# From Montreal to Bali: The 2005-2007 European Union Strategy for Reengaging the United States in UNFCCC Negotiations

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Following Russia's 2004 ratification of the Kyoto Protocol,¹ the EU concentrated its efforts on exploring avenues that could eventually facilitate the reengagement of the US in climate change negotiations. Faced with immense worldwide pressure and on the edge of universal isolation, the Bush administration did eventually alter its stance and – while maintaining its vehement rejection of the Protocol – decided to join a number of EU-initiated climate change-related Dialogues (e.g. the Gleneagles and UNFCCC Dialogues). Despite the fact that these Dialogues were criticized at the time as being uneventful and lacking momentum, the 2007 Bali COP/MOP did see the US accepting the strengthening of this process by expressing its willingness to participate in the AWG-LCA. Even so, the world community has so far markedly failed in its objective to convince the US to ratify Kyoto.

#### **Abbreviations**

AWG-LCA Ad hoc Working Group on Long-term Cooperative Action under the Convention

**COP** Conference of the Parties (to the UNFCCC)

**COP/MOP** Conference of the Parties serving as the Meeting of the Parties

**ENGOs** Environmental non-governmental organizations

**ETS** Emissions Trading Scheme (of the EU)

EU European Union

**G-77/China** Group of 77 plus China

**G-8** Group of Eight (G7 major industrialised countries plus Russia)

GHG Greenhouse Gases

**GPOA** Gleneagles Plan of Action

IPCC Intergovernmental Panel on Climate Change

MOP Meeting of Parties (to the Kyoto Protocol)

**UN** United Nations

**UNFCCC** United Nations Framework Convention on Climate Change

#### Introduction

Following the US withdrawal from the Kyoto negotiations in 2001, and up to mid-2005, neither the European Union nor any other international actor had been particularly active in formulating a strategy

The Kyoto Protocol is a legally binding agreement, linked to the United Nations Framework Convention on Climate Change, under which industrialized countries are committed to reduce their collective emissions of greenhouse gases (GHG) by 5.2% compared to the year 1990. The Kyoto Protocol was adopted in Kyoto, Japan, on 11 December 1997 and entered into force on 16 February 2005. Up to date, 183 Parties of the Convention have ratified its Protocol.

for reengaging the US. 'Saving' the Protocol in COP-6bis<sup>2</sup> in Bonn and COP-7 in Marrakech, setting a good example by heading for swift ratification by 2002, and, finally, attempting to ensure Japanese, Canadian, Australian but, above all, Russian ratification<sup>3</sup>, had comprised the top priorities of the EU during most of the 2001-2004 period.

After more than 3 years of strenuous diplomacy, the EU did finally succeed in getting all the above priorities accomplished (only Australia did not ratify). The early months of 2005, therefore, saw the entry into force of the Kyoto Protocol and, very importantly as well, the launching of the ETS in the EU. Well aware that only little time should be devoted to celebrating these positive developments, UK Prime Minister Tony Blair immediately moved on to the next challenge: how to bring the US back to the negotiating table. Doing so was imperative not only because the US was at the time the largest emitter of greenhouse gases, but also because it was quite clear by then that China, India and the other major GHG emitting developing countries would never agree to any kind of commitment while the US remained outside the Kyoto Protocol.

Back in 2005, Kyoto Parties were at a loss concerning exactly how to reengage the United States. Most scholars and analysts were rather pessimistic as to the prospects for convincing the US to rejoin the consensus. Apart from President Bush's adamant rejection of Kyoto-like policy instruments, scholars and analysts were also well aware of the scepticism or negative disposition of the US Senate towards the Protocol (Christiansen, 2003: 351; Purvis, 2004: 176). Since the Kyoto Protocol would affect virtually all major sectors of the US economy, the lobby-prone US Senate – especially when it comes to domestically sensitive issues in the U.S. trade realm – had from the very outset taken a negative stance towards climate policy measures entailing a perceived adverse effect on the US economy.

