THE KYOTO PROTOCOL AS A DETERMINANT OF INTERNATIONAL COOPERATION

by Herbert Gnaś

FOREWORD

The Kyoto Protocol as the Framework Convention on Climate Change was as a response from the international community to the threat that the global warming phenomenon is posing to states and their societies. It was also an important step in the establishment of a new international regime: the climate change regime, created to control the global warming. Besides that, the Kyoto Protocol could also become an integrating factor, a catalyst for international cooperation on various levels. The main thesis of this paper is therefore an assumption that the Kyoto Protocol at different stages of its existence became such an integrating factor.

The analysis that will lead to verification will be conducted in a dualistic matter on various levels. The main way of conducting the analysis will be the subjective approach depending on what entities are being analyzed during the process of searching for proof that the Kyoto Protocol is indeed an integrating factor that makes or allows the entities to cooperate with each other. This leads to three levels of analysis, which also arrange the structure of this paper: the state level, the society level and the business level. On the first one it will be checked and determined how the Kyoto
Protocol changed the circumstances for cooperation between states and eventually created new opportunities for this to happen. The second level is the analysis of the manifestation of societies’ activities on an international level what is being done throughout the formation of national and international non-governmental organizations. On the last level the analysis is performed in regard to the new cooperation possibilities that the Kyoto Protocol creates for business organizations and corporations themselves.

The inner structure of each part of this paper is determined with the usage of another way of analysis, which contains the stages of the Kyoto Protocol’s existence: the negotiations process and its implementation. These levels apply in a different way to the main levels of analysis mentioned above. All of them will be used for analyzing the state level. Only the negotiations level will be applied to the society level, while the implementation level is most suitable to analyze the business level. The combined analysis with the usage of both methods will result in a final view and the answer to the question included in the main thesis of this paper.

THE STATE LEVEL

First of all, the Kyoto Protocol became a determinant of cooperation between states. This cooperation is of a dualistic nature. At first, the cooperation had a place at the time of negotiations of the Protocol. During that time probably all of the states grouped themselves into alliances to make their voice more audible and to maximize their ability to make successful inputs and submissions during the negotiations process. In literature, many classifications of the so-called party groupings – mostly fitting the existing coalitions – during climate negotiations can be found. The classification of states’ groups presented by Sebastian Oberthür and Hermann Ott includes:

- European Union,
- United States, Japan and the other non-EU Organization for Economic Cooperation and Development (OECD) member states,
- Russia and the other states with economies in transition,
• Organization of Petroleum Exporting Countries (OPEC) members, all considered as developing states,
• the developing states alligned in the Alliance of Small Island States,
• the majority of the developing states, led by the People’s Republic of China and India.

Another one, presented by Michaela Grubb, Christiaan Vrolijk and Duncan Brack consists of:

• The European Union,
• The United States as a separate negotiator,
• Japan with other member states of OECD,
• states with economies in transition,
• developing countries with the Group of G-77.

Joanna Depledge and Farhana Yamin proposed a typical geographical classification, dividing all states that participated in negotiations into continental groups, but it isn’t suitable for the purposes of analysis of the Kyoto Protocol negotiations process, because the coalitions of states taking part in it were composed of countries from different regions. In this article, the classification of states’ groups presented by Sebastian Oberthür and Hermann Ott will be applied.

During the process, some of the detailed states’ groups already existed, like intergovernmental organizations (The European Community, Organization of Petroleum Exporting States) or large coalitions, like the Group of G–77 and the People’s Republic of China. But this process also became a causative agent for the formation of entirely new coalitions, those were the Alliance of Small Island States and the so-called JUSSCANNZ, which is an acronym of the first letters of the names of the member states: Japan, the United States, Switzerland, Canada, Norway and New Zealand. For the purpose of this paper most important is to present: the way in which the common statements are prepared by these coalitions and the most

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distinctive examples of their submissions and propositions during the Kyoto Protocol negotiations. The activities in the field of climate change protection conducted by the European Union are rather well-known and the G–77 and PRC is a big conglomerate of states, composed partially by the AOSIS and OPEC states that were mentioned above, therefore only the activities of these two coalitions and the JUSSCANNZ will be presented.

The Alliance of Small Island States is the older of the two states’ coalitions that were formed during the climate negotiations process. It was created in 1990 during the Second World Climate Conference⁴. The main reason for its formation is the fact that the small island states are most vulnerable to sea level rises which is one of the consequences of the global warming progression. The climate negotiations opened a way for these states to create an alliance and to present the common view on an international level.

