



E3G

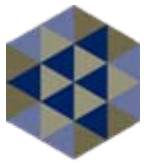
The Road From Copenhagen: Prospects and Priorities for Action on Climate Change

Matthew.Findlay@e3g.org



- What was actually agreed at Copenhagen?
- What have we learned about the politics?
- What progress can be achieved in 2010?
- What does this mean for climate campaigners?

What was agreed at Copenhagen?



E3G

- Copenhagen Accord: Political “letter of intent” cobbled together in final hours by around 30 countries after other processes had stalled; no commitment to turn it into a legally binding agreement
- Indefinite extension of the formal twin-track negotiations (KP / LCA) on the basis of the Bali Action Plan. No deadline for completion
- Kyoto Protocol (KP) track: G77 pressing for progress. Annex I KP Parties unlikely to commit to further targets without comprehensive agreement that also binds US, China and other major emitters
- Long-Term Cooperation Action (LCA) track: Some progress on adaptation, technology and tackling deforestation (REDD), but core mitigation and finance issues remain to be resolved.

Copenhagen Accord: Which countries were involved?



E3G

- Countries directly involved in negotiating the Accord*: Australia, Algeria, Bangladesh, Brazil, China, Colombia, Ethiopia (African Union), France, Gabon, Germany, Grenada (Alliance of Small Island States), India, Indonesia, Japan, Korea, Lesotho (Least Developed Countries), Maldives, Mexico, Norway, Papua New Guinea (Coalition of Rainforest Nations), Russia, Saudi Arabia (OPEC), South Africa, Spain, Sweden (EU), Sudan (G77), UK, USA
- Countries formally opposed to Accord on 19 December: Bolivia, Cuba, Nicaragua, Tuvalu, Venezuela, (Sudan?)

*Based on press reports and off-the-record accounts by insiders

Copenhagen Accord: Key elements



E3G

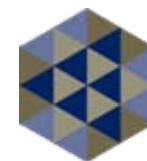
Commitments

- Recognises 2C and calls for review to be completed by 2015 including consideration of 1.5C
- Mitigation: Extends framework of targets and actions to countries comprising almost 80% of global emissions, up from 35% under the KP
- Finance: Approaching \$30 billion fast start over 2010-2012, rising to \$100 billion p.a. by 2020. Green Climate Fund and High-Level Panel.
- Transparency (MRV): Principles agreed on measurement, reporting & verification; “international consultation & analysis” of domestic policy

Caveats

- The language lacks teeth and commitments on the table add up to a 3-4C future.
- This de facto “pledge and review” system contains few incentives for higher ambition and no compliance mechanism
- Is the money additional to ODA and will it be delivered?
- The devil is in the “detailed guidelines”, still to be negotiated

Response to 31 Jan deadline – Annex I



E3G

Annex 1	Associated with the CPH Accord	2020 Targets Submitted to the CPH Accord	
Australia	YES	YES	5-25% on 2000
Belarus	YES	YES	5-10% on 1990
Canada	YES	YES	17% on 2005
Croatia	YES	YES	5% on 1990
EU 27	YES	YES	20-30% on 1990
Iceland	YES	YES	30% on 1990
Japan	YES	YES	25% on 1990
Kazakhstan	YES	YES	15% on 1992
Liechtenstein	YES	YES	20/30% on 1990
Monaco	YES	YES	30% on 1990
New Zealand	YES	YES	10-20% on 1990
Norway	YES	YES	30-40% on 1990
Russia	YES	YES	15-25% on 1990
Switzerland	YES	NO	
Turkey	YES	NO	
Ukraine	YES	NO	
US	YES	YES	Approx. 17% on 2005

Sources:

<http://www.usclimatenetwork.org/policy/copenhagen-accord-commitments> and
<http://unfccc.int/home/items/5262.php>

