CAN Fair Effort Sharing Principles Position Paper

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Countries agreed in the United Nations Framework Convention on Climate Change (UNFCCC) to prevent dangerous climate change: to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner. At present they are failing in this task. One element holding back countries from the necessary action is the concern that they will be asked to do more than is their fair share, and conversely that other countries will 'free ride' off their effort. A common understanding of fair shares – even if it is only approximate – can help overcome this trust barrier and lead to higher levels of ambition from all.

CAN recommends to parties and the AWG Chairs that they take steps to proactively insert effort sharing into the negotiation framework in 2011 and 2012. COP17 should establish a mandate to agree an equitable effort sharing approach between all countries by COP18. Whilst an agreement on an equitable effort sharing approach should be the ultimate aim, any discussions that expand the shared understanding of a fair effort sharing approach have the potential to move the negotiations forward exponentially. Waiting for these discussions to take place is not, however, an excuse for countries to put off increasing their level of ambition. All countries[1] have an obligation to increase their ambition now – developed countries, with their woefully inadequate pledges, most of all.

Principles of the Convention

The UNFCCC clearly expresses a number of principles in Article 3:

> *In their actions to achieve the objective of the Convention and to implement its provisions, the Parties shall be guided, INTER ALIA, by the following:*
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> *Article 3.1 The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of **equity** and in accordance with their **common but differentiated responsibilities and respective capabilities**. Accordingly, the **developed country Parties should take the lead** in combating climate change and the adverse effects thereof.*
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> *Article 3.2 **The specific needs and special circumstances of developing country Parties**, especially those that are particularly vulnerable to the adverse effects of climate change, and of those Parties, especially developing country Parties, that would have to bear a disproportionate or abnormal burden under the Convention, **should be given full consideration**.*
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> *Article 3.3 The Parties should take **precautionary measures to anticipate, prevent or minimize the causes of climate change and mitigate its adverse effects**. Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing such measures, taking into account that policies and measures to deal with climate change should be cost-effective so as to ensure global benefits at the lowest possible cost. To achieve this, such policies and measures should **take into account different socio-economic contexts**, be comprehensive, cover all relevant sources, sinks and reservoirs of greenhouse gases and adaptation, and comprise all economic sectors. Efforts to address climate change may be carried out cooperatively by interested Parties.*
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> *Article 3.4 The Parties have a **right to**, and should, promote **sustainable development**. Policies and measures to protect the climate system against human-induced change should be appropriate for the specific conditions of each Party and should be integrated with national development programs, taking into account that economic development is essential for adopting measures to address climate change.*

[1] except for the Maldives and Costa Rica who are developing countries that have committed to becoming carbon neutral.

*Article 3.5. The Parties should cooperate to promote a supportive and open international economic system that would lead to **sustainable economic growth and development** in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.*

Equity principles

The overarching principle that Parties act "on the basis of equity" (Article 3.1) is not explicitly defined, but the UNFCCC does provide guidance as to differential treatment that may be required in order to achieve it. In this regard, one could say that ensuring equity means, inter alia:

- Common but differentiated responsibilities and respective capabilities (3.1)
- Developed countries should take the lead (3.1)
- Full consideration for needs and circumstances of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change (3.2)
- Precautionary approach to avoiding climate change and its adverse effects. (3.3)
- Approach is cost-effective, and comprehensive, while accounting for different socio-economic contexts (3.3)
- Approach is appropriate given Parties conditions and development needs (3.4)
- Preserves the right to sustainable development (3.4)
- Supports sustainable economic growth and development (3.5)

The core principles of the Convention

Some further elaboration of three core principles is useful.

- **Common but differentiated responsibilities and respective capabilities (often shortened to "CBDR")**

  Neither responsibility nor capability is strictly defined in the UNFCCC, but both have come to have reasonably well understood, broadly agreed definitions: responsibility being the extent to which a country has contributed to the climate problem, and capability being its financial and technological wherewithal to contribute to solving the problem. These characteristics are frequently correlated, which is unsurprising as historically development, and wealth creation, has been derived by the consumption of fossil fuels. This correlation between emissions and wealth is further justification for the second sentence of Article 3.1, obliging developed countries to "take the lead in combating climate change and the adverse effects thereof".

