



Policy Briefing Paper

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Copenhagen Accord or Discord?

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The UN climate summit in Copenhagen December 2009 has been variously described as a “failure”, a “setback”, or “utter chaos.” Since the climate conference in Bali in 2007, the hopes of the world had been pinned on Copenhagen to yield a new global agreement on climate change that would dramatically reduce greenhouse gas (GHG) emissions around the world, particularly in developed countries, and provide urgently needed funding to poor countries already dealing with the impacts of climate change.

What do the outcomes from Copenhagen mean for people calling for climate justice for the poor and marginalized in the global South? Where do we go next after Copenhagen? This paper examines the implications of the new Copenhagen Accord and explores some possible future directions for our work.

What is in the Copenhagen Accord?

The most controversial outcome of the UN Climate Summit is undoubtedly the Copenhagen Accord, a non-binding agreement reached by 26 countries in secret talks during the 15th Conference of the Parties to the UNFCCC (COP15). Divisive from its inception, the Accord remains the subject of great debate with a dubious legal status and uncertain political implications. While the Copenhagen Accord refers to the need for “deep cuts” in emissions “to hold the increase in global temperature below 2 de-

grees C”, it does not contain any targets or strategies for emission reductions. An early draft of the Accord referred to the need to reduce global emissions by 50% relative to 1990 by 2050 and those of developed (Annex 1) countries by 80% by 2050. The early draft also anticipated that a concrete target would be included for reductions by developed countries by 2020. All references to targets were removed from the final text.¹

Instead, the Accord simply includes two blank Appendices. Appendix 1 invites developed countries to list by February 1, 2010 their emission reduction targets for 2020 from whatever base year they may choose. Appendix 2 invites developing countries to list the “actions” they plan to take by the same date. In some cases, particularly for China and India, these actions involve targets to reduce the intensity of emissions per unit of out-

put rather than absolute emission reductions.

In January 2010, Canada signed onto the Accord and submitted its national emission reduction target for 2020 to the UNFCCC secretariat. In its submission the Canadian government committed to a lower target than the one it brought into the Copenhagen summit last December.

Since 2007, the federal government had been committed to a target of

lowering Canada’s GHG emissions to 20% below **2006** levels by 2020, which is equivalent to 3% *below* 1990

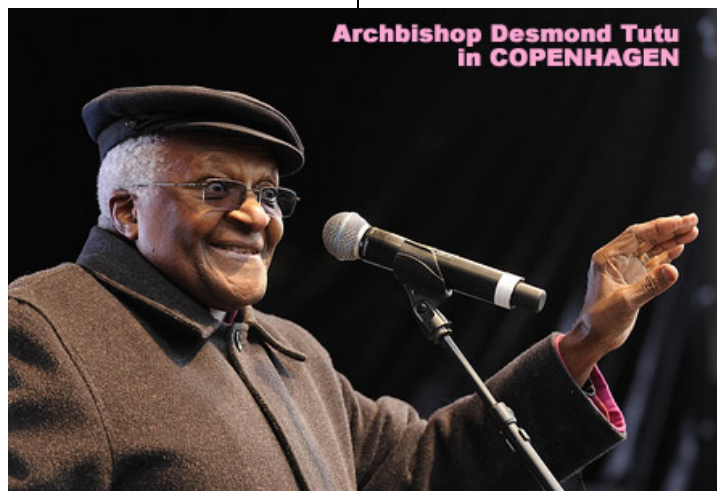


Photo: World Council of Churches

levels. Canada's new target will reduce emissions to 17% below 2005 levels by 2020. This shift in the base year used changes its commitment to the equivalent of 2.5% above 1990 levels, a net difference of 5.5%. Environment Minister Prentice justifies the less ambitious target as being consistent with the government's desire to "harmonize" federal climate policy with our southern neighbour.

In 2009, the U.S. House of Representatives passed the Waxman-Markey bill that would institute a cap-and-trade carbon trading system to reduce emissions to 17% below 2005 levels by 2020. This target is equivalent to a 4 percent reduction below the USA's 1990 emission levels. Thus, while the US target falls well below what is needed, it would not result in emissions above 1990 levels, unlike Canada's "harmonized" goal. As of February 2010, the fate of U.S. climate legislation was uncertain as it remained stalled in the U.S. Senate.

