

On 19 September 2008 I met with Maurizio di Lullo who works in the climate change unit of the Council of the European Union. Following on last year, when I interviewed him on the climate change conference (COP13/MOP3) in Bali, Indonesia, he kindly agreed to hold another interview this time focusing on the upcoming conference (COP14/MOP4) in Poznan, Poland. The following is a transcript of the interview.

Thank you Maurizio for taking the time to discuss the upcoming COP in Poznan. Let's start with post-Bali. What was your impression of the result? And what did you, personally, feel during and after the conference?

I think that the COP in Bali was one of the most emotional ones that we have seen so far, especially with the last plenary stirring up all kinds of emotions. Concerning the results – it is what we had expected and hoped for. We really wanted to start negotiations on a post-2012 framework with a clear deadline of December 2009 in Copenhagen and the main building blocks being a shared vision, mitigation, adaptation, technology, and financing. In this sense we have achieved what we set out. So it was quite a positive result.

What about the months after Bali? Did the euphoria give way to a dose of realism?

The problem in the months afterwards was that some parties tried to give the result another spin in order to score points with their domestic constituencies. There were different interpretations or rather some parties were trying to interpret the result the way that suited them best. This was particularly a problem for developing countries who suddenly saw some of the developed countries saying that they had to do a lot of the mitigation as well without really mentioning the actions that they themselves (developed countries) have to take.

Was this also the case within the European Union?

No. It was mainly other developed countries like the US, Canada, and Japan that tried to stress that developing countries will have to do a lot of mitigation action without mentioning what they (the developed countries) have to do first. There was already a lot of pressure in Bali on developing countries from those same states in spite of the fact that developed countries bear a historical responsibility, have the economic capacity to act, and that therefore developed countries should take the lead and that developing countries will do whatever they can but should not have a burden placed on them because they are still developing and have a lot of poverty.

So what do you expect to happen in Poznan?

Not a lot. First of all because nobody will want to close doors prematurely in Poznan knowing that the negotiations will go on until Copenhagen. Secondly, politically the US will not be ready. They will just have elected a new president, they won't have a new administration, and they won't have new people. So they will most probably adopt a kind of wait-and-see approach. They will not concretely oppose anything, unless it goes directly against their interests, but they will stay quite silent because they won't have an internal legislation in place and some predict that won't happen until 2010.

So when do you think we can expect a formal US position?

I think the US position will be clear by mid-2009. What worries me a little is that the Vice-Presidential candidate of McCain is rather "oil-friendly", which reminds me a bit of Dick Cheney, so I hope that this is not the case. But if I had to choose between both presidential candidates, I would now go for Obama as far as his positions on the climate file are concerned while 6 months ago both Obama and McCain used very similar language on this matter.

What other difficulties can we expect in Poznan?

We have the difficulty within the group of developed countries itself, where Canada, Japan, and Russia are still dragging their feet. In Poznan we need to agree on a range of emission reductions by 2020 for the group of developed countries. For the EU this is no problem as we have already said that the range of a 25-40 percent reduction is ok for us since we have agreed to 30 percent if there is an international agreement. But other developed countries are not ready to go that far and this is a very bad signal. And if that happens then there will be a very bad signal for developing countries who will say that if we are not willing to take on further commitments why should we ask them to do something.

Together with that we have a very important debate on shared vision and the long-term global goal, which can only be done in unison with developing countries. This is the whole debate in Poznan. But, again, I think that in terms of progress there won't be a lot in Poznan. You can't expect Poznan to deliver a lot. It can narrow down options and give a political message on the shared vision and the long-term global goal. But I can't imagine that happening without the whole framework in place, particularly on

financing, which is the most important issue for developing countries.

Are there many proposals for climate change financing? Does the EU have a proposal that it champions?

Funding is a crucial issue because without this we are going nowhere. It is essential for developing countries that developed ones demonstrate their progress until 2012, that they take on serious post-2012 commitments, and then that they help the developing countries mitigate climate change, and adapt to climate change via technology and financing. There are generally a lot of proposals on funding. There is the Mexican proposal, the G77 proposal, the Chinese proposal. It is mostly proposals coming from developing countries although we also have the Swiss and Norwegian proposals. But there the EU still has to come up with something.

And the European Council has asked the Commission to put forth a strategy framework on financing by the end of this year. So on that basis there will be discussions within the European Council on what the EU should do on financing.

Is this something that the EU intends to propose at Poznan?

No, because we will not be ready for that. The European Council will probably take a position on that at the next Spring Council Meeting in March 2009. But it is going to be difficult because financing is a national competence. While you can try to have some kind of coherence or coordination you cannot oblige a member state to pay this or that.

