CAN
CLIMATE ACTION NETWORK

Warsaw: On the Road to Paris

October 2013

Summary

Through a series of decisions adopted at COP 17 in Durban, South Africa, countries reaffirmed their resolve to tackle climate change. They further built on those decisions at COP 18 in Doha, Qatar. This resolve is yet to be put into action as global emissions continue to push the world towards warming of 4 degrees Celsius above pre-industrial levels by the end of this century.

However, the Earth's planetary limits and thus tipping points of its ecosystem have almost been reached. There have been devastating impacts of climate change across the world in the form of super storms, floods, droughts and enhanced extreme weather events. Climate change impacts are costing countries scarce financial resources while the global economy continues facing a major downturn. Impacts are addressed temporarily as the root cause remains unaddressed.

Lack of political will continues to be the key impediment crippling progress in the UNFCCC. Inadequacy of financial resources has hampered ambitious mitigation actions. It has also slowed down effective operationalization of mechanisms meant to help the world cope with impacts of climate change. Key issues such as equity as well as loss and damage wait to be addressed adequately.

It is time that countries catch up with the reality of climate change. Displaying leadership and courage to take difficult decisions is the need of the hour. Lack of political will should not continue to impede ambitious action to tackle climate change.

CAN wishes to remind parties that a climate safe pathway for 2/1.5°C is still feasible and nations must strive for it at COP 19 in Warsaw. They only have the luxury of two more COPs to commit to a climate agreement in 2015. Time is of essence and there are still many unresolved issues - lack of trust between countries being the prominent one. COP 19 should be used to start working towards a fair, ambitious and legally binding climate plan for the world. CAN suggests that COP 19, as a priority, should address short-term mitigation ambition and the financial gap. This will help build trust amongst parties and create a positive momentum towards a post 2015 climate regime.

What could be done in the short term at Warsaw COP 19 – Pre-2020

Mitigation

- **Countries need to strive towards a peak in global emissions by 2015.** Parties need to agree on a process for adopting a decision on global peaking at the earliest.
- **Immediate increase in Developed countries pre-2020 mitigation commitments.**
- **Developing countries who are yet to announce their NAMAs should immediately do so.**
- **Exploring options to further increase developing country contribution to global mitigation actions** while respecting their differentiated responsibility and capability. **Adequate incentives through provision of finance and other means of implementation** will unlock dormant mitigation potential.
- **A framework for Renewable energy and energy efficiency** that enables UNFCCC to play an effective facilitative and coordination role in scaling up RE & EE around the world.
- **Show strong political support for complementary measures being undertaken in other multilateral fora for reducing emissions** especially regarding a phase down

of HFCs, reducing emissions from international aviation and shipping and removal of fossil fuel subsidies.

Finance

- **ALL developed countries to state what climate finance they are providing over the period 2013-15, and commit to a mid-term finance target of $60 billion in public finance for the period.**
- **A concrete roadmap for meeting the commitment to reach $100 billion (per year) by 2020, through new and additional sources of public finance.**
- A commitment to allocate at least **50% of public finance to adaptation.**
- **Immediate and substantial pledges to the Green Climate Fund, the Adaptation Fund and the Least Developed Countries Fund.**

Technology

- **Provision of long term funding for the technology mechanism,** using **appropriate technology impact assessments** as well as an **analysis of key technologies** whose deployment would bring the greatest and most rapid sustainable reduction of emissions and agree to a process that would deliver **a global Technology Action Plan in 2015.**

REDD/LULUCF

- **REDD is key to emissions reductions however, finance needs to flow in significant quantities thus** the work programme on REDD+ finance under the COP should be extended, **rules relating to LULUCF and elements around REDD + need to be clarified further.**

Adaptation

- **Adaptation actions needs to be scaled up immediately** including, **adaptation finance**, agreement on the **next phase of the Nairobi Work Programme**, commitment to pursue the **full implementation of NAPAs** and provision of the required support to LDCs, as well as to enhance immediately the support to vulnerable developing countries in preparing their NAPs over the next two years.

Contours of the 2015 agreement and elements required for expedited progress towards it

Legal

- The scope, structure and design of the 2015 agreement should be consistent with a **1.5°C** related global carbon budget, including **targets and actions** within an **equitable framework** that provides the **financial, technological and capacity building support** to countries with low capacity.
- The 2015 agreement should 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.**

Equity

- **There will not be an ambitious 2015 deal without equity nor equity without an ambitious 2015 deal.**
- **Countries should agree to an Equity Reference Framework**, one that ensures that commitments – both for mitigation action and financial support – are objectively and precisely evaluated with respect to specified global emission budgets and specified estimates of the global financial need.
- CAN has developed a list of **five equity indicators** (**Adequacy, Responsibility, Capability, Development Need and Adaptation Need)**, which together can effectively capture the core Convention-based equity principles.
- **Equity Champions need to step forward and drive the equity process**. **At COP 19 a roundtable or workshop** should be conducted **around an Equity Reference Framework and Equity Indicators**.
- **COP 19 should deliver a decision on accelerated development of an Equity Reference Framework** that is applicable to all and **involves an independent expert process.**

Mitigation

- Countries need to collectively **agree on long- and medium-term global goals (2030, 2040, 2050)**. These goals need to be inscribed in the 2015 legally binding agreement and should be based on rigorous scientific assessment.
- **All countries must put forward fair and adequate mitigation commitments and actions for the post-2020 period latest by the COP 20**. Commitments and actions should be reported using common accounting rules to ensure transparency, MRV, thus allowing comparability of national commitments.

Finance

- **Establish a permanent high-level negotiating space for climate finance** under the COP.
- **Ensure rapid progress on the following issues in relation to finance: adequacy and scaling up, equity, additionality, coherence, rationalization, transparency.**
- **A review mechanism that assesses adequacy** of existing finance pledges and regularly reassesses finance commitments.
- **An agreed target for public finance during the period 2020-2025** and **inclusion of alternative sources of financing** that will contribute to raising public finance to the scale required.

Review

- **Start work of the Joint Contact Group (JCG) on the First Periodical Review**. Parties should not just conduct housekeeping but **draw conclusions from recent scientific progress especially IPCC Working Group 1 report by conducting a working session during COP 19 about the report.**

Adaptation

- The 2015 agreement should recognize **that lack of mitigation ambition exacerbates adaptation needs of the poorest and most vulnerable people**.
- Options, benefits and limitations of **global adaptation goals should be explored**.
- **Learning from development and implementation of NAPAs and NAPs** should be used as valuable inputs towards post 2020 adaptation needs. Full implementation of NAPAs and NAPs should be key to that.

Loss and Damage

- **Loss and Damage should be an integral part of the 2015 agreement.**
- **COP 19 should establish an international mechanism to address loss and damage** and it should be fully operationalized by COP 21.

REDD & LULUCF

- The 2015 agreement should contain **specific provisions for the continuation of REDD+**. This should include provisions for funding results based (phase 3) REDD+ and ensure that the Cancun safeguards are fully addressed, respected and implemented.
- The agreement should include **rules for common accounting, including for LULUCF** that are land based, consistent with the Convention, and should be referenced to a common base period or year, as in all other sectors.

Technology

- The Technology mechanism to **apply agreed equity principles to the CTCN prioritization and other TM processes.**
- Prepare a **workable resource for countries to determine, for any new technologies they might choose to deploy, any unsuspected detrimental impacts on biodiversity or human lives.**
- An **analysis of key technologies** whose deployment would bring the greatest and most rapid sustainable reduction of emissions and/or reduction of barriers to resilience. Along with this **prioritization of Energy Efficiency and Renewable Energy, particularly off-grid Renewable Energy** to support the resilience provided by rural energy access.
- Develop **a global Technology Action Plan** in 2015.

International Carbon Markets

- **Access to international carbon markets** under the new agreement should be limited to countries that have a sufficiently ambitious reduction target and that are in line with science and with the Equity Reference Framework.
- **Extensive reform of the Clean Development Mechanism and Joint Implementation** is needed.

Agriculture

- **Explore the possible roles of all the relevant UNFCCC and Kyoto Protocol mechanisms that can contribute to attaining an equitable, food secure, sustainable, and climate resilient agriculture.**

Recommendations for Action in the short term

1.1

Mitigation – increasing short term ambition for pre 2020

At successive UNFCCC meetings, Parties have acknowledged the existence of a big mitigation gap between the current level of ambition (expressed by countries in the form of QELROs, pledges, targets and NAMAs) and what is required in the period until 2020 to keep global temperature rise below the critical 1.5/2°C threshold.

According to the Climate Action Tracker[1], current emissions trends, implemented and presently planned policies imply a 40% chance of warming exceeding 4°C by 2100 and a 10% chance of it exceeding 5°C in the same period, with a likely warming projected at 3.8°C by 2100. Furthermore, According to the 2012 Emissions Gap Report by UNEP[2], the estimated emissions gap in 2020 for a "likely" chance of being on track to stay below the 2°C target, is 8 to 13 GtCO2e, while it was 6 to 11 GtCO2e in the 2011 report. Global emissions are currently 14 per cent above where they should be in order to limit global temperature increase under 2°C.

With enhanced political will, by 2020, emissions can be brought to a level consistent with 1.5/2°C emission trajectory. This would, however, require global emissions to peak by 2015. UNEP's "***Bridging the Emissions Gap 2012***" report asserts that this is possible and economically feasible, using existing, mature technologies. In fact, it should be common knowledge by now that if nothing more is done to increase the current unconditional pledges by countries, the cost of delayed mitigation action would be much higher, there would be a need to reach deeper emission reductions in a short span of time and adaptation needs would be exacerbated.

In order to address the growing mitigation gap and put the world on a climate safe trajectory it is important that following actions are taken immediately -

KEY DECISIONS IN COP 19 FOR INCREASING PRE 2020 AMBITION

- Agreement on a process for a decision on global peaking at the earliest.
- Annex 1 parties – Kyoto and non Kyoto should indicate their intention to raise their current pre 2020 pledges to the top of the 25-40% range.
- Developing countries who have not yet submitted their NAMAs to announce mitigation actions they would be undertaking along with information regarding the support required for implementing those actions.
- Informed discussions around what further pre 2020 mitigation action is possible in developing countries and what would be the additional support that would be required for carrying out these actions.
- A framework on Renewable energy and energy efficiency that enables UNFCCC to play an effective facilitative and coordination role in scaling up RE & EE around the world.
- Show strong political support for complementary measures being undertaken in other multilateral forums especially around phase down of HFCs, reducing emissions from international aviation and shipping and removal of fossil fuel subsidy.

Agreeing on global peaking

Global peaking of emissions is critical and requires developed countries to undertake much deeper mitigation actions than what has been currently pledged which ensures rapid reduction in emissions. Developing countries too would need to charter a pathway were the rate of growth in their emissions slows down. In order for developing countries to do this scaled up finance,

[1] Climate Action Tracker, Climate Shuffle, Climate Action Tracker Update, 12 June 2013. http://climateactiontracker.org/assets/publications/briefing_papers/2013-06-11_Climate_Action_Tracker_briefing_paper_Bonn.pdf

[2] UNEP, The Emissions Gap Report 2012, November 2012. http://www.unep.org/publications/ebooks/emissionsgap2012/

technology and capacity building support needs to be made available to them.

In order to ensure that global emissions peak at the earliest and are on a pathway to keep warming well below 2°C, and to keep 1.5°C within reach, **global emissions must peak by 2015**.

At COP 19 under ADP work stream 2 deliberations, parties need to start discussing further actions that need to be undertaken in order for global peaking in emissions along with formalizing a process that will facilitate an agreement between parties on a global peak year.

Increasing pre-2020 mitigation ambition

Raising the ambition level before 2020 requires:

- Immediate increase in current 2020 mitigation pledges/targets of developed countries;
- Enabling developing countries to make new or enhanced 2020 pledges/NAMAs; and
- Strong mitigation action through complementary measures at the national and international levels with appropriate MRV systems to record results of these measures.

While increased pre-2020 mitigation targets by developed countries remains the first priority for closing the gap, strengthened domestic mitigation actions by ***all*** countries can lay a strong foundation for a global low-carbon economy. **The ADP Work Stream 2 can and should address all three areas in Warsaw**. Any attempt to divert attention away from any of these should be resisted.

Increase current 2020 pledges/ targets of developed countries

Most developed countries, to frightening dismay, have not demonstrated the political will needed to increase their current 2020 pledges. Developed countries collective pledged effort falls far short of the agreed 25 to 40% range[3], all pledges are inadequate[4], and in some cases individual pledges are a disgrace.

