



Substance or Greenwash Show? The Time for Half Measures is Over

Briefing Paper for the Climate Summit in
Copenhagen, 7-18 December 2009

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Executive Summary

A few days before the Climate Summit in Copenhagen it is still unclear how much substance, and how much show there will be. The heads of government are confronted with a decision comparable in scale with the dismantling of slavery: to agree to the exit out of the fossil fuel economy and the entrance in a new welfare model. More than 100 heads of government are expected in Copenhagen. Of course, they want to present the world a result. But it is not yet clear whether they will give in to the temptation to stage the biggest greenwash show in history.

Will they agree to reduction goals that put the world on a path which limits global warming to a maximum of 1.5 to 2 degrees Celsius – or will they only agree to non-binding long-term goals, contradicted by weak or even no short term goals, and made meaningless through various loopholes?

Will industrialized countries agree to the necessary financing streams to developing countries, in order to make climate and tropical forest protection as well as adaptation to the consequences of climate change possible there? Or will they announce high finance numbers, but in reality barely making new, public money available?

Will they discuss a "politically binding" agreement, which is non-binding in reality, or will they actually initiate a "legally binding" agreement which future governments will also have to fulfil?

The time for half measures is over. The political leaders of the world must decide whether that want to burn both us and future generations.

Imprint

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Heads of State are Coming – Substance or Show?

Scarcely a week before the Copenhagen talks begin, almost 100 heads of government have announced that they will attend the last two days of the climate summit. This number is increasing every day. "Fortunately, Barack Obama has changed plans: He will not come to the summit on the (relatively unimportant) ninth, but on the eighteenth of December, the last day of negotiations, in order to help solve the last controversial questions. The world will watch very closely whether he will actually demonstrate leadership. Obama should have delayed the acceptance of the Nobel prize to the end of the climate summit when he had delivered proof that he is actually willing and able "to strengthen international diplomacy and cooperation between peoples"¹ and thus can lead the summit to success, to an ambitious, fair and legally binding agreement.

Given the participation of the many heads of government, Copenhagen can deliver such a breakthrough. The 192 countries can give a clear signal to the citizens, to industry and the financial market: the future belongs to the CO₂ free society.

But because the heads of government want to sun themselves in success, there exists the danger that the climate summit in Copenhagen will become the largest greenwash show in history.

There is no reason for fatalism. But we are aware of the challenge.

The Challenge

Fossil fuels were the core of the industrial revolution and the welfare model built up since then. To avoid climate change, industrialized countries need to practically end the use of fossil fuels by the middle of this century.

Climate change is not waiting for any of us.

Juan Rafael Elvira Quesada; Mexican Environment Minister, 26 May 2008

Thus the EU, for example, agreed to reduce emissions of greenhouse gases by 80 to 95% by 2050 compared to 1990. The new German environment minister Norbert Röttgen has recently suggested that Germany should become one of the first CO₂-free economies.

These targets weren't determined arbitrarily. They are based on numerous scientific analyses, which show the necessity of limiting global warming to less than 2 degrees Celsius – if possible to less than 1.5 degrees. True, it is necessary that countries make compromises with each other *on the path to this goal*. But climate change is subject to the laws of physics; there are no compromises with them. **The result from Copenhagen must be assessed against this benchmark: does it put us on a path to limit warming to well below 2 degrees?**

Only if leading countries courageously show that a dignified and just welfare model is possible without CO₂ emissions, will the global community have a chance of achieving this. This vision must be translated into concrete action.

¹ Official justification by the Nobel Committee,
http://nobelpeaceprize.org/en_GB/laureates/laureates-2009/announce-2009/

The second benchmark is fairness. Today we have extremely unequal per capita emissions of greenhouse gases. And people with lower emissions, at the same time the poorest people, can least protect themselves from the consequences of climate change, and are the most at risk. The agreement needs to end this, not cement it in a "Climate Apartheid".

*The idea
of freezing the current level of global inequality
over the next half century or more,
as the world goes about trying to solve the climate problem,
is economically, politically and ethically unacceptable.*

The World Economic and Social Survey²

Fairness is required on three levels:

First: fair distribution of climate protection commitments, based on the key principle of "common but differentiated responsibilities". For the responsibility for climate protection is common for all, but differentiated according to (historical) emissions load and wealth. A consequence thereof is that industrialized countries need to lead. Another: without the emerging economies the problem cannot be solved.

Second: the central goal of Copenhagen is to massively accelerate the global investment dynamic for renewable energies and energy efficiency. Policies based on the 2 degrees limit would unleash an economic dynamic far larger than that of the industrial revolution. In a few years the central equity question would no longer be: how can the burden of engaged climate protection be fairly distributed? But rather: how can it be ensured that the poor people and regions take part in this dynamic fairly?

