

MOVING FORWARD FROM COPENHAGEN

With the global climate change negotiations in Copenhagen producing only the weak and disputed Copenhagen Accord, Christian Aid believes there is still much to be fought for in 2010.

The United Nations climate change conference in Copenhagen (COP 15) saw two bitter and stumbling weeks of negotiations between 170 nations. There were numerous battles of will between rich countries and the developing nations, in particular on how the negotiations should be taken forward and what form the global climate agreement should take. This dispute prevented a number of the critical discussions taking place such as one on the overall level of emissions cuts needed from industrialised countries and whether this would actually help the world stay below 2°C of global warming.

The Copenhagen Accord

The final outcome of COP 15 was a document called the 'Copenhagen Accord' (see box below), which was hammered out by a small and only partially representative group of countries during the final Friday of the conference. Smaller and smaller groups were involved in agreeing key aspects of the document with one major compromise only worked out by China and the US. In

an unprecedented move, heads of state were involved in detailed line by line negotiation of the document.

The intention was that the accord would be adopted or endorsed through a decision of the COP. However, the exclusive and limited nature of negotiations meant that there was massive push back from a number of parties. Even the European Union countries, who were deeply involved in much of the drafting, took several hours of internal discussion before they endorsed the document.

Most of the developing countries had not been involved in the negotiations of the document and a few took a stand against it when formal negotiations resumed. The resulting outcome was that conference parties only 'noted' and did not adopt or endorse the Copenhagen Accord. Parties are allowed to 'associate themselves' with the accord and the UN will keep a record of countries that have endorsed it. Most, if not all, developing countries are deeply unhappy with the outcome, but some

The Copenhagen Accordⁱ

The key components of the Copenhagen Accord include:

- Importance of staying below 2°C in line with the science of the Intergovernmental Panel on Climate Change (IPCCC).
- Specific emissions cuts pledges towards this goal are to be submitted by individual countries.
- Importance of measuring, reporting and verification for mitigation and fundingⁱⁱ.
- Importance of reducing forestry emissions emphasised.
- Importance of adequate, predictable and reliable funding from developed countries to developing countries for adaptation. Assistance particularly for least developed countries, small island states and Africa.
- Funding goals for adaptation and mitigation: 'approaching \$30 billion for the period 2010 to 2012'. And 'a goal of mobilising jointly \$100 billion a year by 2020'. The establishment of the Copenhagen Green Climate Fund.
- Establishing a High Level Panel on potential sources of revenue.

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see it as the only way forward and have supported it on that basis alone.

In summary, the accord was negotiated by 28 countries out of the 192 under the UN. Many of the middle income, poorest and most vulnerable countries of the world have not yet signed it. As a result, the status and level of support for the accord may only become clear in June 2010 at the next formal UN Framework Convention on Climate Change (UNFCCC) meeting.

While the accord is being used as the way forward, with developed countries and the UN actively pursuing new signatory countries, it is also putting the process moving forward into some confusion.

Which way forward?

The original plan for Copenhagen - laid out in the Bali Mandate - was for a 'twin-track' legal outcome. This would involve an amendment to the Kyoto Protocol which would bind Annex 1 countries (including all industrialised countries) excluding the United States into further commitment periods of carbon emissions cuts after the current commitment period runs out in 2012. A complementary outcome under the 'long term cooperation' negotiations track would also be established to cover all other aspects including mitigation in the US and supported mitigation in developing countries including financing and adaptation.

But many of the Annex 1 countries want to move towards a single outcome or treaty, which would kill off the Kyoto Protocol and in doing so blur the distinction and balance of responsibilities between developed and developing countries.

This approach is likely to lessen the level of commitment of rich countries to make emissions cuts as it would loosen the nature of such commitments. Many rich countries actually favour the US proposed 'pledge and review' process which would place all the legal requirements for emissions cuts at a national domestic level, with no legally binding international commitments.

