

# Debrief of Negotiations in Poznan, Poland under the United Nations Framework Convention on Climate Change (UNFCCC)

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*Because relatively few people have access to the United Nations proceedings, this memo was prepared as an open reflection from the vantage point of an affiliate of one of the UN's accredited civil society organizations, the University of California. In 2007, the author attended the UNFCCC negotiations in Bali as a member of the Congressional delegation from the United States. The memo is entirely the responsibility of the author, and does not reflect the views of the University of California or any other affiliate.*

## Basic Orientation

The United Nations Framework Convention on Climate Change was established in 1990 with signatories from 190 countries including the United States. In December 2008, the city of Poznan in Poland hosted two simultaneous meetings under the [UNFCCC](#), the 14<sup>th</sup> meeting of the Conference of the Parties (COP14) and the 4<sup>th</sup> meeting of the parties to the Kyoto Protocol (MOP 4).

Key differences between these parallel proceedings:

**Participation:** The U.S., Turkey, and a very few other countries are not signatories to the Kyoto Protocol.

**Scope:** MOP 4 is reviewing the compliance parties with their commitments under the Kyoto Protocol, which includes implementation of the Clean Development Mechanism, the Adaptation Fund that it generates, the inclusion of Reducing Emissions from Deforestation and forest Degradation (REDD) as a source of emissions offsets, and facilitation of technology transfer. The MOP has also formed an Ad hoc Working Group (**AWG-KP**) to negotiate “second round” commitments for Annex I<sup>1</sup> countries under the Kyoto Protocol for 2012-2020.

COP 14 is implementing the [Bali Action Plan](#) for the Road to Copenhagen – an agreement anticipated in December 2009 with negotiated commitments for both “developed” (Annex I) and “developing” (non-Annex I) countries according to a “shared vision.” The Bali Action Plan calls for an agreement that covers the following four areas: mitigation, adaptation, technology transfer, and provision of financing and investment (see paragraph 1). The group formed to negotiate these terms is the Ad hoc Working Group on Long-term Cooperative Action (**AWG-LCA**).

The UNFCCC itself is organized with two subsidiary bodies – a Subsidiary Body on Implementation (**SBI**) of the Convention, and a Subsidiary Body for Scientific and Technological Advice (**SBSTA**). SBSTA is focused on implementing an agenda covering 2005-2010 known as the [Nairobi Work Programme](#) on impacts, vulnerability, and adaptation.

Highly recommended brief: [Key Issues in the Climate Negotiations](#) (UNDP)

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<sup>1</sup> Annex I of the UNFCCC is an appendix that lists countries that have produced the most greenhouse gas emissions.

## Points of Reference

To read daily on-site publications compiled by teams of people covering multiple tracks:

[Earth Negotiation Bulletins](#)

[On the Side](#)

[Eco Newsletter](#)

[Third World Network](#)

To read primary documents that frame the negotiations:

[UNFCCC](#) (handy for looking up Article references in all subsequent files)

[Bali Action Plan](#) (**paragraph 1 terms in particular**)

All other [Bali Roadmap](#) docs (REDD, technology transfer, etc.):

[Summary of ongoing work](#) under Bali Action Plan

To review language addressing actual issues related to implementation of the Kyoto Protocol (CDM, governance of adaptation funds, etc.) and post-2012 commitments based on progress made in meetings since the Conference of the Parties in Bali (COP 13):

[Assembly paper from AWG-LCA](#) (for all signatories of the UNFCCC)

[Latest report from AWG-KP](#) (for all signatories of the Kyoto Protocol)

There are plenty of third-party commentaries on international climate negotiations posted by civil society groups. For example, the Harvard Project on International Climate Agreements has produced a number of policy briefs, and good background papers are available from the Pew Center for Global Climate Change and Center for Clean Air Policy. The Climate Action Network and the Third World Network also issue position papers.