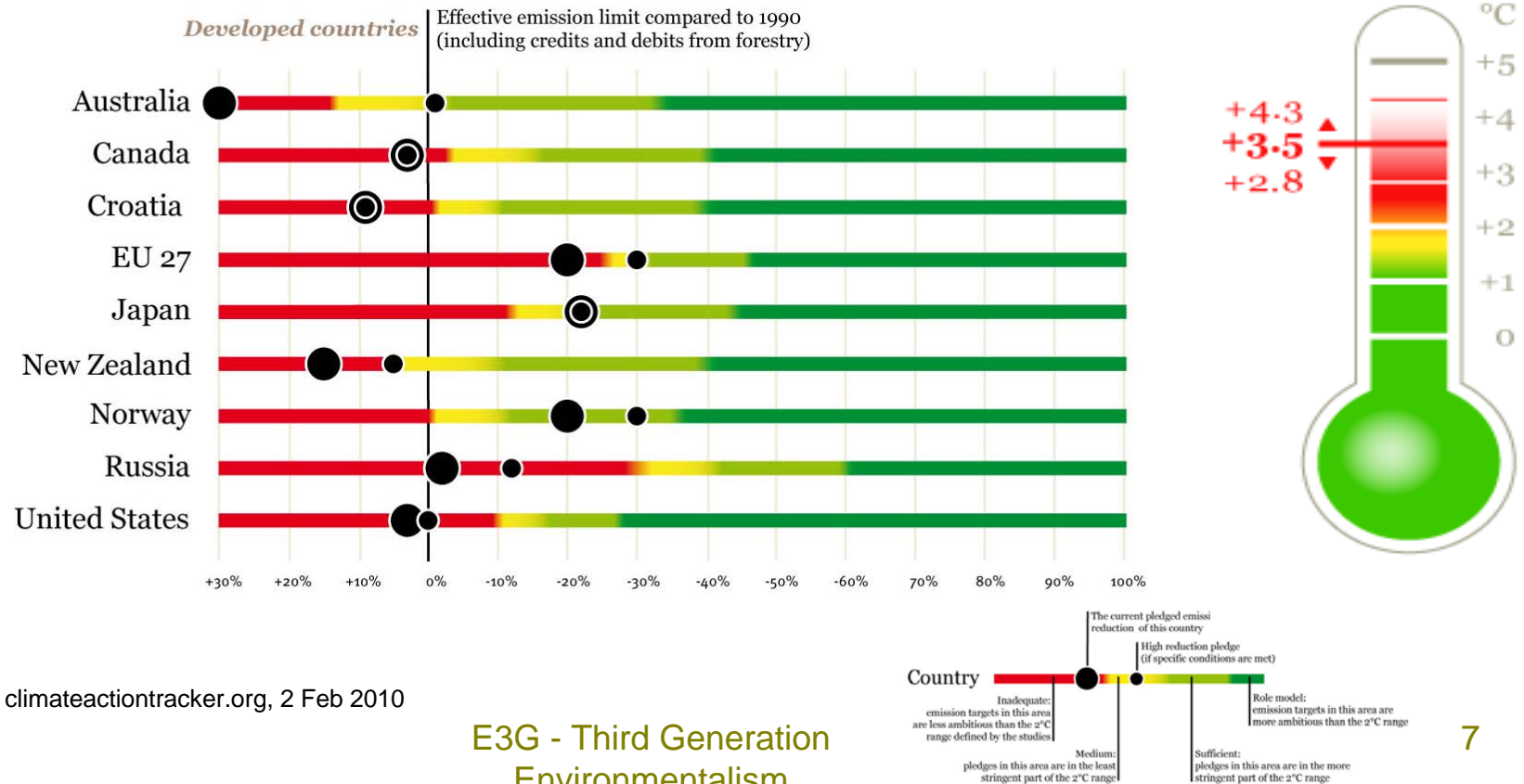
E3G - Third Generation
Environmentalism

Annex I emissions reduction targets



E3G

- Most developed country targets fall short of what science requires
- Current pledges => 3-4°C temperature increase by 2100



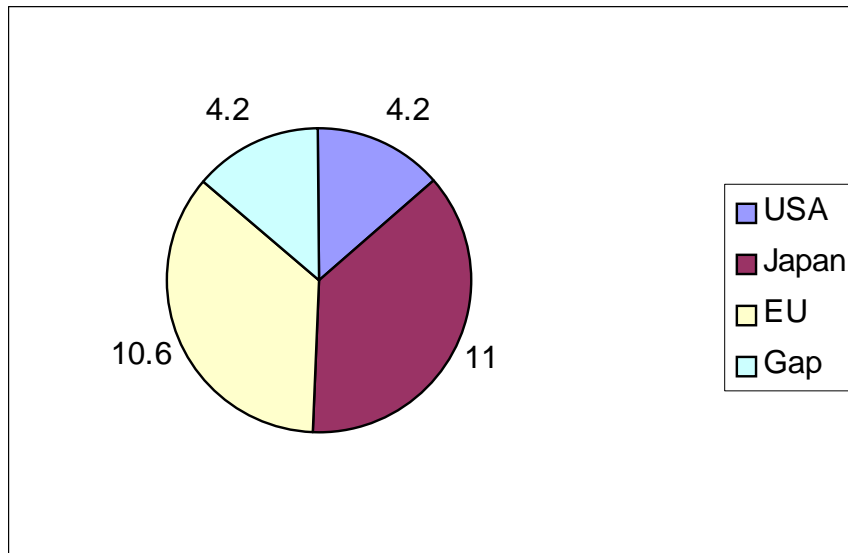
Source: climateactiontracker.org, 2 Feb 2010

Annex I Fast Start Financing

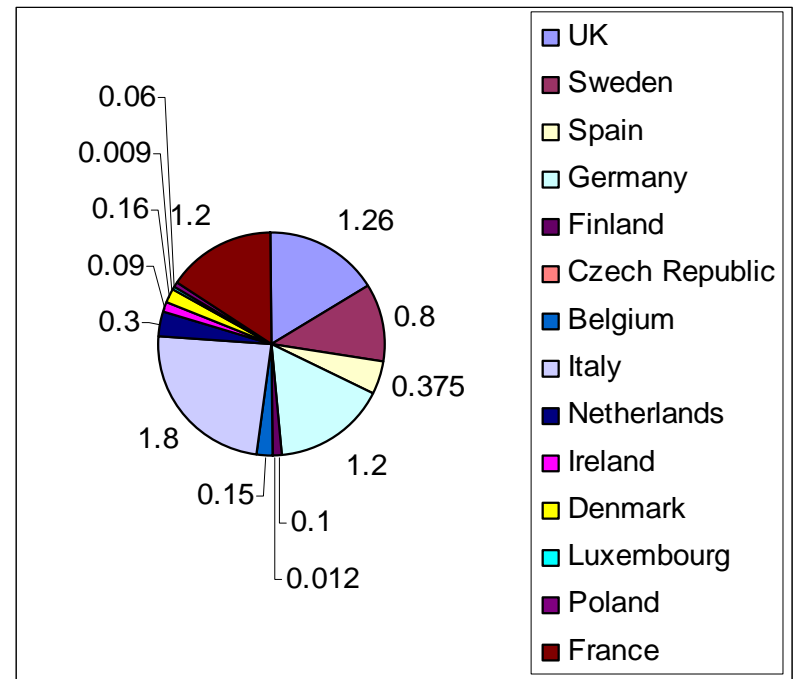


E3G

Current pledges have yet to reach \$30 billion by 2012



EU has pledged €7.2 billion (\$10.6 billion) by 2012



Response to Jan 31 deadline: Non-Annex I



E3G

2 countries have submitted Actions without any reference to the Accord: India, Togo

