

KYOTO OR BUST

Professor Graciela Chichilnisky, who helped to establish the Kyoto Protocol, tells *The Big Issue* why the treaty is vital to the health of the planet – and why its fate lies at Copenhagen





What is the Kyoto Protocol?

With a name like a spy story, the Kyoto Protocol is in reality the only international agreement we have ever had to combat the dangers of climate change. Signed by 160 nations in 1997, after dramatic ups and downs, it finally became international law in 2005. It works by putting limits on the source the problem – greenhouse gas emissions from wealthy nations, who cause the majority of the world's emissions. The Protocol limits these emissions, nation by nation, which is vital to avert the dangers of global warming.

So what's all this about Copenhagen?

Kyoto expires in 2012, by its own terms and design. This December, a UN Conference in Copenhagen will decide its fate. The story takes an unexpected turn here and becomes a geopolitical plot, since failure in Copenhagen could start a new Cold War – all about warming. The pieces are falling into place for a major confrontation between the two largest emitters, the US and China. These two nations alone could cause catastrophe for the world. The US does not want to limit its emissions unless China does – but China is protected by the UN Convention, together with all developing nations who are not required to reduce emissions without compensation. We need to resolve this impasse. Today, developing nations cause a minority of the world's emissions, but in 20 to 30 years they could be the majority and play a trump card in causing global warming. Without limits from the Chinese and the developing nations, global warming cannot be resolved.

“Carbon emissions could lead to one of the worst catastrophes in the history of humankind”

Why is it so important to reduce emissions?

Scientists believe that global warming is contributing heavily to the demise of the polar ice caps, which could cause the seas to rise, banishing species such as polar bears, and sinking regions such as Alaska and Florida and entire nations like Bangladesh into the seas. In a nutshell, carbon emissions could lead to one of the worst catastrophes in the history of humankind. The possibility itself calls for action.

What's a Carbon Market?

The Kyoto Protocol is the first international agreement based on the creation of a global market. By trading rights with each other, some nations can go above their limits and others below – but the world always stays within the global emissions bounds. This is the first global market of its type, and uses the market's invisible hand to assign a value to global rations: emitting becomes costly, but reducing emissions becomes profitable.

Does this really work?

It does seem like a space age concept, the stuff of environmentalists' dreams – but it is real. The European Union Trading System trades today over \$60 billion annually in European Union Trading Scheme carbon credits (EUTs); investment banking firms such as Goldman Sachs have developed large business practices based on carbon credits; and to date, over \$23 billion in clean investments by industrial nations in developing nations' soil have reduced emissions corresponding to about 20 per cent of the EU's emissions. The carbon market is soon expected to become the largest commodity

market in the world, trading \$2 to 3 trillion per year. Not too bad for a market that did not exist until four years ago.

So what's the problem?

Before a nation trades in the carbon market it must agree to emissions limits, as the limits are what is traded. So far, the US has refused to limit its emissions, even though it signed the Protocol in 1997 and was one of its prime movers. The dire needs of widespread poverty means that developing nations since 1992 have been spared from limiting emissions unless they are compensated for this. This includes India, Brazil and China. More than 50 per cent of the people in the world live with less than \$2 per day, and over 1.3 billion are at the edge of survival with just \$1 per day. The developing nations house 80 per cent of humankind but emit only 40 per cent of the world's emissions; 60 per cent of global emissions originate from the rich nations that house 20 per cent of the world's population.

How can we overcome this?

At the recent G8 meeting in July 2009, developing nations requested financial and technological assistance. This can be achieved with a modest extension of existing law, the carbon market and the Clean Development Mechanism (CDM). Financial mechanisms based on the carbon market can satisfy US requirements on China's emissions, while also satisfying China's requirements to be compensated. New technologies can make reductions possible and profitable: the UK Royal Academy has considered some that reduce carbon from the atmosphere. There are “negative” carbon capture technologies that use the heat from a plant to capture carbon, making a coal power plant a net carbon sink, storing the carbon in geological sites, cement or plastics, and recycling it through algae into clean fuels. The US Department Of Energy is providing billions in funding and has passed a first round of projects for commercial demonstration plants. The technologies work best with renewable plants and encourage a transition to renewable energy. When used in Africa, the region can reduce more carbon than it emits, so Africa can attract serious CDM funding that was not possible until now. For rich nations, this business area involves \$43 trillion in energy infrastructure – the right size needed to stimulate today's world economy – and can create technology jobs, increase exports and stimulate trade. Not a bad prospect as a whole.

“Before the Kyoto Protocol, the carbon market was more of an illusion – now it is a \$60bn per year reality, so there is hope”

But is this a reality? Can we save Kyoto?