## What do delegates do at the negotiations?

After some formal proceedings to open the meeting, each of the major meeting groups walk through their planned negotiating agendas, organizing smaller negotiating groups for each. By the third day, a couple thousand official delegates (trailed by thousands of civil society observers) disperse to dozens of these smaller contact groups. The goal is to address or at least clarify as many issues as possible prior to the arrival of ministers the following Wednesday. Though simultaneous translation into the six UN languages is available for formal proceedings, the bulk of all negotiations are conducted in English.

Because all of the contact groups proceed simultaneously, country delegates tend to operate in blocs. The blocs meet daily to coordinate how to represent common interests in multiple theaters of negotiation and integrate the implications of various developments. (See the [UNFCCC Daily Programme](#) to view lists of the contact groups and country blocs.)

Meanwhile, hundreds of UNFCCC [side events](#) serve a function of self-selection, enabling the 50-100 people who are deeply engaged on certain set of issues to actually find one another among the masses of thousands. In addition, three convention center buildings were rented to private companies for parallel events and expos spanning the full two weeks:

- International Emissions Trading Association
- Sustainable Energy Symposium
- Technology Expo

## International Climate Agreement Structure

The “Bali Action Plan” for the “Road to Copenhagen” articulates major elements of an agreement for Long-term Cooperative Action after 2012. In addition to a [Shared Vision](#), the agreement has [four pillars](#):

1. Mitigation
  - (i) “Developed” country commitments (Annex I)
  - (ii) “Developing” country commitments (Non-Annex I)... “[supported and enabled](#) by technology, financing and capacity building, in a measurable, reportable, and verifiable manner.”
2. Adaptation
3. Technology Transfer
4. Financial resources and Investment

## “Shared Vision”

The first week of negotiations featured a surprising debate over whether or not the Parties could agree on a shared vision for climate stabilization on Planet Earth. To address the matter, the chair of the Ad Hoc Working Group on Long-term Cooperative Action organized a five hour marathon of presentations by different nations reminding each other (and hundreds of spectators) that 190 countries have already signed a Framework Convention on Climate Change that was designed in 1990 to provide a shared vision:

- Stabilize greenhouse gas concentrations, at a level that avoids dangerous anthropogenic interference with the climate system.
- Achieve stabilization within a timeframe that would allow ecosystems to adapt and economic development to be sustained.
- Expect countries to take action based on common but differentiated responsibilities and respective capabilities.
- Developed countries accept responsibility for damages from climate change and will take the lead in taking action.
- Developing countries will take action, supported with resources from developed countries.
- Eradication of poverty will remain an overriding priority for developing countries.

As the Parties reiterated principles in the Convention, they arrived at an unsurprising conclusion that a “shared vision” would involve addressing [all four pillars](#) of the Bali Action Plan negotiated last year.

Delegates attending a side event hosted by the Third World Network spoke with distress about the 16 years that have passed since the ratification of UNFCCC with so few commitments yet fulfilled –

- Very limited mitigation targets.
- Stabilization goals that exceed the thresholds of danger.
- Adaptation money derived from an international trading mechanism; both gone awry.
- No functional technology transfer channels.
- Development crisis still in full force.

In formal statements on “shared vision”, delegates tended to focus on targets as a way to re-ground the purpose of the process:

- The Alliance Of Small Island States (AOSIS) called for *350ppm CO2* (echoing Dr. Jim Hansen), which the IPCC indicates would require reductions of 40% below 1990 by 2020 for Annex I and *95% below 1990 by 2050* for Annex I.
- EU, Brazil, India and China supported *25-40% below 1990 by 2020* for Annex I, which references the lowest category explored by the IPCC in 2007, 450-500ppm CO2.
- Japan and France stuck with reductions of *at least 50% below 1990 by 2050*.
- U.S. chimed in among the last, with no target ranges.

After hours of formal statements about “who needs to reduce by how much before when”, one negotiator from a South Asian country pointed out to a group of observers: Even if the poorest half of the world’s population jumped into the ocean, eliminating themselves in an effort to save the other half – that remaining half would *still* need to reduce emissions by 85% by 2050... That’s the physics of stabilization.