If other countries follow Canada's lead, it is clear that the pledges made under the Copenhagen Accord will not succeed in meeting the aggregate emission reductions necessary to avoid catastrophic climate change. The scientific evidence indicates that developed countries must cut their emissions by 25% to 40% below their 1990 levels if we are to keep the global temperature rise under two degrees Celsius.

Based on pre-Copenhagen promises a study done for the *New Scientist* concludes that "the world is on track to warm by 3.5 °C by 2100, and concentrations of carbon dioxide are set to rise to around 700 parts per million (ppm) – far above the 450 ppm scientists say constitute the limit for keeping global warming below 2 °C."²

Copenhagen Green Climate Fund

The Copenhagen Accord makes a commitment that developed countries will provide US\$30 billion in "new and additional" financing for adaptation and mitigation measures undertaken by developing countries over the years 2010 to 2012. An annex to the Accord attached to the version obtained by the *New York Times* lists three pledges: European Community US\$10.6 billion; Japan US\$11 billion and USA US\$3.6 billion amounting to US\$25.2 billion or 84% of the total.

Canada should contribute 3% to 4% of any fund in accord with our historical share of Official Development Assistance. This would work out to US\$900 million to US\$1.2 billion over the 3 years or US\$300-\$400 million a year.

The Copenhagen Accord also states that, "developed countries support a goal of mobilizing jointly 100 billion dollars a year by 2020 to address the needs of developing countries." Where these funds might come from is uncertain as the Accord says "This funding will come from a wide variety of sources, public and private, bilat-

eral and multilateral, including alternative sources of finance" and promises "a governance structure providing for equal representation of developed and developing countries."

As Jeffery Sachs observes, "Experience with financial aid for development teaches us that announcements about money a decade from now are mostly empty words. They do not bind the rich countries at all."³

The reference to private sources is troubling. Paraguay's Environment Minister says that up to 40% of the funds may be expected to come from carbon trading, either through the sale or auctioning of emission permits that allow emitters to go on polluting or from the purchase of offsets from projects in the global South. Both of these market mechanisms have already proven themselves to be not only unstable sources of revenue but detrimental to many communities in the global South.

The promise of equal representation on a governance structure does not guarantee that the Copenhagen Green Climate Fund will not fall under the control of the World Bank. While the Accord says "a High Level Panel will be established under the guidance of and accountable to the Conference of the Parties to study the contribution of the potential sources of revenue, including alternative sources of finance..." there is no indication concerning how this panel will be established or whose interests will be represented.

Could the reference to raising funds from "alternative sources of finance" mean that the joint proposal for a Financial Transactions Tax put forward by French President Nicolas Sarkozy and UK Prime Minister Gordon Brown might still be in play? On Dec. 11, 2009, Sarkozy and Brown proposed that "to ensure predictable and additional finance ... we should make use of innovative financing mechanisms, such as ... a global financial transactions tax and the reduction of aviation and maritime emissions **and the auctioning of national emission permits.**"⁴

The most progressive option contained in the Sarkozy/Brown proposal would involve a global Financial Transactions Tax (FTT). At a rate of 0.05% a universal FTT on all trades of financial products (including equities, bonds, derivatives, and foreign exchange) could yield up to US\$700 billion a year (six times as much as global ODA). A more modest Currency Transactions Tax (CTT) applied only to foreign exchange set at just 0.5 basis points (0.005%) on all major currency trades would yield annual revenues of US\$33 billion.⁵

When the G20 Finance Ministers met on Nov. 7, 2009 in Scotland, Gordon Brown endorsed a FTT as a way of forcing private financial institutions to pay some of the costs of the global financial crisis. When Finance Minister James Flaherty invited G7 finance ministers to Iqaluit, Nunavut on February 5-6, 2010, they reached a

consensus on the need for some kind of global tax on the banking sector. It remains to be seen whether this will take the form of a FTT or perhaps a windfall profits tax on bank balances.

KAIROS together with partners in the Halifax Initiative will continue to advocate for a FTT and the use of a portion of its revenues to finance adaptation and mitigation in developing countries.