AOSIS is composed of 39 member states from Africa, the Caribbean, the Indian Ocean area, Mediterrenian Sea area, the Pacific Ocean area and the South China Sea area; five states recieved an observer status⁵. The AOSIS doesn’t exactly match with the Small Island Developing States group that is functioning within the United Nations system, but the SIDS group provides AOSIS with some administrative support⁶. The Alliance is functioning on the basis of consensus and consultation and the main decisions are made on the plenary meetings at ambassador level. The cooperation within the AOSIS is held with the usage of the member states’ diplomatic missions to United Nations in New York⁷. The Alliance’s New York bureau serves also as an office for the chairman of AOSIS. This position is held on a rotative manner by the representatives of the Pacific and Caribbean states⁸. AOSIS – as opposed to the G–77 and PRC – has no formal chart or

⁴ Ibidem, p. 37.
⁵ Alliance of Small Island States, Members, AOSIS official website, aosis.org/about/members/ [accessed: 26.03.2014].
During the Kyoto Protocol negotiations the chairmans position was held by Robert Van Lierop from Vanuatu (1991–1994), Anette des Iles from Trinidad and Tobago (1994–1997) and Tuiloma Neroni Slade from Samoa (1997–2002). In regard to the climate negotiations case, the Alliance chooses its spokesman that presents the common negotiating position and the member states are allowed to eventually express their support.

During the Kyoto Protocol negotiations AOSIS was constantly pressing on adopting the highest emissions reductions targets as possible. In this context there is one Alliance initiative that especially should be underlined, it is the so-called AOSIS Protocol. It was presented to the interim Secretariat of the Framework Convention on Climate Change at the 10th session of the Intergovernmental Negotiating Committee to the aforementioned Convention. This proposition included the emissions reduction target for the Annex I parties at a level of at least 20% before 2005 and it was later named the AOSIS Protocol. During the next session of the INC the environmental non-governmental organizations, mostly the Climate Action Network which will be presented in the “society section” of this paper, were strongly seeking support for its presentation and adoption, but there was no consensus on that issue. The AOSIS Protocol could even be adopted at the first session of the Conference of the Parties to the Framework Convention on Climate Change. Germany, which hosted the Conference was willing to do so, but as within INC there was not enough support or even interest in that issue from other participants of

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9 *Communique…*
10 Ibidem.
negotiations, especially from the United States unwilling to accept any new commitments\textsuperscript{15}.

While the AOSIS was the the alliance that strongly supported the negotiations of the Kyoto Protocol or another agreement that would allow the international community to successfully undertake the global warming problem, OPEC’s position was quite the opposite. The other difference is that at the time of the Kyoto Protocol negotiations OPEC already existed, and the process opened another dimension at which the member states of this organization had to cooperate. OPEC itself was formed in the 1960\textsuperscript{s} its purpose to represent the interests of developing petroleum exporting states and to protect them from exploitation by the Western states and international corporations\textsuperscript{16}. During the Kyoto Protocol negotiations Saudi Arabia could be considered as an informal leader of this group\textsuperscript{17}, but OPEC wasn’t negotiating as a whole. Instead of that the member states were coordinating their statements and strategies\textsuperscript{18}. However OPEC as an organization had its role in the negotiations, its Secretariat was providing administrative and procedural assistance to the negotiating states.

The OPEC member states’ negotiating position resulted mainly from their concerns of the impact that a climate change agreement could have on the petrol markets and therefore on their incomes. At the time when the Kyoto Protocol negotiations were held, Saudi Arabia and Kuwait were in possession of almost 1/3 of the global oil reserves and for Saudi Arabia the income from oil export were at the level of about 1/3 of the state’s gross national product. The production of oil definitely is a source of greenhouse gases. Therefore, as Michael Grubb, Christiaan Vrolijk and Duncan Brack aptly stated, the climate change policy is a threat for the OPEC states’ resource strategy and their long-term perspectives\textsuperscript{19}. The new climate change policies could cause a reduction in fossil fuels usage, what would cause the lowering of OPEC’s income from oil export. Furthermore, according to Michael Grubb, Christiaan Vrolijk and Duncan Brack, after

\textsuperscript{15} S. Oberthür, H. Ott, \textit{The Kyoto…}, pp. 44–46.
\textsuperscript{16} M. Grubb, C. Vrolijk, D. Brack, \textit{The Kyoto…}, p. 35.
\textsuperscript{17} S. Oberthür, H. Ott, \textit{The Kyoto…}, p. 25.
\textsuperscript{18} J. Depledge, F. Yamin, \textit{The International…}, p. 40.
\textsuperscript{19} S. Oberthür, H. Ott, \textit{The Kyoto…}, p. 25.
the 1970s energy crisis OPEC member states had the feeling of “losing ground” in abilities to control the global oil process, so the activities aimed at greenhouse gases emissions reductions could only cause more losses in their income\(^{20}\). At this point it is also important to analyze OPEC’s situation in relation to the global warming. For these states the situation was entirely different in comparison to the AOSIS. In OPEC’s member states’ opinion they weren’t experiencing much negative effect of the global warming and all damages could be compensated with the earnings from the export of petroleum\(^{21}\).

