



PRESS BRIEFING

The European Union's Dual Obligation at the Copenhagen Climate Summit

Climate Action Network (CAN) Europe – October 2009¹

The European Union's Dual Obligation for a Copenhagen Agreement
<ul style="list-style-type: none"> • An EU Emissions Reduction Target of more than 40% Below 1990 Levels by 2020. • At Least €35 Billion in New Public Climate Financing by 2020.

➤ Science Demands Urgent Action in Copenhagen

The devastating impacts of climate change are already being felt – in the form of increased drought, flooding, and extreme weather events – by the poorest and most vulnerable countries and communities in the world, amongst them least developed countries (LDCs) and small island developing states (SIDS). The latest scientific research tells us that the worst impacts of climate change will appear sooner and be even more severe than previously anticipated, both in Europe and around the world.² Scientists agree that global warming must be kept well below the dangerous level of 2°C in order to avoid the most disastrous effects of climate change. In practice, this requires a global peak in emissions at the latest by 2015 followed by a sharp decline thereafter on the order of 80% below 1990 levels by 2050.

At the Copenhagen Climate Summit leaders from Europe and all over the world will have the opportunity to take action to prevent dangerous climate change. Timing is crucial: the globe is warming at an alarming pace, and delaying action now will seriously undermine or even eliminate the possibility of staying below 2°C.

¹ This short paper lays out the key issues for consideration in the build up to the fifteenth Conference of the Parties to the United Nations Framework Convention on Climate Change [COP 15 of the UNFCCC] in Copenhagen, Denmark, 7–18 December 2009. The Climate Action Network Europe (CAN-E) is recognised as Europe's leading network working on climate and energy issues. With over 140 members in 25 European countries, CAN-E unites to work to prevent dangerous climate change and promote sustainable energy and environment policy in Europe.

² Based on the Intergovernmental Panel on Climate Change [IPCC] Fourth Assessment Report.

➤ An EU Emissions Reduction Target of more than 40% Below 1990 Levels by 2020

The Copenhagen agreement must solidify a new round of commitments for reduction in green house gas emissions from industrialised countries, as well as to bring on board developing countries to slow the growth of their emissions.

The current EU emissions reduction target is inadequate. The latest science suggests that a more ambitious reduction in greenhouse gases by more than 40% below 1990 levels by 2020 is required to have a high probability of limiting warming well below 2°C. Moreover, the vast majority of these emissions cuts must take place at home within Europe's borders.

Currently, the EU fulfills a substantial portion of its Kyoto commitments through offsetting in the form of financing projects in developing countries. But in the majority of these projects, offsetting does not deliver real emission cuts while often having negative social and environmental impacts. In addition, offsetting is warding off necessary measures to green Europe's economy. Therefore in Copenhagen, the EU must commit to undertaking well in excess of 30% of its emissions reductions domestically.³

The remaining part of the EU's 40% commitment can be met by either accepting a higher financing obligation and/or by paying for low carbon projects (offsetting) in developing countries.

➤ EU's Contribution of at Least €35 Billion per year in New Public Financing by 2020

The EU must provide finance, technology and other support to developing countries to help them to adapt to climate change and slow the growth in their emissions without curtailing their paths to development. The total amount of public climate change financing needed is estimated to be well in excess of €110 billion per year by 2020.⁴

This means that the EU is obliged to commit at least €35 billion per year in new and additional public financing by 2020 as Europe's fair share of total international financing. This figure is based on Europe's quantified share of historic emissions and financial capacity. Current levels of aid provided for climate-related purposes by the EU and its member states falls far short of what is needed. Substantial funds are needed immediately, which must be progressively scaled up to this level.

³ Several organisations within CAN-Europe demand that 40% cuts are achieved entirely without offsetting.

⁴ Commission Staff Working Document accompanying the Communication 'Towards a Comprehensive Climate Agreement in Copenhagen,' 28.1.2009 SEC(2009) at http://ec.europa.eu/environment/climat/future_action.htm.