78 countries have neither associated with the Accord nor submitted actions: Afghanistan, Algeria, Angola, Antigua & Barbuda, Argentina, Bahrain, Barbados, Belize, Bolivia, Brunei, Burundi, Cameroon, Cape Verde, Chad, Comoros, Cook Islands, Cyprus, Dominica, Dominican Republic, Egypt, El Salvador, Equatorial Guinea, Eritrea, Gabon, Gambia, Grenada, Guinea, Guinea Bissau, Haiti, Honduras, Iran, Jamaica, Kenya, Kiribati, Kyrgyzstan, Lebanon, Liberia, Libya, Malta, Mauritania, Micronesia, Mauritius, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Niue, Oman, Pakistan, Paraguay, Qatar, Saint Kitts & Nevis, Saint Lucia, Saint Vincent & the Grenadines, San Marino, San Tome & Principe, Saudi Arabia, Senegal, Seychelles, Sudan, Suriname, Swaziland, Syria, Tajikistan, Thailand, Timor Leste, Tonga, Tunisia, Turkmenistan, Tuvalu, Uganda, Vanuatu, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe

27 countries have associated with the Accord and submitted actions: Armenia, Benin, Botswana, Brazil, China, Costa Rica, Cote d'Ivoire, Ethiopia, Georgia, Ghana, Indonesia, Israel, Jordan, Madagascar, Macedonia, Maldives, Marshall Islands, Mexico, Mongolia, Morocco, Moldova, Korea, Papua New Guinea, Republic of Congo, Sierra Leone, Singapore, South Africa

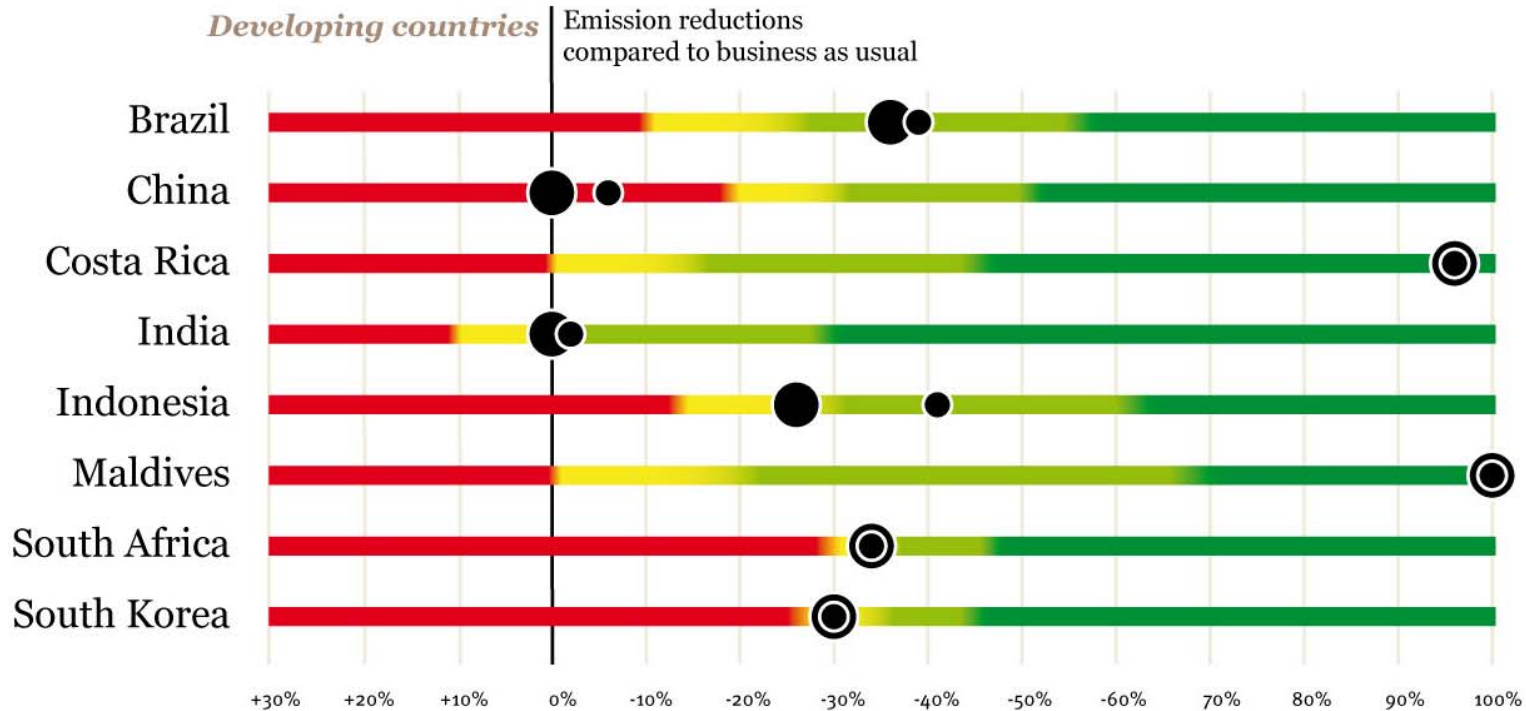
32 countries have associated with the Accord without submitting actions: Albania, Bahamas, Bangladesh, Bosnia & Herzegovina, Bhutan, Cambodia, Central African Republic, Chile, Colombia, DRC, Djibouti, Fiji, Guatemala, Guyana, Lao, Lesotho, Malawi, Mali, Montenegro, Namibia, Nepal, Palau, Panama, Peru, Philippines, Rwanda, Samoa, Serbia, Trinidad & Tobago, Tanzania, UAE, Uruguay