The word “compensation” is also perfect in describing the main OPEC members’ proposition during the Kyoto Protocol negotiations. Having their interests in mind, the OPEC states were against the adoption of any major emissions reduction targets. That attitude has caused accusations from other negotiations participants that were suggesting that OPEC was only blocking the progress of negotiations. Therefore, the members of OPEC changed their strategy. They submitted a proposition of a “compensation fund”, which should be designed in a manner that would compensate them their losses from actions aimed at emissions reductions undertaken by Western states and being a result of the adopted Kyoto Protocol\(^{22}\). At first this proposition gained the support of the majority of G–77 and PRC group, which included it in its package of propositions\(^{23}\), but the other negotiations participants were against and finally the “compensation fund” was not included in the final text of the Kyoto Protocol.

In comparison to both OPEC and AOSIS the so-called JUSSCANNZ, currently known as an Umbrella Group is the youngest and loosest coalition that was formed as a counterweight to the European Union and its negotiating position. In this group there are no formal structures, no Secretariat and no chart. Also “membership” of the group differed at various stages of negotiations. The earliest was the JUSCANZ formula, with Japan, the United States, Canada, Australia and New Zealand. During the Kyoto Protocol negotiations Norway and Switzerland joined the group, but the

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\(^{20}\) M. Grubb, C. Vrolijk, D. Brack, *The Kyoto…*, p. 36.


\(^{22}\) M. Grubb, C. Vrolijk, D. Brack, *The Kyoto…*, p. 57.

\(^{23}\) S. Oberthür, H. Ott, *The Kyoto…*, p. 56.
latter left it at the later stages of climate negotiations\textsuperscript{24}. Switzerland’s departure can be related to its negotiating position which evolved to be more similar to the one presented by the European Union\textsuperscript{25}. In this country ecological traditions are also present\textsuperscript{26}. Later the coalition was renamed to the Umbrella Group, in which Russia and Ukraine are also present\textsuperscript{27}. The name comes from an umbrella conception – the pack of propositions, that were to protect the group from the flagship idea presented by the European Union, which assumed fulfilling the members states’ emissions reductions targets jointly under the so-called EU Bubble\textsuperscript{28}.

The group had also some “informal” members or observers. In some meetings South Korea took part\textsuperscript{29} and Mexico, Kazakhstan and Argentina had an observer status\textsuperscript{30}. But a few years after the Kyoto Protocol was adopted, in 2000, Mexico and South Korea left the group. These states joined the newly formed Environmental Integrity Group. It was organized by Switzerland, which realized that staying outside the coalitions was making its negotiating position weaker\textsuperscript{31}.

Getting back to the JUSSCANNZ at the time of the Kyoto Protocol negotiations and analyzing its functioning in relation to this process it is important to remind you that it is a loose coalition. The “member” states of the group share with each other the information that are related to matters in their common interest, but they make no agreements on common

\begin{footnotes}
\item[27] United Nations..., p. 50, see also: Party...; J. Depledge, F. Yamin, The International..., p. 46.
\item[29] S. Oberthür, H. Ott, The Kyoto..., p. 17.
\item[31] Ibidem, pp. 47–48.
\end{footnotes}
The position of a spokesperson of the group was rotative, as it was in AOSIS, but during the negotiation process there were some areas in which certain state representatives were speaking on behalf of the group. For example, the representative of Australia was presenting statements on sinks and the representative of Canada on participation of developing states.

As well as on the negotiations stage, the Kyoto Protocol was also a determinant of cooperation between states on the implementation stage, but it was rather a bilateral cooperation. It had a place between the western European states and the ones with economies in transformation and it consisted mainly on the assistance in an institutional capacity building. In details, states from the European Union were helping states from Eastern and Central Europe in establishing necessary institutions in order to enable them to become parties to the Kyoto Protocol, to implement it and especially to prepare them to use one of the Protocol’s so-called flexibility mechanisms – the Joint Implementation.

In the abovementioned context the case of three eastern European states can be presented as examples of this kind of cooperation, these are Latvia, Bulgaria and Romania. For Latvia the Netherlands were the state that provided its assistance. It was related to preparing of the necessary documents to allow Latvia to participate in Joint Implementation projects. These documents were the Joint Implementation Action Plan, which was to cover the years of 2001–2004 and afterwards the permanent Joint Implementation Policy. The goals of these documents were to provide the government of Latvia with the necessary information to develop the Joint Implementation policies. The analysis related to Latvia’s climate policy, and to the possibilities of Joint Implementation projects were included.

In Romania the reference to the Joint Implementation was directly included for the first time in the National Action Plan on Climate Change, which was prepared for the years 2005–2007. In this Plan on the basis of

\[\text{\textsuperscript{32} United Nations..., p. 50, see also: Party...}\]

\[\text{\textsuperscript{33} J. Depledge, F. Yamin, The International..., p. 46.}\]

past experiences the suggestion of expanding of the procedures related to Romania's participation in the first – the more important one – track of the Joint Implementation was included. Again the Netherland was the state that provided its technical assistance and helped Romania in making the mentioned participation possible\textsuperscript{35} and the necessary procedure required for Romania’s participation in Joint Implementation’s Track 1 was adopted in 2007\textsuperscript{36}.