Another concern is that this approach will push greater commitments onto developing countries which have less responsibility and capacity to respond to climate change. This dispute was never concluded.

The agreement struck in Copenhagen was that discussions on both the Kyoto Protocol and the other negotiation track will proceed,

without any indication of what the outcome could be on either track. The Copenhagen Accord is as yet only a political text with no formal impact on the negotiations, but it could throw the UNFCCC process into confusion.

Genuine financing?

The Copenhagen Accord contains some detail on financing for adaptation and mitigation in developing countries in both the short-term (i.e. from now till 2012), and the long-term (beyond 2012). But the nature of the commitment to provide finance remains quite unclear:

A proposed 'fast-start' fund of up to \$30 billion over the next three years (2010 to 2012). The UK has pledged to deliver \$1.5 billion of this fund, though one third of this is money pledged two years ago from the Environmental Transformation Fund and the rest will come out of the aid budget. Of the other country pledges to this fund it is unclear how much is in the form of loans, how much represents new commitments and how much is a re-packaging of overseas aid. So far around \$23 billion has been pledged.

A longer term fund which has a 'goal' to 'mobilise' \$100 billion per year by 2020. The language around this target is extremely vague and aspirational. It is essential that developing countries receive regular funds for both adaptation and mitigation as part of the post-2012 agreement. This fund must start from 2013 at the latest, and provide predictable and reliable funds each year. Christian Aid believes this fund should amount to over \$150 billion per year by 2020.

The Copenhagen conference saw the adoption of an annual figure for this fund of \$100 billion per year by 2020 - a figure proposed by Gordon Brown in July 2009 and adopted by the EU. A fund with this figure in it was proposed in Copenhagen by President Meles Zenawi of Ethiopia (supported by the French), and this was endorsed by the US. This figure is a 'goal' within the Copenhagen Accord, which also refers to mobilising the funds rather than providing them.

However, there is no current proposal as to how this fund will be established, and no indication of when it will start or how it will be delivered (through the UNFCCC or other parties such as the World Bank). The

The Copenhagen Accord could throw the UNFCCC process into confusion

fund will come from both 'public and private' sources, which implies a potentially major role for the carbon markets in delivering the fund. The UK has announced that it would commit to delivering \$1 billion of this fund per year if others also deliver.

A High Level Panel has been set up to assess 'innovative mechanisms' for delivering part of this fund, such as a tax on shipping and aviation, a financial transactions tax, a new allocation of IMF Special Drawing Rights and the auctioning of carbon allowances.

What is at risk in 2010?

There are serious concerns about the process moving forward in 2010. These include:

Non-binding actions as set out in the accord replacing the current legal architecture on global climate action. The accord could threaten the long term existence of the Kyoto Protocol (KP), and the legally binding nature of commitments under the UNFCCC. If Annex 1 (industrialised) countries submit their non-binding emissions reduction pledges to the accord, but do not commit to these under the KP (which was the stated aim of a number of countries in Copenhagen including Canada, Japan and Russia), then we could see the KP and a legally binding approach to regulating developed countries' emissions reductions effectively disappear over 2010.

What is at risk here is the only structure that requires legally binding commitments on all rich countries (except the US) to cut their carbon emissions by an agreed level. The inclusion of Annex 1 country emissions reduction in the new single agreement would most likely weaken the commitment from Annex 1 countries and impose greater demands on developing countries.

Mitigation targets not equalling the (below 2°C) global warming target.

Countries are expected to submit their emissions reduction pledges to be included in the Copenhagen Accord. Recent analysis by Lord Sternⁱⁱⁱ shows that even the top end of all the emissions reductions pledges - from industrialised countries and emerging economies such as China, India and Brazil - would still not be sufficient to keep global temperature rises below 2°C. It is essential that 2010 sees discussions about raising the emissions reduction ambitions of rich

nations such as the US and EU countries, as well as increased support for low-carbon development in developing countries.

Financial pledges not concrete, additional or adequate and may not even be realised.