Third: past emissions are already threatening the livelihoods of millions of people. How can it be ensured that these people and vulnerable regions receive appropriate support in adaptation, risk management and disaster relief (e.g. through insurance)?

The goal of rebuilding the fossil foundation of the industrial welfare model is easy to announce but difficult to implement. It entails nothing less than the restructuring of energy, transport, building, forestry and agricultural systems world-wide. Heads of government are confronted in Copenhagen and the following years thereafter with a task comparable in its dimension and momentousness to the dismantling of slavery, or feudalism.

² Full report at <http://www.un.org/esa/policy/wess/>, 2 September 2009

Demands for the Copenhagen Climate Protection Package

In order to avert large-scale dangerous climate change, it is necessary to limit the temperature rise to well below 2 degrees, best of all 1.5 degrees. Given the current state of negotiations it seems possible that a two degrees limit will be agreed as a non-legally binding, aspirational goal. At the same time, it could be announced that this means at least a 50% reduction in global emissions by 2050, and for developed countries at least an 80% reduction. This could achieve the two degrees goal with a 50%- likelihood, if the reductions are based on a 1990 base year. Importantly, a 50% likelihood is anything but sure, in every second instance it will go wrong. If a later base year is used, e.g. 2005, then the likelihood is significantly reduced that the two degrees limit will be achieved, due to the increased emissions in 2005 compared to 1990.

Agreeing on the 2 degrees limit and the long-term goals for 2050 would be important signals for orientation. But two things need to be considered: firstly, these long-term goals are not binding, rather are merely anchored in the "shared vision". Secondly in 2050 none of today's heads of government will be in office, responsible for a possible failure.

Hence legally binding short-term targets (2017 or 2020) for industrialized countries and binding commitments to action for emerging economies are decisive. Legally binding short-term goals are the key to achieving long-term goals.

Danger No. 1 for a Greenwash Agreement: Long-Term Goals Without Short-Term Targets

It could be that a 2 degrees limit and non-binding long-term goals are announced with much fanfare in Copenhagen, but that the binding short-term goals (2020) remain clearly below the benchmark governments set themselves in Copenhagen. Binding short-term targets are the only realistic way for the achievement of long-term goals.

If the emissions peak is not achieved before 2017, with strong reductions thereafter, emissions reduction goals for 2050 will not be able to be achieved. The remaining emissions budget is used up too early. This is like a person who spends most of his month's pay in a single week, having almost no money left for the remainder of the month. The German Advisory Council on Global Change has demonstrated that with a peak in 2011 it would be enough to reduce emissions annually by 3.7%. With a peak in 2015, we would already need annual reductions of 5.3% to stay within the carbon budget. If the peak were reached in 2020, an annual reduction of 9% would be necessary in the following years. Such a steep reduction could scarcely be implemented, neither technically nor financially.

On the basis of scientific figures, industrialized countries would need to reduce their emissions by at least 40% by 2020, compared to 1990. If they reduce their emissions by only 30% as proposed by the EU, then the 2 degrees limit cannot even be achieved with a 50% likelihood. Currently, pledges for emissions reduction targets of industrialized countries add up to a total target of only 12 to 19%, depending on whether the lower or high end of the spectrum is implemented (e.g. EU: 20/30). Thereby, already, the targets are clearly too weak: this is half of what is necessary to remain on the 2 degrees path. Japan has shifted positively under the new government and plans to adopt a 25 percent reduction target. Norway is prepared to adopt a 40 percent target in the context of an ambitious Copenhagen agreement. However, in particular the low US target (-3%

compared to 1990, -17% compared to 2005) weakens the overall target of industrialized countries. The eight lost years under the Bush government which have slowed the national and international climate process are coming back to haunt us.

