Climate diplomacy

- And Norway's need for it towards developing countries

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"…I hope that we in New Delhi can achieve wording which points towards a more ambitious global climate agreement after 2012…It must encompass developing countries with a strong economic growth and large greenhouse gas emissions, for instance India and China".

- Børge Brende, Norwegian minister for the environment in interview with Norwegian newspaper Aftenposten 24.oct 2002 (authors translation).

"There have been suggestions recently that a process should commence to enhance commitments of developing countries on mitigating climate change beyond that included in the Convention. This suggestion is misplaced"

- Speech of Prime Minister Shri Vajpayee of India, host for the COP8 in Dehli 30.okt 2002

Introduction

The COP8-meeting in Delhi October 2002 revealed a deep division between European and developing countries in the climate negotiations. The division was exaggerated by a lack of understanding and respect for developing country interests. The European Union and other progressive European actors, including Norway, did not take the necessary diplomatic action towards the developing countries before the meeting and was unprepared for what awaited them there.

The coming into force of the Kyoto Protocol on the 16th of February 2005 is both politically and symbolically an important first step on the way towards a sustainable greenhouse gas (GHG) emissions situation. But the agreed physical emission reduction is small, and the agreement only lasts until 2012. There needs to be a next step. What will this be?

There are currently a number of divisions between the parties of the UN Convention on Climate Change. The U.S. federal level's open refusal to accept any absolute cap on U.S. GHG emission levels is the most obvious challenge.

The various developing countries' are key players in the negotiations. Any progressive negotiation delegation must 1) understand that the different developing countries have different priorities, 2) show understanding for these different priorities, and 3) if necessary, change its own priorities to facilitate a positive development in the negotiations.

This paper tries to produce a brief guide to developing country interests in the negotiation landscape. It starts with a short description of the different developing country negotiation groups. It continues with a short summing up of conflicts involving developing countries during the tenth Conference of Parties to the UN's Climate Convention (COP11, Buenos Aires December 2004). Further on, differences between U.S. and European communication with developing countries the last few years is visited, and finally, the Clean Development Mechanism (CDM) is given special attention.

Pre-2005: USA 1 – Europe 0

The European position has not been a winner with the (large) developing countries so far. The "pollute and let pollute"- politics of the U.S. administration has been far more popular. - Especially when combined with an extensive U.S. diplomacy on climate change and numerous energy- and climate-related development projects.

This was indeed evident around COP8 in Delhi in 2002. The EC had its attention on post-2012 greenhouse gas commitments for developing countries. The Norwegian environment minister followed suit (as shown in the quote at the beginning of this text). The not-very-diplomatic form of communication was to play straight into the hands of the U.S. administration, who could take the role of "good guy", seemingly embracing economic development and poverty reduction, whilst warning against the "bad guys" - the Europeans, whose demands of greenhouse gas commitments constituted a threat.

Who will receive the vote of China and India? The one who shares their "hope" and "dream" of "growth", "opportunity" and "prosperity" (U.S. DoS 2002), or the one who refers to them as "countries with a strong economic growth and large greenhouse gas emissions" (Aftenposten 2002), and stating they must take on obligations in the next round? One can argue that the Norwegian quote was intended for a homecrowd, much like the U.S. administration's quote from Texas, classifying countries from the developing world among the "countries that emit most of the world's greenhouse gas emissions". But there is a crucial difference: The Americans consistently remembers to acknowledge developing countries' aspirations of growth and prosperity. The Europeans so far has not, and therefore has lost the battle for developing country support.

From now on, when the work to mitigate and adapt to climate change goes from a primarily rhetoric-and-negotiations phase to a phase of simultaneous market flows, investments, technological implementation *and* negotiations, things might change. If developing countries find they will benefit more from approaching Brussels than Washington, they will.

