



Climate Policy after Doha: Turning Obstacles into Solutions

F. J. Radermacher

Research Institute for Applied Knowledge Processing (FAW/n);
Professor, Computer Science at the University of Ulm;
Fellow, World Academy of Art and Science

Abstract

The international climate policy is in big trouble. The governments of the world cannot agree on a reasonable, enforceable cap on global CO₂ emissions – not today and not in the future. Concerning a strict enough cap, this issue is politically not handleable today, because this would directly interfere with the options of countries to generate future economic growth. Problems in this respect are politically unfeasible.

The present text, therefore, argues for a new approach, for thinking out of the box, for overcoming the traps the negotiations are stuck in at the moment. The idea is to have governments agreeing only on a relaxed instead of a strict cap. This is politically much easier to achieve. In the text, we show that a relaxed cap is sufficient to solve the climate issue, if the private sector can be motivated to do the rest, given that there is an enforceable relaxed cap in place. The private sector can use at least two wild cards to contribute to this aim, and it can do this within the framework of climate neutrality for companies, organizations, and individuals to take legal CO₂ certificates out of order on the one hand, and, on the other hand, to plant trees (all over the world for the purpose of biological sequestration) and to do this in huge volumes.

The so-called Copenhagen Accord is taken as an anchor for a global climate regime to reach the 2°C aim. The regime consists of two parts: a moderate dynamic global CO₂ cap guaranteed via globally binding governmental accords, and a second part using two wild-cards. These are used to fulfill the so-called WBGU budget restriction in spite of the relative weakness of the agreed upon dynamic cap: (1) a massive decomprising of emission rights in a wealth-compatible manner to close the so-called negotiation gap and (2) a massive forest and landscape restoration program to close the so-called sequestration gap. Implementing the wild cards is financed by the private sector (organizations, companies, individuals) to achieve individual climate neutrality for ethical or reputational reasons. This process has already started and has been activating millions of dollars of private money annually with additive positive effects on development of non-industrialized countries.

1. Prevailing Frustration

International negotiations on climate are stalling. Tens of thousands of traveling mediators are urging NGOs and journalists to play their part, since the volume of climate gas

emissions continues to grow and there is frustration all over the place. Many observers have long since abandoned the 2°C target and no longer argue in favor of climate protection but in favor of population protection against the consequences of a climate disaster which can no longer be prevented.

2. Do we still stand a Chance?

There is still a chance, however, only if there is a change in the current negotiation logic. Over time, the present negotiation logic has outlived itself; the situation has changed drastically. What is now required are new approaches: increase system-related intelligence in order to get the global community out of the rat-race of the present negotiation logic.

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3. All Balance Sheets have Two Sides

The present negotiation logic aims at the reduction of annual global climate gas emissions to a sufficiently low level. This should allow humanity to stay within the limits of a continually decreasing total budget of still acceptable CO₂ emissions from fossil sources, summing up the emissions over the years until 2050. This **amount** is called the WGBU-budget restriction and is almost 750 billion tons (WBGU, 2008 and WBGU, 2011). There have been year-long debates as to the actual size of such a budget, its distribution among the nations and the related monetary transfers from the North to the South. A workable compromise has never been reached. Today, a climate contract as per the above logic is factually no longer feasible as the limitation of emissions would have to be to such an extent that it would render the preservation of wealth worldwide as well as the **legitimate economic growth ambitions** of emerging countries impossible. No government would be able to provide an answer to such a situation to its citizens. In the short term, present wealth is more important than potential future climate problems.

This is exactly why the world needs a new negotiation approach and a strong wildcard combined with an understanding of the fact that insisting on the present approach will bring about the ultimate climate risk. Increasingly stringent limitations while adhering to a continually decreasing remaining budget for still acceptable emissions until 2050 will no longer suffice. In the short term, we will not be able to implement a limitation to the necessary extent. The new task at hand is now to actively manage the atmosphere's CO₂ content. In doing so, the following observation is critical:

The CO₂ balance of the atmosphere has **two sides**. Besides the climate gas emissions aspect, there is the aspect of CO₂ retrieval from the atmosphere.

The latter must be massively pursued in the future in order to win time for the still indispensable climate-sensible reconstruction of our global civilization.

4. A New Logic

A potential new logic for a global climate contract, which is a pragmatic approach, was developed in Copenhagen in the form of a common understanding between China and the USA. This needs to be appreciated, pursued and implemented. This pragmatic proposal makes sense even today, though it is admittedly incomplete. The Copenhagen formula conceived by China and the USA is a realistic compromise which smartly extends and improves the Kyoto formula, which was renewed at the last minute in Doha for welcoming the time of transition. The Copenhagen formula may function as a basis for a global climate contract which could be signed in 2015 for validity till 2020 (or even earlier). As per the following logic, it would result in a significant improvement of the Kyoto formula:

The **industrialized nations** will absolutely lower their emission levels and declare individually and voluntarily how much their emission levels are. The **non-industrialized nations** will lower their emission levels relatively to their economic growth rate and declare their current emission levels individually and voluntarily. Voluntary payments of industrialized nations into a climate fund for the benefit of non-industrialized nations shall support the non-industrialized nations.

