretariat is already a participant in the climate negotiations and will to some extent be bound by existing positions.
- The ASEAN Regional Forum has so far mainly dealt with security issues, and dialogue takes place between Foreign Ministers. A change of both subject and people is necessary if climate issues are to be discussed.
- The member states of ASEAN are a very heterogeneous group. Brunei is a rich oil-producing country while three members are among the least developed countries in the world. It might therefore be difficult to reach agreement between the countries on climate issues.

A more long-term measure that we think has more potential is to support the ASEAN countries in the development of their domestic climate policies. This is primarily of interest in relation to the most developed countries where significant economic growth has taken place and emissions of greenhouse gases are climbing steeply. Several of the ASEAN countries have shown significant interest in participating in the CDM (Clean Development Mechanism), and further cooperation is possible in this area.

4.6 Others

4.6.1 ASEM

Background

ASEM (the Asia-Europe Meeting) is an informal dialogue and cooperation process linking the EU15 countries and the European Commission with ten Asian countries (Brunei, China, Indonesia, Japan, South Korea, Malaysia, Philippines, Singapore, Thailand, and Vietnam). The ASEM dialogue raises political, economic and cultural issues with the objective of strengthening the relationship between the two regions. The first ASEM meeting was held in Bangkok in 1996 and since then similar meetings (summits) have been held every two years. Meetings at minister level are held between these, nowadays usually once a year. The first environmental ministers' meeting was held in Peking in January 2002 and this was followed by a second meeting in Lecce (Italy) in October 2003. Apart from the above meetings, there are a number of meetings of working groups and other activities.

Besides the official ASEM process, "alternative ASEM meetings" are also organised. These meetings were held in Bangkok in 1996, London in 1998, Seoul in 2000 and Copenhagen in 2002.

Climate initiatives

There are no actual climate initiatives but the first meeting of environmental ministers in Peking in 2002 resulted in a number of declarations, including the following:

"The Ministers recalled that climate change is one of the most serious problems facing the world today. The United Nations Framework Convention on Climate Change and the Kyoto Protocol provide the framework for international cooperation on this issue. It is important that all countries effectively participate in this framework. Ministers welcomed the successful agreements

in Bonn and Marrakech, which paved the way for ratification of the Kyoto Protocol. Ministers stressed the importance of its early ratification and of seeking its entry into force in 2002 as well as of strengthening domestic efforts to tackle climate change.”²³

Potential to influence negotiations

The political dialogue is important in improving cooperation between the regions. This is why it was previously decided to hold meetings prior to the meetings of the UN General Assembly, to discuss the issues on the agenda. The first meeting of the environment ministers in Peking in 2002 also issued the following statement:

“The Ministers recognized that ASEM Partners are facing common challenges with regard to environment and development issues and that the cooperation between the two regions will be conducive to addressing global environmental issues. The potential and opportunity for environmental cooperation between Asia and Europe are very huge since the two regions have each different capability despite their common commitments.”²⁴

“The Ministers stressed that the environmental cooperation should be based on equality and full partnership. Each nation should enjoy equal treatment and conduct long-term dialogue, exchanges and cooperation. Business sector and civil society among all ASEM nations could also establish multi-level cooperative partnerships.”²⁵

Since the meetings are at ministerial level, there is good potential to influence negotiations.

4.6.2 Arctic Council and Barents Council

Background

Cooperation between countries with interests in the Arctic and in the area around the Barents Sea occurs in the Arctic Council and the Barents Council.

The Arctic Council is an intergovernmental forum that provides a mechanism for raising common problems and challenges encountered by Arctic governments and peoples. From the start, the Arctic governments and indigenous peoples have worked together to make environmental monitoring and analysis a key element of the agenda of the Arctic Council. The attitude of the Council encourages continual dialogue between scientists, policy planners, inhabitants of the Arctic regions and political decision-makers. Members of the Arctic Council are Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the USA.