What kind of jurisdiction will the EU have at Poznan? Is it the main negotiating party on behalf of the member states? And if so are there disagreements at times?

Well, in the international negotiations it is the EU that is the primary negotiating partner. To

be able to do that we need to coordinate positions. Therefore we have a meeting every morning where all the member states and the Commission are present in order to coordinate activities and determine the position of the day. Up until now it has not been difficult to reach a common position. Maybe when we get to the crux of the matter and go into the details we could face some disagreements but I think they will be manageable.

You have mentioned the 2020 reductions of 25-40 percent that the EU is pushing for. What about long-term 2050 targets? What does the EU envision there for Annex 1 parties?

For annex 1 parties the 2020 range that was already put forward in Vienna in August was 25-40% and the EU is comfortable with that since we have the 30% target. But on the 2050 target we have bit of a problem in the sense that we have put forth a 60-80% reduction target but the Intergovernmental Panel on Climate Change (IPPC) has said that this is not enough if we want to stay below 2 degrees warming. So we will probably need to go to a 80-95 percent target..

And this is with a base year of 1990?

Yes.

How do other countries like Canada or Japan feel about such a target?

Well, I think that they would be quite comfortable with this because it is a long-term goal. They would prefer to have only a 2050 goal and not have a 2020 goal so that they have plenty of time and flexibility. On the other hand, this also means that there is no control and you can do whatever you want during 40 years. And the fact that the administration that would have signed up to these targets would no longer be in office by then is

also not very beneficial. So you need milestones.

In the US, I think that the presidential candidates have already indicated 2050 targets. I think McCain has already committed to a minus 80 and Obama to a minus 90 percent target. I think in Japan the ex-prime minister has also committed to a clear target for 2050. So, as I mentioned before, I think that the 2050 target is not so much of a problem. The biggest problem is the mid-term 2020 target.

What about emerging countries like India and China? Does the EU propose targets for them as well?

Of course we also want these countries to mitigate climate change, but we have said that we would not impose targets on them. And it is clear that, certainly in my personal opinion, for 2013-2020 it is impossible, unrealistic, and even counterproductive to impose any kind of quantitative targets. What you can do is to have non binding incentivised targets so that these countries have incentives to reduce their emissions, for example on deforestation. On mitigation action, there is a wide array of options: no-loose targets, enhanced participation in the clean development mechanism, sustainable development policies and measures etc.

You can set a target but it must be a voluntary target then, and the monitoring, the reporting, and the verification must be very strong. Because we must know at a certain point in time, and this is not the case right now, how their emissions trajectory is going. So that we can take action when we need to take action and it is clear that in the end they will have to take on targets as well but for that we will need some kind of trigger. As a benchmark we could, for example, take the level of development of a country. When they reach a certain level of development they would change category and need to take some specified action, while for the next category there would be enhanced actions, etc. So you would have different categories depending on

the level of development of developing countries.

But I think for this first phase we have to go with voluntary incentivised action for developing countries, whereby developed countries clearly demonstrate that they take strong mitigation action themselves and that it works - that it can be done without harming the economy.

The problem is that there will be some developed countries like the US, Canada, and Japan, pressing very hard and that could be a problem because in the end developing countries could say 'ok, but if we are going down that road then we can't do it. We are ready to take action, we are ready to limit our emissions if you are ready to help us, if you pay, if you provide technology but you have also to take action'. If that is not all on the table then developing countries will shy away from doing anything.

We talk a lot about developed countries and developing countries within a North-South divide context. What about countries from the East like Russia and Ukraine, which occupy the middle ground by having polluted a lot in the past, and therefore have a certain historical burden, but aren't anywhere near the development level of the West? How do you include them?

Those countries are Annex 1 parties. They have targets. The only thing that happened under Kyoto is that they had non-ambitious targets so that they could continue, in fact, to pollute and sell hot air to others and make money of that.

But how likely is this to continue in a post-2012 agreement?

Well, if you look at Russia's position then that is exactly what they are aiming at: Continuing the regime how they had it under Kyoto. And there the big problem

will be to try to make sure that they also contribute to the global emission reduction goal. We had an example about two years ago with Belarus. Belarus was willing to become Annex 1 and wanted to take on a target but the target was not as ambitious as many had hoped for. This must not be repeated in the post-2012 negotiations. So the long term global goal is important, because you set the goal and then you make sure all countries commit to contributing to that.