Back in 1993, for example, President Clinton, despite having the advantage of a Democrat-controlled Senate, was unable to push through with his proposal for a British thermal unit (BTU) tax. This tax, based on the heat content of the fuel, was mainly expected to reduce GHG emissions 'by stimulating more efficient consumption of energy' (Agrawala & Andersen, 1999: 461). In 1997, the Republican-held Senate unanimously passed by a 95–0 vote the Byrd-Hagel Resolution which stated that the United States should not participate in any climate change regime that did not include binding targets and timetables for developing nations and/or would seriously harm the US economy.

Taking into consideration the Senate's past track record - and given that for the Senate to ratify any international agreement, a two-thirds majority vote was required – several authors were at the time of the opinion that unless domestic, as well as international, US concerns were adequately addressed, the Kyoto Protocol stood no chances of being ratified by the US in the near future (Bang & Tjernshaugen, 2005: 293; Purvis, 2004: 176). Tony Blair, fully aware of the US Congress's hostility

The Conference of the Parties (COP) and the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (abbreviated either as CMP or COP/MOP) comprise the 'supreme bodies' of the UNFCCC and the Kyoto Protocol respectively. The former is an association of all the countries that are Parties to the Convention, while the latter is made up of those Parties to the Convention that have also ratified the Kyoto Protocol. Both bodies meet annually at the same time period, unless the Parties decide otherwise. For more information refer to the UNFCCC webpage at: <a href="http://unfccc.int/meetings/items/2654.php">http://unfccc.int/meetings/items/2654.php</a> [Accessed 30 October 2008].

The rules for entry into force of the Kyoto Protocol required 55 Parties to the Convention to ratify the Protocol, including Annex I (industrialized) Parties accounting for 55% of that group's carbon dioxide emissions in 1990. Given the EU's 24.2%, Japan's 8.5%, Russia's 17.4%, Canada's 3.3% and Australia's 2.2% were of critical importance if Kyoto was to stand a chance of ratification.

towards Kyoto, as well as of the stance of the Bush administration on targets and timetables<sup>4</sup>, thought it wise to adopt a different approach. Blair had set high ambitions for the UK's double presidencies of the EU and the G-8. With climate change topping his agenda, bridging the divide between the US and the rest of the world on this very issue comprised a key goal of Blair's G-8 and EU strategies. Since the US had detached itself completely from the Kyoto Protocol negotiations in 2001, Blair hoped to devise some other formula – even a generic one – for somehow bringing the US back to talking again about climate change issues. Blair was to unveil his ambitious plan during the G-8 Gleneagles 2005 Summit. Although seemingly fruitless in its early stages, this paper argues that the 2007 Bali COP/MOP convincingly demonstrated beyond doubt that Blair's strategy was a rather far-sighted one. Even so, positive as its results may have been, the overarching aim of getting the US to return to the Kyoto negotiations has not so far been achieved.

# The G-8 Gleneagles 2005 Summit

Marked by the terrorist attacks in London on the second day of the conference, the G-8 Gleneagles (Scotland) Summit in July 2005 has been portrayed as either an outright failure (mainly by ENGOs) or a heartening success (by several analysts and politicians). The truth of course, as has always been the case with diametrically opposed opinions, lies somewhere in the middle. True enough, neither did world leaders agree to any firm new targets, nor did the US embrace the Kyoto Protocol. True, however, is also the fact that key world leaders – referring here mainly to President Bush – agreed for the first time, albeit obliquely, that human action was a contributing factor to climate change. 'We know enough', states the Gleneagles Communiqué, 'to act now to put ourselves on a path to slow and, as science justifies, stop and then reverse the growth of greenhouse gases' (Gleneagles Summit of the Eight, 2005: 1).

