

Russia's Post-Kyoto Climate Policy

Real Action or Merely Window-Dressing?

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- Given the early stage of negotiations on a future global climate agreement, the Russian leadership is in a 'stand-by mode' which is unlikely to change until the approaches of the USA and China become clearer.
- Much Russian climate policy is more 'window dressing' than real action. The leadership is keen to collect image points in international arenas by announcing policies, but little domestic action follows. Recognizing this pattern, other governments should call Moscow's bluff, putting pressure on the Russian leadership to deliver real emissions cuts, instead mere PR. That could prepare Russia for meaningful participation in a future climate agreement.
- The leadership has been ignoring the threats to Russian territory by climate change, focusing instead on the impacts of other countries' mitigation policies on Russia's oil and gas exports. Raising awareness of the expected economic and health impacts of climate change in Russia could contribute to alerting Moscow to implement genuine mitigation and adaptation measures. Moreover, Russia's climate-sceptical lobby is still influential in decision-making.
- A small climate coalition has emerged in Russia. Although its direct role remains marginal in decision-making, it has managed to shift climate policies upwards on the political agenda. However, Russia's withdrawal from the second Kyoto commitment period poses a threat to the continuity of the activities of the climate coalition, which would benefit from cooperation with and support from foreign colleagues.

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Introduction

The Russian climate change policy most visible to the global community is the country's refusal to participate in the second commitment period of the Kyoto Protocol, a position reiterated by the Russian leadership several times in recent years. In 2012, the rapid growth in the number and volume of Joint Implementation projects (JI) and the obvious interest of the business community in proceeding with more than 150 JI projects underway in Russia seemed to hint that this decision – which appears economically ill-advised – might be reversed. Such hopes were in vain.

Further, Russia and other economies in transition (EITs) see the decisions taken in Doha as unfavourable. Headroom for future emission growth related to economic development was removed, and the ban on the use of surpluses carried over from the first commitment period for domestic compliance (to compensate the cuts of headroom) completely changed the position of the EITs in the UNFCCC. The Russian Ministry of Foreign Affairs reacted negatively, however, Russia had already withdrawn from the second commitment period, and its position on a post-2020 agreement was not changed.

In order to better understand the possibilities of engaging Russia in the post-2020 climate agreement, in this paper we ask what is driving Russia's climate policy. Many Russian experts would argue that the country has no climate policy. Our analysis shows that a policy does exist, but its drivers and motivations differ from those of other leading economies. We elaborate three explanatory dynamics, and offer an update on recent climate-policy developments in Russia. Finally, we discuss the prospects for engaging Russia in a post-2020 climate agreement in the aftermath of Doha.

Window-dressing

Let us take four examples of 'window-dressing'- announced policies and measures which are not implemented in reality.

After Russia ratified *the Kyoto Protocol*, Vladimir Putin emphasized to foreign leaders and journalists that it was incorrect to think that Russia failed to address the climate problem: after all, it had signed up to the Kyoto Protocol. And not just ratified it: Russia had chosen to bring the Protocol into force by means of its crucial participation. This was certainly seen as an important political contribution to global climate policy in Russia. However, the leadership did not initiate implementation of the Kyoto Protocol in Russia. Only with great difficulty did the initiative make its way up, from the bottom and to the government, finally convincing the president to facilitate business participation in JI. That process took seven years, as large-scale JI approvals did not come until 2011. The second commitment period promised few possibilities for Russia to improve its image. On the contrary: environmental experts were deeply critical to Russia's JI portfolio for including only the most profitable JI projects while ignoring projects that could improve energy efficiency or install renewable energy capacity.

The Climate Doctrine was launched in time for the Russian president not to arrive empty-handed at the 2009 Copenhagen climate summit. The document had been pending signature for a good while, and it was the president's participation in Copenhagen that gave it the final push. The document provides no figures, nor is it binding on anyone. Its main function is to announce that the leadership has recognized climate change as a real problem, and that research and education on the topic are not prohibited in Russia. This finally allowed many teachers to tell their students about the climate issue, which had previously met opposition from the education authorities.

