Resolution on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy

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The Council adopted **conclusions** developing the EU position on a comprehensive post2012 climate agreement, as a contribution to the Spring European Council.

The Council reaffirms its commitment to **reach a global and comprehensive climate agreement** in Copenhagen in December 2009 and stresses that the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol are the key instruments for tackling climate change at the global level.

The Council emphasises the EU's determination to take such action, as set forth in the EU climate and energy legislative package agreed in December 2008, which contains the legal framework for the EU to achieve its independent commitment to reduce its emissions to 20% below 1990 levels by 2020.

The Council reiterates its commitment to **move to a 30% reduction as its contribution to a global and comprehensive agreement for the period beyond 2012** provided that other developed countries commit themselves to comparable emission reductions and that developing countries contribute adequately according to their responsibilities and respective capabilities.

It also underlines the opportunity and the need to build on the synergies between action on climate change and economic recovery actions and to seek a long-term financial and economic architecture that will encourage growth and sustainable development for all countries.

The conclusions tackle **five key points**:

(1) Mitigation: the Council reiterates that the Copenhagen agreement must be based on the best available scientific evidence as presented by the Intergovernmental Panel on Climate Change (IPCC) in its Fourth Assessment Report. On the basis of the information provided by the IPCC:

- **the increase in global mean surface temperature must be kept below 2°C compared with pre-industrial levels**, which in turn requires that global greenhouse gas (GHG) emissions peak by 2020 at the latest and be reduced by at least 50% as compared with 1990 levels by 2050 and continue to decline thereafter;
- **developed countries** should collectively reduce their GHG emissions by 25 to 40% by 2020 compared to 1990 levels and transform their economies over the coming decades in order to collectively reduce their GHG emissions by 80 to 95% by 2050 compared to 1990 levels;
- developed countries should propose, as soon as possible and not later than mid-2009, quantified emission limitation or reduction commitments for the medium-term that are consistent with the achievement of the objectives for this group as a whole and to enact as soon as possible policies and measures to achieve these targets;

- the Copenhagen agreement should contain **binding quantified emission limitation or reduction commitments** for at least all Parties listed in Annex I to the UNFCCC and all current EU Member States, EU candidate countries and potential candidate countries that are not included in Annex I to the UNFCCC;
- the Copenhagen agreement should include an appropriate level of ambition of measurable, reportable and verifiable mitigation commitments and actions by Parties;
- the overall target for developed countries must be distributed in a manner that is fair and ensures the comparability of efforts, guided by considerations of capability and responsibility and making use of a balanced combination of criteria;
- the rules for the treatment of land use, land-use change and forestry in the future commitments of developed countries should stimulate additional actions in those countries;
- given that greenhouse gas emissions from **developing countries** as a group are projected to increase in the medium term, those countries must - in particular the most advanced among them - achieve a substantial and quantifiable deviation below the currently predicted emissions growth rate: such deviation will need to be of the order of 15 to 30% below business as usual by 2020, respecting the principle of common but differentiated responsibilities and respective capabilities;
- developing countries should commit to integrating low-carbon development strategies and plans covering all key emitting sectors into national and sectoral strategies and plans and to update them as soon as possible and by no later than 2012 so as to be consistent with the achievement of the 2°C objective;
- developing countries, in particular the most advanced amongst them, are called upon to propose, already before Copenhagen: (i) ambitious low-carbon development strategies and plans; (ii) financial mechanisms to support developing countries to reduce gross tropical deforestation by at least 50% by 2020 compared to current levels and to halt global forest cover loss by 2030 at the latest;
- emission reduction targets for the **international aviation and maritime transport sectors** should be incorporated into the Copenhagen agreement. In this context, an international agreement that does not lead to competitive distortions or carbon leakage should be agreed in 2010 and approved by 2011;
- the Copenhagen agreement should include an international emission reduction arrangement for HFC emissions, contributing towards meeting the EU's 30% commitment.