Glossary

Annex I countries	Annex II countries plus Turkey and Economies in transition (Russia, Baltic states, Central- and Eastern European states). Non-binding commitment to reduce their greenhouse gas emissions to 1990-levels by year 2000. Can invest in CDM, as well as both invest in- and host JI projects.
Annex II countries	OECD-member countries as of 1992
Annex B countries	Countries with binding emission caps. Small variations from Annex I: Excludes Belarus and Turkey, but includes Croatia, Liechtenstein, Monaco and Slovenia
CDM	Clean development mechanism
CER	Certified emission reduction. Emission reduction approved by the appropriate UNFCCC authority. Surplus CERs in Annex B countries, and all CERs from developing countries (CDM) can be traded
COP	Conference of Parties to the UN Framework Convention on Climate Change
GHG	Greenhouse gases
ITL	International transaction log. Tracks all international transactions of CERs, to ensure their integrity
JI	Joint implementation. Cross-border cooperation between companies in different Annex I countries on emission reductions (rules different from CDM)
LDCs	Least Developed Countries. Special right to assistance on adaptation to climate change
LULUCF	Land use, land use change and forestry. Tree planting and special agri-practices to store carbon in vegetation or soil. Also referred to as “sinks”. Can be part of CDM
MOP	Meeting of Parties to the Kyoto-protocol
NAPA	National adaptation programme of action
Non-Annex I countries	All developing countries. No emission caps. Can host CDM-projects and export CERs (emission quotas) from these
P&Ms	Policies and measures. Official term under the UNFCCC and Kyoto Protocol for domestic policies to reduce or limit GHG emissions
SBSTA	Subsidiary Body for Scientific and Technological Advice
SCCF	Special Climate Change Fund, under UNFCCC FINANCIAL MECHANISM. Transferring funds for adaptation from Annex I to developing countries
UNFCCC	UN Framework Convention on Climate Change (1992)

Negotiating groups of the developing countries

Africa Group

Consists of 53 African countries. Primarily concerned with the impacts of climate change, and of adaptation issues in the negotiations.

Members: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (DR), Congo (Rep.), Cote d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Western Sahara*, Zambia, Zimbabwe. (Gupta 2000)
* Non-independent state

AOSIS: Alliance of Small Island States

Ad hoc coalition of 43 low-lying and island countries, particularly vulnerable to rising sea levels and sharing common positions on climate change.

The 43 members and observers are: American Samoa*, Antigua and Barbuda, Bahamas, Barbados, Belize, Cape Verde, Comoros, Cook Islands, Cuba, Cyprus, Dominica, Federated States of Micronesia, Fiji, Grenada, Guam*, Guinea-Bissau, Guyana, Jamaica, Kiribati, Maldives, Malta, Marshall Islands, Mauritius, Nauru, Netherlands Antilles*, Niue, Palau, Papua New Guinea, Samoa, Sao Tome and Principe, Seychelles, Singapore, Solomon Islands, St. Kitts & Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Timor Leste, Tonga, Trinidad and Tobago, Tuvalu, US Virgin Islands*, and Vanuatu (SIDS 2005)
* Non-independent states

G77&China

Diversified and member-rich group of developing countries working together on different international negotiation arenas such as the WTO, UNCTAD, and also UNFCCC.

India and China

Does not constitute a separate negotiating group, but these big and powerful G77&China-members both have an outspoken government focus on renewable energy, energy-efficiency and CDM, whilst so far resisting commitments (cap) on their overall emission levels.

LDCs: Least developed countries

The 50 countries on the UN's list of particularly poor and economically vulnerable countries. Concerned, as the Africa group and OASIS, with the impacts of climate change and adaptation issues.

Members: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Timor-Leste, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu, Yemen, Zambia (OHRLLS 2004).

OAPEC - Organization of Arab Petroleum Exporting Countries

"Established in 1968 with permanent headquarters in Kuwait. It is an instrument of Arab cooperation whose objective is to provide support to the Arab oil industry. Its activities are developmental in nature, and its membership is restricted to Arab countries with oil revenues that constitute a significant part of their GNP" (OAPEC 2004).

