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Russian Climate Policy towards Copenhagen



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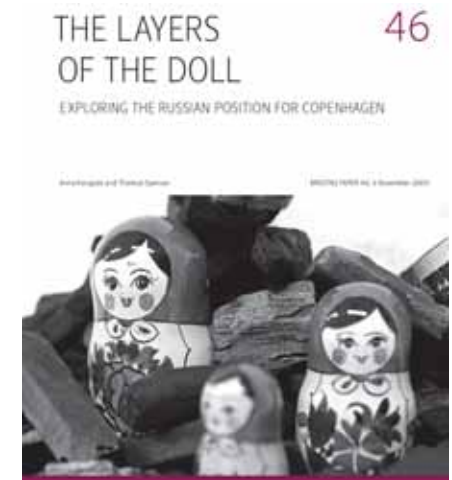


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The Russian position



- Still 'under construction' but views on big pieces clear
- Russian pledge: 22-25% 1990-2020
 - Business-as-usual emission trend
 - Secures economic development
- Carry-over of surplus: ca. 5 Gt
 - No active promotion
 - Legitimacy – recognition of 'early action'
 - Impact of economic crisis
- Sinks
 - Accounting rules, caps
 - Putin: Russian forests must be accounted fully
- Participation by all major emitters
 - importance of the US
- Legal framework – conflicting interests
 - Kyoto dead vs. Carry-overs
- Keeping Annex II
 - the status of transition economies





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How Russia negotiates?



'National Pride' issues as a basis

- **Russia already active**
 - Brought KP into force
 - Emissions well below 1990 level – 'over compliance'
- **Forests as carbon sinks undermined**
 - KP fails to take Russian forests fully into account
 - Countries which have cut their forests gain
 - Russia 'an environmental donor' – to be reopened
- **The surplus allowances are well deserved**
 - Russian national 'asset' – allows other countries to emit more
 - Well deserved as a compensation for economic collapse



Comparison of views with the west

- **Russia passive rather than constructive**
 - Blocked the entry into force of the KP
 - Lack of well-defined position
- **Russian forest sinks over-appreciated under Kyoto**
 - Russia was allocated much more under Article 3.4 than everyone else since blocked negotiations at last minute
- **Surplus allocated on political basis**
 - Caused by the economic collapse of Russia rather than real domestic reduction efforts
 - Russia not using the surplus anyway



Russian Negotiation Tactic: 'Abstain-and-Abduct'?

- In order to receive both a foreign policy role and concessions / benefits, Russia:
 - 1) Keeps its position unclear
 - 2) Tactically makes demands at the last minute in negotiations
- Both the source of and the solution to trouble
 - Lack of coordination inside the government?
 - Deliberate or rather accidental?
 - Is this likely to happen again in Copenhagen?
 - Can it be avoided?



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How to negotiate with Russia?



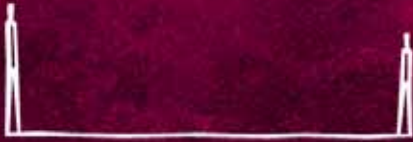
In Copenhagen...

- Climate protection continues to be a politically marginal issue in Russia
- Negotiation mandate may remain unclear
- Make-or-break issues:
 - Headroom for economic growth → BAU emission trend
 - Surplus accounted for, but only discussed after Copenhagen
 - Forests accounted for a carbon sinks
 - All major emitters to participate



Scenarios: How to negotiate with Russia?

- Recent positive developments → bargaining?
 - BUT must define bottom line – minimum contribution as a basis
 - Two consequent loose caps – deeper target would balance transfer of 1st CP surplus
 - Balancing sinks rules with the depth of targets?
 - Internal / 'soft swap' / external
- Russian wider interests support participation?
 - Outside agreement excluded from energy related global decision-making?
 - General foreign policy
- No need for benefits / bargains?
- Too early for real crunch issues in Copenhagen?
- Beyond Copenhagen
 - Political feasibility of non-participation?
 - Does surplus matter?
 - Mitigation impact of agreement more important than moral judgments



Various approaches to surplus - in theory

- Carry-over of surplus allowed
 - Deeper targets
 - Store-and-Save: buffer beyond 2020
 - Discount transfer
 - Green Investment Scheme
 - Finance developing country action
 - Buy-and-Cancel
- Or a combination of these
 - 'basket approach'
- Surplus cancelled or heavily discounted
- Abandon AAU-based system
- Auto-regulation
- Needs to address environmental integrity

THE DEAD SOULS: 39
HOW TO DEAL WITH THE RUSSIAN SURPLUS?





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Thank you!

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Briefing Paper available at
<http://www.upi-fiia.fi/fi/publication/93/>