



## The Climate After Copenhagen:

### Oxfam America's Assessment of COP-15 and the Road Ahead

Copenhagen was an unprecedented moment in the history of climate change policy. Heads of State – more than 100 of them – participated in UN climate negotiations for the first time, adding a sense of political weight and import to the negotiations. And global attention was focused like never before on climate policy and negotiations.

This was the direct outcome of two years of negotiations and preparation by governments, added to in critical ways by civil society mobilization. The negotiated outcome at Copenhagen very clearly left the job undone, with a low level of ambition and many gaps left to be filled. But it did create some forward movement, and it should most importantly be seen as a moment that crystallized a global focus on climate change in historic ways.

The task now is to capture that energy and mobilize our public and political power for a fair, ambitious, and legally binding deal by the next major UN climate summit in Mexico City at the end of 2010. As Copenhagen demonstrated, this will not be an easy task, but there is no credible alternative. We try to capture here what happened at Copenhagen, as well as what is necessary to do in the coming year.

### Background

Copenhagen had two tasks at hand: to negotiate emissions reduction commitments for developed countries in the post-2012 second commitment period of the Kyoto Protocol, and to reach an agreement on long-term cooperative action under the UN Framework Convention on Climate Change (UNFCCC).

As laid out in the Bali Action Plan, the long-term cooperative action negotiations were to address key issues such as commitments by developed countries, including non-Kyoto parties such as the United States, emissions action by developing countries, and financing for adaptation and mitigation in developing countries.

The negotiations leading up to Copenhagen took place over the course of many negotiating sessions following Bali. The key questions on the table included the nature of a final agreement and whether it would be legally binding, and how the Kyoto Protocol negotiations related to the long-term cooperative action negotiations, with many developing countries pushing for a two-track approach that would retain the Protocol and build the new agreement on that foundation.

### What happened before Copenhagen?

Copenhagen should not be viewed as a single moment, but rather a process leading up to the COP itself.

During the months preceding the Copenhagen negotiations, many countries – especially developing countries – did step forward with clear offers of progress on emissions reductions. The EU was first, in 2008, to pledge new emissions cuts (unilaterally 20 per cent below 1990 levels by 2020, rising to 30 per cent in the case of a strong global deal). China, India, Mexico, Brazil, South Korea and others likewise made significant unilateral offers to tackle their emissions, and South Africa also pledged cuts they would make if supported with finance to do it. *These offers came before Copenhagen itself, but should be seen as a real success of the Copenhagen process.*

On finance, the EU made some forward movement, reaching an agreement at head of state level within the EU that developing countries should receive a global total of 22-50 billion Euros (approximately \$35-75 billion) annually by 2020 in public financing for adaptation and mitigation. There was also growing agreement in the run-up to Copenhagen, including by the United States, that developed countries should provide a fast-start finance package of \$10 billion a year for climate action.

In addition, during Copenhagen itself, Brazil made clear its intent to help vulnerable countries facing climate impacts, joining other developing countries, including China, in stating a readiness to make available financing for hard-hit developing countries.

### **What happened in Copenhagen?**

Much has been made of the final frantic hours of Copenhagen and the difficult dynamics of the negotiations. There is no doubt that the discussions did not go smoothly, a problem exacerbated by the problematic leadership of the Danish prime minister. Yet much of what happened in the negotiating process reflects underlying tensions in international climate policy for which Copenhagen and the UN was a crucible, rather than the reason those dynamics existed in the first place.

The disputes that clouded the negotiations are not new ones, particularly the relative responsibility of developed and developing countries to reduce emissions, as well as issues such as finance that have become increasingly central during the past several years. Other issues revolved around the nature of an agreement, particularly questions such as whether to have legally binding outcomes and whether the Kyoto Protocol should be maintained alongside an agreement on long-term cooperative action. Developing countries want to retain the Protocol to ensure that participating developed countries are bound to emissions reductions commitments post-2012 and that the Protocol remains the foundation for further agreements.