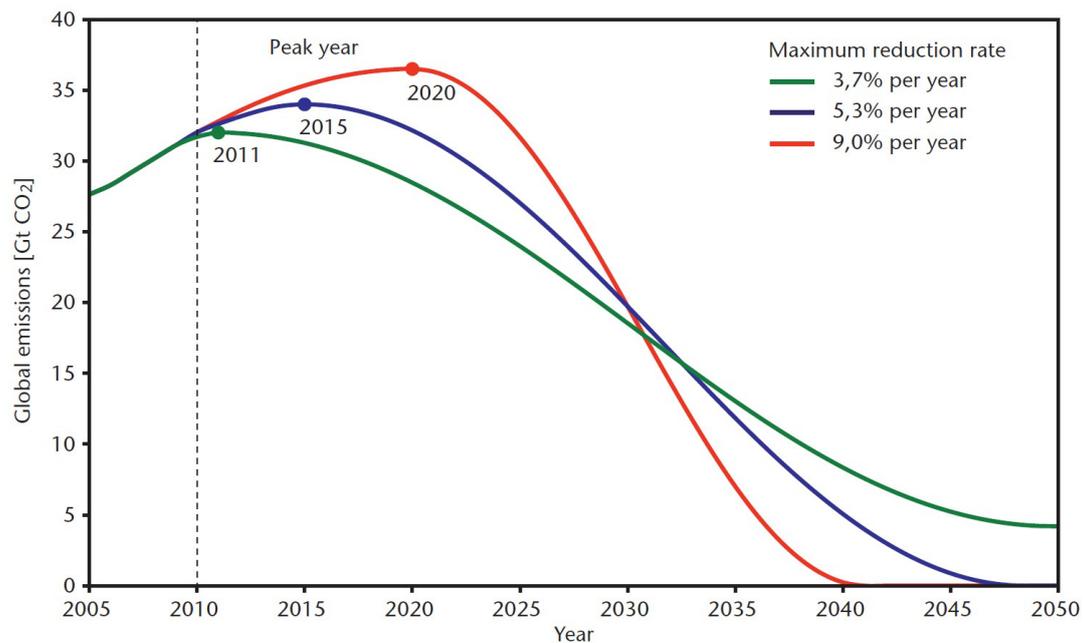
Having done nothing so far is no excuse for avoiding what the science requires.

South Africa, Climate Negotiations in March 2009

We are jumping as high as the political system will tolerate.

Todd Stern, Head of the US Delegation, May 2009

The world is waiting for the EU, as announced many times in the negotiations, to move from the already agreed 20% target to 30% in the framework of an ambitious global agreement in Copenhagen. But the economic crisis has even given room to move in order to agree to higher targets. Studies from IIASA and the International Energy Agency's World Energy Outlook 2009 show: the EU could accept a much higher target, in the order of 40 percent, at the same cost as was modelled for the 30 percent target.



A Climate "Safe" Budget – The Consequences of Late Peaking.

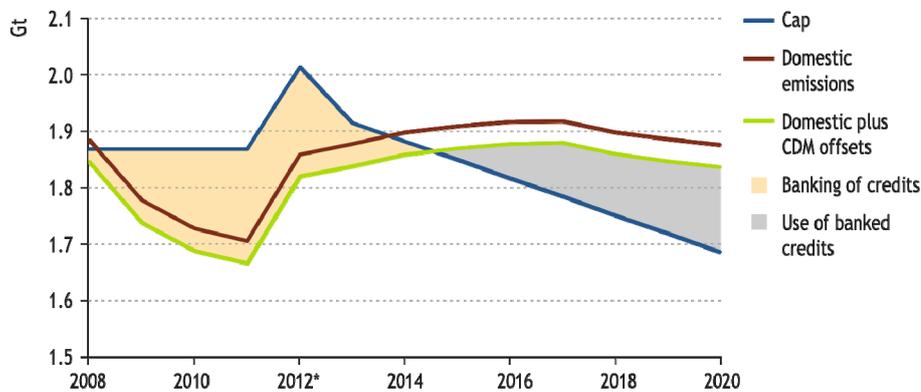
Source: German Advisory Council on Global Change (2009): Factsheet "Climate change: Why 2°C?" www.wbgu.de/wbgu_factsheet_2_en.html

Box: IEA – Analysis: Room to move for EU**Box 4.2 • Analysis of the EU ETS in the Reference Scenario**

It is interesting to note how the European Union would meet its Emissions Trading System (EU ETS) cap of 21% below 2005 levels under the Reference Scenario (Figure 4.11). Although emissions in 2020 would meet the cap, domestic EU emissions in those sectors covered by the cap are actually only 13% below 2005 levels. The remainder of the target is met through uptake of Clean Development Mechanism (CDM) credits and use of the EU ETS banking provision. Given the global recession, the cap in Phase II of EU ETS (2008-2012) now looks relatively loose, so countries will be able to bank surplus allowances, enabling them to have higher emissions in Phase III than the cap would suggest.

Our analysis is limited to energy-related CO₂ emissions and we have considered the cap relative to 2005 data as published in this *Outlook*. This implies an annual cap of 1.87 Gt between 2008 and 2011, rising to 2.01 Gt in 2012, when aviation is included, and tapering down to 1.69 Gt by 2020. Between 2009 and 2013, domestic emissions in the Reference Scenario are significantly below the cap. Combined with CDM credits, this generates a cumulative surplus of credits amounting to 0.5 Gt by 2013. Banking allows these to be used in Phase III of the EU ETS, from 2013 onwards, such that in 2020 domestic emissions could be similar to today's level. This analysis does not take account of the fact that additional abatement may occur in the period to 2020 in anticipation of emissions caps in the period beyond 2020.

