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Toolbox: Creating an E-8

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An Environment-8 to match the Group of 8.

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United States Department of Brainstorms *Washington, DC 29093* ACTION
MEMORANDUM

TO: The 44th President of the United States*

FROM: Todd Stern and William Antholis

SUBJECT: Creating the E-8

DATE: January 1, 2007

For many years, evidence of serious ecological risk has mounted, yet the world's governments have failed to muster a remotely adequate response. Global warming is real; temperate and tropical forests are vanishing; we face a growing freshwater crisis; our marine fisheries are increasingly depleted; and we are decimating genetic and species diversity through habitat destruction—"the folly our descendants are least likely to forgive us", in the words of Harvard biologist E.O. Wilson. These and other developments pose risks—of economic disruption, large-scale migrations, health crises, resource conflicts—that should stir our political leaders to action. But it's not happening.

The broad failure to reverse or even slow the pace of ecological deterioration for the past 25 years is not for lack of effort. As forests have thinned, greenhouse gases accumulated and species gone extinct, UN-sponsored international environmental agreements have proliferated: the UN Convention on the Law of the Sea, the Montreal Protocol on Ozone Depletion, the Framework Convention on Climate Change, the Kyoto Protocol and the

Convention on Biological Diversity, just to name a few. Some of these agreements, made possible by dedicated government officials and outside activists, have produced real improvements, the Montreal Protocol banning CFCs being a noteworthy case in point. But most have not, and the reasons are at least in part structural.

The negotiations typically involve more than 150 nations, often grouped into competing blocs, which must negotiate internally as well as among themselves. Environmental issues rarely motivate top-level decision-makers, so negotiations are conducted by bureaucrats empowered to make technical level decisions, but not political compromises among countries. Moreover, substantial UN bureaucracies often grow up around the issues, further slowing the pace of progress. When political energy is finally brought to bear by ministers, arriving with too little time left in a session, the results are too often continued stalemate or modest compromise. And that doesn't count the difficulties of getting a signed treaty ratified, or ensuring the implementation of a treaty once it has entered into force. This is no way to run a planet.

E-8: Form and Function

We need a way to break through the political fog and bureaucratic clutter to give global environmental issues the focused top-level treatment they deserve. We propose the creation of an E-8: a compact forum of leaders from developed and developing countries devoting their full attention once a year to global ecological and resource challenges.

Much like the G-7 as originally conceived, the E-8 would bring together the heads of a small number of key countries with the aim of encouraging frank, informal dialogue and clearing bureaucratic logjams. The G-7 was born in 1975 out of French President Valéry Giscard d'Estaing's frustration with the inability of existing multilateral economic institutions to solve vital economic problems, in particular the imbalance of exchange rates provoked by the 1973-74 oil crisis. Supported by German Chancellor Helmut Schmidt, Giscard believed a breakthrough could be achieved with a small group of leaders, so he convened the first summit at Rambouillet, attended by the heads of the United States, the United Kingdom, Germany, Italy, Japan and France. (Canada joined as the seventh participant the following year.) Giscard was right. In the course of a two-day meeting, France agreed to amend the IMF Articles to permit floating rates in return for an agreement among the six to cooperate informally to stabilize rates. The success of Rambouillet gave rise to the annual meetings that have taken place ever since.

It's easy to get exasperated with the current G-8, whose summits have periodically been marked by swollen agendas, oversized delegations and windy communiqués. But at its best, the G-8 has provided a forum for candid, informal and relatively intimate dialogue, and it has accomplished a great deal. It has produced results in two ways: by forcing ministers and lower-level officials to concentrate on finding common ground before their bosses meet, and by giving the heads of government a chance to do so for themselves if their subordinates fail. G-7/8 achievements include:

the 1978 deal in Bonn that spurred agreement in the Tokyo Round of the GATT later that year; resolution of the 1983 Euromissile dispute in Williamsburg; agreement in 1989 in Paris on the Brady Plan for debt reduction as well as the creation, that same year, of the Financial Action Task Force, the world's principal agency focused on anti-money laundering and terrorist financing; the 1999 agreements in Cologne for a substantially enhanced debt relief program for the Heavily Indebted Poor Countries, reforming the international financial architecture in the wake of the Asian financial crisis, and a joint approach on Kosovo; the 2001 agreements in Genoa to launch a new trade round (following the December 1999 debacle in Seattle) and, with the UN, to establish the Global Fund to fight AIDS, tuberculosis and malaria; the 2002 agreements on an Africa Action Plan in Kananaskis and to raise up to \$20 billion over ten years to clean up nuclear and chemical weapons sites in the former Soviet Union.

