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## The Copenhagen Climate Accord: Half May be Better than Full

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### Abstract

It took strenuous efforts on the part of the United States President Barack Obama to get the squabbling conferees representing 193 countries to issue the “Copenhagen Accord”. This was a three-page, twelve-paragraph and two-annex document made public a few minutes before the two-week “conference of the parties” was set to conclude. The Accord is not a binding treaty and as such does not commit the major atmosphere-polluting countries to cut carbon emissions according to an agreed set of targets. As such, the Accord did not please the environment community or the thousands of protesters who kept vigil for two weeks outside the conference hall. That said, the Accord will be a historic document for at least three reasons. Firstly, the conferees – especially the United States (US) – accepted the finding by scientists that global warming was occurring because of human activity. Secondly, it was recognised that much greater adjustment efforts needed to be made by rich countries compared to those that were still at a relatively early stage of development. And, thirdly, that the developing world needed a large infusion of capital to move towards a less carbon-intensive strategy of development as well as to cope with the consequences of global warming. Many in the developing world were bound to be severely affected no matter how stringent were the mitigating actions were, or how much the global community was prepared to take or likely to adopt.

### Introduction

The world made slow progress in coming to terms with the problem created by global warming. This was due to the gradual accumulation of scientific knowledge about climate change and its long-term economic and social consequences. Politics was also difficult. It involved trade-offs between countries as well as between generations within countries. Both needed more political will than the international community was able to muster. The US political system left little room to maneuver the executive branch. Even though President

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Barack Obama had included controlling climate change as one of his top priorities while campaigning for the presidency, but once in power he found it difficult to move in the direction in which he wished to go.

The quest for a solution to the problem started 17 years ago when the United Nations (UN) adopted the Framework Convention on Climate Change (UNFCCC) at the Earth Summit held in Rio de Janeiro. Its aim was “to achieve stabilization of green-house concentrations in the atmosphere at a level that would prevent dangerous interference with the climate system.” The next step was the negotiation of the Kyoto protocol which attempted to realise those goals. It was signed in 1997 by the then US Vice President Al Gore who played a leading role. Although the US failed to follow through with endorsement of the protocol by the Senate, it still came into force in 2005. The protocol was accepted by Europe and Japan. The US refusal to consider the protocol for endorsement was in part because of its limited application. It did not have binding commitments by developing countries to limit their carbon emissions. This was one reason why China’s emissions continued to increase to the point where they exceeded that of the US. In 2008, China passed US as the largest emitter of carbon into the atmosphere. Kyoto’s first commitment period runs out in 2012 and the one that needed to be put in place will take at least three years. This is the reason why the Copenhagen conference that began on 7 December 2009 acquired such significance.

Since the UNFCCC was signed in 1992, there has been a considerable accumulation of scientific knowledge, although as noted below, still not enough to take care of all the skeptics. According to the Intergovernmental Panel on Climate Change, the body was set up by the UN to establish a scientific consensus on what is happening – “heat waves, draughts, floods and serious hurricanes have increased in frequency over the past few decades; it reckons that those trends are all likely or very likely to have been caused by human activity and will probably continue. Temperatures by the end of the century might be up anything from 1.1 degree centigrade to 6.4 degrees.”<sup>2</sup>

### **Previous International Parleys**

When the full history of the development of the world economy gets to be compiled, three international conferences would stand out as having contributed massively to economic change and economic betterment. The first was the 1945 meeting at Bretton Woods in New Hampshire, in the US. There the British economist John Maynard Keynes was able to persuade the countries that had defeated the Nazis in Europe to usher in a new world economic and financial order. The conference led to the orderly management of the exchange rates and the mechanisms for helping the countries facing economic stress. Two institutions were created at Bretton Woods – the International Monetary Fund to look after global finance and provide emergency assistance to the countries faced with financial crisis, and the World Bank to provide affordable financial assistance to under-developed countries. Half a century later – in 1995 – the third pillar of the new system was added in the form of the World Trade Organization to manage international trade according to the rule of law.

