



Foundation for a Low-Carbon Future:

Essential Elements of a Copenhagen Agreement

Commitments made and mechanisms agreed in Copenhagen will signal that the future belongs to a low-carbon economy.

In December 2009, twenty thousand people, including about 40 heads of state, will converge in Copenhagen to decide how the world responds to escalating climate change over the next half century.

If successful, the meeting of 192 member countries of the UN Framework Convention on Climate Change (UNFCCC) will send a clear signal to business and industry, governments and citizens around the world. Commitments made and mechanisms agreed will signal that the future belongs to a low-carbon economy and that tomorrow's winners will be those that invest in clean energy solutions. It will also set in motion swift support for the most vulnerable in adapting to a warming world.

Copenhagen should serve as a foundation for and springboard to a new legally binding global climate agreement. Realistically, the summit is likely to result in a foundational outcome that encourages immediate action to reduce emissions and signals commitment to greater action in the near future. The negotiations are likely to conclude in a series of decisions that will lock in progress made so far, together with an overarching high-level political declaration that the final agreement will be legally binding. This new, comprehensive, and legally binding instrument will be the goal of negotiations in 2010, once the United States has passed the domestic legislation necessary to commit to a final target and timetable for reducing greenhouse gas emissions.

This brief paper, rooted in WRI's long-running analysis of the complex and interconnected issues under negotiation, identifies key elements for a successful and possible outcome in Copenhagen (categorized in this document by The Big Picture Agreement, Building a Sound Foundation, and Support for Developing Countries). These include a clear set of follow-on negotiations to complete a legally binding agreement. This process could be achieved in two stages - at

a continuation of the COP 15 Copenhagen session six months later (a so-called COP 15 bis), and at the next full conference of the UNFCCC parties (COP 16) in Mexico in December 2010. Putting in place a clear process to agree upon the final legally binding instrument(s) in one negotiation track will be key to success. After two years of negotiations, many of the elements required for an effective post-2012 climate agreement are already clear.

ESSENTIAL ELEMENTS OF A COPENHAGEN AGREEMENT

1. The Big Picture Agreement

The world sets a goal to keep global average temperature below 1.5–2 degrees Celsius in comparison with pre-industrial levels. This is in line with the best scientific guidance

which warns that greater warming will spawn increasingly dangerous and unpredictable impacts. To limit temperature rise, countries also agree to reduce global emissions by at least 50 percent below 1990 levels by 2050.

In order to meet this goal, a high-level declaration would contain a set of substantive agreements in the form of targets and timetables from developed countries and emission reduction actions by developing countries. Financial commitments from the former to support the latter in their mitigation and adaptation efforts between now and 2020 must also be included.

Developed countries as a group — including the United States, 27 European Union countries, Japan, Australia, Canada and Russia — would commit to reducing emissions by at least 80 percent by 2050. These countries

COUNTRY COMMITMENTS FOR A SUCCESSFUL COPENHAGEN OUTCOME



would also commit to cutting collective emissions by 25 to 40 percent below 1990 levels by 2020. Additionally, each developed country would also commit to an economy-wide 2020 emission reduction target (known as a Quantified Emission Reduction Commitment or QERC) and an emissions pathway through 2030. These national targets could be in the form of a range until the final legally binding instrument(s) is agreed in 2010.

Developing countries would agree to take nationally appropriate climate mitigation actions that will reduce emissions significantly (e.g., 15 to 30 percent) below business-as-usual levels by 2020. African, Asian and Latin American governments could implement emission reduction policies and measures in all major economic sectors, including forestry (deforestation is responsible for 15 percent of global greenhouse gas emissions). Some large developing countries that are major economic players and substantial greenhouse gas emitters, such as China, Brazil, and Mexico also would agree to individual *non-binding* goals to curb national emissions within the range. The amount of financial support that developed countries come up with will fundamentally determine the level of action to which developing countries are prepared to commit.

Country actions and commitments would be reflected in long-term nationally appropriate low-carbon planning processes.

2. Building a Sound Foundation

For these commitments to form the basis of an effectively functioning agreement, a framework of international climate machinery needs to be built around them. This will require a COP decision mandating that negotiations conclude in a legally binding instrument that contains the following specified mechanisms and institutions.

