



# The Bali COP: Plus ça change...

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## The Bali COP: plus ça change<sup>1</sup> ...

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Seven years ago I had the dubious privilege of writing an editorial to accompany the new Bush Administration's rejection of the multilateral processes that had culminated with the Kyoto Protocol. That decision – and the way it was announced – left a 'gaping hole in the broad tent under which the fractious, squabbling world has been arguing about how to move forward ... shaking the foundations on which the next steps need to be built' (Grubb, 2001). It has taken seven years to recreate a stage for global negotiations, though the scars will remain problematic for many more. The outcome from the Bali Conference of Parties shows how much – or how little – has changed.

### Plus ça change ...

It is wrong to describe Bali as the turning point – there have been several more momentous points of change over the past few years and global affairs move in slow cycles. Bali's real significance is to codify a long train of developments since the nadir of efforts to construct a global response, in 2003/4. With a US focus: if the Bush first term was about whether the rest of the world had the nerve to carry on without the USA, the second has been about the White House accepting that unilateralism is not a viable foreign policy option for tackling the global challenges of the 21st century. With a developing country focus: the big Asian powerhouses have in turn had to accept the reality that climate change is a real threat to themselves that cannot be solved without them also undertaking new mitigation actions. And for the rest: strengthened mitigation policies combined with the leap of faith that the Kyoto industrialized countries took, at COP-11 in Montreal 2005, to maintain momentum by opening negotiations on 2nd-period commitments without anything serious from either the USA or developing countries, have been vindicated.

These developments have opened the door to address a long-standing paradox: that in the formal diplomacy, developed countries had been promising more than they actually seemed willing to do, whilst developing countries have been doing more than they were formally willing to promise. Along with the progress in implementation globally, the post-Bali process can bring international diplomacy closer to these realities. At last, real negotiations on the global response can begin.

The main spotlight was on the Bali 'Action Plan' for future negotiations. Reviewing its prospects, a commentary in this issue by Ott et al. (2008) notes that the path ahead is 'not a highway, but a rather bumpy road filled with potholes and obstacles'. This is an understatement.

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Inevitably, every major interest had to be somehow accommodated in the final package. The opening call for a 'shared vision for long-term cooperative action' is immediately set in the context of 'common but differentiated responsibility and respective capabilities', taking into account 'social and economic conditions and other relevant factors'. Two new regional tracks for mitigation are created, respectively for the developed and developing countries; the relationship of the former's 'quantified emission commitments' to the Kyoto 2nd-period negotiations remains to be clarified; the latter is to be 'supported by technology and enabled by financing and capacity-building'.

Concerning this crucial paragraph, which for the first time in 15 years formally commits developing countries to negotiate substantially new actions over and above their Convention commitments, different interpretations immediately circulated about the USA's apparent 'U-turn' on the fact that finance and technology measures would be 'measurable, reportable and verifiable'. This was the underlying issue that dominated the drama of the final 24 hours. The media-friendly version portrays the USA climbing down in the face of global outrage, but alternative views ascribe it simply to the USA getting the clarification it asked for (Müller, 2008), or indeed just waiting for Saturday-night confirmation back from Washington (see, e.g., Depledge, forthcoming) that the compromise was acceptable. Seasoned diplomats will recognize that such versions are not in fact incompatible, but are potentially consistent, and indeed mutually reinforcing, explanations.

The high-profile inclusion of deforestation suggests the wholesale incorporation of land-use-related emissions into the climate regime, and implies a hope that the climate negotiations can deliver where 15 years of efforts to create a global forest Convention have failed (see two papers in this issue, respectively on Amazonia by Neef (2008) and Panama by Potvin et al. (2008), which indicate the complexities involved in this). Sectoral approaches and markets receive mention, along with the 'economic and social consequences of response measures' – the OPEC clause.

Adaptation, technology development and transfer, and financial resources, are then given equal prominence. Each has its own urgency, constituency, divisions and complexities. None were resolved – the Pew Center's post-Bali assessment observed that 'delegates remained far apart on fundamental issues but in the end agreed to launch a loosely framed negotiating process' (Pew Center on Global Climate Change, 2007). Moreover, institutionally, Ott et al. (2008) note that there are now six official negotiating fora under the UNFCCC framework – not to mention the G8, the USA-led 'major economies' process, and numerous unofficial fora. Complexity hardly captures it: Bali has launched the most complicated and interrelated set of global negotiations in diplomatic history.

