



# Climate Action Network Submission to ADP Chairs on Workstream 1: Post-2020

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*Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 700 members in over 90 countries.*  
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## Introduction

CAN welcomes the opportunity to provide input into the ADP Co-Chairs' consideration. Our submission will cover these areas:

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## **(a) Application of Principles of Convention**

Equity, including a dynamic approach to common but differentiated responsibilities and respective capabilities (CBDRRC), must be at the very heart of the Durban Platform for Enhanced Action Workstream 1 if it is to be able to deliver adequately for the climate. The internationally legally binding protocol now under negotiation must include common and accurate accounting, MRV, strong compliance and enforcement, all respecting the principles of equity, including CBDRRC. It must have fair targets and actions that are consistent with the strong likelihood of meeting a 2°C global carbon budget, and thus keeping 1.5°C budget within reach. It should build on, develop and improve the rules already agreed under the Convention and the Kyoto Protocol.

The failure to consider equity principles for a global effort sharing agreement – an equitable approach to sharing the costs of mitigation and adaptation amongst countries – has been a stumbling block to agreeing sufficient ambition. Adaptation must be treated with the same importance as mitigation. Countries are concerned that they will be asked to do more than is their fair share, and conversely that other countries will ‘free ride’ off their efforts. A common understanding of fair shares can help overcome this trust barrier and lead to higher levels of ambition from all. Countries must urgently start their work to increase understanding of, and further agreement on, ways and options for the allocation of fair shares of the global effort.

### ***Equity Principles must be at the Heart of the ADP Discussion in Workstream 1***

The importance of equity is reflected in the overarching principle of the UNFCCC that Parties act “on the basis of equity” (Article 3.1). CAN has undertaken a detailed assessment of the principles of equity contained within the Convention and invites Parties to pursue our Effort Sharing Principles Paper which offers an assessment of the equity principles of the Convention<sup>1</sup>. Common but differentiated responsibilities and respective capabilities (CBDRRC) remains a key and underlying principle of the Convention and, along with the other equity principles of the Convention, should form the basis of discussions in Workstream 1 under the ADP. CAN’s assessment of the wide range of equity principles indicates that a small number of “core” principles should form the foundation of the discussion and negotiation outlined above:

#### ***Core equity principles***

- 1) The adequacy principle, which is an equity principle for the simple reason that catastrophic climate change, would be the ultimate injustice. If any proposed regime is incapable of delivering an ambitious global mobilization (using 1.5°C and the survival of the most vulnerable as our ultimate benchmark) it simply cannot be accepted as equitable.
- 2) The principle of common but differentiated responsibilities and respective capabilities (CBDRRC) remains key. We do need a common understanding of equitable effort sharing, one that moves forward to a dynamic approach based on clear principles and indicators – an approach to global differentiation that is adequate to the complexities of the emerging world system. A spectrum approach, obviously, must give due account to both historical responsibility for the climate problem and the capability to act on it.
- 3) The right to sustainable development. This principle (and its reach beyond “poverty eradication”) is inevitably controversial, but, in truth, there will be no effective global ambition without it. To be very clear, “equitable access to sustainable development” implies no right to unconstrained emissions; such a misinterpretation would conflict with the fundamental objective of the Convention (to protect the climate system). Adaptation is an integral element of

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<sup>1</sup> The *CAN Fair Effort Sharing Principles Position Paper*: <http://www.climateactionnetwork.org/publication/can-position-effort-sharing-principles-nov-2011> identifies the equity principles within the Convention, and gives some ideas as to how these could be operationalized. For even more detail, see the *CAN Fair Effort Sharing Discussion Paper* at <http://www.climateactionnetwork.org/publication/can-discussion-paper-fair-effort-sharing-jul-2011>.

sustainable development.

4) Precautionary Measures. 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.

These clusters of equity principles help identify which principles need to be considered and which can be afforded to be neglected.

CAN also wishes to highlight the need for equitable access to sustainable development, and indeed equitable effort-sharing, within countries. The issues here can be understood in terms of:

- Gender disparities within countries (women and men contribute more/less to GHG emissions, are more/less impacted by climate change, have more/less access to adaptation measures – including finance, technology and capacity building)
- Geographic disparities within countries (mountainous areas, delta areas, rural areas, slum areas – have different impacts and access to adaptation measures)
- Economic disparities within countries (economic stratification, marginalized and vulnerable groups)

When climate protection instruments are developed, these disparities must be taken into proper account.

### ***New interpretation of CBDRRC***

CAN believes that the ADP negotiations can only succeed if they reaffirm, and embody, the principles of differentiated responsibility and capability, as well as other key equity principles and goals like “equitable access to sustainable development.” As a step towards that end, CAN calls upon the Parties to consider a new, dynamic, principle- and indicator-driven interpretation of “common but differentiated responsibilities and respective capabilities.”

More precisely, CAN believes that the Parties should seek a new approach to global differentiation that is transparently based upon explicit and clearly-stated equity principles, and upon indicators that embody those principles. Not that such an approach can alone define national obligations. But it can productively inform the negotiations, and it can help to shape a common understanding – a shared vision – of the equity challenge.

Parties should consider various approaches. One possibility is a hierarchical approach in which the existing annexes are reworked and then subdivided into finer annexes. Another is a spectrum approach in which all countries are assigned values on an agreed equity index. What is critical is that the equity principles that underlie any proposed approach be specified, embodied in well-designed indicators, and used to estimate a set of national obligations – for both mitigation and international financial and technical support.

In the spectrum approach, the “equity index” would be composed of a basket of more specific equity indicators. This basket would have to contain well-designed indicators that, taken together, measure both responsibility and capacity. It could include, inter alia, measures of per capita income, measures of per capita emissions, measures of standards of living, measures of historical responsibility, and measures of intranational income inequality.

Such an approach would not preclude country groupings (like today’s annexes). In fact, it would make such groupings more coherent. For example, the set of countries that is high in capacity and responsibility would change over time – an

important fact, given that such countries are candidates for ambitious, legally-binding economy-wide quantified emissions reduction targets.

Of course many other kinds of commitments are also possible, and desirable. Obvious examples include renewable energy and/or energy efficiency targets and sectoral targets, all of which could have various kinds and degrees of bindingness. Also, it should be noted that some kinds of actions – for example, nationally-appropriate mitigation actions – can be explicitly contingent on financial and technical support.

Finally, it must be said that all commitments and actions should be amenable to measurement and reporting.

### ***Organizing a Process on Equity to discuss Principles and their Operationalisation***

CAN suggests a process to discuss the equity principles with intention to operationalize these principles in Workshops, Roundtables and special Roundtables throughout 2013 and if required a follow-up process [early] in 2014.

Parties must agree on a process on equity, as part of the Durban Platform workplan, to increase their common understanding on equity principles and to agree on equity indicators followed by a process on operationalizing these principles. Once a sufficient level of joint understanding is reached, Parties must begin to seriously negotiate aggregate and individual levels of ambition; including what form that ambition should take for countries at various stages of development. The provision of sufficient finance, technology and capacity building support should be part of the overall Durban Platform package to support, where appropriate, mitigation commitments and actions.

A comprehensive agreement in 2015 that allocates mitigation and financial effort will require at least a rough common understanding on equity. CAN envisages a number of phases and processes in such negotiations. Our strategy should be to establish a commonly understood “equity corridor,” a channel of broader principles and approaches within which to begin moving, even as we narrow the debate to more detailed, more technical and more difficult questions.