The Climate Doctrine was followed by a *Plan for Implementation*. This document was planned to be launched in time for the 2010 climate negotiations round in Cancun; however, the initial draft was considered too extreme, and a modified text was adopted in April 2011. For instance, Russian financial assistance to the developing countries, included in the original version, was removed from the final text. Instead of launching new policies, the Plan is largely a compilation of various existing federal programmes loosely related to climate. A separate budget was never allocated for its implementation. Of the agencies listed, only few agencies seem to have taken their roles seriously.¹ However, both the Doctrine and the Plan have been touted as Russia's climate policy efforts by the Minister of Transport, the president and the government in international forums, as when negotiating with the EU on GHG emissions charges to be paid by Russian airlines for flights to EU countries².

In August 2012, the Ministry of Foreign Affairs submitted an application for Russia to join the *Clean Air and Climate Coalition (CCAC)* coordinated by UNEP. During the 2012 G8 summit in Camp David, the Russian leadership was keen to demonstrate its constructive and friendly attitude towards the climate initiatives of the summit host. The fact that Russia was represented by prime minister Medvedev and not president Putin probably helped foster this impression. The Ministry of Economic Development and the academic community emphasized that participation in the CCAC would not entail any serious economic risks for the country. However, the business community and many governmental actors opposed the initiative, which was driven by the Ministry of Economic Development. But the window-dressing arguments prevailed, and a political decision was taken: Russia would 'join the coalition' along with the other G8 countries. This decision was included in the communiqué of the meeting. In August 2012,

¹ As yet, the only practical outcome of the Plan is the information campaign launched by Roshydromet to raise public awareness of the climate problem. In mid-2012, the Ministry of Health Protection and Social Development requested the government to extend the deadline for implementation of the sections of the plan relevant to the sector (extended until mid-2013), and the Ministry of Economic Development conducted the modeling work required under the Plan.

² Statement by the Russian Minister of Transport Igor Levitin about EU international aviation payments, where he highlights active Russian GHG measures, in particular the Climate Doctrine and the Plan. Available at <http://www.aviaport.ru/news/2012/02/21/230090.html>

the Ministry of Foreign Affairs submitted an official letter to the CCAC Secretariat, but no further progress appears to have been made. Officials have even refused to discuss the country's priorities or conditions for participation in the CCAC. Indeed, it seems that as soon as the image-building benefits had been pocketed, further action was held back.

The most recent possible example is the *Projection of long-term social and economic development of the Russian Federation until 2030*. Published by the Ministry of Economic Development on its website in late January 2013, this provided – for the first time – official data on projected peaking of GHG emissions beyond 2020, showing headroom for growth from 70 to 75% of the 1990 level during 2013 to 2020, and, after this peak, declining back to 70% of the reference level by 2030³. It was approved by the prime minister on 26 March. The projections presented in this official document can be considered as ambitious: instead of presenting merely a business-as-usual emission path, these targets would require Russia to accelerate its efforts to improve energy efficiency and introduce energy-saving technologies, as outlined in the document. The Projection is not a set of national targets, however – for that, its legal status would have to be confirmed by passing a national law. It remains unclear whether the Russian leadership is prepared to push for a genuine policy package to achieve these goals, or whether this is another exercise in window dressing. In its current form, the document ignores important areas like renewable energy and the costs of adaptation to climate change.

The threat is the climate policies of others – not climate change itself

Russia's key economic and development scenarios present climate change as a problem, but not because of its expected impacts on Russian territory. No, the focus of the Russian leadership and mainstream analysts has been on the possible impacts caused by the GHG mitigation policies of *other* countries on Russia's energy-export based economy. The Ministry of Economy estimates that the oil and gas sector accounted for 20.9% of Russia's

³ Ministry of Economic Development. *Projection of long-term social and economic development of the Russian Federation until 2030*. 25 March 2013. P.147. Available at http://www.economy.gov.ru/minec/activity/sections/macro/prognoz/doc20130325_06

GDP in 2011.⁴ The interests of the sector are clearly reflected in the decisions of the country's leadership.

In the 2013 Projection document, climate change is described in the section on 'global technological development', but does not feature in the country's development scenarios. The document recognizes that Russia ranks as one of the most carbon-intensive economies in the world, and that this locks the country into its technological backwardness, with reduced competitiveness in global markets and difficulties in meeting international GHG emission commitments. However, no proposals for action are indicated, as to mitigation or adaptation.

