

Is the new 'climate doctrine' marking a turning point in Russian policy?

An update on a Climate Strategies Project

Anna Korppoo¹, 07 May 2009



The 'climate doctrine' recently discussed by the Russian Cabinet could mark a shift in the thinking of the Russian high-level policy-makers similar to that of the Stern review in the UK. The costs of climate change were first time reported in the headlines, and it was argued that mitigation policies would be good for the Russian economy. But to re-enforce these positive Russian developments they should be recognized internationally. This paper provides an update on Russian climate policy following the Climate Strategies 'East-West Investment' project, which was completed last year.

The Russian Cabinet discussed a draft 'climate doctrine' for Russia 23 April 2009. The doctrine is a political declaration of the approach of the Russian government on the issue; largely based on the scientific report published by the Hydrometeorological Service of Russia in February 2009, it recognizes climate change as a phenomenon and the main characteristics of the changes expected as well as divides related responsibilities between the Russian agencies and ministries.

The Minister of Natural Resources Yuri Trutnev, who presented the document to the Cabinet, divided the need to act to mitigation and adaptation. He also argued that implementing the doctrine based on efficiency improvements would be good for the Russian economy, rather than an additional cost. According to Trutnev, the potential impact of unchecked climate change to the Russian economy could be a reduction of the GDP by 2-5%. By 2050, the annual costs of extreme weather events could rise to 60 Bln RUR. However, benefits stemming from climate change such as longer growing season and increased hydro power resources are also recognized.²

The implementation of the doctrine requires the following³:

- Structural reform of the economy in order to improve the rational use of natural resources; advocating energy efficiency, clean technologies and renewable energy
- Research to support decision-making
- Establishment of government-level regulation of human impact on climate
- Providing developing countries with assistance on adaptation

Based on the Cabinet discussion, Prime Minister Vladimir Putin called for a concrete domestic climate action plan focusing on the improvements of resource and energy efficiencies. He also emphasized the importance of international cooperation to solve the problem, stating that Russia will take a responsible approach to its domestic policies and measures.

A Russian Stern review?

This high-level commitment to establishing a concrete domestic action plan on climate ends the long silence on this important issue in the Russian politics. These statements could also mark a more active domestic debate on the post-2012 position of Russia.

It could be argued that the economic figures discussed in the context of the 'climate doctrine' could even play a somewhat similar role in Russia to that of the Stern review in the UK. Indeed, the debate on the doctrine brought the expected significant costs of climate change to the economy widely to the Russian headlines. Previously the benefits of climate change, such as the melting of the sea ice in the Arctic and shortening heating season, dominated the debate. Also scepticism on climate science has been strong in the academic circles, and influenced the Russian debate by emphasising the expected positive impacts of climate change over the negative impacts and costs. In addition, the loss of some 2-5% of the GDP is a significant impact to the economy, and thus, provides a powerful image to the public.

But it must be recognised that the general awareness of the issue⁴ and an active civil society required for such debate are weak in Russia, if not completely lacking. This is likely to limit the impact of the shift in high-level thinking, as there is no pressure from the public to adopt ambitious international targets.

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² Speech by Yuri Trutnev to the Russian Cabinet 23 April 2009.

³ Проект климатической доктрины на президиуме правительства, Priroda.ru, 24 April 2009. Available at <http://www.priroda.ru/news/detail.php?ID=9045>. Accessed 30 April 2009. Press release by the Russian government 23 April 2009.

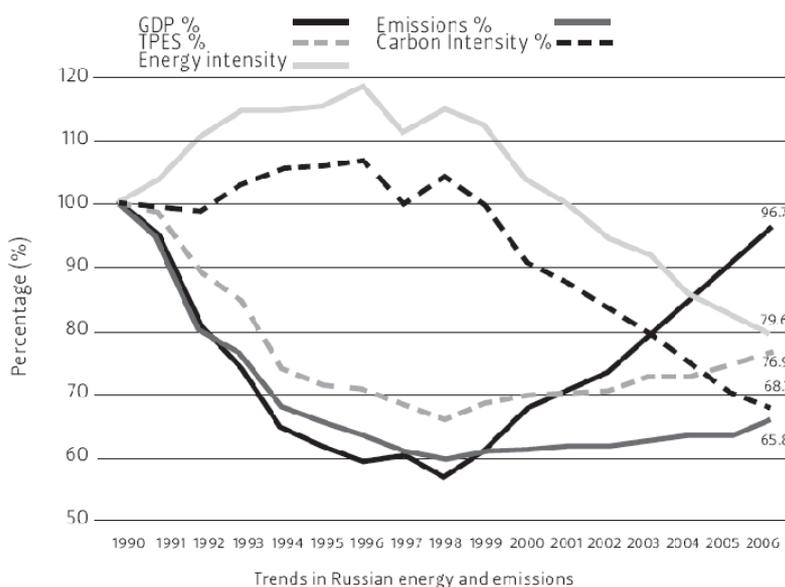
⁴ Korppoo, Anna (2008). Russia and the post-2012 climate regime: foreign rather than environmental policy. FIIA Briefing Paper 23, 24 November 2008.