The new Copenhagen Green Climate Fund will only be accessible to those countries that agree to sign the Accord. This is troubling because it resembles a form of blackmail for the poorest countries that will face serious droughts, floods, cyclones and food shortages due to climate change in the years ahead. Agreeing to the Copenhagen Accord deprives them of any avenue to protest the lack of transparency in which it was forged.

While some developing countries signaled their acquiescence to the Accord during the final conference assembly, others, including Venezuela, Bolivia, Nicaragua, Cuba and Sudan, spoke out boldly against it. A notable opponent was Ian Fry, the negotiator for the South Pacific island state of Tuvalu, who declared: "In biblical terms it looks like we are being offered 30 pieces of silver to betray our future and our people ... our future is not for sale."⁶

An Alternative Vision

With all the media attention focused on the Copenhagen Accord, issues like carbon debt and cap-and-trade largely flew under the radar of the official conference although a few delegations did offer critiques. For example, the Environment Minister from Paraguay called for the reimbursement of US\$500 billion in climate debt owed to the countries of the global South. He said funds for mitigation and adaptation must come from public sources and not from carbon markets: "We cannot accept proposals that [imply] that 40% of the needed funds would come from an ill-defined carbon market. Investments in carbon markets can never replace public funds."⁷

Tuvalu and some of the other developing country delegations repeatedly pushed strongly for fair and just outcomes. The Alliance of Small Island States (AOSIS) demanded a legally binding outcome for the Copenha-

gen process and spoke with courage about the need to address climate change urgently and decisively in order to save their countries.

The Bolivian delegation, riding high on the recent re-election of President Evo Morales, explicitly named the "climate debt" that is owed by industrialized countries to the global South and also put forward some visionary proposals about rethinking humanity's relationship with Mother Earth. These Indigenous ideas were elevated to a new level in the UN climate talks this year.

These important issues were also debated and given exposure at the Klimaforum09, the people's summit held across town from the UN conference in Copenhagen.

The final declaration of the people's summit rejects "purely market-oriented and technology centred false and dangerous solutions [such as] nuclear energy, agrofuels, carbon capture and storage, clean development mechanisms, ... geo-engineering and reducing emissions from deforestation and forest degradation (REDD)" The Klimaforum09's statement also demanded that an "equitable tax on carbon emissions" be established instead of "the regime of tradable emission quotas."⁸



KAIROS partner Rev. Nnimmo Bassey of Nigeria addresses the Klimaforum alternative summit. Photo: Ian Thomson

Equally significant was the emergence of a global popular movement demanding climate justice. In the months leading up to the Copenhagen summit, the largest popular mobilization calling for climate justice ever was seen with millions of people calling on their leaders to address climate change. On December 12, close to 100,000 people marched in the streets of Copenhagen demanding climate justice. The following day, hundreds of churches across Canada and many more around the world rang their bells as a call to climate action and an expression of hope. Millions of people have awoken to the climate crisis we are facing and will not be satisfied with empty words and hollow accords.

The Road Ahead

The sixteenth Conference of the Parties under the UNFCCC will be convened for November 29-December 10, 2010 in Cancun, Mexico.

There are several conflicting views on what the future holds for climate negotiations. Little noticed in the turmoil over the status of the Copenhagen Accord were decisions made in the final plenary to extend the work of

the two ad hoc working groups that met throughout the conference to debate heavily bracketed texts that they were working on since they met in Poland in 2008. One working group on “Long-term Cooperative Action” brings together all parties to the UNFCCC convention inclusive of the US. The other working group on “Further Commitments for Annex 1 Parties under the Kyoto Protocol,” which does not include the US will also continue thanks to developing countries’ efforts to keep alive the legally binding Kyoto Protocol (KP). The Canadian government wanted to see the KP expire not least because under its terms Canada faces penalties for not fulfilling its initial promise to reduce emissions to 6% below 1990 levels over the period 2008-2012. Furthermore, Canada could be obliged not only to make up for its failure to meet its earlier commitments but also have to commit to increase its emission reductions by 30% in the period after 2012.

In the wake of the Copenhagen failure there are many calls from developed country officials for reform of UN decision-making. One idea is to conduct negotiations among a small group of countries chosen to represent their peers. For example, African countries would elect one accountable country to represent them at the table rather than have South Africa alone invited as occurs in the G20 and as occurred at Copenhagen where President Obama invited both South Africa and Ethiopia to the secret talks while excluding Sudan despite its status as the delegated spokesperson for the G77 and China.