- **Precautionary Principle**

  Article 3.3 of the Convention is based on the precautionary principle and requires all Countries to take measures to "anticipate, prevent and minimize the causes of climate change and its adverse effects." This is arguably the Convention principle that most strongly supports the objective of a strong, science-based level of ambition, because a responsibility to "prevent or minimize the causes of climate change" speaks directly to the core of the issue: emission reductions. Article 3.3 specifies that efforts should take into account different socio-economic contexts, linking it to Article 3.1 and CBDR, yet in the context of a comprehensive agreement that can "cover all relevant sources." It also implicitly references the reality that reconciling strong ambition with CBDR entails carrying out efforts cooperatively among Parties.

- **Adequacy Principle**

  The climate agreement must be sufficiently ambitious to prevent dangerous climate change, and enable all human beings the right to survive and the right to a decent life. This means striving very hard to keep temperature rise below 1.5°C.

- **Right to Sustainable Development (R2SD)**

  Article 3.4 acknowledges a "right to promote sustainable development" and recognizes that "economic development is essential for adopting measures to address climate change, and Article 3.5 supports cooperation that would lead to "sustainable economic growth and development." These principles are sometime construed as implying a right to unbounded development and unconstrained emissions, but this is clearly an unjustified misinterpretation as it expressly conflicts with fundamental objective of the Convention (to protect the climate system).

  To reconcile Convention principles that support development with the fundamental objective of the Convention, we must note two key points. First, the right to development is qualified by the word "sustainable", implying that it does not imply an unconditional right to wreck the climate. Second, as is true of rights generally, the right to sustainable development has implications or both *rights-holders* and *duty-bearers*. The poor have a *right* to sustainable development, and the rich have a corresponding *duty* to provide the means by which that development may be made sustainable. This perspective is reflected in the developed country Parties' Article 4 commitments to provide financial and technological support so that developing country Parties can meet their commitments under the Convention.

  This all means that while the Convention supports development in the developing countries, it simultaneously requires the development to be sustainable, and obliges developed countries to help enable it to be so.

Other elements of equity

Other elements of equity, in addition to effort sharing, include risk sharing and opportunity sharing. Risk, effort and opportunity sharing shape a three-prong approach to climate fairness / equity / justice. Risk sharing is included as the right to survival, and in the requirement to support a science based level of ambition to keep temperature rise below 1.5°C. Opportunity/benefit sharing has not received much attention in the fair-shares debate, but is essential and must be noted. This is to say that justice demands not only that burdens be fairly distributed, but also that the opportunities and benefits that the energy shift and climate transformation provide be fairly distributed as well. This implies that developing countries, especially poor developing countries, must be given the opportunity to participate in low-carbon development and not, through poverty, be locked into high carbon infrastructure, which may well have a limited lifespan. This is embedded in the principle of right to sustainable development.

Principles (and other relevant considerations) that should be considered in an effort sharing approach

A fair effort sharing approach must provide a framework for determining how obligations are allocated in a global climate regime, including both mitigation (or mitigation finance) and adaptation finance. The following tables enumerate equity principles that are directly relevant to such an approach, as well as other important considerations that are not strictly speaking equity principles (comparability, "simplicity", etc.).

