07 Cashing-up for a New Global Climate Treaty

The Budget Approach of the German Advisory Council on Global Change (WBGU)



Photo: Christof Krackhardt

A significant contribution to the political controversies

Climate justice is the key focus of the "Brot für die Welt" commitment to climate protection and climate change adaptation. Everyone has the same right to (a healthy) environment. The same principle is reflected in the so-called "budget approach", the universal concept for a global climate treaty submitted by the German Advisory Council on Global Change (Wissenschaftlicher Beirat Globale Umweltveränderungen, WBGU) prior to the 15th Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) in Copenhagen. Since the approach of the nine independent council members is innovative, ambitious and at the same time feasible, it has lately been taken more and more into consideration by both political as well as civil society actors. "Brot für die Welt" welcomes its recommendations.

The atmosphere: a global commons

The WBGU budget approach rests on the belief that only an agreement in line with fundamental principles of equity between the countries of the North and the South will be capable of guiding the international climate diplomacy out of its present impasse.

Hence the fundamental idea of the WBGU approach is based upon the concept of the global commons, according to which the atmosphere is part of the common goods over which everyone has an indiscriminate right of use. Starting from that, long-term convergence of the per-capita emission rates of all countries becomes the guiding principle for the WBGU approach.

Global budget and national decarbonisation road maps

Starting point for the budget approach is to set a mandatory global cap in the form of a global CO_2 budget as legally binding in international law. This CO_2 budget may be emitted until the year 2050 in order to keep global warming below 2°C. Following the concept of the atmosphere as a common good of all inhabitants of the earth, this globally available "emission budget" is subdivided into national CO_2 budgets among all countries on an equal per-capita basis (reference year for the world population is 2010), which are likewise binding and objectively verifiable.

In compliance with the 2°C guard rail, emissions in all countries must be reduced to average annual per-capita emissions of 1 t CO_2 until 2050 by means of national decarbonisation road maps, which should include interim targets in order to avoid any further delays.

Two suggestions for implementation

Different adjustment scenarios for the individual countries follow from that, depending on the respective level of CO_2 emissions per capita and year. In this regard the WBGU puts two political options up for discussion regarding the design of the budget approach: While in option 1 the budget term is set for the period from 1990 to 2050, option 2 only starts in 2010 with scheduling the equal per-capita emission distribution of the maximum CO_2 budget that may be emitted until 2050. The



	Option 1 (1990–2050)	Option 2 (2010 – 2050)
Germany	-1	10
USA	-9	6
Japan	2	11
Russia	0	9
European Union	4	12
China	26	24
India	103	88
Brazil	55	46
Burkina Faso	2,810	2,892

Reach of the budget lifetime assuming annual emissions as in 2008 (in years)

WBGU explains the earlier commencement of option 1 with the fact that according to the polluter pays principle, allowances for the historical responsibility for global warming of the countries of the North must be made not later than 1990 since due to the publication of the First Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) by that time all countries were informed about the causes and impacts of the greenhouse effect, and thus the need to take political measures.

WBGU calculations for this budget period of six decades show that during the past twenty years the early-industrialised countries have already so exceedingly drawn on the global budget that today some of them like, for instance, the USA, Germany and Russia are already "carbon insolvent". Over the next two to five years most of the others will have exhausted their emission budget actually scheduled for 40 years.

Since, according to WBGU estimates, this scenario would prove too limiting for the scope of action of the countries of the North, the Council regards option 1 as politically not enforceable, thus proposing option 2 instead, which is forward-oriented and focuses on the responsibility of all states regarding future emissions.

Differentiated emission reduction pathways

In line with this (second) option countries can roughly be classified in three groups according to the number of years their allocated budget would last: ■ Group 1 comprises those approximately 60 countries (besides industrialised countries a number of Arabian countries as well as Venezuela, South Africa and Iran) whose budget – at their current rate of emissions – would be exceeded in less than 20 years. Thus a likewise rigid and comprehensive transition of these countries to low-carbon economies is imperative.

Group 2 consists of around 30 countries (including China, Mexico, Argentina and Thailand), each emitting between 2.7 and 5.4 t CO_2 per capita and year into the atmosphere, whose budget would last for 20 to 40 years. For them the budget approach would "merely" imply a more moderate increase of emissions for the next 15 years, then to be followed by a gradual decarbonisation.

Group 3 comprises the remaining approximately 95 countries (including India and Brazil) whose emissions amount to less than an average 2.7 t CO_2 per capita and year and whose budgets would last for more than 40 years. The budget approach grants them an – in some cases considerable – emission increase until 2030, which must then be reduced to the global emissions target of an annual average 1 t per capita by 2050.

Financial transfers within the scope of the budget approach

To finance the costs of avoiding climate change the budget approach envisages in particular the establishment of an international emission trading system for all



countries. WBGU estimates of possible sales on such a world market for certificates suggest that the expected north-south financial transfer would allow to raise a considerable part of the required funds for future investments into largely emission-free economies in the developing and emerging economies. Additional mitigation costs in the countries of the Southern hemisphere shall be covered through charges on international shipping and air traffic, private sector funds as well as bi- and multilateral credits or grants respectively.

Regarding the funding of adaptation measures to climate change the WBGU suggests to create a legally binding mechanism, which determines unbiased adaptation requirements, and sets mandatory payments into the Climate Compensation Fund in line with the historical responsibility of the countries for global warming. In addition the budget approach plans a separate independent compensation fund for avoided deforestation in the countries of the South.

Institutional implementation

The WBGU recommends the establishment of an independent "world climate bank" to monitor compliance with both global and national emission budgets as well as to grant loans for mitigation measures. In the event of an expected or actual failure to stay within the respective emission budget, the bank would impose sanctions.

Key focus climate justice

Unlike most other pragmatic political propositions for the design of a future international climate architecture the WBGU budget approach is based upon a comprehensive understanding of climate justice and regards climate change above all as an expression of global injustice – a fact that is all too often neglected in the prevailing climate discourse.

The budget approach provides a distribution basis for greenhouse gas emissions that is no longer subject to the balance of power within the parties of the international climate negotiations. Instead it describes a "climate for-



Electrician Wasanthe from project partner ASPIRA in Sri Lanka fits a low-energy light bulb (compact fluorescent lamp, CFL) into a streetlamp. Photo: Paul Hahn

mula" on the basis of fundamental ethical requirements with plausible criteria that is just as objective as it is simple; thus making a remarkable contribution to the ongoing political controversies. We can only hope that its global vision will also soon attract the attention of the responsible politicians.

Reading suggestions

Brot für die Welt et al. (eds.): Climate Funding. Towards a just climate policy. FACTS 17. 4 pages, Stuttgart 2011. Free download: www.brot-fuer-diewelt.de/fachinformationen/index_3000_DEU_ HTML.php

WBGU: Solving the climate dilemma: The budget approach. Special Report, 58 pages, Berlin 2009. Free download: www.wbgu.de/en/publications/ special-reports/special-report-2009/



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FACTS



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