

UNFCCC COP15 – Copenhagen Summary Overview of Outcomes

The United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC COP) in Copenhagen ended without resolution on the two main negotiating texts from the Ad Hoc Working Group on the Kyoto Protocol (AWG-KP) and the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA). These documents were intended to provide the negotiating language for a second Kyoto commitment period and for longer term action around adaptation, mitigation (including REDD), technology transfer and financing. Progress was made in many of the smaller working groups tasked with resolving technical policy and methodological issues, but it is as yet unclear how these will be implemented until there is agreement on the main texts. In the final days of the conference, the US led the drafting of the “Copenhagen Accord” along with China, India, Brazil and South Africa outside of the established COP negotiating processes. This short brief comments on the meaning of the Accord, the potential next steps toward reaching an international climate change agreement and the role of markets and private investment.

What was the result of the meetings in Copenhagen?

The expected outcome was to send agreed text from the two groups established at COP-13 in Bali – the Ad Hoc Working Group on the Kyoto Protocol (AWG-KP) and the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA) – to Ministers and Heads of State. High-level discussions would resolve final political decisions and produce a document that could be worked into a legally binding instrument (i.e. extension of the Kyoto Protocol, a new protocol, etc.). Instead, no agreement was reached on threshold issues in the AWGs, including long-term emissions reduction targets, and therefore the draft texts were not ready for ministerial-level discussions.

The US drafted the “Copenhagen Accord” outside of the AWG processes with Brazil, China, India and South Africa. It was reported that early drafts stated long-term targets in line with the science (50-80% below 1990 levels by 2050), but this was removed in the final draft. By “noting” the Accord in COP proceedings, it became an official document of the UNFCCC processes but otherwise has no standing or legal backing of any kind.

26 countries signed signaled support for the Accord, but all 193 Parties to the Convention would need to agree to it to move forward. Agreement on how to incorporate it into the Convention would also be required. The Accord included an upfront provision for the AWGs to continue their work to present at COP-16 in Mexico in December 2010.

What does the Accord actually say?

- Statement of purpose: To keep global warming to 2°C (this equates with 450ppm)
- Annex 1 (developed) Targets: Commit to economy-wide targets for 2020 by January 31, 2010
- Non-Annex 1 (developing) Targets: State national emission reduction activities by January 31, 2010
- Monitoring, Reporting & Verification (MRV): Non-Annex 1 will report progress every 2 years in National Communications with “international consultations and analysis under clearly defined guidelines that will ensure that national sovereignty is respected;” Limiting the role of international monitoring became a major

1 Appendix 1 to the Accord is a table for countries to fill in by this date

2 Appendix 2 to the Accord is a table for countries to fill in by this date

negotiating point for China to the frustration of many Annex 1 countries, who will pay for a large part of the emission reductions in the developing world.

- Nationally Appropriate Mitigation Activities (NAMAs): Financing available subject to international verification
- REDD+ and Markets: Recognizes REDD+ (“reducing emissions from deforestation and degradation”) and the role of markets but provides no implementation details
- Copenhagen Green Climate Fund: Provided by Annex 1 countries, \$30 billion through 2012 growing to \$100 billion/year by 2020 to finance a balance of adaptation & mitigation projects, programs, policies & other activities, including REDD+, capacity building and technology transfer.
- Financing: To come “from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;” High Level Panel established to study these options.

Is the Accord meaningful?

While not binding, this is the first time many of these commitments have been made by high-emitting countries, namely China and the US. There is a strong commitment to “additional, predictable and adequate funding” for adaptation and mitigation. The High Level Panel to study options for the Climate Fund will have a huge role in explaining exactly what this means and how private finance will be incorporated. No timeline is defined.

January 31st becomes an important date – to see how and if countries report their targets and whether there is movement on the legal instrument toward

implementing the Accord in some way. One outcome is no outcome with the Accord remaining an attachment to the COP proceedings but not being operational.

The next formal COP proceedings are in Bonn, Germany in June 2010.

What are the implications for carbon markets and private finance?

The Accord begins to state governments’ intentions for long-term objectives to reduce global emissions and mentions the role of markets. While the lack of details does little to reduce uncertainty for private investment at this stage, there is a growing recognition that the volume of emission reductions required to meet the 2°C target cannot be achieved through public financing alone.

REDD+ represents a major area of agreement at the COP, although the role of “sub-national” activities and the use of markets remains unresolved. The REDD+ negotiating text would become operational through the AWG-LCA, so its fate is not immediately clear given the negotiating delays. Simultaneously, climate bills currently in the US Congress include the use of carbon markets for REDD+. It would seem that the US may pursue bilateral agreements or other arrangements with REDD+ host countries that could sit outside the UNFCCC process.

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