OAPEC argues that cutting CO_2-emissions means cutting (fossil) energy consumption, and that the developing countries whose economies rely on petroleum exports will be the main casualty from implementation of the Kyoto Protocol, via a reduced growth in demand for oil. (OAPEC 2002 and IISD 2004)

Eleven member states: Algeria, Bahrain, Egypt, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, Syria, Tunisia and United Arab Emirates. (OAPEC 2004)

The Brazilian Proposal

"The Brazilian proposal" from 1997 is not a negotiating group, but still mentioned here because it reflects some of the underlying philosophy of many developing country representatives, namely the Annex I countries responsibility for climate change measures. It focuses on the different counties' net historical contributions to the global warming we are experiencing today and will experience in the future, and thus puts the responsibility with the "old" industrialised countries. The text acknowledges that developing countries' per-year emission levels will reach those of the industrialised countries by 2037, but points out that the industrialized world's "head start" is so large that the developing countries historical accumulated emissions will not reach the industrialised countries until 2162 (UNFCCC 1997).

COP10: Anything new?

What did developing country delegates say?

The tables in this section list the different opinions recorded in the IISD minutes from the COP10 in Buenos Aires, December 2004 (IISD 2004).

Developing country group (speaker)	Issue	Message
Africa Group (Kenya)	Adaptation	Implementation of 5/CP.7 (adverse effects) too slow
AOSIS (Tuvalu)	Adaptation	Dialogue on adaptation is important
G77/China (Qatar)	Adaptation	Annex I counties responsible for financing
LDCs (Tanzania)	Adaptation	Disbursements of funds for NAPAs too slow
AOSIS, the Africa Group, LDCs, and others	Adaptation (SCCF)	Too difficult to access GEF-funding Too narrow scope of adaptation projects eligible
Saudi Arabia	Post 2012	Targets should be limited to Annex B and not include developing countries

North-South-conflicts

Group	Issue	Message	Opposition?	O. message
G-77 / China	Adaptation	COP and GEF should jointly determine the necessary funding	Many Annex I Parties	Maintain the existing modalities for identifying funding
LDCs	Adaptation	Concern over GEF co-financing requirements, noting that decision 6/CP.9 (guidance on the operation of the LDC Fund) provides for full funding of NAPAs.	EU	Co-financing emphasizes countries' sense of ownership over projects
Canada, Norway, the EU and Switzer-land	Adaptation	Delete the bracketed text instructing the LDC Fund to start funding other elements of the LDC work programme. More time needed to develop criteria before projects can be financed	Many developing countries and LDCs	
G-77 / China	Secretariat	Evaluate the geographical balance between senior staff coming from Annex I and non-Annex I Parties.		
Saudi Arabia	Secretariat	Keep the above mentioned item permanently on the agenda	EU	

EU, Japan, Canada	LULUCF	Remove all brackets in the draft negotiating text forwarded from SBSTA-20 and delete the option on the common reporting format referring to Protocol Art. 6	G77/China	
Australia, US, Canada and the EU	LULUCF	"Factoring out" direct human-induced effects from the indirect and natural effects of LULUCF activities	G-77/China and AOSIS	

South-South-conflict?

Countries speaker	**Issue**	**Message**	**Opposed by**
South Africa, and others	"Good practices" in P&Ms among Annex I Parties	Expressed support for the text	Saudi Arabia, Kuwait and United Arab Emirates

North-South alliances (in conflict)

Countries speaker	**Issue**	**Message**	**Opposition**	**Opposition message**
Delegates	Relation-ship to other inter-govern-mental meetings	Considered input into the BPOA+10,the WCDR, and CSD-14	US, Saudi Arabia and others	Disputed inclusion of this item on the agenda
India, Saudi Arabia, China, and several other G-77/China Parties	Relation-ship to other inter-govern-mental meetings	Proceedings of the Seminar (replacing/postponing "COP11") are not intended to lead to a process for further commitments by developing countries	EU, Russian Federation, South Africa, AOSIS and several Annex I Parties	

A complicating factor

Group (speaker)	**Issue**	**Message**	**Opposition**	**Opposition message**
Many delegates (Closing plenary)	Adaptation	Support for small island developing States (SIDS) and the LDCs to adapt to the devastating impacts of climate change	Some (Arab) States	Address impacts from response measures as the world moves away from fossil fuels, i.e. **adaptation to economic impacts of mitigation**

Any conclusions?