In Doha, it was decided that Parties in Annex 1 will revisit their QELRCs for the second commitment period of the Kyoto Protocol no later than 2014 and inform the secretariat on the Party's intention to increase the ambition of their commitment, to be considered by a high level ministerial roundtable at the first sessional period in 2014.

This review of targets must lead to ambitious reduction targets. Irrespective of countries being part of the 2nd commitment period of KP, CAN maintains that all developed countries who are part of Annex 1 must revisit and increase their current pre 2020 pledges.

CAN is of the view that Annex 1 parties – Kyoto or non Kyoto in COP 19 at Warsaw should indicate their intention to raise their current pre 2020 pledges and should formally announce these commitments at the High level ministerial roundtable to be held in 2014. Thus playing a leading role to close the mitigation gap.

Developed countries should increase their 2020 pledges so that their collective effort moves to the top of the 25-40% range as a first step towards increasing their targets to more than 40% below 1990 levels by 2020.[5] This also means developed country Parties with pledges in the form of ranges should move to at least the upper end of those ranges, replacing conditions to do so for instance with acknowledgement of their responsibility to current and future generations.

Pushing the decision back until 2014 constitutes an unacceptable delay – a few examples are provided below:

- **European Union:** The EU's 20% target for 2020 has been achieved already, almost eight years in advance[6], and the EU is already on course to reach 25% emissions reductions by 2020.The final number will be closer to 27% if proposed further reductions from various EU initiatives are fully implemented.[7] If the EU does not increase its 2020 target now to at least 30% domestic emissions reductions, and repair its collapsed Emission Trading Scheme, fatal investment signals will be sent to the EU economy, leading to new lock-in of high emissions.

- **United States:** The US should also revisit and increase its clearly inadequate target. As the largest historical emitter it needs to be a leading country in the fight against climate change. It should not be looking at others to act first. As it is responsible for about half of A1 emissions, the US target needs to be at least in the range of 25 to 40% below 1990 levels by 2020. The 17% below 2005 levels by 2020 target is equivalent to only -3% relative to 1990.[8] This is barely an initial step, and even getting there will require concerted efforts by the Obama administration on several fronts. The Obama Climate Change

[3] Noting that a high probability of staying below 2°C while ensuring that staying below 1.5°C remains within reach requires more than 40% reductions by 2020 from developed countries. After the KP rules for LULUCF accounting and the treatment of surplus AAUs have been agreed in Durban and Doha, the collective effort of developed countries can be estimated to be considerably lower than the 12-19% combined pledges suggest at face value.

[4] As shown by Climate Action Tracker: http://climateactiontracker.org/countries.html. Only Norway's unconditional target falls into the "sufficient" category while all other developed countries have unacceptably low targets. To achieve the 1.5/2°C target equitably all these countries need to formally move up to and beyond their "conditional" targets. Developed countries will have to provide, in addition to their domestic reductions, adequate climate finance for mitigation in developing countries.

[5] Environmental Defense Fund, Natural Resources Defense Council and The Nature Conservancy do not endorse this position.

[6] The European Commission projects that EU-27 greenhouse gas emissions will be about 18.2% below base-year levels for the period 2008-2012. When taking into account the use of carbon sinks and flexible mechanisms by Member States under the Kyoto Protocol, the emission reductions in 2011 were already 20% below 1990 levels. If existing policies and measures are implemented fully by EU Member states, projected 2020 emissions could be 27% below 1990 levels. If the EU would make full use of the opportunities identified by research groups and NGOs, it could reduce domestic emissions beyond 30%. CAN Europe, Closing the Ambition Gap, What Europe Can Do, 2012:

http://www.climnet.org/resources/publications/position-papers/doc_download/2127-closing-the-ambition-gap-what-europe-can-do-dec-2012-

[7] Latest, provisional figures from the European Environmental Agency show that EU countries may overshoot their 2020 target by around 10% with policy and measure that are already in place or planned. If one includes international offsets, this percentage would be even higher. At the time when CAN prepares this policy paper, official figures are not published yet.

Action Plan is a first move in the right direction. But even with the Plan in place, action by the USA will remain insufficient with regards to what science requires.

- **Australia:** There is no justification for Australia to stay at its current weak and highly inadequate pledge of merely 5% reductions below 2000 levels. Staying at such a low level can only be seen as an unacceptable unwillingness of the country to take on its fair share of the global mitigation effort. In Warsaw, the newly elected Australian government should make it clear that it intends to ramp up the fight on climate change including through protecting the integrity of the carbon pricing system in Australia.

- **Japan:** Japan must not weaken its current 25% target. It has to clarify the status of the 2020 target at Warsaw. The country announced that it would revise its 2020 target after the earthquake and the nuclear accident two years ago and yet the status of the target has been unclear. Drastically weakening the target at this point would have an immensely negative influence on other countries' willingness to raise ambition. In addition, for all developed countries not operating under the second commitment phase of the Kyoto Protocol, their pledges/targets must be converted into a trajectory until 2020. Knowledge of the trajectory and thus the country's carbon budget for the period is essential for the agreement to have environmental integrity. A point target for 2020 is not adequate.

Enable new or enhance 2020 pledges/NAMAs of developing countries

While the lead to close the mitigation gap comes from the developed countries, developing countries too can take further action based on their capabilities. There are quite a few developing countries with relatively high capabilities such as Qatar, Argentina, Nigeria, Iran, Venezuela, Saudi Arabia, Malaysia, Thailand and others that have not yet made any pledges or announced NAMAs.

At COP 19 these countries should announce mitigation actions that they would be undertaking along with information regarding the support required for implementing those actions. These actions should be formalized at the High Level Ministerial Round Table in 2014. Finance (***See finance section for more information on means of implementation)*** and support around means of implementation is a critical requirement for developing countries to carry out their mitigation actions and to enhance their efforts for moving towards a low carbon economy. This interplay between means of implementation and further mitigation action from developing countries needs further clarity. Lack of financial support or other enabling means could potentially result in forgoing mitigation potential in developing countries and increases the risk of longer lock in periods for these countries in high emission trajectories.

CAN suggests that at COP 19, parties should have informed discussions around what further pre 2020 mitigation action is possible in developing countries and what would be the additional support that would be required for carrying out these actions. These discussions could benefit if there are in country assessments of developing countries on additional potential not yet covered by current mitigation pledges along with information around support that would be required. At COP 19, Parties also need to establish a Work Programme for NAMA readiness to enable developing countries who are willing to undertake NAMAs but have limited capacities to develop them.

Additional Measures

"While increased pre-2020 mitigation targets by developed countries remains the first priority for closing the gap, strengthened domestic mitigation actions by all countries can lay a strong foundation for a global low-carbon economy."

As mentioned earlier, there is a mitigation gap that needs to be bridged in order to ensure the world is on a climate safe trajectory. The current level of ambition is very low and climate policies across countries are fragmented. There is a need to have emissions reductions that are politically supported and comprehensive.

CAN has been exploring certain areas where action by governments could possibly trigger a positive momentum around the world for mitigation action and help in realizing further potential, in addition to the pledges and actions governments are undertaking.

CAN is calling these actions additional measures. Additional measures could be global actions

[8] http://climateactiontracker.org/countries/usa.html

that are agreed within the UNFCCC and enabled by various bodies like GCF, CTCN to provide the necessary support for countries to carry out these measures. These additional measures could help in scaling up country driven initiatives and also engage non-state actors along with motivating sub-sovereign state actions. These actions will help give new momentum to international action on climate change. Additional measures would also entail additional costs for developing countries and these additional costs must be borne by developed countries.

Scaling up Renewable Energy and Energy Efficiency

CAN welcomes and supports the proposal AOSIS put forward around renewable energy and energy efficiency. This initiative could help foster discussion and co-operation amongst countries and promote urgent action. It presents an opportunity for Parties to come together on a voluntary basis to catalyze an upward spiral of action and finance. The recent Majuro declaration on climate leadership at the 44th Pacific Islands Forum has already got the ball rolling with many countries committing to extremely ambitious actions around renewable energy and energy efficiency.

Renewable energy and energy efficiency are ideal technologies for building such shared efforts as they are uncontroversial technologies that promise both short term mitigation and long term economic decarbonization benefits. The technologies are also already mature and can address many of the developmental challenges in developing countries. Developmental co-benefits of renewable energy when it replaces fossil fuel-based infrastructure includes minimizing local environmental impacts, improved health due to reduced air and water pollution, improved energy security, poverty reduction through decentralized energy access, potential for industry development and reduced vulnerability to international oil price shocks. Energy efficiency measures reduce the need to build new energy infrastructure and increases economic competitiveness by reducing the energy input costs for producers.

"A UNFCCC framework could work as an aggregator of the various RE & EE initiatives scattered across international forums and national contexts in order to create a common understanding of what those initiatives are and how they can be ramped up in order to close the mitigation gap."

Practically speaking, a UNFCCC framework could work as an aggregator of the various RE & EE initiatives scattered across international forums and national contexts in order to create a common understanding of what those initiatives are and how they can be ramped up in order to close the mitigation gap. In line with Articles 3.3, 4.3, 4.1 b,c, and f, 4.5 and 4.7 of the Convention the UNFCCC can play a critical role as a central tower that sends strong policy signals about how RE & EE initiatives could be strengthened. No other forum has the inclusiveness, institutional structure and necessary mandate to address the range of potential targets, standards and mechanisms required to take the transformative actions needed across different sectors, regions and national circumstances to put the world on a path to a low emissions future where both the climate and development prospects are protected. Success in rolling out this initiative would also create much-needed positive momentum within the UNFCCC.

Particular decisions that the UNFCCC could make that could add momentum to the global scale up of renewable energy and energy efficiency include:

1. Agreeing on a set of principles and criteria for actions to be taken as part of complementary initiatives.
2. Creating a framework for action on scaling up RE & EE under the UNFCCC in a way that sends a powerful policy signal to investors and governments on the nature of future global energy supply
3. Mobilizing the existing financial, technological and capacity building institutions of the UNFCCC to drive a global scaling up of RE & EE, towards an aspirational target of at least 25% of global energy being sourced from renewables (excluding traditional biomass) by 2020 and energy efficiency improving by at least 2.4% per year from 2014 until 2020.
4. Requesting developed countries to take the lead and submit RE & EE targets in addition to any existing domestic targets and contribute to achieving 25% of energy sourced from renewables (excluding traditional biomass) by 2020 and energy efficiency improving by 2.4% per year from 2014 until 2020.
5. Requesting developing countries to present additional RE & EE projects and programs as Nationally Appropriate Mitigation Actions (NAMAs) and developed countries to prioritize these NAMAs for support through scaled up finance, capacity building and technology transfer.

With the correct international framework in place countries will have a strong incentive to develop reliable and transparent domestic financial frameworks for the rollout of renewable energy. Examples of such domestic frameworks include grid preference for renewables, feed-in-tariffs, Rebid-auctioning schemes, phasing out fossil fuel subsidies in favor of RE & EE and/or renewable energy portfolio standards.[9]

A COP decision could be made in Warsaw on what the initiative consist of and solicit inputs from the TEC and other appropriate bodies. For the UNFCCC to be able to play an effective facilitative and coordination role in scaling up RE & EE, it would have to set up an overarching framework for action. This framework would have to leverage the capacities of **existing** institutions, the convening power of the UNFCCC and the work already being done outside the Convention in bodies such as IRENA, in a way that can lead to replication of easily implementable RE and EE initiatives.

Complementary Measures

While some measures should be within the remit of UNFCCC there are other complementary measures where the UNFCCC could play a facilitative role. The UNFCCC could lend political support to these complementary measures being undertaken in other multilateral forums. As these measures and their outcome would have a bearing on GHG emissions, the UNFCCC should keep track of the results achieved from these measures.

Complementary measures outside the UNFCCC should ensure that actions being undertaken as part of these measures **do not result in dual accounting** of existing mitigation actions, which have been committed internationally/ domestically. The accounting of results from these actions should be assessed carefully and resultant reductions in emission from individual countries participating in these actions should only be accounted for in the national GHG inventories, which are to be submitted to the UNFCCC.

