Foreword

The international climate negotiations have entered a new, important and very challenging phase with the agreement on the Durban Platform in December 2012. Under the Durban Platform, a new agreement, applicable for the period after 2020, is to be finalized by the end of 2015. These negotiations face a reality that is very different from when the United Nations Framework Convention on Climate Change (UNFCCC) itself was agreed in 1992. Importantly, the outcome of these negotiations will need to deal with a future reality that is very different from the one we know now.

A key element of this new reality is the tremendous economic growth, and resulting growth in emissions, that we have seen in emerging economies around the world, and in particular in Asia. China's gross domestic product (GDP), at 14 per cent of global GDP, is rapidly catching up with that of the European Union (EU) (20 per cent). Per capita it is approaching that of some of the poorer EU Member States (\$7400 per capita for China, \$10900 per capita for Romania). This has also affected China's emissions. China's total emissions will soon be three times those of the EU (28.6 vs. 11.2 per cent of global emissions) and per capita emissions are almost at the level of the EU (China: 7.2, EU: 7.5 tonnes of CO₂-eq). While Vietnam is still far from China's level of emissions or economic development (emissions of 1.46 tonnes and a GDP of \$3000 per capita), its economy has continued to grow at an average of 6.4 per cent annually over the last decade.

An often forgotten part of this new reality is that whereas in 1992 few countries had domestic mitigation policies in place, countries are now increasingly recognizing the importance of taking domestic action that mitigates their greenhouse gas emissions.

The challenges and opportunities for such policies, particularly in Asia, are considerable. China emits per unit of GDP more than three times as much as the EU (0.93 kg compared to 0.27 kg per 2005 purchasing power parity dollar or unit of GDP). Vietnam's emissions per unit of GDP are double that of the EU, at 0.57 kg. Recognizing this, China has put forward a mitigation pledge, which includes lowering its carbon dioxide emissions per unit of GDP by 40–45 per cent by 2020 compared to the level in 2005. Importantly, it has translated this target for the first time into targets in

the 12th Five-Year Plan and is developing a number of policies to meet these targets. This includes developing a number of emissions trading pilots (in the provinces of Guangdong and Hubei and the cities of Beijing, Shanghai, Tianjin, Chongqing and Shenzhen), with a view to a national roll-out of emissions trading in the next Five-Year Plan. Vietnam has still to put forward a target internationally but, as this book shows, is rapidly stepping up its domestic actions on climate change and has significantly stepped up its participation in the Kyoto Protocol's Clean Development Mechanism over the past few years.

The bilateral EU–China and EU–Vietnam cooperation and relationships in the development and implementation of these domestic policies have seen an important growth over the past few years. The European Commission is developing a €5 million bilateral cooperation project with China's National Development and Reform Commission (NDRC) to support the development of emissions trading in China. Another project will invest around €10 million in sustainable urbanization. The EU and its member states also continue to be very active in Vietnam, with a range of bilateral cooperation programmes, including a recent new European Investment Bank (EIB) climate change loan.

The rapid economic growth in many countries around the world, and the increasing domestic action on climate change, are very encouraging. But there are important challenges ahead in recognizing these new realities in the international climate negotiations. Most importantly, the challenge will be to provide a framework that enables countries to collectively do more than what they would be prepared or able to do individually, enabling the world to get onto a pathway that keeps global warming below 2°C.

Doing so will require building upon two fundamental changes in approach. A first is that the new agreement will need to recognize the much broader spectrum of responsibilities and capabilities and translate this into a spectrum of commitments, both in terms of mitigation, but also in terms of providing support. We have moved beyond the binary setting of the Kyoto Protocol, which only contained targets for developed countries. A second fundamental change in approach is that the new agreement will need to build upon domestic actions and provide tools and incentives to further strengthen them. This means moving beyond an exercise that focuses on setting targets, towards one where this focus is shared with more cooperation on implementation and tools that regularly review and incentivize a strengthening of those targets. Translating both fundamental changes into a new agreement to be finalized by 2015 will require a better understanding of what drives and encourages ambition in key emitters.

This book is therefore very timely. By looking at China and Vietnam as

key emerging economies as a case-study for the relationship between the EU and Asia more broadly, and specific challenges in the cooperation in the area of climate change more specifically, it provides important insights for bilateral cooperation and international negotiations. These lessons go beyond EU–China and EU–Vietnam relations. Many of them are applicable to other countries in Asia, a region which will remain a key priority for EU foreign and climate policy, not least as the EU’s largest trading partner.

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