The Barents Council – Barents Euro-Arctic Council – BEAC – is the organ for intergovernmental cooperation in the Barents region. The Barents Council was formed in 1993 to support and promote regional cooperation in the most northerly parts of Sweden, Norway, Finland and north-west Russia.

²³ http://europa.eu.int/comm/external_relations/asem/min_other_meeting/env_min1.htm

²⁴ http://europa.eu.int/comm/external_relations/asem/min_other_meeting/env_min1.htm

²⁵ http://europa.eu.int/comm/external_relations/asem/min_other_meeting/env_min1.htm

Climate initiatives

A particular initiative taken by the Arctic Council is the Arctic Climate Impact Assessment (ACIA) which has its starting point in the effects that global climate change can have in the Arctic regions. The initiative examines the current status and possible future effects of climate change, variability and UV radiation on the environment and living resources; on human health, social and economic activities and adaptation opportunities and responses. The project, including policy recommendations, is expected to be presented to ministers in 2004.

The ICC (Inuit Circumpolar Conference) should be mentioned when discussing the Arctic environment. The ICC unites and promotes the common interests of the Inuit populations of Alaska, Canada, Chukotka and Greenland, and the climate issue has gained increasing focus here. The ICC is pushing strongly to have the Kyoto Protocol ratified. There is great worry regarding the future of life in the Polar regions since the consequences of climate change can already be seen. Among other things, thinner ice has been registered that poses an increased risk to hunters, and more drowning accidents have been registered than previously.

At the most recent summit in January 2003, the Prime Ministers agreed on a final declaration that identifies common priorities for ongoing cooperation in the Barents region and contained the following on climate change:

We note with concern the possible impacts of climate change in the Barents Region and will co-operate closely to implement mitigation measures and to adapt to the effects of climate change. We are all committed to the goals of the Kyoto Protocol and look forward to its early entry into force²⁶.

Climate issues have been followed up, and in the communiqué from the most recent meeting of the Council in Umeå in October 2003 climate issues are mentioned as follows in sections 19 and 20:

Climate change will have profound ecological consequences in this Region, with effects on human health, biota, infrastructure and economic activities like sea and land transport, forestry, fisheries, hunting and reindeer husbandry. The Council requested the CSO to elaborate specific policy measures relevant for the Barents Region on the basis of the report from the "Arctic Climate Impact Assessment (ACIA)" that will be presented to the Arctic Council in September 2004.

The decision to establish the Baltic Sea Region as a testing ground for international co-operation to promote the use of the flexible mechanisms under the Kyoto Protocol paves the way for Joint Implementation projects also in the Barents Region, when the protocol has entered into force. The Council called for more use of renewable energy sources in the Barents Region, such as bioenergy, and more measures to increase energy efficiency and fuel substitution.²⁷

²⁶ DECLARATION; BARENTS EURO-ARCTIC 10 YEAR ANNIVERSARY, 11 January 2003, http://www.beac.st/ upl/doc/462_doc_BarentsSummitDeclaration.doc

²⁷ JOINT COMMUNIQUÉ from the 9TH SESSION OF THE BARENTS EURO-ARCTIC COUNCIL (BEAC): http://www.beac.st/ upl/doc/568_doc_Joint%20Communiqué%20eng.doc

Potential to influence climate negotiations

Climate issues are thus a priority in international work in the Arctic and Barents regions. Both Councils will be forums in which future commitments will have a prominent role. One reason is that the Arctic governments and indigenous peoples have worked together from the start to make environmental monitoring and analysis a key element of the agenda of the Arctic Council. Similarly, the Barents Council has identified common priorities, including climate issues, for future cooperation in the Barents region. The advantage of the Arctic Council is that apart from the Nordic Countries and Russia, it also includes the USA and Canada.

