



## Bali – The Wrong Priorities

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The Bali Action Plan, if implemented, undoubtedly brings progress with regard to some important details, such as the agreement on measures against forest degradation. Looking at the main task, however, Bali cannot be considered a success. If the common goal of 189 member states codified in Article 2, Climate Convention, is taken seriously, Bali was, in fact, a disaster. This “ultimate objective” asks for the “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system”. The IPCC 2007 reports make clear that the global emission peak has to happen before the year 2020 if we want to achieve this objective. In reality, however, global emission growth is not levelling off; rather, it has increased dramatically since 2000. In this case, neither Europe nor the U.S. can be blamed; the rapid increase is almost entirely due to emissions resulting from Asia’s expanding economies. China alone has had an emission growth in each single year since 2000 that, according to the Kyoto Protocol, exceeds the total planned greenhouse gas reductions of all committed countries over 22 years.

No real progress was made in Bali with regard to a commitment of the major emerging economies. To include these countries in a reduction commitment structure is entirely feasible, if with a hefty price tag. But we should at least discuss whether we are willing to pay these costs, which fortunately are, according to the widely recognized 2006 report of Nicolas Stern, much lower than the eventual cost of doing nothing. What is needed is a global market price for carbon emissions which limits the emissions to an acceptable amount and makes alternative energies competitive with fossil energies. The crucial question is how to distribute the revenues from such a carbon emission pricing scheme. This is clearly subject to negotiation. Whether China, India and others will accept a global price for carbon emissions in their country critically depends on how revenues are allocated: to promote technology transfer, for instance; to support investments in low-carbon energy production; to establish a per capita distribution key; or – most realistically – to set up an allocation system combining various elements. It simply must be a scheme attractive enough to convince those countries with (currently) low per capita fossil energy consumption that their commitment to reduced

emissions will accelerate, and not hinder, their further economic development. Increasing energy efficiency in these countries should be a primary target of carbon emission revenue allocation.

Time is of the essence. Over the long term, we must achieve the peak of global greenhouse gas emissions before 2020 and maintain a sufficient decline thereafter. For the short term, a follow-on agreement before the Kyoto Protocol runs out (2012) is necessary. The Bali path might lead to a Kyoto succession agreement at the Copenhagen Meeting scheduled for December 2009. Regrettably, it will miss by far the commonly agreed to deadlines and requirements established in Article 2 of the Climate Convention. We are running out of time as we run up ever higher levels of dangerous emissions in the greenhouse we call earth.

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