RUSSIA AND THE POST-2012 CLIMATE REGIME:

23

FOREIGN RATHER THAN ENVIRONMENTAL POLICY

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ULKOPOLIITTINEN INSTITUUTTI
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Summary

- According to the most recent government position, Russia is reluctant to accept binding greenhouse gas emission reduction commitments under the post-2012 regime that will succeed the Kyoto Protocol.

- Russia joined the Kyoto Protocol in anticipation of gains and made further demands in return for its ratification. The Kyoto Protocol was never seen as an environmental pact in Russia, but rather as a means of gaining economic and political benefits.

- The post-Kyoto deal will be entirely different for Russia compared to the Kyoto Protocol, as Russia would be expected to reduce its emissions in order to persuade developing countries to join.

- The main reason for Russia's reluctance is economic growth, which is expected to automatically lead to increased greenhouse gas emissions. However, this view is open to dispute.

- Climate change is not regarded as an acute environmental problem in Russia. Many Russian scientists believe that Russia could actually gain from climate change, and the IPCC is also predicting initial positive effects. A significant percentage of the Russian public does not approve of spending taxpayers' money on climate change mitigation, and due to the lack of democracy their views would not put pressure on the government's climate politics.

- As environmental concern cannot drive Russian participation in the post-2012 regime, it would be more productive to focus on the Russian interest in being recognised as an international actor, or on certain concrete policies such as energy efficiency, which carry some economic weight.

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Kok Leng Yeo

The latest findings of the Intergovernmental Panel on Climate Change (IPCC) urge humankind to take more radical action to address global warming. The Kyoto Protocol launched greenhouse gas (GHG) emission reduction and limitation targets for most of the industrialised country group Annex I. However, wider participation by both the US and the key emerging economies, as well as deeper total emission cuts, are required to establish a meaningful and effective regime beyond 2012. The Bali Roadmap is designed to produce a comprehensive regime to succeed the Kyoto Protocol, contingent upon the meeting which will be held in Copenhagen in December 2009.

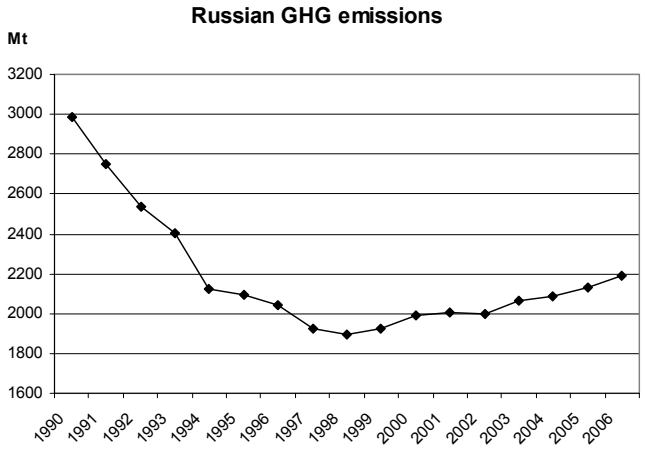
Russia is a key player in global climate politics, both as an emitter of GHGs as well as a consumer and exporter of fossil fuels. Thus far, Russian climate politics have been driven by anticipated economic and political gains. Due to the surplus allowances established by the Kyoto Protocol, the country was not required to cut emissions and consequently has had no incentive to introduce any serious domestic mitigation policies. As a result, the emerging post-Kyoto regime, with significant emission reduction commitments for developed countries including Russia, will be a dramatically different operational environment for the country compared to the Kyoto Protocol. Given the broader participation required for a meaningful post-2012 regime, it is essential to involve Russia in the pact.

The Russian position

In the recent submission to the UNFCCC for the Poznan Conference of Parties to be held in December 2008, the Russian negotiation position was outlined in some detail for the first time. It seems obvious that the Russian administration is reluctant to accept emission reduction commitments; the G8 goal of 50% global emission reduction by 2050 is labelled as 'aspirational', and even the collective goal of a 25-40% reduction from the 1990 level until 2020 is deemed 'unreasonable'.

The concept of 'legally binding' commitments is redefined as non-enforceable, non-punitive as well as flexible since it should be possible to adjust the commitments during implementation. All this flies in the face of what is generally understood by the concept of 'legally binding'.

Incentives to reward emission reduction are also requested; this is in keeping with the Russian approach to international climate politics under the Kyoto Protocol. However, using market mechanisms as climate policies is challenged, which raises questions about the origin of this position paper. Given the very positive approach to the Kyoto mechanisms by Russia in the past and the surplus allowances Russia received under Kyoto, it would seem unlikely that Russia would oppose market mechanisms under the post-2012 pact. The position paper may reflect the lack of coordination in the Russian administration, and may have been drafted by agencies which have no stake in implementing the Kyoto mechanisms.