As experienced with previous financial pledges to developing countries at high level meetings, it is not certain that these political and non-binding commitments will in fact be delivered.

There is a real risk that the financial pledges will be made up mainly of loans, double-counted development assistance or from the carbon market (the purchase of Annex 1 country emissions reductions overseas), and contributions from developing countries themselves.

As we have mentioned, there is a process in place to assess new innovative mechanisms (tax on shipping and aviation, a financial transactions tax, a new allocation of IMF Special Drawing Rights and the auctioning of carbon allowances etc) for providing resources for the new climate fund. However, there is no agreement yet between countries on which of the new innovative mechanisms would be acceptable.

There is also no agreement on the structure for managing the fund, with the US lobbying to create it outside the UNFCCC in direct conflict with developing country positions.

Loopholes still remain in the negotiations.

These loopholes could put the mitigation efforts completely off track. Russia and a number of Eastern European countries have accumulated 'hot air' in the first commitment period of the Kyoto protocol; that is, they were given excessive permits to emit carbon in the first commitment period which they would like to carry over to the second.

In addition, a number of Annex 1 countries with forests are trying to under account for deforestation, which would turn a blind-eye to a huge amount of emissions from forestry.

Finally there remains a lot of scope for rich countries to 'off-set' their emissions targets largely by purchasing emissions reductions in the developing world. This moves the burden of mitigation from rich countries to poor.

These loopholes were not closed in Copenhagen and indeed the emissions trading loophole threatens to grow further.

It is essential to raise the emissions reduction ambitions of rich nations such as the US and EU countries

Forestry and agriculture may start to be introduced to carbon markets.

A number of wealthy countries want to use the carbon market to buy 'cheap' emissions cuts from poor countries, through mitigation from agriculture and forestry. There are concerns that this approach will threaten biodiversity and the livelihoods of small farmers, and undermine adaptation efforts.

New political environment

The United Nations process has come out of COP 15 bedraggled. Many countries are saying that they can no longer work under conditions where 192 countries have an equal voice. There are those who say that they would rather work with 'supportive' countries and avoid working with those who 'block progress'. The G20 and the Major Economies Forum have both been put forward as the new fora for decision making on climate change.

However, Christian Aid is very concerned that most of those who are seen as 'blockers' are in fact the developing countries with the most to lose from inadequate and unfair action and solutions to address the climate crisis. Their right to development and survival stand to be fundamentally undermined: these countries, after all, carry much less responsibility than rich nations for the historical build-up of greenhouse gases in the atmosphere, even though it is true that today their emissions are exacerbating the problem.

When one looks at *per capita* emissions, the disparity between rich and poor countries becomes even starker – see 'The role of China' (right). These countries have very legitimate concerns about both the need for inclusiveness and transparent processes as well as the lack of ambitious and equitable effort from wealthy nations.

Global politics did change at Copenhagen, not least because during the summit there was a clear stand-off between rich and poor. China rose as a dominant negotiating country, which worried the US, the EU and Japan. The 'BASIC' (Brazil, South Africa, India and China) group showed its ability to play a strong role – particularly on defending its interests.

In contrast, the EU was sidelined in much of the discussions, and showed its lack of leadership in the closing hours when it refused to improve its offer of emissions cuts from 20% by 2020 to 30%. Vested

interests were clearly playing a part here; high carbon industry sectors have been influencing industrialised countries such as the US^{iv} and Germany^v.

For their part, developing countries as a whole were much more visibly engaged with the negotiations, although strategies by the UK, other EU countries and the US succeeded in splitting their ranks.

The role of China

China has been heavily criticised by the UK, the US and the EU for its role in blocking much of the content of the Copenhagen Accord, and weakening its overall impact. However, China's obstructions in Copenhagen have to be seen in the context of the ongoing actions of industrialised countries to weaken their own commitments in the run up to, and throughout the conference. While China has been singled out as the blocker in much media coverage, above all in the industrialised countries, it is not necessarily clear that China was doing any more than defending its own position and interests in the face of the very low ambitions of wealthy nations (such as the US's offer to reduce its emissions by only 4% from 1990 levels by 2020).

