

A Post-Copenhagen Pathway

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To even more than the casual observer, the events that transpired at the global climate change negotiations in Copenhagen are somewhat mystifying. For veterans of international processes and meetings, it is hard to believe that so many countries could come together for such a large and anticipated event with no pre-planned resolution. Granted, international climate negotiations have not previously garnered participation from so many heads of state and previous sessions typically ran late by a day or more in order to reach conclusion. This time, however, the agreement in question was widely anticipated for nearly two years. There were dozens of preparatory meetings under the UN auspices and other multilateral fora and 119 heads of state were scheduled to attend on the final day. Even still, “salvaging” an agreement came down to closed door negotiations by the heads of state from the United States, China, Brazil, South Africa, and India. For those outside government circles it might seem quite natural for heads of state to actually negotiate major portions of international agreements, but it is actually quite rare. Heads of state are normally left to negotiate maybe one or two outstanding or especially contentious issues, and only if absolutely necessary.

Reports on the background drama and chaotic nature of the negotiations only add to the perception of total confusion. From

Reactions to the Copenhagen Accord

“This accord cannot be everything that everyone hoped for, but it is an essential beginning.”

~ Yvo d Boer, Executive Secretary UNFCCC

“We’ve come a long way but we have much further to go.”

~ Barack Obama, President of the United States

I will not hide my disappointment regarding the non-binding nature of the agreement here. In that respect the document falls far short of our expectations.

~ Jose Manuel Barroso, EU Commission President

It’s very disappointing, I would say, but it is not a failure... if we agree to meet again and deal with the issues that are still pending. We have a big job ahead to avoid climate change through effective emissions reduction targets and this was not done here.

~ Sergio Serra, Brazilian Climate Change Ambassador

“We were able to make only limited progress at the Copenhagen Summit and no one was satisfied with the outcome. And yet, there is no escaping the truth that the nations of the world have to move to a low greenhouse gas emissions and energy efficient development path.”

~ Manmohan Singh, Prime Minister of India

“We have made a start. I believe that what we need to follow up on quickly is ensuring a legally binding outcome.”

~ Gordon Brown, Prime Minister of the UK

“The meeting has had a positive result, everyone should be happy. After negotiations both sides have managed to preserve their bottom line. For the Chinese this was our sovereignty and our national interest.”

~ Xie Zhenhua, Head of Chinese Delegation

various countries or blocs holding negotiations hostage until they were able to resolve a specific issue, to walk outs, to the vitriolic public statements and near-immediate blame game antics, to President Obama interrupting a meeting of key countries (a decision that would ultimately lead to the final political agreement), the entire undertaking appeared to be an unmitigated procedural disaster.

For those who follow the climate negotiations, each one of these episodes, the major disagreements among parties, and the unresolved nature of the final agreement can all be explained away. For members of the general public, however, it is hard to make heads or tails of what went wrong, who's to blame, and whether or not there should be any hope for future success. For a positive spin, the meeting should be taken as a sign that world leaders are working hard, really rolling up their sleeves, to engage on important issues. The more likely outcome is a widespread view that climate change issues are too difficult to be negotiated and the hope of any type of globally coordinated action through the UN is a lost cause.

Despite the chaotic diplomatic theatrics of the meeting, a political agreement was reached and there is a tentative, though not fully defined, path forward. The question is whether or not the major players in these climate negotiations will seek to pursue an agreement through the UN process after the Copenhagen debacle, or opt, once and for all, for a more manageable structure for productive engagement.

The Copenhagen Accord

The negotiations ended with a non-binding political “accord” negotiated by the U.S., China, India, South Africa and Brazil. As expected the agreement is not legally binding, and is not, in fact, even politically binding for much of the UN since most delegations did not “sign on” to the accord. Both ad hoc working groups under the UN process (the Ad Hoc Working Groups on Long-Term Cooperative Action and the Kyoto Protocol) “took note” of the accord and left room for countries to sign-on later. The working groups in turn agreed to pursue their ongoing work and negotiating texts as part of the next round of negotiations to be concluded in 2010.