Of great political significance was also the G-8 agreement 'to take forward a Dialogue on Climate Change, Clean Energy and Sustainable Development', tasked to 'address the strategic challenge of transforming our energy systems, ... monitor implementation of the commitments made in the Gleneagles Plan of Action ... [and] share best practice between participating governments' (Gleneagles Summit of the Eight, 2005: 2). Participants in this ongoing Dialogue included not only the G-8 members, but also the five key developing countries (China, India, Brazil, Mexico and South Africa) that were present at Gleneagles. Backbone to the Gleneagles commitments was the aforementioned Gleneagles Plan of Action (GPOA), with a pledge to:

- a) Promote innovation, energy efficiency, conservation, improve policy, regulatory and financing frameworks; and accelerate deployment of cleaner technologies, particularly lower-emitting technologies.
- b) Work with developing countries to enhance private investment and transfer of technologies, taking into account their own energy needs and priorities.

A target is the reduction of a specific percentage of greenhouse gas (GHG) emissions (e.g., 6 per cent, 7 per cent) from a base year (e.g., 'below 1990 levels') to be achieved by a set date, or timetable (e.g., 2008–12).

c) Raise awareness of climate change ... and make available the information which businesses and consumers need to make better use of energy and reduce emissions (Gleneagles Summit of the Eight, 2005: 2).

Of course, as Grubb notes, all these proposed aims would have simply been nothing more than mere wishful thinking without a process 'to monitor and report back on whether and how the myriad options are being pursued' (Grubb, 2005: 233). This Gleneagles G-8+5 Dialogue or, put differently, this 'structured series of meetings', was intended to perform this function (Grubb, 2005: 233). The aim of the UK double Presidency of the EU and the G-8 was for the Gleneagles Dialogue to facilitate international cooperation on climate change and clean energy technologies between the developed and developing world. Four Working Groups were therefore established in order to develop specific policy proposals:

- 1. Development & Transfer of Technology
- 2. Market Mechanisms & Economics
- 3. Adaptation
- 4. Efficiency

It should be noted that officially the UK had no intention of bypassing the UN's formal climate-negotiations process. Blair went at great lengths to make this abundantly clear in the final Gleneagles Communiqué. The Dialogue, which run through to the Japanese G-8 Presidency in 2008, was intended as a parallel process that would hopefully play a major role in furthering action and cooperation between key countries. The participation of the five developing nations was of key importance, as it was well understood that the South would need to take a low-carbon path for climate change to be effectively addressed. The EU, despite some initial skepticism, did eventually support Blair's initiative. As Vogler and Bretherton note:

Meetings of the G8 at Evian 2003 and Sea Island 2004 found common ground in treating climate change as a problem to be solved through technological innovation and this trend continued with the 2005 Gleneagles 'Plan of Action.' The EU supports this. Indeed, it must be part of the Lisbon Strategy for economic renewal, but it is not seen as an alternative to emissions reductions and carbon trading. Rather, the latter provides the necessary conditions for making low or non-carbon energy alternatives financially viable (Vogler & Bretherton, 2006: 18).

The fact that the US was again participating in a climate change forum could only be seen as a rather positive development; and one that could somehow pave the way for the US to participate in the post-2012 climate change regime. Now, as to why it won US approval, it should be noted that the GPOA contained nothing the US had not agreed to in the past (e.g. technology cooperation). To those disappointed by the outcome of the Gleneagles Summit, Blair's response was that he thought unwise to 'push an unwilling partner into a corner' (O'Riordan, 2005: 3).

On November 2005, and following the surprising announcement by the US in July of its Asia-Pacific Partnership on Clean Development & Climate<sup>5</sup>, the first Ministerial meeting of the Dialogue on

On 28 July 2005, the world community was taken by surprise when, during an Association of South East Asian Nations (ASEAN) Regional Forum meeting, six nations (US, Australia, Japan, China, India and South Korea)

Climate Change, Clean Energy and Sustainable Development, launched back at the G8 Summit at Gleneagles, was held in London. The event was attended by the G-8 members plus Australia, Brazil, China, India, Indonesia, Mexico, Nigeria, Poland, South Africa, South Korea, and Spain. Talks focused, among others, on the deployment of clean technologies and incentives for large-scale private sector investment in low-carbon technologies (ENDS, 2005).

