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Hot Issues, Cold Shoulders, Lukewarm Partners: EU Strategic Partnerships and Climate Change

GIOVANNI GREVI AND THOMAS RENARD (EDS.)

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Introduction

Thomas Renard and Giovanni Grevi

»» Few issues have climbed the international political agenda, from low to high politics, as climate change has done over the past two decades. It is now widely recognised at the global level that action must be taken to prevent or mitigate climate change and environmental degradation. Climate change is affecting every country indiscriminately – even if some countries are more vulnerable than others – and so it requires a collective response. Possible solutions are being negotiated at the multilateral level, in particular within the UN framework, and in various other formats. But consensus-building takes time, and time is not on our side.

The 2009 climate conference in Copenhagen was a wake-up call for Europe. If the EU is to have weight in international negotiations, it should develop a strategic approach, especially in its relations with the other major actors involved, such as the United States and the BASIC countries (Brazil, South Africa, India and China). The Copenhagen debacle is usually perceived as one of the triggering factors for the renewed European interest in its so-called strategic partnerships.

This ESPO report aims to contribute to the debate on the value of bilateral partnerships in addressing major issues on the global agenda. Do strategic partnerships make a difference in the EU's pursuit of its objectives on climate change? Despite the abundant literature on climate change, this dimension has so far remained largely unexplored. It is important, however, to shed some light on the interconnections between climate talks and the EU's redefined approach towards other global players. This report focuses on four major countries – Brazil, South Africa, India and China – which belong to a specific coalition that has been particularly vocal in climate talks: the BASIC group.

The EU, climate talks and strategic partnerships

The fight against climate change figures prominently on the EU's list of priorities for global action. The importance of global warming as a threat multiplier was recognised in the 2003 European Security Strategy (ESS). The overall strategic approach suggested by the ESS, although in ambiguous terms, was a combination of 'effective multilateralism', or promoting

and taking action through rules-based multilateral institutions, and what could be defined as 'strategic bilateralism', which involves cooperating with selected key partners. This multi-level approach was restated in the 2008 review of the ESS, which also suggested that the two approaches could be compatible and mutually reinforcing in various areas (based on the idea of 'partnerships for effective multilateralism').

This approach has been progressively applied to the EU's climate diplomacy and has been supported by various EU climate documents. Overall, the EU is committed to striking a global agreement within the framework of the UNFCCC, the UN body that deals with climate change. For Europe, any deal must be comprehensive, inclusive, legally binding and negotiated at the multilateral level. But as Copenhagen and other climate conferences have illustrated, no consensus within the UNFCCC is in sight. The EU has therefore supplemented this multilateral approach with a bilateral one, concluding a variety of agreements with developed countries and launching climate change partnerships or dialogues with developing countries.

Climate policies are a shared competence at the European level, which means that the EU must coordinate its priorities and actions with its member states. This adds another layer of complexity to negotiations, not least because some member states have their own climate dialogues or partnerships with the BASIC nations. That said, the privileged partnerships that some member states have managed to establish with BASIC countries could be an asset to the EU in constructing a coordinated approach at the European level.

The EU is often regarded as a global leader in climate policies. Unlike in some other areas of external action, on climate change, the EU is able to lead coalitions and gather 'followship', notably with least developed countries and small island states, as well as to secure a seat in the inner circles of negotiation. Through policy innovation and shows of goodwill, the EU has also been able, to a certain extent, to influence domestic and global agendas. In this report, for instance, Lee provides evidence of policy learning transfers from the EU to China (for example, on vehicle emissions standards). But in spite of all this, the EU's influence at the international level remains limited. Ironically, the more the EU leads by example in reducing its own ecological footprint, the less pivotal it becomes, in terms of emissions, in the effort to reach a solution on mitigation.

BASIC: countries that matter

The BASIC group is a newcomer on the international stage. The first ministerial meeting took place in Beijing in November 2009. Since then, the group has met on a regular basis; the 12th ministerial meeting took place in September 2012. The rationale for the formation

of this group was that as a coalition of emerging powers, they could balance the pressure that industrialised economies exert over developing economies in climate negotiations. The BASIC group is more a 'club' than a 'bloc', since its members are divided over numerous issues. Nonetheless, it is a club that matters in climate negotiations, as evidenced by the influence the group has had on recent climate negotiations.

Together, the BASIC countries are growing players in the climate sphere. All of them have substantial and fast-growing greenhouse gas (GHG) emissions, even though emissions remain low at per capita rates (except in the case of South Africa). In 2005, the BASIC group was responsible for nearly two-thirds of total GHG emissions from non-Annex 1 countries (non-industrialised countries). In absolute terms, China is now the largest GHG emitter. However, as Lee points out in this report, China is also the largest investor in renewable energy. But it is their projected future emissions that really set BASIC countries apart, and confers on them the status of pivotal actors for climate change mitigation in the coming decades.

BASIC convergences

This report shows that BASIC nations share certain views and characteristics with regard to the climate debate. To begin with, they have in common an inherent level of ambivalence. On the one hand, they are all emerging powers, albeit of a different scale and at different speeds, and so are chiefly preoccupied with sustaining their rise. Domestically, these countries face many concerns and challenges related to their socio-economic development, which take priority over the environmental agenda. On the other hand, BASIC countries are increasingly aware of the linkages that exist between climate change and economic development, whether these linkages are positive, such as investing in renewable technologies to increase competitiveness, or negative, such as grappling with the effect of environmental degradation as a hindrance to development. Therefore, they share a major dilemma, which cannot be addressed by drastic choices, but only by reconciling different priorities. The EU must integrate this dilemma into any negotiation strategy.

A second commonality between the four BASIC nations is their insistence on the principle of 'common but differentiated responsibilities' (CBDR), which sets developed and developing economies in opposition to each other. As Wagner stresses in his contribution, when the Indian government loosened its position on this principle at the 2011 Durban conference, it faced such major domestic outcry that it immediately shifted back to its traditional rhetoric, which as a result 'fended off' the debate with the EU. This example is a good illustration of the fact that reaching a consensus will face many hurdles independent of any strategic partnership.

A third element that bonds the BASIC countries together is their opposition to the EU's carbon tax on aviation through the Emissions Trading Scheme (ETS). The four BASIC countries have denounced the EU's unilateral decision, which, according to the recent joint statement of the BASIC Ministerial Meeting on Climate Change, 'undermines confidence and weakens efforts to tackle climate change on a multilateral basis'. In fact, while all 10 strategic partners of the EU oppose the decision, their individual positions are more nuanced. In their contribution, Oberthür and Groen suggest that some partners – and specifically, South Africa – are probably less determined than others in opposing the aviation tax, and could help the EU and other partners to arrive at a compromise.

BASIC divergences

Even though the BASIC nations share commonalities, they also have many divergences. Perhaps the most fundamental of these is their different views on a legally binding agreement. South Africa is ready to accept such an agreement, as part of its 'responsible stakeholder' foreign policy, and Brazil too has been shifting position in recent years towards accepting a binding agreement. India and China, on the other hand, seem unwilling to commit to an agreement in the near future. Hopes to the contrary were raised in Durban but were rapidly dashed by Indian and Chinese officials. Beyond the divergence of priorities between the EU and the 'Chindia' duo, this forms a major normative disconnect, which can only be addressed through a long and continuous dialogue, whether within a strategic partnership or elsewhere.

The distinction between Brazil and South Africa on one side, and China and India on the other runs even deeper. Contributors to this report describe Brazil and South Africa as 'bridge-builders' between developed and developing economies, whereas China and India are depicted as Europe's 'rivals' in climate negotiations. South Africa is considered to be the bridge-builder *par excellence*, as Oberthür and Groen point out, emphasising in particular Pretoria's role during the 2011 Durban conference. Brazil shares many priorities with the EU and so can play a constructive role in bridging divides, although, as Gratius and González say, it follows a different 'power strategy'. These varying positions suggest that strategic partnerships must be fine-tuned to fit the distinctive priorities and negotiating postures of different partners.

Contributors also observe that the bridge-building capacity of Brazil and South Africa largely relies on their multiple identities, expressed particularly in their membership of various groupings (the G77, BASIC, regional organisations, etc.). By effectively combining these multiple identities, they can present themselves as honest brokers during negotiations and therefore help in reaching a consensus between parties. The challenge for the EU is to

find the best way to leverage its strategic partnerships with Brasilia and Pretoria without compromising their image as honest brokers. As a result, for Oberthür and Groen, ‘the value of the partnership lies in concrete action by both sides towards joint ends within their respective constituencies and at the international level, rather than formal coalition building’.

Conclusion

This report has found that bilateral strategic partnerships have had only a modest impact on multilateral cooperation over climate change issues, even though some instances of policy transfer can be detected at the level of bilateral relations, notably with China. Strategic partnerships create structured dialogues on distinct issues, but these dialogues seem to be disjointed and therefore fail to create linkages. They take place in an ad hoc manner when they are not simply suspended, and therefore they fail to create mutual understanding and trust. And they occur with little follow-up or monitoring, and therefore fail to produce lasting results. All the contributors suggest that cooperation within the broad strategic partnership framework should be more focused and aim at concrete results in the form of joint projects, such as, for example, on clean coal. Moreover, the EU should build on the record of the Durban conference and better leverage its bilateral partnerships with potential bridge-builders such as Brazil and South Africa, with a view to unlocking progress on the multilateral stage.

The EU and Brazil: Shared goals, different strategies

Susanne Grätius and Debora González

Introduction

Climate change is a shared concern for Brazil and the EU, and both consider it a top priority. However, the two have no real common agenda or alliance on the issue at the global level. The place of climate change in the EU-Brazil strategic partnership is open to question. That said, of all the EU's strategic partners, Brazil is arguably the closest to it on climate change, environmental protection and sustainable development.

Brazil is considered a green superpower, since the country produces a high percentage of its power from renewable energies and is home to the world's largest rainforest in the Amazon. The EU as a normative power has been a pioneer on climate change and environmental concerns, and Brazil's role as a host of the Rio conferences on sustainable development in 1992 and in 2012 confirms that environmental issues rank high on the country's agenda. For both, environmental protection is also a domestic concern: at the 2010 presidential elections, Brazil's green party candidate Marina da Silva gained 20 per cent of the votes, and in European countries such as Germany, the Greens have an electoral share of more than 10 per cent.

Even before the EU-Brazil strategic partnership was established in 2007, sustainable development, environment protection and climate change issues had a prominent place in Brazil-EU relations. For example, Germany's engagement in the Pilot program for the protection of the Brazilian rainforest (PPG7) confirmed the importance of environmental concerns in bilateral relations between the two countries. At the global level, Brazil and the EU are key players in combating climate change and promoting sustainable development. An alliance between Brazil and the EU could be decisive in achieving progress in the field. But despite the leading role of both parties and the potential of their partnership, results have so far been modest.

Rio+20: a failure?

The Rio+20 UN Conference on sustainable development, which Brazil hosted in June 2012, exposed differences between the two partners in many areas. The two sides disagree on the concept of a green economy and on the dynamics of the climate change mitigation policy REDD (Reduced Emissions from Deforestation and Forest Degradation),¹ as well as on the proper instruments for building an international regime on sustainable development based on the three pillars of sustainable growth, environmental protection and development. While both Brazil and the EU have pushed hard for an international agreement on REDD, they have different views on the scope of activities that should be included and on proper financing methods to reduce deforestation.

The low profile and limited outcomes of the Rio+20 UN conference in 2012 also confirmed the internal tensions in Brazil between protecting the environment as a green superpower and sustaining growth as a major emerging economy. In contrast to its role at previous climate change conferences, the EU did not take the lead at Rio de Janeiro, and neither Angela Merkel nor David Cameron attended the event (Clark 2012).

