

# FAIR AMBITIOUS & BINDING

ESSENTIALS FOR A SUCCESSFUL CLIMATE DEAL

“What we do in the next two to three years will determine our future. This is the defining moment.”

– Chair of the IPCC, Dr. Rajendra Pachauri, November 2007

For further information on Climate Action Network International's Fair Ambitious & Binding: Essentials for a Successful Climate Deal, or other information about Climate Action Network - International contact:

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## THE ESSENTIALS CHECKLIST

The Copenhagen agreement must be fair to all countries and must safeguard the climate, specifically it must include the following commitments<sup>1</sup>:

- ☐ **A commitment to keep warming well below 2°C.**
  - ☐ Reducing greenhouse gas concentrations ultimately to 350ppm CO<sub>2</sub>e;
  - ☐ Peaking emissions within the 2013-2017 commitment period and rapidly declining emissions by at least 80% below 1990 levels by 2050; and
  - ☐ Achieving this in a way that fully reflects the historic and current contributions of developed countries to climate change and the right of developing countries to sustainable development.
- ☐ **Industrialized countries as a group must take a target of more than 40% below 1990 levels by 2020.**
  - ☐ Reductions for individual countries should be assigned based on historic and present responsibility for emissions as well as current capacity to reduce emissions.
  - ☐ The use of offsets must be limited. As long as developed country targets fall short of ensuring that domestic emissions are reduced by at least 30% below 1990 levels by 2020, there is no room – or indeed need – for offsets.
  - ☐ Accounting for emissions and removals from Land Use, Land-Use Change and Forestry (LULUCF) must be based on what the atmosphere sees.
  - ☐ Major sources of emissions must be accounted for, for example forest and peatland degradation.
  - ☐ LULUCF credits must not undermine or substitute for the significant investments and efforts required to reduce fossil fuel emissions.
- ☐ **Developing countries must be supported in their efforts to limit the growth of their industrial emissions, making substantial reductions below business-as-usual.**
- ☐ **Emissions from deforestation and degradation must be reduced to zero by 2020, funded by at least US\$35 billion per year from developed countries.**
- ☐ **Developed countries need to provide at least US\$195 billion in public financing per year by 2020, in addition to ODA commitments, for developing country actions:**
  - ☐ At least US\$95 billion per year for low emissions development, halting deforestation, agriculture, and technology research and development in developing countries
  - ☐ At least US\$100 billion per year in grants for adaptation in developing countries, including an international climate insurance pool.
- ☐ **Double counting must be avoided.**
  - ☐ Offsets, purchased by an industrialised country from developing countries to help meet the industrialized country's emissions reduction goal cannot be counted as also helping the developing country to meet its emissions reduction goal.
  - ☐ Payments for offsets should not be double counted. At least US\$195 billion in public financing is required to support developing countries in reducing their emissions to the level demanded by science, and payments for offsets must not contribute towards this minimum public financing.
- ☐ **An Adaptation Action Framework that immediately and massively scales up predictable and reliable support to developing countries to adapt to the impacts of climate change.**
- ☐ **Copenhagen outcomes must be legally binding and enforceable:**
  - ☐ Until the international community agrees to a system that provides better environmental outcomes, a stronger compliance mechanism, and has widespread support, the Kyoto Protocol should continue with a second commitment period.
  - ☐ A complementary agreement<sup>2</sup> should provide emission reduction commitments by the US comparable to other developed countries, incorporate financial commitments, and cover developing country action.

<sup>1</sup> CAN recognizes a diversity of views within its membership on the views expressed in this summary. Detailed references are provided throughout.

<sup>2</sup> See Legal Architecture section for more information on what is meant by 'agreement'.

## SHARED VISION

Climate change is here, now, and is a matter of survival for humanity and ecology. Since the IPCC's Fourth Assessment Report, new science tells us that the impacts of climate change on the planet, people and nature are far more severe than even the findings of that report. Climate change impacts, such as sea level rise and unpredictable extreme weather events, are particularly devastating for developing countries who have contributed least to the problem, especially the poorest and most vulnerable. Indeed Least Developed Countries (LDCs) and Small Island Developing States (SIDs) have called for "1.5 to stay alive" – making it clear that more than 1.5°C of warming would be catastrophic for their countries.

