Global climate: the Copenhagen collapse

The 15th UN Climate Change Conference, held in Copenhagen in December 2009, failed to produce an equitable, legally binding agreement that either set targets of ambitious emission reduction, financing and technological support or detailed a path of green development to avoid dangerous climate change impacts. The Copenhagen Accord is neither a collective effort for combating climate crisis nor a comprehensive framework that requires the effective, transparent and responsible participation of all stakeholders – governments, civil society organizations and financial institutions – in an integrated manner.

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The 15th Conference of the Parties (CoP15) of the United Nations Framework Convention on Climate Change (UNFCCC), held in Copenhagen in December 2009, did not result in the legally binding agreement required to achieve the goal of keeping the global average temperature rise below 2 degrees Celsius. The Parties' different interests divided the UNFCCC into two groups: Annex I (which includes 40 industrialized countries and transitional economies) and non-Annex I countries. The 26 so-called "representative group of leaders" – the majority of them from Annex I countries – only managed to develop an Accord through an un-transparent, top-down and very restrictive process.

The "bottom-up pledge and review" mechanism[2] of emission reduction under the Accord will not fulfill the reduction targets that the Intergovernmental Panel on Climate Change advises – 25-40% below the 1990 level. The pledges made so far under the Accord do not reflect the delegates' call for "ambitious" and "robust" mitigation commitments or actions. In fact, the adoption of a "non-binding" Accord is a diplomatic gain for developed and advanced developing countries.

Copenhagen: lost expectations

Since the Bali Action Plan was adopted at the 13th Conference of the Parties in December 2007, thousands of delegates have worked on the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA) and the Ad Hoc Working Group on Further Commitments for Annex I Parties Under the Kyoto Protocol (AWG-KP). Even in Copenhagen, despite having many differences, delegates worked hard to close as many gaps as possible and then put forward the most up-to-date documents arising from the two working groups to the final plenary.

Against this backdrop, there was a parallel attempt by the Danish presidency to impose a proposal from the "representative group of leaders." When the Danish Prime Minister, Lars Løkke Rasmussen, placed the Copenhagen Accord before the CoP and asked for its adoption, he was severely criticized for a top-down decision-making process that violated the UN charter and challenged the organization's traditional and historic customs of decision-making.

While the climate talks had so far been among the most transparent international negotiations, Copenhagen was very restrictive to civil society participants, even though they had valid accreditation and a mandate for participation throughout the process. In the final days civil society representation was reduced to only a few hundred. Although a few developing countries and least developed countries (LDCs) supported the Accord's adoption, many developing countries strongly condemned the process as "un-transparent" and "undemocratic" and were opposed to endorsing the Accord as a CoP decision.

Finally, during an informal negotiation facilitated by UN Secretary-General Ban Ki-Moon, the Parties agreed to adopt a CoP decision by which the CoP "takes note" of the Accord, which means that the meeting did not approve or pass it. The Accord can therefore not be termed a "collective effort" for combating climate crisis. Building a collective effort requires effective, transparent and responsible participation of all stakeholders – governments, civil society organizations and financial institutions – in an integrated manner, ensuring that all work fairly in the service of global prosperity, welfare and sustainability.

A robust mitigation target

Stabilizing greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference (DAI)[3] with the climate system is the ultimate objective of the UNFCCC. On the basis of scientific predictions, it is generally agreed that the increase in temperature needs to be below 2 degree Celsius.[4] The developing world has called on industrialized countries to commit to 40-45% cuts in emissions by 2020 compared to the 1990 benchmark.[5]

In the discussions all Parties asked for a "robust" and "ambitious" emission reduction, although what exactly these words meant remained vague. Likewise, the Accord did not mention any quantitative figures of emission reduction that the developed countries would undertake after 2012, either as an integrated target or as individual country targets. Although the overwhelming majority of countries associated with the Accord reaffirmed that climate change is the greatest current global challenge, it sets no mandatory or binding emission targets.