Figure 4.11 • How the European Union complies with its EU ETS cap in the Reference Scenario



* Aviation is to be included in EU ETS from 2012, hence the shift in the baseline.

An Important Service:

The *Climate Action Tracker* (www.climateactiontracker.org) provides an up-to-date assessment of commitments and actions proposed by individual countries for greenhouse gas emission reductions. It enables users to evaluate progress towards limiting global temperature increase to 2 °C or 1.5 °Celsius.

Danger no. 2 for a Greenwash Agreement: The Risk of Loopholes

Given the current state of negotiations, it is likely that we will be confronted with significant loopholes. Then the low reduction targets of industrialized countries would not be worth the paper they are written on.

There are about 7 gigatons of "hot air" in the system, i.e. the surplus emissions permits of countries like Russia, whose actual emissions are well below the quantity of allocated permits. If this "hot air" is used, then the reduction targets of industrialized countries are worth 4 percent less than on paper (see table). A total goal for industrialized countries of just 8 to 15 percent until 2020 would remain compared to 1990.

The economic crisis will generate about 3-4 gigatons of additional "hot air". This quantity would reduce the climate protection targets of industrialized countries by a further 2-3%. A total reduction target of just 5 to 13% would remain.

In addition, there is the danger that industrialized countries are allowed to define for themselves the accounting rules for carbon sinks in the forest and land-use sector. This would make it possible for them to count newly planted or growing forest to the achievement of their targets, but not to count the loss of carbon sinks through deforestation and biomass use towards their target. The loophole arising from this is estimated at 2 to 9 percent. This would leave an emissions target for 2020 which would lie between 4 percent emissions growth compared to 1990 and a reduction target of just 11% in the best case for each of the options above (see table). In comparison: in Kyoto industrialized countries agreed to an aggregate target of 5 percent compared to 1990, and at that time loopholes equivalent to roughly half this were created in the negotiations.

Loopholes don't help the climate, but they do help the heads of government to present high targets to the world without having to do a lot. If this happens, we will experience the largest greenwash-show in history in Copenhagen.

Table: Reductions so far announced by industrialized countries 1990-2020 minus loopholes

	Favorable case		Less favorable case		Source
	Gigatons CO ₂ eq	Percentage points	Gigatons CO ₂ eq	Percentage points	
Calculation without considering loopholes		-19		-12	Announcements by countries
"Hot air" without financial crisis	ca. 7	+4	ca. 7	+4	Point Carbon 2009
Additional "Hot air" due to financial crisis	3	+2	4	+3	Point Carbon 2009
Industrialized countries may define accounting rules for carbon sinks on their own		+2		+9	European Commission 2009
SUM		-11		+4	

At the moment every country arrives at [international climate] negotiations seeking to keep their own emissions as high as possible. They never make commitments, unless someone else does first.

This is the logic of the madhouse, a recipe for collective suicide. We don't want a global suicide pact.

Maldives President Mohamed Nasheed, Inaugural Address to the 'Climate Vulnerable Forum', Maldives, 9.11.09

Peak and Internationalization of the Emerging Economies' Targets

Emerging economies have moved very positively in recent months. Mexico, Indonesia, South Africa, Brazil, South Korea and most recently China have presented action plans and relative reduction targets. This is a pleasing development which nobody would have considered possible two years ago. Nonetheless, China in particular hasn't gone far enough. The CO₂ productivity needs to increase not by 4 to 4.5 percent annually, but by 5.5 percent, in order to reach an emissions peak in the foreseeable future and then swift reductions thereafter. Without the largest emitter in absolute terms, the necessary temperature goals cannot be met.

It is just as important that China declares its willingness to use internationally accepted methods for reporting emissions and to let the implementation of the pledged goal be reviewed internationally. This must be expected of a new world power, unlike for other less developed developing countries.

The US will not accept a binding target unless China and India also agree to be bound to commitments that are internationally verifiable.

But China will not commit to decarbonise its economy unless the US accepts a binding and ambitious emissions reduction target.

Nick Mabey, E3G, 2009

Non-Compliance Mechanism

There will be hefty conflict whether there will be an international non-compliance mechanism (incentive and enforcement) to ensure the achievement of emissions and financing targets. It is clear that the bindingness of the targets would be strengthened thereby. This kind of system consists of different levels. There must be comparable figures. These must be measurable and verifiable. There can be incentives to achieve these targets. And there needs to be sanctions for the non-achievement of targets. In particular, the US government is blocking on the latter. On the other hand this entails a self-contradiction because they are expecting international verifiable commitments from China. They will only get them if the USA adopts an internationally verifiable target, subject to an international sanction mechanism. Either both giants will move forward here – or the degree of bindingness in the whole agreement will decrease.