Graph 1. The development of Russian greenhouse gas emissions, 1990–2006.

Source: www.unfccc.int

Russia also shares common ground with many other major actors on some issues. The participation of all major economies is called for, and it is suggested that country groupings under the post-2012 pact should be revised, based on indicators which reflect national conditions and the 'real' potential of countries to act. Russia is also supporting a sectoral approach to national commitments.[1]

Economy and emissions both on the rise

Russian emissions have been growing since 1998, and exceeded the 1998 level by some 15% in 2006. However, despite the clear growth curve since 2000, Russian emissions remained 27% below the 1990 level in 2006. Graph 1 illustrates these developments.

In 2006, the Russia economy grew by 6.7%, and GHG emissions by 2.6%.[2] Policy goals set by President Putin in 2000, such as doubling the gross domestic product (GDP) by 2010, may hinder the acceptance of emission reduction commitments as many Russian decision-makers fear that limiting the consumption of fossil fuels in order to cut emissions would reduce GDP growth. The main Russian argument behind the position stems from the expected growth in emissions in tandem with the economy, as already flagged by Andrey Illarionov during the Kyoto ratification debate.[3] However, at the time, many Russian experts disagreed with Illarionov and argued that Kyoto would not limit Russian emissions during the first commitment period.[4] But now some of these experts fear that emissions are indeed growing at a rate which would require the Russian government to allocate funds for reducing emissions should Russia accept an emission reduction target.

This position could be challenged. 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 GHG emissions. In addition, in an energy-inefficient country like Russia, there is the potential to further weaken the link between GHG emissions and economic growth by improving energy efficiency. This would also have a positive impact on the economy, as recognised by the Russian administration as well.[5] Furthermore, development towards a post-industrialised economy

1 Submission by the Russian Federation to the UNFCCC under the AGW-LCA. 30 September 2008.

2 UNFCCC data. World Bank (2007). Russian Economic Report, No 15, November 2007.

3 Hopkins, Philip (2004). 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.

4 For a review of Russian experts disagreeing with Illarionov's point see Muller, Benito (2004). The Kyoto Protocol: Russian Opportunities, Briefing Note, the Royal Institute of International Affairs, March 2004, p. 2-6.

5 Dmitry Medvedev held a meeting on improving the environmental and energy efficiency of the Russian economy, press release of the Kremlin, 3 June 2008. Available at http://www.kremlin.ru/eng/text/news/2008/06/202060.shtml. Accessed 7 November 2008.

is likely to decouple the dynamics of GHG emissions from economic growth; the increasing share of the service sector and the shrinking share of heavy industry are examples of such trends.

However, various dynamics are also driving the growth of the emission trends. Power generation is of particular significance. The consumption of electricity is increasing due to the improving standard of living in Russia. Since generation is already operating at full capacity, the increased demand has led to the reintroduction of the old inefficient electricity generation capacity, which was shut down when electricity consumption slumped in the early 1990s. In addition, small generators in particular may switch from gas to the more carbon-intensive coal, as the price of the latter is expected to remain lower. The Russian government has also called for the large-scale replacement of gas by coal in power generation in the longer term in order to maximise the export of gas.[6] What is more, the efficiency of energy use and the reduction of the energy intensity of the economy which was expected to take place 'automatically' due to the development of the economy through modernisation and restructuring[7] has not occurred in Russia to any great extent thus far.

Justifying the position, some Russian experts refer to the peaking of emissions at a certain point in the development of every economy. The reason why Russia should be allowed to increase its emissions beyond 2012 is that the country has not reached this peak as yet and needs to develop further. This view would not support the acceptance of emission reduction commitments as emission growth is seen as inevitable. A negative attitude can also be observed in the public opinion, as 45% of the public do not agree with spending government money on cutting emissions, while 28% believe that only limited resources should be used for tackling global warming.

Climate change – not all doom and gloom

The impacts of climate change are not regarded as purely negative in Russia. Many Russians are still of the opinion that a number of the effects will be positive in their country.