4 countries have indicated they will NOT associate with the Accord and have not provided actions: Cuba, Ecuador, Kuwait, Nauru

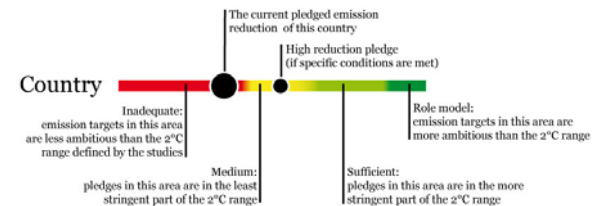
Non Annex I mitigation actions



E3G



Source: climateactiontracker.org, 2 Feb 2010



Big picture summary as of Feb '10



E3G

- EU, US & other Annex I: Little change from pre-Copenhagen positions. Japan remains at 25%. Backsliding by Canada. Continuing low ambition from Russia.
- Brazil, China, India and South Africa (BASIC): Publicly adopting a similar approach, restating pre-Copenhagen commitments and primacy of the two-track UNFCCC process. Differing views in private on <2C and desirability of a “binding” treaty.
- Other G20: Strong commitments by Indonesia, Mexico, South Korea. Saudi Arabia remains a major obstacle.
- AOSIS / LDCs: Divided on the Accord, but united on need for more ambition and legally binding treaty. AOSIS better organised.
- Other G77: African Union Summit resolution “encourages” all countries to associate themselves with the Accord but level of support varies. Latin America split. Foot-dragging by OPEC. New G77 Chair, Yemen, is seen as close to Saudi / OPEC.



- What was actually agreed at Copenhagen?
- What have we learned about the politics?
- What can realistically be achieved in 2010?
- What does this mean for climate campaigners?

Don't blame the process. It's the politics, stupid!



E3G

- During 2008-09, Copenhagen did drive positive developments in domestic climate policies and int'l negotiating positions of major emitters. Growing recognition for <2C goal and low carbon future.
- The meeting itself (COP15) was a disappointment and could have delivered more. Some countries had more to give (e.g. EU 30%).
- Inept Danish Chair & other process failures were partly responsible. But low ambition spiral was mainly a failure of politics.
- US unable to put enough on the table to convince other big emitters to move. China/India wary of constraints to long-term development. No pressure on rest of low ambition coalition (Canada, Russia etc).
- Lack of EU leadership weakened the high ambition coalition, despite best efforts of AOSIS and other vulnerable countries.

Time to prepare for a 4C world?



E3G

- Although US / China / India have in principle embraced 2C as a policy goal they are not yet acting as though this is a matter of national interest. Broader political & economic forces drive actions consistent with 3-4C.
- Hard to see this changing without a major shift in the US. Chinese experts say 450ppm would cost 3% of China's GDP, whereas 650ppm would cost around 1% GDP.
- Copenhagen reflected wider geo-political trends including growing assertiveness of China, India and Brazil. Emergence of the "BASIC" group shows that wider geo-political interests over-ride climate concerns in driving the behaviour of key players.
- Most G20 leaders do not understand the implications of 2C or are not prepared to act on them. The few exceptions – e.g. Gordon Brown – feel increasingly exposed and risk-averse.