Supporting the Leadership Coalition of Vulnerable Countries

The Maldives have initiated a coalition of particularly vulnerable countries. These countries don't just want to make demands of others, but rather to decisively set themselves on a path to be among the leading countries on the path to CO₂ neutrality. By 2030 they want to convert the energy system to renewable energies and to offset the emissions from aviation. All industrialized countries who want to generate positive dynamic, should make clear that they are prepared to co-finance the preparation of appropriate plans as well as adaptation strategies, and their swift implementation.³

Science-Based Review of the Emissions and Finance Targets in 2015

Even if the targets agreed in Copenhagen are compatible with the 2 degrees limit – currently this looks unlikely – a review should be conducted directly after the next IPCC report whether the agreed targets and commitments – both emissions and finance targets – are sufficient. This is even more necessary if the targets are insufficient to secure the path for the 2 degrees limit. This formal review should take place in 2015, after the new IPCC report is published in 2014.

Additionally, provisions for an emergency review are necessary. Based on risks for whole regions or countries arising from climate change, a qualified majority of countries should be able to call a review of the sufficiency of reduction and financing goals at any time.

The Copenhagen Financing Package

In Bali at the climate summit in 2007, the overall design of the planned Copenhagen agreement was determined in the Bali Action Plan.⁴ Developing countries, in particular the emerging economies, declared their willingness to take on for the first time serious climate protection actions (not national reduction goals yet) and to report on them in a measurable and verifiable form. In the same breath, the industrialized countries committed themselves to support these efforts through financing and technology cooperation, likewise in a measurable, reportable and verifiable way. "No money, no deal", as the Danish president of the summit, Connie Hedegaard, put it. "No action, no money", added the President of the EU Commission Barroso. The commitments of high-emitting industrialized countries to support the most vulnerable countries, who have barely contributed to climate change, with adaptation is obvious.

The science is clear that hundreds of billions of euros need to be invested every year if the great transformation for climate protection and adaptation is to be achieved. Based on studies from UNFCCC, McKinsey, the EU commission and independent scientists, a group of civil society organizations and individuals estimated the quantity of *public* money necessary to set off through catalytic effects financial flows on this scale at 110 billion euros per year for climate protection, tropical forest protection as well as adaptation.⁵

³ cf.: Address by Mohamed Nasheed, President of the Maldives, at the Climate Vulnerable Forum, 9 November 2009. www.presidencymaldives.gov.mv/4/?ref=1,6,2469

⁴ http://unfccc.int/files/meetings/cop_13/application/pdf/cp_bali_action.pdf

⁵ A Copenhagen Climate Treaty – Version 1.0. A Proposal for a Copenhagen Agreement by Members of the NGO Community, June 2009. www.germanwatch.org/treaty

In the foreseeable future some 100 countries will have to grapple with an existential question – in the small island countries and low-lying river deltas, in the least developed countries and for the at least 1 billion people whose water supplies are dependent on glaciers. This is a long-term challenge. The need for reliable, predictable funds will increase from decade to decade. The World Bank estimates the adaptation needs for the poorest countries at 25 billion USD in the next ten years – considering only the incremental costs; for all developed countries 75 billion USD is necessary. Short-term financing is urgently necessary, but this must not become a replacement for long-term finance. Instruments for international risk-sharing must be established: industrialized countries give support – including funds – for the establishment of climate insurance mechanisms which come into play after large-scale catastrophes. And they set up the framework for micro-insurance against climate damages in developing countries.

Of the industrialized countries only the EU has even made an attempt to react to the necessity of these financing needs. At first glance these numbers look similar to those demanded by non-governmental organizations, based on scientific studies; the EU is likewise calling for 100 billion Euros to be invested in developing countries, but this sum is composed in a different way which makes a comparison difficult.

But here it pays to read the small print. Firstly, the EU proposes that half of this should be money generated through CDM projects in developing countries. CDM projects provide for cheap achievement of emissions targets for industrialized countries. For every ton of CO₂ saved in these projects another ton can be emitted in industrialized countries. But now, according to the EU, financing streams from the CDM should be counted as pledged financing for mitigation measures in developing countries. The consequences: with this money the industrialized countries are financing the transfer of their own emissions reduction commitments, not the additional reductions required in developing countries.

The EU estimates the need for *public* support at 22 to 50 billion euros per year. 50 billion would be half the value needed for *public* support, in order to trigger the much larger *private* streams, particularly in the area of climate protection. It is urgently necessary that the EU moves at least in the direction of the higher estimate, i.e. 50 billion annually, and is prepared to review this figure in 2015 based on the state of science and on the plans which developing countries present when asking for support.

Furthermore, the 22 to 50 billion euro should, according to the EU, not just consist of public financing from *industrialized countries*, but *emerging economies* should also make a contribution to financing. As right as it is to also commit emerging economies to self-finance their domestic low-cost abatement, it is questionable whether they should in addition be called upon to open their purse to finance measures in developing countries.