A matter of record: schedule or registry

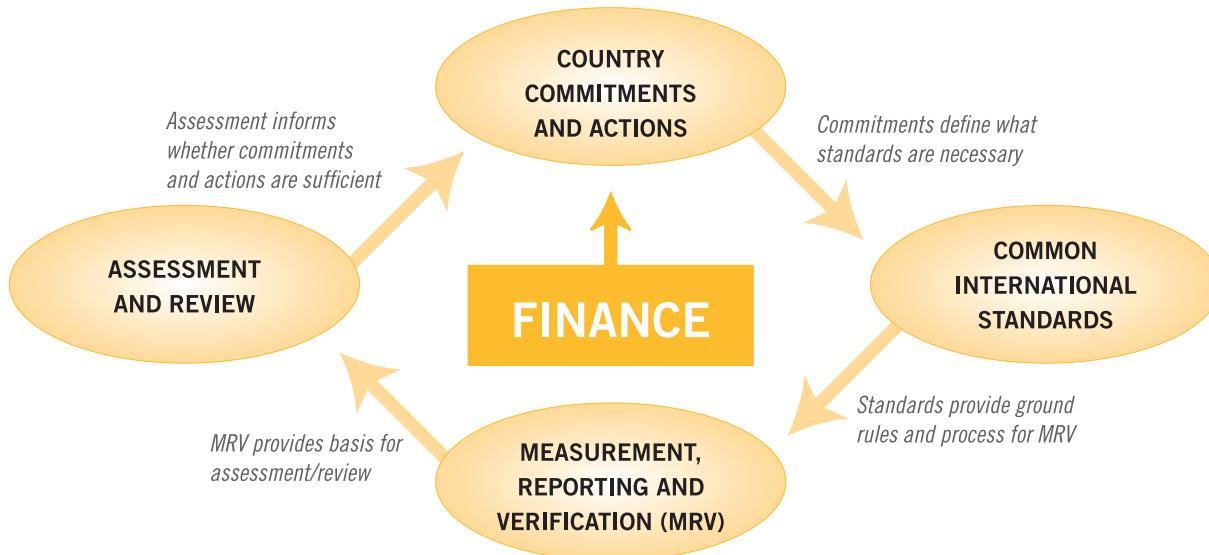
All countries' commitments and actions would be formally registered at Copenhagen which requires creation of an official registry or schedule. These could be amended post-Copenhagen only in order to make them more ambitious. Support pledged by developed countries for developing country actions would also be included.

Comparing apples with apples: common international standards

When the post-2012 international climate agreement comes into effect, it is critical that countries employ both common methodologies to track greenhouse gas emissions and common international accounting standards. Without such rules, comparing emission reduction actions taken by different countries will be like comparing apples and oranges. Such rules will also be important to enable a global carbon market to operate effectively and help drive down the cost of climate change mitigation.

The agreement would therefore include common international accounting and reporting standards for countries

FOUNDATIONAL ELEMENTS OF A COPENHAGEN AGREEMENT



taking on targets in four key areas: 1) comprehensive reporting and review of national GHG emissions; 2) common standards for quantifying, reporting, and reviewing emission reductions, including from changes in land use, land-use change, and forestry; 3) common standards for national GHG registries and 4) common methodologies for estimating emission reductions from developing country projects or programs funded by developed countries (known as offsets).

Measuring in order to manage: verification

A robust mechanism to measure, report and verify the commitments and actions that countries agree to take is critical to promote trust between nations, and to ensure that promised greenhouse gas reductions actually materialize. This would include deployment of expert review teams to assess country efforts. Delivery of the support that developed countries pledge to developing countries would also be measured, reported and verified. An Implementation Committee would be established, providing a forum for expert review teams to share findings with countries.

The UNFCCC Conference of the Parties could be mandated to encourage countries to meet their obligations and empowered to find a country out of compliance. Tools to encourage compliance could include possible suspension of a country's rights and privileges under the agreement.

