

Scenario Analyses for the Future Climate Regime

Background

The negotiations on the next commitment period from 2013 are expected to begin in 2005. Recognizing that an agreement on future commitments is essential for meeting the long-term expectations of policymakers and stakeholders, many countries have already begun internal debates on the future regime.

Objectives

The objective of this study is to develop scenarios as to how the future climate regime may evolve, and to propose more effective regime that can be an alternative to the Kyoto Protocol.

Principal Results

This study was conducted as an international research project, with intensive discussions among key researchers from Japan, Norway, German, China, and the United States. The key findings of this study were:

- The biggest problem in the climate negotiation so far is the framing of the climate change problem as the allocation of emission quotas. This framing created an adversarial style of negotiation that resulted in distrust among countries and the deadlock in the negotiations. Moreover, the negotiations have been characterized by unpredictable outcomes.
- Recognizing this framing problem, the Orchestra of Treaties scenario assumes that countries share the following principles for rebuilding the climate regime:
 - (1) recognize the sovereignty concerns attending energy policies;
 - (2) build upon national interests in technology and development;
 - (3) avoid conflicts and enhance cooperation by appropriately framing core issues; and
 - (4) address not only short-term emission cuts but also long-term technological change.
- If countries share the principles, the Orchestra of Treaties scenario emerges, where multiple efforts are pursued by flexible coordination of actors motivated through diverse incentives. The emerging regime will consist of four building blocks, of which three grow outside of UNFCCC (see Table).

Future Developments

The political interests and views have been diverse across countries. If this continues to be the case, the Orchestra of Treaties may be the most environmentally effective regime among the alternatives.

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References

- Sugiyama et al.: 2004, The Scenario Analysis Of Global Policy to Prevent Global Warming, CRIEPI Working Paper Y03012, Central Research Institute of Electric Power Industry.
- Sugiyama et al.: 2004, Orchestra of Treaties: A Future Climate Regime Scenario with Multiple Treaties among Like-minded Countries, CRIEPI Working Paper Y03013, Central Research Institute of Electric Power Industry.

Table 1 Building blocks of *Orchestra of Treaties*

Group of Emission Markets (GEM)	GEM begins with separate domestic markets without internationally imposed emission targets. The markets are then gradually coordinated through price signals. The advantage of this pathway is that it fosters the establishment of emission markets without conflicting with sovereignty concerns for energy policy, thereby enabling key large emitters to establish emission markets.
Zero Emission Technology Treaty (ZETT)	ZETT addresses long-term technological change. This will set zero CO ₂ emission from the energy sector as the long-term goal, thereby creating strong signals to stakeholders. It will begin as a non-binding pledge and review system so that it does not conflict with sovereignty concerns.
Climate-wise Development Treaty (CDT)	CDT addresses the concerns of developing countries, which are development, adaptation, technological transfer and mitigation. In this treaty, developed countries agree to revise their assistance policies to make development more sustainable and climate-wise.
UNFCCC protocols and mechanisms	UNFCCC will serve as an information exchange arena, target funding mechanism and a political focal point.