Compared to the positive results of the UN Conference on Climate Change in Durban in December 2011, Rio+20 represented a serious setback in consensus-building between Brazil and the EU. As one of the most recent test cases of multilateral global governance, Rio sent a negative signal in terms of efforts to overcome North-South differences. Brazil, the hosting country, was not able to create a common global agenda, and the EU stepped away from its former high profile on climate change and sustainable development. Rio+20 was another missed opportunity to define a new model of 'green growth' and sustainable development.

Climate change: breaking the balancing versus bandwagoning logic?

Among the EU's strategic partners, Brazil is the key partner for establishing a multilateral regime on climate change and sustainable development. Climate change, sustainable development and renewable energies are closely intertwined policy areas, although each follows its own dialogue channels. There are three separate dialogue forums on these

¹ Deforestation is responsible for nearly 20 per cent of GHG emissions. The UN launched REDD in 2008, to create a global network to support national efforts in this field.

issues: one on renewable energies, launched in 2007, one on sustainable development, set up in 2011, and one on climate change, also established in 2011.

Climate change, sustainable development and (renewable) energy issues rank high on the Brazil-EU agenda and can be considered to be shared interests. Due to strong national lobbies, environmental protection is an important domestic and international concern for both partners. Brazil and the EU share a broad range of common views on climate and renewable energies. Both are strong normative multilateral actors and favour visible progress on climate change and sustainable development. Climate change, in particular, offers an opportunity for the partners to strengthen normative multilateralism and adopt common positions.

In terms of its values and emphasis on multilateralism, Brazil is clearly a like-minded partner to the EU. Nonetheless, in its positions on the international stage, Brazil tends to ally with the BASIC countries on climate change. Since 2004/2005, in parallel with the stalemate of Free Trade Agreement (FTA) and EU-MERCOSUR negotiations, Brazil has widened its participation in alternative alliances and has adopted a dual identity as a BASIC and Latin American country (Gratius 2012).

This shift in foreign policy orientation, away from the West and towards a closer partnership with other major emerging powers, has had a negative impact on Brazil-EU relations and led to diverging international positions. Differences have arisen, for example, on dealing with international flashpoints such as Iran and Syria, on the reform of the international financial system and even on development cooperation, where relations have traditionally been close. Although Brazil is the sixth largest economy in the world, it still strongly identifies itself with the 'global South'.

So, divergences on international conflicts, global trade, development cooperation and other issues are not so much caused by different interests as by divergent power strategies, and by Brazil's attempt to contribute to establishing a common Southern position. In general, in global relations, Brazil tends to adopt a position of soft balancing towards the United States, while the EU prefers to cooperate with the U.S. (bandwagoning) through the Transatlantic partnership.

These opposed tactics and power strategies are also visible in the areas of climate change and sustainable development, but here, the situation is slightly different than that which pertains to other global issues. In this area, the EU's highly ambitious global agenda is in a category of its own, while Brazil is part of the BASIC group of countries and the even more heterogeneous G-77. The BASIC group of countries is sceptical about accepting legally binding international commitments. They stress that in the context of 'common but differentiated responsibilities', it is up to the EU and the U.S. to adopt credible and significant

emission reduction targets. The EU advocates placing binding global legal commitments on climate change and perceives itself as a front-runner on the topic. Its offer to reduce up to 30 per cent of greenhouse gas (GHG) emissions by 2020 goes beyond international agreements. But it has failed to incentivise strong commitments on the part of other players.

The BASIC countries are usually opposed to industrialised countries in climate politics. But convergence between the BASIC group and the U.S. at the 2009 UN conference at Copenhagen presented an alternative to the EU's isolated stance in favour of binding commitments. Brazil and the EU occupied different camps in Copenhagen, but the UN conference in Durban on climate change evidenced a closer approach. In December 2011, Brazil assumed the role of intermediary between the EU, which was pushing for binding commitments, and China and India, which spoke up for voluntary commitments to reduce GHG emissions. The resulting compromise to open a second commitment period to the Kyoto Protocol and to define a new agreement beyond 2015 gave the Durban conference a successful and cooperative outcome.

The success of Durban has to some extent been reversed by the limited results of Rio+20, at which Brazil again aligned itself with the South. Brazil's shifting positions prove that there is not yet a clear joint strategy on climate change mitigation that can lead to common action. In this way, Brazil-EU relations on climate change confirm Thomas Renard's statement that the strategic partnerships do not produce 'strategic results' (Renard 2012).

Even so, both actors are strongly committed to a successful conclusion of the UN climate change negotiations, which might represent the last chance for global governance based on binding rules. And both have adopted strong legal compromises to reduce GHG emissions at the domestic level, the EU through its 2020 commitment and Brazil through a national law approved in 2008. Their targets are also similar. The EU aims at reducing GHG emissions by 20 to 30 per cent below the 2005 level. Brazil has committed to cutting GHG emissions by 36 to 39 per cent below the 'business as usual' scenario by 2020, from 2005 levels (La Rovere and Poppe 2012). Thus, Brazil has adopted the most stringent national climate change mitigation targets among developing countries (Afionis and Stringer 2012).

Different challenges and complementary agendas

Brazil and the EU are facing very different challenges with regard to climate change, sustainable development and renewable energies. In the case of the EU, carbon fossil fuels are most responsible for GHG emissions, while 85 per cent of Brazil's GHG emissions come from land use changes, particularly from deforestation and degradation in the Amazon.

Sustainable development has been a priority for the EU since the UN Brundtland report in 1972 (which has translated into six Environmental Action Plans), while Brazil started its ethanol based biofuel programme in the late 1970s, motivated by the oil crisis.

Today, Brazil has an excellent clean energy profile: 45 per cent of its primary energy consumption comes from renewable energies based on ethanol and hydropower. The energy profile of the EU still has a strong traditional bias. Despite its commitment to achieving an energy mix that contains 20 per cent renewable energies, so far renewable energies account for only 7 per cent (mainly solar and wind energy) of the EU's total energy consumption. In the 20/20/20 objectives, the EU has defined clear targets that are to be reached by 2020. Aside from reducing GHG emissions, energy efficiency is to be increased by 20 per cent and 20 per cent of energy is to come from renewable energies.

While the challenges are different, the markets are complementary. Brazil's biofuels are interesting to the EU, and Brasilia could benefit from the European technology for solar and wind energy (although China is becoming a strong competitor to the EU in this area). Wind and solar power are becoming more attractive in Brazil because of the lessening importance of biofuels in Brazil's domestic market, caused by cheap access to natural gas and the high costs of hydropower. Closer cooperation on biofuels is of interest to the EU, since the EU's Renewable Energy Directive, approved in 2009, requires each member state to reach a 10 per cent biofuels target by 2020. The EU's automobile industry could potentially be adapted to use Brazilian flexi-car (gas, oil and biofuel) technology. However, growing concerns about the ecological effects of land use change make sugarcane-based ethanol a less attractive option than biodiesel derived from rapeseed, Europe's dominant biofuel (Harvey and McMeekin 2010). These concerns, combined with the high tariffs that the EU applies on Brazil's bioethanol to protect its own biodiesel industry, have caused cooperation on renewable energy to remain low.

Six Environmental Action Plans (EAS) have focused on the development of a common legal and policy framework, proving that environmental policy is one of the most rapidly expanding areas of EU activity. Since the 1990s, the EU has assumed leadership in promoting the concept of sustainable development, which has become one of the core norms that underpin the EU's normative outlook. Environmental issues have emerged as important drivers of the wider EU integration process, serving as a catalyst for other goals, such as technological innovation, energy security and job creation.

As noted above, the Brazilian government's 2008 National Strategy on Climate Change sets ambitious targets for CHG emissions reduction. In December 2009, the strategy led to the ap-

proval of a law that institutes the national climate change policy of Brazil. Deforestation rates have declined by 30 per cent over the last decade, which means the country is so far on target. But a new forestry law, along with pressure from the powerful Brazilian agriculture lobby, highlights the tension between economic growth and environmental goals. The Forest Code, which dates back to 1965, obliges landowners to maintain between 20 and 80 per cent of their land as forest. The new bill retains this provision. But, controversially, it provides an amnesty from fines for illegally clearing trees before July 2008, and includes other provisions that environmentalists fear will have adverse effects and could mean that Brazil will miss its emissions targets.

Another controversial issue that reflects the contradiction between energy demands and environmental concerns is the Belo Montes Dam in Paraná. Due to the ecological damage it has caused in the Amazon, the world's third largest hydropower dam has been harshly criticised by local and international NGOs. But it is strongly supported by the Brazilian government under President Dilma Rousseff.

In the near future, Brazil will be able to cover its entire domestic demand through its own energy sources: hydroelectricity, ethanol fuel and oil. It remains to be seen whether Brazil's strong reliance on renewables will be challenged by its newly discovered oil wealth, which will make Brazil self-sufficient in energy but call into question its image as a 'green superpower'².

Initial steps towards closer bilateral cooperation, and diverging global views

Sustainable development and climate change are dealt with in two separate dialogue forums, and they are also part of the two Joint Action Plans (JAP) laid out by Brazil and the EU. At the member states' level, Germany was a major contributor to the completed pilot programme for the protection of the Brazilian rainforest (PPG7) and provides part of the budget for the Amazonian Fund. In general, from the Brazilian perspective, bilateral relations with some member states (such as France, Germany, Italy, Spain and Portugal) are still more important than cooperation within the EU-Brazil strategic partnership.

Some progress has nevertheless taken place at the bilateral Brazil-EU level. Cooperation on environmental protection and social development began with the Framework Agreement for Cooperation in 1992, in which the parties expressed their shared dedication to addressing

² Brazil has discovered major offshore oil reserves off its south-eastern coast and could become self-sufficient with regard to energy.

these and other issues. Since the launch of the strategic partnership in 2007, central areas of cooperation have included combating climate change and poverty, as well as the promotion of sustainable energy. The 2008 Joint Action Plan stated five principal aims, one of which is to enhance the economic, social and environmental partnership in promoting sustainable development. This plan was reviewed at the fifth European Union – Brazil Summit in Brussels (2011) and a new plan was adopted for the 2012-2014 period.

During the 2011 summit, the leaders highlighted the opportunities for growth that could be created by the progressive development of the ‘green economy’, a controversial concept that was discussed at Rio+20. The summit also formally launched a self-standing EU-Brazil climate change dialogue. Leaders acknowledged energy as one of the building blocks of the EU-Brazil strategy and called for regular exchanges on bioenergy, as well as better cooperation on energy efficiency and safety. The two sides agreed to enhance further their economic, social and environmental partnership to promote sustainable development, science, technology and innovation.

Although EU development cooperation with Brazil is limited, 30 per cent of the €61 million allocated in the Brazil Country Strategy 2007-2013 has been earmarked for promoting environmental sustainability. Five objectives have been outlined: curbing deforestation, preventing the loss of biodiversity, reducing carbon emissions from deforestation, improving the living conditions of indigenous people and the rural poor, and improving governance in natural resource utilisation.

While the EU and Brazil now have greater bilateral cooperation with regard to alternative energy and climate change, ‘at this point it is difficult to identify any significant developments related to energy security and environmental sustainability that can tangibly be accredited to the strategic partnership alone’ (Whitman and Rodt 2012). The EU and Brazil have placed sustainable development concerns ‘at the apex of their bilateral political agenda [but] the current state of affairs represents more a situation of aspirations rather than realisation’ (Afionis and Stringer 2012).