## Mitigation

**Brazil** announced a commitment to reduce its emissions from deforestation by 70% over the next decade. *Huge*. Deforestation accounts for about 20% of global GHG emissions, of which Brazil accounts for about 40%. Therefore, the Brazilian declaration alone would deliver *within 10 years a 5% reduction in global emissions*, not to mention all the co-benefits of healthy forests in the Amazonian watershed.

**Mexico** pledged to cut emissions by half by 2050, another major announcement for a non-Annex I country.

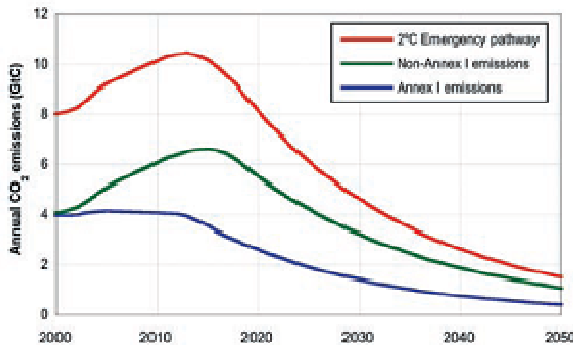
The **Australian** cabinet, on the other hand, announced a 2020 target of 10% below current levels... which was not well-received in Poznan.

The **U.S.** signaled that it would only be in a position to negotiate targets after the Obama administration issues a new mandate for the State Department.

The **EU** set the most ambitious mitigation target: unilateral commitment of 20% below 1990 by 2020, and up to 30% if there is a global pact. EU Ministers reaffirmed the 20% target when they on the last days of the negotiations, but European NGOs criticized weakening in other parts of the EU “climate package.”

Among delegates overall, there was clearly growing interest in the “emergency” path to 450ppm CO<sub>2</sub>, which would increase humanity’s chances of avoiding climate catastrophes triggered above 2 degrees Celsius (see red line below). That global carbon path peaks by 2015, and if the Annex I countries made a *maximum* effort (blue line), the “carbon budget” remaining for Non-Annex I countries (green line) still is forced to peak *before* 2020.

Red line (global) – Blue line (Annex I) = Green line (Non-Annex I)



China was not keen to discuss the implication of the green line, objecting to the suggestion of even 15-30% deviation from a growing baseline by 2020. Instead, it continued to remind Annex I countries that they have produced far more than their proportional share of greenhouse gases, and they should “make more space” for non-Annex I countries. In Copenhagen, the negotiation about developing country commitments and the ‘green line’ will be a central issue.

“[Mitigation potential](#)” was a feature focus of the Ad hoc Working Group on the Kyoto Protocol in a formal workshop to explore the implications of stabilization scenarios for Annex I countries in the selection of 2020 targets, and the presentation files posted by the UNFCCC are good references.

## Prospects for the Other Pillars

To recap:

- U.S. commitments politically *depend* on commitments from developing countries, and
- “Developing” country commitments *depend on the delivery of support* from the U.S. and other “developed” countries in the form of technology, financing, and capacity building.

With little movement on mitigation commitments, most delegates poured effort into negotiating elements of those subsequent three pillars:

For example, delegates focused on problems with the **Adaptation Fund** that was established with great fanfare last year. Apparently neither the Fund nor its Board actually had any legal status under international law – which made it difficult to trace lines of authority and accountability. This highly technical legal struggle persisted to the very last day, bearing the weight of much larger contests between Annex I and Non-Annex I nations on fundamental issues of control.

In other rooms, delegates debated provisions affecting the financial terms of **technologies transferred** between countries that would otherwise claim a payment for intellectual property. In the shadow of climate catastrophe, should solar power technologies be subject to terms similar to those established for “life saving drugs”?