Along with this, **financial and technological support** from developed countries likely to be provided outside of the UNFCCC **for these complementary measures** could possibly be accounted for in the $100 billion by 2020 commitment but **should not be double counted and the accounted support should be demonstrably for action in developing countries.**

Agreeing an HFC decision at COP 19

Although established to eliminate ozone-depleting substances and to restore the ozone layer, through its on-going phase-out of CFCs and HCFCs, the Montreal Protocol has already done more to mitigate global warming than all other international efforts combined.[10] However, these achievements in terms of climate benefits could be offset by the projected growth in HFC emissions, which have been commercialized due to the Montreal Protocol, over the coming decades unless action is taken to curb their use now.[11]

HFCs currently represent around 1% of global GHG emissions.[12] Although their contribution to climate forcing is still relatively small, it is expected to soar in the coming decades, with emissions of HFCs increasing at a rate of 10-15% per year.[13] By 2050, the accumulation of HFCs in the atmosphere is expected to increase radiative forcing by up to 0.4 W m2 relative to 2000.

Unless action is taken, global HFC emissions could reach 5.5–8.8 $GtCO_2e$ per year in 2050, equivalent to 9–19% of projected global CO_2 emissions under a business-as-usual scenario.[14] This increase could be as high as 28–45% compared with projected CO_2 emissions in a 450ppm CO_2 stabilization scenario. Since a large share of the increase will take place in developing countries, where emissions are projected to be as much as eight times greater than developed countries' emissions by 2050[15], action on HFCs must be accompanied by adequate means of implementation to support developing countries and ensure consistency with the UNFCCC principles. A phase-down of the super greenhouse gases, HFCs, would prevent the release of 2.2 G_t CO2e by 2020 and almost 100 Gt CO_2e by 2050. [16] With anticipated gains in energy efficiency factored in to reflect technological improvements historically associated with the phase-out of CFCs and HCFCs, the potential mitigation could increase significantly.

World leaders at the Rio+20 summit[17] and the G8 summit[18] and in the recently concluded G20 joint statement[19] have expressed their support for phasing down the production and consumption of hydrofluorocarbons (HFCs), based on the examination of economically viable and technically feasible alternatives, recognizing the urgency of the issue. This phase-down can and should begin immediately under the auspices of the Montreal Protocol while ensuring that HFCs remain within the scope of UNFCCC and its Kyoto Protocol for accounting and reporting of emissions.

CAN believes that Parties should seek a COP decision at COP 19 in Warsaw that:

- **Urges the Montreal Protocol to undertake a global phase-down of the production**

[9] WWF/WRI (2013): Meeting Renewable Energy Targets – Global lessons from the road to implementation, Gland

[10] Velders et al. (2007) *The importance of the Montreal Protocol in Protecting Climate*, PNAS March 20, 2007 vol. 104 no. 12 4814-4819, available here: http://www.pnas.org/content/104/12/4814.full

[11] Velders, et al., The large contribution of projected HFC emissions to future climate forcing, 106 PROC. NAT'L. ACAD. SCI. 10949, 10952 (2009) available at http://www.pnas.org/content/early/2009/06/19/0902817106

[12] UNEP (2011), HFCs: A Critical Link in Protecting Climate and the Ozone Layer

[13] UNEP (2011), HFCs: A Critical Link in Protecting Climate and the Ozone Layer, p. 19

[14] UNEP (2011), HFCs: A Critical Link in Protecting Climate and the Ozone Layer, p. 20

[15] See Velders, et al., The large contribution of projected HFC emissions to future climate forcing, 106 PROC. NAT'L. ACAD. SCI. 10949, 10952 (2009) available at http://www.pnas.org/content/early/2009/06/19/0902817106

[16] US Environmental Protection Agency (June 2012) Benefits of Addressing HFCs under the Montreal Protocol http://www.epa.gov/ozone/downloads/Benefits%20of%20Addressing%20HFCs%20Under%20the%20Montreal%20Protocol,%20June%202012.pdf

[17] We recognize that the phase-out of ozone-depleting substances is resulting in a rapid increase in the use and release of high global warming potential hydrofluorocarbons to the environment. We support a gradual phase-down in the consumption and production of hydrofluorocarbons." Available at http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/476/10/PDF/N1147610.pdf?OpenElement annotated as A/RES/66/288.

[18] Article 14, Camp David Declaration, available at http://www.whitehouse.gov/the-press-office/2012/05/19/camp-david-declaration

[19] http://en.g20russia.ru/load/782795034

and consumption of HFCs, recognizing that emissions from these substances will remain covered by the UNFCCC;

- Ensures **provision of finance and transfer of environmentally sound technologies to developing countries** for leap-frogging and managing phasing down of HFCs.
- Makes it clear that action on HFCs must not distract Parties from the essential goal of reducing their CO2 emissions;

Addressing emissions from international aviation and shipping

The ADP must consider the role that international shipping and aviation can play in closing the mitigation gap. Emissions from international aviation and shipping are already large and growing fast, yet there is great potential to reduce those emissions - about 0.3–0.5 Gt of CO_2 equivalent in 2020 according to the UNEP 2010 Bridging the Gap report. Work is underway in both IMO and ICAO to agree mechanisms to address emissions in these sectors, while adequately addressing equity, national circumstances of various countries and the principles of the UNFCCC through the use of revenues. Through the ADP the UNFCCC must call on these bodies to adopt actions to reduce emissions from these sectors in line with the latest climate science and ensure that these sectors are an integral part of a comprehensive and ambitious global strategy to prevent dangerous climate change.

The ADP must also closely monitor progress under IMO and ICAO, and provide guidance to these bodies on mitigation ambition levels, and any other matters as needed. This includes the application of CBDR & RC to address concern of developing countries and indications of how to reconcile the principles and customary practices of the various bodies, matters related to use of finance generated by market based measures for these sectors, and ensure that any market mechanism 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. Financing generated from these carbon pricing mechanisms should be used for three purposes: in-sector actions, climate finance for mitigation and adaptation actions in developing countries through the Green Climate Fund; and to address climate impacts on developing countries, including by ensuring that finance generated from these sectors is used to meet developed country mitigation commitments and developing countries are adequately compensated for any net incidence incurred from mitigation action in these sectors.

Removal of fossil fuel subsidies for pre-2020 ambition

Market distorting and environmentally harmful subsidies to fossil fuels contribute to GHG emissions and, thereby, impede the transition to sustainable/low-carbon development. Significantly reducing consumer fossil fuel subsidies alone could save as much as 2 Gt CO2e by 2020.[20] As such, fossil fuel subsidies should be phased out. Although the G20 and G8 have agreed to phase out "inefficient" fossil fuel subsidies, thus far, very little progress has been made.[21] A COP 19 decision should support fossil fuel subsidy phase out plans that include:

- A Plan to Phase out Fossil Fuel Subsidies by 2015 – Given the broad agreement on fossil fuel subsidies phase out, a **COP 19 decision needs to strongly encourage Parties to immediately adopt and implement concrete, time-bound plans to effectively phase out fossil fuel subsidies by 2015**, including:

  – Transparency and Consistency in Reporting – Governments should commit to fully and fairly disclosing the existence and value of all fossil fuel subsidies, and particularly producer subsidies, in order to allow for informed, robust plans for reform.

  – Producer subsidies – Between the G20 and G8, there has been little to no progress to reform producer subsidies. Moreover, instead of phasing out fossil fuel subsidies, some countries are offering new fossil fuel development incentives, e.g. reduced tax rates for shale oil and gas. A COP 19 decision needs to support concrete measures to phase out existing producer fossil fuel subsidies – immediately eliminating those encouraging further exploration, as these are wholly incompatible with staying below 2°C warming - and strongly discourage Parties from introducing new fossil fuel producer incentives.[22]

  – Indirect subsidies/negative externalities – COP 19 should support tax reform that includes "indirect" subsidies, i.e. the mispricing of fossil fuels through inappropriate taxing that does not take into account negative externalities. The International Monetary Fund (IMF) estimates that these indirect subsidies make up nearly two thirds of the IMF's total estimated 1.9 trillion USD in fossil fuel subsidies.[23]

  – International finance – Fossil fuel

[20] IEA 2010, World Energy Outlook, p. 569. Note: This estimate only includes consumer subsidies.

[21] G20 Leaders Statement The Pittsburgh Summit 2009, para 29; available at http://www.g20.utoronto.ca/2009/2009communique0925.html; and The White House 2012: Camp David Declaration: http://www.whitehouse.gov/the-press-office/2012/05/19/camp-david-declaration, para 13.

[22] See OECD, 2013. Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013.

[23] IMF, 2013. Energy Subsidy Reform – Lessons and Implications. January 2013.

subsidies phase out plans need to incorporate subsidies provided through international financial institutions, such as the multilateral development banks and export credit agencies. International finance institutions provide cheaper and/or more attractive financing terms to fossil fuel projects than commercial lenders, such as lower interest rates, longer tenors, and/or lower cost insurance.[24]

- Assistance and Safeguards for Developing Countries – **The phasing out of fossil fuel subsidies, especially in developing countries, has to be designed and managed in a way that supports poor and vulnerable groups and does not conflict with sustainable and affordable access to energy, e.g., well targeted safeguards to protect vulnerable groups and financial, technical and capacity building assistance where needed should be provided to developing countries prior to phasing out fossil fuel subsidy**.[25]

- Collaboration and an International Body to Support Reform – COP 19 should strongly encourage Parties to share fossil fuel subsidies reform experiences and to form alliances on making joint fossil fuel subsidy phase out pledges and implementation schedules. The biggest providers of fossil fuel producer subsidies should lead and initiate a club of pioneer states that are willing to phase out fossil fuel subsidies. Ultimately, an international body should be created to support the global effort to phase-out fossil fuel subsidies. This body should be transparent, inclusive of civil society, balanced to include representation from developed and developing countries, and sufficiently empowered to ensure accountability of commitments by countries.

Short-lived climate forcers

In addition to (and not substituting) enhanced actions on CO2, CAN recommends strong and early actions on Black Carbon which is not listed as a greenhouse gas but according to recent science contributes significantly to global warming. A report by UNEP and WMO[26] concludes that ambitious actions to cut Black Carbon and Tropospheric Ozone could reduce global warming by about 0.5°C by 2050 and even 0.7°C in the Arctic compared to a reference case; there are additional benefits related to health and food security, avoiding more than 2 million premature deaths and the loss of more than 50 million tons of cereal and soybean production. Parties should further explore this area and agree on a text that requests an appropriate forum to address emissions from black carbon. Methane emissions from fossil fuel production reinforce the need for a rapid transition to efficient energy use from renewable sources of energy, whereas some of the black carbon sources might be best treated through forums addressing access to clean and sustainable sources of energy for all.

Develop a rigorous common accounting framework

In developed countries

In CAN's opinion, developed countries should:

- Adopt the revised review guidelines for national communications and biennial reports to enable review of biennial reports in 2014.
- Adopt the revision of the UNFCCC reporting guidelines on annual inventories for Parties included in Annex I to the Convention.
- Adopt common accounting framework covering, inter alia, base years, GHGs covered, sectors, accounting of LULUCF emissions, and GWPs to enable their integration in the UNFCCC reporting guidelines for annual inventories. This is important to ensure comparability of effort among Parties based on the submission of national communications in 2015.
- Have compliance consequences attached to the IAR process.

With regards to MRV of support, only public finance for implementing ICIs in developing countries will be counted towards the $100 billion commitment.

In developing countries

In Warsaw, parties should agree to develop common reporting format tables for developing countries. 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.

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.

[24] In acknowledgement of this subsidized support for FF, the US government's Climate Action Plan stipulates an end to support for public financing of new coal projects overseas, except in narrowly prescribed circumstances.

[25] See the International Institute for Sustainable Development, Global Subsidies Initiative, 2013. A Guidebook to Fossil Fuel Subsidy Reform for Policy Makers in South East Asia.

[26] UNEP and WMO 2011, Integrated Assessment of Black Carbon and Tropospheric Ozone

1.2

Finance from Bonn to Warsaw

The costs of climate change to both developing and developed countries are steadily rising – in terms of lives lost, livelihoods disrupted and money needed to adapt to a warmer world and access energy that is truly clean and renewable. All countries will need to make a fundamental shift to a low carbon economy and such a paradigm shift involves a strategic, long-term, and transformational re-orientation towards low-carbon, climate-resilient, gender-equitable, pro-poor and country-driven development. Assessments by the World Bank, the World Resource Institute, the South Centre and others indicate that the overall financing required to catalyze this shift in developing countries will be anywhere from $600bn to $1,500bn each year – significantly more than the $100bn commitment made by developed countries.[27] But delaying action now because of a high price tag will only increase the price we will all pay in the future.[28]

Increasing mitigation, adaptation and finance ambition. Keeping people safe and global warming as far below 2 degrees as possible will require ambitious adaptation and mitigation action. Many developing countries have proposed targets and actions based on their own resources, which add up to deeper emissions cuts than the sum of developed country pledges. With financial support, even more mitigation potential could be captured by developing countries. Along with more ambitious emissions cuts in developed countries, international financial support as a critical driver of developing country mitigation action is a basic principle of the Framework Convention Articles 3, 4 and 11 – and has been reiterated in the Kyoto Protocol, the Bali Action Plan, the Copenhagen Accord, the Cancun Agreement and the Durban AWG-LCA decision.

