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**CLIMATE CHANGE AND
SUSTAINABLE BUSINESS
SOLUTIONS UPDATE**

The Copenhagen Climate Change Conference: Was Anything Accomplished?

Following the United Nations Climate Change Conference held in Copenhagen, Denmark from December 7 to 18, 2009 (COP15), the Obama administration received both praise and criticism concerning the resulting Copenhagen Accord (the “Accord”). Supporters of the Accord believe that it is a positive step toward a global response to climate change that improves upon previous efforts by directly involving significant greenhouse gas (GHG) contributors such as China and India. Critics of the Accord, however, believe that its lack of enforcement mechanisms and non-involvement of the majority of U.N. members cripples it. This debate likely will continue into the new decade as GHG emission targets are set, commitments become due and domestic legislation adds an additional layer of complexity to international emission mitigation efforts.

The Accord was predominantly negotiated between leaders of China, India, Brazil, South Africa, the United States and approximately 20 other countries. The most significant aspect of the Accord is that participating nations recognized that any further increase in global temperature should not exceed 2 degrees Celsius, and that significant emission cuts are necessary to achieve that goal. To this end, participating developed nations committed to implement individually or jointly emission targets by 2020, with such targets being set by January 31, 2010.

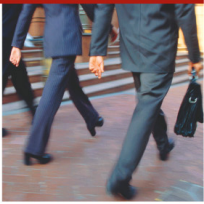
To balance the interests of developed and developing nations, participating developed countries committed to provide developing countries with resources to improve forestry practices and investments through international institutions approaching \$30 billion for the period 2010 to 2012. Participating developed countries further committed to a goal of mobilizing jointly \$100 billion a year by 2020 to address the needs of developing countries. Thus, the Accord contemplates a two-pronged global approach whereby developed nations reduce their own emissions, while sharing in the costs of implementing emission mitigation efforts in developing countries.

In addition to the direct economic assistance discussed above, the Accord also expands upon the existing Reducing Emissions from Deforestation and Degradation (REDD) program, creating a “REDD-plus” system that would provide a credit system for forest conservation in both developed and developing countries. The original REDD program was adopted in U.N. climate discussions two years ago and assists countries in identifying drivers of deforestation, developing methods and tools for measuring and monitoring greenhouse gas emissions, and access to financial and technical assistance. However, under the contemplated REDD-plus program, countries would be compensated for preserving forests (among other natural landscapes) via certified emission credits that could be used or sold. While much work remains to finalize the REDD-plus program, the Accord establishes a commitment from participating countries that the program is a desired mechanism for the future mobilization of financial resources.

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As mentioned above, many believe the Accord constitutes a significant step toward a global response to climate change. Unlike in previous U.N. conferences, emerging economies such as Brazil, South Africa, India and China played active roles in the drafting of the Accord, which supporters believe signifies these countries' recognition of their significant roles in both creating and addressing climate change issues. Supporters of the Accord also applaud the Obama administration's persistence in securing these countries' commitments to the Accord, while not making commitments that would conflict with or undermine current U.S. legislative deliberations over efforts to regulate climate change.

Nevertheless, many critics of the Accord, including certain environmental groups, politicians and participating countries in the Kyoto Protocol, cite the Accord's lack of an enforcement mechanism as a significant shortcoming. Specifically, these critics believe that the Accord amounts to empty promises that will be unenforceable should a participating country fail to honor its commitments. Critics of the Accord have also expressed disappointment based on expectations that more concrete plans would result from the COP15 to address climate change, providing an international mechanism of accountability for non-participating countries. Lastly, critics criticize the limited involvement of U.N. countries in the drafting of the Accord, which they believe was necessary given the funding mechanisms provided for in the Accord.

One thing is clear in the aftermath of COP15: climate change is a recognized global issue that will ultimately need to be addressed at both the domestic and international levels. Businesses should stay apprised of the Accord's initiatives and future U.N. climate change conferences as they will likely influence domestic legislative and regulatory efforts in the United States, as well as adding an additional international level of oversight.

FOR MORE INFORMATION

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If you do not wish to receive future communications by email, please send an email with "Unsubscribe: Climate Change bulletin" as the subject line to [**Heidi.Moreno@ThompsonHine.com**](mailto:Heidi.Moreno@ThompsonHine.com).

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