Phase 1: Discussions should begin anew, with all Parties making good faith efforts to understand each other’s predicaments. Expert external input is essential during this phase. The May 2012 LCA session on equitable access to sustainable development, in particular, was a first step in a new effort towards a shared understanding of equity, one that reconciles responsibility (past and future), capacity, sustainable development as a right and a political necessity, scientifically driven mitigation imperatives and, irreducibly, the right to survival. A row of workshops, roundtables and special roundtables including observers’ voices should be organized during the year’s sessions in Bonn. Submissions beforehand and reports afterwards should strengthen these discussions and lead to a decision on the further equity process at COP 19. The key is that equity must formally become integral to the ADP agenda. The ADP should encourage broad discussions employing alternative formats to foster creative thinking within the discussions by various bodies and organizations, including civil society, and request them to bring their findings through in-session workshops into the ADP process.

Phase 2: In the second half of 2013, Parties should begin negotiations with the aim of reaching agreement on equity principles and criteria for their appropriate operationalization. These negotiations should specify the agenda items under which this work would be undertaken, and be supplemented by the work of SBSTA and SBI, particularly with respect to the technical unpacking of the concept of “equitable access to sustainable development.”

Phase 3: In 2014, Parties should begin negotiations on the application of principles and criteria to the issues under negotiation – the level of collective ambition, differentiated post-2020 commitments on mitigation and finance, loss and damage, and so on. This phase would necessarily require discussion on the interaction between support (finance, technology and capacity building), mitigation and adaptation. This phase should include an indicative set of COP 20 commitments, thus allowing 2015 to be treated a milestone by which to assess the overall adequacy of commitments.

These discussions and negotiations must begin with a determination to establish a principled foundation, even as we negotiate on the application of principles and criteria to the key issues – the level of collective ambition in light of the ambitious global goal, justly differentiated post-2020 commitments, the interaction between finance, mitigation and adaptation, and all the rest.

The objective of the suggested equity discussion in Workstream 1 under the ADP is to include a robust and dynamic long-term framework on equity for the 2015 climate deal and its implementation from 2020 onwards.

## **(b) Building on the experiences and lessons learned from other processes under the Convention and from other multilateral processes, as appropriate**

### **The Convention (UNFCCC)**

CAN expects that the new 2015 Protocol under the UNFCCC should build upon existing agreements and work of two decades under the UNFCCC, and in particular its Kyoto Protocol. In particular, this means that **CAN expects the obligations and modalities relating to countries with high capacity and responsibility, including current Annex 1 countries, should build upon the provisions of the KP, with its system of economy-wide, quantified emissions reduction obligations, expressed as carbon budgets for 5-year periods.** The new Protocol must contain equitably allocated mitigation obligations applying to all developed countries, including those who have not taken commitments under the Kyoto Protocol. Other relevant elements of the KP architecture that should be taken forward are given in the Process Overview section.

The challenge for the next few years is therefore to develop how other countries' actions are captured in a Protocol, including how graduation and differentiation is to be addressed in negotiating the obligations and actions for each future commitment period in a way that is robust enough to provide a consistent long-term framework.

Obligations and actions need to be of different types, reflecting the responsibility and capability principles of the Convention and be based on the equity discussions outlined in section (a). They could possibly range from legally binding quantified emissions limitation obligations to binding sectoral, renewable and/ or energy efficiency targets, through to non-binding nationally-appropriate mitigation actions for countries with the least responsibility and capability. In addition the MRV regime needs to be developed in a way that should allow for a reasonably smooth transition in methodologies, reporting requirements, and capabilities, over nationally-appropriate time periods, so that experience and capacity is built upon as a country moves through time to more ambitious actions and obligations, rather than having to start from scratch. See section (d):MRV for more detail.

### ***Guiding Principles/Recommendations on NGO Participation***

Respectful, relevant and effective participation by observers plays a critical role in the climate negotiations. The SBI has “affirmed the value of the engagement of observer organizations ... and acknowledged the important role of civil society representation in the intergovernmental process.”<sup>2</sup> As the Secretariat has explained, vibrant public participation “allows vital experience, expertise, information and perspectives from civil society to be brought into the process to generate new insights and approaches [, and] promotes transparency in this increasingly complex universal problem.”<sup>3</sup>

Broad public participation in the UNFCCC processes – including negotiations under the Durban Platform – is consistent

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<sup>2</sup> FCCC/SBI/2010/L.21, 9 June 2010, para. 18.

<sup>3</sup> Id.

with international law and norms. For example, the Rio Declaration, Agenda 21, and the Aarhus Convention all affirm that the best environmental decisions are made when civil society participates. The Framework Convention itself provides that Parties “shall ... encourage the widest participation in this process, including that of non-governmental organizations,”<sup>4</sup> and requires the COP to “[s]eek and utilize, where appropriate, the services and cooperation of, and information provided by, competent international organizations and intergovernmental and non-governmental bodies.”<sup>5</sup>

Because public participation is fundamental to the success of the Convention, as well as to its subsidiary bodies and any instruments adopted under it, the Parties must ensure broad public participation in all aspects of negotiations conducted under the Durban Platform. Drawing on the best practices in public participation in other international institutions, we make the following recommendations for ensuring meaningful and effective public participation in the UNFCCC negotiations.

CAN recommends that the Parties should **consider new means of observer participation**, such as the approach used by the FAO’s Committee on World Food Security (CFS) in its reform process. Throughout negotiations to reform the CFS, the mechanism established to facilitate this process and produce an outcome document – the Contact Group – provided unprecedented opportunities for civil society observers, who were entitled to means of access and participation almost parallel to those of Member States.<sup>6</sup> Observers tabled and responded to proposals through the Contact Group’s website and through active participation (including interventions) in the negotiations themselves.<sup>7</sup> This process has been widely recognized by the Member States as a success in large part due to meaningful and effective participation of observers in the negotiation process.

CAN further recommends that the Parties should **enhance existing means of participation** as described in further detail below:

**Opportunities to make interventions:** In negotiations under the Durban Platform, Parties should provide increased opportunities for interventions by not requiring observers to submit interventions in advance, and by guaranteeing interventions at the end of all sessions with an opportunity to intervene during the session at the chair’s discretion. Other institutions adopt such an approach. For example, the Strategic Approach to Chemicals (SAICM) allows NGO observers to speak, put forward proposals, and raise points of order in the same manner as governments and intergovernmental participants.<sup>8</sup> In the Aarhus Convention, observers have the same speaking rights as Parties, and participate in drafting groups working in collaboration with Parties to develop text during the negotiations.<sup>9</sup> In the Convention on Biological Diversity, observers are allowed to make statements during plenary and working group sessions (at the discretion of the chair and in accordance with time constraints). In the Convention on International Trade in Endangered Species (CITES), observers may request the floor to make an intervention on any point, and will usually be recognized by the Chair.

**Access to negotiations:** Parties should ensure greater access to negotiating sessions, making closed sessions the

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<sup>4</sup> UNFCCC Art. 4.1(i).

<sup>5</sup> UNFCCC, Art. 7, para. 2(l).

<sup>6</sup> Int’l Planning Committee for Food Security, *The Reformed Committee on World Food Security: A Briefing Paper for Civil Society* (Sept. 2010), available at [http://www.foodsovereignty.org/Portals/0/documenti%20sito/Home/News/reformed%20CFS\\_english.pdf](http://www.foodsovereignty.org/Portals/0/documenti%20sito/Home/News/reformed%20CFS_english.pdf).

<sup>7</sup> Id.

<sup>8</sup> Aarhus Convention Task Force on Public Participation in International Forums, *Innovations in Public Participation in International Forums – Advanced Draft*, 23 February 2011, (“Innovations draft”), available at <http://www.unece.org/env/pp/ppif/6meeting/Innovations%20in%20public%20participation%20in%20international%20forums%20-%20draft%20for%20consideration%20by%20PPIF%20Task%20Force%20v.1%20.doc>.