I draw the following overall image from the statements of developing countries and from the divisions of opinion expressed between different Parties:

In CDM and LULUCF (sinks) the conflict lines run between North and South. That is also the case when it comes to adaptation measures. The poorest and most vulnerable developing countries are frustrated because the procedures for funding of adaptation measures are too cumbersome and that the results therefore are close to nothing. They want a simpler system, which would make funding more accessible. This view is opposed by several Annex I countries, among them explicitly identified, the EU.

OAPEC member states use of concerns over potential loss of oil-revenue from mitigation efforts is a permanent problem in the negotiations. It is good that this is brought into the open at this stage. The Saudis are exposed now, and will need to defend their demand for diversification money under Conv. 3.14, while other developing countries, especially the LDCs need this money now to prepare for effects of climate change.

At COP11, developing countries seemed to voice opposition to any post 2012 emission caps. From other sources, we see this position is being backed by the U.S. administration. The tenth Conference of Parties to the UN's Climate Convention (Buenos Aires December 2004) was supposed to be the adaptation COP, where the interests of the poorest developing countries' truly were to be honoured. As the IISD reporters note: This was not the first “adaptation COP”, and it will probably not be the last, since not much happened on the subject this time either.

Two tongues speak better than one

- The American way with developing countries in the climate negotiations

The U.S. position can seem a little paradoxical at first. On the one hand, the U.S. refuses to take on any emission reduction commitments unless the developing countries do the same (see e.g. the Byrd-Hagel resolution sited below). On the other hand, U.S. envoys to developing countries again and again convey the message that commitments for developing countries would be unfair, because it would impair necessary economic growth. It all proves, however, that doublespeak can be very efficient, as long as you tell people exactly what they want to hear. Neither the U.S. nor the fast-growing developing economies want to commit to an emission ceiling at this stage. Stating the U.S. should not take any commitments until developing countries do, and that developing countries should not take commitments either, seems to work fine for the U.S. at the moment.

The unanimously decided Byrd-Hagel resolution of the Senate from 1997 explicitly refers to China, Mexico, India, Brazil and South Korea, and states that: "the United States should not be a signatory to any protocol…which would…mandate new commitments to limit or reduce greenhouse gas emissions for the Annex I Parties, unless the protocol or other agreement also mandates new specific scheduled commitments to limit or reduce greenhouse gas emissions for Developing Country Parties within the same compliance period" (U.S. Senate 1997).

The Bush-administration's attitude towards Kyoto stands firmly on the ground of the Byrd-Hagel, and it probably would take a significant change in the composition of the Senate for any president to have a positive vote for any future U.S. obligation regarding emissions reductions (Tjernshaugen 2005).

The following three quotes containing three instances of identical wording regarding developing country commitments will be presented to show how the U.S. administration shapes the message to suit different audiences.

Addressing the U.S.

Paula J. Dobriansky, Under Secretary of State for Global Affairs, Address to the Shell Center for Sustainability, in Houston, Texas. March 13th 2003:

"Reaching out to the countries that emit most of the world's greenhouse gas emissions – especially developing countries – is critical. One of the flaws of the Kyoto Protocol is that the developing countries have no obligations. Consider for example, that by 2020 China and India alone are projected to have more greenhouse gas emissions than the United States or Europe. Developing nations already account for a majority of the world's net greenhouse gas emissions. Clearly they need to be part of the solution for the future.

Yet, it would be unfair – indeed, counterproductive – to condemn developing nations to slow economic growth or no growth by insisting that they take on impractical and unrealistic greenhouse gas targets." (U.S. DoS 2003).

Addressing New Delhi

Harlan Watson. Head of the U.S. Delegation to COP8 in New Delhi Oct 25th 2002:

"…the hope of growth and opportunity and prosperity is universal - that it is the dream and right of every society on our globe. And we must also recognize that it would be unfair - indeed, counterproductive - to condemn developing nations to slow growth or no growth by insisting that they take on impractical and unrealistic greenhouse gas targets." (End of paragraph) (U.S. DoS 2002a).

Addressing Europe

Harlan Watson, U.S. Senior Climate Negotiator. At the conference "Climate Change: What Can Be Done?" in Steyning, West Sussex, United Kingdom May 14th 2002:

"It would be unfair - indeed, counterproductive - to condemn developing nations to slow growth or no growth by insisting that they take on impractical and unrealistic GHG targets. Yet, developing nations already account for a majority of the world's net GHG emissions, and it would be irresponsible to absolve them from shouldering some of the shared obligations." (End of paragraph) (U.S. DoS 2002b).

