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The European Union Can and Must Assume a Global Leadership Role in the Climate Negotiations

All that is required are a few simple ideas tailored to the global challenge of climate change - ideas so simple they're revolutionary

Intergovernmental negotiations on climate change are doomed to fail. As always, as was the case with Rio+20, they will be deemed a success, it will be said that significant progress was made, that we need to continue the negotiation process. But everyone knows it's a load of rubbish; that the bilateral agreement between China and the US, consistent with the 19th century negotiating tradition, does not fit the bill, neither in its scale nor its time-frame, by refusing to acknowledge the transitions which are urgently required. It's obvious that the world's two largest emitters will not accept to go any further than this agreement. And we will sink a little deeper into the same schizophrenic mindset, with the same governments calling for a surge in consumption one day, and revelling in the fall in oil prices, the engine of growth, and the next day, urging people to limit consumption to slow down climate change.

Only Europe is able to put an end to this schizophrenia. It's not enough to put forward ambitious greenhouse gas emissions targets. In order to assert its leadership role, Europe needs to offer a *new vision*, illustrated by a few simple ideas. These ideas will not magically shift the current negotiation process. They will take time to emerge as self-evident, but Europe will have to assert its intellectual leadership, so needed by a world bogged down in the current political, economic and legal ways of thinking. Only in this way will the history of the European Union once again become a matter for epic poetry, as it was when the founding forefathers of Europe broke out of the deadly rut of nationalism to embark on a new world.

1. Decoupling economic growth from energy consumption by instigating a transferable territorial quota system for fossil fuels

The link between economic growth and fossil fuel consumption still hasn't been broken. With our current economic toolbox, "decoupling" is a myth. If the energy efficiency of the European economy has improved, it's primarily due to the fact that Europe imports goods whose production is more energy intensive, which now account for a third of our total energy consumption.

Decoupling cannot exist as long as we are using the same currency to pay for that which needs to be stimulated (human labour, creativity, discussion) and that which needs to be economised (fossil fuels). It's as if we were driving a car where the break and the accelerator were the same pedal!

Only a global cap on annual emissions, distributed among the regions of the world, within and between territories, is likely to meet the pressing need, recognised by the entire international community, to limit the maximum average temperature increase to 2° by 2100. Meeting this objective requires defining the total amount of CO2 emissions possible between now and 2100 and allocating these between the eighty-five remaining years, right down the path to zero emissions by 2100. This equation will in turn define the annual emissions cap, thus the quota to be distributed between countries, regions and individuals. The quota must be equal for everyone, for three reasons. First, the climate is a global commons; second, the countries with lower emissions, generally the poorer countries, can benefit from their sobriety by selling their quota to richer countries; and third, without carbon sinks, i.e. oceans, which absorb three-quarters of emissions, our planet would already, to use Michel Rocard's term, be a frying pan. And yet, in the current

economic system, it is the biggest energy consumers that happen to appropriate these sinks. The allocated quota will constitute a new *energy currency*. Thus, any purchase will be made using two currencies (electronic currency has already made this the norm): energy currency, by which we subtract the total quantity of energy embodied in the good or service that is being bought from the allocated quota; and standard money for everything else. Just as VAT has resulted in measuring added value throughout the production process, energy currency will similarly instantly trigger traceability mechanisms to add up fossil energy used throughout the production process.

Unlike a national or regional emissions tax, which proportionally impinges more on the poor than the rich, because the energy expenditure weigh more in the former's budget than on the latter's one, and the current carbon market, which only concerns big businesses, this transferable quota system is socially progressive. It means that poorer countries, regions and households can choose to sell their unused quota at an advantageous price.

2. A global tax on fossil fuels deducted at source

For nearly twenty years, international negotiations have faltered on the question of how to finance the energy transition in poorer countries, and how much rich countries should contribute to this funding. Yet there exists an almost unbelievably simple solution: a global tax on fossil fuel production deducted *at source*, which will then be used to fund energy transition, particularly in poor countries. This solution is both easy to set up and easy to carry out, due to the concentration of production sources. Why has this never been suggested? Because it violates one of the most deeply-rooted taboos on the international scene: the total and absolute sovereignty of States over natural resources. Yet, who, after having been at the origin of the absolutist conception of the sovereign State, was wise enough to turn around and break the taboo of sovereignty? The European Union. It is thus up to the EU to open up this issue for discussion.