<sup>9</sup> UNFCCC Subsidiary Body for Implementation, Synthesis report on ways to enhance the engagement of observer organizations, 8 (Oct 19, 2010), available at <http://unfccc.int/resource/docs/2010/sbi/eng/16.pdf>.

Article 10(5) of the Aarhus Convention provides some basis for this freedom:

*‘Any non-governmental organization, qualified in the fields to which this Convention relates, which has informed the Executive Secretary of the Economic Commission for Europe of its wish to be represented at a meeting of the Parties shall be entitled to participate as an observer unless at least one third of the Parties present in the meeting raise objections.*

exception rather than the rule (in other words, all negotiating sessions, including informal meetings, should be open to observers subject to reasonable restrictions). This would be consistent with the approach taken in the CBD, CITES, Aarhus Convention, and Convention to Combat Desertification (CCD), among others, all of which allow accredited observers to participate in meetings of the Parties. For example, the Rules of Procedure for the Aarhus Convention provide that “meetings of the Parties shall be open to members of the public, unless the Meeting of the Parties, in exceptional circumstances, decides otherwise especially to protect the confidentiality of information pursuant to the Convention.”

The IMO is also a **good model of NGO participation**, where Observers are given equivalent treatment to parties in many respects, including making submissions and participating and intervening in all meetings of the Marine Environment Protection Committee, including informal drafting group meetings.

**Access to information in a timely manner:** To the greatest extent possible, the Secretariat should publish all documents relevant to the negotiation process as soon as they become available. In addition to publishing documents via the UNFCCC website and PaperSmart system, the Secretariat should make reasonable exceptions to the PaperSmart policy to ensure timely and equitable access to information (through hard copy distribution). Similar to the practices employed in the CBD and CITES, observers should have access to all documents that are available to delegates. As in the case of the UNECE Water Convention, the UNFCCC should distribute and documents, announcements and other information electronically to observers at the same time as to Parties.

**Participation fund for underrepresented groups:** The Parties should consider providing travel expenses to help ensure the balanced participation of civil society observers in the negotiations under the Durban Platform. CCD, Forum on Forests, and Global Environment Facility have granted funding for participation by NGO observers. UNESCO is currently exploring the possibility of establishing arrangements to provide financial support for observers.

**Conference venues that can accommodate the anticipated number of participants:** The Parties should require host country governments to ensure that venues proposed for the negotiations are of a size and capacity that will enable them to host the anticipated number of participants.

The Hyogo framework for action, which inter alia **initiated national processes and setting up of national, multi-stakeholder coordinating bodies**. Such an approach is increasingly pursued by developing countries also on climate change or adaptation in specific and is essential to harness the experience and perspectives from multiple stakeholders, such as particularly vulnerable communities.

### **Additional Lessons from Other Conventions and Institutional Agreements**

The Montreal Protocol provides three key lessons for the development of a new legally-binding 2015 outcome. First, it **set an ambitious goal** of phasing out ozone depleting substances (ODS) through a series of mandatory reductions, under an ambitious timeframe. Second, it **created a differentiation regime that worked** – it provided extra time for developing countries to take similar actions to those of developed country Parties as well as financial, technological and capacity building support to implement the actions through a well-funded mechanism. And third, it established a **rigorous compliance mechanism**

The Protocol’s highly functioning non-compliance procedure was implemented early in the Protocol’s life, as required by Article 8. The non-compliance system is based on a well-defined MRV system. Each Party must measure, as per agreed guidelines, and annually report production, export, and import data to the Secretariat. The reported information is verified by the Secretariat. Technical assistance for compliance with the Protocol’s reduction goals is specifically mandated. Party’s status of meeting its obligations is reviewed under the non-compliance procedure by the Implementation Committee, which is comprised of representatives from ten Parties, and which provides recommendations to the MOP. The Meeting of the Parties in turn makes decisions on all issues related to

compliance. Those decisions have typically been to provide the “carrot” of assistance, though withholding financial assistance and applying trade restrictions have also been an effective “stick”.

As a result, the compliance regime **has proved very effective** in ensuring exceptionally high reporting rates (despite early problems) as compared to other MEAs. It is widely agreed that the non-compliance procedure and the ability of the Implementation Committee to create a dialogue with Parties (and levy sanctions) are core components of the Protocol’s effectiveness.

Another successful aspect of the Montreal Protocol is its **robust Multilateral Fund**, established by Amendment in 1990, which has been utilized in over 2,500 institutional strengthening projects to assist developing nations in shifting consumption away from Ozone Depleting Substances (ODS). The Multilateral Fund and technology transfers provided for by the Protocol under Article 11 further encouraged accession to the protocol, rather than free riding, as there was greater incentive to join and take part in gradual reductions, rather than remain outside the system and face sudden and disruptive cessation of ODS trade with Montreal Parties.

The Convention on Biological Diversity is also often cited as doing much good work, especially in terms of working with indigenous and local communities in the conservation of wildlife. Its REDD+ safeguards are excellent. However, **it is a non-binding treaty and the USA is not a Party, and so most of its good work is not implemented, except in countries that are likely to be good anyway**. The CBD also has a **record of being more open to NGO Participation** and in this regard could help increase NGO participation in the UNFCCC.

The Convention on Endangered Species of Wild Fauna and Flora (CITES) regulates international trade in endangered species through an extensive import and export permitting process overseen by each Party’s designated scientific and management authorities. CITES is notable for its **powerful Standing Committee, with its ability to promote compliance** with the basic trading requirements of the treaty. If any trading nation is not upholding CITES standards, the Standing Committee is empowered to recommend trade suspensions to the Secretariat, who then transmits them to the Parties. Though technically only recommendations, adhering to trade suspensions is a widely-prevailing norm among CITES Parties. While far from perfect, CITES enjoys the significant participation of 175 Parties, and there is a general consensus that those Parties adhere to the trade sanction recommendations of the Standing Committee.

The Arms Trade Treaty could potentially offer an interesting example for UNFCCC **negotiations in between sessions**. Some features include: a diverse range of independently organised regional and multi-national dialogues and consultations, all held within a period of 4-6 weeks or so. Some of the meetings in arms control are organised under the aegis of civil society (i.e, Saferworld, ICRC), some by regional groupings (AU, EU, ECOWAS), and some by individual states (Mexico, Indonesia). Each has different formats/outcomes but most have strong participation by civil society, for example, that that was just organised in Gabon by the AU.

The process of the Arms Trade Treaty seems to have emerged organically and not mandated by the Chair, though he has organised one such consultation himself in NY and is attending many of them. This is largely due to the lack of negotiation time available to conclude the talks.

**Deal with a wide range of highly technical issues quickly:** The IMO and ICAO have traditionally been able to deal with a wide range of highly technical and operational issues efficiently and speedily. However, this has not been the case in dealing with greenhouse gas emissions, and particularly with market based measures, where discussions have been on-going for more than a decade with little progress towards a concrete outcome.

## (c) The scope, structure and design of the 2015 agreement

The scope, structure and design of the 2015 agreement should be consistent with a **1.5°C** global carbon budget with high likelihood of success, including **targets and actions** within an **equitable framework** that provides the **financial, technology and capacity building support** to countries with low capacity. It should be serious about ensuring sufficient support for dealing with the unavoidable impacts of climate change. It should be built on, developing and improving the **rules already agreed under the Kyoto Protocol and the Convention** including transparency through **common and accurate accounting and effective compliance processes, respecting the principles of equity**. The form of the 2015 agreement should be a fair, ambitious and legally binding protocol<sup>10</sup>.