Mitigation policies are good for the economy

The public remarks by the Minister of Natural Resources recognizing the positive impact of the implementation of the 'climate doctrine' on the Russian economy may mark a turning point in the Russian climate policy. Previously, emission reduction commitments have often been considered as a potential hazard to strong economic growth which is the main political priority of the Russian administration. However, many Russian climate and energy policy experts have advocated views similar to those expressed by Trutnev throughout the debate⁵.

Even though no official position has been established for Copenhagen so far, the previous Russian views emphasized the recognition of national conditions⁶. This referred to the growing emission trends and their inevitable nature as Russia needs to develop further. The main Russian argument behind this view stemmed from the expected growth in emissions in tandem with the economy, as already flagged by the then-presidential advisor Andrey Illarionov during the Kyoto ratification debate.⁷ Even though back in 2004 many Russian experts disagreed with Dr Illarionov, more recently these fears were restated due to the growing emission trend which is illustrated in Graph 1.⁸

The latest views by the Russian government are closer to the OECD view that efficiency improvements can make economies more competitive, and thus, climate policies which support such trend can be beneficial. Indeed, the recent economic growth has to a large extent been fuelled by the high oil price Russia received from its exports, which has no direct impact on Russian emissions. In addition, it is now more widely recognised that in an energy-inefficient country like Russia, the potential to further weaken the link between emissions and economic growth by improving energy efficiency is significant while the restructuring of the economy has already generated a significant drop of carbon intensity during the last decade as illustrated in Graph 1.



Graph 1: Trends in Russian energy and emissions figures relative to 1990 (100%)

Source: Korppoo, Anna; Jakobson, Linda; Urpelainen, Johannes; Vihma, Antto and Luta, Alex (2009). *Towards a new climate regime? Views of China, India, Japan, Russia and the United States on the road to Copenhagen*. FIIA report 19, the Finnish Institute of International Affairs.

However, it remains to be seen whether the more traditional counter arguments on emission reduction commitments limiting economic growth will be restated in the near future. It has been argued that during the Kyoto ratification debate Dr Illarionov played the role of a devil's advocate in order to put president Putin into a better negotiation position towards the EU.⁹ A similar situation might spur out the more traditional views.

Impact on the Russian post-2012 position

The discussion around the 'climate doctrine' debate could serve as a starting point for a serious debate on the Russian role under the next climate regime, and an international mitigation commitment. As the same basic views which have prevailed in the EU and the US for some time have now been, at least officially, recognised also in Russia, there is likely to be somewhat more common ground for talks in Copenhagen. For a

⁵ See for instance, Bashmakov, Igor (2004). Russian GDP Doubling, District Heating and Climate Change Mitigation. Presentation in the UNFCCC workshop 'Climate Change Mitigation: Vulnerability and Risk, Sustainable Development, Opportunities and Solutions', Bonn 19 June 2004.

⁶ Tulinov, Sergey, Presentation by the Russian Federation on Mitigation Potentials, 3 December 2008, Poznan.

⁷ Hopkins, Philip, "Kyoto kills growth says Putin's chief economist", *The Age*, 9 December 2004. Available at <http://www.theage.com.au/news/Business/Kyoto-kills-growth-says-Putin-chief-economist/2004/12/08/1102182359957.html> (accessed 12 November 2008).

⁸ For a review of Russian experts disagreeing with Illarionov's point, see Muller, Benito, *The Kyoto Protocol: Russian Opportunities*, Briefing Note, The Royal Institute of International Affairs, March 2004, p. 2-6. Korppoo, Anna; Jakobson, Linda; Urpelainen, Johannes; Vihma, Antto & Luta, Alex (2009). *Towards a New Climate Regime? Views of China, India, Japan, Russia and the United States on the road to Copenhagen*, FIIA Report 19, the Finnish Institute of International Affairs.

⁹ Korppoo, Anna; Karas, Jacqueline and Grubb, Michael (eds.) (2007). *Russia and the Kyoto Protocol. Opportunities and Challenges*. Chatham House / Brookings, pp. 14-15.

