

## **WORKSHOP REPORT: RUSSIAN VOLUNTARY TARGETS PROPOSAL**

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### **Introduction**

The Russian Federation initiated a discussion on voluntary targets in COP-12 in Nairobi in December 2006. The UNFCCC Secretariat organised a special in-session workshop on the topic 11 May 2007 in Bonn during the SBSTA meeting in order for the Russian delegation to further explain what they meant by this initiative. Michael Zammit-Cutajar chaired the session.

Sergei Tulinov of the Russian Federal Service of Hydrometeorology and Environmental Monitoring, Roshydromet, presented the Russian proposal. The proposal is divided into two main parts; a) access to Annex B for those countries not included in it; and b) establishment of a framework for voluntary targets, and financial and technological incentives to support them. Tulinov called these the Kyoto track and the Convention track. He stressed the principle of common but differentiated responsibilities and the potential importance of the contribution by voluntary targets to the post-2012 global emission reductions.

### **The Kyoto Track**

Annex B to the Kyoto Protocol includes the binding targets for most Annex I countries, and provides them with a right to trade in the international emissions trading market, and participate in Joint Implementation projects. The Article 4.2g of the Framework Convention allows all Parties to adopt targets any time. Currently, in order to join Annex B to the Kyoto Protocol a country has to be a Party to the Protocol, suggest an amendment to Annex B and persuade 75% of the Parties to the Protocol to ratify the amendment.

The Russian presentation took Belarus as an example of the difficulty of joining Annex B as well as mentioned Kazakhstan's attempts to gain the membership as a Non-Annex I country. According to the



Russian proposal joining Annex B should be simplified as the current bureaucracy makes it almost impossible in practice. Applying a COP/MOP decision instead of ratification by individual Parties either through a review of the issue under Article 9 of the Kyoto Protocol or a separate process under the Subsidiary Bodies was suggested.

The voluntary commitments under the Kyoto Track can be interpreted as voluntarily accepting binding targets that departs from the traditional definition of voluntary targets.

### **The Convention Track**

The Russian presentation called for recognition of voluntary targets taken by Non-Annex I countries, and their encouragement by financial and technology transfer incentives. Access to emissions trading and finance mechanisms were listed as options. It was emphasised that incentives would be used instead of penalties, and that a compliance regime would not be necessary. Russia suggests that different types of commitments including absolute targets, relative targets, domestic policies and measures as well as technology targets might be applicable.

The Russian delegation acknowledges that many questions remain unanswered including how it would be possible to simplify the monitoring and verification requirements of achieved emission reductions in order to facilitate the participation of developing countries; whether the Annex I countries could also take additional voluntary commitments; and would it be possible to create an additional Annex for the countries that have taken voluntary commitments.

As an example of this type of voluntary commitment initiatives Tulinov mentioned the initiative to reduce the speed of deforestation in tropical forests. Also the Argentinean proposal in 1999 to limit the growth of emissions to 0.5% when the GDP grows by 1% has been used as an example.

The voluntary commitments under the Convention Track would correspond with the traditional definition of voluntary targets as no sanctions would be imposed should the targets not be met.

### **Next steps**

On the Kyoto track, the Russian Federation suggests that COP/MOP should take a decision concerning the simplification of the procedure of joining Annex I and Annex B. On the Convention track, the suggestion is to take a political decision on the importance of voluntary commitments. The Russian proposal emphasises that this would be a symbolically and morally important recognition.

The Parties were officially invited to submit their views on the Russian proposal by August 2007 to be considered in COP-13 in Bali under agenda item ‘other matters’.

### **Discussion at the Workshop**

The Russian presentation stirred a number of interventions by other governments. The views of most of the Annex B Parties were positive while Non-Annex I countries were more sceptical and argued that the Russian proposal contributed only little to what already existed and might disturb the existing post-2012 dialogue as it could be seen by the developing countries as an attempt to introduce voluntary targets that may lead to binding targets in the future.

Germany speaking on behalf of the *European Union* was positive about the proposal as Russian contribution to the discussion, and welcomed further development of the proposal including taking the access to Annex B into COP/MOP discussion, preferably in the context of the second review of the Kyoto Protocol under Article 9. *Japan* welcomed the Russian proposal and stated that it strengthens the global alliance required between the major emitters.

Many Parties including the *European Union*, *South Africa*, *Australia*, *Norway*, *Canada*, *Belarus*, *Kazakhstan*, *Japan* and *New Zealand* supported the Russian proposal to simplify the procedures of joining Annex B and recognised the likelihood of delays in the current procedure. *Belarus* stated that its experience of the current procedures support the Russian view, and suggested that only the country wanting to join Annex B should have to ratify the amendment. *Kazakhstan* supported the Belarusian view that joining Annex B is difficult.

*Norway* gave the Gothenburg Protocol to the Convention of Long-range Transboundary Air Pollution as an example that an Annex has been successfully added into an existing Protocol in case of another Multilateral Environmental Agreement, and might, therefore, be a possible way of addressing some of the questions raised by the Russian proposal. *South Africa* argued that there may be no need to formalise the voluntary commitments, and argued that many of the raised issues are already being discussed under the existing post-2012 dialogue. *India* and *China* agreed by doubting that a COP/MOP decision would be necessary to establish commitments that are voluntary.