The second conference was held on the eve of the third millennium. Convened in New York in September 2000, heads of state from most countries represented in the UN agreed to

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<sup>2</sup> *The Economist*, “Getting warmer: A special report on climate change and the carbon economy”, 5 December 2009, p. 3.

implement a set of targets to improve the living standards of the less privileged segments of the world population. This agreement had only some moral force; it did not come with a new institution to monitor the progress in the developing world or to provide finance for achieving the Millennium Development Goals (MDGs). The most important of these was to reduce global poverty by half by 2015. Progress was also to be achieved in a number of other areas, including improving the economic and social status of women.

The third conference that will undoubtedly have a lasting consequence for the global economy is the one recently concluded at Copenhagen. Against all expectations, the meeting, attended by more than a hundred heads of state and government, concluded with an agreement that had a number of elements including the promise to lay down targets for reducing carbon emissions, commitment to provide large sums of money to the less developed countries to adjust to a system of production less dependent on the burning of fossil fuels, and a mechanism for monitoring progress concerning the various goals adopted by the international community. Partial success was snatched from the jaws of failure largely because of the pressure exerted by the US under the leadership of President Obama who attended the final day of the conference. The offer by the US to help raise enough funds to provide US\$100 billion a year to the developing world for climate change policies and programs helped to strike the deal.

### **The Debate at Copenhagen**

Those who remained skeptical about the science behind global warming persisted in their attempts to influence public opinion as leaders from the world met at Copenhagen for the two-week conference on climate change. Mrs Sarah Palin of the US, who had partnered with Mr John McCain as a candidate for the presidency in 2008, took up the cudgels on behalf of the skeptics. There were skeptics within the US Senate as well, a body whose support was critical for approving any international treaty. That notwithstanding, climate activists continued to provide data to prove that human activity was harming the globe. Secretary General of the International Weather Agency released data on temperature trends and told the press that the 2000-09 decade was “warmer than the 1990s, which were warmer than the 1980s and so on.” The data for 2009 suggest that the year was likely to be the fifth warmest year on record. This conclusion was confirmed by the National Oceanic and Atmospheric Administration in the US.

In the period between President Obama’s visit to Asia and the convening of the Copenhagen Accord, Washington changed its perception of success at the meeting. In Singapore, the American President had agreed with a number of other leaders from Asia that the politics surrounding climate change meant that the international community would not be able to agree to a binding treaty at Copenhagen. At best, the nations participating at the meeting could agree on the need for movement leaving the details to be worked out later<sup>3</sup>. This was one reason why President Obama initially decided not to be present at Copenhagen to the close of the conference when most of the decisions were likely to be taken but promised to make a token appearance at the meeting’s start. He changed his mind when it began to appear that there was some possibility of reaching an agreement. An agreement was reached but, as discussed below, it was not in the form of a binding treaty.

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<sup>3</sup> See Shahid Javed Burki, “President Obama in Asia – Searching the Basis for a Partnership”, ISAS Working Paper No. 102, 7 December, 2009.

President Obama's initial reluctance to get too deeply involved in Copenhagen may have been prompted by the difficulties he faced in his own Senate. "Mr Obama enters the Copenhagen negotiations without anything close to consensus in his own party for his cap-and-trade plan to reduce emissions. The issue pits coastal liberals against the so-called Brown Dogs of the Rust Belt and the Great Plains whose states depend heavily on coal for power and manufacturing for jobs. At least a dozen of these Democrats have made it clear that they will not accept any legislation – or any treaty – that threatens their industries and jobs".<sup>4</sup>

The discussions in the opening days of the conference were taken up with the articulation of the differences between developed and developing countries. Of the many issues that separated the thinking in developed nations from that of developing countries, four were especially significant. There was the matter of monitoring the performance of the countries with respect to the agreed targets. Developed countries pressed for an institutional and transparent mechanism. This was resisted by the developing world, in particular by China on the ground that this would lead to excessive interference in its internal affairs and would mean the surrender of sovereignty to an international organisation which would be dominated by rich industrial nations. The developing countries also pressed for large amounts of financial assistance to cope with the cost of making adjustments to less carbon-intensive systems of production. In setting the targets for emissions, several in the developing world – especially those countries most likely to be affected by rising sea levels – argued for more ambitious reductions. They were of the view that the acceptance of a two-degree centigrade increase in temperature would be too large for them to accommodate. They wanted a lower target, perhaps one-degree Fahrenheit as long as most of the adjustment was made by the developed world. Finally, developing countries pressed the developed world to adopt a more aggressive process of adjustment leaving some room within which developing countries could still improve their economic situation.