The core of this compromise is voluntary self-obligation by the nations. Such a scenario is politically sustainable and allows the nations to orient themselves with their respective individual possibilities. All nations will be involved with the emerging nations, and will be required to curb limitations relative to their economic growth in the coming years. This will result in a (dynamic) cap of the overall emission volume, depending on the economic growth rates of the non-industrialized nations (Herlyn, E. L. A., Radermacher, F. J., 2012 and Radermacher, F. J., 2010). This is not yet the full solution to the climate problem but may be smartly amended in a modular way with other building blocks in order to finally form a complete solution. **The solution's weakness which lies in its incompleteness ultimately becomes its strength**, as it (1) can be accepted by almost all states and (2) is extendable by including the private sector in the right way. All major nations have already signaled their participation. This fact allows for the integration of **WTO border tax adjustments** with regard to non-participating nations as a powerful additional lever for the implementation of an airtight climate regime. It is almost a "Munchausen" scenario. The perfect solution is within reach because its "anchor" part is sufficiently unambitious to allow broad approval. However, still missing is the second half for which proper design and implementation are crucial. In this situation, wildcards are badly needed.

5. The Wildcards

Who will see to the decommissioning of emission rights in a wealth-compatible manner (closure of what is known as the **negotiation gap**) and who will subsequently see to the

retrieval of the emissions from the atmosphere which will still be too high despite the conducted decommissioning (closure of what is known as the **sequestration gap**)? What mechanisms can be employed for this task?

Figure 1: A climate contract in line with Copenhagen and Cancun
– some caps and reduction paths

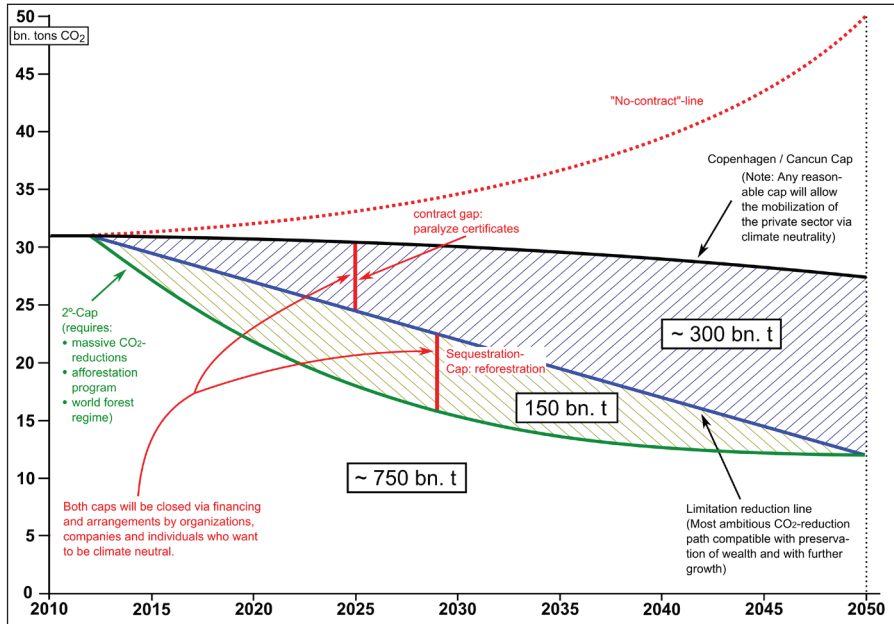


Fig. 1 shows the **present development** of global CO₂ emissions from fossil sources (red line), which is a disaster, and a (black) cap-line of the Copenhagen type, propagated as sufficient for the “anchor” part of a working global climate regime in this text. It shows further the approximated position of the **limit-reduction line**, compatible with global economic growth and development conditions, which has to be fixed every year politically at a technical level. And it shows the 2°C curve (green), which would be sufficient to stay within the WGBU budget restriction. The area between the black and the blue lines represents the **contract-gap**; the area between the blue and the green line, the **sequestration-gap**. These gaps have to be closed.

For the tasks described, e.g. to close the gaps, we have two wildcards on the table: (1) The **decommissioning of emission rights** to the extent in which it is compatible with global wealth and growth perspectives. The volume allowed to this end can be negotiated and agreed upon among the nations of the world on a yearly basis at the working level (and can be oriented along the experience lines of the previous years). (2) The retrieval of CO₂ from the atmosphere by means of forest protection, a **global reforestation program** and the intensification of land management.

