



“EU-Asia Dialogue – Shaping a Common Future for Europe and Asia”

Conference Report

“Climate Change Diplomacy – Prospects for regional and global agreements”

Kuala Lumpur / Malaysia, April 18-19, 2012



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Kuala Lumpur, 18th-19th of April 2012

Report

EU-Asia Dialogue:

“Climate Change Diplomacy – Prospects for regional and global agreements”

On April 18 and 19, 2012, the first international workshop on the cluster of “Climate Change Diplomacy” of the EU-Asia Dialogue took place at the Hilton Petaling Jaya Hotel in Kuala Lumpur, Malaysia.

The aim of this closed meeting was to discuss the current stage of the climate change negotiations, to identify obstacles for reaching a binding agreement and to analyze the diplomatic strategies of important countries. Additionally, important topics where the EU-Asia Dialogue can make a valuable contribution and a plan of action for the next three years was discussed which shall help to improve the cooperation between Europe and Asia on this important issue.

In order to fulfill these aims and start an open discussion, the number and length of speeches were very limited and more time was allocated to discussions. Altogether 16 policymaker and researcher from Europe and Asia participated in the event. In the following the most important aspects mentioned by them will be highlighted.

Key Note Speeches

After a brief introduction of the EU-Asia Dialogue project, its activities and aims, two **key note speeches** were delivered on the need for a binding common agreement on climate change.

When looking at the history of the climate change negotiations, it becomes obvious that most countries are behind the aims of reduction and that there is still a huge gap in the perception of the responsibilities.

Industrialized countries, on the one hand, have to go ahead and make enormous contributions to the reduction of the



Photo: Mr Lars Mueller from the European Commission, DG Climate Action, delivering his key note speech.

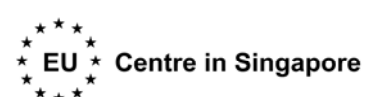
emissions. Developing countries, on the other hand, have to realize that they cannot take the same way of industrialization as the countries 150 years ago did, but have to add up onto the reduction of the emissions. Fighting climate change is a matter of survival for developing countries as they will suffer strongly under the negative consequences and face severe economic risks. While the developed countries have to take the lead and agree on a binding agreement as they are the biggest emitters, the developing countries also have to change their way of development to a more sustainable and environmental-friendly approach. The first time that this deadlock was resolved was in the context of the Durban summit where both groups recognized that joint efforts and cooperation are needed to manage the effects of climate change. This change in the level of commitment of all parties can be build on and work as a catalyst to enhance cooperation. The new green climate fund offers a good chance for developing countries to get access to financial resources which are needed for the adaption measures. Especially since the second phase of the Kyoto-Protocol ends in 2012, a new binding agreement, preferable under the UNFCCC, is needed.

Such a binding agreement would be the strongest signal of the government`s commitment and express their will to fight climate change. It would help to build trust and confidence among the countries as the actions have to be implemented which is the difference to a non-binding agreement. Binding agreements such as the Kyoto-Protocol and the UNFCCC gave certainty to both public and private sector to initiate long-term plans and become more willing to invest. At the same time, the agreement has to allow a certain degree of flexibility in order to accommodate the parties` individual circumstances as the Principle of "Common But Differentiated Responsibilities" is still applicable. Such flexibility is indispensable in a multipolar world. While allowing this flexibility, the agreement also has to take into account that domestic actions and what countries decide to do are the crucial part of climate protection. The UNFCCC can work as a basis for such an agreement that forms a general framework with binding aims for all countries, but allows flexibility and promotes domestic actions which will then have reciprocity with the global level and the business sector.

Although multilateral solutions are important, bilateral initiatives outside the UNFCCC look very promising. In particular, capacity-building measures and technology transfer are important aspects less developed countries are lacking and where bilateral cooperation can make a huge contribution.

Perceptions of Climate Change Diplomacy from a national perspective

After the two key note speeches were delivered, each participant was given the chance to make a brief statement on the perceptions on the current climate change conferences and strategies from a national point of view.