The G-8 itself, however, is ill-suited for confronting ecological challenges. Environmental problems always end up competing with the core political and economic priorities of G-8 summits and usually lose. Besides, the G-8 membership is wrong for this purpose—ecological and resource problems cannot be solved without the participation of key developing countries, which are highly vulnerable to environmental risks and also play an increasing role in generating them. Tony Blair tried to overcome the G-8's limitations at the 2005 summit in Gleneagles, Scotland, by putting climate change far forward on the agenda, and by inviting key developing countries—China, India, Brazil, South Africa and Mexico—to the conversation. That was the right idea, but episodic steps cannot produce the necessary momentum to drive action—either substantively or politically.

The E-8 should consist of four developed and four developing countries (or entities) focused on global ecological and resource problems. Notionally, we propose membership for the United States, the European Union, Japan, Russia, China, India, Brazil and South Africa—countries selected both for their political standing and for the importance of their ecological roles. These states

represent the core economies in each region of the world and together produce some three-fourths of global GDP. There are other possible players, such as Australia, Canada, Indonesia and Mexico, but the objective of preserving a sense of intimacy and informality argues against a larger grouping.

Four Purposes

An E-8 forum should serve four important purposes. *First* and foremost, it would propel leaders to get personally involved, and that kind of engagement, as Giscard recognized thirty years ago, can break deadlocks, if not move mountains.

Second, an E-8 would create an ecological board of directors able to operate outside the bureaucracy and politics of large UN conventions. This is sorely needed. Just as you can't run a company through plenary meetings of the shareholders, you can't manage crucial global issues that way either.

While an E-8 would be small enough to facilitate productive dialogue, it would have such a formidable footprint that its actions would be consequential in their own right and could set the terms of the policy debate more broadly, whether within existing environmental conventions or outside of them. Of course, other shareholders must have a voice, and they would—in the broad multinational forums that will continue to exist, just as the World Bank, the GATT and the IMF continued to exist after the creation of the G-7. But there has to be a way for critical players to talk regularly about these issues without a lot of static, and at the highest level.

Third, an E-8 could play a vital role in mobilizing the public by shining a spotlight on core ecological issues. The five years from Jubilee 2000 to the 2005 Live 8 events on debt relief not only moved public opinion and political leaders, but also demonstrated the capacity of civil society to play a constructive role on the global stage. The same potential exists on environmental and resource issues. Of course, stubborn leaders could still refuse to cooperate, but sustained recalcitrance would exact a larger political price and be more conspicuous in an E-8 context than in a G-8 one.

Fourth, an E-8 could facilitate a more integrated treatment of global environmental issues, both within and among governments. Too often environmental issues are consigned to marginalized environmental ministries, despite the capacity of these issues to affect the economy and national

security. The engagement broadly produced among government agencies when leaders are involved is essential both for developing and implementing smart policy across government. In addition, an E-8 forum would enable a more integrated treatment of ecological issues, facilitating tradeoffs and compromises that aren't possible now given the separate UN silos in which these issues are considered.

Two Cases

How might an E-8 spur progress? Let's look at two specific issues—climate change and deforestation.

Climate change

The world officially recognized climate change as a global threat in the 1992 (non-binding) UN Framework Convention on Climate Change, but the path since then has been marked by years of painstaking negotiations to produce the Kyoto Protocol, more years of rancorous talks on implementing Kyoto, lengthy ratification disputes, and uninspiring results on the ground (even from enthusiastic backers like the EU and Japan, who are far behind the pace needed to meet their 2008–12 emission targets). Meanwhile, the main developing country bloc, which includes everyone from China and India to the poorest lands in Africa, has resisted any discussions leading to binding obligations.

In short, we have a potentially large problem coupled with a complicated, bureaucratic and torpid negotiating mechanism. An E-8 could help. The United States, European Union, China, Russia, Japan and India are the top six emitters of greenhouse gases, and South Africa and Brazil rank 12th and 13th, respectively. Together, these eight countries produce more than 70 percent of all greenhouse gases.

An E-8 could focus, for example, on high-impact technology agreements. An illustration of such agreements can be found in the report of the 2005 *International Climate Change Task Force*, led by British MP Stephen Byers and U.S. Senator Olympia Snowe (R-ME): a biofuels initiative (including a shift of some agricultural subsidies) to promote the development of cellulosic ethanol, which would dramatically increase the supply of biofuels; a clean-coal initiative using loan guarantees to offset the extra cost of constructing coal plants able to sequester carbon (particularly important in places like China and India, where massive new coal capacity is being added annually); and a partnership among E-8 countries to promote more rapid market penetration of

hybrid vehicles. An E-8 group could also agree that its members would adopt their own national limits on emissions or take comparable mandatory steps to constrain carbon. E-8 members could also seek to forge an understanding in principle that would guide negotiations for a larger, more effective global accord.