In comparison to the simple Latvia and Romania cases, the one related to Bulgaria was more “expanded” in the context of its scope. Chronologically, the first important agreement was the signing in 2000 of a memorandum between Bulgaria and the Netherlands that was related to the participation of the latter in the Joint Implementation projects in Bulgaria and also included the assistance of the Netherlands in development of the necessary institutions. A similar memorandum was also signed with Austria in 2002\textsuperscript{37}.

Also in 2000 the Bulgarian government adopted the National Climate Change Action Plan. It included the presumptions of measures to undertake in order to handle the problem of greenhouse gases emissions from the industry sector and other sources; the presumptions of the energy efficiency were also included. In 2003 the Plan was reviewed with Denmark’s assistance\textsuperscript{38}. Denmark also helped Bulgaria in gaining the ability to participate in Track 1 of the Joint Implementation: in 2006 the Danish Environmental Protection Agency proposed a project assuming the carrying of analysis of Bulgaria's compatibility with the requirements of Track 1. The proposition also included developing of national capabilities related to Joint Implementation and establishing a reporting mechanism in


\textsuperscript{36} V. Trusca, \textit{Joint Implementation in Romania}, speech given at the technical workshop of the Joint Implementation in Bonn on February 13\textsuperscript{th} 2007, available at the Jt Implementation official website: ji.unfccc.int/UserManagement/FileStorage/RZ0B2LBXY53TUU3TPWM4JNZ0MH3CGM, [accessed: 16.08.2012].


regard to the data related to greenhouse gas emissions\textsuperscript{39}. As it was already mentioned, these are only examples, but the Kyoto Protocol indeed built a basis for this kind of cooperation, especially between the Western and the Eastern and Central European states.

**THE SOCIETY LEVEL – THE NGOs**

On the international level one of the best ways for a society to be heard is to form a non-governmental organization and to use it for lobbying as well as for public underlining of the issues that led to the creation of the certain NGO, this is also why the climate negotiations were the reason of establishing new NGOs and their cooperation: their creators wanted them to participate in the process. It can also be stated and this statement is fully justified that the process of the formation of NGOs in relation to the climate negotiations is an expression of civil society on a national and international level, obviously only in states where it was possible due to the internal circumstances. It is important to emphasize and to remind that the process of establishing these non-governmental organizations is the second dimension of the ecological path of globalization.

At the early stage of climate negotiations few types of NGOs were present. Those were:

- local groups that were promoting the handling of the global warming problem on a local level;
- “green” NGOs, as named by Jo Elisabeth Butler and Aniket Ghai, promoting various activities aimed at achieving the target of a “friendly climate”;
- strong representation of interest groups related to the business sector and fossil fuels mining and processing industry, for these groups the activities aimed at controlling climate change and therefore greenhouse gas emissions reductions could be harmful;
- groups with almost entirely different attitudes in comparison to the above mentioned one, these were considered as representatives

\textsuperscript{39} K. Karousakis, *Joint…*, pp. 15–16.
of sustainable industry. These groups were oriented in co-operation with companies that are developing environmentally-sound technologies for commercial use\textsuperscript{40}.

A similar classification is used by Joanna Depledge and Farhana Yamin. It consists of five groups of NGOs in climate negotiations with acronyms that will be used further in this paper:

- environmental NGOs – ENGOs;
- business and industry NGOs – BINGOs;
- groups consisting of local authorities representatives (local government and municipal authorities LGMAs);
- indigenous people organizations – IPOs;
- research and independent NGOs – RINGOs\textsuperscript{41}.

For the purpose of this part of the paper the so-called green NGOs or ENGOs, are most important and they will be presented. The local groups did not take an important part in the negotiations and the third and fourth groups are a matter of business level and will be presented later in the article.

The non-governmental organizations’ participation in the climate negotiations can be aptly analyzed from a theoretical point of view with the usage of the two-level theory of negotiations created by Robert Putnam. When applied to the climate negotiations, it can give the following simplified output:

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Scheme.png}
\caption{Scheme 1: The two-level negotiations approach in climate negotiations – early stage.}
\end{figure}


\textsuperscript{41} J. Depledge, F. Yamin, The International…, p. 49.
It is possible to even expand this scheme by adding the above mentioned AOSIS and OPEC coalitions. On the new scheme all interactions, existing during the Kyoto Protocol negotiations are included. Here is an explanation: Both the industrial groups and green NGOs were trying to influence the direct participants of negotiations that were included in the Framework Convention on Climate Change’s Annex I and that were planned to accept the legally binding greenhouse emissions reductions under the Kyoto Protocol and this leads to another of the reasons why the Kyoto Protocol negotiations caused the formation of new non-governmental organizations. Additionally the industrial groups were trying to get support from OPEC member states and the green NGOs were cooperating with AOSIS. Obviously with the course of time both ENGOs and BINGOs began to cooperate with each other.

Scheme 2: The two-level negotiations approach in climate negotiations with taking into account of the groups of states – later stage.

