



**GLOBAL
ENVIRONMENTAL ISSUES**
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Forum for 21st century **on Green Solutions**

Notes

The basic needs of human beings are water, health, food and shelter which are threatened by climate changes like higher temperature, sea level rise, or many natural disasters. Climate change has a direct effect on water and food security, key natural resources, migration, ecosystems, human health. The key greenhouse gases emitted by human activities are: Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Fluorinated gases (F-gases).

There are many theories and studies that explain the various aspects of global warming. But most of them agree that the global warming of the Earth should be kept below 2°C in comparison to the temperature in the pre-industrial times. The studies, however, differ in whether and how the world will be able to sustain the temperature below this level.

Under the Kyoto Protocol adopted on the 11th of December 1997 the signing countries committed themselves to reduce greenhouse gas emissions to an average of five per cent against 1990 levels over the five-year period 2008-2012. But some of the world's major players in international relations did not ratify this Treaty and therefore the contribution to the reduction of emissions of the agreement is questionable. This implies that the Kyoto Protocol has become dysfunctional, ineffective and unenforceable mechanism and is necessary to solve this problem as soon as possible because the Kyoto Protocol lapses at the end of 2012.

For 2020 the 27 Member States of the EU have committed to reduce their emissions to 20% below 1990 levels but they are disposed for rising up this number up to 30% if the other major economies would also reduce significantly their emissions. Another objective of the EU is to decrease the amount of emissions by 80-95% compared to 1990 levels.

ASEAN member states created Plan of Action for Energy Cooperation 2010 – 2015 whose goal is to achieve a collective target of 15% for regional renewable energy in the total power installed capacity by 2015.

One of the most important factors that contribute to the emissions is the change in land use, especially deforestation which can account for 5 billion metric tons of CO₂ emissions which is the same as 16 % emissions from fossil fuel sources. The land-use changes, the deforestation in South America, Asia and Africa seem to be the largest contributors to emissions.



Proposals

The Forum for 21st Century therefore submits these proposes.

The Forum suggests adopting an international agreement which would be a successor of the Kyoto Protocol. The key issues will be reducing emissions and increasing the usage of green energies. The Environmental section brings into the attention of participants that the Kyoto Protocol will expire at the end of this year and is aware of the necessity to agree on substitution of this Treaty. The Forum proposes agreeing on this initiative as soon as possible, in order not to wait too long for the implementation of another Kyoto Protocol.

Negotiations will begin on a new, legally binding accord, **the Green Act**, that will be signed by 2013 and come into force by 2020. Under this accord will be created a fund – the Green Act Fund (GAF). The Green Act commit the members to provide developing countries **finance of 30 billion USD** for the period **2013-2020** considering the size of the economy (Appendix I – Calculation of contribution) and the amount of the commitments of each member.

The Green Act Fund will finance:

- ✕ Large-scale mitigation projects in the developing world.
- ✕ Projects those help adapting to climate change and fighting against the impacts of climate change.
- ✕ Projects of capacity-building, technology development and transfer.
- ✕ Programs, policies or other activities to support afforestation.

The GAF will be led by a Board that will have a full responsibility for funding decisions. The **Board will be composed of The World Bank and the members: ASEAN, EU and USA** and the participant's voice is directly proportional to its contribution with the only limit being that a single donors' voice could not exceed 33% of the total, no single donor could have more than 1/3 of the votes in deciding bodies of the fund so as to avoid the domination by a single participant. The WB will have 25% of votes, ASEAN 18, 5%, EU 30% and USA 26, 5% (Appendix II – Calculation of votes). The voting procedure will be qualified majority.

The GAF will centre his **support exclusively to developing countries**. The recipient countries will create a number of projects and the Board will decide which one will be implemented. Thus each of the recipients will have its own team of experts to develop such projects.

The Board will elaborate annual reports on its activities, and take appropriate action in response to the guidance received. **The Green Act Fund will be governed and supervised by a Committee** in which all members including World Bank will have an equal representation. The Committee will have a control function. It will evaluate how the countries comply with the set targets based on annual reports.