#### Montreal COP/MOP-1

The UK closed its dual 2005 presidency with yet another Dialogue, this time under the UNFCCC. Unlike negotiations under the Kyoto Protocol, negotiations under the Convention included Parties that had not ratified the Protocol, namely the US and Australia. From the outset, these negotiations focused on a proposal for action under the Convention, according to which a series of workshops would be held to discuss approaches for long-term cooperative action to address climate change. This time, however, the proposal on a 'dialogue on long-term cooperative action' was met with suspicion by the US. The US delegation was particularly sensitive to use of the word 'dialogue' or, as they read it, 'negotiations' on a new treaty. Further deliberations did not result in any specific breakthrough and the US delegation decided to walk out of discussions in a sign of protest.<sup>6</sup>

The remaining Parties decided that the meeting should go on without the US and, following overnight negotiations, succeeded in reaching an agreement on a draft decision on a dialogue on long-term action. At that point, the US delegation, in the face of complete international isolation, decided to return to the negotiating table with a 'take-it-or-leave-it' proposal, according to which the dialogue would be 'an open and non-binding exchange of views' and would 'not open any negotiations leading to new commitments' (Müller, 2006: 12).

International pressure and US media criticism are certainly two of the reasons for this American U-turn. In particular, it appears that the mediation of the UK was instrumental in convincing the US to sign up to the Dialogue. According to UK Environment Secretary Margaret Beckett, there were 'conversations to and fro between London and Washington' in an effort to overcome the objections of the Americans to the text of the agreement (quoted from Müller, 2006: 12). She then added:

Once they saw what had been agreed overnight they realised that actually what we had all been telling them right the way through, which is that there was a goodwill on the part of the negotiators of the world to re-engage the United States constructively, they looked at the text, they saw that was true. They then suggested some other minor amendments that would make it more comfortable for them and that is why, in the end, we got agreement (quoted from Müller, 2006: 12).

announced the Asia-Pacific Partnership on Clean Development & Climate (abbreviated either as AP6 or APPCDC). Similar to the Gleneagles Dialogue, this Partnership, launched on 12 January 2006 at the Partnership's inaugural Ministerial meeting in Sydney, seeks to advance cooperation between its members in developing and sharing a wide range of clean-energy and energy-efficient technologies (liquefied natural gas, methane capture and use, clean coal, nuclear power, and others).

The US lead negotiator, Harlan Watson, was actually reported to have said: 'If it walks like a duck, quacks like a duck, then it is a duck.' Undoubtedly, Watson soon regretted his infelicitous remark. Not only did it earn him a new nickname ('Duck' Watson), but also resulted in NGO representatives holding toy ducks out towards him throughout the duration of the Montreal Summit (Bals et al, 2006: 5).

This dialogue, which focused primarily on adaptation, technology transfer and market-based opportunities, was to take place in four workshops – the last to be held during COP-13 in Bali (Schipper & Boyd, 2006: 79).

## **Developments in 2006**

International climate change policy benefited substantially from the UK's highly successful Presidency of the EU and the G-8. UNFCCC negotiations were reinvigorated in 2005 by the agreement in principle to extend the terms of the Protocol beyond 2012 and launch a Dialogue with the USA (primarily) on long-term co-operation to tackle climate change. The G-8+5 Climate Change Dialogue was initiated, while climate change was also put on the agenda of EU Summits with China, India, Russia and Canada.