The level of participation of non-governmental organizations was different at various stages of negotiations. At the Framework Convention on Climate Change stage the NGOs were for the first time granted access to the negotiations, this allowance was included in the same United Nations General Assembly Resolution that led to the formation of the Intergovernmental Negotiating Committee for the Framework Convention on Climate Change. Both ENGOs and BINGOs recieved the aforementioned opportunity and at the first session of the INC the representatives of 27

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43 Ibidem.
NGOs were present\textsuperscript{44}. At the Conference of the Parties to the Framework Convention on the Climate Change stage, after the adoption of the document this number was definitely higher. In the COP 1 i 1995 165 NGOs took part, in the second one – COP 2 – which took place one year later the number was 116 and in the final COP 3 – for the Kyoto Protocol negotiations – a record high number of NGOs participated, there were 298 of them\textsuperscript{45}.

As it was mentioned before, the ENGOs cooperated with the AOSIS. Almost all of them during the Kyoto Protocol negotiations became members of the Climate Action Network. Both CAN an AOSIS have also another thing in common: they were formed a few years earlier than BINGO coalitions and the JUSSCANNZ. The Climate Action Network was created one year earlier than AOSIS. It was formed in 1989 with the goal of participation in the Second World Climate Conference, scheduled for 1990\textsuperscript{46} and later participated in the Kyoto Protocol negotiations.

During this stage of climate negotiations, the Climate Action Network became a unique structure in the field of non-governmental organizations in the negotiations process. As it was already mentioned, it unified almost all of the ENGOs. This kind of situation did not happen in other NGO groups. It is a fact that would not occur without the FCCC and the Kyoto Protocol negotiations. The members of CAN are the well-known NGOs like Greenpeace, the Friends of the Earth\textsuperscript{47} and the World Wide Fund for Nature\textsuperscript{48}, but local environmental groups are participating in it as well\textsuperscript{49}. The members of CAN are on the one hand the organizations with a broad range of pro-environmental activities, on the other the NGOs that are only acting in the field of climate protection. How strongly integrating is the climate negotiations issue in relation to ENGOs shows the fact that even the World Congress of Churches broadened its scope of action by

\textsuperscript{45} S. Oberthür, H. Ott, The Kyoto..., pp. 29–30.
\textsuperscript{46} Ibidem, p. 30.
\textsuperscript{47} J. Depledge, F. Yamin, The International..., pp. 50–51.
\textsuperscript{48} S. Oberthür, H. Ott, The Kyoto..., p. 30.
\textsuperscript{49} J. Depledge, F. Yamin, The International..., pp. 50–51.
adding environmental issues and joined CAN\textsuperscript{50}. The integration within the Climate Action Network has also a “geographical” dimension, because despite the global one also regional networks exist, which consist of and unify the ENGOs in the covered regions\textsuperscript{51}.

CAN was obviously created to strengthen the ENGOs’ voice in the climate negotiations. Their coalition was established under the general goal of promotion of the governmental and individual activities aimed at greenhouse gas emissions reductions to reach their ecologically sustainable level. To achieve their goal during the Kyoto Protocol negotiations CAN was lobbying governments’ delegations, intervening during the negotiations and making statements as well as preparing side presentations\textsuperscript{52}. Some of the member organizations were providing scientific and technical support, like the London-based \textit{Foundation for International Environment Law and Development} (FIELD), \textit{Stockholm Environment Institute}, \textit{Woods Hole Research Center}, VERTIC, \textit{World Resources Institute}, \textit{Worldwatch Institute} and the \textit{Wuppertal Institute for Climate, Environment and Energy}\textsuperscript{53}. Nevertheless probably the most distinctive CAN’s “activity” during the negotiations is the Fossil of the Day Award that is awarded every day of the negotiations to the state that was the biggest “fossil” to block the progress of the negotiations.

\section*{THE BUSINESS LEVEL}

The impact of the Kyoto Protocol on cooperation on a business level has two dimensions. The first one has already been mentioned and it is the cooperation between the BINGOs. First of all it has to be emphasized that there are two types of BINGOs in the climate negotiations: the ones that are afraid of losing incomes because of the climate protection-related activities

\textsuperscript{50} S. Oberthür, H. Ott, \textit{The Kyoto…}, pp. 30–31.
\textsuperscript{51} \textit{CAN Regional Networks}, Climate Action Network official website, www.climatenetwork.org/about/can-regional-networks, [accessed 29.03.2014].
\textsuperscript{53} S. Oberthür, H. Ott, \textit{The Kyoto…}, p. 31.
and the ones that see their chance of benefiting from these actions. These BINGOs are named the grey and the green ones, respectively. Like between the AOSIS and Climate Action Network a parallel can be found between BINGOs and the JUSSCANNZ coalition. While the ENGOs’ cooperation is formalized, BINGOs form rather loose coalitions, just like JUSSCANNZ is. Some BINGOs were even created for the purpose of climate negotiations only\textsuperscript{54}.

