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Russia's International Climate Policy

In 2008, Russia ranked fourth on the list of the biggest greenhouse gas (GHG) emitters, with a 5.67% share of global emissions.[1] This alone shows its importance to the international climate change regime. However, Russia also holds the biggest surplus of emission allowances granted by the Kyoto Protocol, which if sold over a short time could seriously destabilise the integrity of the global carbon market and the regime itself. In addition, Russia's forests cover a large area and hold more carbon than the forests of any other nation and thus have the potential to play a major role in affecting climate change.[2]

However, climate change presents a great challenge to Russia as well. The country occupies a distant 81st position in the ranking of vulnerability to climate change,[3] while its neighbours, Belarus, Kazakhstan and Ukraine, rank 28th, 50th and 52nd, respectively. The situation is not any better when it comes to environmental policy. A recently published Environmental Performance Index measuring, for example, the influence of environment (i.e., air or water) on human health and ecosystem vitality, ranks Russia 106 out of 132 countries. Even more striking, it shows that in the years 2000–2010 Russia made the least improvement amongst all countries studied.[4]

Nevertheless, the climate change issue does not constitute a priority for the Russian authorities. Several internal factors, such as a well-rooted scepticism within the Russian scientific community towards anthropogenic global warming, low environmental awareness

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[1] *Carbon dioxide emissions (CO_2), thousand metric tonnes of CO_2*, "Millennium Development Goals indicators," United Nations Statistics Division, www.mdgs.un.org.

[2] Richard Houghton, David Butman, Andy Bunn, Olga Krankina, Peter Schlesinger and Thomas Stone, "Mapping Russian forest biomass with data from satellites and forest inventories", *Environmental Research Letters,Vol.* 2, No. 4, 2007.

[3] *Global Adaptation Index*, Global Adaptation Institute, www.index.gain.org.

[4] *Environmental Performance Index 2012*, Yale Center for Environmental Law and Policy, www.epi.yale.edu.

of the Russian society, and the priority given to the country's economic restoration, mean that the Russian climate policy is to a great extent being driven by the pursuit of benefits in areas other than that of environmental policy.

Thus, during the upcoming negotiations about a new agreement to replace the Kyoto Protocol, Russia is not likely to participate actively in negotiations aimed at achieving a compromise solution. However, if its interests are challenged, Russia will not hesitate to stand against such a course of events.

Background: Climate Change on the Sidelines

The issue of anthropogenic climate change not only occupies a low position on Russia's national political agenda, but has also been encountering scepticism within some influential sections of the political and scientific elites in the country. Even though, with President Medvedev in office, climate policy has received more recognition, it has been absent from the agenda of Prime Minister Putin, who plays the leading role in Russia's political elite. During Putin's presidency, several anti-environmental decisions were taken with the declared aim of reducing bureaucracy, including the dissolution of the independent Russian State Committee on Environmental Protection and the Russian Forest Service in 2000 and the transfer of their functions to The Ministry of Natural Resources, thus weakening the state's environmental controls.

Climate change sceptics, of whom Yuri Izrael and Andrei Illarinov are the two best known, had a great influence on President Putin. Izrael serves as the director of the Russian Academy of Sciences' Global Climate and Ecology Institute and was both an influential advisor to President Putin and a sceptic regarding anthropogenic causes of climate change and its negative influence on Russia. Illarinov, in his role as an economic advisor, argued that given the then predicted economic growth, the country would either have to buy emissions credits under the Kyoto Protocol or slow down economic development if it were to avoid exceeding 1990 emissions levels by 2012.

Although scientists representing scepticism toward the Kyoto Protocol did not manage to persuade President Putin not to sign the document, they delayed ratification, convincing Putin that more time was needed for analysis of its outcomes[5]. The profound influence of climate sceptics on public opinion is reflected in the World Bank's opinion poll from 2010, according to which only 23% of Russians agreed with the statement that most of the scientists consider the problem of climate change urgent, in comparison with 43% of Japanese, 53% of French and 57% of Chinese.[6]

[5] Jessica. E. Tipton, "Why Did Russia Ratify the Kyoto Protocol? Why the Wait? Analysys of the Environmental, Economic and Political Debates", *Slovo*, Vol. 20, No.2, Autumn 2009, p.93

[6] "Public attitudes toward climate change: findings from a multi-country poll," (in:) *World Development Report*, World Bank Group, July 2010, www.worldbank.org.