3. Put a stop to the unlimited irresponsibility of our societies

The corollary of interdependence is reciprocal responsibility; the obligation to consider the impact that our actions have on other societies and on the biosphere. Global interdependence implies universal responsibility under international law. Yet the current legal system does not incorporate global responsibility. It remains dominated by an ancient State-centred system. The 19th century, preoccupied by industrial society's economic growth, invented the Limited Liability Company in order to encourage entrepreneurship and facilitate the mobilisation of capital for the development of an industrial society. As the 21st century begins, the age of Anthropocene, the age in which humanity's survival depends on our collective ability to manage a fragile and finite planet, and to consider the impact that our actions (even those seemingly trivial) have on other societies and on the biosphere – is at present the age of *unlimited irresponsibility*.

Climate change is a case in point. Currently *there is no mention of the climate in international law*. There is no governance over its evolution. What happens to it is only the result of dubious negotiations between dominant powers. The recent bilateral agreement between China and the US, the form of which resemble more 19th century models than those of the 21st century, is a perfect example. In order to put an end to unlimited irresponsibility, the climate needs to be given the status of a *global commons*, the governance of which must be defined as well as the respective responsibilities shared out. The quota system and the energy currency would be part of the management system for this commons.

It is up to the European Union to take the reins and put forward this proposition. Why the EU? First of all, because European societies are alike in that they are all built on a form of social pact, an understanding of shared responsibility, and of the need to find a balance between market efficiency

and social redistribution. And second, because of the uniqueness of the European legal system, which has been built out of different legal traditions and exhibits a degree of flexibility when it comes to adapting common principles in each country. This proposal, which should be put forward in the climate negotiations, should comprise two commitments: first, the adoption of a European Charter of Human Responsibilities, with an extension of the jurisdiction of the European Court of Human Rights to this new responsibility law; and second, opening up negotiations for an international law on climatic responsibility, based on recognising the climate as a commons. This would be the UN's first step in adopting a third pillar of the global community: the Universal Declaration of Human Responsibilities, which should sit alongside the UN Charter and the Universal Human Rights Declaration. This Declaration of Human Responsibilities would provide the framework for developing an international law of responsibility.

4. Base international trade on promoting sustainable production and consumption chains

With the creation of WTO, the world has largely focussed on removing free trade barriers. In a world that is increasingly “flat”, the majority of supply chains are organised globally. But what systems of production and consumption has this led to? Influenced by civil society and the law, companies are no longer restricting themselves to assuming social and environmental responsibility only within their own perimeter. They are increasingly encouraged to remove the “legal veil” of a fictitious independence of subsidiaries, suppliers and contractors, as reflected in the ISO26000 standard, and to assume their societal responsibility, by considering the social and environmental impact of their whole supply chain. However, *there can be no sustainable societies without production and consumption processes that are themselves sustainable.*

The European Union could be at the forefront of this evolution. The TTIP negotiation with the United States represents an historic opportunity. The issue is not about reducing customs duties – this has already been done – but about unifying standards for supply chains. Even if it is true that European consumers are concerned about adequate food security standards, the discussion cannot stop there. This is a unique opportunity to carry out a joint review of production processes and standards, starting with the food industry, and will make the TTIP the first international agreement aimed at promoting sustainable supply chains.

5. Promote a global policy that puts cities and regions at the heart of the energy transition

International conferences all reach the conclusion that cities and regions are not just places in which national policies on transitioning towards sustainable energies are to be applied, but are the key players in this transition. Working at this level is the only way to design and conduct this shift in a systemic way. There are an increasing number of cities and regions around the world that are committing to independent initiatives, such as, for example, the European Covenant of Mayors, which go well beyond the commitment of their national governments. These initiatives include setting up systems where European cities and regions can share and discuss their experiences with those in other parts of the world.

The European Union can play a decisive role in encouraging these initiatives. It has a strong tradition of local democracy, even if there are significant variations between the level of autonomy and financial and legislative resources of local authorities between member states. The Committee of the Regions has published a White Paper on multi-level governance that reflects the true spirit of Europe's unification process. By making this the standard system of governance across Europe, by basing it on the principle of active subsidiarity, by systematically focussing on results rather than means in the relations between different levels of governance, particularly between States and local authorities, by giving official recognition to the European Covenant of Mayors, by funding an international exchange of experience between cities committed to the transition towards sustainability, by initiating a pact of co-responsibility between the different stakeholders in a

territory, the European Union can inspire the world community to follow in its footsteps. And one such inspiring step would be, as part of these voluntary commitments, to give local authorities direct access to international funding for the energy transition.

Pierre Calame

Chief civil engineer.

Chairman emeritus of the Charles Léopold Mayer Foundation (fph)

Author of: la Démocratie en miettes (2003);

Essay on Oeconomie (2009) ;

Dix-huit propositions pour l'Europe (2009);

Sauvons la démocratie (2012).

Patrick Lusson

ESSEC International Business School; town planner; futurist.

Former General Representative of the Rhône-Alpes region in Brussels.

Member of Confrontations Europe and the European Movement.