Bilateral progress on climate change and sustainable development stands in contrast to the limited results achieved at the global level. Despite common interests on the general objective of mitigating climate change, Brazil and the EU tend to adopt different positions during climate change negotiations. Brazil is part of the G-77 and BASIC group of countries, while the EU represents a bloc on its own. Although the EU and Brazil have committed to a considerable reduction of their emissions by 2020, Brussels pushes for strong legal binding commitments, while Brasilia would accept voluntary compromises based on a common framework.

The 2009 conference on climate change in Copenhagen revealed that both sides have similar goals: for example, the continuation of the Kyoto Protocol, strong measures to reach the 2 degree target and new and additional finance for developing countries' efforts. But Brazil and the EU have major differences on how best to achieve these goals. Brazil's mediation between the EU and India at the COP in Durban in 2011 opened a window of opportunity for a common position. However, the 2012 Rio+20 conference again gave evidence of division, shown by Brazil's denouncement of 'green protectionism', biofuel subsidies and the monopoly of 'green technology' in the 'North'. For its part, the EU criticised the imbalance between economic growth and ecological damage in developing and emerging countries.

Discussions at Rio+20 centred on two main themes: the green economy in the context of sustainable development and poverty eradication, and the effort to further institutionalise sustainable development in the UN framework. Both issues proved contentious. Absent a clear definition, there has been significant confusion about what 'green economy' actually means, especially in the run-up to the Rio+20 conference. The 'zero draft' for Rio+20 released in January 2012 did not put forward a definition, but merely said that 'the transformation to a green economy should not create new trade barriers, impose new conditionalities on aid and finance, widen technology gaps or restrict the policy space for countries to pursue their own paths to sustainable development.'(Chasek 2012)

At the regional preparatory meetings for the UNCSD, an intermediary compromise position was reached, which outlined the green economy as a mechanism for achieving sustainable development while avoiding outright definition of the concept. The green economy offers a development path that reduces carbon dependency, promotes resource and energy efficiency and reduces environmental degradation. Importantly, it does not replace sustainable development since the latter is only possible where the economy is 'right', that is, green.

The EU and its member states are supportive of a green economy and demanded a UN Green Economy Roadmap at Rio+20 to accelerate the implementation of the green economy. However, the conference could not agree on definite targets and deadlines. Germany serves as an example – which others try to follow – of the fact that the green economy can bring social and economic benefits. The UK government recently observed that its whole economy ought to be green, so as to maximise growth and value while managing natural assets sustainably. Developing countries have been much more suspicious and critical of the concept, fearing that the green economy could serve as a covert mechanism to reintroduce protectionist measures. Although Brazil is supportive of a green economy, President Dilma Rousseff has criticised the export of contaminating industries from the North to the South and defended the principle of common but differentiated responsibilities (Ortiz 2012).

Despite different negotiating postures at the multilateral level, Europe and Brazil join forces to pursue their common goal of mitigating climate change by engaging third countries. Brazil and the European Commission are entering into triangular cooperation with African countries, as exemplified by the two sides' first common project on renewable energies in Mozambique, which is well under way. Depending on the results of this experience, 'triangulation' could be applied to other countries in Africa.

Closer cooperation could also be achieved through Brazil's integration in the International Renewable Energy Agency (IRENA) in Abu Dhabi, in which Germany and other European countries play an important role. Brazil currently refuses to join the initiative, which consists of 99 full members and the EU, because neither hydropower nor biofuels are considered by the agency to be fully renewable energy sources.

Prospects beyond Rio+20

Brazil and the EU's interests and positions on climate change are compatible and complementary. So, differences between Brazil and the EU are more about power strategies than fundamental objectives. Nonetheless, neither party used the window of opportunity that opened up in Durban to create a common approach towards Rio+20 and a post-Kyoto regime. Although interesting initiatives were launched, such as the creation of an Inclusive Wealth Index (IWI), the Rio+20 conference did not make major progress on building consensus between the developing/emerging powers and the industrialised countries.

Despite its length, the Rio+20 declaration demonstrates the summit's lack of results and reflects a lack of commitment to achieving concrete solutions. It features a text with 'too much "reaffirm this", "reaffirm that", instead of "we commit" or "we decide"', as Connie Hedegaard, EU climate commissioner, explained afterwards (Clark and Leahy 2012). Dilma Rousseff stressed that Rio was not the end but the beginning of a process. But the summit declaration, 'The Future We Want', does not include clear targets and compromises on how to progress towards sustainable development and a green economy.

One of the summit's results was the commitment made to defining sustainable development goals before 2015 and to strengthening the United Nations Environment Program (UNEP). Where the 1992 Earth Summit in Rio inaugurated an ambitious programme, including the UN Conventions on Climate Change, on Biodiversity and on Desertification, Rio+20 came up with nothing so far-reaching. It brought to fruition neither the EU's desire to define concrete and measurable goals nor China's (and the G-77's) demand for a \$30 billion fund for sustainable development (Hidalgo Garcia 2012).

It remains unclear how Brazil will square its position between the EU's demand for binding commitments to reduce CHG emissions and the position of those countries favouring voluntary reduction schemes. Reaching compromise on precise targets would surely require a great deal of mediation with China and the United States, who are the most reluctant partners.

Brazil and the EU should strengthen their bilateral dialogue on climate change, environment and renewable energies. Since Brazil and Germany are major partners on environmental issues, their solid bilateral relations should be used as a starting point for the Brazil-EU strategic partnership. The existing and vibrant relations between universities, think tanks, cities, companies and civil society representatives should be leveraged as a major asset to help push towards a real strategic partnership on climate change and sustainable development.

Brazil and the EU could complement each other on renewable energy. Under the UN concept of the 'green economy', green infrastructure and eco-efficiency offer new opportunities for European investment in Brazil, and vice versa. The two countries should use their respective comparative advantages to deepen a mutually beneficial exchange of know-how and expertise.

How to make climate change a strategic issue?

Climate change, renewable energies and sustainable development are not yet strategic issues in Brazil-EU relations, as the partners often fail to move beyond declarations and intentions towards specific plans and actions. The dialogues on renewable energies, climate change and sustainable development are not connected and take place in an ad hoc manner with little follow-up or monitoring. What can be done to stimulate closer cooperation for Brazil and the EU in this strategic field? From their different positions, the two parties should separately use the opportunity offered by Durban to mediate and lobby countries like China, India and the U.S. to adopt binding commitments that can help stop climate change. There is still time to do this. In Durban, countries agreed to open a second period of commitment to the Kyoto Protocol and to negotiate a new agreement towards 2015.

The best prospects for enhanced cooperation relate to transport fuels. Brazil is keen to spread its biofuel technology and the Renewable Energy Directive has increased EU demand for biofuels. Joint projects have been funded in this area to combine research strengths and foster cost-competitive biofuel production. The EU and Brazil should continue their efforts on technology transfers and through triangular projects with African countries. The Joint Action Plan has been criticised for its excessively broad thematic areas. To make climate change a strategic issue, instead of formulating a large number of aspira-

tions, Brazil and the EU should focus on and agree a small number of specific targets and objectives on which the partnership can deliver.

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The EU and China: Time for a strategic renewal?

Bernice Lee

Introduction

Five years ago, this author and others (Lee et al. 2007) made the case for closer cooperation on energy and climate security between Europe and China, exploring opportunities in trade, investment and technological cooperation, based on the following rationale:

- China and the European Union (EU) were already economically entwined (the EU is China's largest trading partner), and face common challenges in energy and climate security (both will be importing 80 per cent of their oil by 2030).
- The two sides had similar and ambitious policies to improve security of supply through energy efficiency and renewable energy. Both needed to manage the impact of climate change, and make urgent decisions to avoid locking in carbon-intensive investments in the face of looming power-sector investment needs.
- The combined economic might and complementary priorities of the EU and China could yield unprecedented opportunities for driving low carbon innovation. This would help lower the costs of climate-friendly goods and services globally, and allow the two countries to benefit economically from their low-carbon leadership.

Five years on, EU-China relations have gone through many ebbs and flows. Today, China and the European Union together account for around 35 per cent of global energy consumption and 28 per cent of energy-related CO₂ emissions. The EU-China economic relationship is the second-largest economic cooperation in the world (European Commission 2012). Bilateral trade in goods amounted to €428 billion in 2011, nearly €30 billion more than the year before. China is today the fastest growing market for European exports. In 2011 EU exports to China increased by 20.3 per cent to reach a record €136 billion. The EU is also China's biggest export destination with goods and services amounting to €293 billion. This produced

a trade deficit of €156 billion with China in 2011, down by 9 per cent compared to 2010 record of €170 billion.

In many respects, even though many of the arguments from the above mentioned report remain valid from the perspective of climate mitigation, the fundamental conditions for this collaboration have shifted. This paper assesses the extent to which the EU-China partnership has influenced the convergence of respective perceptions and positions on climate change. It will explore whether bilateral partnerships and, notably, the EU-China one, are a relevant level of engagement in dealing with climate change and sustainable development; the shortcomings that the climate change and sustainable development debate exposes in the practice and content of the EU strategic partnership with China and how to address them.

Partnership on Climate Change

Bilateral cooperation between China and the EU on the environment is not new. Discussions on clean energy cooperation, for example, began in 1994, which resulted in many large conferences. The relationship was elevated to a vice-minister level environmental dialogue, together with the launch of a co-financed Energy and Environment Programme in 2003. Science and technology cooperation has been a consistent focus in the bilateral relation, from cleaner coal to efficiency, alongside clean energy finance.

In 2005, a bilateral Partnership on Climate Change was launched at the EU-China Summit, emphasising cooperation on concrete action, such as the progress and deployment of clean energy technology.¹ The dialogue was again upgraded to minister-level talks in 2010. Many of these initiatives were backed by substantial financial contributions from the EU (See Table 1). A Climate Change Framework Loan (CCFL) of €500 million in 2007 between the Chinese government and the European Investment Bank, with a further extension CCFL of €500 million in December 2011 for mitigation projects, was also agreed.

China and the EU had very different starting points. As far as domestic efforts to combat climate change were concerned, it was not until President Hu Jintao and Premier Wen Jiabao came to power in 2003 that environmental and sustainability issues began to climb up China's political agenda, following energy security. Greenhouse gas emissions in China grew rapidly after 2002 when the expansion of high emitting sectors like heavy industries became the engine of China's growth.

