



CENTRE FOR STUDIES ON FEDERALISM

policy paper

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but will mankind be able to save itself in time?**

January 2016 - no. 14





The **Policy Paper** series of the Centre for Studies on Federalism includes analyses and policy-oriented research in the field of national and supranational federalism. The papers aim to stimulate scholarly and political debate on topical issues by presenting original data, ideas and proposals.

## **A “historic” Agreement on climate in Paris: but will mankind be able to save itself in time?**

*Roberto Palea*

1. The Paris Climate Agreement of December 12<sup>th</sup>, 2015 should be considered “historic” not only because it is “universal”—it was approved by almost all the countries in the world (195 states) —but also because all the parties, sharing the urgent need to stop ecological destruction, have acknowledged (though with an unforgivable delay of at least 20 years) that global warming is a worldwide phenomenon and, as such, needs to be addressed “all together”. The Agreement also recognises that the era of fossil fuels (coal, oil and natural gas) as the source of primary energy production needs to be quickly overcome, as it entails incalculable, man-made risks to the very survival of mankind.

While the stated objectives of the Agreement are challenging and ambitious, the means and instruments proposed to achieve them are weak and scarcely credible.

The aim of the Agreement is to set a limit to the global average temperature increase for this century at well below the 2° C threshold compared to the pre-industrial era, in pursuit of the 1.5° C target, in line with the demands of the IPCC (Intergovernmental Panel on Climate Change) and the latest scientific research (including that of meteorologist James Hansen).

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Compliance with this limit requires the complete decarbonisation of the world economy well before 2050, a time which, before the Paris Conference, had been indicated by the UN as consistent with the 2° C limit, now rightly considered excessively high.

The energy regime adopted in different historical periods has always been a determining factor in the mode of production, in the structure of the economy and in society itself.

Therefore, overcoming the fossil fuel era is truly a revolution as it entails transitioning to an energy paradigm that is completely different from the current one, i.e. one based on energy saving, the rational use of energy and relying on renewable sources to produce energy (in particular solar and wind power).

In the second half of the industrial revolution, the discovery of the immense treasure trove of fossil fuels stored deep within the bowels of the earth (coal, oil and natural gas) and used by the steam and internal combustion engine, provided an apparently unlimited source of energy to draw upon, appropriating the natural resources of the Earth.

The pace, the speed and flow of economic activities made possible by exploiting fossil fuels were amazing.

Agricultural production thus exploded and also increased the productivity of human activity, which resulted in economic welfare leading to massive population growth (from one billion people to the current 7 billion) and the concentration of human settlements in complex and densely populated urban centres.

The new energy paradigm, based on energy saving, the rational use of energy and renewable sources, will not entail less substantial changes.

Houses will be built according to very different criteria from the present ones, by adopting systems which can transform them into passive-energy buildings. Cities will be radically redesigned, with transportation based on zero-emission public transport. Electricity, solar and wind power plants will be small and spread appropriately throughout the country, using photovoltaic panels and fuel cells preferably located on the rooftops of residential buildings or industrial or commercial plants. Electricity produced in this way will be distributed according to inter-grid technology through the use of IT systems and the Internet. Electric vehicles will be fuelled through widespread distribution networks at service stations equipped with plug-in points and fuel cells to produce and distribute hydrogen on-site.

This will require a strong commitment to technology and the creation of new jobs in the green economy sector, stimulating economic growth in developed and developing countries and resulting in the endogenous development of underdeveloped countries based on the availability, especially in the “sun-rich” countries of the southern part of the world, of energy produced on-site at affordable prices, using inexhaustible and free solar energy.

The Paris Climate Agreement in its deeper meaning implies all of this while stressing the conditions necessary to combat global warming before it is too late.

Furthermore, the real factors that have decisively facilitated the conclusion of the Paris Agreement must be comprehended:

- a) China has direct experience with the effects of the substantial increase in coal consumption in terms of air quality, as its air was rendered unbreathable in industrial districts and cities, as well as the number of deaths caused annually by

respiratory diseases. China's economic development, which has resulted in a 400% increase in GDP per capita since 1997, has created an increasingly large middle class calling for improvements in quality of life in cities.

The first political consequence of this situation was Xi Jinping's request that huge investments in the building of solar power plants or wind farms be included in the 2016-2020 Five Year Plan.

China is, therefore, playing an increasingly positive role in the process of limiting global warming.

- b) With his Encyclical "Laudato Si'", one of the highest moral and spiritual authorities in the world, Pope Francis, provided the Church's vision with a "green" turning point, urging the world to reduce fossil fuel consumption in energy production "without delay".
- c) At the end of his mandate, US President Barack Obama, with a Congress dominated by Republicans, still under the thumb of oil companies' lobbies and, therefore, hostile to any restrictions to the use of fossil fuels, has been able to sidestep legislative obstacles by effectively exploiting his executive potential to its fullest extent, even through the Federal agencies under his control.