The Copenhagen Accord

- Aspirational 2 degree target (2015 review)
- Developed country targets and developing country action - country mitigation pledges by 1/31/10
- Vague terms for reporting and verifying action
- \$30 billion of “new and additional” resources from developed country between 2010-2012
- Goal to mobilize \$100 billion a year in public and private finance by 2020
- Seeks to establish Green Climate Fund, High-Level Panel on finance goal, and new Technology Mechanism

The accord itself included an aspirational goal of limiting global warming to 2 degrees Celsius, but agreed to review the science and progress toward this goal in 2015 to assess whether a more ambitious target is possible. The review was added to address the concerns of certain developing countries who want to limit global temperature rise to no more than 1.5 degrees in order to avoid climate impacts that would negatively impact the most vulnerable countries and because current pledges are not expected to limit temperature rise to 2 degrees (most estimates say current pledges will yield a 3.2 degree increase).¹

The accord did not include a global target for emissions reductions nor did it divide the share of emissions reduction between developed and developing countries. Countries are to submit their pledges (developed country targets and developing country actions) by January 31, 2010 and these actions will be compiled and stored in a registry. Perhaps one of the most contentious areas of negotiations was on monitoring and verification of actions. The developed country block, led by the United States, insisted that all countries must be accountable for the actions they pledge to take, especially when international financing is used to fund those actions. Major developing economies, led by China, sought to protect their sovereignty and pushed back on the idea that they should be held accountable for their actions because of their developing country status which exempts them from responsibility to take action. In the end, the accord states that developed country (Annex I) action will be measured, reported, and verified (MRV) in accordance with existing or any future guidelines adopted by the Conference of Parties, developing country action will be subject to domestic MRV with results reported in biennial national communications subject to “international consultation and analysis,” and developing country action receiving international financing will be subject to MRV guidelines yet to be adopted. This is an important step forward, but much depends on the details of these MRV guidelines and domestic programs.

In the realm of financing, two somewhat concrete deliverables emerged. Developed countries pledged \$30 billion of “new and additional” resources between 2010 and 2012. These resources are intended to serve as “fast start financing” for near-term mitigation and adaptation actions. The accord did not specify how much each country would contribute or which countries would be beneficiaries. Though it did emphasize that funding would be balanced between mitigation and adaptation, and adaptation funding would be prioritized for the least developed and most vulnerable nations. It is widely believed that these funds will come to fruition though much of it will be executed through structured bilateral and multilateral programs of the developed countries’ choice.

¹ Höhne, Niklas, Michiel Schaeffer, Claudine Chen, Bill Hare, Katja Eisbrenner, Markus Hagemann and Christian Ellermann (2009), *Copenhagen Climate Deal – How to Close the Gap*, Briefing paper, Ecofys & Climate Analytics, 15 December.

The mid-term goal to mobilize \$100 billion a year in public and private finance by 2020 is much less certain. Like the fast-track financing pledge, the accord did not specify how much each country would contribute or which countries would be beneficiaries of this mid-term financing. It did say that these funds would come from both the public and private sector contributions – much of it expected to be generated by global carbon markets. The accord states that a significant portion of “new multilateral funding for adaptation” should flow through the Copenhagen Green Climate Fund and be “delivered through effective and efficient fund arrangements, with a governance structure providing for equal representation of developed and developing countries.”

The accord establishes three new institutions/groups: the Copenhagen Green Climate Fund, a High-Level Panel on finance goals, and a new Technology Mechanism. The Green Climate Fund is to be an operational entity under the existing financial mechanism in the UN Framework Convention on Climate Change (UNFCCC) with a mandate to “support projects, programs, policies and other activities in developing countries related to mitigation including REDD-plus, adaptation, capacity-building, technology development and transfer.” The High-Level Panel is to be accountable to the Conference of Parties and its mission is to “study the contribution of the potential sources of revenue, including alternative sources of finance” toward meeting the stated financing goals. The Technology Mechanism is meant to “accelerate technology development and transfer in support of action on adaptation and mitigation.”

