



# postnote

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## RATIFYING KYOTO

The UK will shortly ratify the Kyoto Protocol for tackling climate change. This is part of a co-ordinated EU ratification programme agreed by EU environment ministers in March 2002. Before the EU can formally ratify the Protocol, each Member State must receive clearance from its national parliament. To inform this process in the UK, this briefing outlines:

- the Kyoto Protocol and the current UK/EU view
- positions of other developed countries (particularly the USA, Australia, Russia and Japan)
- the situation in developing countries.

### The Kyoto Protocol

The 1997 Kyoto Protocol (see box opposite) sets out a scheme by which industrialised countries must begin to reduce their emissions of greenhouse gases that may affect the climate. Negotiations on the Protocol have not been easy (see POSTnote 147, October 2000) and indeed the USA has now pulled out. However, other countries have persevered. A detailed legal text clarifying outstanding issues was agreed last autumn. For the Kyoto Protocol to enter into force, it must be ratified by at least 55 nations, including those responsible for at least 55% of industrialised countries' emissions in 1990. The current situation is that most countries are preparing to ratify the Protocol and hope to bring it into force at the World Summit on Sustainable Development to be held in Johannesburg at the end of August 2002.

### The EU/UK perspective

EU emission reduction targets are set out in the box on the next page. To ratify the Protocol, signatories must deposit their 'Instruments of Ratification' with the United Nations. The European Community and its member states have agreed to do this simultaneously before early June 2002. Currently, all member states are on track to complete their internal ratification in time and several have already done so - including France, Denmark, Portugal and Luxembourg.

### Mechanisms of the Kyoto Protocol

The Kyoto Protocol requires industrialised countries to reduce their greenhouse gas emissions from 1990 levels by an average of 5% over the period 2008-2012. There are three key mechanisms to help achieve reductions:

- **International emissions trading** – A country that achieves emissions reductions over and above its target can sell its excess 'Assigned Amounts' to countries who find emissions reductions more problematic. This reflects both the fact that (as a global pollutant) carbon emission reductions are of equal value wherever in the world they are achieved, and also the economic principle that the most cost-effective means should be used to achieve reductions.
- **Joint Implementation** – An industrialised country may undertake a project in another industrialised country that results in emissions being reduced beyond those in a 'business as usual' scenario (the principle of 'additionality'). The investing country may earn emission credits to offset some of its own emission reduction target.
- **Clean Development Mechanism** – This is similar to Joint Implementation, except that the country 'hosting' the project is a developing country. Again, if the project leads to additional emissions reductions (and contributes to 'sustainable development' in the host country), the investing country earns certified emission reductions. A share of the proceeds will fund adaptation to climate change in the most vulnerable countries. The types of projects eligible under the Clean Development Mechanism have not yet been finally agreed, but carbon sinks (such as forests) are not to be included.

In addition, the Protocol sets conditions for monitoring and reporting emissions and establishes financial arrangements to help developing countries adapt to climate change.

In the UK, the Protocol was laid before Parliament on 7 March 2002 and will remain for 21 sitting days. This means that the Foreign Secretary will be able to sign the UK's ratification instrument on or after the 19<sup>th</sup> April. This will then be deposited with the United Nations.

**Kyoto Protocol targets for EU emissions reductions**

Country	Target
Austria	-13%
Italy	-6.5%
Belgium	-7.5%
Luxembourg	-28%
Denmark	-21%
Netherlands	-6%
Finland	0%
Portugal	+27%
France	0%
Spain	+15%
Germany	-21%
Sweden	+4%
Greece	+25%
UK	-12.5%
Ireland	+13%
EU total	-8%

**Note:** The targets are set against member states' 1990 emissions, relating to six greenhouse gases, of which carbon dioxide and methane are the most significant.

The targets must be met between 2008 and 2012. The EU is committed to an overall reduction of 8%. Each member state has adopted its own target within a 'burden sharing' arrangement, allowing some to increase emissions, while others reduce theirs as their economies allow.