As is very often the case with the years following important milestones, negotiations enter a phase of low activity, as most countries need a sufficient period of time to evaluate what has just been agreed. The same arguably applies to the year 2006. Unsurprisingly, therefore, the inaugural meeting of the Convention Dialogue (May 16–17), held in conjunction with the 24<sup>th</sup> Sessions of the UNFCCC Subsidiary Bodies<sup>7</sup> (17-26 May), was a rather uneventful event that focused primarily on organizational issues (Earth Negotiations Bulletin, 2006b: 1). During this two-day event, Parties engaged in discussions and exchanged views primarily on the four themes identified in the Montreal Decision:

- a) Advancing development goals in a sustainable way;
- b) Addressing action on adaptation;
- c) Realizing the full potential of technology;
- d) Realizing the full potential of market-based opportunities.

The workshop had no binding or negotiated outcome, as this was precluded by its mandate (Earth Negotiations Bulletin, 2006b: 1).

The summer of 2006 was an unusually busy period for international climate change negotiators. Apart from the above-mentioned series of UNFCCC meetings held in Bonn in late May 2006, EU negotiators were busy sorting out the details of yet another Dialogue on climate change. In June, at the annual EU-US summit in Vienna, the two Parties agreed to establish an EU-US High Level Dialogue on Climate Change, Clean Energy and Sustainable Development, focusing on market-based mechanisms and clean energy technologies (EU-US Summit, 2006).

During his address to European Parliament's Environment Committee, Stavros Dimas, the EU Environment Commissioner, drew attention to the willingness of the US to discuss international carbon trading. 'For the first time,' he noted, 'the US will come into a dialogue [on this]. It's a great change and a very important step towards our position' (ENDS, 2006a). The Dialogue is intended to build 'on existing bilateral and multilateral initiatives' and further advance implementation of the G-8 Gleneagles Dialogue (EU-US Summit, 2006). Finally, the two transatlantic partners decided that the Dialogue, to initially meet in fall 2006 in Helsinki, would be guided by the ultimate objective of the UNFCCC.

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<sup>&</sup>lt;sup>7</sup> The Convention established two permanent subsidiary bodies: the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI). The former counsels the COP on matters of climate, the environment, technology and method, while the latter deals with financial and administrative matters. Both bodies meet twice a year.

A few days later, however, the UK managed, in yet another display of leadership, to attract world attention when Tony Blair and Californian Governor Arnold Schwarzenegger announced that they would explore the possibility of linking the European ETS to a proposed Californian one (Jones, 2006). Analysts have often argued that a promising policy alternative for the EU would be to take advantage of developments occurring below the federal level within the United States (Kogan & Pachovski, 2005: 9-10).

Of course, it is rather difficult to know with any degree of certainty what exactly goes on behind the scenes, but supporting and funding sub-federal actors in the US, such as states and lobby groups, could increase pressure at the domestic level. New York and New Jersey have already voluntarily accepted climate targets, while many others, like the New England States, are taking other forms of climate action, such as imposing curbs on carbon emissions from power plants, and setting up emissions trading systems with Canada's eastern provinces (Economist, 2004: 58). In June 2007, for example, the UK agreed with seven US states, including New York, to work closely in developing the latter's regional emissions trading scheme - called RGGI (Regional Greenhouse Gas Initiative) (Miliband, 2007). It is interesting to note that according to Kogan & Pachovski (2005: 9), this RGGI was devised with the help of experts from EU national governments and the EU Commission.

One cannot stress enough, therefore, how critical it will be to ensure the success of the ETS.<sup>8</sup> It is imperative for the EU to demonstrate that climate change policies and ruining the economy are not the two sides of the same coin. The ETS has already attracted considerable interest throughout the world and, if it succeeds, it will become too great a market to ignore for long – especially since the EU has already lifted the limitation that only countries that have ratified the Kyoto Protocol can participate in the ETS (Norway, Iceland and Lichtenstein joined the ETS in October 2007). According to Bang & Tjernshaugen (2005: 297), 'successful implementation [of the ETS] might potentially pull the U.S. towards re-engagement in the period after 2012 if the political and economical feasibility of emissions reductions, and a developing emissions trading market as a changed framework condition in the global markets can be demonstrated.'