¹ China-EU Partnership on Climate Change Rolling Workplan, (2006), accessed from Ministry of Foreign Affairs website <http://www.mfa.gov.cn/eng/wjfb/zjjg/tyfls/tfsxw/t283051.htm>

Table 1: Funding for major EU-China programmes since the Partnership on Climate Change

Source: Freeman and Hoslag (2009) and additional data from the European Commission

Major projects	Budget (million €)
Energy and Environment Program	45
EU-China CDM Facilitation Project: 2007-2010	3
EU-China Environmental Governance Programme: 2008-2010	15
EU-China Clean Energy Centre (EC2)	10
Euro-Chinese Institute for Clean and Renewable Energy (ICARE)	10
FP-6 and FP-7 relevant joint research projects	12
Construction of near zero emission coal fired power plant	50
Sustainable and Responsible Trade promotion through Forest and Trade Networks	2
Supporting policy, legal and institutional frameworks for the reform of forest tenure	2
Biodiversity Protection Programme	30
EU - China River Basin Management Programme	25
Natural Forest Management Project	15.5
Emission Trading System	5
Sustainable Urbanization	9.5
Water, waste and heavy pollution	9
Electric Motor Systems Energy-Saving Challenge – Improving the Operating Efficiency of Chinese Electric Motor Systems	1
Implementing industrial symbiosis and environmental management systems in Tianjin Binhai area	1.5
Improving Environmental and Safety Performance in Electrical and Electronics industry in China	2
Sustainable Public Procurement in Urban Administrations in China (SuPP-Urb China)	0.5
Sustainable revival of livelihoods in post-disaster Sichuan: Enhancing eco-friendly pro-poor bamboo production supply chains to support the reconstruction effort	2
Promotion Project	0.5

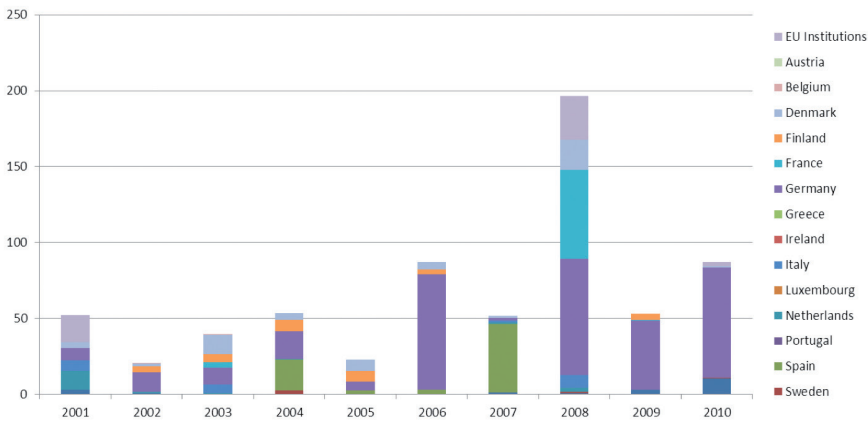
The EU, on the other hand, was the undisputed champion in global climate politics. It had pursued a strong environmental agenda for decades, driven by both domestic interests and external needs, culminating in the Energy and Climate Package in 2008. The EU's advocacy has been critical in pushing climate change up the global public policy agenda. Europeans

also saw leadership on climate change as a key plank of its external relations and, to some extent, a source of its normative or soft power (Freeman and Holslag 2009).

By the time the EU-China Partnership on Climate Change was established in 2005, the two sides had converged somewhat, to the extent that they were willing to recognise in a joint statement the threats posed by climate change, the urgent need to combat climate change through global action as well as the primacy of the UN Framework on Climate Change (UN-FCCC) as the forum to deliberate burden sharing among nations. Following China’s National Climate Change Assessment in 2006, for example, a National Climate Change Programme was established in 2007. The 11th Five Year Plan (2006-2010) also put sustainability at the heart of economic planning, at least at the rhetorical level. That year, Premier Wen Jiabao reportedly told the State Council Executive Meeting that all levels of government must realise fully the grimness and urgency of the energy-saving and emission reduction targets (Reuters 2007).

Figure 1: ODA from EU to China in the energy sector (2001-2010) (in million US\$)

Source: OECD-DAC database



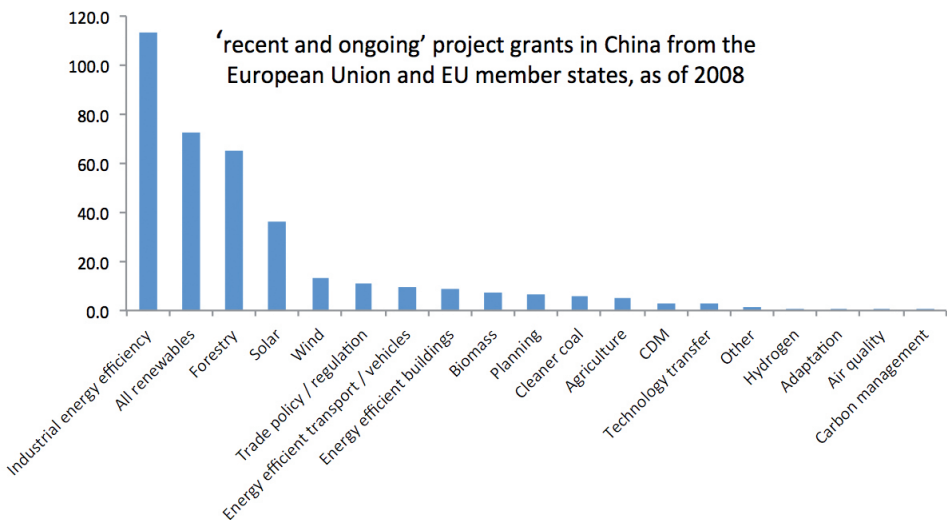
By and large, EU-China practical cooperation has been hailed as constructive, contributing to keeping alive the agenda and debate on China’s low carbon transition and spurring many joint activities from low carbon planning, clean energy development (see Figure 1), collaboration on zero emissions platform to the latest theme sustainable urbanisation. Project grants covering a wide range of issues in the domain of energy and environment from EU Member

² Data from the European Commission, accessed and analysed by Chatham House in 2008. The data is almost certainly an underestimation since these are projects officially recorded as cooperation projects – and a significant number of projects are not listed in this way. The vast majority of the projects represented in the data occurred in the last five years.

States and the Commission amounted to some €292 million by 2008.² (See Figure 2) This type of activities – with the emphasis on technical and practical cooperation – has been described by Elizabeth Economy as ‘techno-diplomacy’, a track most favoured by scientific and environmental elites in China (Economy 1998).

Figure 2: Project Grants in China from the EU and EU Member States, as of 2008 (in million euros)

Source: Chatham House analysis of data from the European Commission (2008)



Divergence at the global level

The blossoming of technical cooperation did not, however, translate into joint leadership in the international sphere. As was evident from the Copenhagen fallout in 2009, China and the EU have remained far apart during many of the formal climate negotiation processes. Many reasons account for the divergence, one of which is the fundamentally different status of the two economies. Romano described it as asymmetrical bilateralism – the fact that China is a unitary state while the EU is a sort of confederation means that China could ‘divide and rule’ between the EU and Member States, or between different Member States (Romano 2010).

As far as China is concerned, notwithstanding growing awareness of the dire environmental conditions, completing the ‘development project’ remains uppermost in the political agenda. The difficulties faced by local and regional authorities in meeting the energy intensity targets from the 11th Five Year Plan (2006-2010) confirmed some of the latent fears of the low carbon

transition challenge. It is therefore not surprising to see a more reluctant China when it comes to making long-term carbon commitments – especially if the US, Japan, Australia and the like continue to reject ambitious, early climate action.

More fundamentally perhaps, the dispute over historical versus current and future responsibilities (which has bedevilled climate change negotiations from the onset) has placed China and the EU on opposite camps. China has continuously opposed any approach that does not distinguish between Annex I (developed) and non-Annex I (developing) countries or those that dispute the principle of differentiated responsibilities and obligations. That large swathes of China's population remain poor and underdeveloped in turn reinforced China's insistence that it should be treated as a developing rather than a developed economy. This runs counter to the EU position that both developed and emerging economies should be shouldering their share of the climate burden.

After the Copenhagen fallout, there were few, if any, direct or specific public statements from China during formal climate negotiations in the period up to Durban beyond the now familiar standoff with the US, especially on monitoring, reporting and verification (MRV). Partly driven by the domestic agenda (i.e. transitions between two five year plans), more efforts were invested in improving China's image through public diplomacy. This is not just window-dressing. China's new found confidence in showcasing domestic achievements stems from the realisation that in terms of scale at least if not ambition, China has – in comparison – made more concrete progress towards a lower carbon economy (The Globe and Mail 2011).

In the space of only a few years, China has overtaken the US to lead the world in renewable energy investment. \$52 billion was invested in 2011, accounting for approximately 20 per cent of total global investment (UNEP/Bloomberg 2012). As of 2011, China had a total installed capacity of 64GW wind power, 62GW small hydro, 4GW biomass and waste, and 3GW of solar PV, far outdistancing the US at 47GW, 25.3GW, 13GW and 4.6GW respectively, and boasting an overall five-year growth rate of 93 per cent (Pew/Bloomberg 2012; REN21 2012). According to forecasts from the International Energy Agency, China's wind power capacity is set to rise to 180GW, and its solar PV to 20GW by 2020 (IEA 2011).

There was some speculation following the Durban Conference in December 2011 that China had shifted its long-held stance by agreeing to the 'Durban Platform' – a new track to draft a new climate pact by 2015 binding all nations from 2020 (Seligsohn 2011). The Durban Platform did not repeat the language of 'common but differentiated responsibilities'. China also agreed to negotiations on new commitments 'with legal force' after the second commitment period of the Kyoto Protocol.

It was not until the Bonn inter-sessional meeting in May 2012 that China's UNFCCC-related intentions were clarified in a 'surprisingly vocal and assertive' manner – confirming again the divergence in its position from the EU at the international level. China (together with Saudi Arabia) came out forcefully regarding the Durban platform and advocated a clear demarcation or firewall between discussions on commitments before 2020 (i.e. to maintain the Kyoto-track discussion on obligations for developed countries) and post-2020 commitments.³ Su Wei, one of China's main climate negotiators, also complained about 'dirty communication politics', accusing developed countries of evading the legally binding commitments while pointing fingers at China.⁴

This uncompromising attitude is mirrored in the stance China has taken as part of the BRICS and BASIC groups of countries. A joint statement by BRICS ministers in March 2012 reiterated the principle of common but differentiated responsibilities and emphasized inclusive growth rather than capping development.⁵ A statement by BASIC ministers in July 2012 similarly underlined common but differentiated responsibilities and criticized as unambitious the Quantified Emission Limitation and Reduction Objectives set by Annex 1 countries.⁶ This highlights the question of how to ensure the effectiveness of the EU-China strategic partnership on climate change in the face of 'rival' strategic relationships.

Did the partnership influence China?

It is commonplace to suggest that the imperative for climate-related action in China stems solely from domestic considerations – especially energy security and access to resources – not international pressures. For many observers, the public display of hostility during the Copenhagen Climate Change Conference in 2009 testified to the failure of bilateral engagement in changing China's position. But it also raised the question of how best to assess any external influence on China's decision-making and policy action. China's dogged defence of the sovereignty doctrine would in any case prevent *any* public acknowledgment of external influence on its domestic agenda, which makes it extremely difficult to assess

³ The like-minded group that stood behind the Chinese and Saudi Arabia includes – Argentina, Egypt, Thailand, China, Bolivia, Malaysia, Ecuador, Philippines, Iraq, Jordan, Venezuela, Cuba, DRC, Nicaragua, India, Pakistan, Saudi, Sudan, Algeria, Sri Lanka, Iran, Kuwait, Ghana, Yemen, Lebanon, Paraguay, El Salvador and Mali.

⁴ Su Wei – chief negotiator for China, named the United States, Europe, Japan, Canada, Australia and New Zealand as among the countries abusing the Durban Platform 'to jump from the legally binding system' established under the UN Framework Convention on Climate Change (UNFCCC). See AFP (2012).

⁵ This meeting was held in New Delhi on 29 March 2012 (BRICS 2012).

⁶ The 11th Ministerial Meeting was held in Johannesburg on 12-13 July 2012 (BASIC 2012).

the extent of EU influence on China. But assumptions of a monolithic China that always acts rationally can be misleading, as China's consensual decision making system has to balance a wide range of domestic, sometimes conflicted, vested interests.

What is clear is that there is greater awareness today – at a high political level - of potential climate impacts on China since the national assessment in 2006, including reduced crop yields, water-stress and extreme weather. The National Coordination Committee on Climate Change established in the late 1990s was upgraded in 2007 into a 20-ministry National Leading Group to Address Climate Change. The Politburo also organised collective 'study sessions' on climate change, indicating the ascent of the issue on the agenda (Xinhua 2008).