Table 1: The two core equity principles and their subsidiary principles

Principle	Elements	Measurement/metrics	Comments
Common but differentiated responsibilities and respective capabilities (CBDR)	**Core Equity Principle**		
Responsibility **(CBDR – Art 3.1)**	**Subsidiary equity principle that supports CBDR** Historic responsibility	Emissions since an agreed start date. (1850, 1990, ...)	**How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding proposed frameworks that do not adequately take historical emissions into account as a determinant of national obligations within the global regime (I.e., would suggest excluding Contraction and Convergence and other such proposals)
Responsibility **(CBDR – Art 3.1)**	**Subsidiary equity principle that supports CBDR** Current responsibility	Current annual emissions per country (As a reflection of responsibility and of mitigation potential, whether supported domestically or internationally)	**How does this principle help us identify good effort-sharing frameworks?** Depending on how it is interpreted: If this principle takes current emissions as a reflection of **responsibility**, it would suggest excluding proposed frameworks that do not adequately take current emissions into account as a determinant of national obligations within the global regime. If this principle takes current emissions as a reflection of **mitigation potential**, it would suggest excluding proposed frameworks that do not permit reductions to happen where there is potential (independent of which country is obliged to pay). (I.e., it would suggest excluding any framework that does not accommodate trading or some kind of fund, to facilitate transfers of finance/technology)

Principle	Elements	Measurement/metrics	Comments
Responsibility **(CBDR – Art 3.1)**	**Subsidiary equity principle that supports CBDR** Future responsibility (precautionary measures of responsibility (Art 3.2))	Projections out 30-50 years	This is relevant because all countries – if they proceeded along a BAU path – will ultimately hold a high level of responsibility in the future, and to ensure that countries avoid future carbon debt, a regime must ensure sufficient mitigation in all countries. **How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding proposed frameworks that do not adequately curb future emissions in all countries, i.e., that do not enable a sufficiently ambitious regime. (It thus reinforces and strengthens the "precautionary action" principle.)
Capacity/Respective capabilities **(CBDR – article 3.1)**	**Subsidiary equity principle that supports CBDR** Ability to contribute to the climate effort	Current income / wealth (GDP/GNI) Other indicators of overall level of development? (MDGs, HDI, etc.)	**How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding proposed frameworks that do not adequately take capacity into account as a determinant of national obligations.
Luxury emissions / Overconsumption	**Subsidiary equity principle that allows proper conception and calculation of capacity** Place special obligations on countries in relation to the extent of their luxury emissions	Emissions above a specified threshold	**How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding frameworks that fail to distinguish the emissions associated with luxury consumption from survival and other emissions. (This distinction applies to emissions within countries – other principles implicitly address this between countries)
National inequality	**Subsidiary equity principle that allows proper conception and calculation of capacity**	Gini coefficients, income and emissions distributions (rather than per capita averages)	**How does this principle help us identify good effort-sharing frameworks?** This principle suggests excluding any frameworks that do not account for national inequality in its assessment of national obligations (or, modifying such frameworks so that they do account for national inequality). E.g., if a framework bases national obligations on income as a measure of capacity to pay, it should do so in a manner that recognizes that income is disparately distributed.
Equal treatment for all people	**Subsidiary equity principle that supports CBDR** Responsibility and capability indicators	Equivalent metrics should be used for all people across the world	**How does this principle help us identify good effort-sharing frameworks?** This means, for example, that an affluent citizen of the South that lives in an emerging economy like China should be treated the same as an equally affluent citizen of an LDC.

Principle	Elements	Measurement/metrics	Comments
Developed countries lead Developed countries to "take the lead in combating climate change and the adverse effects thereof."	**Subsidiary equity principle that supports CBDR** Annex 1 must not be able to shift the burden onto nA1. (Note: this would include shifting burden to the nA1 by failing to take sufficiently stringent targets and thus imposing climate damages on the South) Developing countries to act as well (in accordance with principles and provisions of UNFCCC, including CBDR, right to sustainable development). Avoiding / mitigating climate impacts or disproportionate burden (Art 3.2) Policies & measures should take into account different socio-economic contexts (Art 3.3) and should be appropriate for the specific conditions of each Party (Art 3.4)	Magnitude and distribution of obligation (i.e., stringency of allocations or extent of costs) and form of commitment imposed by effort-sharing framework, especially on developing countries.	**How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding frameworks that do not support developed countries "taking the lead", including both domestic reductions as well as finance and technology to enable significantly more reductions in developing countries (as would be consistent with the overall global climate protection goal).

