



Views regarding the scope and content of the second Review of Article 9 under the Kyoto Protocol

Submission of the Climate Action Network International August 2007

The Climate Action Network International (CAN) welcomes the opportunity to provide inputs to the discussions moving towards a post 2012 agreement. CAN is a coalition of more than 400 environmental and development non-governmental organizations in 85 countries worldwide, committed to limiting human-induced climate change to ecologically sustainable levels.

In CAN's view the first review of Article 9 under the Kyoto Protocol was a missed opportunity to advance discussions on a number of important issues. CAN believes what is needed by 2009 is a single, coherent post 2012 agreement with commitments adequate to address the enormity of the challenges presented by climate change. The second Article 9 review has the potential to provide input towards this aim, if it is established as a process with a clear work program for 2008. However, CAN sees that the work needed to achieve a comprehensive post 2012 agreement is best served by a comprehensive mandate, to be agreed by Parties in Bali in December. The Bali Mandate will need to be based on the following principles and elements.

I. The Ultimate Objective of the Bali Mandate

The Bali Mandate must set a framework for negotiations to deliver a new agreement that will achieve emissions reductions consistent with the ultimate objective of preventing dangerous anthropogenic interference with the climate system”.

Scientific evaluation of impacts of climate change at different temperatures, including that in the recent IPCC Fourth Assessment Report, indicates that global average temperatures must be kept as far below 2°C as possible, compared to preindustrial levels, for Parties to honor the commitment to avoid dangerous climate change they made fifteen years ago.

To ensure the environmental integrity of the international response to climate change, a global emissions pathway consistent with the below 2°C target must be agreed. This means that global emissions must peak by 2015 and decline thereafter, so that global emissions are no more than 10% above 1990 levels by 2020.

This implies emissions reductions targets of:

- ❖ *At least -30% by developed countries by 2020, with a 1990 base year.*
- ❖ *At least -50% globally by 2050, with a 1990 base year*
- ❖ *At least -80% for developed countries by 2050, with a 1990 base year*

II. Political Principles of the Bali Mandate

The post 2012 agreement must build on, and extend, the existing Kyoto architecture of absolute emission reductions and flexible mechanisms. This means that developed countries must continue to take the lead in reducing greenhouse gas emissions, by taking on further, deeper binding absolute quantitative emissions reduction obligations. These emissions reductions must be achieved primarily by domestic action. Newly developed countries, including *inter alia* South Korea, Singapore and Saudi Arabia, should join this group.

The USA and Australia must ratify the Kyoto Protocol and work towards achieving their respective targets for the first commitment period. Both countries must take on absolute emissions reductions for the second commitment period, commensurate with the goal of reducing developed country emissions by 30% by 2020, compared to 1990 levels.

It is clear that even strong action by Annex B countries alone cannot achieve the emission reductions consistent with keeping well below 2°C. Broader participation by all major emitting developing country emitters is needed, driven by positive incentives, according to the principle of equity and levels of responsibility and capability. There must be differentiation of commitments between developed and developing countries, and between the actions taken to reduce emissions by developing countries

Developing countries as a group will have to bend their emissions curves to lower emissions trajectories, reducing their emissions compared to business as usual. This will need to be effected by new effective forms of technology cooperation and deployment combining financing with set goals and policies, as well as new mechanisms to promote low carbon development.

Expanded adaptation mechanisms, involving assistance, capacity building and compensation funded by industrialized countries, to deal with climate change impacts is essential to support LDCs and SIDs in coping with the climate impacts to which we are already committed. The scale of funding for adaptation must be appropriate to the need, at present it is at least two orders of magnitude lower

Negotiations for commitments and actions beyond 2012 must be mandated in Bali in December 2007. The post 2012 agreement must be reached by the end of 2009 at the latest, to avoid a gap between the first and second commitment periods. A budget sufficient to fund the necessary process and provide for participation by all relevant stakeholders must be allocated.

III. Essential Elements of the Bali Mandate

The scientific and political principles detailed above must be clearly identified in the Bali Mandate, and the work done under the Mandate must be consistent with the urgency explicit in the scientific principles.