"We are unlikely to win a new agreement that is applicable to all if developing countries have not seen increased action on finance in the period leading up to the 2015 agreement."

Finance in a global deal. But international climate finance is not just an existing obligation - it is key to closing the mitigation gap and to reaching a deal in 2015, and it is linked to all the other aspects (mitigation, adaptation, loss & damage, technology transfer, capacity building, etc.). Therefore, it is not only urgent but also necessary to have clear commitments on climate finance at COP 19 in Warsaw in step with other parts of the 'package' for COP 21 in Paris. We are unlikely to win a new agreement that is applicable to all if developing countries have not seen increased action on finance in the period leading up to that agreement. Early and strong actions on mitigation, adaptation, and finance – especially developed countries - must send the political signal that all countries are serious about securing a strong global deal in 2015.

Public finance is key. Public climate finance has a major role in the landscape of financial support for countries as they address climate change. First and foremost, public money is needed to pay for basic public goods and services that are impacted by climate change – such as access to water, food security, disaster preparedness and recovery, and access to clean energy. Public finance is needed to cover the costs of activities that will never (and arguably should not have to be) be profitable – including most adaptation activities. Public money will also be needed to support mitigation and adaption activities in countries with smaller economies, poorer economies and less developed financial infrastructure – all factors that discourage private investment. Finally, public finance is critical for charting new territory and reducing risk in sectors, technologies, and at scales that the private sector considers too dicey for investment.

Where is the money? The Fast-Start Finance period ended in 2012 with little new and additional money on the table. The Adaptation Fund, the Least Developed Country Fund and Special Climate Change Fund are woefully underfunded by developed countries. And, the Green Climate Fund remains empty. Action to deliver climate finance is long overdue.

At the Warsaw climate summit, developed countries need to provide clarity on how they intend to meet their $100 billion by 2020 commitment. In this context, CAN-I organizations are supporting the following actions at COP 19 as essential steps toward an agreement in 2015.

1. In Warsaw, all developed countries must commit to new and additional public finance for the period 2013 – 2015, in a way that is transparent and comparable.

[27] For more discussion of various adaptation and mitigation cost estimates, see : http://bit.ly/16OEvlU, http://bit.ly/18sMGuY

[28] http://www.iea.org/publications/worldenergyoutlook/pressmedia/quotes/45/, http://bit.ly/Z1esnV

Although some parties came forward with political commitments to continuing climate finance after 2012, most were silent. COP 18 in Doha did not provide developing countries with desperately needed assurance that finance will go up, not down. All developed countries need to come forward with commitments that are transparent, comparable in scope, and cover the period 2013-2015. This includes, countries that made political announcements in Doha, who now need to strengthen their commitments. These commitments must draw lessons from the fast-start finance experience. They must be additional to existing ODA commitments and accounted for separately under the UNFCCC. Year-on-year increases in finance are needed as we scale-up to $100 billion by 2020, and this needs to include an overall mid-term finance target $ 60 billion in public finance for the period 2013-2015.

2. Commit to a roadmap to reach $100bn of global public finance per year by 2020.

Developing countries have long criticized the lack of long-term signals and indications on finance they should be expecting and which could help them plan, scale and shape actions accordingly. This is why, by Warsaw, parties should agree a concrete global roadmap for scaling-up climate finance from 2013 to 2020. This needs to indicate how they intend to gradually scale-up new and additional, predictable, adequate and sustainable climate finance, including:

- **Intermediate targets** for climate finance levels, including a mid-term target of $60 billion in public finance for the period 2013-2015.
- Agreement in Warsaw that there should be year-on-year increase of public finance.
- **Which sources of public finance** will be used and when they will be mobilized, including financial transactions taxes, fair carbon pricing of international transport, revenues from auctioning emission permits, Special Drawing Rights, and redirection of fossil fuel subsidies.
- **Through which channels the money will be disbursed**, particularly looking at the GCF as well as other UNFCCC funds.
- **With which instruments the money will be provided**, particularly looking at the role grants and highly concessional loans should play.

3. And commit to allocate at least 50% of public finance to adaptation.

This is in order to address the current neglect of financial support for adaptation and ongoing 'adaptation gap', recognizing the vital importance of public finance to address adaptation needs. Adaptation has received only around $10 billion of public finance in 2011 according to the 2012 CPI report, which is inadequate for supporting developing countries' adaptation needs estimated to cost from $86 to 109 billion per annum from 2010 to 2015 according to the UNDP assessment, in 2007. According to more recent estimates by the World Bank, adaptation will cost $70 to 100 billion per year by 2050, and up to $60 to 182 billion each year by 2030 according to the UNFCCC. Private finance is largely unsuitable for many vital adaptation interventions, especially those involving community-based adaptation and basic livelihood services (such as water and food security) that offer little or no return-on-investment on a commercial level.

At least $50 billion of public finance of the $100 billion commitment is needed, and estimates of adaptation needs suggest even that will not be enough (for example, the Indian government is currently budgeting 2.6% of its GDP, about $49bn, for adaptation).[29] A decision in Warsaw allocating at least 50% of public finance to adaptation will take us in the right direction, as finance is scaled-up towards $100 billion.

4. Make substantial pledges to the Green Climate Fund, the Adaptation Fund, and the Least Developed Country Fund

In order to ensure that international climate finance is provided in accordance with the principles of the climate convention (including equity, transparency, accountability), the majority should be channeled through UNFCCC funds. Contributions should be made as soon as possible to the Green Climate Fund (GCF), as well as to the severely underfunded Adaptation Fund (AF), and Least Developed Countries Fund (LDCF). To build good will for a 2015 deal, contributor countries should prioritize these UNFCCC mechanisms over the World Bank's Climate Investment Funds, which are set to close.

For the GCF, CAN calls on developed countries to make substantial pledges and launch replenishment process.

Agree to a first round of pledges to the Green Climate Fund in Warsaw to support readiness activities and incentivize early actions. For the GCF to be operational as fast as possible, recipient countries need to get ready to receive and disburse substantial volumes of climate finance, as well as start early action wherever

[29] http://articles.economictimes.indiatimes.com/2012-07-24/news/32827781_1_national-action-plan-climate-change-green-climate-fund

possible. Developed parties should pledge money for readiness support, particularly to create or strengthen National Designated Authorities as well as support the preparation of NAMAs and NAPs.

Agree to formal replenishment process to secure an initial $10 to 15 billion capitalization for the GCF in 2014. The COP should agree on a timeline and mandate for the GCF's first formal replenishment process in 2014. This initial capitalization should amount to USD $10 to 15 billion in order to implement a first round of meaningful and transformative actions in developing countries.

For the Adaptation Fund, CAN calls on countries to pledge USD $150 million in Warsaw, towards a total of USD $450 million over 2013-2015

Currently, eight fleshed-out and already approved projects from multilateral implementing entities are queued in a pipeline and await funding. Without additional resources, these projects are being held back from providing invaluable assistance to developing countries that are struggling to adapt to the adverse effects of climate change.

Given the commendable track record[30] of the AF, and the collapse of the carbon market, which is a key source of income to the Fund, it is vital that by Warsaw, developed countries commit to providing USD $150 million to save the AF this year, and an additional USD $300 million by 2015.

CAN calls on countries to pledge at least an additional USD $900 million to the LDCF, enough to finally and fully implement priorities identified in the 48 existing NAPAs

Most of the forty-eight countries' Nationally Adaptation Programmes of Action (NAPAs), identifying country-driven priorities for adaptation activities, currently await funding in the LDCF. In Warsaw, developed countries should pledge the additional $900 million needed to implement the existing NAPAs.

5. Commit to an initial assessment of post-2020 public finance needs for mitigation and adaptation by mid-2014

This initial assessment should be based on a vulnerability assessment, and include forward estimates on potential loss and damage. It should be submitted to the COP by mid-2014, in time for the UNSG high-level meeting in September 2014.

[30] Since its operationalization, the AF has successfully operationalized direct access; accredited 27 implementing entities, of which 15 national entities in developing countries, approved 28 concrete adaptation projects and programmes in vulnerable developing countries.

6. Accelerate and strengthen work to track and count climate finance

Under the Standing Committee

The COP should request the Standing Committee along with its function to:

- Assess the MRV of finance and financial flows to the various financial instruments and funds under the UNFCCC and provide a comprehensive overview by establishing a permanent working group under the SCF;
- Develop an aggregate verification process through the Biennial Assessment and Overview of climate flow to strengthen methodologies for reporting climate finance and to ensure climate finance effectiveness in the context of sustainable development.

Under SBI and COP

Current reporting provisions should be amended so that Annex II countries are required to submit an annual report to the COP on the provisions of climate finance under Article 4 of the convention, including how they meet their financial obligation. The report format should combine the fast start best practice of project level reporting as well as additional elements identified in the common reporting tabular. A synthesis report of countries reporting should be compiled by the Secretariat with the view of providing at each COP by 2015, on how to enhance the report format.

7. Establish permanent high-level negotiating space for climate finance under the COP

CAN believes finance needs permanent and high-level political space under the COP to ensure progress towards the $100 billion target. This permanent space could for instance include an agenda item under the COP, combined with a yearly ministerial on finance.

8. When and where does all this need to happen?

The "in-session high-level ministerial dialogue" mandated for COP 19 presents a crucial opportunity for progress on long-term financing, and one we cannot afford to miss. The ministerial roundtable will be key in unlocking progress on other fronts of the negotiations – particularly short-term mitigation efforts. It is crucial in that regard that Ministers come to Warsaw with an adequate mandate to make strong commitments and provide clarity on the pathway towards a 2020 finance goal.

Crucially, this year's **Long Term Finance work program** must produce options that can be discussed and agreed by Ministers at COP 19. The work program must explore and make concrete implementable recommendations on innovative sources of public finance, including financial transaction taxes and a carbon price on international transport emissions, to supplement national budget contributions. The wrap-up session in September must agree on concrete options for decisions by ministers.

The submissions made by countries in September on 'strategies and approaches' must send a strong signal ahead of COP 19 on intentions and political will to effectively and ambitiously support adaptation and mitigation action in developing countries. Developed countries need to include clear plans and trajectories on how they intend to increase their own climate finance, and progress agreement on international sources, towards scaling-up to $100 billion of public finance.

The ECOFIN summit in October must deliver on the EU roadmap for climate finance and include a collective pledge for 2013-2015 and commit to a 50% allocation of public climate finance for adaptation.

The US Finance ministerial must send a strong signal to developing countries on the scaling up of **public** finance for both mitigation and adaptation needs.

1.3

Technology

1. Long Term Funding: Our vision is of a TM that is well resourced to serve the needs of developing countries yet independent from potentially corrupting financial influences. While we understand that private enterprise has a role to play in the TM, we believe that core funding for the decision making part of the TM, the TEC and the Climate Technology Centre and its Advisory Board should be supported by long term by public funding to ensure that vision.

- Long-term public funding for the technology mechanism

2. Rigorous Technology Assessment: Simply put, it makes no sense to develop or deploy technologies that may, in the long run, turn out to have unforeseen detrimental impacts on biodiversity or human lives. But how might we foresee such impacts in advance? The answer to this question has been discussed in a number of organizations within and outside of the UN system, and there are a number of established methods to evaluate environmental and social impacts of projects and technologies. The use of appropriate technology impact assessment must be an integral part of the work of the CTCN.

- A mandate to the Technology Mechanism to produce a plan to organize an effort including relevant UN organizations that will result in **a portfolio of Technology Assessment references, assessment criteria, and tools.**

"COP 19 should give strong political support for complementary measures being undertaken in other multilateral fora for reducing emissions especially regarding a phase down of HFCs and reducing emissions from international aviation.."

3. Global Technology Action Plan: The ultimate goal of preventing dangerous climate change as much as possible and developing resilience to the changes we can't avoid is best served when every component of climate mobilization is vetted against the targets of the best available science. For the TM this vetting would have two targets: the success of the TEC in identifying and promoting the key technologies that lead to optimum emissions reductions and the diffusion of technologies in developing countries aimed at their specific resilience needs, and that of the CTCN in promoting the diffusion of optimum technologies among developing countries.

