

The Copenhagen Communication

Analysis of the Commission's and the Council's recommendations for a global agreement on post 2012

Summary for the hurried campaigner

FoEE recommendations:

- **At least 85% global reductions by 2050:** FoEI demands a total phase out of carbon emissions by mid-century with the ambition to return atmospheric concentrations to an upper limit of 350 ppm. But there is no FoEI agreement on a global 2050 target (so the total phase out is not exactly 2050).
- **EU and Annex I cuts: 40% domestic cuts by 2020 and 100% domestic cuts by 2050.** FoEE is against any access to external credits to achieve these targets; they serve to ward off necessary domestic measures within Europe and will not incentivise the European economies to develop the technologies needed for much steeper emission cuts.
- **Developing countries should NOT have any binding targets:** Developed countries have to reduce emissions first at home and commit to substantial finances supporting mitigation and adaptation actions in the developing world. Only if developed countries reduce emissions first at home and commit to substantial finances on top of the domestic action then developing countries can take on indicative emission reduction targets.
- **The EU's fair share to finance adaption, clean energy and forest protection in developing countries is in the order of at least €52bn per year by 2020.** This is split into €42bn for mitigation and at least €10bn for adaptation.
- **Funding needs to be made available in large amounts mainly from public sources and could partly be raised as well from market mechanisms such as auctioning revenues from the ETS.**

1. Emission reduction targets

A. Global target by 2050

The IPCC's Fourth Assessment Report (AR4) says that global emissions need to be reduced by 50-85% by 2050¹. This is based on reductions of CO2 concentration levels in

¹ Box 13.7 included in the Fourth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC) to be found at <http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-chapter13.pdf>.

the atmosphere to 450 ppm CO₂equivalent. However, a growing number of scientists say that CO₂ concentration levels can't go beyond 350 ppm CO₂eq to avoid catastrophic climate change and to stay below 2°C temperature increase².

The EC in its communication explicitly refers to the 350 ppm CO₂eq scenario as growing scientific evidence the potential need for lower stabilisation scenarios but does not translate this into the relevant global (and Annex I) emission reduction targets that are necessary to stay below that limit. Instead they only state that “global GHG emissions must be reduced to less than 50%” by 2050. The Council also fails to go beyond 50% global emission reductions in its conclusions text (article 8, mitigation chapter). Many scientists point to 80% reductions as the minimum globally necessary.

A warming of 2°C over pre-industrial has been widely endorsed as the maximum that can be tolerated or even managed. Indeed, the EU is largely responsible for establishing 2°C as the “line in the sand” that must not be crossed. It has also acknowledged, though, that even 2°C is by no means safe, as is clearly articulated by the IPCC’s Fourth Assessment Report. There is a significant if not readily quantifiable risk that a warming of even less than 2°C could trigger the irreversible melting of the Greenland and West Antarctic Ice Sheets. And, quite disturbingly, with a manifest warming of only 0.8°C, we are already seeing effects – such as the precipitous receding of the Arctic sea ice – that are not only dangerous in themselves but also producing positive feedbacks that accelerate the warming. Moreover, and significantly, the fact that they are already doing so is strong evidence that the overall sensitivity of the climate system is quite high, and that **stabilization concentrations that were even recently considered to be manageably safe – 450 ppm CO₂eq for example – are in fact quite dangerous.**

FoEE recommendation: To be able to stay well below 2°C EU leaders need to recognize that the limit of 450 ppm CO₂ eq is not acceptable and that they have to set targets that respect a 350 ppm CO₂eq threshold such as at least 85% global reductions by 2050. FoEI demands a total phase out of carbon emissions by mid-century with the ambition to return atmospheric concentrations to an upper limit of 350 ppm. But there is no agreement on a global 2050 target (so the total phase out is not exactly 2050).

Summary

	EC	Council	FoEE
Concentration levels	Refers to 350 ppm CO ₂ eq	Not mentioned	350 ppm CO ₂ eq
Global target by 2050	Less than 50% of 1990 levels by 2050	At least 50% of 1990 levels by 2050	Support of the higher end of the IPCC range of 50- 85% as a minimum.

B. Targets for developed countries

² Hansen James, “Target atmospheric CO₂; where should humanity aim”, 2008.

Both the Commission and the Council texts (article 9, mitigation chapter) refer to the mid and long term IPCC ranges of 25-40% reductions to be achieved by Annex I by 2020 and 80-95% by 2050 compared to 1990 levels³. Both of them do also assume that these reductions should be achieved through domestic and international (e.g. using credits resulting from emission reductions achieved in developing countries = CDM) efforts.

