Report of a Workshop of Experts on Equitable Burden Sharing in Responding to Climate Change

Convened by the Brooks World Poverty Institute, Manchester University, the Sustainable Consumption Institute, Manchester University, and the Initiative for Policy Dialogue of Columbia University
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The risks to climate change resulting from the increase in atmospheric concentration of greenhouse gases have been well documented. There are likely to be especially adverse effects on developing countries, and especially the poor within these countries.

Global warming is a global problem, and a solution requires rapid and radical action by all countries. But if the developing countries are to make the contributions that they must make if the problem is to be brought under control, there must be equitable burden sharing – although conceptions of what is fair and equitable differ.

There is already global agreement that the international community must respond to climate change in ways that they do not adversely affect growth and poverty alleviation within the developing world. This would even be so if it were not the case that the developed countries had a historical responsibility for the increases in greenhouse gases, or bear especial culpability for their failures to live up to prior commitments. This means both that the incremental costs of mitigation must be borne by the developed countries, and that the developed countries help the developing countries bear the costs of adaptation. Even if there were an immediate agreement, in a sense, there can no longer be a truly "fair deal," given the climate change that is already built into the system.

The failure of the developed countries to live up to the obligations they undertook earlier has undermined a sense of trust. Not only have developed countries failed to make the promised emission reductions, they have failed to make the transfers of technology and resources to developing countries. Rebuilding that trust is necessary for any meaningful negotiations to continue, and will required developed countries to undertake ambitious GHG reductions domestically, and to make and follow through on explicit, quantified and binding commitments to technology transfer and resources. And the institutional arrangements for the disbursement of funds must have the confidence of developing countries, which means, at a minimum, that they must have adequate voice within these arrangements.

Equitable distribution of the required global emission reductions—taking into account the imperatives for developing country growth and poverty alleviation—requires very large reductions by the developed countries, by 80%, 90%, or more below 1990 levels by 2050. Delay in large reductions by the developed countries has large implications for equity: it means that, other things being equal, the developed countries will have "consumed" an even larger share of the "atmospheric pie," the total amount of cumulative emissions that are consistent with, say, 2 degrees C global warming. And if these equity burdens are to be avoided, it means that the cuts by 2050 by the developed countries will have to be all that much deeper.

The equity implications are so sharp because resources devoted to limiting emissions are resources that could have been spent reducing poverty or promoting growth. Until the developed countries demonstrate that an alternative to carbon-driven growth exists, the developing countries will see the continued over-consumption of the shared atmospheric space by the developed countries as imposing direct constraints on future prospects for eliminating poverty. Developing countries are unlikely to accept any climate agreement that is seen to undermine their attempts to develop and reduce poverty.

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If the international community decides to approach the problem through a cap and trade system, the issuance of emission rights must be based on equitable principles. The *minimum* equitable principle is an equal per capita principle, based on cumulative emissions, and based on population as of a reference date. Such an approach is not fully equitable, because the granting of emission rights is equivalent to the granting of an asset of considerable value, and virtually all ethical principles would suggest granting more to those who are disadvantaged. Nor does such an approach take account of the historical responsibility. The international community has already betrayed the foundational ethical principles of the UNFCCC – common but differentiated responsibilities ***and respective capabilities*** – as regrettably prior commitments to transfer resources to technology have not been lived up to.

Climate change is a long run global problem. That means that reducing terrestrial carbon emissions as important as reducing emissions from, say, transportation; compensating developing countries from avoided deforestation can provide both incentives and resources to maintain forests and provide revenues for enhancing growth. It also means that there should be aggressive actions in reducing emissions now. Assurance of a high price of carbon, coupled with the necessary redistributive measures to offset adverse equity implications such that the poor are not excluded from energy services, will induce innovations and investments that will help the world move toward low carbon economy. Given the well-documented shortcomings of price signals alone to induce shifts in investments – particularly R&D investments for which benefits cannot always be appropriated by the investor –complementary policy measures will be needed as well. For example, renewable energy technologies such as concentrating solar power should be scaled up. The importance of behavior and lifestyle change in reducing carbon emissions, by the populations in developed countries as well as developing country elite cannot be understated, especially in the immediate term.

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There is a risk of an impasse in reaching in a global agreement. Often, the way out of a political gridlock is to pass the costs on to someone not at the table—in this case, those not at the table are future generations. And that is what at issue: whether we can continue to consume and produce as we have, preserving current living standards, at the expense of future generations. What is even more disturbing is that the trade-offs are even starker: between the living standards of the well-off today, and those of the poor in the developing countries