Who is to pay for such measures? The implementation of the wildcards would cost a lot of money and the nations cannot bear this. Luckily, many actors from the **private sector** hurry to fill this gap today for **reasons of reputation**, for political ambitions, and for ethical reasons. Companies, organizations, private persons and an increasing number of actors want to position themselves in a **climatically neutral** manner. Large enterprises have already announced their climatically neutral position, just as the German land of Hesse (Hölscher, L., Radermacher, F. J., 2012), which targets climate neutrality by 2030 and which takes on a political vanguard role with regard to this topic. The important economic sector of customer brands of high value is already acting and puts pressure on its sub-suppliers under **CSR aspects**. Well-paying consumers and high-performance investors voice the respective demands towards brand manufacturers. **Hundreds of actors** are already involved in the field of **climate neutrality** today and many **millions of dollars** are activated annually for this purpose, see examples (Hölscher, L., Radermacher, F. J., 2012), (Deutsche Bahn, 2012) and (Handelsblatt, 2012). Switzerland will legally entrench the climate neutralization of its entire power generation sector. In Germany, the German chimney sweepers, the nation's lucky charms, who are experts on the environment and climate matters and visit each and every household at least once a year, have also already begun to take action (Bundesverband des Schornsteinfegerhandwerks). And the children's initiative "Plant for the Planet" has already mobilized hundreds of thousands of people on the issue and coordinated the planting of millions of trees (Finkbeiner, F., 2010). On top, the so-called Berlin Appeal (Emse, H., 2011) asks every citizen to make themselves climatically neutral.

The funding of climate neutrality through the private sector is the key to a functioning global climate regime. The annual 100 billion US dollars which are necessary for the **global climate fund**, also agreed upon in Copenhagen, which is to fund the cooperation of the North and the South in the field of climate protection, can be raised by selling certificates for decommissioning purposes. Today, nobody knows which money is to furnish the fund. The politicians' task at hand under the described approach is to establish the "anchor" part of the global climate regime according to the Copenhagen formula and then **merely** to create a platform for trade certificate (decommissioning; reforestation) which is free of risks for the reputation of the involved actors from the private sector and to "lean" with respect to bureaucratic requirements. This will not only satisfy the fairness requirements between the North and the South but also satisfy the **fairness requirements** between premium consumers and normal citizens (Chakravarty, S., Chikkatur, A., de Coninck, H., Pacala, S., Soclow, R. and Tavoni, M., 2009). The Gulf States, China and India, Mexico and Brazil already count a similar number of premium consumers as the wealthy part of the world.

6. "Out of the Box"

What is the new aspect of the second chance introduced for a functioning global climate regime, a chance, however, open for only 10-15 years to come and which may not be seized anyway? The governments of the world understand that they can no longer solve the climate problem on their own and not through the previously followed contractual logic. They also understand that a limitation of emission volumes alone no longer represents a sustainable

option. They understand that a stringent cap at the government level cannot be reached and that there is actually no need for such a stringent cap at the government level at all. A dynamic cap in compliance with the Copenhagen formula would suffice. This is one half of the solution. The second half is opening a “stage” for private actors such as organizations, companies and private persons who intend to position themselves in a climatically neutral manner in a way which is risk-free in terms of reputation and “lean” with respect to bureaucratic requirements. This affects the two available wildcards for achieving climate neutrality, that is to say the decommissioning of emission rights and the biological sequestration of emissions. Both wildcards are expensive and effective at the same time. The latter will withdraw CO₂ from the atmosphere on a large scale.

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CO₂ will become a productive resource for new wealth, especially in some poorer parts of the world. At the same time, this allows for partnerships for climate protection between the North and the South without which the global climate problem cannot be solved anyway.

“Only a massive dedication of systematic intelligence will open a window for the solution of the climate problem.”

An airtight contract can be negotiated by 2015. A first draft of such a contract including a great variety of aspects to be considered can be found in (Radermacher, F. J., 2010). This contract could come into effect in 2020, if not earlier. If we implement large-scale reforestation day by day from today, even without a working global climate regime, then even the abundance of **additional emissions** prevailing in the meantime as a result of the global community’s inability to reach its target of negotiating a climate contract by 2012 could be neutralized.

There is still a chance to reach the 2°C target. However, even this window will close in some time since the areas for reforestation in the southern hemisphere with their 500 million hectares may be vast but not inexhaustible (World Resources Institute, 2010). For this reason, we need to get **out of the box** quickly, we need to quickly abandon the dominating old negotiation logic and practice a new way of thinking. We have maneuvered ourselves into such a precarious situation that only a massive dedication of systematic intelligence will open a window for a solution for the climate problem. Imagination and agility will become decisive resources in this matter.

Author Contact Information

Email: franz-josef.radermacher@uni-ulm.de

For detailed information, visit:

www.globalmarshallplan.org/; www.faw-neu-ulm.de; www.senat-der-wirtschaft.de/

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