In UNFCCC parlance, the accord is not actually a binding decision taken by the Conference of Parties. The accord includes several principles and mechanisms referred to in the work of the two Ad Hoc Working Groups, but both of those groups only “took note” of the accord. Therefore, even though the accord says it is “operational immediately” certain actions (like the creation of new structures under the convention) cannot take place until they are adopted by the Conference of Parties.² The next Conference of Parties meeting will take place from November 29 to December 10, 2010, in Mexico City, Mexico, so the international community has one more year to tie up all the loose ends generated by the Copenhagen Accord and the draft texts put forward by both working groups.

The reactions to the conference have been mixed. Almost every head of state acknowledges that the negotiations did not meet expectations. Most choose to focus on the incremental progress made and the need to go further, while others come close to declaring the entire conference a disaster. Those who understand the complexity and difficulty of the negotiations recognize that a true breakthrough was achieved in the accord, but a great deal of work is still

²Werkman, Jacob (2009). *“Taking Note” of the Copenhagen Accord: What it Means*, World Resources Institute, 20 December.

yet to be done. The first test of whether countries are willing to move forward with the UN process is whether or not they meet the January 31 deadline for submitting targets, actions, and financing. For many countries this should not be hard to do because the “pledge” would only be politically binding at this point and many of the countries already announced pledges before they arrived at the negotiations. In fact, by not submitting a pledge, a country would send a strong signal that they oppose the agreement or had lost faith in the process. Any country to do so would unnecessarily open itself up to blame for stopping the international community from moving forward. If countries do pledge their targets it is definitely a positive sign but that action alone should not be read as an overly positive breakthrough. In many ways, the world is still left to negotiate many of the very same contentious issues they went to Copenhagen to resolve.

Why the UN Might Not Work Anymore

The United Nations has never been the ideal place to conduct global negotiations. It is large, unwieldy, and full of very easy ways to deter progress on any given issue. There are, nonetheless, several reasons why the UN has been the main vehicle for negotiations. First, the UN houses the only globally binding agreement on climate change – the UNFCCC and its Kyoto Protocol. Second, climate change is a global problem that affects everyone; therefore the UN is the only body that adequately represents global interests (through country representation and NGO participation). Third, many major emitters insist on using the UN process as the negotiating venue to protect their interests – the EU needs a conclusive next step to the Kyoto Protocol which it has championed and major emerging developing countries like China, India, and Brazil want to continue to be included in the block of developing countries represented in the UN, rather than separated out as larger economies.

What’s changed? For starters, the Copenhagen process reaffirmed the ever-present difficulties associated with UN negotiations. First, there are far too many people involved to reach a consensus of any sort and any one country can block an agreement, which leaves plenty of room for spoilers. Second, the politics of the UN negotiations on climate change have eroded over time rather than building towards consensus. Many countries involved in the negotiations saw this forum as a good place to bring up all their concerns and complaints about the North/South divide, poverty alleviation, and imperialism. There is no winning those debates and they make what is, at its core, an environmental agreement about much more than any one agreement can solve. Finally, the inclusive role of the UN process, which is excellent for giving a voice to all sorts of causes and considerations that deserve recognition and global attention, only serve to exacerbate the differences between developed and developing countries and raise expectations for an agreement to such a large extent that the perfect really becomes the enemy of the good. The management of the UN process has to be responsive to all of these outside concerns and promote transparency and fairness in the process, which makes leading effective negotiations nearly impossible. All of these challenges would be surmountable if it was clear

that the vast majority of countries were really willing to compromise and move forward. The Copenhagen meeting, however, indicates that this is not necessarily the case. Countries large and small appeared willing to stick to their negotiating position and forgo compromise even though it meant risking progress on emissions reductions and, perhaps more importantly, realizing unprecedented amounts of globally coordinated finance.

To be clear, there is little to no chance that the U.S. or any other country will totally abandon the UN process. International organizations and processes are rarely ever killed outright. When in disfavor they simply are ignored, neglected, de-emphasized, or refocused. (It is too diplomatically unpleasant and time consuming to do anything more direct). Whether or not countries choose other venues depends upon what they hope to gain and whether these alternative venues serve that purpose.