*Saudi-Arabia* argued that there was hardly anything new in the proposal, and that the issue of voluntary commitments was originally included in the draft of the Kyoto Protocol but was dropped as it was too difficult to agree on. This political controversy remains, and *Saudi-Arabia*, *China* and *Egypt*

agreed that reintroducing it might scatter the post-2012 discussion as developing countries would feel that the voluntary commitments are introduced in order to convert them to binding commitments at later stage. *The Arab Emirates* argued that the Russian proposal would lead to a fundamental change as it would direct financial and technological incentives to the countries accepting voluntary targets. *China* argued that review of the Kyoto Protocol would not be an appropriate place to consider the raised issues, and stated that the Russian proposal adds no value and should not be further followed up. Many Parties including *Saudi-Arabia* and *Norway* pointed out that many incentives including technology transfer and financial are already included in the Kyoto Protocol.

*Switzerland* reminded others that according to the latest IPCC report developing countries and industrialised countries are contributing equally to the global greenhouse gas emissions, and therefore, the proposal is necessary, and together with *Norway* encouraged the Non-Annex I Parties to provide their views on the proposal.

*Bulgaria* questioned the possibilities to allow countries taking voluntary commitments to trade as accounting of emission reductions achieved would be complicated, and asked whether the Russian Federation was planning to take up additional voluntary targets.

## **Analysis**

Based on the discussion in the workshop it seems that the Russian proposal opened a can of worms by bringing the contradicting views of industrialised and developed countries on the Non-Annex I commitments to the negotiation table. It is true that many of the issues included in the proposal have been discussed on previous occasions or are included in the existing post-2012 dialogue, so some of the presented criticism is justified.

The most concrete part of the proposal is the simplification of the procedures to join Annex B which received quite a lot of support, especially from the members of Annex B. However, what was not raised at all in the discussion was the allocation of emitting rights to the Parties accessing Annex B. The original quantitative targets were political, and there is no reason to believe that future commitments would be based on anything more scientific. Belarus is a good example of this as its accession to Annex B would increase the Kyoto cap by some 34.6 Mt CO<sub>2</sub>e per year during the first commitment period. Without surplus allowances countries would be much less likely to be willing to join Annex B. Introducing a percentage or absolute limit to the additional surplus allowances per country accessing Annex B could be useful though politically problematic. Even without any surplus allowances most of the members of the Former Soviet Union could benefit from joining Annex B by

hosting JI projects which provide cheaper emission reduction compared to most industrialised countries due to the low energy efficiency of the area. It was interesting to see that even the European Union did not raise this point.

One of the main arguments by the Russian Federation was that the initiatives of countries should not be ignored by the international community. This may be echoes from the Kyoto ratification discussion during which the Russian government seeking a more central role in international politics felt excluded from the Kyoto club. The suggested recognition of voluntary action could be politically fairly easy, however, it remains unclear how much difference such recognition would make in practice. The whole discussion on the voluntary commitments by developing countries seems sketchy, and creates doubt whether the Russian policy-makers realised the potential wider implications of such a proposal to the Non-Annex I Parties.

It was interesting that the Roshydromet and the Ministry of Foreign Affairs were the only agencies present in the Russian workshop while the Ministry of Economic Development and Trade leading the implementation of the Kyoto Protocol in Russia was absent. The Russian representative admitted that Russia has no official position concerning post-2012 commitments so far, nor a plan to take up additional voluntary commitments or replace its binding commitments with voluntary. Based on this and the sketchiness of the proposal itself it is possible that this initiative was mostly driven by the Roshydromet which is keen on establishing for itself a firmer role in Russian climate politics. After all, the agency used to be in charge of Russian climate politics but was replaced by the Ministry of Economic Development and Trade when the Kyoto mechanisms gained importance. Also the Ministry of Foreign Affairs may have similar interests regarding its role.

It also seems strange that Russia which holds the largest potential to trade surplus allowances would like to include more countries with hot air to the market, especially as the Russian institutional system to trade and host Joint Implementation projects is yet to be launched<sup>1</sup>, and because there is already more supply than demand in the Kyoto market. One explanation may be inter-agency infighting on the Russian side, this would also fit the historical pattern of Russian climate politics.

Nevertheless, as the Russian Federation has produced a concrete proposal it is positive that a workshop was organised to recognise this initiative, however sketchy the proposal itself might have been. It seems likely that the Kyoto track part of the proposal might have a longer life-time than the Convention track which received the typical and expected Non-Annex I scepticism.

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<sup>1</sup> Korppoo, Anna & Moe, Arild (2007). Russian climate politics: Light at the end of the tunnel? Climate Strategies briefing paper. Available at [http://www.climate-strategies.org/uploads/Russia\\_politics\\_bp.pdf](http://www.climate-strategies.org/uploads/Russia_politics_bp.pdf).