The Bali Action Plan includes “provision of new and additional resources” to **finance and invest** in developing country action on mitigation, adaptation and technology cooperation. Should they be handled through existing institutions controlled by Annex I countries (e.g. the Global Environment Facility and the World Bank) or some new entity like a fund proposed by Mexico – or another design introduced by Norway? Non-Annex I countries insisted that these funds are *compensation*, and not *aid*, ranking at the suggestion that “developed” countries could burden the funds with additional conditions.

The understated expectation set by the Bali Action Plan is that *the United States, EU, UK, and Japan* really are going to make serious financial commitments to non-Annex I countries for 2012-2020. **Is that a well-founded presumption?** . . .

### **Can the U.S. Senate Commit to Humanity?**

Back in 2001 as part of the Marrakech Accords, Parties to the Convention set up a Least Developed Countries Fund (LDCF) to help 49 of the most vulnerable countries cope with the intensifying environmental stresses of a changing climate. Seven years later, 38 of those countries have submitted National Adaptation Program of Action plans for hundreds of projects totaling \$1.6 Billion, but “developed” countries have committed less than 10% of that amount to the fund. According to the Climate Action Network, the LDCF has only funded *one* project – in Bhutan.

What are the prospects for financial commitments in a new agreement? The post-Kyoto international agreement needs to reign in the U.S. as a rogue nation in climate change geopolitics, and that requires terms that the Senate can ratify with 67 votes. The Lieberman-Warner bill committed 2-4% of auction revenues for international commitments (\$4-8B in the early years). That’s less than 0.1% of U.S. GDP and just a fraction of what delegates from developing countries are seeking. India alone estimated its premium technology costs for a low-carbon development path to be \$20B/year – and that figure does not include adaptation or capacity building.

Meanwhile, the EU and U.S. are considering cap-and-trade policies that propose to auction “permission” to pollute Earth’s atmosphere as if they actually own it, overlooking the fact that these Annex I countries are already deeply in *carbon debt*. Acknowledging this awkward sky-grab, Germany has proposed to fund its international commitments by setting aside 30% of the revenues raised from its share of the EU ETS auction starting in 2012. What would be required to pass a U.S. climate policy (60 votes) that commits 30% of auction revenues (~\$50B/year) to international commitments in a post-2012 agreement (67 votes)?

### **Humbling U.S. Environmentalists**

Sensing that euphoric delegates celebrating Obama’s victory have overlooked the disposition of the U.S. Senate, NGO representatives from the U.S. engaged in an uncomfortable and uncoordinated effort to

“manage expectations” about an agreement the U.S. could support in Copenhagen next year. If *Developing Country* commitments are *dependent* on money that 67 Senators wouldn’t agree to send, and the *U.S.* commitments are *dependent* on Developing Country making commitments even without the money... that’s no deal.

American environmental groups have worked hard to turn the tide in the U.S. just to bring Congress to the brink of *considering* policies to drive GHG emissions toward abolition. Now the big lift back home will be to convince Americans to accept both steep reduction targets and major financial commitments to people in developing countries. The only backstop would be the states that have committed to action even without a federal climate policy, but none of them have engaged the matter of financial obligations to the countries least responsible for climate change and most vulnerable to its impacts.

As one colleague described the reckoning: The moral claims for justice from around the world are deeply compelling – and yet as long as 6 billion people are hamstrung by 67 people in the U.S. Senate (and their patrons), the Senators’ perspective on political viability is a controlling factor. This is a very, *very* difficult conversation to have with representatives from India, South Africa, and Brazil.

## Greenhouse Development Rights

Another powerful and enduring frame of political pragmatism is equity: *If it’s not fair, it won’t stick.*

A panel presentation on a Greenhouse Development Rights (GDR) proposal filled the largest room available for side events. Using some very simple principles, the GDR framework is built on calculations of relative responsibility and capacity for each country, using the results as a basis for determining the relative effort each would be expected to commit on the path to climate stabilization.