A key complicating factor was that the United States still did not have final Congressional action in hand and was not yet able to make fully binding commitments. Although US moves in 2009 to legislate a cap on national emissions were welcomed as a first step, the level of ambition the US said it would bring to the negotiations (17 percent below 2005 levels by 2020, equivalent to 4 per cent cuts below 1990 levels by 2020), following a lost decade of inaction, was seen as inadequate by many developing countries. The US did take an important step in the negotiations by agreeing to an aggregate global goal for long-term finance (\$100 billion per year by 2020), having previously indicated that they would not do so (see details below regarding long-term finance).

There were other political complications in the mix as well. The rise in power of the major developing countries was clearly a factor, particularly when the key players involved in reaching a final deal for a “Copenhagen Accord” included China, India, Brazil, and South Africa. This constellation of players mirrors and reinforces the shifts that have marked the replacement of the G8 by the G20, with major developing country players at the table, but without the presence of other developing countries.

Rather than creating any of these key dynamics in international climate policy, Copenhagen brought them to the fore. While the multilateral process is a difficult one, in Copenhagen it forced serious and necessary discussions of the difficult climate issues among the entire global community.

## **The Copenhagen Outcome**

The outcome in Copenhagen was really in two parts. One was the Copenhagen Accord, a 3-page political declaration agreed to by a select group of world leaders and ministers, led by the US, China, India, Brazil, and South Africa, on the sidelines of the official UNFCCC negotiating process. Since some developing countries refused to officially adopt the Accord as part of the formal COP process, parties agreed to “take note” of the document and to establish a procedure whereby countries could individually sign on to the Accord and pledge to make emissions reductions.

The other outcome in Copenhagen was the negotiating texts developed in the formal negotiating tracks, which were much more comprehensive than the Copenhagen Accord. These produced substantive negotiating texts that demonstrated real progress on agreeing to key issues for overarching agreement on long-term cooperative action and the second commitment period of the Kyoto Protocol.

In the long-term cooperative action track, the issues on which substantial progress was made included reducing emissions from deforestation and degradation (REDD), technology, and adaptation. In a positive development, the texts negotiated in Copenhagen, which were tightened up significantly during the negotiations, remain in play as the basis for continued negotiations on both the Kyoto Protocol and long-term cooperative action tracks.

However, one of the greatest disappointments of Copenhagen was that there was no mandate given to conclude the talks with a legally binding agreement on long-term cooperative action by COP 16 at the end of 2010. This omission puts the future of a post-2012 climate agreement at risk as countries will not be bound to a specific negotiating deadline or to reaching a legally binding outcome.

## **The Copenhagen Accord**

The Accord, which was the main publicized outcome of Copenhagen, falls far short of expectations and is inadequate for preventing catastrophic climate impacts and addressing the needs of the world’s most vulnerable. The agreement has many gaps and avoids legally binding requirements for any countries.

Many Heads of State involved in crafting the document openly acknowledged that the agreement did not go far enough and that more work is needed towards reaching a fair, adequate, and binding deal. "It didn't move us the way we need to," President Obama noted after the COP concluded. "The science says that we've got to significantly reduce emissions over the next – over the next 40 years. There's nothing in the Copenhagen agreement that ensures that that happens."

At the same time, the Accord enabled some major countries – especially the US and China – to reach understandings on critical issues. Their agreement on a mode of transparency for developing country emission actions helps to start to unravel one of the most difficult knots in international climate policy.

The following is Oxfam America's analysis of some of the key elements that were included in the final Copenhagen Accord – and what was left out.

**Weak commitment to avoid dangerous climate change.** The Accord includes a goal of keeping the rise in average temperature below 2°C – recognizing the scientific consensus around the threshold for catastrophic and irreversible climate change. But the Accord sets no targets for emissions in 2020 or 2050. It simply calls for global emissions to peak 'as soon as possible' – an empty strategy in the face of emergency. The Accord calls for a review in 2015, when countries should consider strengthening the global temperature ceiling to 1.5°C – but by then it would be too late to achieve.