Christian Aid's analysis - using the Greenhouse Development Rights framework^{vi} - shows that China does bear responsibility for responding to climate change in 2010 to the tune of about 5% of the global effort. This is based on historic responsibility, relative poverty levels and capacity to pay.

By the same analysis the US must bear about 33% of the global effort and the EU (27) countries about 25%. Asking China to do more than is fair risks undermining progress to reduce poverty in China. Poor people in China do have a right to escape poverty and achieve development. So it is clear that it is the rich nations who have to take the overwhelming lead in the response in 2010.

Each person in China currently emits less than a quarter the amount of carbon dioxide in a year as compared to a US citizen. However, China is dramatically changing and our analysis also shows that China's responsibility for climate change will increase to 10% of the global response by 2020 and 15% by 2030.

Global politics changed at Copenhagen

Undemocratic and non-transparent processes open the doors to bullying and bribery

Therefore, it will have to accept that it must move to a low-carbon pathway very rapidly in the coming years. In order to do this whilst preserving progress on poverty reduction this transition should be enabled and supported by finance and technology concessions from developed countries.

It is worth noting also that China did commit to significant actions in the run-up to Copenhagen - pledging to improve its carbon intensity (carbon emissions relative to the size of its economy) by 45% by 2020. By the same measure, this is more ambitious than the action undertaken by the US; and UN secretariat analysis^{vii} shows that the actions voluntarily pledged by emerging economies such as China will have a bigger impact on the environment than actions to which developed countries were willing to commit.

The wealthy countries, in fact, made a number of efforts to break up the G77 and China grouping of countries. Vague promises of immediate financing from rich nations were used to exploit the impatience of the leaders of Ethiopia, the Maldives and Bangladesh for prompt action on climate change. These and other poor and vulnerable countries were being persuaded by wealthy nations to accept inadequate action from developed countries. What is clear is that undemocratic and non-transparent processes open the doors to bullying and bribery.

To counter this northern pressure, the southern civil society voice was extremely important in Copenhagen in pushing for a more ambitious deal – indeed, this can be counted as perhaps the greatest success of the conference. NGOs and community groups from developing countries were very evident at COP 15, and played a role in holding their own governments to account.

However, it is possible that the 'space' for southern voices may be eroded through new political processes. Christian Aid wants to see the integrity of the democratic UN processes preserved and the voice of the south raised in 2010.

Priorities for 2010

Getting a global climate change deal is now more urgent than ever. The first priorities must be to ensure that any deal reached is fair and ambitious. This will require a strong voice for climate justice.

Christian Aid's efforts in 2010 will be led by the following priorities:

Fairness and ambition

Negotiation processes moving forward must be democratic, transparent, balanced and inclusive. Any smaller negotiation groups must be representative and accountable to the UNFCCC.

Parties must aim at high ambition and fair outcomes which build on and maintain the integrity of the Kyoto Protocol, the Bali Action Plan and the UNFCCC. This means developed countries should agree to deliver: scientifically driven and legally binding mid-term emissions reductions targets; and adequate support for adaptation and low carbon development in developing countries. Any agreement must safeguard poor nations' "right to develop".

The voice of the marginalised, poor and vulnerable countries and people throughout the negotiations must be raised as a priority. The Southern voice stood out in Copenhagen and challenged the wealthy nations. The current trend to closed discussions could exclude such voices.

Emissions cuts

Emissions reduction commitments from rich countries must be at the very high end (and more) of the current country pledges to be near the target of staying below 2°C global warming.

All loopholes in emissions reductions should be closed to maintain the integrity of the mitigation effort. Many developed country targets are much weaker than they first appear because of loopholes such as carrying excess emission permits from the first commitment period to the next. Forestry must be tightly accounted for and there should be no double counting of off-sets. Carbon markets cannot play an expanded role under the current circumstances.