- A COP decision to mandate that the TEC prepare **an analysis of key technologies whose deployment would bring the greatest and most rapid sustainable reduction of emissions and/or reduction of barriers to resilience** to inform its recommendation to the CTCN on prioritization criteria.

- A COP decision to mandate that the TEC define a process that would deliver **a global Technology Action Plan resource in 2015.**

4. Redress Procedure: Employment of a robust Technology Assessment for all TM projects and active involvement of Stakeholders throughout the planning process will lead to fewer issues on the ground during and after implementations. But human error happens, and when it does a redress procedure is needed to aid those who are impacted.

- A COP decision to mandate that the Advisory Board of the CTCN consider ways in which stakeholders who anticipate or experience negative impacts from project implementations can raise concerns and ***seek redress***.

1.4

REDD/LULUCF

REDD+ has a key role to play in decreasing emissions prior to 2020, as has been shown by the recent large reduction in emissions from deforestation in Brazil. For substantial emission reductions to be achieved, however, finance needs to begin to flow in significant quantities. Estimates by a range of authoritative sources indicate that to halve emissions from deforestation and forest degradation by 2020, it would require spending about US$25 billion per year on REDD+.

CAN considers that comprehensive mandatory accounting for LULUCF is required in the 2015 agreement. Experience indicates that it takes a long time to negotiate LULUCF rules and that it is vital to agree accounting rules before setting targets. Yet there are currently no negotiations under way in the ADP. Instead, informal negotiations have begun behind closed doors outside of the UNFCCC process. In Warsaw, **a decision is required to begin negotiations on LULUCF rules in the SBSTA with a mandate to report back to the ADP at the following COP.**

In Warsaw, we ask Parties to **focus discussions on framing elements that are common to all REDD+ activities** such as registries, the relationship between RL/RELs and compensation, and safeguard implementation.

The work programme under the COP on REDD+ finance should be extended in Warsaw with a view to it being included in more comprehensive finance provisions under the ADP.

1.5

Adaptation

Adaptation to the adverse impacts of climate change is now more urgent than ever. While increasing the level of ambition in mitigation actions remains crucial to prevent further dangerous climate change, it is clear that climate change has already started causing catastrophic disasters and its impacts are unavoidable due to past GHG emissions and lock-in for further loss and damage. This totally undermines efforts to ensure the fulfillment of human rights of the poorest and most vulnerable, and protecting them from devastating impacts of climate change.

Increasing near-term ambition

The adaptation agenda under the UNFCCC has made significant progress in the last few years, with the adoption of the Cancun Adaptation Framework, an important milestone and initiation of important processes and institutions. The Adaptation Committee is expected to develop as the main body for promoting adaptation and ensure coherence under the Convention.

It is no doubt that action on adaptation and loss and damage has to be significantly scaled-up in the near-term, not only post-2020. The most important gaps are related to finance. Hardly any donor country has achieved the envisaged balance between adaptation and mitigation, including in the fast-start finance period, as agreed in Copenhagen and Cancun. Adaptation finance lags far behind mitigation finance. Both are crucial and need to be expanded rapidly.

At the same time, the Convention process has to contribute to enhanced action on adaptation in all areas of the Cancun Adaptation Framework, with the Adaptation Committee being a key body to identify and propose to the COP further action in areas such as regional cooperation and centers, national institution-building, monitoring and evaluation of adaptation and its support, scaling-up of community and ecosystem-based adaptation, including regional and trans-boundary adaptation approaches, etc. The first Annual Adaptation Forum, organized by the Adaptation Committee at COP 19, should contribute to this call for enhancing near-term action. All this will also be greatly enhanced through increased financial and technical support, which must also help vulnerable countries to progress on integrating adaptation into their development and poverty reduction planning and activities.

We urge Parties to take decisions at COP 19, which ensure the scaling-up of adaptation actions immediately, including in the following areas:

Scaling-up adaptation finance immediately: *Please see Finance section under chapter "Short Term Ambition."*

Nairobi Work Programme: agree on a next phase of the NWP which effectively scales-up knowledge sharing and outreach related to it, taking into account in particular the needs and concerns of the particularly vulnerable groups, communities and ecosystems, and the growing experience with adaptation implementation including under the multilateral funds; it will also be crucial to find an efficient and constructive division of labor and cooperation with other bodies, in particular with the Adaptation Committee. The NWP should inform the work of the AC, which is crucial in order to prepare COP decisions for more ambitious action on adaptation.

NAPAs and National Adaptation Plans: commit to pursue the full implementation of NAPAs and provide the required support to LDCs, as well as to enhance immediately the support to vulnerable developing countries in preparing their NAPs in the next two years. The process must include coming up with better estimates of the adaptation costs as well as the potential loss and damage from climate change, which will occur due to adequate actions on adaptation and mitigation. The process must not only be limited to the LDCs, but other developing countries should also be supported.

"At least $50 billion of public finance of the $100 billion commitment is needed, and estimates of adaptation needs suggest even that will not be enough."

Recommendations for the 2015 Agreement

2.1

Legal: Scope, Structure and Design of the 2015 Agreement

The scope, structure and design of the 2015 agreement should be consistent with a **1.5ºC** 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.[31]

"There will not be an ambitious 2015 deal without equity nor equity without an ambitious 2015 deal."

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** (QELROs) 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

[31] Environmental Defense Fund, Greenovation Hub and Institute of Environment and Development (IED) do not endorse this position.

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 (i.e., CDM) to **domestic actions**, and don't undermine the fundamental need to decarbonize 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)

2.2

Equity Reference Framework at the UNFCCC Process

Equity is back on the negotiating table, and this is no surprise. Climate change negotiations under the UNFCCC were never going to succeed unless they faced the challenge of "equitable access to sustainable development". That is, unless they faced, more precisely, the equity challenge of not just holding to a 2°C or even 1.5°C-compliant global emission budget but also supporting sustainable development and adaptation. These are the preconditions of any successful climate transition.

As negotiations under the ADP have begun towards finding agreement on a future climate regime by 2015, the core challenge is to move the equity agenda forward, in a manner that allows us to simultaneously address the needed increase in ambition in the pre-2020 period as well as pioneer a track to collective post-2020 emissions reductions that are in line with the precautionary principle.

Addressing this will require that the following three conditions be met:

- **Parties must work together, in good faith, to find a way forward on equity**. It will not do for each to assert the uniqueness of its own "national circumstances." There must be a global way forward.

- **Pre-2020 ambition must be increased**. Developed country targets must be strengthened to be in line with the demands of science. Also, financial, technological and capability-building support for developing countries must materialize before Paris. This is absolutely essential to build the trust required for the world to act together to move to a low carbon economy post-2020. Developed countries also need to ensure that emissions peak within the decade in order to ensure that the window to limit warming to 1.5 and 2°C remains open.

- There must be **a path forward for "common but differentiated responsibilities and respective capabilities" (CBDR+RC) and it must effectively trace and capture the evolving nature of the global economy, and**

situations of individual countries as well. The path forward to CBDR+RC does not mean that the existing Annexes should be dissolved, but it does mean that they're not the only way forward. The key reason is the Annexes do not fully specify national fair shares" toward an ambitious global effort. Parties need more explicit and quantitative guidance, based on the Convention's equity principles, regarding both a fair allocation of both mitigation action as well as the provision of financial and technological support. The regime that goes into effect in 2020 must focus pressure on those countries that are not contributing their fair share toward the global effort, and it must promise to do so as well in 2030 and beyond, in a manner that effectively tracks economic and social evolution. If the regime does not do so it will not be effective.

In this context, CAN suggests an equity process, designed to build consensus on an Equity Reference Framework that builds upon the Convention's core equity principles. It further suggests that the immediate goal should be to identify well-designed, quantified equity indicators precise enough to guide Parties ex ante as they formulate commitments that are both fair and adequate, and ex post to both Parties and Observers as they evaluate commitments in equity-based and science-based terms**.**

Principles

The first of these conditions (good faith) and the second (mitigation and support) are beyond the scope of this discussion and CAN wants to focus on the future of CBDR+RC. We are presenting ideas on operationalizing CBDR+RC under the Convention as an element of the 2015 agreement. This discussion seeks a way forward on this most difficult of fronts. Fortunately, it has somewhere to stand, for the thorniest part of the equity debate – the part that concerns principles – and was essentially resolved back in 1992.

The Convention's core equity principles as identified by CAN, briefly and without detailed exegesis[32], are captured in the following:

- **A precautionary approach to adequacy**, referring to the collective obligations of countries to undertake and support urgent and adequate global action to prevent dangerous impacts of climate change and provide effective adaptation to unavoidable impacts, without which there can be no justice. (Article 3.3: "The Parties should take precautionary measures to anticipate, prevent and minimize the causes of climate change and mitigate its adverse effects.")

- **Common but differentiated responsibility and respective capability (CBDR+RC)**, in which obligations to take action and provide support, and rights to receive such support, are a function of both historical and current emissions, and of capability to act. (Article 3.1: "The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities.")

- **The right to sustainable development**, which we understand as the right of all countries to not just lift their people out of poverty, but also to provide their citizens with sustainable and universalizable living standards. By sustainable we mean "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."[33] By universalizable, we mean living standards that could be made available to the citizens of all countries.[34] (Article 3.4: "The Parties have a right to, and should, promote sustainable development.")

The right to sustainable development requires clarification. In particular, the roles of right-bearers and duty-bearers must be further defined. Also, all countries must take immediate and urgent action to reduce their unsustainable consumption and resource-use patterns, and to follow pathways of inclusive growth and sustainable development. Countries with greater capability must take ambitious actions to address unsustainable consumption and resource use, actions which must inevitably include lifestyle changes. Countries with limited capability should pursue sustainable development models, which are inclusive, gender sensitive, climate resilient and low carbon, which they can only do if they receive adequate and appropriate support from the developed countries.

Indicators

We have the Convention's core equity principles. The **next step is to agree on a defined list of equity indicators**, one that simply but adequately represents those principles. Some of these indicators – strict global emissions budgets and emissions pathways – would be global indicators that embody the foundational need for precaution and adequacy. Others would be national indicators

[32] CAN Fair Effort Sharing Discussion Paper at http://www.climatenetwork.org/publication/can-discussion-paper-fair-effort-sharing-jul-2011.

[33] These words are from the 1987 Report of the *World Commission on Environment and Development*, popularly known as the Brundtland commission.

[34] On universalizability, Kant's notion of the "categorical imperative," which states that the only morally acceptable maxims are those that can be taken, rationally, as the basis of universal law.

of responsibility and capability. Still, others would be indicators of development and adaptation need. What indicators, exactly, would be in this last, critical category? This of course remains to be determined, but it could certainly include, inter alia, measures of per‑capita income, measures of per‑capita emissions, measures of standards of living, measures of historical responsibility, measures of poverty, measures of vulnerability, and measures of intra‑national income distribution. All of which is to say that the **"agreed list of indicators" would include a set of quantitative, empirical measures, based on actual time‑series data, updated as we move forward in time,** that inform and bound the discussion about what it means for countries to act "on the basis of equity and in accordance with their common but differentiated responsibility and respective capabilities," as well as scientific adequacy.

An initial agreed list of mutually-understood equity indicators would enable us to take the critical next step, in which we work to agree to a minimum set that represents and embodies the key choices before us. Agreeing to such a list of equity indicators would be a significant step forward, for it would give us a standardized context within which Parties' commitments are prepared and discussed, and against which both Parties and independent experts could test the fairness of all Parties' commitments and adequacy of collective effort.

CAN envisions a list of five agreed equity indicators, which together can effectively capture the core Convention-based equity principles. **The suggested list of equity indicators is: Adequacy, Responsibility, Capability, Development Need and Adaptation Need.** These five equity indicators would not tell us everything that we need to know about the future of equity and sustainable development, but CAN believes that they would **provide a robust basis for a strong equity review based on the Convention.**

Frameworks

An agreed list of core equity indicators, however, is only the beginning. **We need an actual Equity Reference Framework, which includes the process that ensures commitments, both for mitigation action and financial support, and are objectively and precisely evaluated with respect to specified global emission budgets and specified estimates of the global financial need.** The good news is that, once a standardized set of equity indicators is agreed, such an Equity Reference Framework comes into reach.