For reference, the U.S. is responsible for ~30% of GHG emissions since it signed the UNFCCC in 1990, so the implications of a GDR basis for effort-sharing are breathtaking for the U.S. However, this “apparently infeasible” proposal has attracted remarkable attention because the underlying principles are cannot be dismissed. The Executive Summary of the Greenhouse Development Rights framework ([www.ecoequity.org](http://www.ecoequity.org)) presents lines of logic that are at least as stubborn as the politics of the U.S. Senate.

## Critiques of Cap and Trade Designs

The financial meltdown sweeping the globe only reinforced the skeptics who have long doubted that market mechanisms could successfully drive the major economies toward fossil fuel abolition. At a side event on financing and investment, one delegate lamented that proponents of carbon trading still wish to entrust the habitability of Earth to an industry that “could not manage simple mortgages.” Nevertheless, the International Emissions Trading Association ensured that their interests were well-represented by fielding the largest single delegation to the entire convention and holding their own continuous series of side events to discuss the elaborate details of market design for an ever-expanding species of tradable emission properties.

One official UNFCCC side event featured an impressive discussion on cap-and-trade policy designs between Jonathan Pershing (World Resources Institute) and Artur Runge-Metzger (EU Commission). After Runge-Metzger pointed to a representative of the electric power trade group EurElectric in attendance, they both laughed a bit uneasily as he discussed the estimated \$50-70 billion in windfall profits to the electric power industry expected through 2012 as a result of the free permits regime. Runge-Metzger reiterated a desire to link to a U.S. trading regime, noting that political demands in Congress for price control, border tax conditions, and limits on offsets would be significant obstacles. He also suggested it would be best to link the two by simply accepting each other's permits on face-quantity without adjustment, even though the EU and the U.S. are likely to have different prices due to unequal mitigation pressure. Because a simple linking would raise mitigation pressure in the U.S., his suggestion would imply a much more interdependent negotiation of targets – and politically durable carbon prices.

At that same session, a Merrill Lynch VP for commodities trading noted that the economic recession is diminishing investor expectations for the demand for (not-so-scarce) permits through 2012. He interpreted the apparent price floor of 15 euros/tonCO<sub>2</sub> as primarily reflecting the time-discounted value of a bankable permit in 2012 under a more stringent regime (e.g. 25% below 1990 by 2020), and to be more plain, he suggested that if the permits were not bankable, the price would have collapsed already. Because the market is indicating four years of relaxed demand, the present conditions present an ideal opportunity to reduce slack in the cap. However, because the EU ETS Phase II design for 2008-2012 does not include an auction, it cannot take advantage of low-cost opportunities to accelerate the path to its mitigation targets by using a reserve price to retain underpriced permits.

## **Challenging Power**

Among international institutions, the United Nations is exceptional for the level of representation and participation by countries without regard to their economic scale or military might. Nevertheless, those who have the most at stake in the UNFCCC negotiations struggled to influence the discourse. For example, the Alliance Of Small Island States (AOSIS) is a bloc of countries whose very existence is at risk without a very aggressive international climate agreement. Since the IPCC published its 2007 assessment, scientists have indicated that global warming will drive even higher projections of sea level rise such that only the lowest levels of stabilization would prevent the small island states from being inundated. Seizing a moral authority in the open debate on global mitigation targets, Barbados speaking on behalf of AOSIS refused to concede to even 450ppm CO<sub>2</sub>, saying, "We will not sign a suicide note."

Similarly, Indigenous Peoples were exasperated by negotiations of a trading agreement to reduce emissions from deforestation and forest degradation (REDD) because it would not recognize the rights of indigenous people in the transactions. The United Nations recognizes all indigenous people around the world through a single Indigenous People's Organization, which itself had to struggle to be recognized for a two minute statement at the end of one of the formal sessions. In the statement, the representative insisted, "We are not stake-holders. We are rights-holders." After Canada, Australia, and the United States blocked attempts to ensure that the rights of indigenous peoples would be respected in the disputed REDD agreement, the members of the IPO network staged a protest at the door of the press office chanting, "No Rights, No REDD!"