Any agreement must ensure that poor and marginalised communities' right to control over their local resources is respected – this suggests that market mechanisms are

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Key dates and meetings for 2010

- Post-Copenhagen climate ministerial meeting, **Bonn, Germany - Spring 2010**
- Meeting of UNFCCC subsidiary and negotiating bodies (SB32 and AWGs), **Bonn, Germany - June**
- G8 and G20 - **June**
- G20 Summit - **November**
- COP 16, **Mexico - November**

inappropriate ways of reducing emissions from forestry and agriculture.

Funding

A clear pathway for delivering funding is required - both quick start funds and in the long term must be agreed. This means real commitments must be made, new mechanisms must be designed and introduced. Additionality to overseas development assistance (ODA) and the markets must be guaranteed. The new funding streams must start in 2013, and build to well above the \$100 billion per year target by 2020. This funding must be under the UNFCCC.

Parties must ensure climate finance to developing countries is governed in an inclusive and equitable manner under the guidance of the UNFCCC. This will mean supporting UNFCCC funds such as the Adaptation Fund. New funding should not be through mechanisms outside the UNFCCC and opposed by developing countries, such as the World Bank and certain bilateral channels which have been positioning themselves to manage and deliver climate finance.

The delivery of quick start finance and access to decision making processes for any country must not be dependent on them signing up to the Copenhagen Accord.

Mobilising support

A concerted effort should be made to further develop the public support in the UK and Europe (and the US) for strong action on climate change to stop the sceptics and vested interest from stalling progress.

Priority action

There are a few very specific actions which would help to build trust and move the process forward:

The EU must raise its emissions reductions commitment to at least a 30% cut by 2020 from 1990 levels, if not the 40% cut or more that is indicated by the latest science.

The UK and other countries must deliver on their fast-start finance commitments, finding additional sources of money (not ODA), and using them to support the development of UNFCCC finance institutions such as the Adaptation Fund.

The high level panel on innovative finance mechanisms should deliver concrete proposals for delivery of predictable, accountable and additional large scale finance from 2013.

The US must hasten the adoption of its climate legislation and the updating of its mid-term emissions reductions and financial support offer.



Endnotes

ⁱ Link to the Copenhagen Accord text (accessed January 2010): http://unfccc.int/files/meetings/cop_15/application/pdf/cop15_cph_auv.pdf

ⁱⁱ This applies to mitigation and funding from developed countries, and for supported nationally appropriate mitigation actions of developing countries. This includes a compromise arrangement that domestic ac-

tions of developing countries will only be subject to domestic measurement, reporting and verification, but with international consultation and analysis.

ⁱⁱⁱ Nicholas Stern, Action and ambition for a global deal in Copenhagen, Centre for Climate Change Economics and Policy Grantham Research Institute for Climate Change and the Environment, December 2009. In

collaboration with the United Nations Environment Programme (UNEP). Available at: <http://www.unep.org/pdf/climate-change/ActionAndAmbitionForGlobalDealInCopenhagen.pdf>

^{iv} See: http://www.publicintegrity.org/investigations/global_climate_change_lobby/copenhagen/ (accessed February 2010)

^v See: <http://www.pewglobalwarming.org/ourwork/international/bonn/EUClimatePackage.pdf> (accessed February 2010)

^{vi} For full details of GDRs analysis see (accessed January 2010): <http://www.ecoequity.org/docs/TheGDRsFramework.pdf>

^{vii} Leaked source reported at (Accessed January 2010): <http://www.guardian.co.uk/environment/2009/dec/17/un-leaked-report-copenhagen-3c>

Poverty is an outrage against humanity. It robs people of dignity, freedom and hope, of power over their own lives.

Christian Aid has a vision – an end to poverty – and we believe that vision can become a reality. We urge you to join us.

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