The framework would include modalities of the equity review, and the decision processes that will follow from its outcomes, including possible compliance and enforcement rules. These processes would form an integral part of the treaty outcome in Paris. They should include establishing the global emission-reduction target required for the immediate post-2020 commitment period, calling for a set of commitments that meet both this global mitigation target and the associated financing and technology support targets. They should include review by international experts of all the submitted commitments (in the context of the standardized equity indicators), feeding into consultations on the commitments and taking steps to revise the commitments and adopt the final commitments in accordance with the commitment periods of the 2015 agreement.

This in CAN's view would require an independent expert process, constituted by the COP in line with the submissions of the Parties, and tasked with proposing an Equity Reference Framework that is based on a well-specified list of indicators, all of which are themselves based on the Convention's equity principles. This Equity Reference Framework would then be used by the Parties to propose their commitments; these would then be reviewed by international experts with the goal of informing the negotiations among Parties, all with the ultimate goal of both setting and evaluating the post-2020 pledges for adequacy on mitigation and finance, and of course informing subsequent mitigation and finance commitments.

"CAN suggests an equity process, designed to forge consensus on an Equity Reference Framework that builds upon the Convention's core equity principles."

A Way Forward

It would no doubt be challenging to reach an agreement on an Equity Reference Framework based on standard equity indicators. This would, after all, require a standardized framework that is precise enough to allow countries commitments to be meaningfully compared in equity as well as adequacy terms. This implies that countries cannot simply be free to pick and choose the terms by which they justify their efforts as being fair and adequate. But addressing this challenge will enhance transparency and ensure robust comparison of the fairness of commitments.

In absence of such an Equity Reference Framework, CAN believes the leaders would remain unrecognized, and laggards would still be able to hide. The aggregate effort – both action and support – would remain insufficient.

CAN believes that good answers exist on all these fronts. CAN further believes that a collective effort towards these answers, pursued in good faith, would help to ensure success in Paris, in 2015. Specifically, CAN believes that an agreement on a shared Equity Reference Framework would empower the Parties in 2015 as they confront negotiating a global set of "fair share" pledges, which at the same time should ensure that collective effort is sufficient to close the global mitigation gap and open development paths that are broad enough to offer opportunity to all.

A minimal outcome of the Equity Reference Framework would be to encourage Parties to make commitments that are defensible, as fair-shares contribution to the 2°C target. It would do so because Parties would know that their commitments will be seen in the context of a common framework based on Convention principles, and subject to a review by independent experts in an equity review process under the Convention and in particular to the quantitative comparison to their fair shares. Moreover, even a basic Equity Reference Framework would enable Observers to do their own equity reviews, specifically civil society organizations that are active on the home front, applying pressure on their governments to step up their efforts. The hope, of course, is that a framework for making the notion of fair shares concrete will make commitments more equitable, and that such review and comparison would set terms conducive to increased public understanding and, of course, appropriately targeted pressure for increased ambition.

"CAN envisions a list of five agreed equity indicators: Adequacy, Responsibility, Capability, Development Need and Adaptation Need."

Is any of this possible? Yes it is. The way forward on achieving this is:

- *The Convention.* We are now beyond the point where any group of Parties can reasonably hope to set aside the core principles of the Convention, including the principle of CBDR+RC. Nor is any renegotiation or rewriting of this foundational principle needed. Just the opposite! **A common Equity Reference Framework, and more generally a dynamic, forward-looking approach to CBDRC, would give new life and meaning to the Convention's existing equity principles, while at the same time ensuring that those with greater capabilities and responsibilities accept their fair-shares of the shared global effort.** If this point can be established, we will have a new kind of shared vision, the kind we need.

- *The Submission & Workshop processes.* The ADP co-chairs have invited submissions from Parties, Observers, and Experts until 1 September 2013. CAN suggests Parties to reflect and formulate on three key questions on the Equity Reference Framework (see ADP submission template by CAN (http://bit.ly/1cx32na). **At Warsaw Parties must focus on initiating the process by starting discussions on ideas about core equity principles and their respective indicators for shaping the 'agreed list of indicators'**, but they should also include ideas for a purposeful process by which relevant articulations of the Convention's principles, and proposed indicators that embody those principles, can be quickly distilled into a minimum set that is of immediate use by the Parties when setting their mitigation pledges and financial commitments. **A roundtable or workshop process should be held in Warsaw.** It would be charged with testing the views that the Parties have submitted, and should lead to a COP decision, in Warsaw, on the accelerated development, involving an independent expert process, of a common Equity Reference Framework that is applicable to all. Also the timeline is crucial for the Equity Reference Framework to be able to contribute to success in Paris.

- *The application of the Equity Reference Framework to the post‐2020 treaty.* **Discussions in Warsaw should begin to define the modalities of the equity review, and the decision processes that will follow from its outcomes including possible compliance and enforcement rules.** These processes would form an integral part of the treaty outcome in Paris. They should include establishing the global emission-reduction target required for the immediate post-2020 commitment period, calling for a set of commitments that meet both this global mitigation target and the associated financing and technology support targets, review by international experts of all the submitted commitments (in the context of the standardized equity indicators), which then feeds into consultations on the commitments, and taking steps to revise the commitments and adopt the final commitments in accordance with the commitment periods of the 2015 agreement.

- *The all-important Equity Champions.* At the end of the day, of course, all of this, or anything like it, will depend on **Parties stepping forward to champion the need for a robust equity review process.**

To Reiterate

This list is hardly exhaustive, but it may suffice to show that, if we wish to transform equity into a means of increasing trust, momentum, and ambition, we have the means to do so. And, certainly, there are many experts among the Parties, among the UNFCCC's officials and amongst researchers and civil society, who have the expertise to guide this process. What is essential is that this process proceeds in an objective, purposeful, and nonpolitical manner, and that Equity Champions step forward to drive it.

It is not only possible to shape a successful equity debate towards a periodical equity review but it is necessary as well. As the current discussions on equity under the ADP reaffirm, there won't be an ambitious 2015 deal without equity and there won't be equity without an ambitious 2015 deal.

The need now is to move beyond principles to quantifiable equity indicators, and to agree to an Equity Reference Framework. At an absolute minimum, **we need to agree to a small set of well-designed, easily comprehensible indicators that reflects the Convention's equity principles in a "good enough" way. This would then become a common reference framework, a shared context within which national obligations are negotiated.**

These negotiations, inevitably, will be iterative, unfolding as a series of science and equity reviews that recur with the commitment periods. Such a process would enable and unlock the participation of all, and could productively focus the debates over fair shares and comparability of effort that lie just down the road. The result, if we move forward in good faith, would be to bring a cycle of sharply increasing ambition into reach.

2.3

Adaptation and Loss and Damage

With regard to the ADP and the negotiations towards a 2015 agreement, it will be crucial that ADP makes a significant contribution in delivering an adaptation approach, which adequately responds to the immediate needs and future threats for particularly the vulnerable developing countries, communities and ecosystems. Adaptation must be treated with the same priority as mitigation in the agreement. Also, its inherent equity dimensions need to be taken into account, such as an equitable distribution of adaptation finance according to risks and needs with particular attention to the most vulnerable countries, ecosystem and people. It is important that the ADP strengthens the existing international adaptation regime and structures, to advance implementation of the Cancun Adaptation Framework at the earliest, including through specific COP decisions in the road to the 2015 agreement, as stated above.

However, CAN also notes the need to further explore additional issues, which for example have not yet been taken into account sufficiently, or which have been proposed recently by Parties.

These include

- Further increasing adaptation finance: **Scaling up new and additional adaptation finance has to be a crucial outcome of the ADP negotiations**. At least $50 billion of public finance out of the $100 billion commitment is needed, and estimates of adaptation finance needs suggests even that won't be enough. A decision in Warsaw allocating at least 50% of public finance to adaptation will take us in the right direction and climate finance is scaled-up towards $100 billion annually. The provision of these resources shall be based on the past and future responsibilities for the cause of the problem. It is also important to highlight that the current practice by donor countries to count climate finance towards their commitments of Official Development Assistance without increasing these commitments in light of the additional costs of climate change is highly problematic. Some even increase climate finance (as a share of ODA) while ODA finance as a whole decreases (often far below the committed 0.7%). This undermines efforts to fight poverty and address the needs of the poorest. Thus, Climate Finance should be new and additional to existing ODA commitment. Prioritizing the needs and risks of the most vulnerable people is essential.

- Correcting the absence of recognition in past agreements that **lack of mitigation ambition directly increases the threats as well as adaptation needs of the poorest and most vulnerable people and ecosystems in the developing world**. Strengthening such principles in future agreements is therefore important not only from equity perspective but also to take into account the growing risks from climate change inherent in the gap in mitigation ambition. The implementation and adequacy of the Cancun Adaptation Framework must be regularly reviewed in light of the mitigation ambition and the needs of, and support provided to, the developing countries.

- **Exploring options, benefits and limitations of global adaptation goals**: Some Parties have recently proposed to elaborate specific global goals related to adaptation action and finance, including taking into account the progress in light of different expected global temperature increases. CAN is of the view that exploring options for such goals should be pursued by the ADP, as a means to help steering action in developing countries, but also assessing whether the global community is sufficiently advancing (or failing) in adapting to the increasing threats of climate change impacts. Such exploration would have to include its benefits and limitations, as well as potential architectural needs to allow monitoring the milestones of these global goals.

- Full implementation of NAPA and NAPs should be a key element for the post-2020 agreement and substantive progress must be made well before 2020. **The learning from the development and implementation of NAPA and NAPs** will also provide valuable inputs on the post-2020 adaptation needs.

- Loss and damage: CAN is also of the opinion that in **principle loss and damage must also have a place in the ADP Workstream 1 discussions.** The ADP outcomes with regard to mitigation ambition, adaptation and finance will also determine the loss and damage to be incurred in the future therefore loss and damage, as a third pillar to the negotiations, must form an integral part of the ADP. It currently looks as if vulnerable developing countries have to address this from the perspective of the extreme global warming scenarios. While the SBI this year is well placed to develop on an international mechanism, with arrangements to be decided on how to further operationalize it afterwards, the post-2020 climate world will largely be shaped through the ADP discussions. These will have to take into account the outcomes of COP 19, including in relation to the loss and damage work programme and therefore the loss and damage discussions will have a key role to play in the ADP.

2.4

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

The world requires a paradigm shift towards a low carbon emission future. While we move towards this we also have to tackle the impacts from climate change ensuring resilience and adaptation to existing and future impacts, which comes at a high cost in vulnerable developing countries.

Most financial needs assessments indicate that the overall financing required to catalyze 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 necessary total financing will come from the private sector, we will nonetheless require major public finance support – to leverage and incentivize 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 adaption needs overwhelmingly require public finance support.

In this context, it is crucial the 2015 global agreement mobilize 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.

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 organizations, 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

"Climate finance will be a key component of the future regime in supporting ambitious mitigation action, adaptation and implementing core equity principles like the right to sustainable development, as well as adequacy and consistency of commitments."

emissions 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, USD 100 billion 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.

Rationalization

- Work on **rationalizing 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 including MRV into 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.

2.5

Mitigation in the post 2020 world

As the science becomes clear it is certain that ALL countries need to take deep emission reductions if we are serious about not breaching the 1.5/2 degree Celsius threshold. It is also clear that the efforts for emission reductions by all countries will be different in this regard for arriving at fair, equitable, emission-reduction efforts by countries in a post-2020 framework.

To achieve this, CAN proposes that the following mitigation elements should be part of the 2015 agreement:

Agreeing on global long-and medium-term goals

The world is clearly moving into dangerous territory when it comes to GHG emission concentration**. It is important for countries to set global emission benchmarks for 2050 as well as 2030 and 2040.** These global goals will help countries to cross check progress as well and ensure that global GHG emissions trajectory is within safe limits. Such a long-term global objective would also provide governments and businesses across the world the certainty required to make large investments in a sustainable future and to reduce investments in carbon intensive infrastructure.

Medium and long-term global goals should be informed by science and the 2013-2015 Review. Individual country targets can be informed from these goals and through discussions on equity. Keeping urgency of action in mind, **parties need to identify and agree on short, medium and long-term global goals through a rigorous science-based process, and commit to these goals by inscribing them in a 2015 legally binding outcome**. The process of agreeing on global goals for emission reductions must be agreed and should possibly be considered for adoption by countries at the leaders' summit called upon by the UN secretary general in 2014.