The most recent example of this approach comes from the 11th Moscow International Energy Forum in April 2013. Here the focus was on keeping Russia's share in the global market for fossil fuels unchanged and related reconsiderations of national energy strategy, with no mention of climate change. The country's new energy outlooks on both the global and the Russian level until 2040 were presented by leading Russian organizations that advise the Ministry of Energy and the top level of the government: the Energy Research Institute of Russian Academy of Science (ERIRAS) and the Analytical Centre of the Government. They considered various technological challenges and threats to global and Russian energy systems, but ignored CO₂ mitigation measures and the impacts of climate change. These documents assume that global CO₂ emissions will continue to grow⁵, with a slight decrease in emissions projected in the developed countries. China's emissions are expected to stabilize after 2025, whereas rapid growth in emissions is forecast in other developing countries. This approach ignores the UNFCCC pledges by developing countries.

However, not all Russian energy-sector modelers ignore the possibility of domestic response to climate change, and, as a result, a body of literature is available for the policy-makers. The Centre for Energy Efficiency (CENEf) recently published a full review of the latest

works by five research centres,⁶ comprising practically all energy experts advising the government. All five centres have developed estimates of emission reduction options⁷. The latest work by the Institute of Economic Policy⁸, to which also the WWF contributed, was conducted using a TIMES model. It predicts that, without a carbon price, CO₂ emissions will stabilize at approximately 70% of the 1990 level by 2030, assuming that all economically advantageous measures for energy efficiency and energy saving are implemented. Introducing a carbon tax and increasing it step-by-step from 15 to 50–80\$/tCO₂ can reduce emissions to half of the 1990 level by 2050. Also technical opportunities for more radical reductions are recognized. However, the government tends to disregard such estimates as hypothetical. Discussions in a working group at the Ministry of Economic Development⁹ and a seminar organized by the business lobby Delovaya Rossiya¹⁰, both in mid-March 2013, revealed that government officials and the business community see little reason to introduce a price for CO₂. They are even against reporting emissions data, as in their opinion that would only increase their bureaucratic burden.

As environmentally-oriented scenarios or economic estimates of emission reductions have become available, the challenge for Russian

⁶ Energy Research Institute of the Russian Academy of Science, Institute of Economic Projections of the Russian Academy of Science, Higher School of Economics, Academy of Economics and Institute of Economic Policy, and CENEf itself.

⁷ Bashmakov I. and Myshak A. *Factors determining greenhouse gas emissions in Russian energy sector: 1990 – 2050. Part 2. Prognoses for 2010 – 2060*. Centre for Energy Efficiency. February 2013.

⁸ Gordeev D. and Kokorin A. *Possibilities and driving forces for renewable energy development in Russia*. Presentation on the conference of the Moscow Institute of International Economy and International Affairs (IMEMO) Development of renewable energy in Russia. Possibilities and problems. 22 November 2012. Kokorin A, Gritsevich, I. and Gordeev, D. *Russian energy future 2050 and GHG levels*. Yale Center for Environmental Law and Policy. WebEx Presentation, 17 November 2011. Available at <https://yaleenvirocenter.webex.com/mw03071/mywebex/default.do?siteurl=yaleenvirocenter>.

⁹ Ministry of Economic Development and Delovaya Rossiya Business Association joint Working Group on greenhouse gas regulation. Meeting 20.02.2013. Ministry of Economic Development. *Personal communication by Alexey Kokorin* as member of the Working Group and participant of the meeting.

¹⁰ Greenhouse Gas regulation and factor for increasing of competitiveness of Russian economy. Round Table in Delovaya Rossiya Business Association. 14.03.2013. *Personal communication by Alexey Kokorin* as the participant.

⁴ Ibid. p. 73.

⁵ Energy Research Institute of the Russian Academy of Science, *New Global and Russian Energy Outlook Up to 2040*. ERI RAS and Analytical Centre of the Russian Federation Government presented at 10 April 2013. Available at <http://www.eriras.ru/data/290/eng>

decision-makers is to understand the aggravating threat of climate change, which will inevitably lead to much larger costs in the future, as well as the short-term thinking of the business community and the country's leadership. Until the damage caused by climate change is understood in a more concrete manner, it will remain in the shadow of the potential threat of global climate mitigation actions to Russia's hydrocarbon exports. Related topics are discussed in climate negotiations under the 'adverse effects' breakout group, but Russia has not actively participated in these discussions as they focus on developing countries.