A 13-page document that was said to have been drafted by Denmark, the conference's host, included language calling for mechanisms opposed by poor countries for delivering aid to them to help deal with the impact of climate change.<sup>5</sup> The proposal included more oversight than the developing nations wanted. Another document drafted by four emerging economies – Brazil, China, India and South Africa – while not making any specific commitments on their part, rejected outside auditing of projects to reduce emissions financed by these countries on their own. Lumumba Stanislaus Di-Aiping of Sudan, speaking on behalf of 130 developing countries in the G77, challenged President Obama to do more for protecting developing countries threatened by climate change. "We have to ask him, when he provided trillions of dollars to save Wall Street, are the children of the world not deserving help to save their lives?"

The European Commission meanwhile welcomed a decision by the US Environmental Protection Agency to begin the process for imposing federal limits on the emissions of carbon dioxide. The so-called endangerment finding of the EPA was an "important signal by the Obama administration that they are serious about tackling climate change and are demonstrating leadership."

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<sup>4</sup> John M. Border, "What's rotten for Obama in Denmark", *The New York Times: Week in Review*, 13 December, 2009, pp.1 and 4.

<sup>5</sup> Andrew C. Revkin and James Kanter "New data shows warming increased in last decade", *The New York Times*, 9 December 2009, p. A10.

What broke the ice at Copenhagen as the conference approached the closing date was the forceful statement by the US. “The administration provided the talks with a palpable boost on Thursday [December 17] when Secretary of State Hillary Rodham Clinton declared that the US would contribute its share of US\$100 billion a year in long-term financing to help poor countries adapt to climate change. The administration had remained silent for months as other major economic powers came forward with similar or even more generous proposals.”<sup>6</sup> The figure proposed by the US was similar to estimates by the European Union (EU) of the needed contributions although the amount was less than the US\$150 billion suggested by the EU experts. Mrs Clinton said the money would be a mix of public and private funds, including “alternative sources of finance” but did not indicate how much of the proposed amount her country will be prepared to contribute.

Also the US offer came with two conditions. First, the nations negotiating the climate deal must reach a comprehensive political agreement that takes effect immediately. The irony of this demand did not escape the negotiators at Copenhagen for it was the US that failed to ratify the Kyoto agreement. The passing of the Bush administration and its replacement by the one headed by President Obama in Washington had brought about a fundamental change in the official stance towards the problem of global warming. Second, and more critically, the US demanded that all nations must agree to some form of verification that they are meeting their environmental promises. As discussed above, China and the G77 were not prepared to do this. However, following the statement by Secretary of State Mrs Clinton, the Chinese opened the door a bit by saying that they will be willing to share the data on climate on a voluntary basis.

### **The Copenhagen Accord**

It took intense effort by President Obama to have the conference in Copenhagen produce an even non-binding accord. It was signed by only the large countries present at the meeting. The smaller nations did not participate and some of them were concerned that their interests were not served. The Accord provides for monitoring emission cuts by each country but did not set a global target for cutting greenhouse gases and no deadline for reaching a formal international climate treaty. “Although the agreement included some major players – China, India, Brazil and South Africa – it was not universally agreed upon by the 193 nations attending the summit. In fact, some leaders left early Friday in apparent frustration.”<sup>7</sup>

The three-page Accord along with two annexes, were issued by the Copenhagen Conference of the Parties a few minutes before midnight, the time set for the conference to end. President Obama delayed his departure from Copenhagen to be present for the Accord to be declared as having been formally reached. He addressed a press conference once the Accord was available to the press, calling it a historical document that could not be a binding treaty considering the differences that remained among the many countries present at the conference. He recognised that some of them, including the United States, had to overcome serious political obstacles at home to move forward resolutely in the area of climate policy.

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<sup>6</sup> John H. Broder and Elisabeth Rosenthal, “Obama has goal to wrest a deal in climate talks”, *The New York Times*, 18 December 2009, pp. A1 and A10.

<sup>7</sup> Juliet Elperin and Anthony Faiola, “Climate deal falls short of key goals”, *The Washington Post*, 19 December 2009, p. A1.