The current 2020 target of the EU is to reduce its emissions by 20% if no other countries take on similar objectives and by 30% in case there is an international agreement. The energy package as it has been agreed on in December 2008 includes, as we know, big amounts of offsets. Almost two thirds of the EU's emission reduction effort under the package can be offset through CDM projects in developing countries.

Science tells us that we drastically have to reduce emissions in the short term. But we also have to acknowledge that the IPCC range only gives us a 50/50 chance to stay below 2°C. However, given the urgency of the problem, we have to solidly introduce the precautionary principle into the debate. This becomes even more obvious by findings such as from the Tyndall Centre for Climate Change Research which predict that even if global emissions peak and decline in 2015, stabilization at 450 ppm CO₂eq requires subsequent annual reductions globally of 4 per cent in CO₂eq and 6.5 per cent in energy and process emissions⁴.

FoEE recommendation: FoEE urges developed countries including the EU, to reduce their emissions DOMESTICALLY by 40% by 2020. This should include NO offsets such as CDM type of projects. FOEI and FoEE reject the CDM. The CDM is inherently unfair and is based on the failure of industrialised countries to achieve necessary emissions reduction targets. It also has well-documented devastating social and environmental impacts on communities and their environment in the global South. Access to external credits serves to ward off necessary domestic measures within Europe and will not incentivise the European economies to develop the technologies needed for much steeper emission cuts. Because of its historical responsibility in causing the problem, the EU has a moral obligation to finance, on top of its domestic reductions, mitigation and adaptation in developing countries.

As regards peak and decline dates, the Commission uses the IPCC reference (peak before 2020); the Council suggests that peaking should only come by 2020 (article 8, mitigation chapter). FoEE believes that if we want to reach radical reduction targets by 2020 and 2050, emissions need to peak latest in 2015⁵ and decline thereafter.

Summary

	EC	Council	FoEE
Binding targets for Annex	25-40%by 2020 and 80-95% by 2050 compared to 1990	25-40%by 2020 and 80-95% by 2050 compared to 1990	40% domestic cuts by 2020 and 100% domestic cuts by

³ Box 13.7 included in the Fourth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC) to be found at <http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-chapter13.pdf>.

⁴ Reframing the climate change challenge in light of post-2000 emission trends. Anderson&Bows, 2008. http://www.tyndall.ac.uk/publications/journal_papers/fulltext.pdf

⁵ According to the 2°C emergency pathway developed in "A Call for leadership. A Greenhouse Development Rights analysis of the EU's proposed 2020 targets". Sivan Kartha, Tom Athanasiou, Paul Baer, Eric Kemp-Benedict. Stockholm Environment Institute, Eco Equity. November 2008.

I			2050 compared to 1990
Access to external credits	Yes	Yes	No but finances for developing countries on top of the domestic cuts and alternative measures to transfer finances
Peak and decline	Peak before 2020 (as foreseen by IPCC)	Peak by 2020 at the latest	Peak in 2015 at least

C. Targets for developing countries

Whereas the Commission says that these objectives (the binding targets listed above) should be achieved by all countries listed under the Annex I to the UNFCCC, all OECD member countries and all current EU Member States, EU candidate countries and potential candidates, the Council includes into this list NON ANNEX countries (e.g. developing countries) that are at levels of development comparable to those of developed countries (article 9, mitigation chapter).

Industrialised countries have the historical and current responsibility to “take the lead”. The developing countries’ ability to reduce emissions is dependent on developed countries meeting their commitments under the Convention and must be related to financial resources and transfer of technology. However, the vast majority of the emission reductions required to “prevent anthropogenic interference with the climate system” must be in the developing world, where most emissions now occur and where emissions are growing most rapidly. At the same time, the development crisis, and beyond it the fundamental aspirations of the developing world, demand a vast expansion of energy services to finally eliminate endemic “energy poverty,” a goal that, in turn, seems inexorably to imply increased carbon emissions. **But the poor must, at a minimum, be excused from the burdens of the climate transition**⁶

FoEE recommendation: Developing countries should not be obliged to take on binding targets but industrialised countries which have most of the responsibility in causing the problem and most capacity to fix it have to act first at home and in addition provide finances to pay their climate debt to developing countries. Only then developing countries can be allowed to take on emission reduction targets.

However, the Commission says that developing countries as well need to take on reduction objectives since emissions are increasing at a rapid pace in the developing world. The text says:

“To meet the 2°C objective, a recent scientific report indicates that developing countries, as a group, will need to limit the rise in their GHG emissions through nationally appropriate actions to 15-30% below baseline by 2020. These estimates exclude the impact of reductions that result in the transfer of carbon credits to developed countries.”

⁶ This is the simple concept of the Greenhouse Development Rights approach which is then built up into a demonstrably robust burden-sharing framework based on responsibility and capacity – the principles at the core of the UNFCCC’s “common but differentiated responsibilities and respective capabilities”. We will talk more about this in the following section on financing levels.