At the time of the Kyoto Protocol negotiations the green BINGOs were for example the Business Council for Sustainable Energy, European Business Council for Sustainable Energy Future and World Business Council for Sustainable Development\textsuperscript{55}. Also the insurance groups decided to cooperate with these BINGOs\textsuperscript{56}, probably because of concerns about the possible rise of compensations to be paid due to damages caused by the global warming. The World Business Council for Sustainable Development was probably the most important institution among the green BINGOs, but within this group of NGOs, although cooperation between them existed, there was no such structure at CAN like it was among ENGOs. The grey BINGOs were composed mostly of fossil fuel production companies and the ones who’s businesses were linked to usage of these fuels, such as for example the car production industry\textsuperscript{57}. These corporations were the main source of funding of the grey BINGOs\textsuperscript{58}. Two of this type of BINGOs can be considered as leaders of the group at various stages of negotiations. The first is the American Global Climate Coalition\textsuperscript{59}, which led the group on the early stage and the second – the French International Chamber of Commerce took on the burden of coordination of the group’s participation in the negotiations after the Global Climate Coalition’s attention lowered. It is interesting to mention that all NGOs were allowed to take part in the meetings under the Chamber’s leadership, but there was one condition: the NGO could not be a member of any ENGOs coalition\textsuperscript{60}.

\textsuperscript{54} J. Depledge, F. Yamin, The International..., p. 52.
\textsuperscript{55} Ibidem.
\textsuperscript{56} S. Oberthür, H. Ott, The Kyoto..., pp. 31–32.
\textsuperscript{57} J. Depledge, F. Yamin, The International..., p. 52.
\textsuperscript{58} S. Oberthür, H. Ott, The Kyoto..., p. 31.
\textsuperscript{59} J. Depledge, F. Yamin, The International..., p. 52.
\textsuperscript{60} Ibidem, p. 53.
The grey BINGOs group was much less a monolithic structure than the CAN was. Differences existed between its members on multiple issues related to undertaking the climate change protection actions. For example, Shell and Exxon Mobil were showing more understanding to the necessity of these actions\textsuperscript{61}. The activity of the grey BINGO groups also differed. While the ENGOs were conducting lobbying AND side presentations, the members of the grey BINGO group were rather conducting lobbying OR side presentations. Also their participation in the plenary debates during negotiations was smaller than the one conducted by ENGOs. According to Joanna Depledge and Farhana Yamin it was caused by the already mentioned greater variety of opinions among the group members\textsuperscript{62}. Nevertheless the Kyoto Protocol negotiations initiated new processes of integration and cooperation between the business non-governmental organizations.

As it was already mentioned, the Kyoto Protocol created two dimensions of cooperation within the business society and between corporations. The second one is related directly to the implementation of the Protocol, because the opportunity for it to occur has its source in Kyoto Protocol’s flexibility mechanisms: the aforementioned Joint Implementation and the Clean Development Mechanism. These mechanisms are very similar, because they allow one party to gain emissions reduction units needed to fulfill the emissions reductions targets from the projects located in another state. The difference is that under the Joint Implementation both parties have to be included in Annex I to the Framework Convention on Climate Change while under the Clean Development Mechanism the hosting state has to be a developing state not included in that Annex. In Annex I the parties with binding emissions reductions commitments are listed.

In both situations the state that is a beneficiary from the project gains the emissions reduction units. But it is not the state directly that creates the projects in the host countries this is mainly the role of the corporations from the benefiting states. In some cases the projects are being created by the host countries, this situation will be presented later in this paper. The issue that needs to be explained is the relation between the reason for

\textsuperscript{61} Ibidem, p. 52.

\textsuperscript{62} Ibidem, pp. 52–53.
participation of the corporations and the gaining of emissions reductions units by the states. The latter are obliged to meet their emissions reductions targets. To achieve that, within the scope included in the Kyoto Protocol they create their own national (in European Union international) basis for targets for corporations in for example industry and transportation sectors and these targets in summary give the state’s target under the Kyoto Protocol.

It also has to be explained why participation in both of these mechanisms’ projects is beneficial to the companies. From the investor party side, the companies obviously gain the abovementioned emissions reductions units, but it is not their only possible benefit. Because they are cooperating with the companies from the host countries they simply gain new grounds for later economic cooperation and investments, which can obviously lead to economic – financial gains. From the host countries side the situation of the participating companies can be of a dualistic nature, which depends on whether the project was a unilateral one or not. A unilateral project – in regard to both the Joint Implementation and the Clean Development Mechanism is a project created from the very beginning by the company located in the host country. This company makes all necessary developments to gain the emissions reductions units and then seeks for a company from another Annex I party that needs these units to fulfill its reductions targets. In this case, the company from the host country invests its own money, but receives a direct income by “selling” the aforementioned units. On the other hand in the case when the project is developed from the beginning with the assistance of a company from another Annex I party, the company from the host country simply gains new technology.