The same poll shows that only 58% of Russians, compared to 82% of Americans, 87% of Japanese and 98% of Chinese, agreed that their country has a responsibility to take steps to deal with climate change. This attitude may be attributed to the view, shared by both society and the authorities, that the main task for Russia is to recover from the crisis of the 1990s and regain its status as one of the world's major powers. Consequently, environmental issues cannot present obstacles to economic growth, and as long as Russia is not properly developed, all natural resources should be at its disposal.

What is more, views that climate change may have a positive effect on Russia have strong support among the authorities, the academic community and society. These assumptions were partly confirmed by the report of the fourth Intergovernmental Panel on Climate Change (IPCC), and are reflected in Russia's Climate Doctrine adopted in 2009.[7] First, the doctrine reads that climate change will bring damage to Russia, including increased health risks (higher morbidity and death rates) among certain social groups; increased recurrence, intensity and duration of droughts in some regions, extreme precipitation patterns, floods, and over-moisturised soil; and, permafrost degradation in the northern regions causing damage to buildings and communication lines. However, it also mentions a decreased need for indoor heating, leading to a reduction in energy consumption, greater potential for agricultural production at higher latitudes, and the opening up of the northern sea routes as well as new possibilities for oil and gas extraction in the Arctic shelves.

All these factors mean the authorities feel no pressure, either from the expert community or from society, to give the climate change issue higher priority. Even the potential influence of environmental non-governmental organisations is limited by Russia's undemocratic regime. Because the political system in Russia is highly centralised with Vladimir Putin in the spotlight, his personal views, or the views of a small circle of his advisors, play a major role in defining Russia's climate policy. Indeed, Mr. Putin does not seem to be very enthusiastic about international environmental NGOs, which he has referred to as institutions infiltrated by foreign spies.[8]

Foreign Policy Pragmatism at its Best

A combination of internal factors means that Russia's position on international climate negotiations is driven mostly by political and economic incentives. Indeed, the reasons behind Vladimir Putin's hold-up in ratifying the Kyoto Protocol in 2001–2004 were scarcely related to Russia's commitment to resolving the problem of global climate change. In fact, he took advantage of Russia's crucial position and sought benefits in other policy areas. The following three goals are mentioned most often: improvement of Russia's international image and strengthening ties with the EU, WTO accession negotiations with the EU, and economic incentives under the protocol.

[7] *Climate Doctrine of the Russian Federation*, President of Russia, www.archive.kremlin.ru.
[8] Anna Badkhen, "Environmentalists Tracked As Spies," *The Moscow Times*, 17 July 1999.

Some authors argue that, both because of the critical role of Russia's ratification of the Kyoto Protocol after the United States' withdrawal from the agreement, and the top priority it occupied on European leaders' agendas, President Putin used ratification as a tool to shape Russia's international image as a "saviour" of the Protocol and to indicate Russia's unity with "European politics" or "Western values".[9] This assumption gains credibility when seen in the wider context of the strategic reorientation of Russia's foreign policy as related to U.S. preparations for and eventual intervention in Iraq. Consequently, President Putin's decision was aimed at strengthening the newly formed alliance with major European powers, which had been formed in opposition to American policy.

Another popular hypothesis links ratification with EU support for Russia's WTO accession. Although high-ranking officials such as Foreign Affairs Minister Igor Ivanov and Energy Minister Igor Iusofov denied this allegation, President Putin himself hinted at it, when saying: "The EU has met us halfway in talks over the WTO and that cannot but affect positively our position on the Kyoto Protocol".[10] It is not clear, however, whether Russia's delay was part of a strategy to bargain with the EU, or whether the Kremlin "just" took advantage of its special position to come closer to WTO membership—which was one of the main aims of Putin's presidency.