The EU position (with which the UK concurs) is that the total costs of meeting the Kyoto Protocol targets could be less than 1% of projected EU GDP in 2010. To achieve this, however, the EU will need to adopt the most efficient policies to reduce greenhouse gas emissions. To this end, the European Commission has agreed measures including:

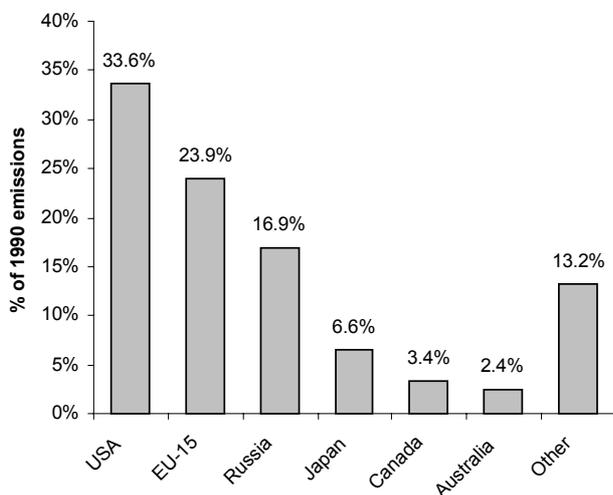
- an EU-wide emissions trading system
- improvements in the energy efficiency of buildings
- promoting electricity from renewable energy sources
- a strategy to increase the use of alternative road fuels
- agreements with car manufacturers to reduce carbon dioxide emissions from vehicles.

Further measures are likely to include promoting energy efficiency and combined heat and power and adopting less polluting modes of transport.

**Other developed countries' positions**

The EU was responsible for 23.9% of developed countries' emissions in 1990. As the Kyoto Protocol requires ratification by industrialised countries responsible for at least 55% of the 1990 emissions, sole ratification by the EU alone will not be enough (see figure below). Other developed countries' positions in relation to ratifying Kyoto are set out in the box opposite.

**Developed countries' greenhouse gas emissions in 1990**



Source: United Nations Framework Convention on Climate Change Greenhouse Gas Inventory Database (<http://ghg.unfccc.int>)

**Other key countries' positions on ratifying Kyoto**

**The USA** had previously agreed to a 7% reduction, but now has stated that it will not ratify the Kyoto Protocol. It has recently announced its own policy based on voluntary emission reduction targets.

**Russia** has not yet formally committed to ratification, but yet is essential for the Protocol to enter into force. Currently, the Russian government seems inclined to ratify, although the timing remains uncertain at present.

**Japan** is committed to ratification and is seeking the approval of its parliament (the Diet).

**Canada** has stated that it is committed to the objectives of the Kyoto Protocol and to its agreement. However, it will hold discussions with all interested groups, including the provinces, environmental groups and industry (particularly the oil and gas industry), and no process of acting on the Protocol will commence until after these discussions.

**Australia** has stated that it wishes to work closely with the US on climate change issues. In February 2002 a joint Australian/US Climate Action Partnership was established, with the Australian Environment Minister stating that "Australia remains committed to working to meet its Kyoto targets, regardless of whether the Protocol comes into effect internationally."

**Other countries;** the EU Accession States (13 in total); other OECD countries (including Iceland, Norway, New Zealand and Switzerland) and other central European countries have all stated their willingness to ratify.

**Participation by developing countries**

Developing countries are not bound by any numerical targets to reduce their emissions. The 1992 Framework Convention on Climate Change required developed countries to take the first steps on the grounds that historically they had been responsible for the vast majority of greenhouse gas emissions. However, developing countries are signatories to the overall process and are likely to adopt targets in the future. Developing countries will however, take some actions in the near term, including adopting national programmes to reduce emissions and help adaptation; programmes for education and assisting developing countries to build their own capacities for tackling climate change; co-operation in research and climate observation systems.

**Prospects**

Even without US, Australian or Canadian ratification soon, other developed countries can muster more than the necessary 55% of 1990 emissions to enable the Protocol to enter into force. On current timing, observers (such as the Royal Institute of International Affairs) suggest that the prospects for entry into force at the Johannesburg Summit look good, but this depends mostly on the timing of Russian ratification. Were the Protocol not to enter into force at Johannesburg, the ratifying countries' climate change programmes (and that of the EU as a whole) would not be affected in the short term. The Kyoto Mechanisms (see box on page 1) might be jeopardised if Russia delays ratification further.

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