**Inadequate developed country emission cuts.** With no global targets as a guide, and no criteria for calculating individual country responsibility, the Accord calls for each country to submit its pledged cuts to a international list by the end of January 2010. But these pledges are for information purposes only – they do not represent binding commitments. Such "bottom-up" approaches, driven by national interest, will likely not drive the pace or scale of action needed. And the Accord sets no limits on developed countries buying offsets overseas instead of taking action at home.

**Developing country emissions actions for first time.** The agreement is the first time that developing countries have agreed to list their emissions action, which will be listed by countries in an annex to the Accord. See the description of these actions below.

**Important steps made to measure, report and verify emissions reduction commitments.** Independent checks to ensure countries are meeting their responsibilities to cut emissions are essential – and agreeing on this initially was a big step made at Bali. The Copenhagen Accord further built the will to do so. It calls for measuring, reporting and verifying developed country emissions cuts and finance. Further, it calls for international measurement, reporting and verification of developing country mitigation actions that are supported by international financing. To aid this, the Accord proposes a registry for matching developing-country mitigation actions to finance and technology support from developed countries. As an additional step, it calls for developing countries to agree that their voluntary actions on reducing emissions – receiving no international finance – would be subject to international consultation and analysis. This concession, made by the major developing countries in the final hours of drafting, was a step towards agreement on their part.

**Commitments to “fast-start” finance sends positive signal but may fall short.** The Accord commits developed countries to providing new and additional resources approaching \$30bn for the period 2010 –2012. This is welcome and will help meet the backlog of urgent adaptation demands and mitigation opportunities. But the pledges so far fall short, and some of the funds on the table seem to be from already committed aid budgets or in the form of loans.

**Long-term funds proposed but with no clear sources and questions on how the money can be used.** The agreement to a goal of mobilizing \$100bn annually for adaptation and mitigation in developing countries by 2020 is an important step in the right direction, and agreeing to this was the most significant move made by the US during Copenhagen itself (in an announcement by Secretary of State Clinton on the next-to-last day of the COP). Yet there are many questions left unaddressed, including how much each country will contribute, how much will come from predictable public finance rather than private finance and carbon markets, what the balance of allocations for adaptation and mitigation will be (particularly important for adaptation since adaptation will generally rely on public finance), or whether adaptation finance for at-risk countries will be contingent on mitigation actions by major developing countries. The Accord also calls for a High-Level Panel to assess the potential of raising funds from alternative sources, which are much needed, but it does not list those sources, or a timeline for delivering resources.

The Accord’s commitment that developed country financing be subject to measurement, reporting and verification is important because it would help end the financial hide-and-seek of current pledges. But the Accord makes no clear statement that climate finance will be raised separately and additionally to rich countries’ existing aid commitments. Without that, funds risk being raised by diverting future spending away from essential services in poor countries.

**A global financial mechanism established – needs equitable governance structure.** The Accord establishes the Copenhagen Green Climate Fund for financing mitigation, reducing emissions from deforestation, adaptation, capacity-building and technology development and transfer. Yet it is unclear how this mechanism is intended to relate to the mechanisms under negotiation in the formal tracks. Its governance must help deliver climate finance in a transparent, inclusive and equitable way – a commitment not established in the text.

**Highlights challenge of adaptation but provides no clear vision.** Much like the Bali Roadmap, the Accord puts adaptation front-and-center in the call for global climate action. However, it does little beyond stating that adaptation is a challenge, it will need finance, and that the most vulnerable developing countries should be prioritised in getting it. The text very unfortunately bundles the adaptation needs of the world’s poorest people together with calls for compensation (known as ‘response measures’) for oil-producing countries that claim they will lose revenue when the world shifts away from fossil fuels.