Deciding on country-specific commitments and action, based on the Equity Reference Framework

All countries must take fair and adequate mitigation commitments and actions based on agreed **well-designed and quantified equity indicators reflecting** the principles of the convention. CAN is proposing an Equity Reference Framework (For details read the section on Equity Reference Framework) which suggests possible indicators for defining fair and adequate mitigation commitments and actions, that also addresses differentiated nature of mitigation actions by countries.

Countries with high responsibility and capability are candidates for ambitious, legally binding economy wide quantified emissions reductions targets. These countries, as have been identified in Annex 1 of the convention, must commit to legally binding economy wide quantified emissions reduction targets in the 2015 agreement. Those countries that have a lower capability and responsibility should take nationally appropriate mitigation actions. The ambition as well as nature of the action by these countries would be explicitly contingent on financial and technical support.

The level of ambition for mitigation should be informed by science and the 2013-2015 review as well as the principle of adequacy as elaborated in the equity reference framework. Mitigation targets could also be supplemented by additional action in the form of but not limited to ambitious renewable energy, energy efficiency targets and/ or sectoral targets.

"Long-term global objective would provide governments and businesses across the world the certainty required to make large investments in a sustainable future and to reduce investments in carbon intensive infrastructure."

All these commitments and actions should be amenable to measurement and reporting while ensuring that global goals are being met.

Increasing clarity on obligations and commitments of countries through 2013 is crucial. The year 2014 should be a period of negotiations on collective ambition and differentiated post -2020 individual country commitments and actions.

In COP 19 at Warsaw countries need to agree to a timeline and process as part of CAN proposed Equity Reference Framework (ERF) for coming forward with proposed mitigation commitments /actions that need to be inscribed in the 2015 agreement. A complementary process should be undertaken to assess fairness and adequacy of mitigation commitments as part of the ERF. Commitments and actions should be reported using common accounting rules to ensure **transparency, MRV, thus allowing comparability of national commitments**. There is a need for common accounting rules both for assessing and comparing mitigation commitments and for financial commitments made by developed countries in order to ensure additionality of finance and quantum of flows.

By COP 20, countries should be clear about the commitment that they will be making. The UNFCCC should produce a technical paper in early 2015 to assess each country's proposed level of mitigation commitments/actions in accordance with the Equity Reference Framework. This will help in assessing adequacy of aggregate and country level targets, as well as to assess if targets presented reflect the country's fair share.

Adopting zero-emissions 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 zero emission development strategies that are both visionary and pragmatic, accurately mapping out a fully achievable and consistently realizable pathway to near-zero emissions by 2050, including through indicative decadal targets and legally binding 5-year carbon budgets.

"Increasing clarity on obligations and commitments of countries through 2013 is crucial. The year 2014 should be a period of negotiations on collective ambition and differentiated post -2020 individual country commitments and actions."

Guidelines for these plans should be agreed within the ADP and draft plans should be submitted to the UNFCCC along with workshops on the strategies. The UNFCCC Secretariat should be commissioned to undertake a technical paper to summarize 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 parties about the adequacy of targets being proposed as well as the pathways countries are going to take.

Developing 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 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, how these would form part of an economy-wide low carbon plan, 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.

Limiting access to market-based mechanisms

Access to international carbon markets under an ADP agreement should be limited to countries that have a sufficiently ambitious reduction target that is in line with the 2°C target and equity principles. Such a target must ensure that the main share of emission reductions is achieved domestically. All market units that are traded internationally must have environmental integrity (e.g. be additional, based on conservative baselines, permanent), be accounted for through a comprehensive accounting framework that addresses all possible double counting risks.

Developing a rigorous and comprehensive common accounting framework

Despite the setbacks from Doha, Parties should develop rigorous common accounting rules for GHG emissions for all countries, allowing comparability of efforts between Kyoto and non-Kyoto parties. This is necessary in order to build trust, foster a sense of fairness and should lead to increased ambition.

This common accounting framework should include, inter alia, global warming potential values, coverage of gases and coverage of sectors, and the greenhouse (GHG) emission inventory methodologies. Technical and financial assistance will be needed to establish the institutional and human capacity needed to compile data for inventories in developing countries.

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.

Significant work is needed to build consensus around common, consistent, complete, comparable, transparent and accurate accounting rules for all developed countries to help ensure comparability and compliance. In particular, regarding the coverage of sectors and gases developed countries must adopt common accounting rules and the treatment of LULUCF, offsets, and assigned amount units (AAUs) by emissions reduction targets.

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 CBDRRC. Over time, common accounting rules will have to apply to an ever-growing set of Parties.

Public participation in MRV processes that were stripped from the final decision at Doha should be brought back and should be one of the essential elements for a post 2020 MRV regime.

MITIGATION TARGETS IN THE 2015 AGREEMENT

- Countries need to collectively agree on long- and medium-term global goals (2030, 2040, 2050). These goals need to be inscribed in the 2015 legally binding agreement and should be based on rigorous scientific assessment. It should be considered to announce these goals at the Leader's summit called upon by the UN Secretary General in 2014.
- In COP 19 countries need to agree to a timeline and process as part of CAN proposed Equity Reference Framework (ERF) for coming forward with proposed mitigation commitments / actions that need to be inscribed in the 2015 agreement. A complimentary process should be undertaken to assess fairness and adequacy of mitigation commitments as part of the ERF.
- All countries must put forward fair and adequate mitigation commitments and actions for post-2020 period latest by the COP 20. Commitments and actions should be reported using common accounting rules to ensure transparency, MRV, thus allowing comparability of national commitments.
- UNFCCC secretariat should produce a technical paper in early 2015 In order to assess aggregate and proposed country specific targets in accordance with ERF.

2.6

First Periodical Review (2013 – 2015)

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 degrees C. **To this end, the work undertaken in the First Periodical Review (2013-2015) 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.

CAN is awaiting the start of the Joint Contact Group (JCG) on the First Periodical Review at Warsaw after the non-start of SBI 38. In Warsaw, the JCG should organize itself, elect the Co-Chairs of the JCG, which should be also the Co-Chairs of the Structured Expert Dialogue and decide on the structure and the timeline of its work at Warsaw and beyond.

In the JCG, **Parties should draw conclusions from recent scientific progress** (e.g. UNEP Gap Report, SREN and SREX of IPCC) as well as from further content of the workshop of the Structured Expert Dialogue in June 2013 and its report.

According to decision 1/CP.18, par 86 (a) we expect in Warsaw a workshop on the outcome of the Working Group I of IPCC as adopted September 2013 in Stockholm. This workshop should be organized in a constructive and innovative manner to allow a meaningful exchange between scientific experts and Parties. This workshop should be followed by discussions amongst Parties in the JCG and conclusions by the SB chairs.

CAN seeks to remind Parties that - as presented at the Structured Expert Dialogue in June 2013 - a 1.5°C pathway is still feasible; challenging but – probably after a temperature overshoot of several decades - still feasible. It is the task of the FPR to draw conclusions from this scientific information for emission reduction pathways and respective mitigation targets supported by technology transfer, climate finance and capacity building and to compare it with the pathway on which we are so that we learn what has to be changed, which decisions on our future development are necessary and what has to be avoided to exclude lock-in effects. It is important to mention that equity aspects play a crucial role in this process.

For next year after the adoption of the IPCC WG II and WG III - reports, the task of FPR will be a) to assess the scale and nature of irreversible damage, human misery, ecosystem losses and risks related to tipping points that could be avoided if warming were limited to 1.5 degrees instead of 2 degrees and b) to emphasize the fundamental importance of early peaking of global emissions if we want to achieve any tolerable temperature limit. In addition to the long-term goal, targets and commitments in the 2015 agreement that should be based on the review findings, the FPR must also guide enhanced short-term action with decisions to be taken in 2013 and 2014.

2.7

REDD/LULUCF

The 2015 agreement should contain **specific provisions for the continuation of REDD+.** This should include provisions for funding results based (phase 3) REDD+ and ensure that the Cancun safeguards are fully addressed, respected and implemented.

The agreement should **include rules for common accounting, including for LULUCF.** The LULUCF rules should be land based, as is consistent with the Convention, and should be referenced to a common base period or year, as in all other sectors. Research by CAN member organizations shows that a common base period would be more reliable.

2.8

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.

These include:

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 emissions 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 CBDR+RC 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. Thus international transport sectors (aviation and maritime transport) must be included explicitly in the work of Workstream 1 of the ADP.

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.

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_2, 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. All Annex 1 Parties should also commit to an immediate ban on the use of HFC-23 offsets for compliance with Kyoto Protocol targets.

Institution Building and Implementation through Subsidiary Bodies

3.1

Establishing an international mechanism on loss and damage

The problem

The world is warming and climate impacts are unfolding at an unprecedented rate, meanwhile governments are failing to mitigate and adapt at a rate sufficient to reduce loss and damage from climate change impacts. As such, loss and damage should be regarded as the third pillar to the UNFCCC framework leading on from mitigation and adaptation. Loss and damage from the adverse effects of climate change cuts across mitigation and adaptation. Given the continued lack of mitigation ambition and inadequate resources to implement adaptation actions, poor and vulnerable communities and countries are facing the risk of significant loss and damage from climate change impacts. At the same time there is an observable lack of commitment and willingness on the part of developed country governments to live up to their historical and current responsibilities. This continues to be an obstacle for adequately addressing the problem of loss and damage, even if future action will have to take into account globally changing responsibilities. The loss and damage threat is likely to get worse in future, in particular in any scenario with temperature increases in this century beyond 1.5°C and even more so in a 4°C world which seems to be the outcome of existing emission trajectories. There is currently little sign of the political will among the most relevant Parties to take serious their past commitments and move the world on a pathway below 1.5°C temperature increase. The less mitigation ambition will be there and the more losses of lives and properties will incur. The higher the likelihood that more and more individuals, companies and governments will seek compensation for the loss and damage they experience due to this inaction - and probably with increasing judicial success.

"Loss and damage from the adverse effects of climate change cuts across mitigation and adaptation. It should be regarded as a third pillar in the UNFCC framework leading on from Mitigation and adaptation."

There is no doubt: Increasing mitigation ambition and rapidly scaling up adaptation action and support must happen simultaneously to reduce the avoidable loss and damage as soon as possible. But this will no longer be enough due to decades of inadequate mitigation action by developed countries. In addition to this, approaches must be developed to deal with the unavoidable loss and damage and residual impacts caused by sea level rise, ocean acidification, loss of biodiversity, glacial retreat and climate change impacts, including through actions of rehabilitation, and compensatory measures.

Any financial means provided for enhanced action on loss and damage, both economic and non-economic losses, should not come at the expense of pro-active adaptation finance, but must be additional to the already inadequate promise by developed countries of delivering USD 100 billion annually by 2020.

Decision 3/CP.18 taken in Doha has been an important milestone, inter alia by defining the role of the Convention and thereby clarifying that loss and damage will clearly stay on the agenda. However, neglecting the central causal relationship between the lack of mitigation ambition and the increasing risk of loss and damage is a major gap in the decision. It thereby misses addressing key responsibilities for the cause of the problem. It currently does not require governments, especially from developed countries, to live up to these responsibilities nor to make them tackle the responsibilities, including that of non-state actors – first and foremost highly polluting corporations and industries – in their jurisdiction. Any decision taken at COP 19 must clearly highlight the increasing risks due to the lack of adequate mitigation action, and address the responsibilities underpinning the problem in line with the principles of the Convention.

Establishing an international mechanism on loss and damage

COP 18 decided to establish institutional arrangements on loss and damage, particularly an **international mechanism on loss and damage at COP 19. Therefore, establishing an international mechanism to address loss and damage in Warsaw must be key outcome on loss and damage. Further, modalities and functions of the international mechanism should be agreed by COP 20, and it should be fully operationalized by COP 21 at the latest.** The institutional arrangements must also give high priority to the needs of the poorest and most vulnerable people, communities and ecosystems.

CAN is of the view that there needs to be a distinct, strong and permanent institutional arrangement at the international level to address loss and damage, since the problem of loss and damage will continue to grow in the future and the UNFCCC has a leading role to play in addressing it. An international mechanism can and must deliver on this need.

This International mechanism as a decisive institutional arrangement will also need to provide specific loss and damage perspectives on the inter-linkages between the mitigation ambition and action, the support and action on adaptation, and the challenges that remain beyond through the loss and damage that might occur. The institutional arrangements should also perform a well-designed coordination between the different bodies addressing issues relevant to the specific perspective of loss and damage, which is required in order to minimise duplication of work and to maximise the efforts of the global communities. An international mechanism on loss and damage can address these institutional requirements, if adequately designed. Its specific role could lie in oversight as well as tackling those issues, which are hardly addressed by others.