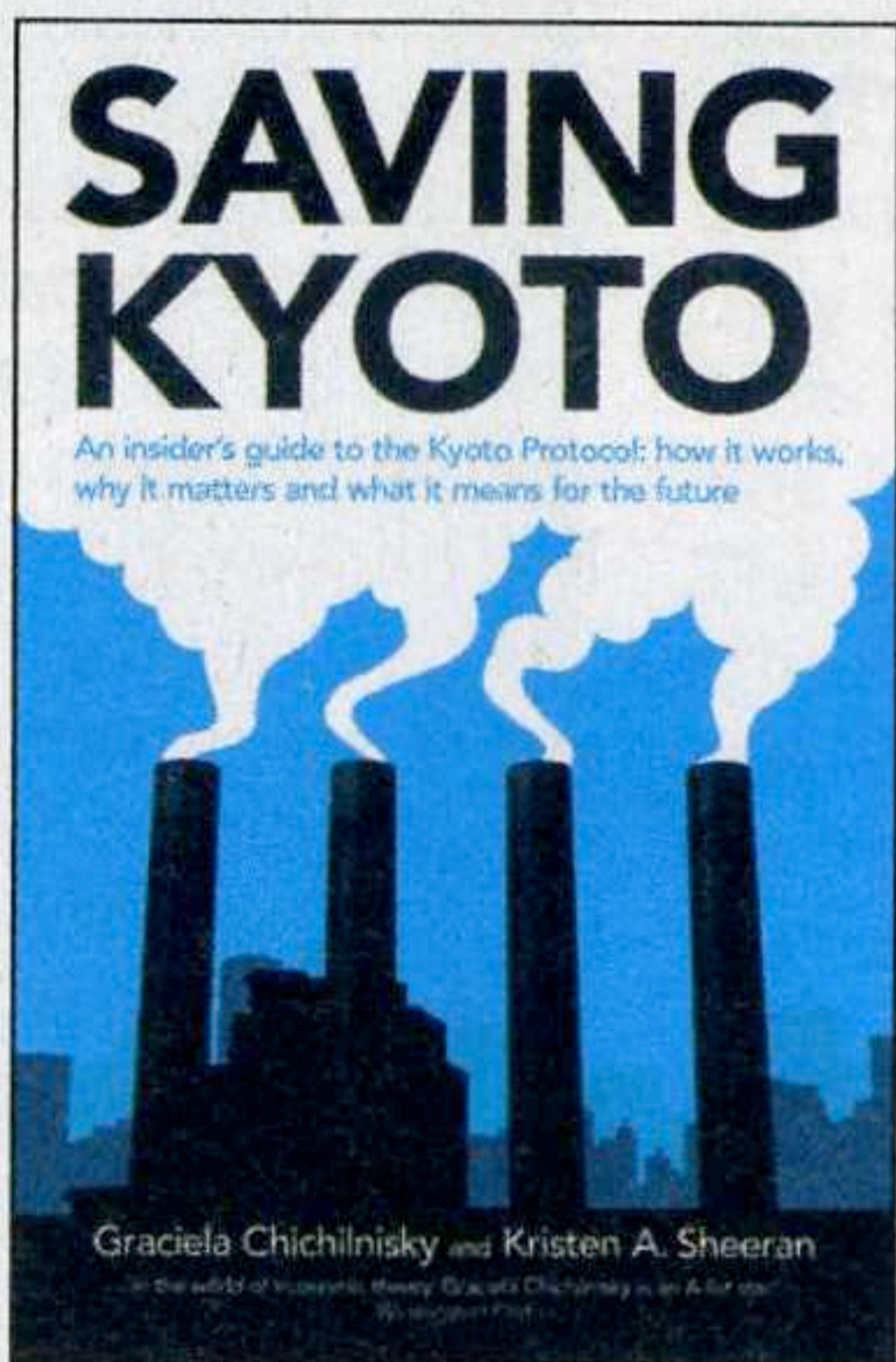
Before the Kyoto Protocol was signed, the carbon market was more illusion than reality – and it has since then become a \$60 billion per year reality, so there is hope. The Kyoto Protocol's history has been a rollercoaster of hopes and despair. After a cliff comes a burst of optimism – which is then followed by another big fall. Copenhagen is the last hope for the Protocol before it expires in 2012. It's up to the international community to rise to the occasion at Copenhagen, and use the germs of solutions to save Kyoto.

For more information, see www.chichilnisky.com. *Saving Kyoto* (New Holland, £8.99) by Graciela Chichilnisky and Kristen A Sheeran is out now. To win one of 10 copies, turn to p22.

THE BIG ISSUE COMPETITION

10 COPIES OF SAVING KYOTO TO BE WON

The Kyoto Protocol, signed by 160 nations in 1997, was an historic agreement, based on the creation of a new market, trading in user rights to the global atmospheric commons. In **Saving Kyoto**, the main architect of this 'carbon market' Graciela Chichilnisky, and co-author Kristen Sheeran offer an insider's overview of the Kyoto



Protocol; how it originated, the protagonists behind its creation and the current issues that threaten to undermine it when it expires in 2012.

They explain that the key to the survival of the agreement, and that of the Earth as we know it, depends on greater co-operation between developing countries and the West, closing the global income divide whilst simultaneously resolving the climate crisis.

Saving Kyoto explains in intelligent and accessible language, how we have come to a critical turning point in the history of humankind, and what we must now do to prevent significant and irreparable damage to our planet.

To be in with a chance of winning simply answer the following question:

Q. What is Kyoto?

- A. A type of Sushi B. A Japanese city
C. A Japanese festival**

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