This financing mustn't be merely existing aid promises re-packaged or diverted. Climate change imposes new costs on poor countries that were not calculated when existing aid commitments by rich countries were made to provide 0.7% of Gross National Income (GNI) as Official Development Assistance (ODA), so climate finance must come on top of these promises. These commitments also need to be additional to financial flows from offsetting EU emissions through development projects.

Where Could the Money Come From?

The European Union's financial contribution to international climate financing could be obtained in a number of ways. For example, Member States could use part of the auction revenues they obtain from the EU's Emissions Trading System (ETS) to provide financing for adaptation, which refers to taking action to prepare for and respond to the potential impacts of climate change, and mitigation, which refers to taking actions to reduce greenhouse gas emissions and to enhance sinks aimed at reducing the extent of global warming. Gross revenues from auctioning allowances might amount to €15 to 40 billion a year from 2013 (depending on allowance prices). Other alternatives to direct budgetary financing could include levies on shipping and aviation fuels (also known as "bunker fuels"), auctioning of allowances for international aviation and maritime transport or taxes on financial transactions.

➤ A Legally-Binding Agreement with a Robust Compliance Regime

The legally-binding Copenhagen agreement must provide for a robust compliance regime. This will require both a strong enforcement and facilitation component. If Copenhagen is going to succeed, developed countries will need to know that any failure to meet commitments (by themselves or others) will be discovered and sanctioned consistently. Creating such a compliance regime will require international rules and standards regarding accounting and verification of emissions cuts and the provision of climate finance. In the absence of clearly established international rules, Parties would be free to choose the metrics most favourable to their national circumstances, making it harder to compare emissions, determine obligations and enforce commitments. International accounting rules will need to codify which gases and sectors are counted, how the accounting is done and how it is expressed. International verification of emissions data and of developing country mitigation actions will also be necessary to build trust amongst the Parties and to ensure the transparency and environmental integrity of the system.

➤ Provisions for Adaptation, Technology Cooperation and Capacity Building

Climate change is destroying the lives of millions of the poorest people around the world, and frustrating their efforts to escape poverty. Increasingly severe flooding, droughts and water shortages mean that crops are failing and the resulting mass

hunger may prove the defining human tragedy of this century. The most vulnerable people on the planet are the least able to cope with increasingly violent storms, typhoons and hurricanes. Given these potentially devastating effects and the historic responsibility of industrialised countries for causing the climate crisis, the EU is obliged to support adaptation efforts in developing countries. This support should come in the form of public climate financing for adaptation projects as well as technological cooperation and capacity building.

The challenge posed by climate change will require a green technology revolution. The Copenhagen agreement should establish international cooperation on and financing for research regarding environmentally sound mitigation and adaptation technology. It should also lay out mechanisms for the transfer of skills, technological goods and equipment to developing countries, as well as provide for capacity-building in research and development. This new funding should particularly support projects that will provide technology to enhance the use of renewable energy sources, improve energy intensity of the global economy, and secure access to environmentally sustainable modern energy services in developing countries.

➤ Eliminating Emissions from Deforestation and Forest Degradation

Deforestation is a major environmental crisis that has severe consequences for global warming, biodiversity and indigenous peoples. The Copenhagen agreement must protect existing forests, and specify that the vast majority of emissions from deforestation and forest degradation will be eliminated by 2020. Above all, any effort to reduce emissions from deforestation and forest degradation must be done in a manner that protects biodiversity and fully respects the rights of local and indigenous peoples.

The current EU negotiating position is far too weak on these issues. It must be strengthened to include language about protecting natural forests from deforestation and degradation through explicit provisions against the conversion of natural forests to plantations, while removing provisions that could subsidize industrial-scale logging and conversion of natural forests to plantations as part of 'sustainable forest management.' These changes are necessary not only to prevent highly emissive activities, but also to ensure the environmental integrity of mitigation activities and the preservation of biodiversity in forest regions.