Returning to the analysis of 2006 developments, a very important event on the road to Nairobi was the second meeting of the Gleneagles dialogue in Monterrey, Mexico. The meeting saw updates on the progress made under the Gleneagles Plan of Action, but its greatest highlight was the presentation by economist Sir Nicholas Stern of the main findings of a UK government review, to be shortly published, on the economics of climate change. His report was to spark enormous worldwide attention in the early months of 2007.

This was followed by high-level talks between the EU and the US in Helsinki in October 2006. This EU-US Dialogue, launched the previous June, was -according to European Commission officials- 'the most significant bilateral meeting between the two since the US decided to abandon the Kyoto Protocol in 2001' (ENDS, 2006b). The meeting focused on technology, with policymakers placing special attention on exploring 'opportunities for collaboration' (ENDS, 2006b). Tax and labeling

During its first phase (2005-2007), the EU's ETS faced a number of problems and was severely criticized due to oversupply of allowances. For the second trading period, the European Commission rejected the vast majority of the Members States' proposed National Allocation Plans (NAPs) in an effort to significantly reduce the number of allowances. Several new Member States have sued the EU for bigger carbon allocations.

schemes received great attention, with the two countries agreeing on market instruments being a 'very important development area' (ENDS, 2006b).

The year 2006 ended with the rather uneventful Nairobi COP/MOP. Unlike COP/MOP-1 in Montreal, the Nairobi one will 'not be remembered as one of those critical milestones when a major breakthrough occurred' (Earth Negotiations Bulletin, 2006a: 12). Even the outgoing UN Secretary-General Kofi Annan complained about the 'frightening lack of leadership' from governments (Pew Center, 2006). As far as the second Convention Dialogue meeting is concerned, it was equally void of surprises. It justifiably seemed at the time that despite the bombastic announcements that had followed the Montreal COP/MOP, the Dialogue, not being a formal negotiation process, had already 'run out of momentum', as Parties were not investing much effort in it (Sterk et al, 2007: 142).

#### The Road to Bali

A major event prior to Bali was a late March visit to Brussels of a fact-finding mission of Californian officials setting up that state's ET scheme. The purpose of the visit was not only to study the ETS of the EU, but also to discuss the prospects of the Californian one – scheduled to begin in 2012 – to be linked with the EU's in 2013 (ENDS, 2007a). This visit was of extreme importance if one considers that:

California's state scheme is the biggest component of an emerging west-coast regional trading scheme. A similar initiative is taking place among north-eastern states and altogether 30 of the US's 50 have signed up to initiatives that could eventually merge into a nationwide system (ENDS, 2007a).

While the EU and California were actively exploring avenues of cooperation, the federal US government remained unwilling to substantially alter its established policy stand. During the annual EU-US Summit in Washington (April 2007), Chancellor Merkel was unable to secure a major breakthrough on climate change, with the end result being a rather weak declaration which merely underlined the willingness of the two Parties in cooperating towards the advancement of new technologies, as well as their 'mutual interest in ensuring secure, affordable and clean supplies of energy' (Council of the European Union, 2007: 3). A month later, the equally uneventful 3rd Convention Dialogue workshop (16-17 May) took place, with the most interesting outcome being a well-received suggestion by Brazil and South Africa that Parties consider 'continuing the Dialogue in some strengthened format after Bali' (Earth Negotiations Bulletin, 2007b: 17).

The next major event on the road to Bali was the G-8 Summit in Heiligendamm, Germany (6-8 June 2007). It was with great interest and expectation that the world public opinion followed its deliberations. As expected, climate change featured prominently on the agenda, with the German government, in its dual G-8 and EU Presidency roles, pressing the US for an agreement that would contain some form of binding targets and timetables for reducing greenhouse gas emissions. In particular, the proposal on the table was for a 50% reduction by 2050. German efforts, however, were of little avail as President Bush remained adamant in his rejection of such policy measures. G-8 leaders, in what was portrayed as a major success by Chancellor Angela Merkel, were only able to agree to 'seriously consider ... the decisions made by the European Union, Canada and Japan which

include at least a halving of global emissions by 2050' [emphasis added] (Heiligendamm Summit of the Eight, 2007: 15). Of course, this phraseology abstains significantly from a binding agreement. They also invited major developing countries to join them in this endeavor, acknowledged that the UN climate process was the appropriate forum for negotiating future global action on climate change and, finally, expressed the wish for a new global framework by the end of 2008 which would contribute to a global agreement under the UNFCCC by 2009 (Heiligendamm Summit of the Eight, 2007: 17).