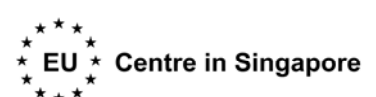
Myanmar is extremely vulnerable to climate change and was to become drier and hotter over the next decades. Floods, heavy rain and extreme weather will affect the economic and agricultural development of the country. It was pointed out that much research and cooperation is needed to mitigate the consequences of climate change in Myanmar. Especially the massive deforestation will increase the greenhouse gas emission. However, Myanmar is lacking an action plan to fight climate change and has a lack of participation. In the past two years the country did not attend any Conference of the Parties (COP). As climate change will have impacts on the neighboring countries as well, Myanmar needs to be re-incorporated in the process and has to cooperate with other countries.

The **United Kingdom** is on a good way to meet the obligations of the Kyoto-Protocol. In the past years an independent climate change committee was set up and a national legally binding agreement was introduced which requires the country to reduce its emissions by 80 percent by 2015 on the basis of 1990. The country is aware of its economy's importance as well and thus, besides investments in renewable energies, the government renewed nuclear power to lower carbon emission. Although the United Kingdom supports the EU`s position in the negotiations, it acknowledges that different degrees of commitment as well as transfer of technology are needed.

The UK foreign policy has a clear focus on climate change which includes not only environmental aspects, but economic development and housing. At the same time, it is important to the country to bring the global research down to the local / regional level, to regionalize the research. Explicitly with Malaysia, the United Kingdom has been cooperating for three years by now through the **British High Commission in Malaysia**. Despite improvements, market reforms, technology transfer and joint ventures are needed in Malaysia. Generally, global negotiations are problematic as those are tough and all parties want to get the best out of it which hinders a binding agreement. Thus, looking at local success stories and bilateral cooperation should be more acknowledged. Additionally, governments should try to get the private sector involved as they have the power to change the situation if they get the right signals.

There is a high level of frustration with the negotiations in **Malaysia** as the outcomes have been very limited. Even the Durban summit was criticized as no agreement was signed for the second commitment period of the Kyoto protocol. Additionally, the country is concerned about the shift in diplomacy that can be observed especially in Japan and some other major counties.

The participants of the summits have to be more focussed and should include only specific people to be more successful. A technology sharing programme can help to reduce the emissions globally as the reduction of industrial production in one country

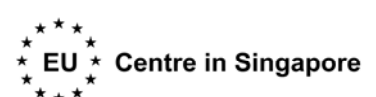


might just lead to an increase in industry in another one. Thus, especially less developed countries need more green investments and access to the latest technology. Apart from the change in production, people have to change their life-style and be less consuming.

The **Delegation of the European Union to Malaysia** stressed that climate change is not only a burden, but also an opportunity to create new jobs and reach another quality of life. Although Malaysia is one of the biggest polluters, the country shows a positive trend of adjustments in recent years and tries to establish a legal framework. Through policies on energy efficiency and renewable energies, the emissions should be reduced by 40 percent. At the same time, Malaysia will receive less financial support from the EU from 2014 onwards as it belongs to the middle income countries. In addition to many multilateral initiatives, the EU and Malaysia have a bilateral policy dialogue on green development to share their visions and identify aspects that can be taken over. The EU has similar dialogues with the Philippines and ASEAN. Another EU initiative is Switch Asia which is a regional programme to lower emission in industrial production.

Germany has proven that climate protection and economic development can work together. Some other countries still need to understand this. This is in particular relevant to the Least Developed Countries (LDC) as they have a desire to achieve the same level of development as the now developed countries and to be saved from the effects of climate change. Any new agreement needs to be under the UN framework since a global solution is required. The Principle of Common but differentiated Responsibilities has to be respected, but brought down to the working level to be successful. For instance, how can developed countries help the LDCs to develop, but be sustainable at the same time and do not repeat the mistakes made by the West. One aspect to prevent such mistakes is to stop the subsidies for gas and fuel as such actions are neither financially nor environmentally sustainable. Also, scientific advisory boards as well as a comprehensive approach of reducing emissions, increasing energy efficiency and investment in renewable energies as it exists in Germany are needed. Additionally, a climate justice approach where developed countries take the lead would be helpful. Despite the long history of negotiations, it can still be recognized that perceptions are of high importance for the climate change negotiations which is why confidence-building measures are needed.