Bottom-up climate coalition can initiate only limited action

Non-governmental and lobby organizations are often seen as illegitimate by the Russian leadership, as demonstrated by the numerous laws passed to limit their activities. Western-style NGO and lobby organizations are almost absent, but, in the course of the last decade, a narrow coalition of experts working to push climate policies has emerged in Moscow. These actors may have varying incentives for promoting climate action, but they recognize that acting in concert improves their chances for success. It is this coalition that put forward the idea and successfully lobbied for the adoption of the Climate Doctrine, its Implementation Plan, decisions on JI projects and Russia's participation in the CCAC. Members of the coalition in the academic community have launched an internet-based campaign to raise climate awareness, a monthly bulletin, annual report, textbooks, and more. The NGOs coordinate their common position on the climate issue biannually and promote it in the mass media. Some members of the environmental committees of the leading business associations (RSPP and Delovaya Rossiya) advocate a low-carbon economy through emissions-reduction measures. They are supported by representatives from the environmental departments of some large companies.

The most significant promoters of the climate issue in the government include civil servants from relevant departments of the Ministry of Economic Development, the Ministry of Foreign Affairs, and the Presidential Administration, as well as the members of the Russian delegation in the UNFCCC negotiations. Within the academic community, main relevant actors

include directors and leading researchers.¹¹ In the NGO sector, most active are the WWF, the Social and Ecological Union, the Russian anti-nuclear organization Environment Defence, which works in close cooperation with the Boell Foundation, Bellona and Greenpeace. As to the mass media, RIA Novosti, the leading business newspapers *Kommersant* and *Vedomosti*, and RBC TV work to raise awareness on climate-related issues.

It is important to note that the members of this coalition never promote the interests of other countries or companies (as perhaps feared by the Russian leadership) and have been keen to avoid such linkage: thus, they cannot be seen as a 'fifth column' in climate policy. They are rather members of a vanguard who have realized the importance of the climate problem as well as the benefits for Russia's population and economy that can accrue from mitigation measures. Thus, there is a climate frontline in Russia – but it is small and its influence is limited. Importantly, it does not include representatives of the federal government – not a single minister or deputy prime minister. As a result, informational support has had little impact, whether it has come in the form of visits by leading international climatologists or economists, preparation of Russia's development scenarios or similar actions. Russian climate advocates are already familiar with this information, and the less-informed decision-makers are unlikely to be interested.

The climate coalition lacks financing and opportunities for large-scale awareness-raising work within the population and the mass media, which can make a difference. Unfortunately, there is a significant proportion of climate sceptics in the government. The public typically confuses weather forecasts and climate projections. The population feeds on sensational rumours of climate disasters, but without possibilities for grasping the true essence of climate change, a subject long excluded from the educational curriculum. Moreover, it has become trendy in the entertainment media and among intellectuals not directly involved in the climate-science debate to express doubts as to the anthropogenic impact on climate and the quality of climate projections.

¹¹ The Main Geophysical Observatory, the Institute of Global Climate and Environment, the Institute of Atmospheric Physics of the Russian Academy of Science, the Moscow University of International Affairs (MGIMO), and the Roshydromet.

However, it seems that the climate lobby can influence national climate policies to some extent. In late 2012, the federal government was actively discussing the national 2020 GHG target, but the final draft document included unnecessarily large headroom for growth as well as uncertainty. The GHG target was defined as in the range of 75–85% of 1990 level, and the use of forest sinks – LULUCF – remained an open question.¹² A 75% target including LULUCF would bring no reductions in additional emission growth – quite the opposite. This was underlined by NGOs in letters to the government and in the media. The criticism from NGOs and experts was considered unexpectedly heavy, and probably contributed to the withdrawal of the document. In March 2013, the document re-emerged with a more specified target level of 75%; however, the uncertainty on the inclusion of LULUCF remained¹³.

It could be argued that Russia's climate coalition can be able to alter some decisions by criticizing them in public, but lacks recognition as an additional stakeholder group in the Russian decision-making system. For one thing, the climate coalition does not have sufficient influence to successfully promote ambitious GHG emission reduction goals (for example, down 50% by 2050) or mitigation policies, like the introduction of carbon regulation, as through a carbon price. Further, should only five to ten leading of the contributors to the current climate coalition move on to new positions, the climate movement would simply freeze. Large-scale training and support for climate experts is the most important tool for assisting Russia's climate policy towards a more responsible path.

¹² Forest sinks are a very significant contributor, as they can absorb some 20% of Russia's 1990-level GHG emissions. Taking LULUCF into account Russia's GHG emissions in 2011 were only 49% of the 1990 level instead of 69% otherwise (*UNFCCC Russia National Inventory Report, April, 2013*).