Principle	Elements	Measurement/metrics	Comments
A1/nA1 version possible?	**Subsidiary equity principle that supports CBDR** Is there a possible proposal variant that can be applied right away, in keeping with the Bali Roadmap and the structure of the UNFCCC negotiations based on A1/nA1 and KP/LCA distinctions.	Magnitude and distribution of obligation (i.e., stringency of allocations or extent of costs) and form of commitment imposed by burden-sharing framework, especially on developing countries.	**How does this principle help us identify good effort-sharing frameworks?** It would suggest that an acceptable framework would have to provide a basis for an immediate phase during which developed (A1) countries "take the lead", serving an immediate positive function within the structure implied by the AWG-KP track of the Bali Roadmap, and where developing countries take action in line with their responsibility, capability and to support sustainable development.
A1/nA1-free version possible?	**Subsidiary equity principle that supports CBDR** Is there a possible proposal variant that would be applicable in a future phase after the developed countries have taken the lead, whereby all countries are engaged on the basis of a fair-shares analysis that equitably applies to all countries.	Magnitude and distribution of obligation (i.e., stringency of allocations or extent of costs) and form of commitment imposed by effort-sharing framework, especially on developing countries.	**How does this principle help us identify good effort-sharing frameworks?** It would suggest that an acceptable framework would have to provide a basis for a subsequent phase once developed countries have "taken the lead", whereby all countries are engaged on the basis of a fair-shares analysis that equitably applies to all countries.

Principle	Elements	Measurement/metrics	Comments
Right to sustainable development (R2SD) **(Article 3.4)**	**Core Equity Principle**	Use established indicators for development: - fulfilment of MDGs? - access to energy services? - HDI? - development threshold?	The climate regime must enable countries to develop sustainably, and allow all countries to share in the opportunities created in the move to a low carbon economy. This principle demands an effort-sharing framework ensuring that equitable levels of ambition for developed and developing countries are explicitly identified – making it clear that developing countries will not be left to pick up the remainder of global effort once developed country effort is taken into account. **How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding proposed frameworks that preempt or undermine a right to sustainable development. I.e., it would suggest excluding any framework that, given the limited carbon space available, provides insufficient financial and technological resources for meeting the legitimate development needs of developing countries (represented, for example, by the MDGs or a specified threshold of income or HDI). It would also suggest excluding any framework that imposes obligations that are so costly as to preempt or undermine prospects for developing countries to meet their legitimate development needs.
Must be able to support a science-based level of ambition **(Precaution – Art 3.3)**	**Subsidiary equity principle (adequacy principle) that supports R2SD**	Overall global emission trajectory and GHG budget consistent with keeping 1.5^{o}C within reach, and a high probability of keeping warming well below 2^{o}C.	Science-based level of ambition refers to a sufficiently precautionary target defined in a manner consistent with the science. A science-based level of ambition is an equity principle because an insufficiently ambitious climate agreement will cause devastating impacts to poor communities, potentially threatening their right to survival. Not all fair-shares frameworks are capable of supporting a high level of ambition in a manner that does not excessively burden poor countries, and compromise their right to sustainable development. Such proposals will be rejected. Carbon lock-in from historical pollution impedes the R2SD, and any model that allows for late peaking and a continued rise in emissions by high GDP/high CO2E countries flouts this principle. **How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding proposed frameworks that can only support weak levels of ambition. (I.e., would suggest excluding any framework that does not require/enable major mitigation in developing countries for several years.)

Principle	Elements	Measurement/metrics	Comments
Adaptation should be part of the effort-sharing obligation	**Subsidiary equity principle that supports R2SD** Need for support to adapt and build adaptive capacity. Vulnerability (exposure to climate impact)	Estimated costs of adaptation (e.g. UNDP)	**How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding frameworks that do not provide any guidance in effort-sharing relating to funding adaptation. (Or, perhaps, it just suggests that such frameworks should be considered incomplete and in need of a complementary framework for adaptation.) It would also suggest the effort-sharing frameworks below should be used to also allocate adaptation costs.
Must be able to support the right to survive	**Subsidiary equity principle that supports R2SD** Applicable especially to AOSIS, LDCs, and any other countries or communities that face an existential threat from climate change.	Measures of overall ambition, such that survival is ensured.	The obligations implied by an equity framework must be such that the right to development and other national goals and aspirations (this can include survival for small island states, avoiding impacts etc) is not undermined. **How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding any frameworks that are not able to support a regime that would ensure (with high probability) the survival of those countries for whom climate change is an existential threat. (It thus strongly reinforces and strengthens the "precautionary action" principle above.)