The third alleged incentive for ratification was the host of economic advantage that Russia would enjoy under the Protocol. Among them were the possibility of selling carbon credits on the international market, or the transfer of advanced technologies via Kyoto's flexible mechanisms, such as Joint Implementation, which would help modernise Russia's industry. However, this perspective was more prevalent in the West than in Russia, where these benefits were seen as insignificant and difficult to obtain, when compared to rapid economic growth fuelled by oil and natural gas exports.[11] The other reason for why the Protocol's economic incentives were not very attractive was the U.S. refusal to join, which left Russia without a potential primary purchaser of carbon credits.

Because of the lack of transparency in the decision-making process in Russia, it is hard to track which factors played crucial roles in the protocol's eventual ratification in October 2004. Nevertheless, the opinions that Russia's stance in the climate change negotiations forum is driven mostly by non-environmental factors are well based.

Post-Kyoto Agreement and the Russian Balancing Act

During the Durban Climate Change Conference (COP-17) in December 2011, President Medvedev's advisor on climate change—Alexander Bedritsky confirmed that Russia was not going to take on any quantitative obligations in the second commitment

[9] Laura Henry, Lisa McIntosh Sundstorm, "Russia and the Kyoto Protocol: Seeking an Alignment of Interests and Image," *Global Environmental Politics*, Vol. 7, No. 4, November 2007, p. 58.

[10] "Putin U-turn Could Rescue Kyoto", *BBC News*, 21 May 2004, www.news.bbc.co.uk.

[11] Anna Korppoo, Arild Moe, "Russian Climate Politics: Light At The End of The Tunnel?", *Climate Strategies*, April 2007, www.climatestrategies.org.

period of the Kyoto Protocol. The statement caused no surprise as Russia's refusal had already been voiced in 2010 in Cancun (COP-16).

The cornerstone of Russian criticism of the protocol was that it did not place emissions reductions upon all major GHG emitters. Bedritsky, in his speech in Durban, recalled data indicating that China and the U.S.—neither of which are legally bound to cut emissions, are responsible for 41% of global greenhouse gases. For this reason, in Russia's opinion, "the Kyoto Protocol in its current form (i.e., without the participation of key emitters) neither resolves the problems of global warming nor ensures meeting the global 2-degree target, nor provides for environmental integrity".[12]

Thus, Russia strongly argues that the international climate change regime needs one "comprehensive, integrated" agreement "which would include all countries, both developed and developing, particularly the main GHG emitters".[13] For that purpose, Russia insisted on a merger of two ad hoc working groups—AWG–Kyoto Protocol (AWG–KP) and AWG–Long-term Cooperative Action (AWG–LCA), which would create a single negotiation track, hence presenting a position shared by a number of developed countries (e.g., Japan, Australia, and European Union members).

On the one hand, the Russian authorities support one of the most important demands of the developing countries, that the new agreement should reflect a country's specific economic situation by providing them with financial and technological help. Besides, Russia does not want the regime to be punitive and enforceable, but to include effective incentives for the countries to fulfil their commitments. The treaty should also envisage mechanisms allowing participants' commitments to be adjusted during implementation. As one scholar wrote "all this flies in the face of what is generally understood by the concept of 'legally binding'".[14]

On the other hand, perceiving the *status quo* as sanctioning comparative advantages of countries not obliged to reduce emissions, Russia pushed developing countries to take reduction commitments, much more strongly than does the EU. In 2005, Russia put forward a postulate to open discussion on voluntary commitments from developing countries, which caused great controversy. Such an amendment to the United Nations Framework Convention on Climate Change (UNFCCC) was officially submitted in 2006 at COP/MOP-2 in Kenya, and discussed further at COP/MOP-3 in Bali in 2007, again meeting strong opposition from Group77/China (a grouping of developing countries), which was suspicious about Russian intentions and afraid that the proposal was the first step to place reduction obligations on them. Nevertheless, several developed countries, such as Australia, Japan and

[12] "Statement of the Advisor to the President of the Russian Federation," Special Representative of the President of the Russian Federation in Climate Change, www.rusecounion.ru.