Similar to Malaysia, the Durban summit was also criticized in **India** as the Principle of Common but differentiated Responsibilities is not included in the Durban outcomes. India is committed to its reduction aims, but also needs equal access to sustainable development. This access is even more limited in less developed countries. In order to be successful, any post-Kyoto agreement has to be under the umbrella of UNFCCC and



include climate justice. The discussion should focus more on the developed countries and their commitment, for instance, the green climate fund needs to be made real. As many international diplomatic initiatives have been limited in their success, more attention should be paid to regional approaches and ad-hoc coalitions.

China is the biggest emitter due to its development and can be a role model if it manages to reduce these emissions. China will accept the role of the UNFCCC and the Principle of Common but differentiated Responsibilities, but requires technological as well as financial support. The country works hard to improve its national policies. For instance, the 12th Five-Year-Plan has a focus on emission reduction, five specific energy laws were introduced, new standards on energy use, buildings and air-conditioners were released and the new Ministry of Environmental Protection replaces the State Environmental Protection Administration. If China will be successful with these measures, this will have a global impact as China is such an important player.

A general problem of the negotiations is that many discussions constantly repeat the same words, but there is a lack of action. In order to give life to the words, the relevant people need to work together and more regional as well as bilateral initiatives are required. Especially the gap between politicians and researchers has to be closed through more realistic studies and concrete policy recommendations.

Climate Change Diplomacy in Asia

The **second session** dealt with climate change diplomatic strategies and policies in Asia. At the beginning of this session, the results of Durban were reflected. Firstly, an erosion of the old Annex I and Annex II firewall, which hindered any agreement as the parties did not agree on the responsibilities, was recognized. Secondly, it was mentioned that the summit in Durban showed the delay and lack of urgency and that an incremental approach seems more promising. Thirdly, it became obvious that it is unclear what legally binding means as all actions take place at the national level where punishment is more complicated. Fourthly, some movement and flexibility on how to measure emission could be observed.

The focus was then shifted to the ASEAN level. As with all other policies within ASEAN the state sovereignty is also guaranteed for climate change. However, more collective policies are needed although this is very difficult due to the high diversity and the still nationalistic thinking. But the meetings of the Ministers for Environment show some tendencies towards more cooperation. The vulnerability discussion where Southeast Asia is at an extreme social and environmental risk, the shared ecosystem, especially in mainland Southeast Asia, and the business sector offer opportunities for unifying actions.



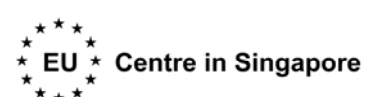
By now some kind of a grouping takes already place with regard to geography or topic as some countries face the same challenges and some are active in regional cooperation. But ASEAN itself is lacking a functional fundament and the desire to act together.

Generally, Southeast Asia is strongly affected by the impacts of climate change. While the discussion focussed mainly on environmental aspects at the beginning, social and financial issues gained importance over the time. Due to the lack of trust on the multilateral level, bilateral approaches and domestic actions appear more promising. Also, small groups are much easier to manage. It was pointed out that many countries take steps such as investments in green jobs not due to climate change, but economic reasons. Those steps still help to protect the climate. A change of diplomacy which has to reflect this development – a green growth diplomacy – is needed. Additionally, the understanding of diplomacy has to change from securing national goals to working for global relevance.

The discussion in this session highlighted that European climate diplomacy is a success story using a soft power strategy which can also be implemented in Asia. Europe chose a two track diplomacy with bilateral and multilateral discussions where the national level influences the international level and vice versa. In order to be successful, countries have to accept that a new diplomacy is needed. While classic diplomacy is mainly about making compromises, climate change offers little possibilities for compromises as a comprehensive solution is needed. Countries should remain sovereign unities, but have to give up some of their competences and be willing to more cooperation.

At the same time there are many obstacles to the negotiations. Are countries willing to make compromises in times of economic recession? Are voluntary targets strong enough to replace legally binding agreements? Do economic downturns influence the behaviour and make countries care less about the environment? In order to overcome these obstacles, it has to be proven that economic growth is possible with a green economy. So far most countries first developed and then started to care more for climate change. This behaviour has to be changed so that countries follow low carbon development from the start. If people in Asia, especially in less developed countries, realize that climate change is a huge economic threat this might automatically lead to steps towards a green economy. But besides those voluntary targets, legally binding ones have to be implemented as well.