There is also recognition of climate-related resource constraints on China's growth, and that international economic structures and trading conditions have been shifting in response to these constraints. These arguments have been used by many scientific and environmental elites in China in support of low carbon growth, not least because it can help lower Chinese import dependence on coal, oil and gas and avoid the inflationary impact of importing high international energy prices. Others suggest that low carbon economic development provides the rationale for upgrading China's industries, and enhancing China's prospects in becoming a market leader of higher value-added technology as well as information-based goods and services.

There have also been strong indications that the Chinese leadership sees the importance of sustainability and climate-friendly production as a critical component of future competitiveness – as the EU has been arguing for many years. China's 12th Five Year Plan (2011-2015) put heavy emphasis on investment in seven emerging pillar industries that could help catalyse low carbon industrialisation in China: energy conservation and environment protection; new energy technologies; new energy vehicles; biotechnology; information technology; advanced materials; and equipment manufacturing.

Evidence of policy learning transfers abound, from eco-labelling to support measures for renewable energy. The time lag between the EU enacting standards and China adopting them has gotten shorter in many policy areas, such as for vehicle emissions standards. Another example is the transfer of market mechanism learning from the EU to China. Purchasing carbon credits from China's Clean Development Mechanism (CDM) projects became an important way to help EU-15 member states to achieve Kyoto compliance and private companies to meet EU-Emissions Trading System (ETS) targets (Lee et al 2007). Joint EU-China CDM work helped confirm to Chinese businesses and stakeholders that climate-related investments could be commercially attractive. It also helped diffuse the concept of

carbon trading in China, contributing to the pilot projects currently undertaken in seven provinces and cities in China in 2012.⁷

It is difficult to dispute that the partnership did raise awareness in China of the importance of energy efficiency and helped to accelerate the implementation of related measures. The EU (together with Japan and the US) has served as a ‘template’ for China, and hand-held many agencies and companies in China through the process. That said, it is harder to prove that the partnership changed the level of ambition of China, even though it is difficult to conceive of more Chinese commitment to carbon emissions without international pressure from the EU and the like.

Making it work in a changing world

Even though national and regional initiatives are important and necessary, solutions to the climate problem ultimately require an effective multilateral approach. This is because emissions are so widespread geographically that any subset of countries becomes increasingly unable to solve the problem unless others are involved. A partial solution that encompassed the big emitters would not solve the perceived risks of competitiveness loss in energy-intensive sectors vis-à-vis non-participants, which could be as small as Singapore, for example.

Despite the dominance of US, EU and Chinese emissions today, it would not suffice if they delivered steep reductions whilst others did not by 2050. And none of these are significant contributors to land-use emissions (such as deforestation), which involve a wholly different group of countries.⁸ Additionally, any models or theories of change centred on innovative solutions by a ‘critical mass’ diffusing globally without government incentives can easily founder – carbon capture and storage being a case in point, as it incurs significant extra costs.⁹

In reality, any multilateral action plan is built upon smaller coalitions of powerful actors. And the emerging economies, many of which are also fast becoming high emitters, are critical to long term climate solutions. Governments of these countries, together with their businesses, face tremendous challenges in putting together viable economic models to deliver low carbon growth, energy security, climate resilient practice *and* poverty reduction. This is why it remains in the EU’s strategic interest to continue the partnership with China on climate change. But it is important to take into account the shifting global power balance. Instead of a student-pupil relationship, this partnership will only succeed if both sides are willing to engage each other as equals.

⁷ For a recent analysis on the status of emissions trading pilots in China, see Han, G., M. Olsson, K. Haldrup, D. Lunsford (2012).

⁸ See, for example, the discussion in Lee, B., M. Grubb, F. Preston and B. Zala, (2010).

Despite aggressive domestic target setting for efficiency and renewable energy, the proposition from China to date is that of a lower carbon than business-as-usual – rather than a low carbon – economy. It will reduce its carbon intensity – the CO₂ emitted per unit GDP – by 40 to 45 per cent from 2005 levels by 2020, leading to an increase in emissions of around 3 Gt of CO₂. Many policy initiatives have been launched in China, including the carbon trading pilots mentioned earlier. The next five years represent a critical testing time for the viability of lower carbon growth across China.

Despite the worsening bilateral relations, China and Europe could dramatically improve their chance of achieving climate security by finding concrete and practical ways to work together. Their cooperation must be concerted and transformational if it is to affect global economic and political conditions, going beyond the confused plethora of small, nationally driven projects that currently dominate EU-China energy cooperation.

China uses coal to generate around 80 per cent of its energy needs, and this share is likely to increase in China in the foreseeable future. The EU is also struggling to phase out coal in its power sector. Europe and China could upgrade their existing cooperative programme to reduce coal-related emissions through the development of carbon capture and storage technology, with a view to having a full-scale demonstration plant in operation by 2015.

In April this year, the EU launched a new initiative with China on sustainable urbanisation. This is a step in the right direction. The new housing that will be built in China between 2010 and 2020 is equal to all the existing housing stock in the EU-15; and the EU housing and building sectors together are the largest CO₂ emitter. Acting together now to improve efficiency standards would help avoid locking in inefficient housing with high CO₂ emissions for the next half-century. This also applies to the transport sector.

Since China manufactures a vast array of goods for Europe and much of the world, adopting world-class standards for energy-efficient goods would bring clear global benefits. Under the Eco-Design Directive, the EU has been setting increasingly tight energy efficiency standards, and China and the EU could drive progress in both their markets by working together in defining challenging standards for energy-efficient, low carbon goods. This could be coupled with the introduction of an EU–China ultra-efficiency building research platform to drive new technical and development opportunities in this fast-growing sector.

Fulfilling the vision of a transformational approach to reinvigorate EU–China collaboration implies moving away from endless jostling over trade issues. It also implies an end to the kind of political rhetoric in Europe that feeds into fears about competition from Chinese

businesses, and to concerns in China about the West and its low carbon intentions. None of this will be straightforward even under better economic circumstances.

Political and business leaders from China and the EU must therefore begin reshaping the debate on the future of this strategic partnership. If they fail, efforts to construct a low carbon and secure energy future will be frustrated by the narrow concerns of special interest groups. Europe was the first major emitter to commit to an early shift to decarbonisation. As environmental responsibility's most credible standard-bearer, Europe needs to stay in the driving seat on climate change policy because any genuine commitment to decarbonisation by other major powers like China and the United States will only materialise if Europe delivers first. This will be risky, expensive and will not happen overnight – the price of global leadership.

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The EU and India: Working from the bottom up

Christian Wagner¹

The strategic partnership between India and the European Union

Relations between India and the EU started in the 1960s, but it was only after India's economic liberalisation in 1991 that the EU started to pay closer attention to the country. The first EU-India summit, which was held in Lisbon in 2000, set the basis for establishing the strategic partnership. Since then, India belongs to a small group of countries with whom the EU holds regular summits, including the United States, China, Russia, Japan and Canada, among others. EU-India cooperation mainly focuses on trade, economic competition, transport, visa issues and the fight against terrorism. At the Hague summit, held in November 2004 under the British presidency of the EU, progress was made culminating in the approval of a roadmap for the so-called 'strategic partnership' (Jain 2006, Bava 2008, Wagner 2009, Wuelbers 2010, Muenchow-Pohl 2012). In September 2005, the EU and India adopted an ambitious and wide-ranging Joint Action Plan (JAP). Both sides identified five key areas of cooperation (Council of the European Union 2005):

1. Strengthening dialogue and consultation mechanisms;
2. Deepening political dialogue and cooperation;
3. Bringing together people and cultures;
4. Enhancing economic policy dialogue and cooperation; and
5. Developing trade and investment.

The JAP mainly centered on economic cooperation, whereas issues like sustainable development and climate change remained secondary. However, in the context of the JAP an EU-India Environment Forum, a Joint Working Group on Environment, an EU-India Energy Panel and an EU-India Initiative on Clean Development and Climate Change were established.

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Climate change and sustainable development in Indian politics

In contrast to the EU, climate change and environmental issues have traditionally played a marginal role in India's domestic debates (Korppoo & Luta 2009). The Bhopal disaster in 1984 was a wake-up call that brought environmental issues to the political agenda. In 1986 the Environment (Protection) Act became the main framework for Indian environmental legislation. Since liberalisation in 1991, economic growth and poverty reduction had been the major benchmarks in Indian politics. However, reports on the pollution of the Ganges River or the deforestation in the Himalayas have increased public awareness over environmental issues. Moreover, India's chronic energy deficits and its dependence on oil and gas imports have awarded concepts like sustainability more importance in Indian domestic debates.

Environmental legislation was beefed up with mandatory Environmental Impact Assessments (1994) and Municipal Solid Waste (Management and Handling) Rules (2000). New institutions were established such as the Indian Renewable Energy Development Agency (IREDA) in 1987; the Ministry of Non-Conventional Energy Sources in 1992, which in 2006 became the Ministry of New and Renewable Energy (MNRE); and the Bureau of Energy Efficiency in 2002. Today 'India has a plethora of laws which deal with the three pillars of sustainable development' but, as in many other areas, 'challenges continue to exist particularly with respect to implementation' (Government of India, Ministry of Environment and Forests 2011).²

In 2007, Prime Minister Manmohan Singh established the Prime Minister Council of Climate Change, which presented the first National Action Plan on Climate Change (NAPCC) in 2008. The NAPCC outlines eight 'national missions', including the promotion of solar energy, improving energy efficiency, the sustainable development of the ecosystem of the Himalayas, a vision of a 'green India', and sustainable agriculture (Chengappa 2008). Furthermore, the 12th five-year plan on 'Fast, Sustainable and More Inclusive Growth' and the included study on 'Low Carbon Strategies for Inclusive Growth' suggest that sustainability is today an important issue in the Indian political agenda (Government of India, Planning Commission 2011). This reflects increasing awareness about the linkages and the impact of climate and ecology on economic development (Gorawantschy, Querner & Mahajan 2011). For instance, India will be heavily affected by the consequences of climate change with the melting of the glaciers in the Himalaya region as a result of global warming (Action for a Global Climate Community 2009: 9).

² The three pillars of sustainable development are economic, social and environmental development.

Internationally, India has always been a champion of multilateralism and has played a key role in the Non-Alignment Movement (NAM) and the G-77 in North-South negotiations. But India has also been reluctant to agree to legally binding international treaties, which are perceived as inconsistent with national interests and as outside interference in the country's internal affairs. The most prominent example is India's refusal to sign the Non-Proliferation Treaty (NPT) since 1970.

The Indian constitution does not require separate ratification of international treaties by the Parliament. But given the strong all-party consensus against any form of outside interference, Indian governments often struggle to achieve political majority for international agreements that may have domestic implications. The fragmentation of the Indian party system and the existence of coalition governments since the 1990s have further aggravated the situation. Contentious international agreements have great potential to stir governmental crises. One of the most prominent examples of this was the heated controversy over the Indian-American agreement on civilian nuclear cooperation in 2007-8. The Communist Party of India (Marxist) (CPM), which supported the government of the United Progressive Alliance (UPA), rejected the agreement for threatening Indian foreign policy independence. When the CPM finally withdrew its parliamentary support for the government in summer 2008, the UPA had to look for new coalition parties to secure its majority and adopt the agreement.

India and the EU in multilateral climate change negotiations

Given its national imperatives, India pursues an ambivalent strategy in the field of international climate policy. On the one hand, it is in India's interest that climate change and sustainable development negotiations succeed, as it could bring technology transfer and financial support for the country. On the other hand, India is unwilling to enter into any kind of legally binding commitment.