The Accord which is “operational immediately” agreed on a number of underlying principles on which it was based.<sup>8</sup> One of the more important among them was “the principle of common but differentiated responsibilities and respective capabilities.” Developed and developing countries could not be treated in the same way for developing mitigating efforts. This point was pressed hard by developing countries. Within the developing world, special attention needed to be given to those that were “particularly vulnerable, especially least developed countries, small island developing states and Africa.” The special problems faced by the countries of South Asia could also have been recognised but were not. The countries from the South Asian region that were active at Copenhagen – Bangladesh and India – were able to secure their interests. Bangladesh, for instance, received special treatment being a member of the least developed countries group. India joined the final deliberations led by President Obama.

Another principle recognised by the conference was “the scientific view that the increase in global temperatures should be below 2 degrees Celsius”. Given that it reiterated that “climate change is one of the greatest challenges of our time” was an advance over the previous position of the US. While the two-degrees Celsius finding by the scientific community was used for operational purposes for the time being, the need for making more significant adjustments in the future was to be kept in mind. “This will include consideration of the strengthening of the long-term goal referencing various matters presented by the science, including in relation to temperature rises of 1.5 degrees Celsius.” In this context the Conference recognised the importance of “peaking of global and national emissions as soon as possible” and “that the time frame for peaking will be longer in developing countries and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-emission development strategy is indispensable for sustainable development.”

The Accord is particularly significant for recognising that a large infusion of new money will be needed if the developing world is to move towards a less carbon-intensive strategy of development and for it to deal with the consequences of global warming that had already begun to manifest themselves. “Scaled up, new and additional, predictable and adequate funding as well as improved access shall be provided to developing countries...to enable and support enhanced action on mitigation.” The amount of additional aid will approach “USD 30 billion for the period 2010-2012 with balanced adaptation between adaptation and mitigation. Funding for adaptation will be prioritized”, directed towards those that are considered to be most vulnerable. “In the context of meaningful mitigation actions and transparency on implementation, developed countries commit to a goal of mobilising jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries. The funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance.” No immediate institutional arrangement was indicated other than the promise that “new multilateral funding for adaptation will be delivered through effective and efficient fund arrangements”. This was an inducement announced earlier at the conference by Secretary of State Clinton. Bearing in mind the developing world’s increased sensitivity to the application of conditions associated with aiding the Accord, pledges to adopt “a governance structure providing for equal representation of developed and developing countries.” A significant portion of the promised funding will be delivered

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<sup>8</sup> The quotes used in this paper are from the conference FCCC/CP/L.7 issued by the UNFCCC Framework Convention on Climate Change, 18 December 2009.

through the Copenhagen Green Climate Fund (CGCF). It was not indicated where the CGCF will be housed, whether its operation will be entrusted to an established institution such as the World Bank or whether a new institutional mechanism such as the International Fund for Agricultural Development (IFAD) would be developed. The IFAD was also the outcome of an international conference – the World Food Conference - held in Rome in 1974.

The conference gave special recognition to the need for preserving the world's rapidly depleting forest cover. It promised substantial finance to “reduce emissions from deforestation and forest degradation”. This initiative had acquired its own acronym; the REDD-plus, and funding for it was pushed by Brazil that, along with China, was the most prominent player at Copenhagen among emerging economies. While India was represented by Dr Manmohan Singh, its Prime Minister, and was present in the meeting of a small number of countries when the final deal was struck, it adopted a relatively low profile at the conference. This reflected the lack of political consensus at home on a number of issues including the use of coal for producing electricity and rationalising the use of water for agriculture.

The convention laid down a few markers for the future. Two sets of countries, developed and developing, are required to submit to the secretariat details of the policies and program to be adopted to achieve the targets they would specify for the year 2020. This would be done in two separate annexes, *Annexes I and II*. The developing countries would provide “appropriate mitigating actions” without necessarily laying down time-specific targets. Besides, the convention members called for “an assessment of this Accord to be completed by 2015, including of the Convention's ultimate objective.” There was no indication that a binding treaty would be concluded sometime in 2010 as was indicated in Singapore in November by President Obama and several Asian leaders. The American President seemed to have concluded that he did not have the political capital left to spend on another high profile policy initiative. Much of what he had was nearly exhausted over the grueling fight over health reform.