### *Kyoto Protocol as a basis for the ADP*

**The Kyoto Protocol provides a good basis for future Protocol, its rules have been tested and should be improved and built upon. Existing elements of the Kyoto Protocol that provide a basis for the new Protocol include:**

- **Long-term viability:** the KP provides a framework that can be updated for each 5-year commitment period, while maintaining its essential elements
- Top down approach, setting an overall objective, an aggregate goal, for developed countries, allowing appropriate consideration of the **science**, with comparability of effort between countries established through their respective targets (Article 3.1)
- Legally binding, economy-wide, absolute emissions reduction **targets** (QEROs) for countries with high responsibility and capacity, expressed as a percentage below the 1990 base year (Annex B)
- A system of 5-year commitment periods, with comparability of effort measured against a common base year allowing for reasonable cycles of review linked to the IPCC reports and for comparability of effort (Articles 3.1 and 3.7). A commitment regime under the new 2015 agreement should set at least two 5-year commitment periods, so that there are clear consequences in the already-agreed second period for failure to comply with the first 5-year target, and so that a next set of two 5-year targets is in place before the first 5-year period expires. The system should include an adjustment procedure similar to the adjustment procedure under Article 2.9 of the Montreal Protocol that is restricted to increasing ambition. This adjustment procedure should allow both unilateral real increases in ambition by a country and for a ratcheting up of all countries resulting from an adequacy review.
- **Monitoring, review, and international verification** system (Articles, 5,7,8 and associated decisions)
- **Compliance** mechanism, composed of two tracks – facilitative and enforcement (Article 18). Compliance with the new 2015 legally-binding outcome will depend in large part on effective *\*domestic\** compliance processes, which can be facilitated by sharing of domestic best practices in compliance design. This will in turn facilitate better compliance with international obligations.
- Mandatory **review** of provisions of the Protocol for subsequent commitment periods (Article 3.9)
- **Supplementarity** – ensuring that market or non-market mechanisms are supplementary to (ie, CDM) to **domestic actions**, and don't undermine the fundamental need to decarbonise all economies (Article 6.1d)
- Required **reporting** on "demonstrable progress", establishing an important reporting requirement and stocktaking (Article 3.2)
- Basket approach to GHGs, and the ability to list new gases and classes of gases (Annex A)
- Use of Global Warming Potentials (GWP) to allow comparability of the impacts of different gases on global warming (Article 5.3)

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<sup>10</sup> Environmental Defense Fund, Greenovation Hub and Institute of Environment and Development (IED) do not endorse this position.  
Climate Action Network International Submission to ADP Co –Chairs on Workstream 1: March 1, 2013

## **(d) Ways of defining and reflecting enhanced action.**

### **Mitigation**

#### ***Long term global goal***

Parties need to commit to a solid process to identify and agree on a long term global goal and commit to inscribing it in the 2015 legally-binding outcome. In order to turn this around and put global emissions on a pathway to keep warming well below 2°C, and to keep 1.5°C within reach, global emissions must peak by 2015. The long term global goal should be informed by the science and by the 2013-15 Review. How the effort to achieve this long term global goal is allocated amongst parties, or groups of parties, should be informed by the discussions on equity. In order to inform the scale of individual party commitments, the global goal will need to be determined early in the process – by 2014 at latest. CAN proposes that this should be a topic for consideration and agreement by Leaders at the UN Secretary General’s Summit in 2014.

Whilst a 2050 goal is very important, it will be of greatest use with an indicative pathway, which can be used as a guide for future ambition, and can be used as a measure of whether we are on track to meet internationally agreed objectives. CAN therefore recommends indicative rolling decadal forecasts for mitigation action at an aggregate level are also agreed by Leaders.

#### ***Peak year***

The current emissions pathway places the world on a catastrophic path toward 3.5oC to 6oC of warming. In order to turn this around and to keep warming well below 2oC, and 1.5oC within reach, global emissions must peak by 2015. This means that Parties must agree a global peak year in the ADP workstream 2 at COP19. Global peaking by 2015 will require developed country emissions to reduce by much more than current pledges and much more quickly. Developing country emissions growth will need to slow and peak a few years after 2015. Scaled up financing, technology and capacity building support from developed countries will be required to enable this. Even Parties and Observers who consider that global emissions must peak by 2020, should acknowledge that waiting for the conclusion of the ADP negotiations in 2015, and the implementation of the agreed deal in 2020, will foreclose on a safe peaking date.

#### ***Review***

The level of overall post-2020 ambition must be informed by science and be in line with that necessary to keep warming below 1.5°C. To this end, **the work undertaken in the 2013-2015 Review must be taken into account in establishing overall mitigation ambition.** It is crucial that this is provided in a timely basis – with initial findings in 2013.

#### ***Country specific commitments and actions***

As already outlined in section (a) application of principles of the Convention, the 2015 agreement should fully respect the principles of equity including common but differentiated responsibility and respective capability and equitable access to sustainable development. This will result in a range of national obligations, including mitigation actions. It is appropriate for countries at different levels of responsibility and capacity to take different kinds of mitigation action.

Countries with high capacity and responsibility are candidates for ambitious, legally-binding economy-wide quantified emissions reduction targets. Countries identified in Annex 1 of the Convention must agree in the 2015 agreement to

legally-binding economy-wide quantified emissions reduction targets, the level of ambition of which should be informed by the science and the 2013-15 Review and by equity. It is expected that this will be in excess of 40%<sup>11</sup> below 1990 levels by 2020. Other kinds of commitments include, but are not limited to, renewable energy and/or energy efficiency targets and sectoral targets. Countries with low capacity and responsibility would only be obliged to take nationally-appropriate mitigation actions explicitly contingent on financial and technical support. All commitments and actions should be amenable to measurement and reporting to ensure that global goals are being met.

Countries cannot use discussions on equity as an excuse to delay both immediate increases in ambition under workstream 2, and continued negotiations on ambition in workstream 1. Increasing clarity on obligations and commitments of countries through 2013 is crucial. 2014 should be a period of negotiations on collective and differentiated post-2020 individual country ambition based on equity principles, and ensuring the necessary level of ambition is met. By COP20 the commitments that countries expect to take should be clear. Early in 2015 the UNFCCC should produce a technical paper assessing each countries proposed levels of mitigation action against agreed equity principles and criteria and calculating the gap between global ambition and country level ambition. 2015 should be spent identifying how to bridge this ambition gap in an equitable way.

### ***Zero emission development strategies for developed countries***

Establishing emission pathways consistent with the 1.5/2°C limit requires the steady transformation of economies away from a high carbon economic growth model. Developed countries should produce low emission development strategies that are both visionary and pragmatic, accurately mapping out a fully achievable and consistently realisable pathway to near-zero emissions by 2050, including through indicative decadal targets and legally-binding 5-year carbon budgets.

Guidelines for these plans should be agreed within the ADP early in 2013. Draft plans should be submitted to the UNFCCC before COP19, with workshops on the strategies being held at Warsaw. The UNFCCC Secretariat should be commissioned to undertake a technical paper to summarise these strategies and estimate what they mean in terms of total emissions reductions and identify trends and additional potential. This technical paper should be made available in time to inform an intersessional early in 2014.

### ***Low Emission Development Plans for developing countries***

Enabled through appropriate financial and technical support from developed countries, developing countries should develop long-term Low Emission Development Plans as part of the country's overall development planning. Such plans would provide a visionary roadmap and outline a pathway to a low-carbon and climate resilient economy, building upon and be integrated into national development plans or planning processes already in place in many countries. These plans should be developed through a bottom-up country-driven process.