Generally, the relationship between top-down approaches and bottom-up initiatives is an important aspect of climate change diplomacy. It became clear in the discussion that both dimensions are needed and can help to bring the negotiations to a successful end if being combined. In addition, mutual understanding of what is realistic and achievable is necessary. Besides the linking of activities, it is important to show that climate change protection is in national interest in order to improve the climate change diplomacy.



The ASEAN can actually learn from the European experience of bilateral and multilateral initiatives. The member states can learn from each other and cooperate successfully. The EU can also help to build capacities in Asia. In addition to a cross-border exchange, the participation of the public will help to achieve successful negotiations. If both people and business sector are involved in the negotiations and actions, this could help to overcome the obstacles. Especially if those two groups have the perception that there will be an agreement, this will help to get them involved.

Climate Change Diplomacy in Europe

The **third session** focussed on the climate change diplomatic strategies and policies in Europe. As mentioned earlier, the EU can function as a role model for other regional organizations due to its cooperation and common agenda regarding climate change. The biggest trouble, especially in the current EU crisis, is nationalistic reflexes. Thus, it is necessary to create a situation where individual countries do not want to stay out, but develop a cooperative spirit. During the negotiation in Durban, the EU was able to form a coalition which included not only great powers. The question is how this coalition can now last. Likewise it is important to keep the diverse positions among the EU member states together. In this context financial support and the role of the European Commission as a catalyst for integration are important. Environmental issues can actually serve as a unifier in Europe and Asia as it did in Germany. A number of European countries such as the United Kingdom and Germany have even higher strategic targets as the EU.

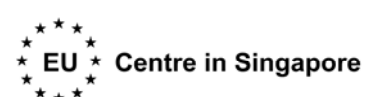
If the position of the EU in Durban and Copenhagen are compared, it becomes obvious that the EU was marginalized in the latter. In Durban, on the other hand, the EU had a roadmap and top-down plan and was able to form an ad-hoc coalition which enabled them to take a stronger position. An additional reason was the willingness of China



Photo: Discussion during the workshop

to cooperate. The problems in the upcoming negotiations will be especially regarding Canada, Russia and Japan. The EU can help to get developing countries involved while ensuring them to grow economically. A combination of a clear commitment by the developed countries and economic as well as financial sacrifices by developing countries are needed. Also the involvement of the UNFCCC and the transfer of technology are key factors for better climate change protection.

The discussion during this session showed that China might be an alliance partner for



Europe if they really change their behaviour in the negotiations. There can be hope that this change will be sustainable as China is concerned about the impacts of climate change such as desertification. In selected fields a close cooperation has already been established with China e.g. Germany and China cooperate very closely on renewable energies. At the same time new challenges are arising. After 2012 the Clean Development Mechanisms (CDM) will only be available for the least developed countries and a new framework has yet to be implemented. The CDM helped to start industry and innovation and this clearly shows the impact of legally binding agreements. Another critical question is how governments` mindsets can get changed and how to finance the climate change protection measures. The public sector can provide only parts of this money which is why the private sector needs to be involved who, on the other hand, need political certainty to invest their money.

Future Work of the EU-Asia Dialogue in the cluster Climate Change Diplomacy

The **fourth session** was dedicated to identify areas for common action and topics the EU-Asia Dialogue can focus on in the next three years. While some ideas dealt with the aspect of economic growth and developing a framework for green growth, the focus of this cluster shall really be on the diplomacy. Thus, the following topics were identified.

- 1) country studies on China, India, ASEAN and the EU
 - What are the expectations of the climate change summits?
 - What is the national perspective of the countries / regions?
 - What is the diplomatic strategy of the countries / regions?
- 2) What is the influence of non-state actors (Business, CSO, NGOs) on the climate change negotiations in Asia and EU?
- 3) In how far can bilateral initiatives complement the multilateral approaches (two track diplomacy)?
- 4) What is the EU`s and ASEAN`s perspective on the international negotiations?
- 5) Can new political strategies and alliances be the key to achieve agreements in the climate change negotiations as it was the case in Durban?

Other topics mentioned were the involvement of the private sector in financing climate change protection and setting incentives for companies to invest in green technology. Policies which generate low carbon growth are another aspect mentioned. Also, the knowledge and policy gap within ASEAN needs to be addressed. Another aspect is the combination of climate change with the Millennium Development Goals and the observation of the RIO +20 conference. An additional regional programme for Asia could be a catalyst for climate change protection in the region.



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