India's position in international climate change negotiations is driven mainly by domestic considerations. Climate change issues are subordinated to the prerogatives of economic development and poverty reduction. Since liberalisation in 1991, India's economic policy has followed the mantra 'growth, growth, and even more growth' in order to tackle poverty. In international fora, India has always emphasised two principles: equity and 'common but differentiated responsibilities' (CBDR). The notion of equity means that 'each inhabitant of the planet has an equal right to the atmosphere' (Dasgupta 2008: 2, Stockholm Environment Institute 2010). The CBDR highlights the responsibility of developed countries, which were the

main emitters in the past. According to Indian studies, the country accounts for '2.3 per cent of total accumulated emissions, while industrialised countries collectively have contributed approximately 75 per cent' (Torney 2012: 20). Thus, for the Indian government industrialised countries should make considerable efforts to reduce their emissions. This position became manifest in the Durban climate summit in 2011 when India supported the continuation of the Kyoto Protocol until 2020 and refused to commit to any binding emission targets.

India is willing to make small concessions, but without giving up its fundamental positions. In 2009, Prime Minister Manmohan Singh announced that India's per capita emissions of greenhouse gases (GHG) should never exceed those of industrialised countries (Government of India, Ministry of External Affairs 2009). But because of India's low level of industrialisation, especially in comparison to China, and its still-growing population, this 'Singh Convergence Principle' is merely symbolic. Also in 2009, India voluntarily committed at the Copenhagen summit to reduce emission intensity of its GDP by 20-25 per cent by 2020 compared to 2005 levels (Government of India, Ministry of Environment and Forests 2011). But this concession towards the international community also serves India's self-interests, in the context of the country's increasing dependency on imported fuels and the economic benefits that more efficient technologies could bring.

At the 2011 Durban climate summit, India agreed to develop a legally binding agreement, namely the Durban Platform, without stressing the common but differentiated responsibilities. Even though the content of the Platform remains to be defined, by the end of the conference India seemed to converge towards the European goal of fixing binding targets for emissions reduction. However, the Indian media reacted with harsh criticism to the absence of the CBDR principle in the Durban document as this was regarded as a main deviation from India's traditional position. Seemingly, the rapprochement towards the EU's position was temporary (Jayaraman 2011).

The Rio+20 summit highlighted once more the incompatibility between the EU's and India's position. Prior to the summit, some EU publications – such as 'Europe 2020 strategy' or 'Roadmap for moving to a low-carbon economy in 2050' – emphasised European achievements and commitments in the field of green economy (European Commission 2011). The EU favored market-based solutions and regulatory measures that should be merged in a green economy roadmap and envisaged a 'toolbox of policy approaches and best practice examples' as well as monitoring mechanisms. During the summit, the EU continued to promote itself as a leading protagonist in the field of green economy, supporting the transformation of the United Nations Environmental Programme (UNEP) into the United Nations Environmental Organisation (UNEO), a Sustainable Development Council and demanding clearly defined roles and responsibilities for emerging economies.

India, on the other hand, having the bitter taste of Durban in mind, unsurprisingly tried to restore 'the centrality of the principle of CBDR in the environmental discourse' (Chaudhuri 2012a). For India, the decisions taken in Rio should serve its national imperatives to eradicate poverty, achieve inclusive growth and avoid any legally or time bound agreements. This included more technology transfer, financial support, increased cooperation in research and development as well as capacity building. Throughout the negotiations, the Indian government made it clear that the principles of equity and CBDR were 'non-negotiable' (Ghildiyal 2012).

The Rio summit brought more successes to India than to the EU. India was able to include some of its main principles into the 'The Future We Want' document. The text highlights the importance of poverty eradication as an indispensable requirement for sustainable development (United Nations 2012), following Indira Gandhi's statement at the first UN environment conference in 1972 that 'poverty is the biggest polluter'. At Rio, India, in cooperation with other developing countries, particularly China, also enforced the reaffirmation of CBDR in the outcome document (Chaudhuri 2012b). From an Indian point of view, this will help 'to fend off almost any demand from the West' (Chaudhuri 2012a). Furthermore, India was able to prevent the transformation of UNEP into UNEO. India has always been critical of a UN organisation that 'would give disproportionate weight to the environmental pillar of sustainable development' and would threaten the sovereign right to exploit respective resources according to the national needs of each country (Government of India 2012). The agreement on an open working group to define the Sustainable Development Goals (SDG) is also in India's interest. But India made it clear that a future SDG catalogue of indicators should not become obligatory and time bound like the Millennium Development Goals (MDG). For India, the 'context of MDGs and SDGs ... are disparate' (Government of India 2012). India's emphasis on different national priorities and approaches to sustainable development questions the EU's approach to a green economy. After the outcome of the Rio+20 conference, Jayanti Natarajan, Indian minister for environment and forests, even saw India as the accepted leader of developing countries (Raghavan 2012).

As the EU stressed stronger and more effective international regulations and regimes to cope with environmental issues, India emphasised its national priorities of higher economic growth rates for poverty eradication. Binding international regulations or commitments are generally regarded as an obstacle and sometimes even as a strategy by developed countries to prevent the industrial modernisation of emerging economies. 'European states have an environmental agenda that is all about saving their commercial interests and not saving the planet' (Chaudhuri 2012a). Both sides have fundamentally different perceptions on sustainability. Given their level of economic development, Europeans aim for inter-generational sustainability, whereas Indians, given their economic problems and widespread poverty, focus on intra-generational sustainability.

But India's basic assumption that 'poverty is the biggest polluter' also has its limits. The millions of Indians that live below poverty line have contributed to environmental degradation by deforestation (Singh 2012). Yet, industrial modernisation has caused higher levels of environmental damage than traditional self-sufficient lifestyles. This relationship is indirectly acknowledged by the Indian government through its emphasis on CBDR. The concept of 'equity' can also be challenged by the unequal distribution of GHG emissions within the Indian society. The high levels of poverty especially in the rural areas hide the emission intensive lifestyle of the Indian middle class in the urban areas, whose GHG emissions probably do not differ very much from those of the middle classes in developed countries.

EU-India bilateral cooperation

The diverging views and approaches on climate change seem to expose the limits of EU-Indian cooperation. But despite the fundamental differences, India has intensified bilateral cooperation in the energy and environment sectors with individual member states and with the EU as a whole. The Indian government is aware of the need to improve these sectors given its chronic energy deficits and growing dependence on oil and gas imports. The diversification of energy resources is also seen as part of India's foreign policy in order to improve the country's energy security (Dasgupta 2008). India, therefore, has a strong interest in cooperation which contributes to technology transfer, funding of projects in the field of sustainable development, cooperation in the field of research and development, and capacity building.

Countries like Germany, France, the United Kingdom, and Spain have started different climate change initiatives with India. Germany's development cooperation with New Delhi emphasises energy and environmental issues and Berlin supports various programmes to improve energy efficiency and promote solar energy and biomass. India and France decided to establish a Joint Working Group on Clean Technology Transfer and Financing (Action for a Global Climate Community 2009: 21). German and Spanish companies are investing in India's wind energy sector (Upadhyay 2012: 82).

The EU-India summit held in Marseille in 2008 paid closer attention to sustainable development and climate change. New issues and activities were added to the JAP, such as the promotion of sustainable development in the context of 'unprecedented pressure on energy and natural resources' (EU-India Summit 2008). Moreover, a Joint Work Programme on Energy, Clean Development and Climate Change and a European Business & Technology Centre (focusing on private sector cooperation in clean technologies) were introduced. Thus, since 2008, the partnership comprises a broad set of public and private sector activities such as technology

transfer, funding, research and development, and capacity building (Government of India 2012, European Union 2012).

At the 2009 New Delhi summit the EU and India agreed to concentrate the early implementation of the Joint Programme in the fields of 'solar energy, development of clean coal technology and energy efficiency' (European Union 2012: 15). Between 2000 and 2009, the EU funded more than '100 projects worth approximately €340 million related to environmental protection and sustainable development in India since 2000, and 45 per cent of these committed funds were allocated to climate change adaptation and mitigation' (European Union 2009: 11). One successful example of such bilateral collaboration is electronic waste. An EU supported multi-stakeholder waste management project on electronic waste comprising Western development cooperation, Indian NGOs as well as the formal and informal sectors, conducted successful pilot projects in Bangalore, New Delhi, Kolkata and Pune. The projects' success proved that progress in e-waste management can deliver inclusive economic benefits as well as improved health and environmental conditions. As a result of media attention and growing public awareness the projects built up political pressure that finally led to the adoption of the 2011 national e-Waste (Management & Handling) Rules. These 'are much more comprehensive than any US e-waste regulations and contain several similarities to the EU's current WEEE³ directive' (Skinner et al. 2010).

At the 12th EU-India summit held in New Delhi in 2012 the Joint Declaration for Enhanced Cooperation on Energy included, inter alia, energy efficiency in the building sector, the development of smart power grids and energy safety 'in particular nuclear safety and off-shore drilling safety'. Special emphasis was placed on 'business to business cooperation (with a specific focus on SMEs)' (Council of the European Union 2012). Due to infrastructural challenges, the Indian business community has become very pro-active and is now probably more influential in promoting 'domestic climate governance' than the science community or civil society organisations (Never 2011: 23). On the other hand, India's renewable energy market has a variety of formal and informal obstacles so that 'overall investor sentiment is low' (Upadhyay 2012: 84).

But in spite of the variety of initiatives and projects, EU-India cooperation in the field of climate change is still limited. Many projects cover different environmental issues but not necessarily climate change. Moreover, there is still no EU flagship cooperation project with India. The EU suggested one on carbon capture and storage, which was rejected by the Indian government (Torney 2012: 21).

I ³ Waste of Electrical and Electronic Equipment.

Implications for the future of the strategic partnership

India and the EU breathe the same air, but they seem to live on different planets when it comes to climate change and sustainable development. This area exemplifies why relations between India and the EU can be described as a ‘loveless arranged marriage’ (Khandekar 2011). Their opposite approaches reflect their divergent norms and principles that form the basis of their perception of the international system. The EU aims at a rules-based system with binding commitments, regulations and agreements. India fundamentally opposes this. Both sides constantly talk at cross-purposes when discussing concepts like effective multilateralism or when trying to reach a compromise in international negotiations on climate change. It is therefore not astonishing that ‘[o]ff the record, EU officials point out that India continues to be their most difficult strategic partner’ (Muenchow-Pohl 2012: 32).

On the other hand, these general differences are not an obstacle for increased bilateral cooperation to counter climate change and promote the sustainability of India’s economy. The governments in New Delhi and the state capitals have initiated a variety of programmes and schemes and the EU and its member states have a broad range of instruments and technologies to support these efforts. Today, India has a National Action Plan on Climate Change and has developed a Low Carbon Strategy for Inclusive Growth. India has also signed various international agreements like the United Nations Convention to Combat Desertification, the Convention on Biological Diversity or the United Nations Framework Convention on Climate Change. The strategic partnership may be more suited to harness bilateral cooperation with a focus on the Indian government’s domestic agenda than to shape the international order in this policy field.

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The EU and South Africa: Building bridges

Sebastian Oberthür and Lianne Groen

Introduction

South Africa is an important regional power and an emerging power internationally. It is the biggest economy in Africa, with annual GDP growth rates in the 2000s averaging more than 3 per cent (IMF 2010). As regards climate change and sustainable development, South Africa is a member of the BASIC group, a leader among the African Group, and an influential member of the Group of 77 (G-77). In 2008, South Africa accounted for approximately 1.5 per cent of global CO₂ emissions, making it the 13th largest emitter worldwide and the largest one in Africa. Its greenhouse gas (GHG) emissions are on the rise, and per capita emissions are close to those of several developed countries (UN Statistics Division 2012).