Depending on individual countries' capacities and support received, such plans could have different levels of scope and complexity. More economically advanced developing countries should start to develop their plans over the next 1-2 years. In those plans, countries could identify NAMAs they would do unilaterally, as well as emission reduction potential, cost and timeline estimates to implement additional NAMAs requiring support. Other developing countries may require more years to develop their plans, and for the time being focus on developing NAMAs and adaptation activities.

### ***Market and Non Market Mechanisms***

The current negotiations on flexible mechanisms are centred on both existing and future possible offsetting mechanisms. However, offsetting mechanisms are zero-sum (do not deliver emissions reductions above the set emission

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<sup>11</sup> Environmental Defense Fund, Natural Resources Defense Council and The Nature Conservancy do not endorse this position.  
Climate Action Network International Submission to ADP Co –Chairs on Workstream 1: March 1, 2013

caps) and cannot deliver the large long-term emission cuts required to stay below 2 degrees warming. Furthermore, offset mechanisms undermine climate goals if they issue credits from non-additional projects (that is projects that would have happened anyway). Research<sup>12</sup> recently released under the CDM Policy Dialogue indicates that in the current CDM some important project types are unlikely to be additional and could increase global emissions by over 3 gigatonnes by 2020. The experience with CDM and JI has shown that the political will of Parties to rectify such environmental integrity deficiencies is limited.

Preserving environmental integrity of CDM and JI type schemes that provide offset credits (would require, amongst other things, to e.g. avoiding double counting of emission reductions that are sold as offsets. This is technically and politically very challenging when both the host and buyer countries have reduction targets – increasingly likely in the new climate regime where more countries are expected to take targets. For these reasons, offsetting mechanisms should be considered a short to medium-term mitigation policy tool. Medium and long-term climate mitigation policies have to go beyond offsetting.

Cap-and-trade systems do not face the same additionality challenges but face similar environmental integrity issues that arise when setting baselines and allocations. Experience with current cap-and-trade systems, such as Emissions Trading under Kyoto and the EU-ETS, have shown that over allocation and weak baseline setting are common and politically very difficult to rectify.

Market mechanisms that will be approved under a new legally binding agreement must draw upon the lessons learned and experiences from existing market based mechanisms, such as the CDM, JI and the EU-ETS. Any market mechanism approved under a new legally binding agreement should be based on equitable principles and:

- Secures net atmospheric benefits
- Delivers real, measurable, verifiable and additional emissions reduction
- Avoid double-counting
- Uphold human rights
- Deliver sustainable development benefits.

### ***Zero emission development strategies for developed countries***

Establishing emission pathways consistent with the 1.5/2°C limit requires the steady transformation of economies away from a high carbon economic growth model. Developed countries should produce low emission development strategies that are both visionary and pragmatic, accurately mapping out a fully achievable and consistently realisable pathway to near-zero emissions by 2050, including through indicative decadal targets and legally-binding 5-year carbon budgets.

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### ***Low Emission Development Plans for developing countries***

Enabled through appropriate financial and technical support from developed countries, developing countries should develop long-term Low Emission Development Plans as part of the country's overall development planning. Such plans would provide a visionary roadmap and outline a pathway to a low-carbon and climate resilient economy, building upon and be integrated into national development plans or planning processes already in place in many countries. These plans

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<sup>12</sup> Randall Spalding-Fecher et al. (2012) Assessing *The Impact of The Clean Development Mechanism*. (Report Commissioned by The High-level on The CDM Policy Dialogue) [http://www.cdmpolicydialogue.org/research/1030\\_impact.pdf](http://www.cdmpolicydialogue.org/research/1030_impact.pdf)

should be developed through a bottom-up country-driven process. Depending on individual countries' capacities and support received, such plans could have different levels of scope and complexity. More economically advanced developing countries should start to develop their plans over the next 2-3 years. In those plans, countries could identify NAMAs they would do unilaterally, as well as emission reduction potential, cost and timeline estimates to implement additional NAMAs requiring support. Other developing countries may require more years to develop their plans, and for the time being focus on developing NAMAs and adaptation activities.

## Adaptation

The agreement should further strengthen principles contained in the Cancún Adaptation Framework, such as to follow a country-driven, gender-sensitive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems; and be based on and guided by the best available science and, as appropriate, traditional and indigenous knowledge; with a view to integrating adaptation into relevant social, economic and environmental policies and actions, where appropriate.

Enhanced action on adaptation could be delivered through

- immediately scaling up of funding for adaptation;
- urgent need to scale-up action on mitigation required by science, in order to limit the adverse effects from climate change, and to scale-up action on adaptation to build up adaptive capacity early on; both strategies will also help to limit loss and damage associated with climate change impacts;
- the immediate design of National adaptation plans (for LDCs and others) and actions to implement key elements provides a key source of learning and information for scaling-up adaptation beyond 2020, so enhanced action is required to speed up this process;
- full implementation of priority projects under NAPAs (for LDCs)
- implementation of adaptation actions should be based on a human-rights based approach;
- a permanent SBI agenda item on adaptation should be established to allow consideration of further needs under the Convention in addition to work of Adaptation Committee, SBSTA, etc.
- the ADP process as such should be regularly informed by other bodies such as Adaptation Committee, Adaptation Fund, GCF, International mechanism on Loss and Damage etc. to shape the 2015 agreement.
- consider additional action initiatives, such as a Global Action Plan on Community-based Adaptation which might not be contained in the agreement but could be pursued as concrete initiatives to be pushed by the 2015 political agreements
- adaptation finance on grant-based with direct access, new and additional over and above 0.7% commitment
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The instrument should include and partially reaffirm a number of commitments.

All Parties commit to, taking into account national circumstances,

- scale up adaptation and integrate it into development planning, in accordance with the above principles
- priority for vulnerable developing countries (but broad definition)
- implement polluter pays principle within their jurisdiction, including as a means to reduce loss and damage
- reduce activities in their jurisdiction which may have an adverse effect on the adaptive capacity of other Parties;
- strengthen integrated approaches to adaptation and mitigation, where appropriate
- promote paradigm shift towards low-carbon and climate-resilient development

In accordance with the Convention and taking into account changing responsibilities and capabilities, developed countries and other countries in a position to do so commit to provide financial means for in particular vulnerable developing countries truly reflecting their expected adaptation needs and loss and damage (see also finance section below).

The instrument should aim to recognise progress achieved in the institutional approach under the Convention to further strengthen and enhance action on adaptation. It should recognise the severe climate change risks, and support vulnerable developing countries who are planning their adaptation in light of 3 or 4°C increase adequately, despite the globally agreed goal of limiting global warming to below 2°C. It should recognise the international mechanism on loss and damage, it is expected that this will be established at COP19 and operationalised until COP21, is a crucial element that compensate the loss and damage occurred in vulnerable developing countries and helps to address the adverse effects of climate change in particularly vulnerable developing countries, and commit to build this up further also in the period covered by the instrument. It should establish a periodic review of the action on adaptation in relation to the identified needs, with modalities to be elaborated by the COP, taking into account reports by the loss and damage mechanism and the support provided based on inter alia the periodic overview reports of the Adaptation Committee, etc.

## **Capacity Building**

Consistent with the principle of equitable access to sustainable development, CAN believes the ADP needs to create a specific topic and, optimally, a specific sub-workstream, capable of delivering the missing institutional arrangements required to ensure that all developing countries which request capacity support for either the design or the operationalisation of their low carbon development plans and NAMA's are fully and adequately supported within a clear, transparent, coherent and predictable framework for capacity building and capability enhancement.