The on-going work programme needs to continue beyond COP 19, assuming that operationalization of international mechanism will require some more time. But further action of the Parties should not depend on it. The work programme should seek, in line with the mandate from COP 18, to explore pilot initiatives on approaches to address loss and damage, potential options should include promoting social protection, the consideration of an international Climate Risk Insurance Facility, which was already mandated in Cancun, and in particular approaches to rehabilitate from loss and damage associated with the adverse effects of climate change. It should also include other financial tools to address loss and damage, which could be pursued and scaled-up by the international community, and which might also be designed in a form that they implement the polluter pays and the historical responsibilities principles.

3.2

Flexible Mechanisms

Access to international carbon markets under an ADP agreement should be limited to countries that have a sufficiently ambitious reduction target that is in line with the 2 degree target and equity principles. Such a target must ensure that the main share of emission reductions is achieved domestically. All market units that are traded internationally must have environmental integrity (e.g. be additional, based on conservative baselines, permanent), be accounted for through a comprehensive accounting framework that addresses all possible double counting risks.

Numerous studies have shown that both the Clean Development Mechanism and Joint Implementation have issued more credits than actually achieved additional emissions reductions. For example, one study from last year shows that the CDM may have delivered less than 40% of the emissions reductions it sold (CDM Policy Dialogue Impact Report). Extensive reform of both mechanisms is needed to ensure that they do not further undermine the already weak 2020 reduction targets. Reform must include stronger additionality rules, shortening of crediting periods and the exclusion of non-additional or clearly harmful project types, such as coal power). In addition, double counting of CDM offsets by both the host and the buyer country have to be avoided.

3.3

Agriculture

Agriculture both contributes to and is threatened by climate change – the latter jeopardizing global food security. Smallholders working on approximately 500 million small farms ***(located mainly in developing countries)*** are particularly vulnerable to climate change – a situation that could potentially render up to nearly two billion rural people food insecure worldwide as well as urban populations supplied by them.

Parties must therefore ensure that climate policies encompassing agriculture protect and promote food security, biodiversity, gender equitable access to resources, participatory decision-making, the right to food, animal welfare and the rights of indigenous peoples and local populations, while promoting poverty reduction and climate adaptation. Policies need to support biodiverse, resilient agricultural systems that achieve social and gender equity and are led by small producers. Systems of biodiverse and resilient agriculture need to be developed, demonstrated, tested and implemented so as to transform farming that is currently environmentally, economically, or socially unsustainable into farming that improves ecosystem health, communities and cultures – even in the face of a changing climate.

Climate policies addressing agriculture in developing countries must have adaptation as focus, due to the strong and growing impacts of climate on food security and food production, and the intensifying risk of widespread food insecurity, as well as the key role of farmers in sustaining ecosystems services. Therefore, CAN welcomes SBSTA's intent to focus on adaptation at COP 19 in Warsaw. **The SBSTA in-session workshop should:**

- Assess existing adaptation policies to determine whether they adequately address inequalities and support the most vulnerable, particularly smallholder farmers;
- Assess the environmental and social integrity of climate policies in the agricultural sector, including their impacts on food security, gender equity, biodiversity, and animal welfare;
- Document examples of smallholder farming that employ sustainable farming techniques, improve soil fertility, conserve natural resources, support biodiversity, reduce dependency on external inputs, raise yields and promote gender equity;
- Identify agro-ecological practices that contribute in a sustainable way to enhancing food security, soil health, farmers' seed saving and exchanges, animal welfare and climate resilience;
- Identify approaches that improve access to information, training and capacity building, enhance interactions among and between farmers and the scientific community, and promote farmer-driven research and innovations to increase the utilization of agro-ecological approaches;
- Document the impact of carbon sequestration focused agriculture models/policies and soil carbon markets on the adaptive capacity of smallholder farmers;
- Identify policies that avoid and/or phase out perverse incentives and subsidies that have negative climate change related impacts, for example by promoting the utilization of emission-creating chemical pesticides and synthetic fertilizers, or large-scale, industrial operations;
- SBSTA should analyze the specific role of UNFCCC in relation to agriculture policymaking in other international organizations and decision-making bodies such as the UN Food and Agriculture Organisation (FAO) and the Committee on World Food Security so as to ensure coherence as well as to avoid high transaction costs.

SBSTA should use the workshop outcomes to build an open dialogue on SBSTA's next steps to reach the goals listed here, *to* include consideration of the possible roles of all the relevant UNFCCC and Kyoto Protocol programmes and financial mechanisms which are necessary for an equitable, food secure, sustainable, and climate resilient agriculture. SBSTA should identify scientific and technical research and exchanges necessary to fulfill these goals, and lay out a clear process for approaching them.

3.4

Technology

1. **Equity:** as with all other processes the Technology Mechanism must adhere to the principles of the Convention including the equity process that is adopted by the ADP WS1.

   – COP decision that provides guidance to the technology mechanism to **apply ADP equity principles to the CTCN prioritization and other TM processes**

2. **Rigorous Technology Assessment:** Simply put, it makes no sense to develop or deploy technologies that may, in the long run, turn out to have unforeseen detrimental impacts on biodiversity or human lives. But how might we foresee such impacts in advance? The answer to this question has been discussed in a number of organizations within and outside of the UN system, and there are a number of established methods to evaluate environmental and social impacts of projects and technologies. The use of appropriate technology impact assessment must be an integral part of the work of the CTCN.

   – A recommendation from the Subsidiary Bodies to the COP for a mandate to the TEC to define and plan an effort among the relevant UN bodies that would **yield a workable resource for countries to determine, for any new technologies they might choose to deploy, any unsuspected detrimental impacts on biodiversity or human lives.**

3. **Prioritize Energy efficiency and Renewable energy:**

   – A recommendation from the Subsidiary Bodies to the COP for a mandate that the TEC consider giving guidance to the Advisory Board to **prioritize Energy Efficiency and Renewable Energy, particularly off-grid Renewable Energy to support the resilience provided by rural energy access.**

4. **Global Technology Action Plan:** The ultimate goal of preventing dangerous climate change as much as possible and developing resilience to the changes we can't avoid is best served when every component of climate mobilization is vetted against the targets of the best available science. For the TM this vetting would have two targets: the success of the TEC in identifying and promoting the key technologies that lead to optimum emissions reductions and the diffusion of technologies in developing countries aimed at their specific resilience needs, and that of the CTCN in promoting the diffusion of optimum technologies among developing countries.

   – Subsidiary Bodies recommend to the COP a decision to mandate that the TEC prepare ***an analysis of key technologies whose deployment would bring the greatest and most rapid sustainable reduction of emissions and/or reduction of barriers to resilience*** to inform its recommendation to the CTCN on prioritization criteria.

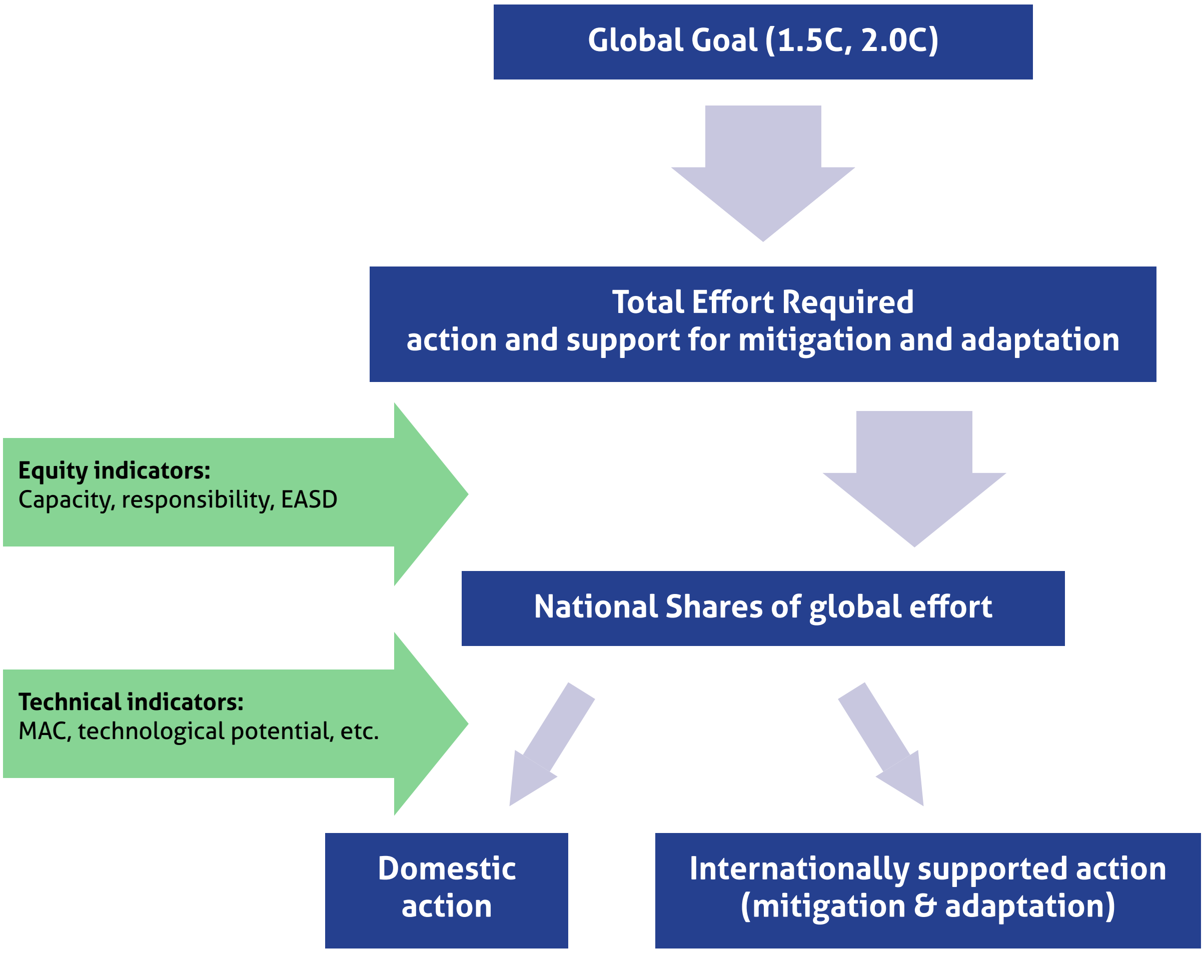
   – Subsidiary Bodies recommend to the COP a decision to mandate that the TEC define a process that would deliver ***a global Technology Action Plan resource in 2015***.

5. **Redress Procedure:** Employment of a robust Technology Assessment for all TM projects and active involvement of Stakeholders throughout the planning process will lead to fewer issues on the ground during and after implementations. But human error happens, and when it does a redress procedure is needed to aid those who are impacted.

   – Subsidiary Bodies recommend to the COP a decision to mandate that the Advisory Board of the CTCN consider ways in which stakeholders who anticipate or experience negative impacts from project implementations can raise concerns and seek redress.

Appendix 1

This graphic shows the logic of an Equity Reference Framework.



- The global goal is first determined in a manner consistent with the core "precautionary approach to adequacy" principle.

- This goal determines the total global effort required, in terms of both domestic action and international financial and technological support for mitigation and adaptation.

- National indicators reflecting the core principles of "common but differentiated responsibility and capability" and "right to sustainable development" (equitable access to sustainable development) determine the national fair shares of the global effort.

Further indicators, including technical indicators that are not necessarily equity indicators, such as those reflecting mitigation potential, help determine what portion of a country's fair share is undertaken by domestic action and what portion is by providing international support. For countries whose potential domestic action exceeds their fair share, these technical indicators similarly help determine the scale of required international support.

The graphic below shows the process and timeline for the Equity Reference Framework as envisioned by CAN.

2013

- Call for submissions from parties and observers on core principles, indicators and ERF process and timeline
- ADP chairs recommend a workshop in COP 19 based on the submissions made
- **COP 19 Warsaw** – Workshop on ERF and COP decisions on process and timeline for agreeing to ERF along with an agreement at COP 19 on a list of convention based equity indicators

2014

- Formulation of commitments at Ban Ki Moon summit, September 2014
- Equity assessment of commitments
- **COP 20** – Conclusive COP decisions on commitments in an ERF context

2015

- Revisions of commitments
- **COP 21** – Decision on establishment of an ongoing process to revise commitments periodically

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 850 members in over 100 countries. ***climatenetwork.org***

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