4.6.3 The Nordic Council and the Nordic Council of Ministers

Background

Official Nordic cooperation is channelled through the two organisations the Nordic Council and the Nordic Council of Ministers. The Nordic Council – the working forum of parliamentarians – has 87 elected members, representing the five countries and three autonomous regions. Council members are members of their country's parliament and are elected by parliament after their names have been proposed by their party groups. The Nordic Council is thus not directly elected. The Council is unique in that the parliamentarians and government members meet for political discussions at the annual sessions. The ongoing political work of the Nordic Council takes place in subcommittees and party groups.

The Nordic Council of Ministers is the cooperation organ of the Nordic governments. Cooperation is coordinated by the Nordic Cooperation Ministers. Most Nordic ministers meet at specialised Council of Ministers meetings a couple of times a year.

Climate initiatives

Since the Nordic climate group was formed in 1996, climate issues have had high priority in energy and environmental cooperation under the auspices of the Nordic Council of Ministers.

The climate group consists of officials from the environmental and energy departments of the Nordic countries and the work is related to current climate policy issues. Sweden is represented in the group by the Department of Trade, Industry and Communications and the Environmental Protection Agency.

In recent years, work has focused on the Kyoto mechanisms Joint Implementation and emissions trading, sinks, green certificates, and other types of political instruments to limit greenhouse gas emissions. Preparation and implementation of the idea of developing the Baltic region as a test area for JI projects have been particularly intensive.

From the autumn of 2003, future commitments also have high priority. The group held a seminar in August and then began an investigative project, the overall goal of which is that the Nordic countries can contribute new aspects in the forthcoming international negotiation process. The project is continuing in 2004 and a workshop is planned for the autumn; the final report is expected to be produced before the turn of the year 2004/2005.

Potential to influence climate negotiations

The Nordic countries have cooperated for several years in the climate field with joint projects and

political positions. They have not acted as a group, however, in the international climate negotiations, something which may be possible for future commitments.

The Nordic countries traditionally have good relations with developing countries and the USA and Russia, at the same time as three of the countries are members of the EU. Several of the Nordic countries also have experience as international mediators in several types of international conflict issues.

Nordic cooperation can function as a support for the ongoing process towards positions on future commitments. At COP 9 in Milan, one of the points made by the Norwegian environment minister in his speech was that the developing countries must become more involved in global climate cooperation as soon as possible.

4.6.4 Council of the Baltic Sea States

Background

The Council of the Baltic Sea States (CBSS) is a forum for cooperation between the countries around the Baltic Sea.

The Council consists of the Foreign Ministers of the member states and one member from the European Commission. The overarching role of the Council is to *“to serve as a forum for guidance and overall coordination among the participating states”*.

Climate initiatives

In the field of energy and the environment, the Council has cooperated for several years in a number of areas. BASREC (Baltic Sea Region Energy Co-operation) has since 1999 been the framework for energy cooperation work and includes a climate group consisting of energy and environment officials from the member countries. Climate cooperation has largely been concentrated on establishing the Baltic region as a Testing Ground for implementation of the Kyoto mechanisms with competence and capacity building as important components.

In September 2003, the framework for the Testing Ground cooperation was established through the multilateral Testing Ground Agreement (TGA) signed by seven Baltic states. The agreement makes unique use of the great potential for effective climate measures in the Baltic region that can be realised through international cooperation. Apart from this, the investing countries in the region, the Nordic countries and Germany, have established an investment fund – the Testing Ground Facility (TGF) – that is to support the implementation of JI projects linked to the Testing Ground work. The fund is administered by NEFCO and is expected to have around ten million euros at its disposal.

Potential to influence climate negotiations

The BASREC cooperation is based on consensus in policy issues that then become concrete initiatives/activities/projects. From the start, Sweden has held the presidency of the climate group and also holds it for 2004. Future commitments have not yet been dealt with but will certainly be a subject of future cooperation. It should be kept in mind, however, that the work of BASREC including the climate group refers to the energy ministers, while each country's energy officials determine whether the environmental civil servants are also to be represented in the climate

group. The group thus has no direct link to the environment ministers of the region.

