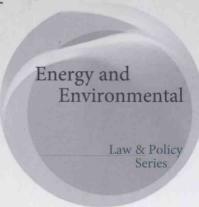
KLUWER LAW INTERNATIONAL



The Common but Differentiated Responsibility Principle in Multilateral Environmental Agreements

Regulatory and Policy Aspects

by Tuula Honkonen



KLUWER LAW INTERNATIONAL

The Common but Differentiated Responsibility Principle in Multilateral Environmental Agreements

Regulatory and Policy Aspects

Tuula Honkonen



Published by:

Kluwer Law International

PO Box 316

2400 AH Alphen aan den Rijn

The Netherlands

Website: www.kluwerlaw.com

Sold and distributed in North, Central and South America by:

Aspen Publishers, Inc. 7201 McKinney Circle Frederick, MD 21704 United States of America

Email: customer.service@aspenpublishers.com

Sold and distributed in all other countries by: Turpin Distribution Services Ltd. Stratton Business Park Pegasus Drive, Biggleswade Bedfordshire SG18 8TQ United Kingdom

Email: kluwerlaw@turpin-distribution.com

Printed on acid-free paper.

ISBN 978-90-411-3153-9

© 2009 Kluwer Law International BV, The Netherlands

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without written permission from the publisher.

Permission to use this content must be obtained from the copyright owner. Please apply to: Permissions Department, Wolters Kluwer Legal, 76 Ninth Avenue, 7th Floor, New York, NY 10011-5201, USA. Email: permissions@kluwerlaw.com

Printed in Great Britain.

The Common but Differentiated Responsibility Principle in Multilateral Environmental Agreements

Energy and Environmental Law & Policy Series Supranational and Comparative Aspects

VOLUME 5

Editor

Kurt Deketelaere

Professor of Law, University of Leuven, Belgium, Honorary Professor of Law, University of Dundee, UK; Chief of Staff, Flemish Minister for Public Works, Energy, Environment and Nature

Editorial Board

Professor Philip Andrews-Speed, University of Dundee Professor Michael Faure, University of Maastricht Professor Gunther Händl, Tulane University, New Orleans Professor Andres Nollkaemper, University of Amsterdam Professor Oran Young, University of California

The aim of the Editor and the Editorial Board of this series is to publish works of excellent quality that focus on the study of energy and environmental law and policy.

Through this series the Editor and Editorial Board hope:

- to contribute to the improvement of the quality of energy/environmental law and policy in general and environmental quality and energy efficiency in particular;
- to increase the access to environmental and energy information for students, academics, non-governmental organizations, government institutions, and business;
- to facilitate cooperation between academic and non-academic communities in the field of energy and environmental law and policy throughout the world.

Preface

My interest in international environmental law dates from my first year as a law student. The introductory course to the subject opened a whole new world to me and has led me this far. One of the most attractive things about international environmental law is that it is not only about the creation and interpretation of legal rules but largely about state behaviour and the various motives behind the scenes. This also forms the great challenge for any international environmental law scholar.

The process of doing research and writing this book, which originally served as a doctoral thesis, has been a rewarding experience. It has been a rather solitary effort since, as an independent researcher and remote-worker, I have unfortunately not been able to benefit from the stimulating environment of like-minded colleagues while conducting my research. Consequently, discussions with and comments received from fellow researchers and other academics during various meetings, seminars and conferences have been really precious to me. The encouragement conveyed through these interactions strengthened my faith in that what I was doing is worthwhile.

On this occasion, I would like to thank the supervisors of my work, Professor and custos Tuomas Kuokkanen and Professor Tapio Määttä for their encouragement in the course of my research work, and for the ideas and comments received during the process. My colleagues at the University of Joensuu deserve many thanks as well for providing useful and thought-provoking comments along the way. I also want to thank the pre-examiners of my doctoral thesis, Professors Marc Pallemaerts (who also kindly acted as an opponent) and Timo Koivurova for valuable comments at the final stage. The responsibility for remaining mistakes naturally rests on the author.

For financial support, I would like to thank the Finnish Cultural Foundation and Emil Aaltonen Foundation. I am grateful to Paul W. Harrison for checking my English.

xii

Finally, my heartiest thanks go to my family: my husband Niko, my parents Martti and Inkeri and my sister Hanna. I am deeply grateful for their encouragement and continuous support. This book is dedicated to them.