Investors are hedging their bets



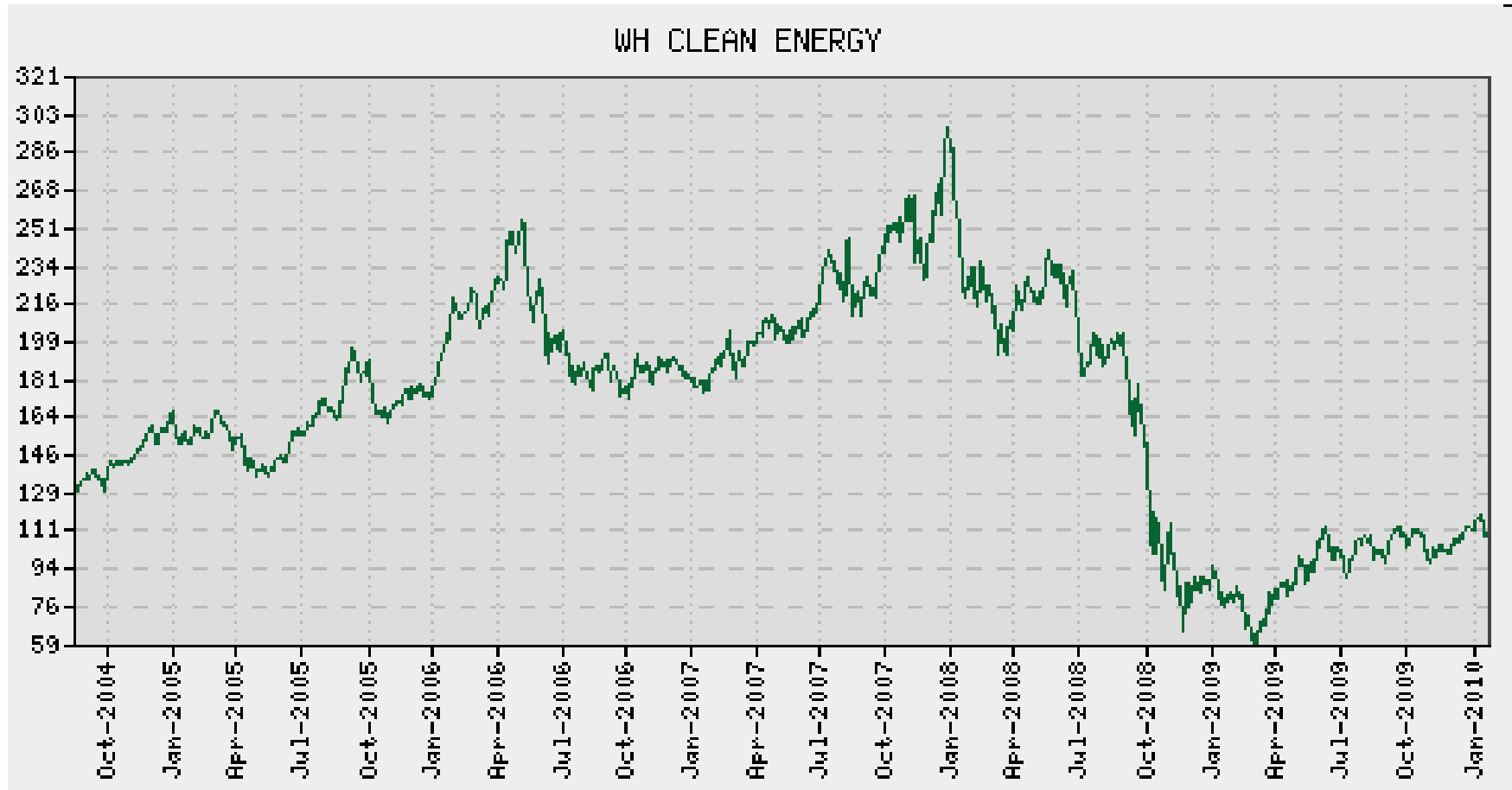
E3G

- “Davos man” still foresees a move away from business-as-usual, carbon intensive growth for multiple reasons: energy security, technological change, as well as climate security
- Few investors are betting on a high carbon (950ppm) future. Issue is how far and fast we decarbonise. 450ppm or 650ppm? Uncertainty means business is postponing long-term investment decisions
- Some positive signs of continuing support for a “green revolution”, e.g. Obama budget proposals in early 2010
- BUT.... Falling carbon prices and backward steps in some countries. US / China / EU taking domestic actions, but will they lead ambitious international cooperation required to reshape the global economy?

What future for clean energy investment?



E3G



Source: Wilderhill Clean Energy Index:
<http://www.wildershires.com/>

Public support for climate action is fragile



E3G

- Fossil fuel lobbies have invested millions in undermining public support for action and weakening legislation – especially in the US and Europe
- “Glacier-gate” and attacks on the IPCC science process
- In 2008, 71% of American thought climate change was real – this figure has declined to 57% at the end of 2009
- Recent polling for 2010 suggests only 28% of Americans consider global warming a top priority for Government action
- More support for action in developing countries but not always reflected among policy elites (e.g. India). Will support hold up once policies bite?

Sources: Pew Research Center, 2010 <http://people-press.org/report/584/policy-priorities-2010>; Yale Project on Climate Change, 2010 http://www.climatechangepublication.org/images/files/Climate_Change_in_the_American_Mind.pdf



- What was actually agreed at Copenhagen?
- What have we learned about the politics?
- What can realistically be achieved in 2010?
- What does this mean for climate campaigners?

Will the US pass climate legislation?



E3G

- Growing pessimism, especially following Republican victory in Massachusetts Senate election.
- But too soon to give up hope – e.g. Republican Senator Lindsay Graham still positive
- Any bill that is passed is likely to be full of give-aways to industry and won't make up for two decades of inaction
- Cap-and-trade is the most controversial element. Will it be sacrificed as the price for getting a bill through?

What will China do next?



E3G

- 12th Five-Year Plan (2011-2015) likely to be announced in late 2010. Expect inclusion of the existing target of a 40-45% carbon intensity improvement by 2020
- Little chance of a higher Chinese target without US climate legislation and more pressure from North/South ambition coalition
- Domestic debate on a low carbon economy has moved a long way but progressive forces feel exposed
- Wider geo-politics (e.g. trade disputes) risk reducing China's willingness to compromise on issues such as MRV guidelines

How will EU respond to failure?



E3G

- Move to 30% nearly happened at Copenhagen but now off the table pending developments in US. Supported by UK, France, Denmark, Netherlands; opposed by Poland, Italy, Austria. Others sending ambiguous signals, e.g. Germany, European Commission.
- Opportunities for progress on domestic initiatives, e.g. smart grid, energy efficiency, clean tech R&D
- New External Action Service a chance to build a serious climate diplomacy strategy. UK will remain supportive but wider coalition needed – especially France/Germany.
- EU and Japan have pledged over two-thirds of “fast start” finance – can they use this to strengthen the like-minded coalition?