To summarize

Addressing an American audience, the U.S. Administration stresses Chinese and Indian emissions, and that omitting these is a major flaw in the Kyoto-agreement, making it unfair for the USA. The responsibility should lie more with the developing countries, but that would be unfair and counterproductive for them. Conclusion: No-one should do anything.

Addressing numerous developing country delegations present at COP8 in New Delhi, and Indian as hosts in particular, the U.S. Administration shows a very high degree of understanding towards developing countries' growth-ambitions, and indeed dreams along with them. Nothing is said about obligations – for any country. Indeed – greenhouse gas emissions are not even mentioned, only climate change. And we know that for the current U.S. administration there is an important political distinction between the two. Conclusion: No-one needs to do any mitigation efforts.

Addressing a European audience during a British conference on climate change is a bit more complicated. Europe have concluded exactly the opposite of the U.S.: Both the U.S. and stronger developing economies should take on commitments. Senior Climate Negotiator Harlan states the two American views: that developing countries both should and should not take on commitments on greenhouse gas emissions, but plays down the wording compared to the addressing of American and developing country audiences.

CDM and post 2012 negotiations: **Way in or way out for developing countries?**

The clean development mechanism (CDM) is "A procedure under the Kyoto Protocol under which developed countries may finance greenhouse-gas emissions-avoiding projects in developing countries, and receive credits for doing so which they may apply towards meeting mandatory limits on their own emissions." (UNFCCC glossary 2005). Since developing countries have no quantitative cap on their emissions, the CDM is valued to be a win-win situation for the participating parties: Developing countries receive investments and a cleaner environment without restricting their own economic growth, while developed countries can reduce the costs of fulfilling their emission reduction obligations.

The author has been responsible for maintaining the Norwegian website www.cdmwatch.no. Magenta News, monitoring 4800 Norwegian and international news media on the Internet, searches for the keywords "clean development mechanism". The results are linked on the cdmwatch.no website. Here is a table on news articles in English concerning the "clean development mechanism" recorded via Magenta News and put on www.cdmwatch.no site June 2004 through March 2005:

	# of articles	Main provider
India	18	The Hindu, Financial Express
China	14	Xinhua News, China Daily
South Africa	8	Sunday Times
Japan	4	Japan Times
United Kingdom	4	Financial Times
Bangladesh	3	Daily Star
Taiwan	3	Taipei Times
Netherlands	3	Niewsbank
USA	3	various
Kenya	2	The Standard
Canada	2	various
Germany	1	Finanzen

(In addition to the list above, a number of articles from IPS and other international new agencies did appear on the list.)

The Indian articles contain stories of a wide array of projects aiming at earning CDM-credits, and contain high hopes for extra revenues supporting India's work on energy efficiency and limiting CO_2-emissions. Other articles contain open criticism and frustration on how slow the approval process is. On the 17.February, to mark the implementation of the Kyoto protocol, the Indian Ministry of Environment and Forestry and the Indian Carbon Market Group (ICMG) jointly held a meeting called "Clear Skies". Dr Ajay Mathur, president of ICMG said the projected foreign exchange inflow form exports of Indian CERs would probably reach USD 5 billion by 2012. A.Raja, the minister stated informed the audience 54 Indian CDM projects had been approved nationally, but that "the various formalities at the international level to take advantage of it still seemed complex and time-consuming", and the Minister called for "a faster, more efficient, and more user-friendly international CDM project registration process to attract more financial resources and institutions." (The Hindu 2005).

A wide array of private and municipal companies have implemented in their strategy to conduct energy-efficiency and CO_2-reduction schemes in exchange for exportable emission credits, India aiming to cover 30% of the CDM-market. By the beginning of March the Indian inter-ministerial committee had already approved 54 projects, but only one has received registration from the CDM executive board.

The information coming from Bangladesh is similar, with fewer projects but with an added frustration on a slow registration process with the national authorities.