4.7. Results of interviews and discussion

During the interviews, it has been pointed out on a number of occasions that there are too few resources (both financial and in terms of staff) to bring up the climate issue onto the agenda in other forums than the conventional ones. This does not mean that no opportunities exist. It is important, however, to point out that considerable resources would be required, in terms of both money and manpower, to truly influence the agenda – it is not sufficient to simply support existing forums and organisations. It has also been said that if attempts are made to bring the climate issue onto the agenda in “new” forums, this can only take place if the representatives in these forums wish it. This also means that the issues will not necessarily be handled by the usual climate experts. It is sometimes said that negotiations in UN organs favour states with good negotiating skills, which is true, at the same time as it must be said that this is nothing specific to UN organs but applies to all negotiations.

Of the networks/forums surveyed in Section 4, Sweden acts as a country in G10, ASEM and the regional Councils. Sweden does not act as a country in the World Economic Forum, nor in AOSIS or APEC. With regard to G8 and ASEAN, the EU participates as an observer and is represented by the country currently holding the Presidency.

It has, however, been said during the interviews that Sida is active in a number of forums that touch on sustainable development, in which other issues are the main focus (transport, energy production etc.) but where there are significant climate aspects. It has also been said that because climate is a highly sensitive political issue in Asia, air pollution is often dealt with separately despite the fact that the processes that generate air pollution and climate gases are largely the same.

Although it is in many ways part of the UN process, the problem of adaptation has been mentioned a number of times during the interviews. For example, important work is being done within the UN FAO (Food and Agriculture Organisation) on climate-related issues related to food supply – issues that are also raised at Conferences of Parties to the UN Convention to Combat Desertification and the Convention on Biological Diversity.

5 Does Sweden have a Comparative Advantage?

What follows is an analysis of Sweden's prospects of influencing discussions and whether there are any existing networks/forums in which Sweden has a comparative advantage in participation. Comparative advantage means that there are factors that mean that Sweden can act in certain networks/forums at a lower cost than other countries. Such factors might for example be that Sweden has obtained special knowledge of certain areas, or that Sweden has great credibility that is particularly helpful to Sweden's actions in certain issues/networks/forums, or a combination of the above. Comparative advantage, then, has nothing to do with the nature of a specific forum/network, but is about Sweden's potential for action compared with that of other countries in a certain forum. It is also important to emphasise that Sweden's actions as a country must be in networks/forums in which Sweden actually has a national representative. Since Sweden does not act as a country in NGO initiatives and research projects, the analysis is limited to other networks/forums. Questions and analysis of how negotiations are conducted, or how Sweden can/should deal with certain issues, are not part of ECON's assignment.

By reason of the above, the analysis has been divided into two parts.

- Analysis of whether Sweden has a comparative advantage in pushing for/raising certain types of climate-related issues and
- Analysis of whether Sweden has a comparative advantage in acting in certain forums.

It may be the case (but need not be) that if Sweden has a comparative advantage in pushing for/raising certain issues, that this will also create a comparative advantage to act in certain forums.

5.1 Does Sweden have a comparative advantage in pushing for certain climate-related issues?

5.1.1 Sweden's prospects of influencing discussions

In order to promote discussion in general terms of the problems on the international agenda, it is necessary to have a high degree of credibility. Other negotiating partners must see the initiator as a neutral party who is trying to find common ground between opposing positions. Success is often a matter of not being seen to be acting in one's own interest.

Throughout the climate negotiations, the EU has often had such a role, acting as a mediator between the developing countries and the USA and other parties in the so-called Umbrella group. The EU has been able to do this in a credible way both because it is an Annex I party with considerable greenhouse gas emissions, and because it demonstrates great understanding of the positions of the developing countries. The EU has also shouldered responsibility through taking the lead in attempts to limit greenhouse gas emissions. During COP 8, however, the EU did not manage to mediate. The developing countries and the USA found a shared interest in blocking discussions on future commitments while the EU had a more marginalised position.