Obama is aware of the responsibilities of industrialised countries and, above all, those of the United States, which in the 200 years of the industrial revolution has unfairly exploited the Earth's natural resources for its own benefit, passing the cost of pollution on mainly to other countries and, in particular, to developing countries.

Therefore, Obama has banned drilling for oil wells in Alaska. He has challenged Congress by withdrawing authorisation to build the Keystone XL pipeline from Canada. He has placed restrictions on shale gas extraction and the use of

fracking technology underground.

Throughout this, he has enjoyed the full support of the most authoritative future White House candidate, Hillary Clinton.

This has increased Obama's credibility and enabled him to play a decisive and authoritative role in Paris.

- d) Technology has made huge strides in the energy sector over the last decade.

As a result, since 2007 we have seen a fall in the cost of photovoltaic panels and lithium batteries (for the storage of intermittent energy produced by solar sources), an improvement in fuel cells and significant progress in the production and use of hydrogen as an energy carrier.

In the transport sector, the hybrid engine and electric plug-in car (i.e. hydrogen car) market has emerged and now buying demand must be expanded (to allow production to benefit from appropriate economies of scale) and logistics networks must be organised so that batteries can be rapidly charged at service stations and hydrogen distributed.

Even the efficiency of energy distribution in an interactive way (inter-grid) has improved significantly.

Housing construction systems increasingly favour insulation, heat recovery and energy independence.

Therefore, a new energy regime based on unlimited and free solar energy (also including wind energy) is beginning to be seen as possible, affordable and reliable

- e) Environmental organisations are now mobilising millions of people and orienting their choices.

They have become aware and informed of the tragic (and sometimes criminal) activities of oil companies and the supporters of their interests, who have been blocking efforts

to improve the climate situation for at least two decades.

They have recently gathered evidence that, since the 1980s, Exxon Mobil, Chevron and the Koch family<sup>1</sup> have known that atmospheric emissions from the burning of fossil fuels were causing untold damage to the environment and people's health. Nevertheless, they have funded pseudo-scientists, study centres and newspapers to systematically disinform the public, totally rejecting the theory that climate change is being caused by man and defining temperature increases as cyclical meteorological events due to natural causes, which goes against all scientific evidence.<sup>2</sup>

This situation is very similar to that of Philip Morris and its reaction to the effects of cigarette smoke, subsequently involving the company in a class action lawsuit and causing it to go bankrupt.

Big Oil has now been put "in check". It fears sensational lawsuits (which would be entirely warranted) with disastrous financial consequences.

This has caused Big Oil to adopt a more cautious attitude than usual.

Many oil companies have diversified production, breaking into the renewable energy sector. This is the case of Total, which, by purchasing American Sun Power, has become the second largest producer of solar energy in the world, of the State of Qatar and the companies Shell, ENI, ENEL, etc.

The effects of all these factors, which have heavily influenced the Paris decisions, would continue to be felt even in the future situation, regardless of the weak implementation measures provided for in the Climate Agreement.

The "universal" recognition of the potential of renewable energy sources and the albeit moderate impetus provided

by the Agreement could attract the quick and autonomous interest of many economic operators in the low carbon and sustainable development sector, as an alternative to investment in Big Oil and the affairs of coal mining companies, stimulating new, rapid development in the green economy sector, which is what is currently needed.

2. Regarding the rules, means and instruments established by the Paris Climate Agreement, it must be said that the Agreement provides neither a clear road map nor emissions reduction goals or targets, set according to the different economic areas.

The strategy of the Agreement for the implementation of polluting emissions reduction is mainly based on National Plans (Intended Nationally Determined Contribution - INDC), which have been requested from all the States and submitted by 188 of them.

Since the implementation of these plans, according to estimates by the UN Secretariat, under the UNFCCC (United Nations Framework Convention on Climate Change), would allow temperature increases to be limited to only between 2.7° C and 3° C, which is totally inadequate when compared to the target of 1.5 ° C, they have been returned to the States with the request to revise their national plans by 2018 taking into account the new 1.5° C limit as well as the demand forecasts for primary energy by 2050, as estimated by the International Energy Agency (IEA), and the expected population increase to 9.7 billion people within the same period.

This request calls for a voluntary, responsible response, but no third authority is able to intervene in its contents, fully respecting the national sovereignty of each State participating in COP21 (the meeting in Paris has been the

twenty-first session of the “Conference of the Parties” to the UNFCCC).

Concerning the crucial issue of differentiation, namely the different historical responsibilities of developed and developing countries, it very generically and simply provides that “developed countries should provide financial resources to assist developing countries”.

It reiterates that developed countries should allocate 100 billion a year to the Green Climate Fund (established by the Cancun Climate Conference in 2010) starting in 2020, with the understanding that this allocation be integrated in 2025.

However, it goes into little detail on how funding will be distributed among developed countries and how the Green Climate Fund will work, as well as the actual size of the additional financing and on when and how it will be allocated.

The Agreement also recognises the importance of investing in adaptation and resilience, but even in this case, concrete action and the amount of funds to be mobilised are not specified, while it does state that developed countries must provide them.