More than 120 countries – contributing more than four fifths of global GHG emissions – have opted to endorse the Accord, and many have submitted a notification of their voluntary emission reduction via the "pledge and review" process. However, although pledges are subject to international scrutiny, there is no mechanism in place to make ensure that actions are taken to achieve the target. Furthermore, even if the current pledges are honoured in full, the global mean temperature may increase by 3 degrees or more by the end of the century.[6]

Undermining the spirit of the Convention

The UNFCCC provides a strong foundation for an inclusive, fair and effective international climate change regime that effectively addresses the imperative to stabilize the climate system while recognizing the right of countries to develop in order to address poverty and food security. The Convention is based on the principle of equity where developed countries, who are most responsible for the climate change problem, need to "take the lead," as well as the principle of common but differentiated responsibilities for all countries. Thus, the adoption of a non-binding accord is a diplomatic gain for developed and advanced developing countries.

1 This paper does not express the position of any country, party or group.

2 This mechanism calls for a dynamic form of international cooperation, where countries should be enabled to make renewed pledges for emission reduction on a continuous basis.

3 To define DAI "one must take into account issues that are not only scientific, but (…) economic, political, and even ethical in nature." See Michael E Mann, "Defining dangerous anthropogenic interference," Proceedings of the National Academy of Sciences of the United States of America. Available from: <www.pnas.org/content/106/11/4065.full>.

4 UNFCCC, "Report of the Conference of the Parties on its fifteenth Session, held in Copenhagen from 7 to 9 December 2009, Addendum. Part Two: Action Taken by the Conference of the Parties at its fifteenth Session," FCCC/CP/2009/11/Add.1, 30 March 2010, 5. Available from: <unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf>.

5 The Kyoto Protocol set 1990 as the benchmark year against which agreed emissions reductions were to be measured. However the 2007 Fourth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) calculated emissions reductions targets against 2000 as the benchmark year.

6 Wolfgang Sterk et. al., "Something Was Rotten in the State of Denmark – Cop-Out in Copenhagen," Wuppertal Institute for Climate, Environment and Energy, April 2010. Available from: <www.wupperinst.org/uploads/tx_wibeitrag/COP15-report.pdf>.

The attempt by developed countries to strengthen and expand the "pledge and review" model under the guise of the Copenhagen Accord would have allowed them to evade their responsibility and the carbon debt that they owe to developing countries for their historic and excessive use of the Earth's atmospheric space. This over-consumption has resulted in an adaptation debt, as developing countries have suffered – and continue to suffer – the worst impacts of climate change, and also an emissions debt. Therefore, developed countries must undertake ambitious domestic emission reductions in order to allow developing countries to increase their own to meet their sustainable development needs.

Financing adaptation: enormous clouds but little rain

The broader strategies for combating climate change (e.g., mitigation, adaptation and support to existing development and growth) are interlinked and are a real challenge to developing countries, which will require new, additional and incremental financial resources for their implementation.

Adaptation financing – financing the adaptation of developing countries to climate change – is required to build their social and economic capacity to absorb current and future shocks. These include: climate proofing[7] development, economic growth, official development assistance (ODA) and existing infrastructure; additional investments for new infrastructure; costs of community level and community-based adaptation; capacity building; restoration of eco-system services; addressing mass displacement; and mainstreaming adaptation into poverty reduction strategies and other relevant government policies and programs. Thus the amount of adaptation finance is a critical concern to the LDCs, Small Island Developing States (SIDS)[8] and African countries that are likely to be the most affected by the impacts of climate change.

Several studies have estimated the amount of finances required for adaptation. Oxfam estimated more than USD 50 billion,[9] UNDP USD 86 billion[10] and UNFCCC USD 28-67 billion[11] per year. Another report on financial flows produced by the UNFCCC Secretariat put the financial resources needed by 2030 at USD 130 billion for mitigation activities and several hundreds of billions for adaptation in developing countries alone. Against these different estimations, mostly based on various "top-down" methodologies, developing countries asked for 1-1.5% of developed countries' Gross Domestic Product (GDP) in addition to their existing ODA commitment. China has suggested that developed countries should commit 0.5% of GDP for such climate change payments in addition to the 0.7% Monterrey Consensus[12] ODA target (i.e., USD 260 billion in 2007).[13]

Given this context, the Copenhagen Accord foresees USD 30 billion of "new and additional resources" for the period 2010-2012 as the collective commitment by developed countries '"with balanced allocation between adaptation and mitigation."[14] Although LDCs and SIDS, as well as Africa in general, will have preferential access to the adaptation fund, the present commitment is insignificant. Furthermore, there is no indication of the amount of adaptation financing beyond 2012. Long-term funding projection for adaptation actions in the most vulnerable countries is ignored in the Copenhagen Accord.