Other Possible Pathways

The two most obvious alternative venues are the Major Economies Forum on Energy and Climate Change (MEF) and the G20 process. Both groups include the relevant major emitters and therefore have the best chance of materially influencing emissions trajectories going forward.

In many ways, the MEF already serves this function. The MEF was reconstituted in late March 2009 with the goal to “facilitate a candid dialogue among major developed and developing economies, help generate the political leadership necessary to achieve a successful outcome at the December UN climate change conference in Copenhagen, and advance the exploration of concrete initiatives and joint ventures that increase the supply of clean energy while cutting greenhouse gas emissions.”³ In essence, the group was to work towards an agreement in advance of the UN negotiations in the hope of avoiding a failed outcome – a clear recognition that it is much easier to negotiate among a smaller group of key countries than within the UN process. The group actually appeared to make incremental progress on this front. In July 2009, the MEF Leaders Meeting produced a declaration with a decidedly more energized tone than past climate statements on the topic and signs of progress on its two main areas of focus: targets for emissions reduction and technology cooperation. These included an agreement that developing countries will take actions to reduce emissions in a “meaningful deviation from business as usual in the mid-term” and that the “peaking of global and national emissions should take place as soon as possible.” During the Copenhagen conference the MEF released ten technology action plans as part of their Global Partnership to “spur development of low carbon and climate friendly technologies.” Despite the potential for advancement under MEF, many countries involved in the MEF continue to view it as a place for informal discussion on a

³ Major Economies Forum. <http://www.majoreconomiesforum.org/about/descriptionpurpose.html>

global climate agreement but heretofore insisted on the UN as the proper place for any formal negotiations.

The G20 is perhaps a less likely choice for straight-forward engagement on emissions reduction targets. The G20, unlike the MEF, is made up primarily of global finance ministers and thus has an agenda more focused on global financial stability than environmental issues (the MEF on the other hand is usually comprised of environment, energy, and foreign ministries). However, given how many major economies view climate change through an economic and development lens, the G20 may be a more appropriate place for engagement. The G20, however, is at a great risk of becoming the new most popular venue in town for engaging on any number of issues. This risks the organization collapsing under its own weight rather than being effective at a more limited number of important things. Yet climate and energy issues are already part of the G20 process. The last G20 leaders meeting included language on energy market stability and transparency and energy subsidies. The question is what more do countries want to gain through international cooperation at this point and what can be gained in each of these venues?

Country	G20 Member	MEF Member	% Global Emissions (CO ₂ 2007)
Argentina	X		0.6
Australia	X	X	1.3
Brazil	X	X	1.2
Canada	X	X	1.9
China	X	x	21.5
EU	X	X	13.8
France	X	X	1.4
Germany	X	X	2.8
India	X	X	5.3
Indonesia	X	X	1.2
Italy	X	X	1.7
Japan	X	x	4.6
Mexico	X	X	1.6
Russia	X	X	5.5
Saudi Arabia	X		1.3
South Africa	X	X	1.5
South Korea	X	X	1.7
Turkey	X		1.0
UK	X	X	2.0
United States	X	X	20.2
% of Global Emissions	84.2	81.3	84.2
*G20 website, MEF website, and UN Statistics Division, http://mdqs.un.org/unsd/mdq/SeriesDetail.aspx?srid=749&crd=			

The most important goal is for major emitters to reduce emissions in a way that prevents the most dangerous levels of global warming (either through changing patterns of energy production and use or through forestry and land-use changes or both). A global agreement is not mandatory to do this but certainly helps build confidence among those nations and ensure some level of ambition in the emissions reduction targets. An agreement can also help facilitate global carbon market development and other mechanisms which can dramatically increase the ability of countries to reduce emissions (domestic and international) and introduce significant cost savings and efficiency. Another major goal is to ensure that other countries around the world have adequate adaptation plans and capabilities. The potential spill-over effects of countries or regions mismanaging or completely neglecting the need for adaptation could be huge and costly for everyone. Finally, technology cooperation that leads to faster development and deployment of mitigation and adaptation related technologies is critical to meeting any type of global climate goal. None of these major priorities (by no means an exhaustive list) requires an actual global agreement, but all of them benefit from multilateral coordination.