## **Technology**

The transfer of technology could be an important incentive for increased ambition among less developed countries by providing the subsidized transfer of key mitigation technologies. Beyond straightforward price subsidies co-ordinated Research, Development and Diffusion (RD&D) can reduce costs by expanding markets and maximising the applicability of technologies. This co-ordination could be done, inter alia, through sponsored research and development pools and/or by supporting regional or other country groupings to customize technologies.

For example, under its mandate to promote and facilitate collaboration on the development and transfer of technologies, the TEC might invite relevant researchers and developers to work together on the development of identified key mitigation technologies. Or, the TEC might identify existing technologies that are reducing emissions in some countries but require specific modifications to be effective in others, such as least developed countries. Such development might be supported by funding from the Green Climate Fund, making technologies available to developing countries at very affordable prices.

## **Financing the low-carbon and climate-resilient paradigm shift under the ADP and the 2015 agreement**

### ***Financing the paradigm shift***

Keeping the global temperature rise below 2°C, and maintaining a pathway to stay below 1.5°C - will require a paradigm shift to low carbon emission pathways in both developed and developing countries. Such a paradigm shift involves a strategic, long-term, and fundamental re-orientation towards low-carbon, climate-friendly, gender-equitable, pro-poor and country-driven development. Tackling climate change is also about ensuring resilience and adaptation to existing and future impacts of climate change, which comes at a high cost in vulnerable developing countries

Most assessments indicate that the overall financing required to catalyse this shift in developing countries will be several times larger than the \$100bn commitment made by developed countries. Assuming that an important share of the total financing needed will come from the private sector, this will nonetheless require major public finance support – to

leverage and incentivise the much larger shifts in additional private sector investments, and to support the actions and the countries that cannot attract private sector investments. Crucially, developing country adaptation needs overwhelmingly require public finance support.

In this context, it is crucial the 2015 global agreement mobilise the scale of funding required to face these impacts and help developing countries shift to low-carbon development paths. Climate finance will be a key component of the future regime in supporting ambitious mitigation action and adaptation and implementing core equity principles like the right to sustainable development, as well as adequacy and consistency of commitments. Furthermore, as developed countries fail to meet their existing financial commitments under the UNFCCC, the ADP will face a critical challenge of rebuilding trust and paving the way for equitable post-2020 finance, in time for the 2015 agreement.

### ***Key elements of a 2015 deal on post-2020 finance***

We see the following elements as critical elements of a fair 2015 deal on finance that will address climate change in the context of sustainable development post 2020.

#### *Adequacy and scaling-up*

- Notwithstanding the role of private finance in low-carbon investments, parties commit to an agreed target for public finance during the period 2020-2025 - in accordance with the scale of needs assessed by the Standing Committee - which prioritizes the needs of the poorest and most vulnerable recipient countries and communities and includes a dedicated amount for adaptation.
- These public finance commitments are defined in line with estimates of developing country needs, the best available climate science on emission trajectories and climate impacts, and within the objective to maintain a pathway to stay below 1.5°C.
- The deal includes a review mechanism to reassess finance commitments regularly, both in terms of the types of the needs and of regional allocation.
- The deal includes alternative sources of financing that will contribute to raising public finance on the scale required, including carbon pricing in the international transport sector, and other potential sources such as FTTs, and SDRs.

#### *Equity*

- In line with the reviewed distribution of CBDRRC, a broader number of countries commit to mobilizing climate finance for the needs of the most vulnerable developing countries.

#### *Additionality*

- Climate finance commitments provided by developed countries are recognized and accounted as separate and additional to ODA commitments.

#### *Coherence*

- All international flows of finance to developing countries are climate-resilient and compatible with the UNFCCC's new mitigation objectives.

#### *Rationalization*

- The Green Climate Fund becomes the main channel for international climate finance.

#### *Transparency*

- The common reporting formats include significantly more stringent accounting rules and clear definitions to track climate finance flows.

## ***The ADP should pave the way to this deal on post-2020 finance***

In CAN's view, the ADP will need to make rapid progress on the following issues to secure adequacy, transparency, consistency and equity to secure a 2015 deal on finance that includes the above-listed elements and ensure finance needs pre-2020 are met:

### *Adequacy and scaling up*

Work to review the adequacy of existing financial commitments. The review should build on the Standing Committee's upcoming assessment of needs as well as other reports capturing current flows, sources and trends of climate finance and be ready by mid-2014, ahead of the UNSG high-level meeting.

- This renewed commitment should include a review mechanism to regularly reassess the adequacy of pledges in line with the latest science and needs analyses. The ADP will need to discuss the modalities of such a review mechanism.
- Work on new international sources of finance to increase public contributions by parties, address the scale of needs and meet additionality principles. This will entail sending a signal to relevant organisations, such as the IMO and ICAO, as soon as possible to ensure the mechanisms are established in time for the 2015 deal and all operational by 2020 at the latest. The ADP's work should build on existing reports, including the 2011 G20 report and 2010 AGF report on alternative sources of finance.
- More specifically, the ADP negotiations should work on establishing global carbon pricing mechanisms for the international transport sector to both curb its growing emission and raise revenue to tackle climate change in developing countries in a manner which is consistent with the goal to limit global warming to below 2°C/1.5°C

### *Equity*

- In conjunction with the work program on equity, agreement needs to be reached on responsibilities for mobilizing finance in the context of changing global patterns of development and distribution of wealth in the post-2020 period, in accordance with the Convention principle of common but differentiated responsibilities and respective capabilities (CBDRRC);

### *Additionality*

- Work on accounting rules and principles to ensure additionality of climate finance commitments to ODA commitments. Discussions should focus on improving accounting methods to ensure that while climate finance might meet current OECD DAC criteria for ODA, it should not be counted towards ODA commitments. Climate finance commitments (Article 4 UNFCCC, 100 billion USD per year by 2020) provided by developed countries should be seen as commitments separate from ODA commitments, with developed countries making progress towards both commitments separately.

### *Coherence*

- Agree on criteria and principles for climate proofing public and private international finance flows to developing countries to ensure finance does not run counter to low emission sustainable development and does not lock in rising emissions.

### *Rationalisation*

- Work on rationalising and consolidating the financial mechanism and other existing funds, ensuring that appropriate instruments are in place to address adaptation needs. By 2020, the Green Climate Fund should become the main channel for international climate finance.

### *Transparency*

- Ensure, as part of an ambitious outcome and sufficient trust-basis, a meaningful process to measure, report and verify financial contributions, based on existing relevant processes under the Convention, and considering the role of recipient countries in MRVing climate finance

The ADP will not single-handedly address all of these issues, and will have to build upon work by other Committees (Adaptation Committee, Standing Committee on finance and Technology Committee as well as the Green Climate Fund board), fora and initiatives (G20, MEF, AGF, World Bank, OECD, etc).

Meeting the imperatives above will require strong involvement and commitments from Finance Ministers. To this end, the ADP should convene high-level meetings with Finance Ministers to address the most political issues and make progress on scaling up public financing.

## **MRV and Compliance**

Parties made the MRV system operational in Durban: Parties developed guidelines for reporting and review including: biennial reports by developed countries; biennial update reports (BUR) by developing countries; international assessment and review (IAR) for developed countries, and international consultation and analysis (ICA) for developing countries. However, the outcome fell significantly short of what is needed for a robust regime to account for mitigation actions and finance. Further work is critical to help ensure the environmental integrity of the regime.