[13] Ibid.

[14] Anna Korppoo, "Russia and the Post-2012 Climate Regime: Foreign Rather than Environmental Policy", Briefing Paper 23, The Finnish Institute of International Affairs, 24 November 2008.

New Zealand, openly backed Russia, while the EU said the proposition deserved further exploration.

In 2011, Russia, for the second time, submitted an amendment to the Convention (UNFCCC). This time it concerned revising the list of Annex I and Annex II countries obliged to cut GHG emissions. The submitted document explained the need for the adjustment due to "the changes in economic and technological development that have taken place since the adoption of the Convention in 1992 and are continuing to do so". For that reason the "Russian Federation considers it of primary importance to clearly specify the need for a periodic review of Annexes I and II to the Convention in the light of the most up-to-date scientific information, objectively reflecting the dynamics and reality of the current socioeconomic development of the Parties to the Convention".[15] Although the Russian proposal did not gather much support from developing countries in Durban, Alexander Bedritsky declared that Russia would continue to press for a decision to be made.

Russia, together with the other countries coordinating their position in the frame of the so-called "Umbrella Group" (including Canada, Iceland, Japan, Kazakhstan, New Zealand, Norway, Russia, Ukraine and the United States), insisted that a future agreement should include a system of monitoring, reporting and verification (MRV), which would "increase confidence and promote comparability of reported GHG emissions information and increase transparency of implementation of mitigation targets".[16] Russia wants MRV to bind both developed and developing countries, particularly these with the highest emission or mitigation levels. At the same time, the process should be "non-intrusive, non-punitive, respectful of national sovereignty, facilitative in nature, advisory, informative, [and] building on international experience".[17]

From Russia's point of view, as well as that of other members of the Umbrella Group, an adequate account of the role of natural carbon sinks—elements of the natural world that absorb carbon from the atmosphere—represents one of the key issues of the new treaty. Although Russia's demands were heeded at COP-6 in Bonn (2001) and later at the Marrakesh conference in 2001 (COP-7), where its carbon sinks quota was doubled, Russia still believes that the Kyoto Protocol has failed to take Russia's forests fully into consideration. The disappointment was reflected in President Putin's words: "our forests are enormous lungs of the planet that absorb all these greenhouse emissions, and their size and potential were not duly taken into account".[18] Russia is particularly bitter about the fact that developing

[15] "Proposal from the Russian Federation to amend Article 4, Paragraph 2(f), of the Convention," United Nations Climate Change Secretariat, www.unfccc.int.

[16] "Ad Hoc Working Group on Long-term Cooperative Action under the Convention. Fourteenth session", United Nations Climate Change Secretariat, www.unfccc.int.

[17] Ibidem, p. 64.

[18] "Putin wants more consideration for Russian interests in Kyoto deal", 4 July 2006, www.en.rian.ru.

countries, which replant their forests, receive more credits for that than those which, like Russia, preserve them.[19]

Both for Russia and for the international community, one of the most important elements of a post-Kyoto agreement is the issue of whether and to what extent countries will retain their surplus emission allowances. The majority of the surplus is possessed by Russia, Ukraine, Belarus and Eastern European EU members—states that experienced economic collapse in the early '90s. In Russia alone, the emissions level in 2009 was approximately 39% lower than in the reference year, 1990.[20] As under the Kyoto Protocol Russia was obliged to stabilise emissions to the 1990 level, it is estimated that Russia's surplus will amount to 5.5 billion Assigned Amount Units (AAU)[21], worth $58 billion.

The Group of 77/China, together with some of the EU Member States and environmental NGOs, oppose transferring the surplus, arguing that it would undermine the climate change regime's efficiency. Such a high amount of emission allowances flooding the carbon market could endanger its integrity, as prices would fall sharply. Consequently, this could lead to a weakening of Annex I states' emissions reductions since they would be able to purchase credits cheaply from Russia.