The convergence of youth in Poznan featured the largest ever youth delegation to a UNFCCC meeting, and the sustained applause for Gore's call for a 350ppm CO<sub>2</sub> stabilization target was one indication of their influence among the masses. However, the youth were frustrated in attempts to use formal channels to participate in the proceedings. As negotiations on the last day continued to focus on highly technical issues regarding relatively small facets of a big problem, youth converged in the convention center atrium to deliver a singular message to departing delegates: Survival is non-negotiable.

The outcome in Poznan reminded thousands of participants that the political forces of greenhouse gas emitters are still stronger than those from countries that have contributed the least – and benefited the least – from more than a century of fossil fuel use. It also reinforced that the political forces in the Annex I countries are still more sensitive to their patrons than to any sense of moral responsibility for the habitability of Earth. The disenfranchised groups were disappointed but not defeated because history is clear that no political force can defy the laws of physics.

## The Gore Factor

As news articles announcing “no news from Poznan” spread around the world, Al Gore arrived after lunch on the very last day to speak to a thousand remaining participants. Reiterating the urgency of the climate change crisis and the importance of the UNFCCC mission, he made two suggestions that set the convention hall abuzz:

1. **350ppm CO<sub>2</sub>.** Gore earned the strongest and most sustained applause of his entire address when he called a CO<sub>2</sub> stabilization target of 450ppm “inadequate,” saying it will soon need to be toughened to 350ppm CO<sub>2</sub>. The 350ppm concentration target is at least 30ppm *lower* than the current level, which is *rising* at a record rate. Recognizing that delegates are still struggling with the implications of a 450ppm emissions path, he advised those who understand that “the goal should be tougher still” to remember that the early steps in a process of reaching either stabilization target are very similar.
2. **Heads of State.** Tacitly acknowledging that diplomats from every country have been shadow-boxing for their executives for a decade to no avail, Gore called on heads of state “to become personally involved in meeting several times between Poznan and Copenhagen.” Gore raised confidence in his prescription by repeating one of President-elect Obama's promises: “Once I take office, you can be sure that the United States will once again vigorously in these negotiations and help lead the world toward a new era of global cooperation on climate change.”

## Progress in Poznan

For all that was on the table in Poznan, the UNFCCC Secretariat tried its best claim progress in its closing press statements by citing two developments:

1. *The Adaptation Fund is now legal.* The Kyoto Protocol established a Clean Development Mechanism that credits Annex I countries with *offsets* for investments in mitigation in non-Annex 1 countries. A 2% tax on those transactions is diverted to an Adaptation Fund, which was barely established in time for the start of the Kyoto Protocol's 2008-2012 commitment period. As described above, the fund was

dysfunctional in its first year because its board apparently had no status in international law, and the countries it was intended to benefit from the fund could not access it directly. Furthermore, the Adaptation Fund only receives a relatively tiny sum of money, and beneficiary nations wanted the 2% tax extended to two other forms of international emissions trading sanctioned under the Kyoto Protocol. The first two issues were ultimately resolved, and the UNFCCC Secretariat reported that the third “proved impossible.” The bitter negotiations over the Adaptation Fund spanned the full two weeks, reflecting a sorely missing spirit of cooperation and a deep lack of trust between the parties.

*2. Poznan Strategic Programme on Technology Transfer.* The agreement allows the Global Environment Facility to leverage *private* sector funds to scale up adaptation and mitigation investments. This development is in some ways a consolation prize since further financial support from the national governments of Annex I countries was refused.

Anything else? In the end, the UNFCCC Secretariat declared that the major success of the negotiations in Poznan was “a clear commitment from governments to shift into full negotiating mode next year.” The Polish minister hosting the convention said, “We will now move to the next level of negotiations, which involves crafting a concrete negotiating text for the agreed outcome.” This first draft of negotiating text is due in June 2009, five months before COP 15 convenes in Copenhagen.