The reality is bleak: while developed countries showed common and indifferent interest in solving their financial crisis resulting from market failure, they have been reluctant to show such interest in solving the climate crisis for which they are responsible. Yet, in comparison with the USD 20 trillion of direct bailouts and no-strings guarantees offered by developed country governments to the private sector during the crisis, the amount needed to address climate change is relatively modest.[15]

Legitimizing the neo-colonial instrument

Whatever the amount, the ideology of climate financing is of critical concern to developing countries. In the concluding plenary of CoP 15 many of Western delegates wanted to link the funds they were offering to developing countries as a pre-condition for accepting the Accord – something that developing countries' delegates termed "offering a bribe". Ed Miliband, Minister for Energy and Climate in the UK, very specifically said that unless delegates accepted the Accord, "we will not operationalize the fund."[16] The delegate from the US also spoke in a similar vein.

This attempted linkage of finances to the acceptance of the Accord is not in line with the funding notion of the UNFCCC under which developed countries committed themselves. Moreover, some have pointed to ODA once again as the most likely source of funds – despite the fact that donor countries have completely failed to meet even existing ODA commitments over the last 30 years. At present, all international adaptation funding instruments – with the exception of the recently operational Kyoto Protocol Adaptation Fund – are replenished through ODA-type bilateral donations, mostly through the existing financial architecture.

There has been a long battle between developed and developing countries in setting the financial architecture for adaptation and mitigation financing. Developed countries have wanted the existing financial architecture, the Global Environment Facility (GEF), to manage the fund while developing countries demanded a different institution since they consider the GEF funding model as difficult to access. This issue was resolved by the consensual establishment of an independent Adaptation Fund Board, whose members are selected by – and are under the direct authority of – the Convention's Parties.

Given the patterns of differentiated historic responsibilities, the costs of adaptation are seen as debts to be borne by the largely responsible industrialized world. Debts cannot be repaid by loans or even by grants – this notion is beyond the so-called "donor-recipient" or "patron-client" relationship. Additionally funding is given to the countries already eligible for concessional loans from Multilateral Development Banks (MDBs), meaning that the participating country has to be in compliance with the loan conditionalities determined by the MDBs. These institutions lack the credibility to manage such funds because of their poor record on social and environmental protection, lack of democratic governance or commitment to transparency and accountability, and significant current and past lending for fossil fuels.[17] The MDBs are neo-colonial instruments; legitimizing them as the operating entity for climate finance is nothing but a remodelling of developed countries' aid politics.

Killing Kyoto

Following the frustrating outcome of the Copenhagen Conference, new polarization on climate diplomacy has emerged. The Accord also does not bring much clarity on how the negotiation process will move forward.

As for the Bali Action Plan, adopted at CoP 13 in December 2007, the negotiation are proceeding under two tracks: the AWG-LCA, which is negotiating the enhancement of actions to ensure full, effective and sustained implementation of the Convention; and the AWG-KP, which is tasked with setting the reduction targets for the post-2012 commitment period at a time when scientific evidence demands deep cuts in the range of at least 25-40% by 2020. Only the Kyoto Protocol provides a commitment period from 2008–2012 and sets legally binding collective and individual targets for Annex I Parties,

7 "Climate proofing" is a shorthand term for identifying risks to a development project, or any other specified natural or human asset, as a consequence of climate variability and change, and ensuring that those risks are reduced to acceptable levels.