Russia, however, sees its surplus as a rightful asset guaranteed under the Kyoto Protocol. Moreover, Russian officials emphasise that their country cut emissions almost as much as all of the other countries put together, thus the surplus is well-earned. At the same time, Russia has declared that it would not sell its surplus allowances to other countries but would keep them in order to provide itself with a "cushion" under the new treaty.

Even if Russia chose to sell the surplus, it could encounter difficulties in finding purchasers since its entitlement to the allowances is questionable. First, the surplus, often referred to as "hot air", is not an outcome of the authorities' deliberate actions to reduce emissions but rather a "side effect" of the economic collapse. The Russian government has so far taken no actions to reduce emissions. On the contrary, the 2020 reduction target of 15–25%, submitted by Russia in accordance with the agreement reached at the Copenhagen conference (COP-15) means that the real emission level will increase by 29%, or 14% when compared to the 2005 baseline instead of the one in 1990[22]. Moreover, Russia's withdrawal from the second commitment period is widely seen as weakening its chances not only to use the surplus but also to take part in the other flexible mechanism under Kyoto—Joint

[19] Elena Lioubimtseva, "Russia's Role In The Post-2012 Climate Change Policy: Key Contradictions And Uncertainties," *Forum on Public Policy: The Journal of the Oxford Round Table*, Vol.10, No.3, September 2010, p. 9.

[20] "Summary of GHG Emissions for Russian Federation", United Nations Climate Change Secretariat, www.unfccc.int.

[21] Alex Morales, Matthew Carr, "Russia to Stockpile $58 Billion of Kyoto CO2 Credits", Bloomberg, 3 December 2008, www.bloomberg.com.

[22] "Common Metrics: Comparing Countries' Climate Pledges", Pew Center on Global Climate Change, September 2011, p.2.

Implementation. During the last climate conference in Durban, the parties decided to postpone a decision on that issue and conduct further assessments of the implications of several proposed solutions.

Russia and the Post-Durban Negotiations: Political Restraint and Economic Necessity

During the Durban conference, the parties agreed to launch negotiations in the framework of an Ad Hoc Working Group on the Durban Platform for Enhanced Action, and adopt universal agreement until 2015. It is highly probable that, despite its importance for the climate change regime, Russia will not present an active position in these negotiations and will even be reluctant to join the new agreement if it feels that its interests are not secured.

Russia's activity in the future could be limited both by its "traditional" *désintéressement* in the climate issue, and by the development of the internal political situation. First, the growing social unrest and uncertain future of the current political regime will not make the authorities any more willing to take commitments that are perceived as a threat to Russian economic growth. Moreover, Putin's return to the presidential post may put an end to a slightly less conservative and more environmentally friendly trend represented by Medvedev. In articles by Putin, seen as a political manifesto ahead of the recent presidential elections, the climate change issue was not mentioned at all.

Nevertheless, there are also factors that could present incentives for Russia to join the post-Kyoto regime. Among them, the one that could increase Russia's interest in the post-Kyoto agreement is energy efficiency. According to a World Bank report, Russia could save 45% of its total primary energy consumption through energy-efficiency actions, which is equal to the total primary energy consumption in France.[23] This potential is acknowledged in the Russian Climate Doctrine, where energy efficiency is mentioned as the first measure to lower GHG emissions. Thus, Russia may engage in negotiating an agreement that would provide it with assistance to modernise its highly energy inefficient economy.

Given the high importance Russia places on its international image, as a "superpower" and a reliable partner to major players, with the U.S. the most important, it may be prone to outside influence. For that reason, raising the question of climate change on the agenda of the G8 forum could make Russia engage seriously in the negotiations.[24] However, if major emitters such as the U.S., China, or India will not be willing to make emission reduction commitments, it is highly probable that Russia will not either.

[23] "Energy Efficiency in Russia; Untapped Reserves," International Finance Corporation – World Bank Group, 2008, p.5. www.ifc.org.

[24] Anna Korppoo, "Russia and the Post-2012 Climate Regime: Foreign Rather than Environmental Policy," op. cit., p. 8.