Others talk of pressing ahead through bodies like the G20, or the 17-nation Major Economies Forum representing the majority of global emitters. But both of these ideas further marginalize low-income countries and those who dared to resist imposition of the Copenhagen Accord during the final plenary of COP15 – Venezuela, Bolivia, Cuba, Nicaragua and Sudan.

The Canadian government must renew its commitment to the UN process in the lead-up to the G8 and G20 summits that Canada will host in June 2010. The United Nations remains the most accountable, transparent, and inclusive forum for delivering a global climate change deal and the UNFCCC’s two-track process is the legitimate place for formalizing it. The work is not done yet, and all leaders must get back to the UN to forge a deal that will protect the world from the worst effects of climate change.

KAIROS will continue to support our partners’ efforts to strengthen the voices of the peoples of the global South in this struggle to achieve climate justice. A partners’ tour of Canada leading up to the G20 summit in Toronto is being planned for the spring. Also, President Morales’ of Bolivia is organizing a global peoples’ summit of interested world leaders, scientists, NGOs, Indigenous Peoples, and citizens to be held in April in

Cochachamba, Bolivia. KAIROS partners will be participating and KAIROS will be looking for ways to highlight the results of the summit throughout our network.

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KAIROS: Canadian Ecumenical Justice Initiatives unites eleven churches and religious institutions in work for social justice in Canada and around the globe.

Endnotes

¹ According to Mark Lynas references to industrial countries targets were taken out of the document at the insistence of China. Lynas accuses China of setting up President Obama to take the blame for a weak deal. See Lynas, Mark. “How do I know China wrecked the Copenhagen deal? I was in the room.” *The Guardian*. Dec. 22, 2009. at

[Hhttp://www.guardian.co.uk/environment/2009/dec/22/copenhagen-en-climate-change-mark-lynas?CMP=EMCENVEML505H](http://www.guardian.co.uk/environment/2009/dec/22/copenhagen-en-climate-change-mark-lynas?CMP=EMCENVEML505H)

George Monbiot takes the opposite view – accusing Obama of demanding concessions from China while offering nothing himself in order to provoke Chinese intransigence so that “China could be blamed for the outcome the US wanted.” See Monbiot, George. “If you want to know who’s to blame for Copenhagen, look to the US Senate.” *The Guardian*. Dec. 21, 2009 at [Hhttp://www.guardian.co.uk/commentisfree/2009/dec/21/copenhagen-failure-us-senate-vested-interests?CMP=EMCENVEML505H](http://www.guardian.co.uk/commentisfree/2009/dec/21/copenhagen-failure-us-senate-vested-interests?CMP=EMCENVEML505H)

² See “Copenhagen chaos sets world on track for 3.5°C” at [Hhttp://www.newscientist.com/article/dn18309-copenhagen-chaos-sets-world-on-track-for-35-c.html?DCMP=OTCRSS&nsref=climate-changeH](http://www.newscientist.com/article/dn18309-copenhagen-chaos-sets-world-on-track-for-35-c.html?DCMP=OTCRSS&nsref=climate-changeH)

³ Sachs, Jeffrey, “Obama’s phony climate victory.” *The Globe and Mail*. Dec. 22, 2009. A19.

⁴ “Joint statement with President Sarkozy on climate change” Brussels, 11 December 2009 accessed from the Office of the Prime Minister in London. Emphasis added.

⁵ Schmidt, Rodney. *The Currency Transaction Tax: Rate and Revenue Estimates*. New York: United Nations University Press. 2008. Page 14.

⁶ Cited in Spratt, David and Lawson, Damien. “A climate con: Analysis of the ‘Copenhagen Accord’” at [Hhttp://climatecoded.blogspot.com/2009/12/climate-con-analysis-of-copenhagen.htmlH](http://climatecoded.blogspot.com/2009/12/climate-con-analysis-of-copenhagen.htmlH)

⁷ Declaración del Ministro del Ambiente de la República del Paraguay. Copenhagen: December 2009.

⁸ Cited in Pierri, Raul and Estrada, Daniela. “Climate Change: ‘We’re Not Finished Yet,’ Civil Society Warns” Copenhagen. Inter Press Service News Agency. Dec. 19, 2009.