The fourth assessment report of the IPCC does not predict a wholly gloomy outcome for Russia either. One of the main gains will be the increase in winter temperatures, the most significant of which are projected to take place in the North of Russia. This will lead to a decreased need for indoor heating, which will reduce energy consumption. The agricultural production potential could increase in higher latitudes, yet the conditions in the currently most fertile agricultural land in Central Asia would result in more frequent droughts. The boreal forest will shift northwards, but in Russia's case there is enough space in the north for the forest to make this shift.[8] The opening up of the northern sea routes will provide new opportunities for shipping, as well as gas and oil exploration and transportation.[9]

Inevitably, negative impacts must also be expected. The frequency and extent of forest fires and fires in the Siberian peat lands is projected to increase. This could lead to significant economic losses and cause pollution detrimental to human health. Another hazard for human health is the proliferation of disease as the natural habitats of vector-borne and water-borne diseases such as malaria are likely to expand northwards. Floods and the increased runoff of rivers due to the melting permafrost have already caused serious problems on the banks of the River Lena. The melting permafrost will also cause landslides and the degeneration of forest ecosystems as well as a change in the strength and bearing capacity of the ground, which will have negative consequences for settlements built on the permafrost. Added to this, the rise in the sea level will be exacerbated by erosion in the Arctic.[10]

6 IEA (2002). Russia Energy Survey 2002. OECD/IEA, Paris. p. 255. Blagov, Sergei (2007). Russia considers increasing coal use to facilitate gas exports, Eurasia Daily, 11 June 2007. Available at http://www.jamestown.org/edm/article.php?article_id=2372221. Accessed 10 November 2008.

7 For more on the basics of the impact of economic developments on GHG emissions, see for instance IPCC (2007). Fourth Assessment Report: Mitigation of Climate Change, p. 177.

8 IPCC (2007). Climate Change 2007. Impacts, Adaptation and Variability. Working Group II Report. Chapters 10 and 12.

9 Perelet, Renat, Pegov, Serguey and Yulkin, Michael (2007). Human Development Report 2007/2008. Climate Change: Russia Country Paper, December 2007.

10 IPCC (2007). Konttinen, J. (2008). Ikirouta sulaa siperialaisky-län alta. Helsingin Sanomat, 1.6.2008.

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But the impacts of climate change on the Arctic region of Russia seem less relevant as the population density in this area is very low. Negative effects such as the melting permafrost are also seen as a technical, and therefore manageable, problem by some Russian scientists.[11]

The official line adopted by the Russian government in interviews was that the administration supports the findings of the IPCC[12], but the government nevertheless receives hardly any pressure from the public to take on commitments. The Russian Public Opinion Research Centre conducted a poll on global warming in March 2007, asking 1,600 Russians around the country to express their views. 62% of Russians believe that global warming is a real threat. 45% believe that global warming is already taking place, while 17% think that it is imminent. Only 6% argue that global warming will not occur at all. 59% believe that the impacts of climate change are negative, as opposed to 18% who believe that they are positive. 23% have no opinion. 45% of the public opposes spending tax payers' money on emission reduction.[13]

These results are quite encouraging and may show an increasing awareness of the problem of climate change. However, Russian experts agree that climate change is not really on the public agenda the way it is in Europe, and that the 'climate hype' has not reached Russia yet. It could be argued that the newfound climate awareness has not politicised the issue of climate change. However, due to the lack of democracy and a strong civil society, it is questionable whether the public opinion on international climate politics will have any impact on the Russian position. The sceptical views held by Russian scientists also blur the picture.

The participation of others

The participation of the other key emitters is a prerequisite for the Russian government to join a post-Kyoto pact not only for political reasons, but also because the Kyoto Protocol is not regarded as an effective pact in Russia. The participation of the US and the large developing countries is regarded as being of paramount importance. It would be difficult for Russia to accept emission cuts if the lack of action by the US, which has a much higher standard of living than Russia, were to prevail. The US is also seen as an equal partner for Russia in foreign policy.

11 Perelet et al (2007). SciencePoles, 19 April 2007. Future Impacts of Climate Change in the Arctic. Available at http://www.sciencepoles.org/index.php?articles/future_impacts_climate_change_the_arctic&s=2&rs=home&uid=949&lg=en. Accessed 13 November 2008.

12 See for instance Submission from the Russian Federation, 24 August 2007, the United Nations Framework Convention on Climate Change, Dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention.

13 Vserossiiskii tsentr izucheniia obshchestvennogo mneniia, global'noe poteplenie: mif ili real'nost'?, Press release, 4 April 2007. Available at http://wciom.ru/novosti/press-vypuski/press-vypusk/single/4339.html. Accessed 13 November 2008.