(2) The Carbon Market: the Council reiterates its view that putting a price on carbon through the establishment of domestic **cap-and-trade systems for greenhouse gas emission allowances** represents the most economically efficient way of ensuring that future private and public sector investments in all countries are consistent with achievement of the global mitigation objectives.

The Council proposes to build, as soon as practicable and preferably **by no later than 2015**, a robust OECD-wide carbon market through the linking of cap-and-trade systems which are comparable in ambition and compatible in design, to be **extended to economically more advanced developing countries by 2020**. It expresses its willingness to assist interested developing countries in designing and making operational sectoral crediting and trading systems, particularly by providing appropriate capacity-building support to this end.

The Council takes the view that, to enable the transition to a global carbon market, there is a strong continuing role for the Clean Development Mechanism (CDM), Joint Implementation (JI) and IET (International Emissions Trading) and that’s these mechanisms should be improved in terms of effectiveness and efficiency.

(3) Adaptation to the negative effects of inevitable climate change: the Council reiterates its proposal that the Copenhagen agreement provide a Framework for Action on Adaptation (FAA), which, on the basis of an international partnership and solidarity:

- recognises the need for all countries to adapt, thereby implementing actions to build a more climate-resilient society with support for doing so being provided to developing countries and priority being given to the most vulnerable ones;
- strives for effective adaptation action through a process which integrates adaptation into sustainable development policies and strategies at all levels and into development cooperation; and
- proposes to improve the tools for adaptation strategies, including technologies in support of adaptation, scientific techniques, particularly monitoring and forecasting, access to improved climate data and regional climate models, capacity building and approaches to risk management and risk reduction.

The Council proposes that multilateral insurance options to cover disaster losses should be explored to complement existing funding mechanisms in the event of climate-related natural disasters.

(4) Financial Support, technology cooperation and capacity building: the latest estimates from the Commission indicate that the net global incremental investment, both public and private, to reduce global greenhouse gas emissions to a level compatible with the 2°C objective needs to increase to around **EUR 175 billion per year in 2020**.

In this context, the Council underlines that **adequate, predictable and timely financial support** for implementation of a Copenhagen agreement is crucial and that the EU is prepared to take on its fair share, in the framework of a global and comprehensive Copenhagen agreement which entails appropriate and adequate contributions by Parties. It emphasises that the international financial architecture providing this support must be governed by the principles of effectiveness, efficiency, equity, transparency, accountability, coherence, predictability and sound financial management.

The Council reaffirms the role of the Global Environment Facility as the financial mechanism of the UNFCCC and its Kyoto Protocol and welcomes the establishment at the World Bank of the **Climate Investment Funds**. It invites the forthcoming Spring European Council to consider the options for generating financial support, which should be the focus of future discussion. It also notes that these options could potentially be complemented by funding resulting from a **global instrument addressing international aviation and maritime transport**. Lastly, it recognises the importance of supporting appropriate specific financial support for the **forest sector**.

The Council emphasises the need for provisions to promote the effective and efficient **coordination** of all support for mitigation and adaptation, including with all other streams of development funding. It also emphasises that provisions on **financing technology research**, development, deployment and diffusion should form an integral part of the Copenhagen agreement, with the aim of a substantial increase of private and public energy-related RD&D compared to current levels, working towards at least a doubling of global energy related RD&D by 2012 and increasing it to four times its current level by 2020, with a significant shift in emphasis towards safe and sustainable low greenhouse-gas-emitting technologies, especially renewable energy.

(5) International climate change governance and MRV (Measurement, Reporting and Verification): the Council stresses the need, at global level, for more robust and transparent measurement, reporting and verification of mitigation and actions, for both developed and developing countries.

It proposes that developing countries provide, as soon as possible and by no later than 2011, annual emission inventories, at least for the key emitting sectors of their economies, facilitated by comprehensive capacity-building and technical and financial support.

The Council underlines the need for a periodic review of overall progress towards the ultimate objective of the Convention and actions related to mitigation, adaptation and means of implementation forming an integral part of the Copenhagen agreement, including a comprehensive review not later than 2016.