

Introduction

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Climate change is undisputedly a critical challenge for the entire world. This challenge takes on even greater proportions in the Asia-Pacific region, which, due to its high dependence on climate-sensitive sectors such as agriculture and water resources, makes it highly vulnerable to climate change. As pointed out in our earlier publication “Asian Perspectives of Climate Regime beyond 2012 – Concerns, Interests and Priorities” (available online at <http://www.iges.or.jp/en/cp/report13.html>), several Asian stakeholders, including policy makers, strongly feel that international climate negotiations to date have not adequately considered Asian concerns and interests. The reasons may be several: lack of high policy priority to climate change in Asian countries, inadequate negotiation capacity, lack of awareness of the potential impacts of climate change at local and national levels, and so on. At the same time, it is widely accepted internationally that the success of any future climate regime will rest on the policies and measures adopted by Asian countries in the areas of both mitigation and adaptation. It is against this background that the Institute for Global Environmental Strategies (IGES) launched a consultation process with key Asian stakeholders, in 2005. A detailed description of the rationale for initiating this consultation process is given in the above-mentioned report.

Success of any future climate regime will rest on the policies and measures adopted by Asian countries.

1.1 Goals and objectives of the consultation process

1.1.1 Goals

The two broad goals of the IGES consultations in the Asia-Pacific region are to promote a new and constructive thinking process on future actions against climate change beyond 2012, and to contribute to the shaping of a future climate regime that reflects the concerns and developmental aspirations of the region.

1.1.2 Objectives

The consultation process, which runs over two years, has four specific objectives:

- (a) To facilitate a dialogue on national concerns, aspirations and priorities in relation to global climate stabilisation goals
- (b) To discuss progress in efforts against climate change as a basis for identification of future actions that can protect the global climate without dangerous impacts on socio-economic systems
- (c) To assess the view points of key stakeholders (policy makers, experts and others) on how discussions on future climate regime should evolve based on national circumstances and developmental priorities, and
- (d) To define pathways to effectively engage Asian countries in shaping of the climate regime

1.2 Methodology

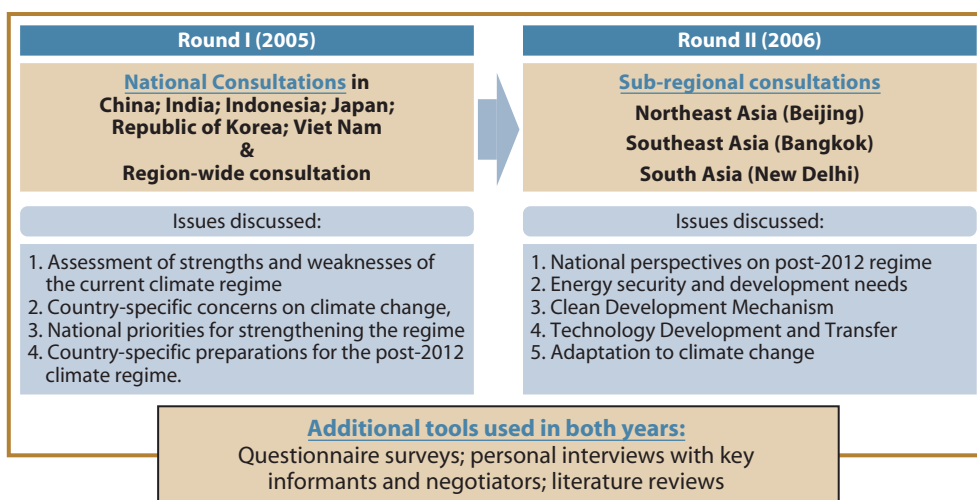
Two rounds of stakeholder consultations have been held to date (Figure 1.1). In 2005,

national consultations in China, India, Indonesia, Japan, Republic of Korea, and Viet Nam, as well as a region-wide consultation were held. In this first round, participants assessed strengths and weaknesses of the current climate regime and identified issues to be resolved at the international level. The discussion also focused on country-specific concerns on climate change, national priorities for strengthening or restructuring the regime, and country-specific preparations, if any, for the post-2012 climate regime. In addition, we employed literature reviews, interviews and questionnaire surveys to widen the scope and nature of consultations. IGES published a report on the outcomes of the consultations, which was disseminated at both the COP11/COPMOP1 held in Montreal, Canada and at the 14th Session of the United Nations Commission on Sustainable Development (CSD-14) held in New York, USA.

In the second round, consultations were held on a sub-regional basis in Northeast Asia (Beijing, 3-4 July 2006), Southeast Asia (Bangkok, 19-20 July 2006) and South Asia (Delhi, 9-10 August 2006). After briefly discussing the national perspectives on climate change regime in general, the specific means towards strengthening the future climate regime was discussed, focusing on four specific themes: *energy security and developmental needs, the clean development mechanism, technology development and transfer, and adaptation*. Under each theme, specific concerns of Asian countries that were highlighted in the first round were further pursued, and major proposals to strengthen climate regime in order to address such concerns were reviewed. A lead discussant (usually, an academic with substantial related research experience) and a panel comprising policy makers from various countries discussed the opportunities for strengthening various proposals. As in the first round, we reviewed recent published and unpublished literature, and collected information through questionnaire surveys and interviews with experts to validate our findings.

