



Breaking the Climate Deadlock

Breaking the Climate Deadlock: December 2009

With the United Nations Climate Change Conference in Copenhagen upon us, taking a strong stance on climate change has never been more important. In anticipation of the global community's decisions over the next two weeks, this issue of the BTCD newsletter addresses the key question: what will the major country players bring to the table?

Copenhagen: Why we need a global deal; what we need; and what to expect

By Mark Kenber, Policy Director, *The Climate Group*

After two years of announcements, negotiating sessions, campaigns, publications, expert workshops, roundtables, diplomatic missions, high level meetings, information and counter information, the Copenhagen Climate Summit is finally upon us. Over the same period, *the Breaking the Climate Deadlock* initiative has played its part in preparing the ground for a successful outcome, providing targeted information for the heads of government who will make the final decision on how we step up actions to cut emissions and drive low carbon economic transformation.

As they confront this challenge, it is worth reviewing some of the [initiative's key findings](#):

- The building blocks of a global deal are well understood. Any meaningful deal will have to contain agreement on:
 - who will reduce their emissions, by how much and by when in order to keep the temperature rise below 2°C;
 - how to make societies more resilient to climate change - particularly in the most vulnerable countries - because, regardless of any mitigation actions, we're going to face serious climate impacts over the coming decades;
 - how to speed up the deployment of current low carbon technologies and make sure we've got the technologies we need in the future;
 - how to prevent tropical deforestation;
 - how to pay for all the above and how public policy can leverage private sector investment in the low carbon economy;
 - the institutions and procedures necessary to provide confidence between countries that they are all living up to their commitments.
- Three quarters of what we need to do between now and 2020 to cut emissions to safe levels can be done by scaling-up existing policies and technologies that are tried and tested and in many cases are commercially competitive (especially if governments saved money by removing fossil fuel subsidies).
- While doing nothing about climate change will be very expensive (up to 20% of GDP), smart emissions reduction strategies can increase economic growth and create new jobs and business opportunities, not just for a handful of countries but for all major economies, even ignoring the cost of the avoided damage.

This all makes one think that it really shouldn't be that difficult to have an agreement; after all, there are no major countries that suggest we shouldn't be doing anything and thousands of leading companies and investors from across the globe are urging their governments to reach a consensus on an ambitious, fair and binding climate agreement.

The business and finance community will have to play a key role in achieving the global low carbon transformation. This shift will create huge opportunities for companies and investors, but for them to be realized, Copenhagen needs to reduce policy uncertainty. [It can do this by delivering:](#)

- A clear, credible mandate and a deadline for 2010;
- Ambitious, credible emissions reduction targets and actions for all major economies;
- International public financing mechanisms designed to leverage private capital flows for adaptation and mitigation in developing countries;
- A reformed, expanded international carbon market with transparent and consistent rules on offsets;
- Entry into force provisions that encourage, and do not preclude, immediate, concrete activities by private and public actors;

- Commitment by all major economies to prepare low carbon growth plans providing clear signals for investors;
- A technology cooperation framework that both maintains incentives for innovation and accelerates diffusion;
- A “quick-start” action plan to maintain momentum to kick-off pilot public-private funding for infrastructure projects and public funding for adaptation, REDD+ and low carbon growth plans.

What we should expect: Needless to say, it won't be so easy; the years of detailed negotiations and hardening of positions may have hindered as much as they have helped. At the same time, we shouldn't be misled by reports that suggest Copenhagen will be a failure. A positive outcome is very much in reach. All major countries have made pledges to cut or limit their emissions. Real offers of money are on the table and heads of government (many of whom will be in Copenhagen) have reiterated their determination to reach agreement. The legally binding treaty may not be concluded until next year but there are good grounds for optimism that Copenhagen will mark the start of the low carbon revolution.



Emission reduction commitments in the run up to Copenhagen

Going into Copenhagen, many key players have made pledges to reduce carbon emissions:

- The **EU** has adopted its 20-20-20 package to cut greenhouse gas emissions by at least 20% by 2020, below 1990 levels, cut energy consumption by 20% of projected 2020 levels, and increase its use of renewables to 20% of total energy production, with a view to increase these commitments to 30% if other major players set comparable targets.
- The **US** has pledged to reduce emissions to 17% below 2005 levels by 2020, and 83% below 2005 levels by 2050.
- **China** has pledged to cut the amount of greenhouse gases emitted per unit GDP (its carbon intensity) by 40-45% by 2020, compared with 2005. **China's minister for science and technology has also indicated that the nation's carbon emissions will peak between 2030 and 2040.**
- Quantifying **India's** National Action Plan on Climate Change, the country will reduce carbon intensity by 24% by 2020 below 2005 levels.
- **Brazil** has committed to a 38-42% reduction in carbon intensity from 2005 levels.
- **Russia** has pledged to reduce emissions by 22-25% from 1990 levels by 2020.
- **Japan** has pledged to reduce emissions by 25% from 1990 levels by 2020, provided that other major emitters agree to similarly ambitious targets.