As for “transparency” and “revision” mechanisms, the Agreement lays out a flexible framework requiring States to regularly submit an inventory report of the emissions produced and absorbed, updates on the progress made in achieving the objectives set and information on the transfer of capital, technological know-how and capacity building support. As a result, a mechanism has been created in which the COP itself should review each State’s progress regarding this Agreement and re-evaluate individual commitments (to facilitate the achievement of their ultimate goal, something

they currently do not do) every 5 years from 2023.

Finally, the Climate Agreement, which does not provide for any sanctions or penalties for countries that do not comply with the agreements signed, postponing its entry into force to 2020, is not consistent with the stated desire to eliminate carbon emissions “as soon as possible” and takes into account neither the rapid deterioration of all the global climate indicators nor the consequences, which are already evident.

Therefore, the implementation tools of the Agreement are weak and insubstantial, yet maintain its “historic” significance as regards the ambitious goal it has set for itself.

The fact is that an international Agreement can paint an accurate picture of a static situation; however, it is unable to govern a dynamic, constantly moving and largely unpredictable reality, such as that of climate.

How can we govern complex global phenomena together without adequate common institutions?

It is impossible to “jointly” develop a common environmental policy among 195 independent and sovereign states without establishing a supranational institution entrusted with its implementation and adequately funded.

The resulting improvements, which will certainly be inadequate, will not be the result of measures included in the Paris Agreement but of the individual initiatives of states, the logic of events and the action of market forces (as happened with the Kyoto Protocol).

It is no coincidence that for some time the federalists have been proposing that a World Environment Agency or Organization be created under UN auspices at a higher level than the COP states.

Such an Organization would be endowed with real powers and financial autonomy and managed by an independent High Authority with the task of creating a World Plan to reduce CO<sub>2</sub> emissions in the atmosphere in a balanced manner, as well as of adapting its objectives to the evolving situation, providing financial aid to the most disadvantaged countries, implementing structured actions to combat global environmental emergencies, developing new technologies in the energy sector and transferring them to industrialising countries.

The logical consequence of the historic Paris Agreement, which is entirely lacking (and which we hope is only “pending”), is precisely the urgent establishment of this common institution, which would be able to help “jointly” address the problem of global warming and its consequences.

Moreover, during the Paris Conference there was a great deal of discussion about the need to establish a world price for carbon content in fossil fuels.

A carbon tax for the major polluting countries such as China, India, the United States, the European Union and Japan would accelerate the switch from fossil fuels to renewable sources and would also allow part of its revenue to directly finance the Green Climate Fund or, alternatively, the World Environment Organization, which needs to be established.

This Organization should be subject to the democratic control of the UN General Assembly and, in the future, depending on if and how it is set up, of the UN Parliamentary Assembly (UNPA), according to the principle of “no taxation without representation”.

3. In conclusion, COP21 is a turning point and has opened a window.

Now it is up to environmental associations to overcome the resistance of the fossil fuel industry, which has been put on the wrong side by the events of history, using all the legal means at their disposal to counter it, including boycotting by consumers and judicial initiatives, so that market forces will provoke cuts in investment in oil, gas and coal companies and fuel the green economy with new public and private capital.

It is sometimes up to the federalists to orient concrete actions towards effective goals and fight for the creation of necessary common institutions.

Unfortunately, occurrences of droughts, storms, floods, as well as the warming of the earth’s surface and oceans and melting glaciers are phenomena that are becoming more and more common.

Will our leaders’ incapability and short-sightedness along with the slowness of joint decisions and the strength of vested interests to defend the old energy regime enable humanity to take action in time and avoid catastrophe?



## Notes

1 The Koch family is a very powerful American family of industrialists and oilmen, which has traditionally funded the Republican Party and represents the most conservative and reactionary heart of the US.

2 Mark Hertsgaard, “The Paris Conference: Last Chance for Planet Earth”, *The Nation*, November 23rd-30th, 2015

Eric Roston, “Unearthing America’s Deep Network of Climate Change Deniers”, *Bloomberg Newsweek*, November 30th, 2015

Justin Farrell, “Network Structure and Influence of the Climate Change Counter-Movement”, *Nature Climate Change*, November 30th, 2015

## CENTRE FOR STUDIES ON FEDERALISM

The **Centre for Studies on Federalism (CSF)** was established in November 2000 under the auspices of the Compagnia di San Paolo and the Universities of Turin, Pavia and Milan. It is presently a foundation.

The activities of the CSF are focused on interdisciplinary research, documentation and information on internal and supranational federalism, the developments of regional and continental integration (notably, of the European Union), the issues related to the world order and the democratization process of the international system.

The CSF promotes an annual **Lecture**, named after Altiero Spinelli, on topical European issues. The CSF publishes **Research and Policy Paper**, as well as its own “**Federalism**”, **The Federalist Debate** (also online), the **Bibliographical Bulletin on Federalism**, the online-journal **Perspectives on Federalism**, the **International Democracy Watch**.

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