Tuula Honkonen Tampere, May 2009

Abbreviations

AOSIS Alliance of Small Island States
CBD Convention on Biological Diversity

CBDR Common but Differentiated Responsibility

CDM Clean Development Mechanism
CEIT Country with Economy in Transition

CER Certified Emission Reduction

CFC Chlorofluorocarbon

CITES Convention on International Trade of Endangered Species

CO₂ Carbon Dioxide

CSD (UN) Commission on Sustainable Development

EC European Community
ERU Emission Reduction Unit

ET Emissions Trading EU European Union

FAO Food and Agriculture Organization of the United Nations

G77 Group of 77

GATS General Agreement on Trade in Services GATT General Agreement on Tariffs and Trade

GDP Gross National Product GEF Global Environment Facility

GHG Greenhouse Gas

GSP Generalized System of Preferences ICJ International Court of Justice

ICRW International Convention for the Regulation of Whaling

IFAD International Fund for Agricultural Development

ILA International Law Association ILC International Law Commission

xiv Abbreviations

ILM International Legal Materials
ILO International Labour Organization

INC Inter-governmental Negotiation Committee IPCC International Panel on Climate Change

JI Joint Implementation LDC Least-Developed Country

LDF Least-Developed Countries Fund

LRTAP Long-Range Transboundary Air Pollution MEA Multilateral Environmental Agreement

MFN Most-Favoured-Nation

MLF (Montreal Protocol) Multilateral Fund NGO Non-governmental Organization NIC Newly Industrialized Country NIEO New International Economic Order

ODS Ozone-Depleting Substances

OECD Organization for Economic Cooperation and Development

OJ Official Journal

OPEC Organization of the Petroleum Exporting Countries

POP Persistent Organic Pollutant
PPP Polluter Pays Principle
R&D Research and Development
RAF Resource Allocation Framework

RIDC Rapidly Industrializing Developing Country

SCCF Special Climate Change Fund SDT Special and Preferential Treatment

SPS (Agreement on) Sanitary and Phytosanitary Measures

TBT (Agreement on) Technical Barriers to Trade TOMA Tropospheric Ozone Management Area

TRIMs (Agreement on) Trade-Related Investment Measures

TRIPS Treaty on Intellectual Property Rights

UN United Nations

UNCCD United Nations Convention to Combat Desertification

UNCED United Nations Conference on Environment and Development

UNCLOS United Nations Convention on the Law of the Sea UNCTAD United Nations Conference on Trade and Development

UNDP United Nations Development Programme

UNECE United Nations Economic Commission for Europe

UNEP United Nations Environmental Programme

UNFCCC United Nations Framework Convention on Climate Change

UNGA United Nations General Assembly

UN-OHRLLS United Nations Office of the High Representative for the Least-

Developed Countries and Small Island Developing States

UNRIAA United Nations Reports of International Arbitral Awards

UNTS United Nations Treaty Series

Abbreviations χV

US **United States**

VOC

WMO

Volatile Organic Compound
World Meteorological Organization
World Summit on Sustainable Development WSSD

World Trade Organization WTO

ENERGY AND ENVIRONMENTAL LAW & POLICY SERIES

- 1. Stephen J. Turner, A Substantive Environmental Right: An Examination of the Legal Obligations of Decision-makers towards the Environment, 2009 (ISBN 978-90-411-2815-7).
- Helle Tegner Anker, Birgitte Egelund Olsen & Anita Rønne (eds), Legal Systems and Wind Energy: A Comparative Perspective, 2009 (ISBN 978-90-411-2831-7).
- 3. David Langlet, *Prior Informed Consent and Hazardous Trade: Regulating Trade in Hazardous Goods at the Intersection of Sovereignty, Free Trade and Environmental Protection*, 2009 (ISBN 978-90-411-2821-8).
- Louis J. Kotzé and Alexander R. Paterson (eds), The Role of the Judiciary in Environmental Governance: Comparative Perspectives, 2009 (ISBN 978-90-411-2708-2).
- 5. Tuula Honkonen, The Common but Differentiated Responsibility Principle in Multilateral Environmental Agreements: Regulatory and Policy Aspects, 2009 (ISBN 978-90-411-3153-9).

Table of Contents

Pref	ace	xi			
Abb	reviations	xiii			
	pter 1 oduction	1			
1.1	Introduction to Common but Differentiated Responsibility	1			
	1.1.1 Two Constitutive Elements: Common and Differentiated	1			
	1.1.2 Two Frames for the Setting	4			
	1.1.2.1 Sustainable Development				
	1.1.2.2 The North-South Divide	8			
	1.1.3 Philosophical Background: Justice Requires Reciprocity				
	and Proportional Treatment	11			
1.2	About the Study	14			
	1.2.1 Research Task	14 16			
	2 Focus				
	.3 Approach and Methodology: Realism and Pragmatism				
	as Key Premises	23			
Cha	pter 2				
	kground for and Development of CBDR	35			
2.1	Levels of Development				
	2.1.1 International Law	35 35			
	2.1.1.1 Sovereign Equality and Reciprocity	35			
	2.1.1.2 Movement for New International Economic Order	39			
	2.1.1.2.1 The Idea of and Demands Presented	72.5			
	for NIFO	30			