## **The wider picture**

Whilst almost all the focus was on the Action Plan, in total the Bali Conference adopted 25 specific decisions. One important outcome was the governance of the Adaptation Fund established under Kyoto. Reflecting the global nature of the underlying funding – the levy on CDM transactions – it also marks a rebalancing of power in decision-making about how international finance is spent (Müller, 2008):

Following the wish of many developing country Parties, particularly the most vulnerable ones, countries are given direct access to the Fund, without having to go through 'implementing agencies' such as the World Bank, UNDP, or UNEP.

There were additional specific decisions on the Kyoto II negotiations, forestry, the Russian proposal, Kyoto mechanisms, compliance and the Review of Adequacy of the Kyoto Protocol, as well as reconstituting the Expert Group on Technology Transfer – to name but a few. However, unlike the decision on the Adaptation Fund Board, many of these simply defer the most difficult issues.

This flags the even wider set of questions. On mitigation: if quantified emission commitments now feature in the Convention-based track, primarily for the USA, how does this relate to the Kyoto II negotiations? How can a mesh of national emission commitments, sectoral actions, and JI/CDM post-2012, be sensibly integrated? If avoided deforestation is to be linked to a regime of quantified emission commitments, can the problems of additionality and perverse incentives – as well as the wider complexities surrounding forestry – be overcome?

On adaptation: how can adaptation be ‘packaged’ with the rest, when it involves predominantly different countries, sectors, processes, and financial and institutional streams? Will it continue to be addressed under Kyoto, which currently provides the money, along with the new governance system; or will another layer be developed through the Bali Plan of Action?

And how will all this panoply of detailed diplomacy ever be linked back to a long-term goal and its scientific basis? An analysis from India is most forthright in pinpointing the signs from Bali that neither North nor South have yet faced up to the ‘hard realities’ of the problem (Dubash, 2007).

Interestingly, though, some implications are immediate. The argument by del Río, in this issue, that Kyoto ‘units’ for emission reduction already have an implicit value post-2012 receives a huge boost: the institutional momentum now looks unstoppable. Kameyama (2007), in a previous volume, laid out ‘three visions’ of future action – quantified targets, technology programmes, and more general ‘actions’, which broadly correlate with the essential triad of mitigation responses in the Stern Review. Bali confirms that the world will go for all three, but not in the neatly delineated form of Kyoto emission commitments for the more advanced countries, convention-based actions globally, and a third track on technology innovation: there is one mega-*melange* of all in the Bali Plan of Action, with deforestation, adaptation, and finance added to reflect the diversity of concerns.

### **... plus c’est la même chose?**

Indeed, a close look at the Bali process suggests that most of the key difficulties and fault lines are still there. Many of the questions posed above were around in the 1990s and remain unresolved. The USA’s return to UN negotiations – despite the new Australian position – is likely to reinvigorate and empower the ‘Umbrella Group’ of non-EU industrialized countries. Yet a commentary by Sandalow (2007) argues that the enlarged Bali battle over emission targets shows that the EU has learned nothing about how realistically to engage them:

For more than 15 years, Europeans have used these negotiations to call for substantial emissions cuts (without offering clear plans for implementing them). A repeat of that formula hardly constitutes a revolutionary development. The EU deserves enormous credit for beginning to implement a serious domestic program to cut emissions of heat-trapping gases. Yet its Bali proposal repeated a well-worn formula unlikely to produce broader breakthroughs in the fight against global warming (Sandalow, 2007).

Japan sits uneasily in its seat as a potential, but never actual, mediator on the transatlantic divide; and a resurgent Russia remains largely apart.

Moreover, hopes that the adoption of language referring to ‘developed’ and ‘developing’ countries, rather than the legal basis of ‘Annex I’ and others, would signal a wider differentiation of obligations amongst developing countries – a theme raised repeatedly over the past 15 years – were again fiercely resisted by the major developing country power-brokers in the final hours of Bali. And as for broader North–South *rapprochement*, the dramas on finance and technology transfer were not confined to the final day: Dubash (2007) chronicles the earlier clashes and he, along with Müller (2008) and as developed by Ott et al. in this issue, underline the need for industrialized countries to take this more seriously. Yet, it also reflects a more fundamental standoff about how UN state-based commitments can effectively engage with and channel technology and financial flows, which for many countries are now largely dominated by the private sector – and thus heavily dependent upon host-country conditions.

Nevertheless, the biggest implication of Bali is that after 7 years dominated by struggles over process and participation, global negotiations can at last start to address questions of substance, and thus to seek answers to the questions that have been haunting the global effort for 15 years. It’s a thought both scary and invigorating, that according to the Bali Plan of Action, the world has given itself just two years in which to do so.

## Note

1. The full saying is ‘plus ça change, plus c’est la même chose’ – the more things change, the more they stay the same.

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