### **The Future after Copenhagen**

There is some expectation that the framework provided by the Copenhagen Accord may be more durable than a Kyoto-like protocol that laid down a number of goals to be met by all the signatories. At Copenhagen, the conferees gave individual countries the responsibility for developing their own programmes for reducing carbon emissions into the atmosphere. It is clear that actions taken by four countries – China, US, India and Brazil – will have profound consequences on global warming. Each country faced different sets of problems and each was developing its own responses. China had travelled a long distance from the time when its government at various levels – the national, state and local – was committed to accelerating growth irrespective of the long-term consequences of pursuing such a policy. More recently, the Chinese officials had begun to recognise that the environmental impact of a growth-oriented strategy had to be changed in favor of the one that accommodated environmental concerns. According to one assessment, “one reason for this change is the growing awareness of its vulnerability to a warming world. The monsoon seems to be weakening, travelling less far inland and dumping its rainfall on the coasts. As a result China is seeing floods in the south-east and draughts in the north-west. At the same time the country's leaders are deeply concerned about the melting of the glaciers on the Tibetan plateau which feed not just the

Ganges, the Indus, the Brahmaputra and the Mekong, but also the Yangtze and Yellow rivers.”<sup>9</sup>

The Chinese leaders have also become aware of the economic benefits of concentrating on the environment. Within the Clean Development Mechanism of the Kyoto protocol which rewards projects with high environmental payoffs, China has received US\$2 billion. This was for cleaning up its industrial processes and building up clean energy capacity. This is half of the total amount disbursed throughout the world. China’s share is expected to rise to US\$8 billion by 2012, the final year of the protocol. China is also investing heavily in green technologies, a sector in which no single country dominates. Hu Angang, an economist at Tsinghua University calls this “a huge opportunity for China. The country will become the largest renewable-energy market, bio-energy market, clean-coal market, carbon-exchange market, low carbon economy, exporter of low carbon products and low-carbon innovator.”<sup>10</sup> Having missed out on some other technological revolutions (China, for instance, has very few software patents) it is determined to become the leader in green technology. It is moving resolutely to achieve that ambition.

The US, the second largest, carbon emitter is faced with a serious political problem in confronting global warming. In spite of the scientific consensus that now exists about global warming having been caused by human activity, there are influential voices within the political arena that would make any legislative action exceedingly difficult. As the world saw while President Obama struggled to get health reforms through the Senate, a single senator can block the passage of legislation. The President is likely to resort to executive measures to meet some of the obligations to which he committed his country at Copenhagen. Although convinced that legislative action was better than administrative fiat to make progress in the area, President Obama was left with no other choice but to use the existing legislative authority that various agencies in his administration have at their disposal. The Environmental Protection Agency has already moved decisively to establish its domain over carbon emissions by industry and automobiles. Individual states in the US – especially those along the two coasts – are also likely to move in this area. California, always a trail blazer in promoting progressive causes, has already taken a number of actions in controlling environmental pollution even under a Republican governor. Its example will be followed by other states.

India and Brazil, the two other large emerging economies that are major polluters, are likely to find politically difficult, the route they need to take to fulfill what is expected of them from the Copenhagen Accord. China, with no obligation to follow popular sentiment, is likely to move faster than these two and other democracies in the emerging world. That notwithstanding, Brazil and India will need to provide leadership in the developing world in two distinct areas. Brazil will need to take strong action to preserve the forest cover provided by the Amazon. This is the last major piece of forest left in the world that can absorb a significant amount of carbon dioxide. This is one reason why saving forests from further degradation was awarded special significance at Copenhagen. India could lead the way in mitigating the impact of the melting Himalayan glaciers. This will affect all countries that lie in the way of the rivers that have the Himalayas as their source. Finance for this effort will also be available.

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<sup>9</sup> *The Economist*, A special report on the carbon economy”, Op. Cit, p. 16.

<sup>10</sup> *Ibid.*, p. 16.



## **Conclusion**

What was achieved at Copenhagen was less than expected and also short of what the scientific community and economists believe needs to be done to prevent an environmental disaster from occurring before this century is over. This exceptional situation needed to be addressed in exceptional ways. So many different parts of the world need to work together and so many different economic interests need to be reconciled that it is difficult to craft a comprehensive and binding treaty. To have an Accord that set up a process for the global community to follow with an indicative time line was perhaps a better option. That was the approach taken at Copenhagen. Half may turn out to be better than the full in the context of preventing a global meltdown.