The Commission establishes here a new concept saying that the use of CDM credits is only accepted for emission reductions to be achieved beyond the 15-30% range for developing countries⁷. They distinguish between low cost and no regret emission reductions that should be realised by developing countries themselves (included in the 15-30% target) and emission reductions of higher costs that will need support from industrialised countries (beyond the 15-30% range)..The Council does not even integrate this new concept (article 12, mitigation chapter) but does have a very clear understanding of how developing nations should design their low carbon development strategies.

Even though the reflection from the Commission on the CDM is a step in the right direction, FoEE does not believe it is sufficient, since as we see it, the CDM as such should be abolished. Furthermore, it is against any climate justice principle to ask developing countries to commit to similar levels of reduction targets as developed countries, even more since the effective action to reduce emissions and taking the lead in contributing the necessary finance is missing in those countries.

FoEE recommendation: FoEE agrees that huge emission reductions need to be achieved in the developing world but only if Annex I countries are committed to make substantial financial contributions to these reductions first (through other channels as the CDM) and by not asking developing countries to commit to binding emission reduction targets in the next commitment period of the Kyoto Protocol.

Summary

	EC	Council	FoEE
Binding targets for Non Annex I	Annex I, OECD current and future EU Member States	Annex I, OECD current and future EU Member States AND in addition developing countries that are at levels of development comparable to those of developed countries.	Developing countries should NOT have any binding targets . Developed countries have to reduce emissions first at home and commit to substantial finances supporting mitigation and adaptation actions in the developing world.
Indicative targets for Non Annex I	15-30% below baseline by 2020 EXCLUDING the impact of reductions that result in the transfer of carbon credits	15-30% below baseline by 2020 INCLUDING the impact of reductions that result in the transfer of carbon credits	Only if developed countries reduce emissions first at home and commit to substantial finances on top of the domestic action then developing countries can take on indicative emission reduction targets.

⁷ This reduction range for developing countries has been developed by the IPCC as well.

2. Financing levels and additionality

A. Financing levels

In the Communication text the Commission fails to suggest specific numbers on finances to be made available for developing countries to help them adapt to and mitigate climate change. The only number the Communication comes up with is the global mitigation cost of €175bn of which “more than half” (ie more than €87.5bn) will be spent in developing countries.

The communication text has been prepared together with a much more detailed document which is the staff working paper. This document includes estimates of mitigation costs in the scenario of no or a gradual carbon market. It also suggests estimated costs for reducing emissions through reduced deforestation (REDD) and in agriculture. The Commission’s figures in the staff working paper indicate that total mitigation costs⁸ for a 15-30% deviation from baseline emissions in developing countries is between €71bn and €94bn (ie more than half of the global total as the Commission says in the Communication text). For more information please see the CAN explanation note attached to this email.

However, the Commission’s staff working paper is not the basis for the legal procedure e.g. the text is not the basis for discussion in the various Councils, hence these numbers will NOT be used in the final Spring Council conclusions. Unsurprisingly the Council’s text is rather empty as regards financial commitments. Chapter III on the Carbon market talks exclusively about the CDM and this dangerously sounds like the Council will limit its contribution to developing countries to external credits in the remit of fulfilling its own reduction targets. In chapter V on financial support the Council quotes the same number on global mitigation cost as the Communication text but does not go beyond that.

As already outlined earlier, FoEE is convinced that a future global agreement where Annex I but also Non Annex I countries agree on reducing together global emissions can only take place if developed countries acknowledge their historical responsibility and make financial efforts to mitigate in the North as well as in the South, regions that have both been affected by industrialisation of the developed world. In addition, finances need to be made available to help developing countries adapt to the impacts of climate change, caused by industrialised countries in the first place.

This thinking is very well developed by the concept of the Greenhouse Development Rights (GDRs) that we mentioned earlier already.⁹

⁸ Including mitigation in the energy/industry sector, through REDD and in agriculture.

⁹ The GDRs defines both responsibility and capacity in terms of a development threshold – a level of well-being that is modestly above a global poverty line, a threshold below which individuals are not required to bear the costs of addressing the climate problem, and are instead allowed simply to prioritize development. In turn, the GDRs approach defines and then quantifies the burdens appropriate to the world’s comparatively wealthy population, those living above this development threshold — both in the developing countries and industrialized countries. It is this minority, after all, that has both the responsibility for the climate crisis and the capacity to solve it. Whether they live in the industrialized or the developing world, they’re the ones who must bear the costs of the transition, not only by curbing the emissions associated with their own consumption, but also by ensuring that, as people in the “underdeveloped world” rise into the global middle class, they are able to do so along sustainable, low-emission paths. Also worthwhile to note is that the base year of the GDRs has been changed from 1990 to 1850 (they can even calculate back to 1750), reflecting much better historical responsibility of the industrialised world.