What happens next on climate finance?



E3G

- Along with US climate bill, this is key to sustaining momentum in 2010 and unlocking progress on REDD, technology, adaptation
- High-Level Advisory Group on climate finance established by UNSG; interim report by May 2010, full report by October 2010. IMF preparing proposals for a \$100 billion fund backed by SDRs. Major review of MDGs planned for UNGA Summit in September.
- Fast start funds could help build trust, but expect fight over delivery mechanisms -- e.g. role of MDBs and UNFCCC Adaptation Fund
- Potential for a COP16 decision to launch “Green Climate Fund”. But will require strong bridge-building by likeminded coalition

Big picture expectations for 2010 / COP16



E3G

- With sufficient trust, Copenhagen Accord could perhaps be a stepping stone towards the fair, ambitious and binding agreement we need
- Without progress in the US, political conditions won't exist for a major advance beyond what was agreed at Copenhagen
- Even with stronger US leadership, China / India may be reluctant to go further given perceived tension b/t climate & development goals
- Key now is to sustain momentum, strengthening the global climate regime wherever possible, building trust and changing the politics
- Counter cynicism by winning specific battles (e.g. climate finance) and showing concrete benefits of climate action

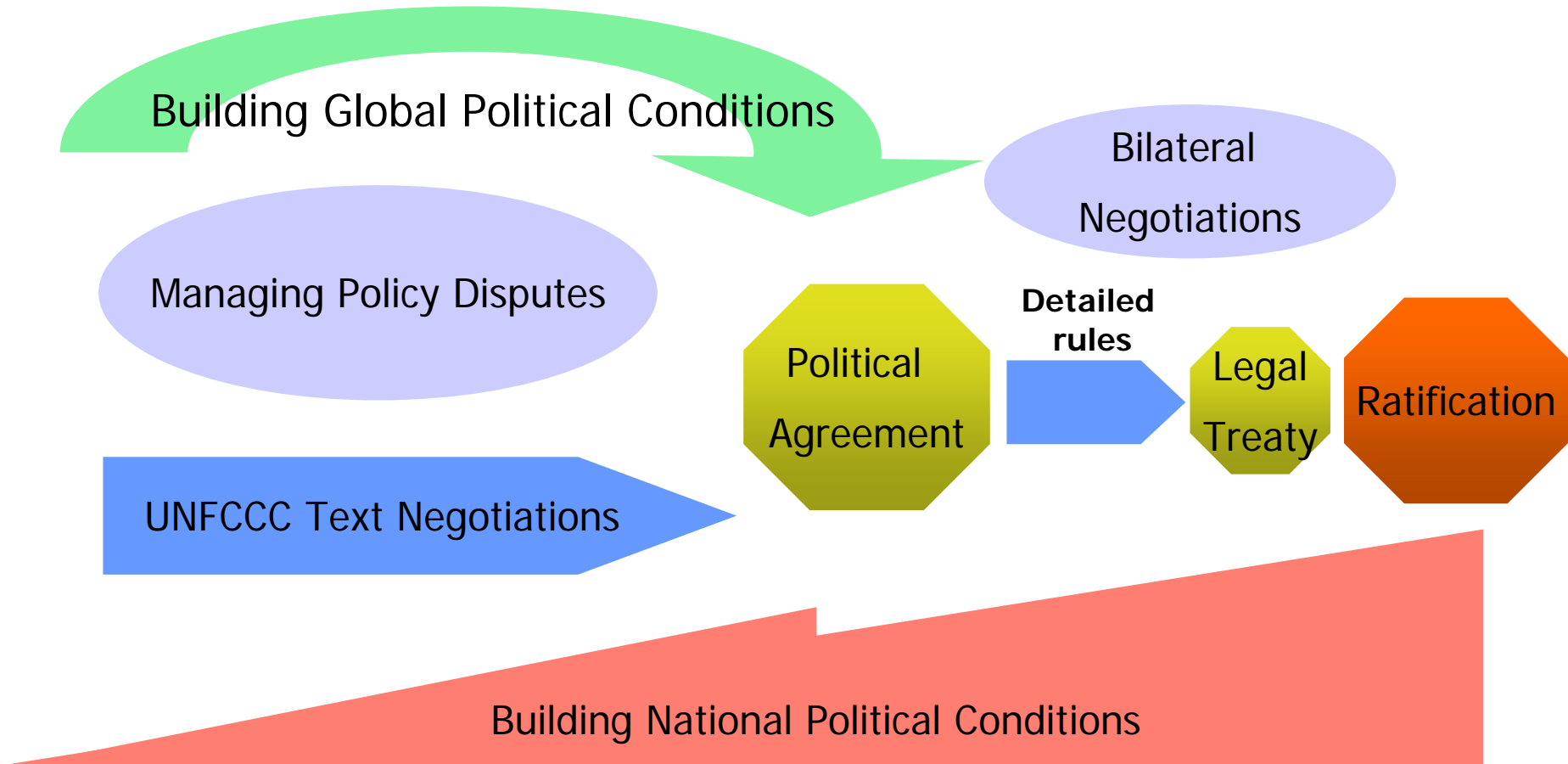


- What was actually agreed at Copenhagen?
- What have we learned about the politics?
- What can realistically be achieved in 2010?
- What does this mean for climate campaigners?