To determine if the Joint Implementation and the Clean Development Mechanism can be the important factors that create a basis for international cooperation it is necessary to examine if these mechanisms are effective. It is impossible to determine the exact benefits from all of the JI and CDM projects, because part of the agreements between participating companies are a matter of a business secret. It also makes it more difficult to determine whether the project was initially an unilateral project. Therefore the only way to present the possible benefits for the companies is to do it from the state level by presenting the quantity of
projects implemented in host countries/implemented by the companies from the benefitting Annex I parties. These will be presented below from both sides with one caution: only effective projects with verified emission reductions are taken into account. The tables below represent the status of the projects in 2012, the year in this regard is not as important as showing the general trend.

Table 1. States with the most Joint Implementation projects – the host countries perspective.

<table>
<thead>
<tr>
<th>State</th>
<th>Number of effective projects</th>
<th>Emissions reductions achieved (total, in tonnes of CO₂ equivalent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine</td>
<td>74</td>
<td>89 817 590</td>
</tr>
<tr>
<td>Romania</td>
<td>9</td>
<td>3 082 057</td>
</tr>
<tr>
<td>France</td>
<td>8</td>
<td>2 956 028</td>
</tr>
<tr>
<td>New Zealand</td>
<td>8</td>
<td>2 396 166</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>7</td>
<td>1 560 724</td>
</tr>
<tr>
<td>Russia</td>
<td>6</td>
<td>8 730 638</td>
</tr>
</tbody>
</table>

Source: Project Overview, ji.unfccc.int/JI_Projects/ProjectInfo.html, [accessed: 18.08.2012].

Table 2. States with the most Joint Implementation projects – the benefitting countries perspective.

<table>
<thead>
<tr>
<th>State</th>
<th>Number of effective projects</th>
<th>Emissions reductions achieved (total, in tonnes of CO₂ equivalent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>34</td>
<td>43 802 533</td>
</tr>
<tr>
<td>Netherlands</td>
<td>31</td>
<td>33 274 747</td>
</tr>
<tr>
<td>Germany</td>
<td>6</td>
<td>971 672</td>
</tr>
<tr>
<td>Denmark</td>
<td>6</td>
<td>6 405 278</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5</td>
<td>1 768 151</td>
</tr>
<tr>
<td>Belgium</td>
<td>4</td>
<td>330 261</td>
</tr>
<tr>
<td>France</td>
<td>4</td>
<td>718 455</td>
</tr>
<tr>
<td>Japan</td>
<td>4</td>
<td>1 505 349</td>
</tr>
<tr>
<td>Latvia</td>
<td>4</td>
<td>5 495 046</td>
</tr>
</tbody>
</table>

Source: Project Overview, ji.unfccc.int/JI_Projects/ProjectInfo.html, [accessed: 18.08.2012].
As it can be noticed, the overwhelming majority of the projects are located in Ukraine, but during the next commitment period this situation can change due to the current political instability in this country. This can also affect the projects in Russia.

The companies mostly from two states – Switzerland and the Netherlands were most successful in obtaining emissions reductions units from the Joint Implementation projects. As the presented numbers show, they were also most active in the participation in these projects and therefore in creating new cooperation ties with companies from other states. In regard to the purpose of this paper it is also very important to point the main directions of cooperation ties between companies taking part in Joint Implementation projects. These ties are presented in the table below but only in regard to the state location of the companies due to the reasons presented before. Obviously only the main ties were presented.

The companies from Switzerland and Netherlands are most active and successful not only in gaining emissions reductions units but also in building numerous cooperation ties with companies from other states, especially from Central and Eastern Europe, like Ukraine, Russia, Bulgaria

Table 3. Cooperation ties between the companies in host and benefitting countries in regard to Joint Implementation projects – main statistics.

<table>
<thead>
<tr>
<th>Host country</th>
<th>Benefitting country</th>
<th>Number of projects (total)</th>
<th>Number of projects with verified emissions reductions</th>
<th>Number of projects pending verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine</td>
<td>Switzerland</td>
<td>34</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Netherlands</td>
<td>25</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Latvia</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Germany</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Russia</td>
<td>Switzerland</td>
<td>19</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Netherlands</td>
<td>16</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Netherlands</td>
<td>6</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Romania</td>
<td>Netherlands</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>France</td>
<td>Belgium</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Project Overview, ji.unfccc.int/JI_Projects/ProjectInfo.html [accessed: 18.08.2012.]
and Romania. Companies from other states are far behind the ones from the two leading states.

In comparison to Joint Implementation the Clean Development Mechanism gives even bigger opportunities for gaining emissions reductions units (in CDM called the certified emissions reductions – the CERs) and for building business relations between companies, because as it was mentioned the developing states are the host countries for CDM projects and obviously there are many more of them. The total numbers of these projects are much greater than the ones within the JI, what is shown in the table below considering these numbers from the host states’ add them to the Annex I Parties perspective. Like in the case of the JI, only the states which participated in most projects are included and for every continent the states with most hosted projects were choosen.