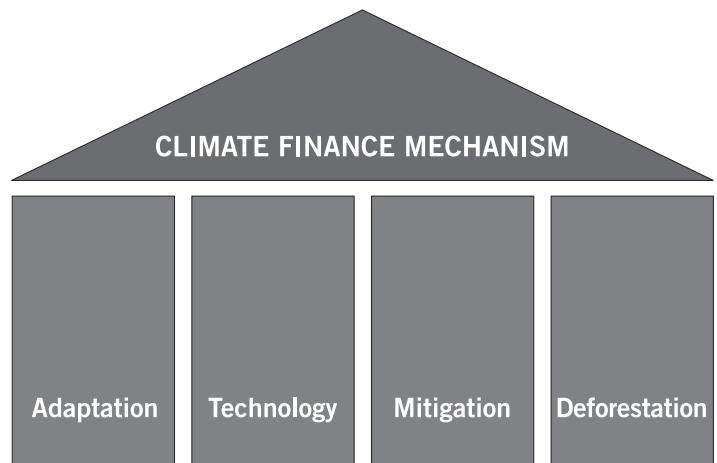
Applying the latest science: review mechanism

It is critically important that the Copenhagen agreement remains consistent with the latest science on climate change. This will require institutionalized reviews to help ensure that countries' collective commitments meet the objectives the world has set. The first would review countries' efforts in light of the latest IPCC review of science in 2014. Further emergency reviews could be triggered by a group of countries if new scientific evidence warrants swifter attention than scheduled in the agreement.

3. Support for Developing Countries

No deal will emerge from Copenhagen, or subsequently, without significant commitments of financial, technology and capacity building support from industrialized to developing countries. This requires two decisions. The first is particularly important both to build trust and respond to urgent need, and is a fast start fund to help the poorest countries respond to the existing destructive impacts of climate change on lives and livelihoods and build capacity to act. The second is a decision to create the post-2012

FOUR COMPONENTS OF A CLIMATE FINANCE MECHANISM



financial architecture and identify sources of funds. WRI views the following mechanisms and support frameworks as a workable solution.

Climate finance

A new financial mechanism created in Copenhagen could establish a single fund with four components - adaptation, technology, mitigation and forestry. The most vulnerable countries would have direct and expedited access to this money, which would have robust transparency and accountability rules attached. Developed and developing countries would be equally represented on the fund's governing boards, which would fall under the authority of the Conference of the Parties to the UNFCCC. The financial mechanism could include a role for existing but reformed international financial institutions.

Fast start fund This new mechanism would be immediately operational with annual prompt start funding of \$10 to \$15 billion pledged by developed countries in Copenhagen for adaptation and capacity building from 2010 through 2012.

Longer term funding Developed countries would commit to deliver substantially larger amounts by 2020, with a specific figure to be agreed upon in 2010. Sources could include domestic cap-and-trade programs which provide set-asides for the aforementioned public funds, and perhaps bunker fuel levies on international aviation and shipping. All countries would contribute to the fund – based on responsibility and ability to pay – except for the poorest and most vulnerable. Additional and predictable financing must be earmarked for climate change by industrialized countries, and not diverted from official development assistance budgets.

Forest support

Countries would agree to take and support actions that will significantly reduce emissions from deforestation and significant forest degradation (known as REDD) in natural forest ecosystems by 2020. This would require agreement on the creation of a REDD mechanism at Copenhagen. This mechanism would initiate and direct performance-based financing that reflects the varied national circumstances and needs of individual developing countries. A first phase would channel financing for policies and measures leading to improvements in governance of forests that are necessary for countries both to achieve emission reductions and to provide credible emission reductions into an international system. A second (and possible subsequent) phase(s) would channel support for countries to achieve real, additional, verifiable and permanent reductions in greenhouse gas emissions. Reporting and verification components of the REDD mechanism would include tracking governance improvements and emission reductions.

Impacts of activities on biodiversity and the rights of indigenous peoples and local communities would also be monitored.

Technology support

This new mechanism would seek to speed the deployment of clean energy and low-carbon technologies in developing countries. Countries would decide to double climate research and development funding by 2015 and include innovation and capacity building centers in developing countries. Countries would also create a mechanism to handle issues surrounding intellectual property rights (IPR).

