A (good) change of climate

Under the radar screen, the climate-change debate is undergoing a crucial shift at national level, write Julian Hunt and Terry Townshend


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After the disappointment of the Copenhagen summit in 2009, the UN climate-change summit in Cancún in December offered muted hope – it yielded no comprehensive international deal, but at least it saved the UN process and prompted pledges to take unilateral action to limit greenhouse-gas emissions. But would those pledges prove mere words?

A study by Global Legislators Organisation for a Balance Environment (Globe) and the Grantham Research Institute at the London School of Economics (LSE) suggests they were more than words. National capitals are now advancing substantive domestic legislation at a pace that contrasts sharply with the difficulties in UN-brokered talks.

China's new five-year plan envisages that by 2020 the carbon intensity of its economy will be 40%-45% lower than in 2005, and Beijing plans to draw up a comprehensive climate-change law. Recommendations from an expert group commissioned to produce a "low-carbon strategy for inclusive growth" will be a central theme of the five-year plan that India will produce in 2012. Mexico is examining all existing energy-related laws to identify what amendments are needed to make them consistent with climate-change goals. And South Africa intends to pass a climate-change law ahead of the Durban climate-change conference later this year.

All of this – and these are examples – is probably too late to avert significant changes in the climate; for that, ambitious and comprehensive action is needed from all major economies. Nor is the trend uniformly positive across the 15 countries (the EU's largest states, the US, the BRICs, Canada, Indonesia, Japan, Mexico, South Africa and South Korea). One reversal, for instance, was the withdrawal of the US federal climate-change bill from the Congress last summer (though even there, heavy federal-level investment in the green economy through its stimulus package provides a countervailing force).

The trends are, nonetheless, important. There is a now a striking convergence towards a comprehensive approach to policy and legislation. Rather than simply making international commitments, countries are now underpinning these pledges by putting in place national legal and policy frameworks to measure, report, verify and manage carbon. Underlying this is a shift in perceptions driven by an increasing recognition of the significant additional benefits of action, such as improved energy security, resource-efficiency, air quality and economic competitiveness – all of which are in the direct national interest.

This fundamental shift could transform the global debate over climate change. Talks were previously viewed as a debate about burden-sharing, with governments naturally trying to minimise their share. And it demonstrates that the major 'developing' countries, the engine of economic growth for the next few decades and home to 7 billion of world's projected population of 9 billion people in 2050, are moving on from blaming rich countries for causing climate change to taking responsibility for the future, aware that action is a matter of self-interest.

As yet, a comprehensive international agreement is impossible. The shift in attitude still lacks critical mass, each country's focus varies according to national circumstances and priorities (whether they be poverty reduction, pollution control, economic growth or sustainable agriculture) and each is progressing at different speeds. All these compound the political challenges.

Nonetheless, the longer this trend persists, the greater the chance of an eventual deal. Europe's strategy should reflect this. After Copenhagen and Cancún, it would be tempting for Europe to concentrate more on its own needs and commitments, to shorten its time horizons, to lower its longer-term ambition, and to harden its stance in dealings with other countries. This survey suggests that Europe is not the only part of the world that is capable of enlightened self-interest and that the climate debate may be turning a corner. It would be wrong, therefore, for Europe to reduce its ambition. Rather, it has all the more reason to invest more in climate diplomacy and international co-operation to help create the political conditions on the ground that will enable a comprehensive global deal to be reached. And it is in Europe's direct interest to restructure its economy, so that it can take advantage of the huge opportunities created as others transform their economies.

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The scrap for metal

To reduce the risk of a free-for-all scramble for metals and minerals, set up a global forum, writes Roderick Kefferpütz

High commodity prices are now becoming the norm, with constrained supply compounding the pressure exerted by increasing demand. One result is increasing politicisation. Already, industrial, emerging and developing economies are vying for supplies; something worse – a scramble for resources – is possible.

In the minerals sector, for example, the US, the EU and Mexico have taken a case to the World Trade Organization (WTO) against China about nine minerals; the EU is flirting with the idea of making its development aid conditional upon access to crucial minerals, particularly metals; China is restricting exports of its much-coveted rare-earth elements; and Brazil is considering doing the same.

Such competition affects many resources, but there should be particular concern about metals and other important minerals.

For some other major resources, international systems and structures exist. The energy industry has – for example – the International Energy Agency, the (European) Energy Community, the International Energy Forum and OPEC. Concerns about food supply can be addressed through, for example, the UN's Food and Agriculture Organization, the International Fund for Agricultural Development and the World Food Programme.

For industrial minerals and metals, there is nothing comparable. Some, but not all, are discussed in separate international organisations; the membership of all of them is limited and varied. All are flawed.

The Organisation for Economic Co-operation and Development, for example, wants to facilitate non-members' participation in discussions on metals. But it is seen primarily as a Western club, and so developing and emerging economies will be wary of entering such a setting.

There is also the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development – but its 42-state membership includes just two EU states and does not include major players such as the US, China and Australia.

In addition, there is the set of intergovernmental International Metal Study Groups, whose purpose is to conduct research, promote dialogue and increase market transparency. While relatively successful in doing so, they are not a platform for broader political debate, they are concerned with just four metals (copper, lead, zinc and nickel), and their membership – ranging from 15 to 29 – is small and predominantly European.

A single international minerals forum, focusing particularly on metals and free from the taint of any political bloc's agenda, is needed. In an inter-dependent global economy, it should be in every state's interest to avoid autarky and to limit price volatility and speculation. This is easier when there is an impartial setting in which to air differences.

The membership of the forum should be as inclusive as possible. It should, therefore, not set 'hard law', as the WTO does, since binding obligations would probably dissuade too many countries.

The organisation would act as a facilitator, through research (for example) and primarily through the type of regular dialogue – both structured and informal – that is familiar in so many other parts of the international system. With all metals and other important minerals on the agenda, key players, such as China, should have a reason to attend.

One option would be to expand the membership of the Intergovernmental Forum, with deeper commitment on the part of members. Alternatively, a new organisation could be created to emulate the 86-member International Energy Forum (IEF), which brings together energy ministers for informal discussions.

The European Commission is currently mulling over a paper on a global raw-materials dialogue. France too has expressed much concern about commodities, particularly agricultural products, and price volatility.

They could start by pointing out the need to fill arguably the biggest gap in dialogue about raw resources: metals and other strategically important minerals. As president of the G20, France has an excellent podium from which to kick-start discussion on the development of a forum that brings together the world's producers and consumers.

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