With regard to the particular issue of future commitments, only a few countries in our view can act with a sufficient degree of credibility and neutrality. Sweden is one of these countries. For an industrialised country, Sweden has very low per capita greenhouse gas emissions, but despite this Sweden has a progressive climate policy. This, then, is almost an ideal starting point in the context of the demands of the developing countries that the industrialised countries should take the lead in combating climate change. While many other countries have just begun to be aware of the obligations and great challenges of the Kyoto Protocol, Sweden has set even tougher national targets. Sweden's credibility in the eyes of the developing countries is extremely high on this point.

Sweden has also traditionally had a neutral role with good relationships to both East and West, but also towards the South. Good aid relationships and a good reputation for aid policy have also contributed to Sweden's credibility. Even though the world looks different today, and participation in the EU is a driving force – including in climate policy – this historical starting point is still important, not least psychologically.

5.1.2 Sweden's actions

Sweden's membership of the EU means that Sweden cannot deviate significantly from the EU position (regardless of networks/forums). The EU is also a negotiating party in the climate negotiations. This means that one of the greatest barriers to independent and direct Swedish initiatives in the climate field is, in our view, climate cooperation in the EU. However, this is not something that applies only to Sweden – it applies to all EU countries and so does not involve a comparative disadvantage. This does not of course mean that Sweden cannot take action. Our view is that there is scope for influencing the EU's negotiating position on the one hand, and on the other, for taking independent Swedish initiatives that can support the processes by increasing the awareness and understanding of other parties to the negotiations.

The conclusion is thus that Sweden cannot unilaterally deviate significantly from the EU position, but that Sweden can work to further strengthen its role/position in the climate field and make use of its credibility to influence the EU negotiating position. The fact that Sweden is a very credible country is, then, something that can be regarded as a comparative advantage for Sweden. Sweden can further strengthen its profile for example by ensuring that knowledge generated by research projects and NGO initiatives is put to use, and by being active in climate issues in other forums in which Sweden is active as a country, i.e. those called Government Initiatives, the ASEM and the regional Councils. Sweden can also take supporting initiatives designed to increase the understanding of other negotiating parties.

5.1.3 Which issues?

Apart from Sweden's credibility, there are also a number of issues on which Sweden has, or should have, emphasis. The interviewees have pointed in particular to the following issues in which Sweden has special competence and special interest: the flexible mechanisms and perhaps the pilot work carried out within the framework of BASREC, Arctic issues (with some focus on energy cooperation) and perhaps particularly the possibility of extending the BASREC work to the Barents region. Issues concerning carbon sinks are also of particular interest for Sweden, as demonstrated by the following quote from a Press Release dated 12 December 2003 with the title “Climate Progress in Milan”:

*"Climate cooperation between industrialised and developing countries was on the agenda. The most important step forward was that regulations could be adopted for how the industrialised countries are to replant forest in developing countries, as a means of reducing global greenhouse gas emissions. Through the decision in Milan, there is now a complete body of regulation for the flexible mechanisms and emissions trading within the Kyoto Protocol," said Environment Minister Lena Sommestad. "This is very important. It was also important to us that the regulations about replanting forest were stringent."*²⁸

Apart from these issues, the government Bill on the Swedish Climate Strategy²⁹, adopted by the Riksdag, states that Sweden is to continue being active internationally to support the developing countries in reducing their impact on and adapting to climate change, and that the climate issue should be regarded as a central element in the work of promoting sustainable development.³⁰

The conclusion then is that those issues in which Sweden currently has special competence and in which Sweden should have a comparative advantage are the flexible mechanisms, Arctic issues and carbon sinks.