The Chinese articles are mainly focused on energy efficiency, with CDM as an extra income source, telling about a number of pending business deals.

South African articles actually to a certain degree concern themselves with CDM, but some interestingly even focus on the opportunities in South Africa moving to a post-2012 Annex I – status. Taking Annex I status would mean taking on some kind of emission cap – higher or lower than the current emission level, but would, if a Kyoto-style emissions trading regime were to be extended beyond 2012, probably mean a much higher trading volume. The South African media focus is on an inefficient coal sector as a potential source of large quantities of cheap emission reductions - a potential source of large profit from exporting emission credits to the EU.

Japanese articles focus on China as a market for buying CERs and exporting modern, energy efficient technology.

So far (June 21st), the CDM Executive board has only registered (approved) nine CDM-projects, at an average rate of roughly one per month. The nine are: two landfill gas projects in Brazil and Bolivia, four small hydropower projects (three in Honduras and one in Bhutan), two HFC-removal projects (one in India and one in Korea), and one bio energy project in India. This number will probably increase over the coming months, as 37 projects are “in pipeline” with the CDM Executive Board. Much of the critique coming from developing countries, especially from India and China, has concerned itself with the process being complicated and slow. Annex B-countries participating in the registered projects so far, have been The Netherlands, Finland, Japan and the United Kingdom (UNFCCC 2005a).

All in all it is clear that the number of CDM-projects put forward for the registration process will increase, and has to increase dramatically in order to raise the volume of money-for-CERs to any significance. The development in the registration process of CDM-projects can be followed at http://cdm.unfccc.int/Projects/registered.html.

Conclusion and recommendations

If the Norwegian and the other European authorities want developing countries on their side in future climate negotiations, they have to go easy on the demands, and instead start making good offers – and good friends. The Norwegians know this, but doing it is another thing. European demands of emission reductions, made towards India, China and other developing countries without any concrete favours in return, will only benefit the U.S. administration's disruptive work.

The poorest and most vulnerable developing countries experience frustration over cumbersome and low-yielding financing solutions for adaptation to climate change. One is tempted to ask the Annex I countries what the point of this is. First putting precious little money into the adaptation funds, and then refusing to let go of them, postponing issues from one COP to another… If one has delivered promises of help to adapt to an approaching climate crisis, one should honour one's pledge if friendships are to be maintained.

When it comes to CDM, it is very evident that the expectations are sky-high, especially in India. This means the disappointment will be proportionally large if CDM does not deliver on its promises. Every industrial country aiming for an amiable negotiation climate should work to aid national governments, businesses and municipalities in developing countries to identify and design appropriate CDM-activities, submit them for registration, carry through activities and sell the CERs at a fair price.

When it comes to the post-2012 situation, China and India have been quite clear that they do not welcome European suggestions of quantitative commitments regarding their emissions from 2012. Both Arab countries and the U.S. openly support this position. Perhaps European action would be more fruitful if it started out by looking at the work India and China actually are doing on energy efficiency and renewable energy[1], to find if there are friends and allies to be made through common interests.

The only words from a developing country on the possibility of adopting Annex I status, i.e. waiving some of its developing country polluter-liberties in exchange for increased integration in a CER-market has come from South African media. South African businesses, like those from many other developing countries, eye revenues from sales of CERs under the CDM, but some consultancies and others are working to convince the government of the benefits in taking Annex I status (quantified commitments). Compared to the strict rules of the CDM, Annex I status will greatly increase South Africa's potential for exporting CERs by opening up for JI-projects, and Annex B status could mean even larger export earnings from joining a fully operational carbon market. The negotiated level of its quantitative commitments would determine the overall benefit for South Africa. A modest commitment equals a more interesting deal. I have not seen any comments from the South African government on the subject, but if any European delegation wants to put new momentum into the climate negotiations by winning over a developing country to Annex I status, South Africa could be a good place to start. At the same time, it is likely that the U.S. administration sees the same facts, and start working to achieve the opposite.

[1] As an example, India is among the World's top five on photovoltaics, and has the World's fifth largest installed wind power capacity (6.3 % of global capacity and third-largest growth in the world in 2004). (Sources: www.gwea.org and www.iea.pvps.org)

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