8 There are 52 SIDS – both UN and non-UN member states – out of which 10 are LDCs.

9 Oxfam, "Adapting to climate change: what's needed in poor countries, and who should pay," *Oxfam Briefing Paper* 104, 2007. Available from: <www.oxfam.org.uk/resources/policy/climate_change/downloads/bp104_adapting_to_climate_change.pdf>.

10 UNDP, *Human Development Report 2007/2008: Fighting climate change. Human solidarity in a divided world*,New York, 2007). Available from: <hdr.undp.org/en/reports/global/hdr2007-2008/>.

11 UNFCCC, "Investment and financial flows to address climate change," background paper, 2007. Available from: <unfccc.int/files/cooperation_and_support/financial_mechanism/application/pdf/background_paper.pdf>.

12 Adopted during the International Conference on Financing for Development held in Monterrey, Mexico, 18–22 March 2002.

13 Based on the fact that 2007 OECD/DAC's ODA of USD 104 billion amounted to 0.28% of DAC Gross National Income (GNI). Source: OECD (2008).

14 UNFCCC, "Report of the Conference of the Parties on its Fifteenth Session," *op. cit.*

15 Antonio Tricarico, "If Keynes could sit at the climate negotiations table... Proposal for an 'International Climate Union' and a SDR-based 'Global Climate Fund'," *CBRM Discussion Note* 1, 2010.

16 Reuters, "U.S.-led climate deal under threat in Copenhagen," 19 December 2009. Available from: <www.ecoseed.org/en/general-green-news/copenhagen-conference-2009/copenhagen-leading-stories/5655-U-S-led-climate-deal-under-threat-in-Copenhagen>.

17 ActionAid, "Cereal Offenders," Policy Briefing, July 2008. Available from: <www.actionaid.org/docs/cereal%20ofenderspdf5cjapan_g8.pdf>.

varying from country to country, in order to reduce GHG emissions.

Almost all the developed countries – including Australia, Japan and the EU – raised their united voices to dismantle the Kyoto Protocol, collapsing the two tracks into one and producing one single legal outcome through ensuring inclusion of the advanced developing countries. The US, for example, neither intends to ratify the Protocol nor accepts a legally binding agreement; it prefers instead a bottom-up kind of "implementing agreement." Through a set of clear decisions under the UNFCCC, this would formalize and strengthen the existing provisions of the Climate Change Convention for voluntary, non-binding and economy-wide emission commitments to reduce GHG and report on emissions. This "pledge and review" approach is in plain contradiction of the Kyoto Protocol and leaves countries with leeway on what kind of targets to adopt and how to meet them. While the Kyoto's approach specifies targets for a specific period and assessments on whether those targets have been reached, the process called for in the Copenhagen Accord resembles the negotiations in the context of the World Trade Organization (WTO), where every few years countries make new pledges to reduce their trade barriers.[18]

The Kyoto protocol, which created a global coalition between politicians, experts, bureaucrats, civil society organizations and people across the world, outlined an integrated approach to face the challenges of climate change. Now, the approach of "cherry picking" the preferable options by developed countries is reminiscent of the words of the Bush administration that "Kyoto is dead."[19] At the time, this statement was widely denounced in countries around the world; now these countries need to work to keep the Kyoto Protocol functioning towards its next phase.

A way forward to Cancun

At CoP 15 in Copenhagen, as at CoP 13 in Bali, the country Parties negotiated through three major blocs: (a) the European Union, (b) the US, supported by Canada and Japan and (c) the G77 and China. Among these, the last is the major one with 132 countries including developing countries, LDCs and AOSIS. It is the platform of almost all the non-Annex I countries that are historically not responsible for the present climate crisis but, given the disparity in economic comparability and GDP growth, it is also the most heterogeneous group and is mostly driven by the interests of the advanced developing countries (China, Brazil, India and South Africa).

These three blocs led to "triangular climate diplomacy." For example, the EU took its stance to produce a single legal outcome and attempted to push primarily the US, but also the advanced developing countries, into accepting binding commitments. On the other hand, as mentioned above, the US pushed for an "implementing agreement." For their part, the advanced developing countries stressed the historical responsibility of all the industrialized countries, including the US, and urged them to lead in combating climate change as they have committed to in Article 3.1 of the UNFCCC.