On clarification of pledges, a common template for A1 Parties was agreed, but not for NA1 Parties, and this is needed. More clarity and detail, especially related to coverage of sectors and gases, role of LULUCF and offsets/credits, mechanisms for preventing double counting of offsets/credits, and assumptions and methods for calculating baseline (BAU) scenarios for NA1 Party reduction efforts, is critical for tracking progress toward national goals and progress toward the agreed aggregate global goal of limiting warming to less than 2°C, and ensuring that the option to limit warming to less than 1.5°C remains viable. Additionally, Parties should agree on general guidelines for developing country domestic MRV, and initiate immediate steps to provide support for building the necessary capacities and arrangements for effective in-country MRV, as well as for the robust preparation of GHG inventories.

With respect to verification, the current ICA processes do not yet provide the authority for the Technical Team of Experts (TTE) or the Subsidiary Body for Implementation to make recommendations to the Party under review. Thus, in addition agreeing on the modalities for the composition of TTE for ICA, Parties should agree at COP 19 to allow recommendations by TTEs and the SBI to Parties under ICA. Furthermore, the IAR process for developed countries must have compliance consequences attached to the review.

It is also critical to ensure that important opportunities for public participation in MRV processes that were stripped from the final decision are brought back into MRV rules and agreed at COP19.

Parties should also agree to develop common reporting format tables for developing countries at COP19. Such formats were agreed in Doha for developed countries, with a view to strengthen the transparency of information on mitigation action and support. However, a double book keeping, through the use of common reporting format table by both developed and developing countries would be necessary to ensure an effective tracking of financial contributions. Robust MRV rules will be particularly important in the design of the new market-based mechanism called for ¶ 83 of the Durban LCA text. Parties must develop strong rules to ensure commitments are being achieved and that double counting of emission reductions is prevented. Such rules must apply to all Parties who participate in international market-based mechanisms, for both pre-2020 and post-2020 commitments.

Parties should agree to incorporate reporting on the existence of fossil fuel subsidies and, separately, efforts to remove these subsidies in their reporting (either through National Communications or Biennial Reports, as appropriate). Increased transparency on this issue is critical to ensuring that efforts to remove these subsidies are comprehensive and well-planned in order to be successful.

Significant work is needed to agree to common, consistent, complete, comparable, transparent and accurate accounting rules for all developed countries to help ensure comparability and compliance. In particular, common accounting rules must be adopted by developed countries regarding the coverage of sectors and gases and the treatment of LULUCF, offsets, and assigned amount units (AAUs) by emissions reduction targets. Respecting CDBRRRC, a work program should be established to assess mitigation reductions from developing countries in a facilitative manner to help gauge aggregate global emission reductions and keep track of progress against the 2 degree / 1.5 degree goal. In particular, the work program should aim to standardize methods for assessing the GHG impacts of NAMAs, developing baseline (BAU) scenarios, assessing emissions reductions from the land use sector, and preventing the double counting of offsets and credits. At present, developing countries have varying, often limited, capacities to participate in a common accounting framework. Over time, this capacity will need to be built up. The international framework should allow for a reasonably smooth transition in methodologies, reporting requirements, and capabilities, over nationally-appropriate time periods; it should facilitate moving from accounting and reporting for project-level NAMAs through to wider scale NAMAs (including sectoral NAMAs), and eventually to economy-wide plans and actions. Such transitions could continue to be addressed through a tiering of accounting and reporting methodologies, respecting CDBRRRC. Over time common accounting rules will have to apply to an ever growing set of Parties.

Moving beyond existing processes and in the context of a post-2015 regime, the ADP must build on and strengthen current MRV rules. Any outstanding issues from the LCA should be delegated to the COP to relevant subsidiary bodies to carry forward into the ADP. Additionally, the text must include a mandate to elaborate future compliance mechanisms with both facilitative and enforcement aspects, while respecting CDBRRRC. Also, the Durban Platform must agree on common criteria for the technology registry for support framework under the Durban Platform by the end of 2013, which should be made operational by 2015 under the MRV system.

## **Measures outside of the UNFCCC regime**

The ADP should also focus on getting agreement, including adopting COP decisions triggering action, on ways to reduce emissions that are not currently covered in the UNFCCC regime. Such as:

### ***Measures to address international aviation and maritime transport under the IMO and ICAO***

A clear signal from the UNFCCC is urgently needed to address the emission of the international transport sector. The ADP must make a fresh start on finding a way forward on ambitious and effective measures to control emissions from international aviation and maritime transport. Emissions from these inherently international sectors can only be dealt with comprehensively through multilateral processes, and the UNFCCC has an important role to play in this. We need a multilateral, rules based approach to the international aviation and maritime transport sectors, that, sets ambitious emissions targets, puts a price on carbon, and generates finance for climate action in developing countries, while addressing CDBRRRC in a manner appropriate to these sectors. After 15 years of fruitless discussions of these sectors under the UNFCCC, Parties must agree on an approach that identifies clear roles and responsibilities for each body and puts a stop to the endless ping-pong between the sectoral bodies and the UNFCCC. The international transport sectors (aviation and maritime transport) must be included explicitly in the work of both Workstream 1 and 2 (pre and post 2020) of the ADP, specifically to:

- Ensure that these sectors are an integral part of a comprehensive and ambitious global strategy to prevent dangerous climate change, including by setting global emissions targets for these sectors in line with the requirements to prevent dangerous climate change and to close the ambition gap that currently exists;
- Ensure that any market mechanisms and offsets arrangements in these sectors that are linked to the UNFCCC mechanisms have the highest possible ecological and social integrity and result in net climate benefits;
- Ensure that financing from market based mechanisms for these sectors are used for climate action in developing countries, in line with the principals and provisions of the UNFCCC.

## ***Removal of fossil fuel subsidies***

Fossil fuel production and consumption subsidies distort markets, encourage the use of fossil fuels and thus increase greenhouse gas emissions and impede the transition to sustainable development. Annex 1 countries should take the lead in removing their fossil fuel subsidies which will result in emissions reductions as well as financial savings that could be used for climate finance. Analysis by the International Energy Agency (IEA) shows that phasing out subsidies for fossil fuel consumption in the 37 largest developing countries could reduce energy related carbon dioxide emissions by 6.9% in 2020 compared to business as usual, or 2.4 gigatonnes. Plans for removal of subsidies in developing countries should be developed and necessary support should be provided in the short term to ensure that subsidy removal does not negatively impact poverty eradication and decent livelihoods in cases where the poor might be harmed as result of rapid price increases or lack of affordable clean energy alternatives. Many subsidies are in fact socially regressive and such resources could be better spent on ensuring renewable energy access for all. In 2011, the IEA estimated that only 8% of consumption subsidies reach the poorest 20% of the population.

A COP18 decision must establish the enabling conditions to achieve fossil fuel subsidy removal, including a timeline for phase out, identification of ways for some developing countries to pursue fossil fuel subsidy phase-out as a supported NAMA, and requirements to include fossil fuel subsidies existence and plans for removal as part of the National Communications and/or Biennial Reporting.

The ADP conversation should be structured in such a way as to demonstrate the high level of actions being undertaken and to facilitate exchange of experience.

## ***HFCs***

In addition to (and not substituting) enhanced actions on CO<sub>2</sub>, Parties should accelerate action on phasing out HFC gases. Parties should request that the Montreal Protocol agree to phase out production and consumption of these gases as a matter of urgency at MOP25. All Annex 1 Parties should also commit to an immediate ban on the use of HFC-23 offsets for compliance with Kyoto Protocol targets. Up to 1.3 GtCO<sub>2e</sub> could be saved annually by 2020.

## ***Black Carbon & Methane Emissions***

The UNFCCC should support the relevant fora to assist in reducing these emissions.