¹³ Draft Decision of the President *On level of greenhouse gas emission* was presented by the Ministry of Natural Resources (MNR) and included level of 75% without any specification on LULUCF. Available at <http://www.mnr.gov.ru/regulatory/detail.php?ID=130473> Draft was criticized by NGOs (in particular, WWF, Socio-ecological Union) with official sending of corrections to the Ministry. Then MNR and Ministry of Economic Development agreed new draft with additional points to separate level of 75% by sub-targets by sectors of economy and develop plan of implementation. By the middle of May 2013 new draft was not adopted by President.

How to break Russia's 'stand-by' mode on climate?

Despite the above, it would be incorrect to say that the president and the government of the Russian Federation do not recognize that there is a climate problem: here we have only to recall the speeches of prime minister Dmitry Medvedev and his first deputy Arkady Dvorkovich.¹⁴ But they seem to be in 'stand-by mode', awaiting emissions-reduction efforts from the USA and China for Russia to join in. On the home front, they are awaiting better-quality estimates of the economic harm to the country caused by climate change – estimates developed by using transparent methods. The need for adaptation to more frequent and intense extreme weather events is acknowledged, as well as the damage caused by melting permafrost, but there have been no announcements of actions intended for adapting *before* the damage has become evident. Instead, adaptation is seen as a problem specific to certain regions and certain sector ministries and agencies (Ministry of Regions, Roshydromet), insurance companies, large production companies working in the Arctic, etc.

Although it is not powerful in policy formation, climate advocates outside Russia should recognize the small climate coalition that has emerged as an opportunity. One of the strengths of this coalition is its expertise concerning the Russian decision-making system, and how it can be influenced through publicity.

To deal with the lack of understanding on the threat of climate change, other governments could initiate joint projects and research cooperation involving foreign and Russian climate experts and economists, to assess the economic damage to Russian territory that may ensue from climate change. Demonstrating that *post-hoc* adaptation will become very costly, especially when the economic and health impacts and the costs of handling emergencies are taken into account, could enforce this message. As the Arctic and sub-arctic regions would be the most obvious geographical areas to demonstrate impacts of climate change (erosion, permafrost, etc.) due to their vulnerability, field activities in these regions are more likely to succeed. Involving

¹⁴ RT, 17 December 2009. Russia defines ways to tackle climate change. Available at <http://rt.com/politics/russia-tackle-climate-change/>. Shchedrov, Oleg (2009). Russia's Medvedev warns of climate catastrophe. Reuters, 16 November 2009. Available at <http://www.reuters.com/article/2009/11/16/us-climate-russia-idUSTRE5AF1SU20091116>

for instance foreign insurance companies active in the Russian market could make the threat more concrete. Such information could contribute to convincing the Russian leadership that the damage is real, and not a myth, or a bluff, concocted by other actors.

In order to further support awareness-raising efforts in Russia, one important step would be to invite sceptics to transparent scientific and media debate in connection with the upcoming fifth assessment report of the IPCC, linked to negotiations on a post-2020 global agreement. Joint projects with the Russian climate coalition (academia, NGOs and leading media) could support their work vis-à-vis the climate sceptical lobby during the next two years.

Finally, the global community should call Russia's bluff on 'window-dressing' climate policies, as it has become apparent that image building rather than actual mitigation measures is involved. It needs to be made clear that good documents have not been followed by real action. The media as well as political leaders could put pressure on the Russian leadership by straight-forward statements in international forums (G8, UNFCCC, EU-Russia diplomacy, etc.) that Russia must take real and additional action to address anthropogenic climate change, if it is to be seen as a credible participant in international environmental policy work. Some positive contributions have already been achieved through such an approach, like naming and shaming Russia in the field of associated gas-flaring in oil production.

This, together with efforts to raise awareness on climate change and its economic and physical impacts, could help bring about a contribute where Russia no longer treats the new global agreement as another site for building a green but empty image in foreign environmental policy. In the negotiations, Russia's recently published peaking emission scenarios could be recognized, but only when linked to a clear programme for implementation to deliver the outlined dynamic by 2030. All this would probably not completely break Russia's current 'stand-by mode' in climate politics - the involvement of the major emitters China and the USA is required for that. However, should that happen, Moscow would be better prepared to act.

About the author(s)

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