5.2 Does Sweden have a comparative advantage in acting in certain forums?

Apart from Sweden's general credibility in climate-related issues, Sweden has also developed special skills in issues that are of particular interest, such as flexible mechanisms, Arctic issues and carbon sinks. This means that Sweden can actually be said to have a comparative advantage in acting in certain forums. The forums that seem most relevant for Sweden are the Nordic Council and the Nordic Council of Ministers, the Arctic Council and the Barents Council, and the Council of Baltic Sea States. Sweden should continue to make use of its credibility and its special competence to strengthen its profile in those areas described above, and to thus strengthen its role/position in the EU, OECD-AIXG, OECD-DAC, IEA and – later, when the work is underway – probably also the UN Commission for Sustainable Development and ASEM. The situation is different for NGO initiatives and research projects, since Sweden does not act as a country in these forums. However, Sweden can of course support some initiatives and make use of the research results that are produced. Sweden can thus use these forums to strengthen its own position/role in those forums in which Sweden is active as a country. Since Sweden is a small country, it is important where appropriate and where possible to make use of what is done in these various forums and use it to strengthen the Swedish resource base.

In the World Economic Forum, Sweden does not act as a country: the primary actor is the private sector. The World Economic Forum will probably play an important role in future climate contexts but Sweden's potential for action will more be a case of acting through multinational

²⁸ http://www.regeringen.se/galactica/service=irnews/owner=sys/action=obj_show?c_obj_id=57224

²⁹ Government Bill 2001/02:55.

³⁰ "Climate and development Sida's view", document dated 2003-10-29 (in Swedish).

companies that are mainly Swedish-owned. Sweden is not a member of either AOSIS or APEC, which means that its potential for action is small. Similarly, Sweden is not a G8 member, although the EU participates as an observer and is represented by the country currently holding the Presidency. The same applies to the EU's dialogue with ASEAN. Sweden is a G10 member however, though it must be said that the prospects of bringing the climate issue onto the agenda at G10 meetings are currently small. The reason for this is that the issues hitherto discussed have not been climate-related. (ASEM however offers a budding opportunity despite the fact that there have so far only been two meetings of Environment Ministers.

5.3 Opportunities

As previously mentioned, Sweden has also traditionally had a neutral role with good relationships to both East and West, and also towards the South. Good aid relationships and a good reputation for aid policy have also contributed to Sweden's credibility. Issues of climate and development will probably become increasingly important in the future, and there will be opportunities for Sweden to strengthen its role in this field. Although the work has not really begun yet, Sida has recently adopted a strategy and plan of action for climate and development for 2004-2006. Apart from these important documents, Sida's work with country strategies is a strategic occasion on which to have a dialogue with the cooperating countries about climate aspects of their development policy.

Apart from greater Swedish credibility, there are no other signs that Swedish aid policy has created comparative advantages for Sweden in the climate field. On the other hand, it is possible that the work that Sida has now begun can do that by building up special competencies in some issues and in this way strengthening Sweden's role in, for example, the UN Commission for Sustainable Development.

5.3.1 A Swedish initiative

Global Climate Change Awareness Initiative

Apart from an influence on climate negotiations through other forums and organisations, it is also possible to influence negotiations through public opinion. One possibility is for Sweden to conduct an initiative to increase international awareness of climate issues and of the deadlock in negotiations. This might help to put pressure on the positions of countries and create scope for progress.

A Swedish initiative – the Global Climate Change Awareness Initiative – could be to get people with global importance from different parts of the world to join together and support the advance of the negotiations. In a number of joint positions, global opinion-makers could express their anxiety about global warming and the situation in the climate negotiations and underline the necessity of the world organisation agreeing to take sufficient steps to combat climate change. They could work for joint statements from several groups of opinion-makers: former heads of state (Clinton, Gorbachev, Nelson Mandela etc.), religious leaders, corporate leaders, sports stars, etc.

Analysis of Processes to Meet Future Climate Commitments

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