The rest which the EU is discussing is really public money. But it seems ever more likely that this money will not be additional to the financing streams promised at the Millennium Summit on the Fight Against Poverty (the Millennium Development Goals) in 2000. There, industrialized countries agreed to increase their development assistance to 0.7% of GDP by 2015. Now new and additional climate financing will be counted towards this goal, as, for example, in the recent decision of the liberal-conservative majority in the German national parliament. Only two conclusions can be drawn from this: Either the millennium development goals weren't serious, and the industrialized countries didn't want to achieve their goal, anyway. Or the money for the fight against poverty and AIDS, for schools and hospitals, will now be employed for climate protection. In Bali industrialized countries promised to put "new and additional money" on the table.

Industrialized countries should make short-term financing available on a significant scale, already for the period between 1 January 2010 and the end of 2012. About seven to ten billion Euro per year is needed to finance additional costs – in total from all industrialized countries.

On the other hand, developing countries must shift position concerning the review of the effectiveness of the money deployed. If billions of dollars are to be invested, it must be ensured that the money arrives where it belongs: for climate protection, tropical forest protection and adaptation for the most vulnerable people. Particularly these people have the right that adaptation measures are oriented towards their human right to food and water. This means that the planning must be tailored to the needs of the most vulnerable people, and that these people are included in the planning and evaluation. In the countries, which cannot demonstrate good governance, the money must be effectively deployed through appropriate implementing agencies.

For many developing countries, it is crucial that the adaptation fund agreed to in the framework of the Kyoto Protocol, which has been built up since its entry into force in 2005, also plays an important role in the future. In many respects the fund is very innovative. Firstly, it is financed through the levy on CDM projects, the first international environmental levy. Secondly, developing countries, receiving financing as a sort of compensation for the damages of industrialized countries' greenhouse gas emissions, have a one-vote majority in the fund's decision-making body over industrialized countries. Thirdly, countries which can prove good implementation of projects, can also receive direct access to the money. This means that the money does need to always flow through the World Bank and the Global Environment Facility, which are often highly bureaucratized and governed by different interests. In addition, the Adaptation Fund Board has developed a very transparent mode of work.. Furthermore, the strategic priority that the needs of the most vulnerable communities come first has key importance for the credibility of the fund.

The future of the adaptation fund is one of the reasons why developing and emerging countries are pushing vehemently for the continued existence of the Kyoto Protocol. Nevertheless, they see the problem that the USA is not willing to deliver resources into this Kyoto Fund (although it would legally be possible to make such contributions for non-Kyoto Parties). But without a substantial contribution by the biggest historical polluter developing countries are not satisfied, and other developed countries are as well hesitant to put large resources into it. In the EU's perspective a problem is that the current revenue source of CDM projects funded by "Kyoto Industrialized Countries" has a competitive disadvantage over similar projects funded by the USA (which didn't ratify Kyoto). Thus it could make sense to make an important formal change: to transfer the Adaptation Fund from the Kyoto Protocol to the Copenhagen Agreement, so that all industrialized countries participate. Even an adjustment in the governance structure might be acceptable if then adequate resources would be provided. Instead of establishing further international funds under the UN Framework Convention on Climate Change, there could be a "window" in this fund for climate protection or forest protection. This would also reflect the EU mandate not to establish new institutions.

There is a decades-long history of broken financing promises from industrialized countries to developing countries. For this reason, two steps are necessary. Firstly, financing must be provided in a legally binding framework and not from voluntary contribution. Every industrialized country should be legally bound to finance a particular

share, defined according to the criteria of current and historical emissions as well as capacity to pay (assessed contribution).

Secondly: In general but particularly in times of enormous debt due to the financial crisis, this kind of commitments are only credible if there are instruments to generate the necessary money. These instruments should be set up based on an incentive structure so that they reflect the polluter pays principle, and can develop the climate regime to a self-financing system. In particular, three sources are under discussion:

- Auctioning or the sale of emissions permits to industrialized countries.
- A levy or revenues from auctioning in an emissions trading scheme for international marine and aviation transport. It is urgently necessary to establish climate protection instruments (levy, emissions trading) for these two sectors, both for climate protection and financing reasons.
- revenues from auctioning in national emissions trading schemes. Here Germany has agreed to earmark the majority of half of these revenues for international climate protection; the minority is invested in national climate protection. If Germany uses the larger share of the total revenues for international climate protection, Germany's fair share, ca. 7 to 10 billion Euro, could be generated.