The Accord passed a milestone on January 31, 2010 when developed and developing countries officially registered their emissions reduction targets to the UNFCCC, a deadline that had been set under the agreement in December. Approximately 85 countries are likely to or already have engaged with the Accord in some form. In most cases, countries restated previous emissions reduction commitments made in the context of the Copenhagen negotiations. The US pledged reduction commitments of 17% below 2005 levels by 2020 contingent on legislative action. China reiterated a commitment to reduce its carbon intensity by 40 to 45 percent from 2005

levels by 2020 (additionally, China has committed to increase the share of non-fossil energy in its primary energy consumption to about 15% by 2020 and to increase forest coverage by 40 million hectares). India said its carbon intensity would fall by 20 to 25 percent from 2005 levels by 2020.

## **The Job is Not Yet Done**

Much will have to be done in the coming year to build on Copenhagen – in the broadest sense of what was built there. Most critically in the US, we must now turn our attention to Congressional climate legislation where we will build on the momentum generated in Copenhagen.

Congress, particularly the US Senate, must deliver on the commitments President Obama made and provide the administration with a clear mandate to reach a strong, legally-binding deal in 2010. Legislation passed by the House and by a Senate committee included the use of emissions allowances to provide resources for international adaptation, international clean energy technology, and reduced deforestation programs. Those resources provide a good start, but more is needed and there is no time to waste. Making these investments is essential not only for the negotiations, but also to address the risks to global security and stability from climate change and to ensure the United States can play a leadership role in developing a global green and climate resilient economy.

Regarding the broader international negotiation process, it became clear in Copenhagen that politics-as-usual negotiations are failing to solve the climate crisis. For the crucial year forward, the UNFCCC has proposed just one intercessional, in May or June, and then final talks in Mexico in December. Such thin engagement will not turn the talks around. Technical negotiators are left debating issues that demand ministerial mandate, but too little time is given for ministers' talks to make progress.

Many post-Copenhagen reflections have questioned the UNFCCC process of bringing together 192 countries to move by consensus on such a complex global issue. The negotiations will clearly require some type of meetings with fewer than all the parties to the COP, but the generally secretive and ad-hoc nature of such meetings during Copenhagen cannot be repeated. If the process is fractured into non-transparent negotiating contexts, the voices of those most vulnerable and least powerful will likely be left on the sidelines – and these are the countries that stand to lose the most. Moreover, success in addressing this global problem cannot be adequately achieved unless there is support from countries throughout the globe – from all regions, from all size countries, and from many varied interests. Otherwise, the process as a whole will break down in acrimony.

To address the need for a coherent and productive negotiating process, smaller negotiating processes within the UNFCCC must be undertaken with reforms, avoiding an ad-hoc process and ensuring full transparency about the way in which parties are represented. Regional blocs and other country groupings must be fully and adequately represented with their consent, including sufficiently diverse representation from within blocs.

A set of intense ministerial meetings for both tracks of negotiations – held in March, June and September – must propel political decisions. The meetings must be hosted by the UNFCCC, with all country groupings represented, and ensuring full reporting back. Each ministerial ends only

when its mandated milestone is reached.

Climate talks (unlike trade talks in Geneva) do not have a hometown, and sporadic intercessions don't allow for steady progress. Instead, setting up semi-permanent negotiations in one city is needed to finish this negotiation in time. Developing countries must put their best negotiators into these talks – they have shown they make a difference - and the Least Developed Countries will need financial support to be part of this standing community, as well as access to a pool of UNFCCC experts offering additional technical support.

Finally, and most important, it is critical to continue building public and political support. Heads of States must continue to engage in serious ways with the negotiating process. The last two years has seen an unprecedented and broad movement emerge across the globe for climate action and justice. But there is still enormous potential to harness.

- **Business:** progressive companies in all countries must draw the next swath of corporations into alliances to build a global “green new deal,” and must more proactively call on governments to act.
- **Civil society:** keep highlighting the devastating poverty and environmental impacts of climate change, and make climate justice the most electorally dangerous issue for politicians to ignore.
- **Public voices:** keep demonstrating the growing international public demand for urgent action.

This generation cannot leave a legacy of climate shame. Governments cannot negotiate with the atmosphere – only with each other. They must get back around the table and work throughout 2010 to deliver the fair, ambitious and binding agreement that the world so urgently needs.