Who Gets to Decide?

So which alternative forum is the right one? The most obvious answer is: the one in which the most major players are willing to negotiate. Copenhagen communicated loud and clear that the preferences advanced by the U.S. do not represent the only game in town and may not determine where these discussions take place going forward. If other major countries want to keep the UN as the primary vehicle for negotiations, then the UN just might maintain its status as the most important forum for reaching an agreement. Though it seems that many countries involved in negotiating the final accord (U.S., China, Brazil, India and South Africa), and indeed some major players who were left out of those discussions (EU and Japan), may have seen the wisdom of working out agreements in a smaller venue before resuming the UN negotiating process. There are three possible outcomes on the horizon at this point:

1. BASIC countries insist on sticking with the UN process – Brazil, India, China and South Africa (BASIC) decide to hold-fast with the developing country block in the UN and insist negotiations continue to take place under the UN process as planned. The developed country bloc will have little choice but to follow the BASIC countries' venue preference. In this case, success is only possible if these major emerging developing economies are willing to play a much more constructive role in leading the developing country bloc to ensure that some conclusion can be reached after months of negotiations.

2. Support for the UN process wanes and major emitters choose another venue for working together - The UN process grinds on without resolving any of the major issues still up for debate and real progress/movement on the three priorities areas listed above are pursued through one or more alternative venues.
3. Fragmented multilateralism prevails – The UN maintains jurisdiction over areas where agreement can be reached, perhaps on adaptation and forestry issues. Whereas all other areas of agreement are divided up among several other multilateral forums and institutions (finance goes to the IFIs, the MEF covers technology and emissions reduction targets, the G20 covers subsidies and global carbon market linkage, etc.)

It is too soon to tell which of these pathways will be chosen but chances are good that once a decision is made it will not be immediately obvious one way or the other. Countries are no doubt taking stock of what transpired in Copenhagen and trying to figure out the best way forward. The big test in the coming weeks is to see whether countries meet the January 31 target for pledging their emissions reduction goals and financial commitments. At the same time, a lot is riding on whether or not the U.S. is able to pass domestic climate legislation – the true gesture of whether or not the U.S. is serious and able to play a leading role in shaping the global dialogue going forward. As was true for much of 2009, the world is still waiting for this to happen before negotiations in are undertaken in earnest.

The Obama administration's hands are somewhat tied by Congress at the moment – but that has not stopped them from moving forward in every way they can. Their stated preference is for comprehensive energy and climate change legislation. The big stumbling block in getting something passed is the cap and trade or carbon pricing portion of the legislation. In the meantime, however, the Obama administration has moved forward on a number of impressive and ambitious initiatives:

- \$80 billion in clean energy investments
- EPA endangerment finding and proposed rulemakings to regulate carbon dioxide in vehicles and stationary sources
- First-ever greenhouse gas standards for new cars and trucks. More aggressive vehicle efficiency standards (35.5 mpg in 2016 as opposed to 35 mpg by 2020 suggested by Congress)
- Promote the development of renewable energy projects
- Set aggressive new energy appliance standards

This strategy of pushing forward on multiple fronts is likely to be the approach the administration will continue to take internationally as well. As long as the UN process seems to be moving forward (especially if it is the venue through which major developing countries agree to submit pledges to some sort of review process) they will continue to pursue their goals in that forum. They will also continue to push hard for subsidy reform and market transparency and stability in the G20 process. The MEF process will continue to be a useful venue for negotiations outside the UN process and collaboration on technology advancement. The International Energy Agency, regional organizations, and special multilateral and bilateral agreements can all be avenues for driving progress. This might not be the sweeping change that some expect after what transpired in Copenhagen, but the folks who work on climate change are a persistent and resourceful group who have learned that climate change must be tackled from a variety of angles in order to keep the momentum going.