Where should the money come from; will it be too expensive for Germany? These questions are obvious, given the financial crisis. The answer can be derived from numerous recent studies: An ambitious Copenhagen agreement can – because of the immense investment needs implied by the upcoming great transformation – lift the global economy on a new level of equilibrium. This means concretely: climate protection investments are no longer part of a zero sum game. This means that there are many winners, opposed by fewer losers. There would be many winners because more money is invested for climate protection everywhere, jobs are generated, security of energy supplies is increased, and huge costs from climate damages are averted. Moreover, the International Energy Agency calculates that every year the world fails to shift to a climate resilient path will cost an extra 500 billion dollars.

Achieving mutual benefit and win-win outcomes should be the goal of our effort. Developed countries should support developing countries in tackling climate change. This not only is their responsibility, but also serves their long-term interests.

We should make our endeavor on climate change a win-win for both developed and developing countries and a win-win for both the interests of individual countries and the common interests of humanity.

President Hu, China, UN-General Assembly, 22.09.09

In the example of Germany one can see that it can be profitable to commit the necessary money. It is only through these financing streams that an ambitious Copenhagen agreement can succeed. This agreement will generate additional investments everywhere, which will generate 30 billion dollars for the German export economy, as calculated by the German Institute for Economic Research (DIW).⁶ This wouldn't just mean investments and jobs, but would also pour more than the initial 7 to 10 billion euros back in the tax revenues.

⁶ Source: J. Blazejczak, F. Braun und D.Edler in: DIW-Wochenbericht Nr. 18/2009, S. 294-301, www.diw.de/sixcms/detail.php/237602

Legally Binding or Political Show?

Many actors seem more interested in a deal at all costs in Copenhagen than in a legally-binding agreement which makes history. The world is waiting for the starting shot for a technological and social revolution, the great transformation to the solar age. But instead the world could experience a firework of non-binding promises, shrouded in the smog of smoke grenades.

Danger No. 3 for a Greenwash Agreement: "Politically Binding"

The concept "Politically binding" is a smoke grenade. A "politically binding" agreement would mean putting political will in a sieve through which it can quickly leak out: By no later than the next change of government, a country would not be bound to it anymore. By contrast, an agreement *legally binding under international law* would pour the political will in a leak-proof bucket, in order to be able to transport it for the distance. If at the end of the climate conference we have a *politically binding* agreement it would be a greenwash selling the world a sieve as a bucket.

In Copenhagen a legally-binding, international agreement – with the necessary ambition, fair and comprehensive – must be launched. All central pillars need to be determined in a binding decision under international law – in legal text. This agreement is possible in Copenhagen.

A time-bound mandate must determine in a further decision that by the middle of 2010 a ratifiable agreement with the necessary level of detail must be presented.

It was a big strategic mistake by the EU not to call for a second commitment period of the Kyoto Protocol, but rather for one joint agreement with the USA and emerging economies –without knowing, whether we will achieve the same degree of "bindingness" therein. "When I have only one pair of shoes, it makes sense to stay with that pair.", commented Ivo de Boer, the UNFCCC secretary general, piercingly.

The positive element of this dynamic is that more pressure will be put on the USA to actually shift towards a legally-binding agreement with comparable commitments. And it shows:

Europe Europe and Japan – who have met their reduction commitments under the binding Kyoto Protocol – can only accept the weak US commitments which are on the table if a new agreement is at least as binding as Kyoto, and the US commits to comparable emission reductions by 2030 at the latest.

Nick Mabey, Sorting Blinks from Winks in the Copenhagen End Game, non paper, 2009

To begin with, the substance of industrialized countries' and emerging economies commitments should be negotiated separately in the two negotiating fora – the working group on a second commitment period of the Kyoto Protocol (AWG-KP) and the working group in the framework of the Convention (AWG-LCA). Only when the substance has been determined, and no-one feels that they have been taken to the cleaners, can we constructively negotiate whether the results should be unified in one single or two separate agreements. As the Indian head of delegation put it: the substance is key, not the packaging. "Clearly, the majority of developing countries will not agree to one new framework unless it binds developed nations legally and contains significant new medium term public finance for adaptation, forestry and clean energy".

It is essential that the following framework is contained in the Copenhagen agreement:

1. A comprehensive, transparent and timely reporting and a reviewing process of national greenhouse gas emissions as well as of the targets and policies pledged.
2. Joint standards for reporting and reviewing of greenhouse gas emissions from land-use, land-use change and forestry (LULUCF).
3. Joint standards for national greenhouse gas registries and for transfer of CO₂ equivalents in different countries.
4. Joint standards for global emissions trading.
5. A system of incentives and sanctions (Compliance Mechanism) to ensure that climate policy and financing targets are fulfilled.

Without this international framework, comparison of different countries will compare apples with oranges. If it is not ensured that a ton of CO₂ is actually a ton of CO₂, the emissions trading system will be deprived of its purpose. Countries could then define the rules so that emissions trading becomes a printing press for money and emissions reductions only appear on paper.