			2.1.1.2.2	The Outcom	ne of the Movement	42
			2.1.1.2.3	Conclusion		45
				2.1.1.2.3.1	Reasons for Failure and	
					Lessons Learned	45
				2.1.1.2.3.2	Implications for	
					International	
					Environmental Law	47
		2.1.1.3	Internatio	nal Trade Re	gime: Special and	
					under GATT/WTO	49
			2.1.1.3.1	History of t	he Doctrine	49
			2.1.1.3.2	Principles a	nd Provisions of SDT: An	
				Overview		54
			2.1.1.3.3	Future Pros	pects	58
			2.1.1.3.4	Assessment	of Special and Differential	
					Jnder International Trade	
				Regime		63
	2.1.2	Internat	ional Envir	onmental La	w	67
		2.1.2.1	Common	Heritage and	Concern of	
			Humankii			67
		2.1.2.2	Birth and	Evolution of	CBDR	69
			2.1.2.2.1	Stockholm	and Rio Conferences:	
				Recognition	and Definition	69
			2.1.2.2.2		mmitment Re-affirmed	75
	2.1.3	Trend: 0	Contextuali	zation of Inte	ernational Law	77
		2.1.3.1	Contextua	alization and	Fragmentation of	
			Internatio			77
		2.1.3.2	CBDR in	the Contextu	alization Development	80
2.2	The A			sting Inequiti		82
	2.2.1 Philosophical Perspectives in the Background					82
		2.2.1.1	John Raw	ls: Justice as	Fairness in	
			Burden-S	haring		82
		2.2.1.2	Prospects	of Distributi	ve Justice in	
			Internatio	nal Law		88
	2.2.2	State In	equality			90
	2.2.3	Fairness	s in Interna	tional Law		94
		2.2.3.1	Implication	ons of Fairne	ss to International Law	94
		2.2.3.2			International Adjudication,	
			A Short N	Note	•	96
	2.2.4	Equity i	in Internati	onal Environ	mental Law: Characteristics	
		and Fea				99
		2.2.4.1	Equality,	Equity - Jus	tice and Fairness	99
		2.2.4.2			of Equity in International	
				ental Lawma		102
		2.2.4.3	Equity G	uiding to Fair	rer MEAs	106
			340			

Table of Contents vii

Ope	pter 3 rational eements		CBDR in Multilateral Envi	ronmental	111	
Agr	cements				111	
3.1	Metho	Methods and Practice of Differentiation				
	3.1.1	3.1.1 Introduction				
	3.1.2 Differentiated State Obligations					
		3.1.2.1	Delayed Implementation and	Exemptions in		
			Montreal Protocol		114	
		3.1.2.2	Differentiated Obligations und	der the Global		
			Climate Change Regime		119	
			3.1.2.2.1 Regime Based on		119	
			3.1.2.2.1.1 Devel	opment of the		
			Regin		119	
				entiation of		
				nitments as the		
				lation of International		
				te Regulation	122	
			3.1.2.2.2 Burden-Sharing un		126	
				tiation Outcome	126	
				al Case: The EU		
				en-Sharing		
			Agree		131	
			3.1.2.2.2.3 Flexit		134 137	
		3.1.2.3 Differentiation under Acid Rain Regime				
		3.1.2.4	Differentiated State Obligations under Some			
			Other MEAs			
		3.1.2.5	Loopholes and Reservations i	n Treaties	144	
	3.1.3	3.1.3 Re-distribution of Resources			148	
		3.1.3.1		ng	148	
		3.1.3.2	Global Environment Facility		153	
		3.1.3.3	Montreal Protocol Multilatera		156	
		3.1.3.4	Financial Mechanisms under	Other MEAs	161	
			3.1.3.4.1 UNFCCC		161	
			3.1.3.4.2 From Ramsar to S	tockholm		
		2 . 2 .	Conventions		164	
		3.1.3.5	Technology Transfer		170	
			3.1.3.5.1 General		170	
2.2	3.1.3.5.2 Application in MEAs				174	
3.2		egorization of Countries for Differentiation			178	
	3.2.1		Considerations Dynamic Definitions		178	
	3.2.2		Dynamic Definitions		181 185	
	3.2.3					
	3.2.4		parison: Practice under GATT	1/W I O	190	
	3.2.5	Implications and Needs for Future			192	