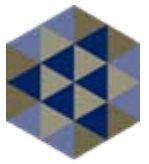
Pathway to a global climate deal



E3G



Campaign priorities for 2010-11



E3G

1. Support national climate campaigns to shape politics and int'l negotiating positions of key countries
2. Seize opportunities to strengthen likeminded coalitions and build the global climate regime
3. Develop stronger arguments for climate action and new alliances with “unusual suspects”

Change the politics outside the “climate bubble”

Priority countries for national campaigns



E3G

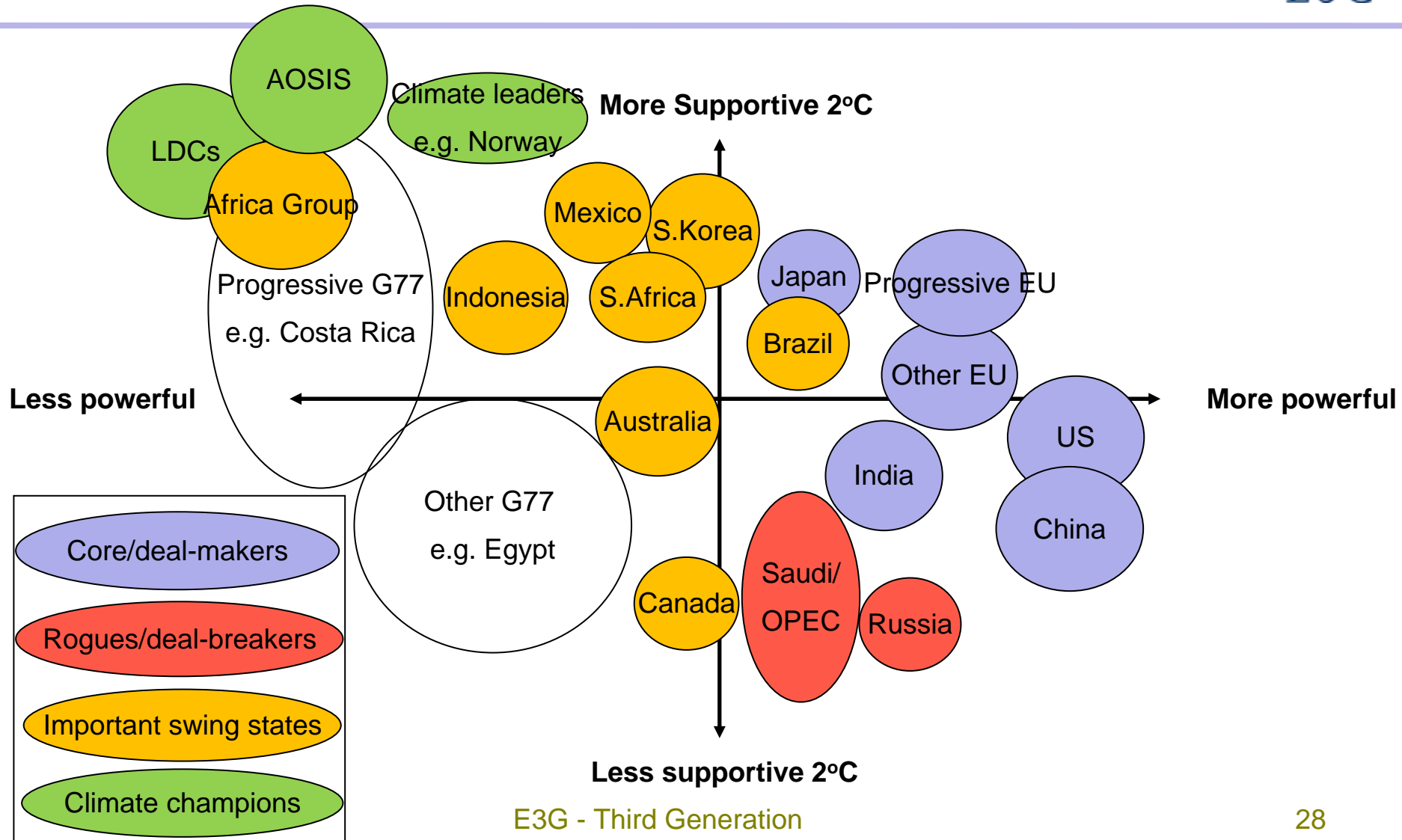
- **Core Deal Makers:** countries which have to be in the core deal to make it work, and have to be convinced deal is in their strategic interest. Too big or powerful to bribe or bully into decarbonisation.
- **Rogue States/Deal Disrupters:** countries who are not in the core but have power to disrupt the deal and may in the end not sign up
- **Important Swing States:** countries that shape the block politics in the UNFCCC & can build bridges both within and between blocks. (NB: Block politics are messy: EU, G77 etc. all internally divided).
- **Climate Champions:** active states who can propose deals and solutions when the main players are frozen by block politics

How to categorise countries in light of Copenhagen?

Mapping the key countries and blocs



E3G



Strategy vis-a-vis global political map



E3G

- Strengthen the power base of the most vulnerable countries (AOSIS, Africa, other LDCs) and help them lead by example
- Build like-minded coalitions (including EU, Japan, Brazil, South Africa, MVCs) on key issues including climate finance and REDD
- Press the US to adopt climate legislation and lead where possible in building the global climate regime (e.g. technology cooperation)
- Empower China, India and other large developing countries to meet or exceed domestic commitments; build strategic case for <2C
- Accelerate the low carbon transition in EU and Japan by making the case in terms of jobs, competitiveness, and energy security

Building the global climate regime: key issues for 2010



- Climate finance: Fast Start, governance of Green Climate Fund, innovative sources, operationalising mechanisms (REDD, technology, adaptation)
- Mitigation (targets and action): Pressure and incentives for greater ambition, green growth strategies, loopholes
- Transparency: MRV guidelines, registries, inventories
- Legal form: Is a binding deal possible? If so, when?