According to this concept the EU's fair share is of 25% which translates into a mitigation obligation of a fourth (3,4 GtCO₂) of the global total (= approx 13,6 Gt CO₂ by 2020). This in turn gives the EU a 2020 target of approximately 80%¹⁰ below 1990 levels - a quite impressive number compared to the current targets of 20% or 30% respectively. FoEE is asking the EU to reduce its emissions by 40% domestically by 2020, this means that according to a GDR approach the remaining 40% reductions need to be financed in the developing world on top of the domestic 40% target. Still we have not defined a FoEE position on this and need to discuss this at the next campaigner meeting.

If we assume that there is an average global carbon price of 25€/tCO₂ in 2020¹¹ **the EU's fair share for mitigation will be in the order of €42bn (including costs for avoided deforestation)**. From now until 2020 the cost is still considerably lower and is situated at an average of €22bn/tCO₂ per year.

Under the GDRs burden-sharing approach, the EU would also be responsible for 25% of global adaptation costs. Oxfam International has estimated at least €40 billion (\$50 billion) is needed annually to cope with climate impacts in developing countries, more if emissions are not cut fast and far enough. The EU's fair share is at least **€10 billion annually for adaptation**. Assessments by the UNFCCC and UNDP put these annual costs even higher, at up to \$67 billion and \$86bn respectively.

FoEE recommendation: the EU's fair share to finance adaption, clean energy and forest protection in developing countries is of €52bn per year by 2020. The overall additional financing requirement in developing countries is very likely to be in the order of €210bn per year by 2020.

Summary

	EC	Council	FoEE	CAN
Global Mitigation cost	€175bn	€175bn		
Mitigation cost in DCs	€87.5bn	€87.5bn		
Global finances needed in DCs			€210bn/year	Well in excess of €110bn/year with €70bn for mitigation and €40bn for adaptation.
The EU's share			€52bn/year	At least €35bn/year
The EU's share to finance mitigation (including REDD)			€42bn/year	
The EU's share to finance adaptation			€10bn/year	

B. Additionality

¹⁰ p.12 in "A Call for leadership. A Greenhouse Development Rights analysis of the EU's proposed 2020 targets".

¹¹ Staff working paper part 1, page 41 – a carbon price of 25€/tCO₂ is the average of the carbon price in high and low income developing countries, developing countries and economies in transition.

The Communication suggests that climate finance is accounted separately from official development assistance (ODA), which is important. However, it does not make clear that the money itself should be additional to existing commitments, and this must be rectified. The reasons are twofold. First, ODA targets were set before climate costs were understood or factored in. If countries use existing aid budgets to finance climate change, this diverts resources from areas like health and education and condemns the Millennium Development Goals to failure. Indeed, the omission suggests that Member States may be actively seeking to avoid climate obligations by deliberately conflating the two. Second, money for adaptation is conceptually different from aid, since it is recompense by industrialised countries in recognition of the now unavoidable damage caused by their historic greenhouse gas emissions and economic capability to assist.

With 40 million more people estimated to be pushed in poverty this year due to the financial crisis, developed countries should be scaling up both ODA and climate finance. In addition, Member States need to resolve ambiguity in the Communication by making clear that the appropriate financing instrument is grants, not loans, in order to cover the full additional costs of adaptation. Loans are unacceptable morally because it again means the poorest communities, who have done least to cause climate change, would be footing the bill for harm caused by polluters.

3. Mechanisms to generate the money

The Communication proposes a mix of instruments for raising developed country funding, which all merit consideration and backing by Member States provided they meet the key test of generating adequate, predictable and fairly-shared resource flows. The EU should champion innovative mechanisms – and urge others to do the same - so these are at the heart of the Copenhagen agreement.

But the especially the Council puts a lot of emphasis on the carbon market. This is very risky because of the uncertain nature of prices and markets as the current financial crisis demonstrates. Hence, these mechanisms cannot guarantee that reduction potentials are taken up in all necessary sectors. It is essential that additional policies and measures are anchored in EU and international policies.

Unfortunately, the position of the network is not really defined as regards this subject. FoEI says that a diversity of sources can be utilised ranging from innovative taxes (such as carbon taxes or a Tobin Tax), levies and redirecting military spending. A carbon tax in the developed countries would be the simplest instrument to raise the billions of Euros needed each year.

FoEE does not exclude market mechanisms and the considerable amounts of money that can be raised through auctioning revenues in Europe with the ETS. This could be combined with using revenues from a sectoral emissions trading system for international shipping and aviation. However, we consider that not all the money can come from market mechanisms only. Large amounts of money should be raised through public funding sources such as taxes as well.