Operative Elements:

- Scientific review, to include definition of the overall level of ambition

- Strengthened Annex B commitments for all countries listed in Annex B - including the United States and Australia - in line with the at least -30% by 2020 and at least -50% by 2050 targets, based on 1990 levels, for developed countries listed above.
- Expanded Annex B to include newly industrialized countries, to broaden global efforts and strengthen the international mechanisms, as proposed as part of the Russian Proposal
- Fair and transparent target sharing criteria for allocating the Annex B emissions reductions, taking into account specific national circumstances, while ensuring overall emissions reductions consistent with the -30% by 2020 and -80% by 2050 targets for developed countries
- New flexible mechanisms and other instruments, including policy-based instruments, to provide new incentives for non-Annex B Parties to participate on a voluntary basis, with appropriate compliance measures
- Fair and transparent criteria for differentiation of types of action between developing countries (absolute caps are not to be considered for developing countries), so that rapidly developing countries participate in quantified mitigation actions, LDCs and SIDS focus on adapting to the climate impacts which are already unavoidable, while developing countries not in either of these categories participate in new mechanisms to promote their sustainable development.
- Clean Technology Deployment Mechanism to scale up the research on, deployment and transfer of technologies, to a level to stop the growth in global emissions and be complementary to the new flexible mechanisms
- A mechanism to guarantee regular and reliable incentives to reduce emissions from deforestation and degradation in non-Annex I Parties, with Annex B countries contributing an appropriate amount to the mechanism
- Review of the first commitment period Land Use, Land-Use Change and Forestry modalities
- Clean Development Mechanism reviewed and reformed to ensure its environmental effectiveness and that any continued uncapped trading yields a significant reduction in global emissions in the second commitment period
- Expanded Adaptation Operationalization Mechanism to ensure that the most vulnerable developing countries are given the support needed to adapt to the climate impacts to which we already committed; accelerated implementation of practical adaptation activities (a learning-by-doing phase for adaptation)
- Inclusion of new sources of emissions, notably bunker fuels
- Impacts of response measures

- An effective compliance regime
- Scientific and methodological review

IV. Negotiation Process to be established by the Bali Mandate

The Bali Mandate should define a clear, timebound process for achieving a comprehensive agreement in 2009. It cannot merely be left to fate that the various work streams will magically create an agreement in this short time frame. CAN therefore recommends that the Bali Mandate create a set of working groups that address the key issues listed above. Chairs of the working groups should be mandated to have the freedom to define the terms of reference and work plans of their respective working groups. The working groups should report back on progress to the Conference of Parties in 2008.

A Committee of the Whole should use these reports as the basis of overall negotiations starting in 2008, to be completed by 2009, to allow sufficient time for the new post 2012 agreement to enter into force before the end of the first commitment period on 31 December 2012. Intersessional meetings by all working groups will be necessary.

The existing AWG under Article 3.9 should have an expanded mandate to analyze the existing flexible mechanisms, explore options for differentiation of commitments and agreed triggers by which countries might move from one level of commitment to another and explore the scale of finance and technology transfer possible through the carbon markets. The AWG should, as necessary, break into sub-groups to expedite this work.

The work already done in the Dialogue will need to be transformed into formal negotiations under the Bali Mandate, as proposed by Brazil and South Africa in Bonn in May 2007, and cover the essential elements that have already been discussed in this forum: technology deployment and cooperation; accelerated actions on sustainable development, positive incentives, and adaptation.

In the area of technology deployment and cooperation, Parties should explore new ideas that can bring new energy and creativity to the process; for example, the creation of technical advisory panels which involve technical experts from government, business and the non-governmental sector on specific technologies and regions.

CAN seeks to ensure that all work is based on sound scientific information and analysis and is informed by lessons learned from the first commitment period. The work plans will need to be well-planned and well-resourced to allow the participation of all Parties and relevant stakeholders. The process must be conducted as transparently as possible and all documents should be published on the UNFCCC website. The work must be carried out expeditiously: it is essential that negotiations are completed in time to ensure that there is no gap between the first and second commitment periods.

CAN looks forward to working with Parties to develop an equitable and environmentally effective post-2012 response to the challenges posed by climate change.