The second round of IGES consultations were held on a sub-regional basis and discussed four specific themes: energy security and developmental needs, the clean development mechanism, technology development and transfer, and adaptation.

Figure 1.1 Modalities of IGES Consultations on Climate Regime Beyond 2012



The participants of the second round of consultations considered the following questions in discussions under each of the four themes.

- (a) Have we considered all relevant proposals of the post-2012 climate regime under each theme? What are their strengths and weaknesses and do you see the need for making new proposals?

Insufficient attention to the interests and priorities of Asian countries is considered a major drawback of the current regime.

- (b) Most of the proposals on a future regime relating to mitigation of climate change come from climate change policy researchers and practitioners based in Europe and North America. Do you think that they adequately reflect the concerns and aspirations of Asia?
- (c) Do some of the proposals address Asian concerns more adequately than others? If so, how can we strengthen them further to make them acceptable to all parties, including Annex I countries, at international negotiations?
- (d) What innovative ways and means are necessary to further engage Asian countries in shaping the future climate regime?

1.3 Findings from Round I consultations

Round I consultations revealed that all participants recognised various achievements of the current climate regime through the UNFCCC and the Kyoto Protocol, but expressed strong concern over the progress of implementation of decisions reached at these discussions. Most of the stakeholders in Asia expressed a concern that past negotiations were not transparent and did not adequately consider views of Asian countries. Participants noted that insufficient attention to the interests and priorities of Asian countries, despite a growing recognition that efforts to control GHG emissions from the region are a major determinant of the success of the climate regime, was a major drawback of the current regime.

On a national basis, many countries recognised that developmental concerns, especially related to energy security, were largely ignored in current climate negotiations although climate and energy are both sides of the same coin. Participants in countries such as the Republic of Korea expressed a concern on maintaining industrial competitiveness in a carbon-constrained world. Many countries expressed that the current climate regime is not yet equitable in terms of burden sharing and that the future regime must consider basic human needs as well as historical responsibility and capability to reduce GHG emissions. Given the fact that only 238 persons from the Asia-Pacific region, as against 1,760 from the EU and USA, contributed to the Third Assessment Report of the IPCC, participants noted the strong need for strengthening both scientific and negotiating capacities in the region.

Participants generally agreed that the future climate regime must focus on ways to (a) integrate climate concerns in a developmental context, (b) streamline the CDM procedures (c) focus more strongly on adaptation, (d) facilitate technology development and transfer, and (e) strengthen the capacities of climate negotiators, businesses, and financial and legal institutions in the region. However, differences were evident on specific ways to (a) consider equity, (b) involve developing countries in GHG mitigation efforts, (c) strengthen CDM, (d) facilitate technology deployment in different countries, and (e) finance adaptation efforts. For example, large developing countries such as China, India, and Indonesia identified that the future regime must focus on streamlining CDM to facilitate the flows of technologies and finance, while least developed countries (LDCs) and small island developing states (SIDS) from the region expressed the need for enhancing focus on adaptation and preferential financing mechanisms.

The international negotiators at the UNFCCC also agreed to focus their discussions on largely similar themes for the next two years.

1.4 Challenges for the future climate regime

The first round of consultations identified several challenges for the future climate regime, including but not limited to, the following eight elements:

- (a) Strong leadership by developed countries in terms of the need for commitment to far deeper reductions, and for providing greater opportunities to developing countries for utilising the power of the market
- (b) Ways to demonstrate and strengthen linkages between development and climate through reconciling global strategies with local realities in different countries
- (c) Involvement of developing countries in mitigation efforts in a progressive and staged manner, based on equity
- (d) Streamlining of the CDM to reduce uncertainties, improve efficiency and ensure contributions to sustainable development
- (e) Creating the appropriate incentives for technology development and transfer
- (f) Developing innovative financing options through building synergies both within and outside the UNFCCC
- (g) Moving from rhetoric to focused actions on adaptation, and
- (h) Strengthening human and institutional capacities in the region to address both mitigation and adaptation more effectively than before.

1.5 Round II consultations and outline of the report

As explained above, the objective of the Round II consultations in 2006 was to further advance the frank exchange of opinions of policy makers, academia and the private sector on specific issues of high priority as identified from the first round of consultations. Since developmental priorities, CDM, technology and adaptation were repeatedly mentioned in Round I consultations, we chose to base the Round II consultations on the same themes. It is worth noting that the international negotiators at the UNFCCC also agreed to focus their discussions on largely similar themes as part of the "dialogue on long-term cooperative actions" for the next two years. It is sincerely hoped that the outcomes of the current round of consultations will directly feed into such an important process at the international level.

This report presents a summary of what has been learnt through the second round of consultations, interviews, and questionnaire surveys with policy makers and climate policy researchers across the Asia-Pacific region. National perspectives of different countries on current and future regime are briefly presented in Chapter 2. In Chapters 3 to 7, major proposals for strengthening the climate regime beyond 2012 are discussed critically. Chapter 3 considers how the future climate regime must integrate discussions on energy security and developmental concerns. Chapter 4 identifies ways to strengthen CDM in the current and future climate regime, while Chapter 5 focuses on technology development and transfer. Chapter 6 highlights various ways to advance adaptation to climate change. Major conclusions of the consultations are given in the final chapter.