Where will real negotiations happen in 2010?



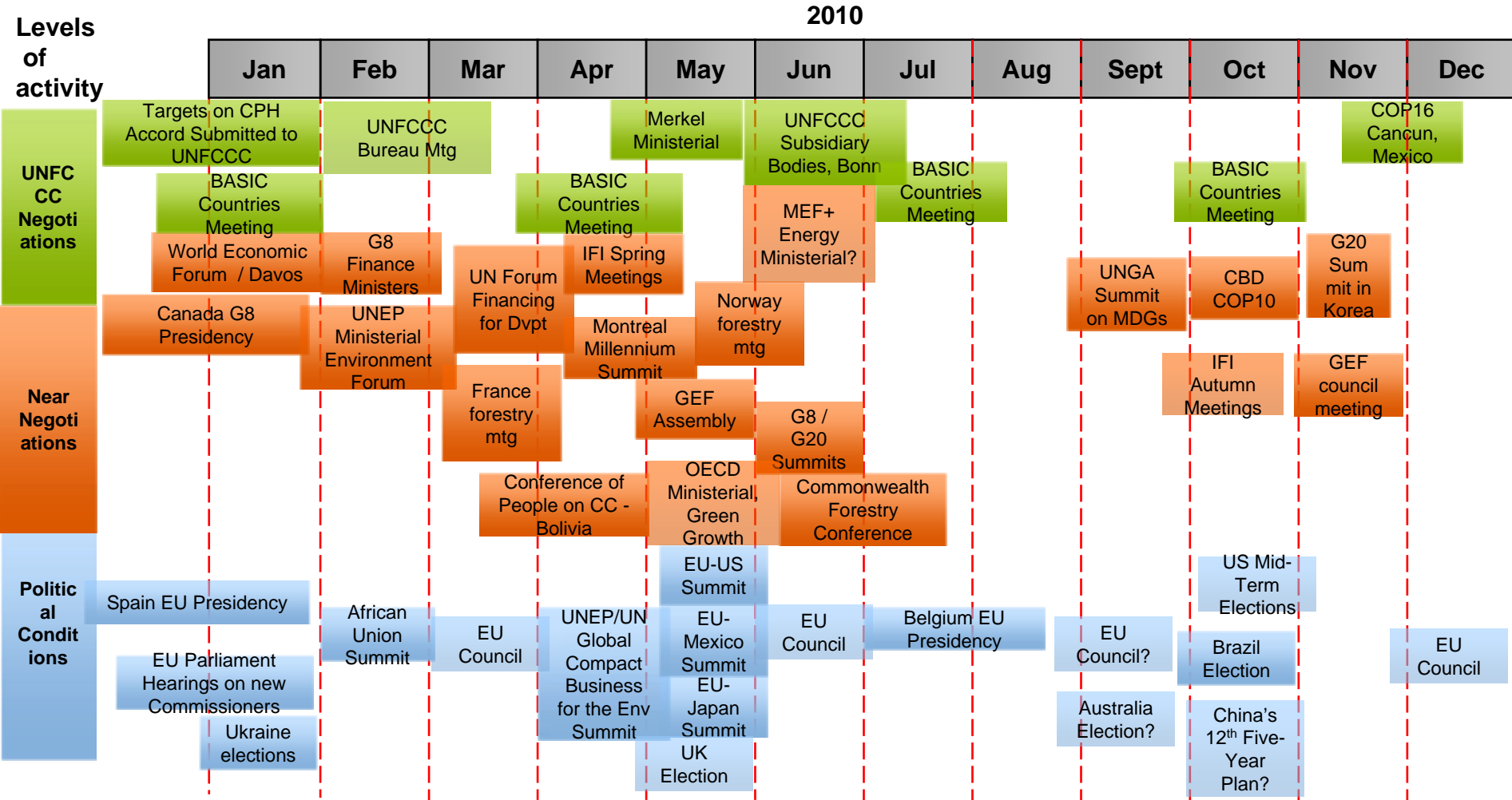
E3G

- In 2009 climate change was discussed everywhere - UNFCCC, Major Economies Forum, G20. More selective approach in 2010?
- UNFCCC negotiations will continue but progress will depend on parallel efforts in other formations, e.g. MEF on technology.
- On climate finance, UN High-Level Advisory Group likely to play key role. Links to wider “finance for development” debate before MDGs Summit in September.
- G20 likely to focus on wider economic issues, e.g. green growth

2010 political calendar for climate action



E3G



Some challenges for campaigners in 2010



E3G

- “Public opinion is turning against climate action”: Expose role of fossil fuel lobbies in blocking reform. Incumbents vs. innovators.
- “< 2C isn’t a credible goal”: Show risks of 4C to energy security and other national interests. “There is no low cost, high carbon future”.
- “Unilateral action will hurt our competitiveness”: Reframe debate: “If Europe doesn’t invest in technologies of the future, we’ll have to buy them from China. Benefits of green investment for jobs/skills, innovation policy, energy security etc.
- “The UN is broken”: Help like-minded coalitions to make progress on specific issues and show benefits (e.g. REDD). Support reform (e.g. UN voting rules) to expose and isolate the real blockers.