Nevertheless, it should be noted that the pledge by President Bush to 'seriously consider' the goal of halving global emissions by 2050, was not something the world community had been used to hearing from the US President. Regarding the statement describing the UNFCCC as being the only appropriate negotiating forum, not much value should be placed in it. Only a few days prior to the Heiligendamm summit, President Bush had announced his proposal for a post-2012 framework on climate change, according to which only the world's top GHG emitters, including both industrialized and developing economies, would work together in promoting clean energy technologies (White House, 2007). Furthermore, according to the Bush's plan:

- a) In creating a new framework, the major emitters will work together to develop a longterm global goal to reduce greenhouse gasses.
- b) Each country will work to achieve this emissions goal by establishing its own ambitious mid-term national targets and programs, based on national circumstances.
- c) They will ensure advancement towards the global goal with a review process that assesses each country's performances (White House, 2007).

Even though the White House plan clearly circumvented the Kyoto Protocol process, President Bush did not hesitate to declare that the U.S. remained committed to the UN Framework Convention on Climate Change, and that he expected 'the new framework to complement ongoing UN activity' (White House, 2007).

Even though Bush's plan rejecting both binding caps as well as carbon trading, the UK, Japan, Australia and Canada all welcomed it (ENDS, 2007b). Germany, on the other hand, reacted rather more cautiously, with Sigmar Gabriel, the German Environment Minister, urging the US to adopt 'clear targets to reduce emissions.' (ENDS 2007b). Of a similar nature were the reactions of EU officials, with Stavros Dimas, the Environment Commissioner, dismissing the US proposal as vague and 'the classic US line' (Harvey et al, 2007: 1). European Commission President Manuel Barroso also stated that even though the US had 'crossed the Rubicon' in acknowledging the threat of climate change, technology by itself would fail to properly address the problem unless the US accepted the need for a global system of 'measurable, binding, enforceable targets' (Benoit & Williamson, 2007: 8).

Several developments of varying importance took place in the few months that followed the G-8 Summit in Heiligendamm. August 2007 saw the fourth Convention Dialogue Workshop taking place in Vienna, Austria, while September witnessed the convening of two major climate-related conferences. The first, a one-day climate change conference in New York organized by the UN (24 September, 2007), was attended by dozens of Heads of State except Bush (Sissell, 2007: 8). Also in September, President Bush, following up on his May 2007 initiative, organized in Washington the first Major Economies Meeting on Energy Security and Climate Change. This conference (28-29 September,

2007), attended by the world's 15 major economies<sup>9</sup> plus the EU and the UN, was categorically dismissed by EU diplomats as representing an attempt to derail the UNFCCC process (MacAskill, 2007: 27; Reid, 2007: 46). In October, former US vice-president Al Gore and the IPCC were jointly awarded the 2007 Nobel peace prize for their work on climate change.

The year 2007 ended with the Bali COP/MOP. One of the most tangible results of COP/MOP-3 was the establishment of the 'Ad Hoc Working Group on Long-Term Cooperative Action under the Convention' (AWG-LCA), in which both the USA and developing countries would participate. The purpose of the AWG-LCA, according to the final decision, would be to 'to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012, in order to adopt a decision at COP-15' (Earth Negotiations Bulletin, 2007a: 16). In other words, as Ott et al (2008: 92) note, the Convention Dialogue, initiated in Montreal in 2005, has 'thus been transformed into fully fledged negotiations.'