As it was already mentioned, the Clean Development Mechanism projects give companies from developing countries the opportunities to obtain new technology and financial support. The table above lists the states and the companies which made the best use of the CDM by participating in the projects.

Table 4. States hosting the most Clean Development Mechanism effective projects.

<table>
<thead>
<tr>
<th>Continent</th>
<th>State</th>
<th>Number of hosted projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern and Eastern Asia</td>
<td>People's Republic of China</td>
<td>1976</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>832</td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td>114</td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
<td>107</td>
</tr>
<tr>
<td>South America</td>
<td>Brazil</td>
<td>203</td>
</tr>
<tr>
<td></td>
<td>Mexico</td>
<td>139</td>
</tr>
<tr>
<td></td>
<td>Chile</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Columbia</td>
<td>40</td>
</tr>
<tr>
<td>Africa</td>
<td>Republic of South Africa</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Egypt</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Uganda</td>
<td>11</td>
</tr>
<tr>
<td>Continent</td>
<td>State</td>
<td>Number of hosted projects</td>
</tr>
<tr>
<td>-----------</td>
<td>------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Others</td>
<td>Israel</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Uzbekistan</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Iran</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: *Project Search*, cdm.unfccc.int/Projects/projsearch.html, [accessed: 08.05.2012].

Table 5. Clean Development Mechanism projects in Annex I Parties.

<table>
<thead>
<tr>
<th>State</th>
<th>Effective projects</th>
<th>Projects total</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>1405</td>
<td>1522</td>
</tr>
<tr>
<td>Switzerland</td>
<td>952</td>
<td>994</td>
</tr>
<tr>
<td>Japan</td>
<td>486</td>
<td>521</td>
</tr>
<tr>
<td>Netherlands</td>
<td>459</td>
<td>474</td>
</tr>
<tr>
<td>Sweden</td>
<td>344</td>
<td>351</td>
</tr>
<tr>
<td>Germany</td>
<td>221</td>
<td>230</td>
</tr>
<tr>
<td>Spain</td>
<td>150</td>
<td>152</td>
</tr>
<tr>
<td>France</td>
<td>122</td>
<td>128</td>
</tr>
</tbody>
</table>

Source: *Project Search*, cdm.unfccc.int/Projects/projsearch.html, [accessed: 08.05.2012].

The list above presents a different structure of the main benefiting states in comparison to the JI. While both Switzerland and the Netherlands are still present, there are also other important states like the United Kingdom and Japan which seem to be focused more on CDM than on JI projects.

CONCLUSION

The Kyoto Protocol to the Framework Convention on Climate Change has indeed proven to be a strong factor that created new circumstances and opportunities for international cooperation. This happened on all
analyzed levels. The states that are the parties to the Kyoto Protocol formed various coalitions during the negotiations process to make their submitted propositions more successful. New ties were also created during the implementation process. The latter had a place in accordance to capacity building in the former countries with economies in transition.

The Kyoto Protocol negotiations process was also a successful integrating factor in regard to the non-governmental organizations. Some of them were established for the purposes of negotiations only the others have broadened their scope of work or expanded during the process. The Protocol’s negotiation process and the implementation of this international agreement happened to be very effective in regard to cooperation between corporations and business organizations. Like the non-governmental organizations, the business organizations were also integrating with each other and expanding. Also many of the corporations made great use of the Kyoto Protocol’s flexibility mechanisms: the Joint Implementation and the Clean Development Mechanism. The projects established under both of these mechanisms led not only to gains for corporations, like obtaining the emissions reductions units and new technology but they also enabled the establishment of new economic ties between corporations around the world.

Although global warming is one of the main dimensions of the ecological path of globalization, the formation of the climate change regime under the Kyoto Protocol led to the enrichment of other paths of globalization, especially the economic one by making international business ties even tighter. All of the ties: political, social and economical that were created because of the adoption of the Kyoto Protocol have gone so far now that the sudden collapse of the further climate change negotiations could cause serious harm to these relations and therefore to international cooperation, especially to the economic ties established under the Kyoto Protocol’s flexibility mechanisms and this could cause direct financial losses. Therefore the international community should continue to develop the climate change regime not only to control global warming but also to use the opportunities that it gives for the establishment of new forms and dimensions of international cooperation.
The Kyoto Protocol as the Framework Convention on Climate Change is a milestone in the formation and development of the climate change regime that is aimed at controlling global warming by the international community. But besides that this international agreement also became a factor that created new circumstances and opportunities for international cooperation. These circumstances were created for all the participants of the regime: the states, the non-governmental organizations on behalf of the societies and the business organizations as well as the corporations. The Kyoto Protocol became a catalyst for international cooperation between these international relations’ actors at all stages of its existence: the negotiation process, the ratification of it and its implementation, leading to the establishment of new political, social and especially economic ties.

**Keywords:** The Kyoto Protocol, climate change regime, international cooperation, non-governmental organizations, Joint Implementation, Clean Development Mechanism