Danger No. 4 for a Greenwash Agreement: "Pledge and Review"

If every country simply submits its own climate and financing targets and these are accepted, then no real climate negotiations are actually taking place. The purpose of the multilateral approach, that all participate and go further than they would otherwise, would be lost.

Bottom-up systems or country pledges always fail to drive the necessary scale and pace of reductions. And it doesn't help governments to take on domestic interest lobbies.

Nick Mabey, Sorting Blinks from Winks in the Copenhagen End Game", non paper, 2009

If the legal bindingness is also absent, there will be no dynamic unleashed, only frustration and deadlock.

Accepting the Challenge

The governments of this world are confronted with a once-in-a-century challenge – like the dismantling of feudalism; as Abraham Lincoln was confronted with ending slavery; as Winston Churchill had to decide how to face up to Nazi Germany.

Again the time for half measures is over. Again we need political leadership which understands what is at stake and which translates the challenge into political strategy. And it demands our political engagement from citizens – against every coal power station, in front of the conference building in Copenhagen, and, represented by organizations of civil society, at the negotiating table.

In the last 4 years the world has made enormous progress in climate protection. In 2005, at the climate summit in Montreal, it was argued about whether one could even discuss establishing a new climate agreement. Those who believed then that there would soon be a US President who would accept a positive role for the USA, were mocked. In the EU there were tentative discussions on a 12 percent goal for 2020. In China topics like

energy efficiency and renewable energies were not yet discussed at government level. And India declared that it wouldn't discuss climate targets for India this century. After the climate summit in 2006 in Kenya civil society organizations demanded: climate issues must be a topic for the heads of state. Now it is: more than 100 heads of government are coming to Copenhagen, among them President Obama.

The EU will likely raise its target from 20 to 30%. China is taking on leadership more and more in international climate protection. And India has presented its target for energy efficiency in the week before the Copenhagen Climate Summit.

In Copenhagen the next big step must succeed. The media and the public must not let themselves be confused by fireworks and smoke grenades. The dynamic in climate protection cannot be slowed any more.

Does it arrive too late? The question is wrong. It probably comes too late for some things. Not for others. It is worth it to fight for every tenth of one degree.

The most foolish no-fighting-spirit statement made by scores of people, is this: 'We have already passed the tipping point, it is too late.' They act as if a commitment to a meter of sea level rise is no different than a commitment to several tens of meters. Or, if a million species become committed to extinction, should we throw in the towel on the other nine million?

James Hansen, The Observer, 29.11.09

Main Demands at a Glance

- Agreement on the 1.5 to 2 degrees limit and the long-term targets in the shared vision.
- Legally binding short term targets (2017 or 2020) for industrialized countries, and binding, ambitious climate protection actions for emerging economies.
- Enforcement and incentive mechanism for achieving targets (emissions and financing targets)
- Reduction of industrialized countries' emission by 40% by 2020, compared to 1990.
- Joint standards for reporting and reviewing greenhouse gas emissions from land-use, land-use change and forestry (LULUCF)
- Joint standards for national greenhouse gas registries and the transfer of CO₂ Equivalentents in different countries.
- Joint standards for global emissions trading.
- Comprehensive action programmes for the introduction of climate protection measures and adaptation programmes in developing countries; binding relative emissions reduction targets (increase of energy efficiency) in emerging economies.
- Use of internationally accepted methods for reporting emissions and international review of the implementation of targets.
- Peaking global emissions before 2017.
- Avoiding loopholes through "hot air".
- Comprehensive, transparent and timely reporting and review of national greenhouse gas emissions as well as the pledged targets and political activities in 2015.
- Possibility for an emergency review.
- Financing in the order of 110 billion euros annually for climate protection, rainforest protection and adaptation; this should be achieved with new and additional public money, not in the context of the 0.7% target.
- Establish instruments for international risk sharing which come into play after large catastrophes; create the framework for micro-insurance against climate damages in the poorest developing countries.
- Extend the adaptation fund, also with US participation.
- Instruments to generate financing, such as: Auctioning or sale of remaining emissions permits to industrialized countries, levies or auction revenues from emissions trading in international shipping and aviation; auctioning revenues from national emissions trading schemes.
- Legally binding, international agreement – not just a "politically binding" accord.
- To begin with, the substance of industrialized countries' and emerging economies commitments should be negotiated separately in the two negotiating fora – the working group on a second commitment period of the Kyoto Protocol (AWG-KP) and the working group in the framework of the Convention (AWG-LCA). Only when the substance has been determined, and no-one feels that they have been taken to the cleaners, can we constructively negotiate whether the results should be unified in one single or two separate agreements.

Further Information on the climate summit:

www.germanwatch.org/cop

www.boell.de/ecology/society/ecology-society.html