## **Process Overview and Priorities for April/May and June Intersessionals**

CAN welcomes the Co-Chairs plan to move to more focused work on specific areas, such as on the scope, structure, and design of the 2015 agreement. This could further define how the principles of the Convention will be applied, help define a spectrum of commitments and bring greater precision to the options available for ensuring that the agreement will be applicable to all and enable the highest possible ambition from all Parties. This also creates an opportunity to ensure discussion on important substantive areas, such as adaptation, mitigation, technology and finance, with a view to understanding how the 2015 agreement will relate to and have an impact on the existing processes, institutions and mechanisms under the Convention.

We also welcome your plan to run the April and June session as one session, getting an agreement early on the ADP structure specifically the potential role of contact groups and informal consultations. We look forward to participating in your event with observer organizations at both the April and June sessions of the ADP. But note that observer participation in all aspects of the ADP negotiations is crucial.

## ***Specific progress for 2013***

2013 needs to start work both on the issues that will take some time to resolve, and also on the issues that the Warsaw COP will need to deliver agreement on. By end of 2013 at COP 19, the Co-Chairs of the ADP should put forward *a compilation text* of the main elements based on Parties submissions.

Key issues to begin work on in the April/May and June Bonn sessions include:

- Agree principles and broad metrics that will underlie the 2015 fair and ambitious Protocol
- Process to move towards common understanding of the principles of equity and common but differentiated responsibilities and respective capabilities
- Start of related discussion on the nature and form of commitments for countries at different levels of responsibility and capability
- Reaching all outstanding agreements so that the GCF is made operational with windows
- Deal with HFCs, so that they can be brought into the fund mechanism of the Montreal Protocol
- Agreeing on the role of the ADP in addressing emissions from international aviation and maritime transport, including target-setting, with clear objectives and delineation of the responsibilities of the different bodies involved.
- Stocktaking NAPs to scale up implementation
- Map technology needs and Criteria for 1.5/2°C technology goals: COP 19 should translate the recognition that our current pathway falls far short of our 1.5°C /2°C goal into action on the ground by mandating that technology needs roadmaps be developed into a concrete strategic Technology Action Plan that will make available requisite technology when and where it is needed to close the gap.
- The Warsaw COP should produce a compilation text of the main elements, so the April and Bonn sessions should be moving at a pace consistent with the production of these texts.

## ***Process considerations***

### 1. Produce a balanced package from every COP

A clear lesson from Copenhagen is that the ‘nothing is agreed unless everything is agreed’ approach simply cannot deliver in negotiations covering as complex an array of issues as under consideration in the UNFCCC. The ADP will therefore need to be constructed in ways that **create balanced packages of agreement at each COP, starting with outcomes from the Warsaw COP**. This should also taking into consideration work being done in other workstreams. The ADP will also need to ensure that it leaves open the possibility of work being done in other workstreams being included in the 2015 Protocol.

### 2. Detailed negotiating text, with specific commitments, by May 2015

The negotiating text agreed by May 2015 (or earlier) must have full details not only on the structure of the agreement but importantly the ambition of mitigation and support/means of implementation commitments, to ensure delegations come to COP-21 with legal and political authority to adopt a fair and ambitious Protocol. The political homework to effect a “prompt start” of the new Protocol must be done prior to COP21 so that it can take effect immediately and not await entry into force procedures.

### 3. Ensure Leaders’ Involvement

The experience of Copenhagen demonstrates that there are certain decisions that will only be taken at the Head of Government level. CAN suggests that these will probably include decisions on the legal form of the 2015 agreement, the levels of ambition for each country and decisions around means of implementation, especially provision of climate finance. These are complex and interlinked decisions and as a result, they cannot be left to the final night in France to be discussed. There is a need to ensure that leaders are able to contribute to the process in a timely manner to ensure that they have sufficient understanding of the issues and opportunities for discussion with each other, to make wise decisions commensurate with the levels of action the global climate crisis requires. Ban Ki Moon's proposed leaders' meeting in 2014 could be a component of such a process, but other opportunities for leaders to engage need to be considered.

The principle of subsidiarity should however continue to play a key role in the negotiations going forward: CAN expects that negotiators will be empowered to be able to come to agreement on most issues, with some of the more political decisions requiring the inputs of ministers, as currently at COP.

**Finance and other ministers will need to be engaged** in the process more actively, as well as the current annual engagement with environment ministers at the COP.

All parties should engage in the KP high-level ministerial round table, to be held during the first sessional period in 2014. The ADP can be the platform for non-KP parties, especially developed country parties, to increase their ambition in line with KP parties. The ADP should engage with the finance ministerial planned for 2013.

#### 4. Ensure adequate negotiating time

To complete the large amount of work ahead of it on the agreed timelines, the ADP will need to **ensure that there is sufficient negotiating time, including intersessional meetings**. These meetings have been scheduled for 2013, however, each year will require a similar amount of time, if not more. These will also create spaces for any workshops Parties agree. In addition to the sessions, the periods between sessions should be used to amass and analyse information in technical papers and to allow for rounds of submissions from Parties and Observers.

#### 5. Ensure that ADP co-chairs and facilitators create 'Friends of the Chair' bureau

Parties should appoint a comprehensive bureau to work with the Co-Chairs, including chairs or facilitators of spinoff issues, and previous chairs to ensure continuity for the period of the ADP. This bureau should include representation across all regional groupings, and be tasked with assisting the Co-Chairs to ensure a good outcome in 2015. Individuals should be asked to nominate if they feel confident in being able to provide continuity through to 2015. Civil society should have some involvement in this bureau.

#### 6. Embrace multi-stakeholder process

The **expertise and knowledge of observers should be valued as a resource and a culture of transparency and inclusiveness in the negotiations fostered**. This should include creating regular opportunities for NGO interventions, calling for submissions from observers (CAN thanks you for the opportunity to input in this instance), opportunities to present in workshops, and opportunities to speak from the floor, as has been increasingly offered in the UNFCCC in recent years. Allowing interventions from the floor on an ongoing basis means that input can be provided on specific issues when it is most relevant and valuable, rather than limiting input to closing interventions, which can encourage the restatement of positions. The recent long term finance workshop, which included civil society representatives and forays into engagement via social media, are a good start at active engagement and should be looked to for examples. It is important to ensure that civil society have full and active engagement and aren't marginalised by creating parallel platforms that effectively sideline input whilst giving the appearance of inclusion. Observers, including non-governmental organizations, play a vital and varied role in the climate negotiations, as in other multilateral processes,

working towards the adoption of a fair, adequate and binding agreement to address the greatest collective challenge we face.

While the stakeholder event held in Doha was worthwhile, it cannot be a substitute for space for civil society voices being allowed within the actual negotiations. This includes at roundtables or workshops. It is appropriate for civil society to be able to make ad hoc interventions when their insights can add value.

#### 7. Agree a budget for an adequate number of meetings

Parties must agree a budget for an adequate numbers of meetings, including support for at least three delegates from each LDC and low income country with substantial climate impacts eg: AOSIS and Africa Group to attend formal and informal UNFCCC meetings, ensure there is representation at meetings of specialist work areas and ensure sufficient budget for positive LDC and AOSIS representation at negotiation meetings hosted by Parties designed to inform the UNFCCC negotiations.

#### 8. Account for work done in other negotiating tracks:

The ADP workplans should take into account work that is undertaken or has been undertaken in the other negotiating tracks, the LCA, KP and SBs, and ensure that it does not build in duplication of work. There should be clarity on scope and institutional linkages (AWG-LCAs/KP and SBI/SBSTA, GCF, Adaptation Committee, new work on Loss and damage, MRV/compliance) and any other relevant areas. The ADP should be informed by the **Review** incorporating IPCC drafts.