None of these agreements would be easy to reach, but an E-8 would provide the right forum, the right mix of countries, the right level of leadership, and a setting conducive to candid, productive dialogue. Besides, if such achievements are hard to reach in an E-8 setting, they are probably impossible to reach in more conventional venues.

Deforestation

Forests are essential to life on earth. They create oxygen, help maintain our climate system by sequestering carbon, and prevent floods. They also furnish habitat to 90 percent of land-based plant and animal species, and provide crucial industrial products, from wood and rubber to plants used for making vital drugs. More than 400 million people worldwide, moreover, are directly dependent on forests for their livelihood.

Yet forests are being destroyed at an unsustainable rate. Much of the pressure comes from local consumption, for uses such as conversion to farming and ranching, urban development and fuel, which still consumes half of all wood harvested globally. But much pressure also comes from international demand driven by the major consuming nations, a demand fed in part by large-scale illegal logging.

Despite several efforts, states have never agreed to a binding global forest treaty. Instead, an array of regional and multilateral agreements, statements and proposals have been produced: the Forest Principles agreed to at the UN conference in Rio in 1992; the Proposals for Action in 1997 and 2000 announced by the UN Intergovernmental Panel on Forests (and its successor forum); and three regional Forest Law Enforcement and Governance conferences that have taken place since 2001 as a result of the G-8's 1998 Action Program on Forests. President Bush also announced his Initiative Against Illegal Logging in 2002, a useful expression of presidential interest that has, for example, placed logging issues within current U.S.-Indonesian trade talks. But the President has never sought funding for the initiative, and it has thus not been nearly as effective as it might have been. None of these efforts has adequately slowed the pace of forest destruction.

An E-8 would bring together countries representing half the world's forests—and if a few key countries such as Australia, Canada and Indonesia were brought into the discussion, that figure would rise to nearly 75 percent. Just as important, an E-8 would represent the world's largest consumers of wood. Together, these countries could jointly take steps to shut down the robust trade in illegal logs; support a strong certification program and consumer boycott of products made from uncertified wood; eliminate perverse subsidies that accelerate forest loss; and plan how the vast appetite for wood in the E-8 countries should be managed. An E-8 could monitor progress in implementing such measures through annual reporting. Beyond its own membership, an E-8 could seek to extend forest protection measures to other nations.

Depending on what E-8 leaders agreed to on climate change, deforestation and other issues, various follow-up mechanisms would be available. They might, for example, establish working groups to carry on more detailed negotiations before the next summit. Such groups could be confined to the E-8 members or reach out beyond them to other governments and to private-sector actors. In rare cases, a permanent functional entity might be spun off, as the G-7 created the Financial Action Task Force in 1989. The guiding principle of an E-8 grouping would be to *do what it takes* to get meaningful results.

A Word to Skeptics

The case for creating an E-8 does *not* depend on a belief in worst-case ecological scenarios. It makes just as much sense in cases where the degree of peril is uncertain. Take the case of climate change.

Nearly all reputable scientists agree that at least some global warming is occurring and could become an acute problem. Debate now focuses on how serious the impact of global warming will be and on timescales. The middle range of this conversation suggests that we could face serious droughts and floods, more intense hurricanes, mounting pressure on fresh water supplies, the increased spread of disease and rising sea levels that could uproot tens of millions worldwide. There are more benign scenarios, as well as scenarios positing rapid catastrophic change. The key is uncertainty; there is a real but unknowable prospect of serious threat. That alone is warrant for vigorous action, at the very least in the form of prudent contingency planning. Responsible military leaders don't ignore significant risks, even if they are improbable ones; they take anticipatory action to confront and contain them. We as a global community need to do the same thing when it comes to significant environmental risks, and an E-8 will enable us to do precisely that.

Of course, an E-8 would not be a panacea. The ecological and resource challenges we face are extraordinarily complex. But an E-8 would help us break out of bureaucratic gridlock and start to produce practical results. What we have been doing so far hasn't produced outcomes commensurate with the risks we face. We need to try a new approach in order to intensify the level of political engagement, and an E-8 forum is that new approach. Mr. President: If you begin now, the first E-8 Summit can be held on April 22, 2010, the 40th anniversary of the first Earth Day. That should be our target.

*Although this memorandum is addressed to the 44th President of the United States, we are sending it to every presidential aspirant—each of whom thinks he or she will be elected president—because we know that it takes time for ideas such as these to become reality.

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