The EU-South Africa strategic partnership that was initiated in 2006-2007 points to the environment and climate change as one of the issues on which stronger political dialogue should be pursued. A communication from the European Commission to the Council and the European Parliament of 28 June 2006 first proposed the establishment of a strategic partnership between the EU and South Africa (Commission 2006). A joint action plan, adopted on 14 May 2007, then established the Mogôbagôba¹ Dialogue, including existing areas of cooperation as well as new ones, such as the environment and climate change (Council 2007).

This paper takes stock of EU-South Africa relations regarding climate change and sustainable development and assesses the role of the strategic partnership in this context. It argues that South Africa is a core international partner of the EU in this area, with relatively complementary interests and great potential, which requires a good understanding of, and respect for, the broader political context and constraints arising thereof.

¹ The Mogôbagôba is the national tree of South Africa. In traditional African culture, a tree symbolises the place where people get together and solve conflicts through dialogue (Council 2007: 2).

The paper is divided into three sections. First, it outlines South Africa's economic, political and environmental background and highlights some of the country's domestic climate change challenges. Second, it explores the status of EU-South Africa cooperation in this field at the multilateral level. Third, it takes stock of the bilateral cooperation between the EU and South Africa on climate change and sustainable development and assesses the impact of the strategic partnership as such. It ends with a few conclusions regarding the further development of EU-South Africa relations in this area.

South Africa: background

In assessing EU-South Africa relations in the field of climate change and sustainable development, it is helpful to take into account the general economic, political and environmental position of South Africa.

South Africa is a political and economic heavyweight in Africa and particularly in the sub-regional Sub-Saharan African context. It is not only the biggest economy of the continent, but it also accounts for about half of Sub-Saharan Africa's GDP and contributes nearly half of the Foreign Direct Investment (FDI) in the rest of Southern Africa. It has taken a very active political role in the African continent as a whole (including in several conflicts, such as Libya and the Ivory Coast) (Chevallier 2008; Pretz 2008). However, at the same time, South Africa continues to face important internal social, economic and political challenges, especially as regards poverty and equity (Aliber 2003; Chevallier 2010).

Table 1: CO₂ emissions and GDP of BASIC countries and the EU in 2008

Source: UN Statistics 2012 and World Bank 2012; CO₂ emissions without emissions from land use, land-use change and forestry.

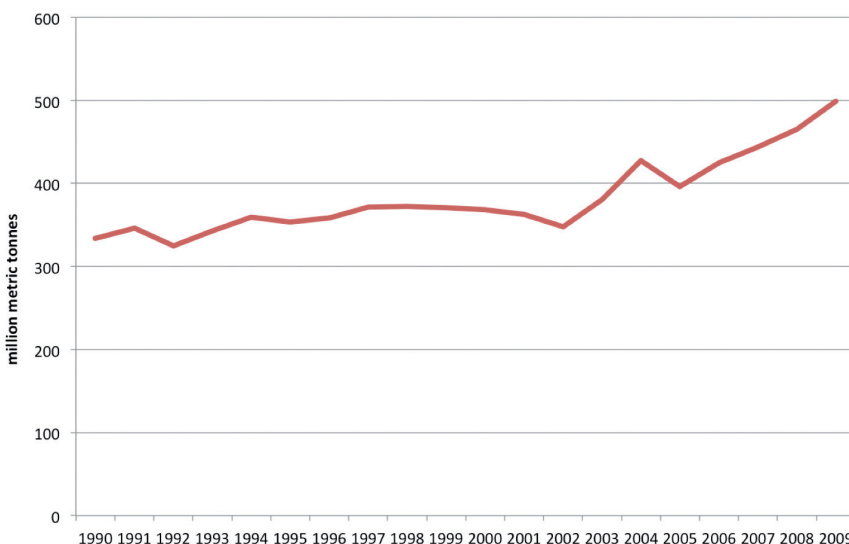
Country	GDP		CO ₂ emissions	
	Share	Per capita (US\$)	Share	Per capita (metric tons)
Brazil	2.70%	8,629	1.21%	2.05
China	7.39%	3,414	21.94%	5.31
India	2.00%	1,028	5.62%	1.46
South Africa	0.45%	5,613	1.45%	8.93
EU	29.82%	36,568	12.18%	7.83
World	100%	9,086	100%	4.76

Pretoria also has aspirations in international politics beyond Africa. However, in this broader global context it is a medium-sized power, at best. With a population of approximately 50 million, and an economy that is by far the smallest among BASIC countries and accounts for only 0.7 per cent of the global output (Econstats 2012), its weight is limited (see also Table 1). Against this backdrop, South Africa has relied on its regional leadership role (Husar 2010) and, at the same time, has actively directed its efforts towards increasing its global diplomatic weight, through building various South-South alliances, including IBSA, BRICS and BASIC.

South Africa is also a medium-sized power in international climate and environmental policy. Overall GHG emissions in 2000 (the last year for which official government data is available) were estimated at 461 million tonnes CO₂ equivalent (CO₂eq) and CO₂ emissions at 368 million tonnes (DEA 2011: 29) – the smallest among BASIC countries (together with Brazil and without emissions from deforestation; Table 1). Since 2000, South Africa's CO₂ emissions have increased significantly, reaching nearly 500 million tonnes in 2009 (UN Statistics 2012). Furthermore, per capita CO₂ emissions are estimated at 8.93 metric tonnes (2008), a level comparable to the EU-27 (7.83 metric tonnes in 2008). This is, in large part, due to heavy reliance on coal in power production (World Bank 2012). This makes South Africa vulnerable to international pressure, including from the EU, to limit and reduce its GHG emissions and accept international responsibility and commitments in this respect.

Figure: South Africa CO₂ emissions 1990-2009

Source: UN Statistics 2012.



In this sense, South Africa's international climate change and sustainable development strategy has been very much in line with its general foreign policy approach. In particular, Pretoria has relied heavily on various South-South alliances, including the African Group, BASIC and the G-77. It has assumed a leading role within Africa and has been very proactive in international climate negotiations, where Pretoria has acquired the reputation of a 'bridge-builder' (Husar 2010). In this role, it has also represented regional African and broader developing country interests so as to ensure its credibility and recognition among its peers and stakeholders. South African influence in BASIC and the G-77 more broadly depends on its regional base and its credibility as an 'honest broker' that protects core developing countries' interests. The BASIC group in particular gives South Africa the opportunity to play 'in the first league' of international climate policy; it also provides some cover against international pressure to take additional action on climate change.

South Africa faces significant challenges. Structurally, climate change *mitigation* faces the challenge of reorienting a coal-dependent economy and energy system. The mining industry remains one of South Africa's main employers and coal-mining output has increased over the past years, while overall mining output has decreased. South Africa's coal reserves account for 4 per cent of the world's total, and in 2007 coal provided 72 per cent of the total primary energy supply. About 85 per cent of electricity generation capacity comes from coal and South Africa is a world leader in coal-and-gas-to-liquid fuel technologies. About four-fifths of South Africa's GHG emissions emanate from its energy sector (agriculture: 8 per cent; industrial processes: 7 per cent; waste: 2 per cent) (DEA 2011: 29-30; Hallding et al. 2011: 49-52).

Attempts at climate policy reform in South Africa are often met with strong resistance (Winkler and Marquand 2009). The mining industry, liquid-fuel-from-coal producer Sasol and the electricity sector, dominated by the state-owned company Eskom, are influential players in the political debate. Eskom and Sasol are responsible for almost three-quarters of South African GHG emissions. Together with the mining industry, they constitute important status-quo forces. The African National Congress (ANC), the ruling party since the end of apartheid, has strong links with the electricity and mining sectors. Additionally, climate change is barely seen as a political issue. There is little public awareness about the problem, little active participation in the policy process and the media rarely cover climate change-related issues (Hallding et al. 2011: 50).

Adaptation to the effects of climate change constitutes a major concern for South Africa and its regional partners. Global warming and changes in surface temperature and rainfall, with drying trends, have been observed. These changes can lead to a degradation of

water quality, erosion and changes in vegetation, which will in turn have a big impact on the agricultural sector, biodiversity, human health and livelihoods. South Africa has developed an integrated approach to adapt to climate change that combines land and water management, and the country has embarked on adaptation actions focusing on biodiversity, human health and livelihoods, as well as agriculture (DEA 2011: 65-66, 79-180).

South Africa has also developed a policy framework for gradually addressing GHG emissions. Its internationally declared objective in the form of a 'nationally appropriate mitigation action' is a 34 per cent deviation below the business-as-usual emissions growth trajectory by 2020 and 42 per cent by 2025. Implementation will depend on financial resources, the transfer of technology and capacity building support from developed countries. Overall, South Africa aims to stabilise its GHG emissions between 2020 and 2025 and start reducing them a decade afterwards.

Concrete *mitigation* policies have so far not had a major impact. By June 2009, 56 mitigation projects were registered with a combined GHG emission reduction potential of 25 million tons CO₂eq between 2000 and 2050 (while annual emissions in the year 2000 were already at 461 million tons CO₂eq). Economic instruments figure prominently in South Africa's evolving mitigation policies. South Africa's Department of Minerals and Energy (DME) established a Renewable Energy Finance and Subsidy Office (REFSO), which manages renewable energy subsidies and offers advice to developers and other stakeholders on renewable energy finance and subsidies. In 2009 South Africa's National Energy Regulator (NERSA) announced South Africa's first Renewable Electricity Feed-In Tariff (REFIT), which includes a variety of renewable energy technologies (DEA 2011: 192). Some ideas on energy efficiency and an emission trading system have also been put forward. Furthermore, the government plans to introduce an economy-wide carbon tax in 2013, but nearly two-thirds of emissions would be exempt until 2020 to lower the impact on the country's industry (Reuters 2012a).

Overall, South Africa faces considerable challenges to reduce its GHG emissions. Progress to date has been limited and slow, narrowing Pretoria's ability and confidence to lead at the international level. High costs remain one of the main barriers to developing alternatives to coal (such as renewables and nuclear energy) to further mitigation. On the one hand, the influential energy-intensive industries express concerns regarding competitiveness. On the other hand, urgent economic and social issues shift the attention away from GHG emission mitigation (see overall DEA 2011; Hallding et al. 2011; Husar 2010). This is a field where the EU and South Africa could cooperate further.

Multilateral cooperation

The EU and South Africa share important interests in terms of multilateral cooperation on climate change in the context of the UN Framework Convention on Climate Change (UNFCCC). Despite some differences, EU preferences overlap much more with South Africa than with many other developing countries, including most BASIC states. Most importantly, South Africa has been supportive of a legally binding international framework for both developed and developing countries. This is in line with South Africa's support for multilateral institutions and its preference for soft and careful forms of diplomacy (Hallding et al. 2011: 56), which resonates well with EU support for multilateralism. Pretoria has also been sympathetic to further developing international market mechanisms (especially building on the Clean Development Mechanism, CDM) and has played a constructive role in discussions on 'monitoring, reporting, and verification' of emission data.

Even where both partners' interests have diverged, South Africa has usually attempted to build bridges. At the Copenhagen Summit in 2009, the EU's unwillingness to consider a second commitment period of the Kyoto Protocol constituted a major point of contestation. Tension disappeared when the EU later adapted its position. South Africa is keen on promoting poverty reduction as a primary objective and puts emphasis on much increased financing and technology transfer as regards both mitigation and adaptation. While it supports a legally binding international framework, it opposes binding *quantitative emission reduction targets* for developing countries in such a framework (Husar 2010: 103, 104). Although its position sometimes differs from that of other BASIC countries, Pretoria does claim that developing countries deserve more space for emitting greenhouse gases and puts emphasis on the principle of common but differentiated responsibilities.