The Group of Eight (G8) is a key actor when it comes to encouraging Russia to join a post-2012 pact. In this group, Russia sees itself in the company of other significant powers in the world. The EU countries are trying to use G8 as a forum to lobby the other, potentially difficult, members of the group to join a post-Kyoto pact. However, Japan and the US have been sceptical about a Kyoto-type burden-sharing-based sanctioned system (even though the newly elected US administration may have a different approach). As a result, Russia could easily support these views in order to avoid binding targets. However, if the other G8 members can pull a deal together, it would be very difficult for Russia to oppose it and break the G8 consensus. The G8 goal of 50% emission reduction by 2050 was recognised, but also labelled as 'aspirational' in the Russian position paper.

The participation of the developing countries may also be important for Russia since the early start of the Clean Development Mechanism (from 2000) under the Kyoto Protocol, in comparison with the Joint Implementation (only from 2008), has traditionally been seen as unfairly favouring developing countries in Russia. The justification for this position has been that transition economies would have needed support too.

Russia's role as a world power

Russia's prestige as an international power is also an extremely important factor in the climate arena. The Russian leadership has been seeking to re-establish the country as a world power, a goal already nurtured by President Putin in order to make up for the loss of super-power status due to the collapse of the Soviet Union. Membership of G8 is seen to add to Russia's prestige as it is recognised as an important actor on the world stage.[14] Such an approach was clearly discernible even during the Kyoto ratification discussion, as President Putin aspired to see Russia as the main facilitator of the Kyoto Protocol in the international arena.[15]

It was also emphasised by many Russian experts during the Russian ratification debate that it was important for the Russian decision to be seen as a well-informed, rational one. This was partly due to the institutional chaos in the last days of the Soviet Union and the early years of post-Soviet Russia, when officials often issued statements which could not be regarded as the official view of the Russian government. As a result, the Russian views were undermined in the international media and debate. This was seen to reduce the credibility of the whole country in the international arena, and was therefore regarded as undesirable.

The fact that the Russian government does not want to be labelled a 'rogue state' in climate terms may allow political pressure to persuade Russia to join. The keen interest in achieving world-power status could also be used as leverage by involving Russia more and giving the country a clear role in the post-2012 process.

Can links to foreign policy persuade Russia to join?

The Russian position makes it clear that it will be difficult to persuade the country to accept emission reduction commitments under the post-2012 climate regime. The Russian government will emphasise the differentiated responsibilities and the changes that have taken place in the world since Kyoto was negotiated, referring to the need for Russia to continue developing, and consequently emitting more like the emerging economies. Therefore, Russia will be a reluctant party to the negotiations, since a post-Kyoto pact which is as beneficial for Russia as the Kyoto Protocol was would be an unrealistic expectation. If, as many believe, Russian emissions will grow in tandem with economic growth during the post-Kyoto period, the country will face an entirely new situation; emission reductions which the international community did not expect before

14 For a wider discussion on the topic see for instance Tynkkynen, Nina (2008). Russia, a Great ecological Power in global climate policy? Framing climate change as a policy problem in Russian public discussion, in Tynkkynen, Nina (2008). Constructing the Environmental Regime between Russia and Europe. Academic Dissertation, Acta Universitatis Tamperensis 1301.

15 Korppoo, Anna and Moe, Arild (2007). Russian Climate Politics: Light at the End of the Tunnel? Climate Strategies Briefing Paper, April 2007. Available at http://www.climatestrategies.org/reportfiles/russia_politics_bp.pdf. Accessed 13 November 2008.

will be required at a time when the domestic circumstances are seemingly becoming less favourable for this. It would be politically difficult for the Russian government to accept measures that could be seen to limit economic growth and, thus, well-being. However, this position can be challenged in the climate negotiations.

The Russian government does not have any strong internal incentive to join a post-Kyoto pact as the Russian territory is expected to reap initial gains from climate change and there is no public pressure to join the pact. As a result, the pressure to join should come from the governments of other key emitters, including the US. Climate cooperation could therefore become more desirable as Russia wants to regain its status as a key international actor and a partner of the US. G8 could be a useful arena to get Russia to seriously participate in the negotiations. However, if other countries oppose a meaningful post-Kyoto pact within G8, Russia may well join the opposition.

The Kyoto Protocol is not seen as an environmental pact in Russia, but rather as a tool for wealth redistribution as demonstrated by the country seeking to gain from its ratification. As a result, it would be more productive to approach a post-Kyoto pact through the economic goals of the Russian government; further modernisation of the economy could help to sustain its growth, while emissions would decline. There are some promising policies in the energy sector that could be cited as examples. However, it would be difficult to argue against the logic of emissions growing in tandem with the economy per se as the Western scientific viewpoint differs from Russian research and therefore lacks credibility in the Russian debate.

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