Concerning this long-term global goal, developing countries don't want to sign up to that because they know that there is a part of the mitigation effort that they have to undertake. But it is important as well because if they do not take it up then of course the group of developed countries can take any target they want. Everybody takes on its own target and you don't have any possibility of measuring anything against a global target. So that is an important debate in Poznan. But I am not sure that we will have a fruitful outcome.

But then there is also a great differentiation between the developing countries, isn't there?

Of course. You have a big variety within developing countries. You have some countries that could take on targets earlier than the rest, such as Mexico, South Korea, and Singapore. This is the whole debate of differentiation. Developing countries are very much afraid of that because they want to stay as a group because that is how they feel most comfortable. Because like that nobody will have targets. This is going to be a very difficult debate because differentiation will be essential to reach the 2°C objective.

The big developing countries like China, India, South Africa, will need to take strong action. But they will go just to the limit of a binding target. That will be their red line. And that is fine. Because you need to give them some time to take on this target and you cannot expect this to happen in 2013. But what can happen in 2013 can be very significant already if we want to curb the

growth of emissions. But that will depend very heavily on how they perceive action taken by developed countries. As I said, our progress in meeting the Kyoto protocol target, developed countries taking on ambitious, very ambitious, 2020 targets, developed countries coming forward with clear pledges on technology and on financing and on how they are going to do that. And if developing countries see that there is progress there then it is clear that they will have to move. The pressure will be such that they have to move. So I think that this is the most important issue in Poznan for ensuring progress is being made. The way in which developing countries will perceive the action taken by developed countries.

What or rather who do you think is the biggest threat to the negotiations in Poznan?

It is difficult to say because it is not until you are there in the second week of negotiations that you really know where the negotiations are leading. It was very strange in Bali, for example, as the whole negotiations were just focusing on two paragraphs which were on mitigation action by developed countries and by developing countries. And that was like the last three days of negotiations. So it is difficult to say where things are heading in Poznan. There will be high level debate by ministers on the shared vision; on how we want to achieve our targets and what the global long-term goal should be.

In fact, I don't think there is anything or anybody that will be able to derail the process in Poznan, because Poznan is low key. It's not like you have to take hard decisions. You can narrow down the options, you can have a declaration, you can agree what we are going to do in 2009 but that's not very difficult since we have already agreed that we would have 4 meetings of 2 weeks and maybe a fifth meeting of two weeks so we won't agree in detail on the work programme for 2009 on what exactly we need to do.

So I don't really see a risk that an individual country will torpedo the negotiations. The US will be in a transitional phase so they won't really oppose things.

The only problem I see after Poznan is public opinion in the sense that they will not understand why no groundbreaking agreement is being thrashed out despite the reigning sense of urgency. We have to once again lower the expectations for Poznan because Poznan won't decide anything. But then how do you explain that to public opinion because, fact is, we don't have a lot of time until Copenhagen.

A question that is a bit more unrelated. How do external events affect the climate change negotiations? For example, we have a financial crisis on our hands, the EU is facing a difficult time with Russia over the conflict with Georgia, etc. Are these things put aside when you negotiate or do they tend to spill over to some extent?

No, they don't spill over at all. When we were in Ghana at the end of August, so in the middle of the Georgian crisis, we could simply speak to the Russians about the issues at hand. It is business-as-usual.

Any last words on the COP?

It is a difficult one, especially for the hosts, because they want to show something of a result. Of course I don't exclude any results but I think it will be quite difficult because everybody wants to wait until the end game where you see what is exactly on the table. It will be a tough.

Well, Poland in general seems to be finding itself in a difficult situation as it is also worried about the impacts the energy and climate package will have on its economy.

These fears are inflated, though. Poland is worried that if we introduce full auctioning of emission permits the price of electricity will rise, strengthening inflation, and affecting

consumer households. Economists say that as soon as you have allowances given to the power sector they will increase prices. The difference then is that if you give permits for free without auctioning you will have electricity prices rising without any effect on carbon emissions, while if you go for auctioning, prices also rise but carbon emissions are reduced. The benefit of the latter is that governments can then use the auctioning revenues in order to mitigate price rises. Germany, for example, could make up to 80 billion euro a year with full auctioning.

But it is up to the member states to decide on how to spend that money, right?

Yes. Every member state keeps sovereignty over this money. The European Parliament, on the other hand, wants the money dedicated to an EU fund on adaptation in developing countries. But I don't see this happening.

Last words on the energy and climate package?

It would be good if we can get the package agreed as soon as possible in order to confidently go to Poznan and demonstrate what the EU is doing in this field.

Interview conducted by Roderick Kefferpütz

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