A particular recent point of contention between the EU and South Africa has been the inclusion of international aviation in the EU's Emissions Trading System (ETS). South Africa has joined a coalition of states opposed to such measure. However, in line with its bridge-building aspirations, it is not among the most fervent opponents. Unlike other developing countries, Pretoria has not asked its own airlines to ignore the scheme and has asked the EU to suspend implementation of the measure for two years to allow a global agreement to be worked out (Reuters 2012b).

South Africa's proactive bridge-building role was most prominent during the climate summit in Durban in 2011. As chair, South Africa was instrumental in bringing about the final agreement to launch negotiations on 'a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties' (Decision 1/CP.17) (IISD 2011). The

EU supported South Africa's presidency with financial contributions for the conference and by providing advice.²

The EU and South Africa also cooperated intensively in the run-up to the Rio+20 summit, held on 20-22 June 2012 in Rio de Janeiro, Brazil. The South African position was again rooted in regional African interests. In October 2011 African countries had elaborated an 'Africa consensus statement to Rio+20' that urged developed countries to provide financial, technological and technical assistance to developing nations to help them make the transition to a green economy (Economic Commission for Africa 2011). South Africa held that a green economy should be people-centred and inclusive, taking into account the needs of the most vulnerable (DEA 2012). Both the EU and South Africa supported the transformation of economies into resource-efficient, low-emission ones and further poverty eradication. Based on the framework of the strategic partnership (see below), the case can be made that the intense dialogue between the two partners stimulated a convergence of positions on this occasion.³

Overall, the relationship with the EU in terms of multilateral cooperation on climate change has been framed – enhanced and constrained – by South Africa's need to balance its multiple national objectives. First, South Africa aims to enhance its international role and recognition, emphasising multilateral institutions and soft and careful forms of diplomacy. Second, BASIC membership is instrumental in this respect when it comes to international climate politics, and it also gives some cover against international pressure. Third, South Africa is acutely aware of how much its global role depends on its regional leadership in Africa; Pretoria needs to pay particular attention to the interests of African states, many of which are least developed countries. EU-South Africa cooperation would be easier on issues that fit into a broader African context, while at the same time Pretoria is being careful not to be seen as aligned with Europe in detriment of Africa and/or BASIC (Husar 2008; Hallding et al. 2011).⁴

Assessing the impact of the strategic partnership

The bilateral cooperation between the EU and South Africa on climate change and sustainable development is part of the broader EU-South Africa relationship. Relations have deepened substantially since 1994, when the African National Congress won the first

² Interviews with EU officials, Brussels, May/June 2012.

³ Interview with EU official, Brussels, May 2012.

⁴ As regards balancing African and BASIC interests, South Africa may be expected to pay particular attention to its regional base, which is crucial for its broader global role. In this respect, it is interesting to note that its engagement with BASIC has led to accusations of betrayal of African interests (Hallding et al. 2011: 55). In response, South Africa clearly linked its actions at the 2011 Durban conference to the goal of safeguarding benefits for the African continent (IISD 2011).

universal suffrage elections. In general, the EU and South Africa share important interests, but they also have significant differences. Trade is an important issue for both parties. The EU is South Africa's largest trading partner, while South Africa ranks 13th among the EU's most important trading partners (accounting for about 1.5 per cent of EU trade) and is the most important one in Africa. The EU also accounts for more than half of FDI going into South Africa and regards the country 'as a vital ally in Africa because of its willingness to become involved in regional and continental matters' (Chevallier 2008; also Grevi and Khandekar 2011: 36-39).

The EU and its member states provide a large share of official development assistance (ODA) to South Africa. The EU as a whole accounted for nearly half of a total of US\$ 3 billion in net bilateral aid flows to South Africa in 2008-2010 (see Table 2). At the same time, South Africa is the largest recipient of EU bilateral aid under the EU Development Cooperation Instrument worldwide (EUR 980 million for 2007-2013; see Grevi and Khandekar 2011: 36).

However, even though EU-South Africa relations can be characterised as constructive and fruitful, there have also been important differences. In recent years, these have concerned the negotiations that were launched in 2007 on an Economic Partnership Agreement (EPA) with the members of the Southern African Development Community (SADC), including South Africa (European Commission 2011). For Pretoria, EU proposals (for example, a request to exclude agricultural production falling under the Common Agricultural Policy from preferential access to the EU market) are tilted to the benefit of the EU (Grevi and Khandekar 2011: 37; Chevallier 2008; Minderhoud 2008). An agreement has yet to materialise (European Commission 2011).

Table 2: Net bilateral aid flows to South Africa in 2008-2010

Source: World Bank 2012.

Country	Million US\$	% of total
European Institutions	470	15.5
Germany	277	9.1
United Kingdom	220	7.3
Netherlands	121	4.0
Other EU member states	342	11.3
US	1,432	47.2
Other non-EU countries	173	5.7
Total	3,035	100
<i>Total EU share</i>	<i>1,430</i>	<i>47.1</i>

In addition, the EU has made significant efforts to contribute to advancing climate and environmental policies in South Africa. For example, the EU (and the European Commission) has been involved in a number of projects aimed at enhancing capacity to develop mitigation and adaptation policies that suit the national context (European Commission 2006). EU member states such as the UK and Germany have also made significant contributions (Husar 2010: 108).

The EU-South Africa strategic partnership intends to provide a platform for debate between both partners. On the side of the EU, representatives of the EU executive (Commission, EU Council, European External Action Service) in particular have participated in the discussions, which so far have remained rather sporadic at working level. Overall, these discussions have not had a decisive impact on the development of EU-South Africa relations in the field of climate change and sustainable development. Their added-value seems to be that the two partners can use the partnership for discussing issues that are not sufficiently addressed in other frameworks. Developing a more targeted agenda that focuses on discussions with a clear added-value holds the most promise for the future.

The Mogôbagôba Dialogue established by the 2007 joint action plan for the strategic partnership comprises meetings of different high-level bodies (Council 2007). Building on the already existing frameworks such as the Trade, Development and Cooperation Agreement (TDCA) (Commission 2006), the partnership aims at 'active political cooperation, which enables the two parties to find common ground on issues of mutual interest, to support each other's political agendas and to take joint political action' (Europa official website 2007). In this context, stronger political dialogue is sought also on global environmental issues, including climate change, which consequently figure prominently on the agendas of all three major high-level fora of the Mogôbagôba Dialogue:

- The Joint Cooperation Council (JCC) was created by the TDCA and has met annually since 1999 at senior officials' and/or ministerial level, alternately in South Africa and the EU.
- Ministerial political dialogues (previously ministerial troika meetings) are held twice a year in South Africa or the EU and form the core of the political dialogue. Since the entry into force of the Treaty of Lisbon on 1 December 2009, the High Representative of the Union for Foreign Affairs and Security Policy represents the EU.
- South Africa-EU summits have been held once a year since 2008. These are attended by the President of South Africa and the Presidents of the European Commission and the European Council. During their first summit in 2008 the two parties adopted a joint declaration on Climate Change.

In the area of environment and climate change, the South Africa-European Commission Forum for Environment and Sustainable Development (FESD) was established to deepen and broaden cooperation (Council 2007: 5). The Mogôbagôba Dialogue serves as an umbrella for various sectorial cooperation fora that are to report to the Joint Cooperation Council. In the context of the FESD, a special working group on climate change was established in 2007 (Dimas 2007).⁵

The FESD has been less active than originally envisaged. The Forum was to meet annually (Dimas 2007), but only two meetings have been held so far and discussions have thus been sporadic. At the first meeting, which took place on 1-2 October 2007 in Brussels, a broad range of issues was discussed. The second meeting (Pretoria, South Africa, 16 February 2011) focused on biodiversity (current issues under the Convention on Biological Diversity, CBD, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora, CITES), the preparations for the Rio+20 summit, and climate change. The working group on climate change essentially took care of the climate change agenda during the FESD meetings (but did not meet otherwise). An EU-funded workshop on green growth also took place during this second FESD meeting.

The limitations of the FESD, however, have not had a major impact on EU-South Africa cooperation on international climate policy. Both sides have made good use of other opportunities such as the UNFCCC, the Major Economies Forum and the G20. This has laid a solid basis for advancing cooperation in this field and suggests that the strategic partnership offers little added-value here.

The use of the partnership as a platform for discussion on environmental matters may prove most useful when focusing on specific issues of mutual interest which lack alternative opportunities for exchange (see also Chevallier 2008). Thus, discussions on the Rio+20 summit at the FESD led to follow-up videoconferences and ad-hoc bilateral meetings and contacts. Overall, these contacts seemed to have stimulated a convergence of positions. Similarly, specific discussions on other issues were also considered useful. In this sense, the workshop on green growth organised in conjunction with the second meeting of the Forum in February 2011 allowed for a positive discussion on regulations in the waste and air quality management sectors that can contribute to creating green jobs – an area with little pre-existing cooperation between the two partners.⁶ While technical support and the sharing

⁵ In 2008, an EU-South Africa Energy Dialogue Forum was also established as a part of the strategic partnership. This Forum created three working groups: clean coal technology, clean efficient energy and carbon capture and storage. On these themes, the EU and South Africa reportedly cooperate in a constructive atmosphere (Chevallier 2008).

⁶ Interview with EU official, Brussels, June 2012.

of information and expertise have been useful for both sides, implementation challenges due to a lack of resources and political infrastructure in South Africa deserve particular attention.

An additional limitation resides in the fact that the EU's participation in the dialogue has been largely confined to, and driven by, the Commission and the EEAS. At the same time, climate change and sustainable development is an area of shared competence in which EU member states are important players. Consequently, member states also deal with South Africa in this field in various ways. As a result, the EU faces challenges with respect to coordination both within and among EU institutions (for example between different European Commission Directorate Generals) and, in particular, between EU institutions and member states with their respective interests and priorities.

Conclusions and the way ahead

South Africa remains a crucial international partner for the EU in terms of climate change and sustainable development. The importance of South Africa is rooted in its regional leadership position in Africa and especially in Southern Africa. Furthermore, Pretoria pursues relatively progressive international policies on climate change and sustainable development and, not least driven by its broader aspirations as a global actor, attempts to play a bridge-building role. Overall, this makes South Africa a prime partner in this field.

Progressive policies on climate change and sustainable development can be bolstered further by advancing on domestic issues. The challenges South Africa faces in this respect also constrain its international policies (and their credibility within the closer South African constituency). The EU and its member states should provide assistance in this field to strengthen the strategic partnership and enhance South Africa's ability to play an even more proactive international role. At the same time, paying particular attention to broader African concerns, including assisting African countries in adapting to the impacts of climate change, will also facilitate EU-South Africa cooperation (given the importance of its regional base to South Africa).

There is also much scope for advancing EU-South Africa cooperation on international/multilateral climate policy. Developing and exploiting this potential requires awareness of and respect for the position of South Africa and its particular assets. Pretoria's international weight, including within BASIC and the G-77, rests on its regional leadership role. Furthermore, South Africa's membership in these groups is also an added-value for EU-South Africa relations. It should be in the EU's own interest not to endanger the 'home' basis of South Africa in

Africa, the G-77 and BASIC. This implies limitations on the degree to which EU-South Africa cooperation can – and should – be formalised (including through formal ‘joint declarations’ and the like). The value of the partnership lies in concrete action by both sides towards joint ends within their respective constituencies and at the international level, rather than formal coalition building.

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