Significant divisions also took place among other members of the G77 and China group; the SIDS and LDCs demanded Long-term Cooperative Action negotiations on a protocol that would function alongside the Kyoto Protocol. This group also demanded preferential allocation of adaptation finance, which the other advanced developing countries did not support. Unlike in global geo-politics, the positions of US and China appear to converge in global climate diplomacy since both countries prioritize their national rather than the global interest.

The emerging multi-polarity in the global climate diplomacy translates into a number of key actors able to block substantial progress in the future negotiation leading to the 16th CoP to be held in November 2010 in Cancun (Mexico). Without a complementary policy position among the advanced developing and developed countries, including the US, positive outcomes and breakthroughs in climate policy are unlikely. Besides, the division of UNFCCC parties into two groups – Annex I and non-Annex I countries – is no longer appropriate, given the complexity of global climate policy. Even though many developing countries and emerging economies insist that this dichotomy must be maintained, some differentiation within the group of non-Annex I countries is needed in order to speed-up the negotiation process.

Conclusion

A recent analysis of the Copenhagen outcomes[20] by UNDP notes that the conference fell short of a comprehensive agreement on a future framework on climate change. However if Parties were to use the Copenhagen Accord as an overarching political guidance on the core issues, the technical negotiations under the AWG–KP and AWG LCA could be significantly advanced and the texts finalized more quickly, while taking into account the concerns of those countries that did not agree to the Accord.

Meanwhile, the first meeting of country Parties since the Copenhagen Conference extends the mandate of the two ad hoc working groups – the AWG-LCA and the AWG-KP. In fact, there are significant merits for such a two-track approach since much of the required institutional framework already exists. If this approach is not taken, then the progress that has already been achieved in the negotiation process will be jeopardized. ■

Climate funding and the MDGs

Ian Percy

The USD 30 billion in "new and additional" funding championed in the Copenhagen Accord is far from assured. The amount may reflect UN priorities and a commitment to climate change mitigation and adaptation, but the historical trend is not encouraging. Developed country donors are not on track to meet the target of 0.7% of Gross National Income (GNI) to be provided by 2015 for ODA; already there are reports from Finnish civil society, for example, that climate funding is being drawn from its development budget.[1] The situation is similar in most countries that have made the pledge. In addition Better Aid reports the projection that aid receipts are to lose over USD 2 billion once climate funds to middle-income countries begin to erode the aid budget.[2]

The Millennium Development Goals (MDGs) will not be met, and development is lagging behind other stated goals in many areas of the world. A lack of development funding is often cited as a reason for slow progress on meeting targets. Based on current trends it is easy to imagine a severe drop in ODA reserved for non-climate activities. Political leaders, especially in the Organization for Economic Co-operation and Development (OECD), are under increasing pressure to show results for the aid they provide. There is a real danger that less quantitative development goals could be forgotten in favour of verifiable climate change mitigation and adaptation strategies.

In order to ensure that donors and developing countries do not lose sight of development commitments, baselines for climate funding must be established at the 16th Conference of the Parties in Cancun. Without verifiable and succinct qualifications for "new and additional" funds, there is a danger that education and other development priorities could end up playing second fiddle to wind farms and biomass projects. ■

1 Better Aid. Available from: <www.betteraid.org/index.php?option=com_content&view=section&id=110&Itemid=60&lang=en>.

2 *Ibid.*

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18 Harro van Asselt, "Copenhagen chaos? Post-2012 climate change policy and international law," *Amsterdam Law Forum*, 2(2), 2010. Available from: <ojs.ubvu.vu.nl/alf/article/viewArticle/123/228>.

19 Dick Thompson, "Why U.S. Environmentalists Pin Hopes on Europe," *Time*, 26 March 2001. Available from: <www.time.com/time/world/article/0,8599,103985,00.html>.

20 Alina Averchenkova, "The Outcomes of Copenhagen: The Negotiations and the Accord," UNDP Environment and Energy Group Climate Policy Series, February 2010. Available from: <www.preventionweb.net/files/13330_UNDPBRMCopenhagenfinalweb.pdf>.