Except the control function, the **Committee** will:



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1. Establish subcommittees and panels and define their terms of reference, as appropriate.
2. Establish additional thematic windows and/or substructures to address specific activities, as appropriate.
3. Establish a framework for the monitoring and evaluation of performance and the financial accountability of activities supported by the fund and any necessary external audits.
4. Review and approve the administrative budget of the Fund and arrange for performance reviews and audits.
5. Exercise such other functions as may be appropriate to fulfil the objectives.

The goal set by The Green Act is to **decrease greenhouse gas emissions by 20% compared to 1990 level**, for 2025 and the ratio of **usage of alternative sources** of energy over total sources of energy will be **15%**. It is essential to focus on the potential of every country to take the advantage of the natural fortune and to try to utilize the green energies as much as possible and gradually to increase the ratio on energy exploitation.

The Green Act provides three options for countries in reducing emissions.

A.1 If member decides to commit itself to reduce greenhouse gas emissions by **20%**, it will contribute to the GAF **only considering the size of the economy**.

A.2 A member decides to set its own **lower target (less than 20%)**, in terms of emission reduction. Consequently, it will have to contribute **15% more** than would have been the contribution based only on the size of the economy. (It means: contribution based on the size of the economy + 15%.)

A.3 Member **does not commit itself to reduce emissions**. This member will have to contribute **30% more** than would have been the contribution based only on the size of the economy. (It means: contribution based on the size of the economy + 30%. The member will have to **pay the difference between its amount of emissions and the base level 1990.**)

Each country, before entering in The Green Act and choosing one of the options, has to present a study of its environmental situation and the trend of reducing emissions and the **Committee will consider if the chosen group (A.1, A.2, A.3) by the country corresponds with the trend**. The Committee will approve chosen group avoiding speculation.

According to the previous stand-points, the Forum suggests to create a **system of sanctions** for the members which do not follow the structured plan (the Kyoto Protocol did not have a system of sanctions) and therefore to ensure the completion of the goals defined in the plan and increase the efficiency of the new agreement in comparison with the previous one.



The Committee will supervise the mechanism of sanctions. All the finances from the mechanism will form part of the Green Act Fund.

Mechanism of sanctions:

In accordance of each country's emission quotas.

If the quota is exceeded **by 10%:**

1. If the country belongs to the group A.1, it will pay **6\$** per metric ton.
2. If the country belongs to the group A.2, it will pay **7\$** per metric ton.
3. If the country belongs to the group A.3, it will pay **8\$** per metric ton.

If the quota is exceeded by **more than 10%:**

6. If the country belongs to the group A.1, it will pay **7\$** per metric ton.
7. If the country belongs to the group A.2, it will pay **8\$** per metric ton.
8. If the country belongs to the group A.3, it will pay **9\$** per metric ton.

If the quota is exceeded by **more than 20%:**

9. If the country belongs to the group A.1, it will pay **8\$** per metric ton.
10. If the country belongs to the group A.2, it will pay **9\$** per metric ton.
11. If the country belongs to the group A.3, it will pay **10\$** per metric ton.

If the quota is exceeded by **more than 30%:**

12. If the country belongs to the group A.1, it will pay **9\$** per metric ton.
13. If the country belongs to the group A.2, it will pay **10\$** per metric ton.
14. If the country belongs to the group A.3, it will pay **11\$** per metric ton.

The prices will be adjusted to annual fluctuations.



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Appendix I – Calculation of contribution

Based on the size of the economy, on GNI.

GNI, Atlas method (current US\$) 2011

ASEAN: approximately 2 trillion

EU: appr. 17 trillion

USA: appr. 15 trillion

Together: 34 trillion

ASEAN: 5,88% from 34 trillion

EU: 50,00% from 34 trillion

USA: 44,12% from 34 trillion

Contribution based on these percentages:

ASEAN: 2 billion from 30 billion

EU: 15 billion from 30 billion

USA: 13 billion from 30 billion



Appendix II – Calculation of votes

The **World Bank** will have **25%** of votes.

Developing countries: **ASEAN** will have **15%** of votes.

This two are set.

The remaining 60% will be divided between ASEAN, EU and USA based on the % of their contribution.

ASEAN: 5,88% from 60% → 3,5% + 15% = **18,5%**

EU: 50% from 60% → **30%**

USA: 44,12% from 60% → **26,5%**

Summary

Country/Grouping	CONTRIBUTION	VOTES
ASEAN	2 billion	18,5%
EU	15 billion	30%
USA	13 billion	26,5%