Reaching the above agreement proved a rather demanding task. It was on the issue of language for commitments for developing countries that differences among Parties centred. India, representing the G-77/China, had tabled a proposal according to which developing countries would be willing to take 'nationally appropriate mitigation *actions* ... in the context of sustainable development' [emphasis added] (Earth Negotiations Bulletin, 2007a: 15). Following heated negotiations, this formulation was rejected by the US, which from the outset of the negotiations had insisted on 'stronger language on developing country action/commitments' (Earth Negotiations Bulletin, 2007a: 15). When the EU, however, declared its support for India's proposal, the US found itself increasingly isolated and, following some clarifications on India's proposal by South Africa, decided, on the last day of the Conference, to back down and agree 'to join the consensus on the matter' (Earth Negotiations Bulletin, 2007a: 16).

### Conclusion

Under the Bush administration, the US adopted a rather isolationist stance with regard to the Kyoto Protocol. The US repudiation of the Protocol caused immediate outcries from across the world. Fears were that the US decision would result in the death of the Protocol and unravel support in other key industrialized and developing countries. Fortunately, such fears never materialized and the Protocol entered into force in February 2005. The period 2005-2007 even witnessed a protracted, albeit largely unsuccessful effort to bring the US back into Kyoto negotiations. Since 2007, and as of the time of writing (November 2008), no developments of practical significance have taken place. In the most publicised event of 2008, G-8 leaders –meeting in Hokkaido, Japan – agreed to 'seek to share with all Parties to the UNFCCC the vision of, and together with them to *consider and adopt* in the UNFCCC negotiations, the goal of achieving at least 50% reduction of global emissions by 2050'

<sup>&</sup>lt;sup>9</sup> Australia, Brazil, Canada, China, the European Union (Portugal as current EU President plus the European Commission), France, Germany, Indonesia, India, Italy, Japan, Mexico, Russia, South Africa, South Korea, and the United Kingdom, plus the United Nations.

[emphasis added] (Hokkaido Summit of the Eight, 2008: 2). Again, as in Heiligendamm in 2007, no actual binding target was agreed upon.

Hopefully, the future might see the United States ratifying the successor climate-change treaty to the Kyoto Protocol. Australia's ratification of the Kyoto Protocol in December 2007 does demonstrate that under a new administration a previously intransigent Party can forthwith adopt an entirely different posture. How is the EU going to interact with the future US administrations is awaited with justifiable eagerness by analysts worldwide. Of equal interest is the stance the new US administration will adopt on climate change. Interestingly enough, the newly-elected President Barrack Obama does support a market-based cap and trade system and has pledged to use such an approach in order to achieve GHG emissions reductions of 80% by 2050 (Witze, 2008).

Obama has on many occasions declared that he wants to make the US a leader on climate change and reengage with the UNFCCC, but not the Kyoto Protocol. Regarding the latter, Obama has noted that 'we need a global response to climate change that includes binding and enforceable commitments to reducing emissions, especially for those that pollute the most: the United States, China, India, the European Union, and Russia' (quoted from Carter et al, 2008). In other words, he has made clear his unwillingness to ratify Kyoto in its present form. It is hoped that at least the new US President will use the UNFCCC and the opportunity given to him by the establishment of the AWG-LCA to join the consensus and take a leading role in the fight against global warming – and hopefully even sign up to the 2012 post-Kyoto climate agreement. It may well be that Blair's decision back in 2005 to establish these Dialogues will prove instrumental. Even though these Dialogues were criticised at the time as being unimportant and lacking momentum, history has proven Blair's claim that the Dialogues could somehow constructively reengage the US in climate negotiations to be right, justified and rather far-sighted. The final decision of the Obama administration in relation to the outcome of the AWG-LCA – to be known by the time of COP-15 in Copenhagen – will undoubtedly comprise a landmark and a milestone in UNFCCC negotiations.

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