Chapter 4 CBDR: A Regulatory and Regime Management Analysis				
4.1	Respo	onsibility for Problems	197	
	4.1.1	Polluter-Pays Principle	197	
		4.1.1.1 Background and Functions	197	
		4.1.1.2 PPP and Differentiation of Commitments	202	
	4.1.2	Ideas of Liability and Compensation and Global		
		Environmental Problems	204	
4.2	Fair E	Burden Sharing	210	
	4.2.1	General Considerations	210	
	4.2.2	Economic Criteria	212	
	4.2.3	Potential to Mitigate	216	
		Rights-Based Allocation	217	
		Contraction and Convergence and Other Formulas	221	
	4.2.6	Concluding Remarks	226	
4.3	Heter	ogeneity of States in Bargaining	229	
	4.3.1	State Heterogeneity and Relative Bargaining Strength	229	
	4.3.2	Experience under Montreal Protocol	231	
	4.3.3	Experience under UNFCCC and Cartagena Protocol	234	
4.4	Role	of Information	234	
	4.4.1	Information Asymmetries	234	
	4.4.2	Holding-Out and Rent-Seeking	239	
	4.4.3	Opportunity Costs	240	
4.5	Trans	action Costs and Complexity	241	
	4.5.1	Negotiation and Administrative Costs	241	
	4.5.2	Disadvantages of Complex Treaty Design	242	
4.6	Suspicions: Precedents Created for Future Negotiations			
	4.6.1	General	246	
	4.6.2	Experience under International Environmental		
		Regimes	247	
4.7	Perve	rse Interests	249	
	4.7.1	Valuations	249	
		Experience under Montreal Protocol and UNFCCC	251	
4.8	State	Self-interests and Dependence Relationships	253	
	4.8.1	Reluctance of the Developed World to Allow for CBDR	253	
		4.8.1.1 General	253	
		4.8.1.2 Experience under Montreal Protocol and		
		UNFCCC	256	
	4.8.2	Search for Concrete Global Benefits	259	
		4.8.2.1 Introduction	259	
		4.8.2.2 Experience under GEF and International		
		Environmental Regimes	261	
	4.8.3	More Immaterial Interests of Developed Countries at Stake	263	

	4.8.4	Complia	ince	264	
		4.8.4.1	Linking Duties of Developed and Developing		
			Countries	264	
		4.8.4.2	Experience under MEAs	268	
	4.8.5	Funding	Issues and Technology Transfer	272	
4.9	Effect	iveness o	f a Regime Applying CBDR	274	
	4.9.1		Considerations	274	
	4.9.2	Uniform	ity in Obligations is Inefficient	275	
	4.9.3		mental Effectiveness	277	
		4.9.3.1	Introduction	277	
		4.9.3.2	Concerns of Environmental Effectiveness		
			under MEAs	278	
	4.9.4	Econom	ic Effectiveness	283	
	4.9.5	Normati	ve Effectiveness	287	
	4.9.6	Other Fo	orms of Regime Effectiveness	288	
	4.9.7		ling Remarks	290	
4.10	Comp		marks: CBDR as a Regulatory Instrument		
	in ME	_	a toda constituir de de la constituir de de la constituir de de la constituir de la constituir de de la constituir de de la constituir de la c	291	
Chap	oter 5				
Statu	s and l	Future Pr	rospects of the Principle of CBDR	293	
5.1	Legal	and Polic	cy Status	293	
- 11-	5.1.1		erging Rule of Customary International Law?	293	
			Introduction	293	
		5.1.1.2		2,0	
		2	Law Status	297	
		5 1 1 3	CBDR as Customary Law	301	
	5.1.2		ng or Legally Binding Principle?	306	
	0.1.2		Interpretative and Guiding Value	306	
			Functions of Environmental Principles	500	
		3.1.2.2	Including Principle of CBDR	308	
		5123	Principles and Policies	310	
		5.1.2.4	Scholarly Opinions on CBDR as a Principle	510	
		3.1.2.1	of International (Environmental) Law:		
			A Commentary	313	
		5.1.2.5	AND THE RESERVE AND A SECOND S	325	
5.2	Impli		CBDR for Future International Environmental	323	
J.2	Regimes				
	5.2.1		Multilateral Environmental Cooperation	330 330	
	5.2.2		ty Fosters Cooperation	332	
	5.2.2		on of Equality and Participation	336	
	5.2.4		sm of CBDR: Post-2012 Negotiations on	330	
	J.4.4	•	Change	338	

Cha	pter 6		
	ppleting and Concluding Remarks	351	
6.1	Leadership, Partnership and Globalization in International		
	Environmental Cooperation	351	
6.2	Effectiveness of International Environmental Regimes	354	
6.3	Patterns of Burden-Sharing	356	
6.4	Influence of Justice on MEAs	359	
6.5	Feasibility of CBDR as a Principle of International		
	Environmental Law	361	
	6.5.1 Realization of the Principle	361	
	6.5.2 Feasibility as Effectiveness	363	
6.6	Final Conclusion	364	
Bibl	iography	369	
Tab	les of Materials	401	
Tabl	e of Treaties	401	
Othe	Other International Legal Documents		
Inter	International Soft Law Documents		
Tabl	e of Cases	405	
Inde	ex	407	