Adaptation support

In addition to the fast start funding, a new adaptation framework would be agreed at Copenhagen that promotes both immediate and long-term integrated action by all countries to adapt to the impacts generated by rising global temperatures. This would provide reliable adaptation support for all developing countries, with the most vulnerable first in line. Assistance will support development of planning and review processes, building of institutional capacity, implementation of practical on-the-ground projects, and scaling up of action through international cooperation networks and initiatives.

BEYOND COPENHAGEN: FINALIZING A NEW GLOBAL AGREEMENT

There are two tracks of talks under the UN negotiations, one within the UNFCCC and one within the Kyoto Protocol. Many countries (especially from the developing world) seek to maintain and strengthen the Kyoto Protocol while others, notably the United States, would prefer to work solely within the UNFCCC framework. As a result, countries may fail to decide at Copenhagen on the final legal form of a binding new climate agreement. Specifically, they may not agree whether there will be *one* new legally binding agreement or *two*, with the Kyoto Protocol continuing for those that are parties to it and a separate agreement for others.

If this is the case, countries must set a date by which such an agreement *will* be concluded, and a clear, timely process to complete the negotiations. To be most effective, this should include continued involvement of ministers and heads of state and be focused in one track of negotiations to decide the final legal instrument(s).

To expedite this process, countries could decide in Copenhagen that two high level meetings of the Conference of the Parties to the UNFCCC are needed next year. The first would be a continuation of COP 15 and take place in June 2010. The second would be the regular annual COP meeting in December in Mexico. If the key elements described above are put into place at Copenhagen, they would provide a springboard to finalize a new, long-term, and effective global climate agreement in 2010.

A TWO STEP PROCESS: COMPLETING A NEW LEGAL CLIMATE AGREEMENT

	COP 15 - Copenhagen	COP 15 extension or COP 16 - Mexico
Legal agreement	A decision to create a legally binding instrument(s) that include the elements listed below with a clear mandate to conclude the legal form negotiations in 2010.	Finalize specific legally binding instrument or instruments.
Targets and actions	<ul style="list-style-type: none"> • A political declaration which includes a substantive agreement on long-term goals, developed country 2020 targets and timetables, developing country Nationally Appropriate Mitigation Actions (NAMAs), and major developing country goals to reduce emissions below business-as-usual. • An agreement to write actions and support into an international registry or schedule. 	Final targets (Quantified Emissions Reduction Commitments) from developed countries and NAMAs from developing countries. Countries could submit their targets as a range.
Measures	<ul style="list-style-type: none"> • An agreement to prepare transparent national GHG emissions inventories and NAMAs subject to independent review and verification. • Common international standards for accounting of targets and international carbon market mechanisms. 	Elaboration of system to measure, report and verify (MRV) commitments.
Support	<ul style="list-style-type: none"> • “Fast start” funds to support developing country implementation and adaptation between now and 2012. • Agreement on the post-2012 climate financing mechanism and predictable sources of funding. 	Long-term developed country funding commitments and sources agreed upon.
Low-carbon plans and processes	Agreement that country actions and commitments would be reflected in long-term nationally appropriate low-carbon planning processes.	Details worked out on the process and substance.
Adaptation and technology	Agreement to create an adaptation framework/program and a technology transfer and cooperation mechanism with basic elements in place.	Adaptation and technology frameworks/programs outlined in more detail.
Forests	Agreements to take and support actions that will significantly reduce emissions from deforestation and forest degradation (REDD) in natural forest ecosystems by 2020, with two phases of financing agreed.	Details of financing mechanism finalized.

About WRI

The World Resources Institute is an environmental think tank that goes beyond research to create practical ways to protect the Earth and improve people's lives. Our mission is to move human society to live in ways that protect Earth's environment for current and future generations.

Our programs meet global challenges by using knowledge to catalyze public and private action:

- To reverse damage to ecosystems. We protect the capacity of ecosystems to sustain life and prosperity.
- To expand participation in environmental decisions. We collaborate with partners worldwide to increase people's access to information and influence over decisions about natural resources.
- To avert dangerous climate change. We promote public and private action to ensure a safe climate and sound world economy.
- To increase prosperity while improving the environment. We challenge the private sector to grow by improving environmental and community well-being.

In all of our policy research and work with institutions, WRI tries to build bridges between ideas and actions, meshing the insights of scientific research, economic and institutional analyses, and practical experiences with the need for open and participatory decision-making.

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