While these commitments represent a good starting point for negotiations, the main hurdle to more significant targets at Copenhagen is opposing views on the relative responsibilities of developed and developing countries. Developed nations believe that major developing economies need to substantially reduce the growth rate in their emissions by between 15-30% by 2020. China, India and many other developing countries maintain that developed nations must take the lead and cut their absolute emissions by at least 40% below 1990 levels over the coming decade. They are also seeking sufficient financial support for developing country actions amounting to 0.5-1.0% of developed nations' GNP.

[Latest News](#)

[Climate deal will boost growth in all major economies and create millions of new jobs](#)

Our most recent *Breaking The Climate Deadlock* report - “Cutting the Cost” ([read the report](#)), published in September shows how action to cut CO₂ emissions can increase both GDP and employment in all major economies, with global collaboration significantly cutting the cost of climate change mitigation.

The report builds on previous economic analysis by Lord Stern and the IPCC but it shows for the first time that benefits of jobs and GDP growth will accrue to all countries, with carbon costs falling dramatically as global participation expands.

To read more [click here](#)

[Largest ever group of world investors calls for strong global climate change treaty](#)

Working in partnership with The Climate Group, the Institutional Investors Group on Climate Change (IIGCC) is a forum for joint actions on climate change for European investors, including some of the largest pension funds and asset managers in Europe. The [2009 Investor Statement on the Urgent Need for a Global Agreement on Climate Change](#) was a collaborative effort of the IIGCC, the Investor Network on Climate Risk (INCR), the Australia/New Zealand IGCC and the UNEP Finance Initiative.

The measures set out in the Statement include long- and medium-term greenhouse gas emission reduction targets in line with recent scientific evidence and government support for energy efficiency. It also highlights the role of public sector finance in leveraging private sector investment in key technologies, particularly in developing countries, a potential solution that has been neglected in climate negotiations.

To read more [click here](#)

[Aviation and Climate Change at Copenhagen](#)

We are continuing our work with the Aviation Global Deal (AGD) Group. This is the progressive coalition of international airlines which has proposed a fair and effective solution for addressing international aviation emissions. International efforts in this area have gathered pace in recent months. IATA, the aviation's industry body, and ICAO, the UN agency responsible for air transport, have laid out broad plans for tackling emissions. Copenhagen provides an opportunity for governments to set out a clear roadmap for the sector. In our view, this needs to include ambitious emission targets and a timeframe for delivering a concrete and detailed policy framework. Developing the details of this framework in close cooperation with industry and other stakeholders must be a priority for governments in 2010. This will be important if aviation is to play its fair part in tackling climate change.

To read more [click here](#)

[European members see EU leadership as good for climate, good for business](#)

Over 60 representatives from business and regional government across Europe called for EU leadership at the upcoming UN Climate Change Conference in Copenhagen at The Climate Group's first continental Europe members meeting, hosted by the Government of North Rhine-Westphalia, the meeting took place, in Brussels on 24 November. Discussions focused on the policies needed to enable financing of the EU's climate change commitments and to support the scale-up of low carbon technologies.

Attendees underlined the need for strengthened EU leadership, both internally and internationally. There was consensus on the need for a “stable, predictable and credible” policy framework from Copenhagen, followed by rapid implementation at the national level.

Alicia Montalvo, Director-General of the Spanish Climate Change Office said that, come January when Spain takes over the presidency of the EU, the Spanish priority will be to keep the momentum and strive for a legally-binding outcome within the next six months. “There is no time to waste,” she said.

To read more [click here](#)

Hacked emails from the University of East Anglia should be no challenge for ambitious climate action

Understandably emails leaked from the Climate Research Unit at the University of East Anglia have caused concern. However, there is overwhelming evidence to support the theory of man-made climate change and taking action on climate change is effectively good risk management. If we do nothing we risk changing the climate irreversibly with dire consequences for billions of people. [Click here](#) to read our response.



Jos Delbeke - Deputy Director General DG ENV, European Commission (left) and Mark Kenber - Policy Director, The Climate Group (right) at the TCG's EU Members Meeting in Brussels

The Climate Group in Copenhagen

The Climate Group is actively involved in over 15 events at the Copenhagen Summit, culminating in TCG's Climate Leader's Summit on 15th December. Later this week, we will send members and key associates an update on major developments during the first week of negotiations, along with an overview of our scheduled events.

We will post our daily COP15 update in our news stream.
<http://www.theclimategroup.org/our-news/news/>

Our COP15 web area will go live on Thursday. This will feature our news and video around the conference as well as our events scheduled for next week. Keep an eye out for it

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