

THE COPENHAGEN ACCORD

– what does it mean?



Two weeks of chaotic, and confusing haggling at December's COP15 produced The Copenhagen Accord – a last minute agreement between the vast majority of the countries present. It could have been more – “I can't hide my disappointment” Gordon Brown noted in the post-COP15 briefing that WSP attended earlier this week. But we do have a paper – and this is better than nothing at all.

This final briefing from WSP for 2009 summarises just what The Copenhagen Accord contains, what didn't make the cut and reviews the programme for 2010.

WHAT IS IN THE ACCORD?

- **An agreement by (most) of the delegates.** Make no bones about this, getting even a limited agreement by the vast majority of the nearly 200 nations is no mean feat.
- **A general agreement that 'deep cuts' are needed in global carbon emissions.** Participants also agreed to aim to hold the global temperature increase to less than 2°C.
- **40 developed countries must provide a specific carbon emission reduction target for 2020 no later than 31 January 2010.** These countries – the Annex I countries as they are known - include Europe, Australia, USA, Canada, Japan, Russia and Ukraine.
- **All remaining countries must report their plans and actions to reduce their growth in carbon emissions no later than 31 January 2010.** Key countries in this group include China, India, Brazil and Mexico.
- **Around \$10bn of support will be provided to developing countries each year between 2010 and 2012.** This support will largely be provided by the European Union and Japan, with limited support from the USA. This support will be used both to help countries reduce carbon emissions, but also to adapt their economies to climate change. Much of the funds will be administered by a Copenhagen Green Climate Fund. Developed countries also committed to establish a fund of \$100bn each year from 2020 to provide more support to developing countries. The details of this, much larger, programme have to be worked out.
- **An acceptance on the need for transparency, but without specifics on the detail of this.**

WHAT IS NOT IN THE ACCORD?

Two key items were omitted:

- **The Accord is not a legal document, nor is there any formal process agreed to get to this legal agreement.** This makes it harder to get that legal agreement.
- **There is no clear target on carbon emissions.**

SO WHAT'S NEXT?

- **Country commitments by 31 January 2010 will be the acid test.** Many countries have committed to a range of 2020 emission targets – contingent on actions by other countries. There will be strong lobbying to encourage Governments to commit to the more ambitious targets over the next few weeks. Ambitious targets will make the Accord more credible.
- **Agree a legal treaty in Mexico in 2010.** Ambitious commitments must be matched by legal teeth. The Copenhagen summit ended with delegates agreeing to reconvene in Bonn in mid 2010, and then at a COP16 summit in Mexico between 29 November and 10 December 2010.
- **The UN decision-making process will need to be reviewed.** It is said that one of the challenges with the G20 group of nations is that there are 12 too many members to make effective decisions. Experience at Copenhagen has shown that complete agreement by near 190 countries is next to impossible. Much of the discussion focussed on process rather than substance. And negotiators found it too easy to hide behind negotiating procedure in the absence of authority to agree. Smaller groups, earlier ministerial involvement, focus on substance will all be necessary for future international meetings.
- **In spite of global commitments, many countries already have ambitious carbon reductions.** Getting a deeply ambitious and legal text at COP15 was always going to be a challenge, in WSP's opinion. The negotiating gaps were too large at the start of the conference. But in spite of global agreements, national Governments are already committing to a low carbon future. This is the immediate business challenge and opportunity. Business should not believe that just because COP15 did not make a legal agreement, that there is no action on carbon. Far from it.

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WHAT DOES IT MEAN FOR BUSINESS?

The Copenhagen Accord will be a disappointment for those businesses looking for a clear, global signal on carbon emissions. But WSP believes that the Accord is a start – with January 2010 now being key to see what individual countries commit to by 2020.

Carbon and the impacts of climate change will continue to be one of the most significant strategic items for business. Without a global agreement on climate change we are already seeing some carbon-intensive industries planning to locate to light enforcement regions. Higher global carbon emissions will also make climate change – and the need to plan for this changed climate – much more important for all organisations.

Above all, carbon continues to provide significant business opportunity. If not driven by global carbon targets, then national commitments or the programmes adopted regionally by the US and Europe, will continue to provide huge opportunity and drive.

ABOUT US

WSP Environment & Energy is a market leader in environmental, energy and sustainability consultancy. Globally we have over 1000 people in 65 locations, and we are a part of WSP Group Plc.

Thought leadership is at the heart of our business. We pride ourselves on having an opinion. We use this to help our clients create sustained value from environmental issues and opportunities.

FURTHER INFORMATION

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