Table 2. Additional subsidiary principles

Principle	Elements	Measurement/metrics	Comments
Economic Costs and cost effectiveness	**Subsidiary equity principle** How should differential (marginal) costs factor into an effort sharing system? As a reflection of cost-effectiveness, many (for example, the EU) seek to reach equal marginal abatement costs across regions. "Fair shares" of a global effort should be comparable based on economic impact, accounting for the fact that costs vary among countries.	Total cost to a nation of meeting climate obligations should take into account: - mitigation required in a developed country - mitigation required in developing countries (unsupported) - mitigation potential in developing countries that can only be achieved with international finance and support - adaptation costs - technology needs (for both mitigation and adaptation)	Some effort-sharing approaches seek explicitly to set targets for *domestic* reductions (though not necessarily overall effort-sharing obligations) based on equalizing marginal abatement costs. These analyses, as derived by (for example) McKinsey, Stern, and International Energy Agency, calculate sector by sector the cost of mitigation in each country, and generally identify domestic mitigation action in each country up until a common marginal cost of abatement (e.g. \$50 per ton of CO_2). These approaches tend to be complex, and rely on modeling to generate domestic emission reduction targets. "Incremental costs" can be very difficult to define. **How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding any frameworks that do not allow the global effort to be undertaken in a cost-effective manner. (One definition of "cost-effective" is that marginal abatements costs are equalized for all regions.) (I.e., it would suggest excluding any framework that does not accommodate trading or some kind of fund, to facilitate transfers of finance/technology.)
Simplicity	**Subsidiary equity principle** Can be easily communicated The overall approach, if not all its internals, must be easy to explain. Can be externally verified, for example, by civil society.		A system may involve technically complex analysis internally, but still lend itself to simple public presentation. **How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding any framework that is too complex to implement. (I.e., too complex to explain and justify, too easily gamed, impossible to verify, etc.)

Principle	Elements	Measurement/metrics	Comments
Comparability	**Subsidiary equity principle** It should be possible to compare a country's effort to its fair share of the total global effort, and to the efforts being made by other countries. This should be possible for countries across various stages of development.	Common base years Frequency of review Financial contributions of different forms (i.e., this implies an MRV system that is comprehensive and fair across different types of effort.)	Any meaningful effort sharing approach must be capable of being compared across countries, even in a "pledge and review" regime. This is necessary it we are to ratchet up effort in a world where countries are anxious about going "to far out in front" of other countries. **How does this principle help us identify good effort-sharing frameworks?** This would suggest excluding any framework that relies on metrics or establishes obligations that are not comparable across countries, and hence that cannot serve as a basis for determining whether countries' actions are in accordance with equitable effort-sharing.
LULUCF related efforts must be treated as core	**Subsidiary equity principle** Effort sharing approach should account for efforts related to LULUCF emissions	LULUCF emissions	High-ambition pathways are not within reach unless land-use emissions are part of the picture. **How does this principle help us identify good effort-sharing frameworks?** This principle would suggest excluding any framework that does not require/enable mitigation in the LULUCF domain.

For further information on Effort Sharing, please see [CAN's Discussion paper] that provides an analysis and comparison of 13 effort sharing approaches, including Greenhouse Development Rights, the Oxfam approach, the South/North dialogue Equity in the Greenhouse, Indian carbon budget approach and Prime Minister's approach, Contraction and Convergence and more. http://climatenetwork.org/publication/can-fair-effort-sharing-discussion-paper