The new science also shows that with any delay in action the costs of mitigation and adaptation increase significantly. Delaying significant actions by even 5-10 years undermines our ability to stay well below 2°C and severely undermines the effectiveness of long-term adaptation action. Further, addressing climate change in an inadequate or unfair way may also cause severe challenges to poor and vulnerable communities. Efforts to address climate change must adequately reflect the right to sustainable development and also the principles of historical responsibility and common but differentiated responsibilities and capabilities as enshrined in the Convention. Mindful of these principles all countries must play a part in the global effort, with developed countries taking the lead in combating climate change whilst economic and social development and poverty eradication remain legitimate priorities of developing countries.

Consequently, a Copenhagen agreement must be guided by the following principles:

- Consistency with a climate trajectory which gives us a high probability of keeping warming well below the dangerous level of 2°C. Greenhouse gas concentrations would need to be reduced ultimately to 350ppm CO<sub>2</sub>e, likely in the 22<sup>nd</sup> century. Global emissions must peak within the 2013 – 2017 commitment period and rapidly decline to at least 80% below 1990 levels by 2050;
- Regular science reviews, timed with IPCC reports, which can trigger a process to strengthen reduction targets based on new scientific findings;
- Responsibility and equity between developed and developing countries. The principle of equity applies most acutely in the present, with national per capita emissions ranging from over 20 tons to less than 1 ton, but CAN recognizes both historical and inter-generational responsibilities – to people and nature;
- Recognition of human rights implications. The adverse effects of climate change have a range of direct and indirect implications for the full and effective enjoyment of human rights. Adaptation and mitigation actions must be undertaken in a manner that respects, protects and promotes human rights;
- Inclusive, active and meaningful participation of all stakeholders; and

- Environmental integrity.

Developed countries have a dual quantified obligation to reduce emissions at home and support developing countries with resources for adaptation and in their efforts to substantially deviate from business as usual emissions growth:

- Developed countries must adopt an aggregate reduction target of more than 40% by 2020 below 1990 levels<sup>3</sup>. National targets must be derived from this aggregate target.
- Developed countries must commit to delivering at least US\$195 billion of finance annually by 2020, and technology to developing countries covering adaptation costs and the agreed full incremental costs of their measurable, reportable and verifiable (MRV) nationally appropriate mitigation actions (NAMAs). These developed country commitments must be quantified, measurable, reportable and verifiable, and must be in addition to existing Official Development Assistance (ODA) targets.
- The combination of nationally appropriate mitigation actions (NAMAs) supported by developed countries<sup>4</sup> and mitigation action undertaken autonomously in developing countries, should lead to a substantial deviation from business as usual emissions growth while ensuring developing countries just transition to a carbon free economy.

A set of Global Technology Objectives should be agreed upon that are ambitious enough to deliver on the physical emission paths needed, as well as adaptation needs, and that can guide the UNFCCC technology mechanism and national and international development towards low carbon and climate resilient economies.

A comprehensive framework for adaptation should be established that will massively scale up support for immediate to long-term adaptation actions in developing countries, including capacity building, planning and implementation of specific projects through to the full implementation of National Adaptation Action Strategies and Plans and the strengthening and expanding of regional centres. This framework should ensure especially vulnerable communities, populations, peoples and ecosystems are prioritised.

The Copenhagen agreement should include the goal to halt the destruction of natural forests and reduce emissions from deforestation and forest degradation to zero by 2020, through an international REDD-plus mechanism.

Institutions charged with implementing elements of the Copenhagen agreement shall be under the authority of, and fully accountable to the Conference of Parties (COP), and said institutions governance should be inclusive and participatory, including representation of vulnerable communities, populations, people, and civil society.

<sup>3</sup> Environmental Defense Fund, Natural Resources Defense Council and The Nature Conservancy do not endorse this position.

<sup>4</sup> Measurable, verifiable and reportable support (MRV)

## ADAPTATION

The most recent scientific studies and observations show that climate change is happening now and its impact on the planet, people and nature is increasingly severe. Even the most robust greenhouse gas reduction efforts will limit but not avoid dangerous climate change, which is already and increasingly exacerbating existing poverty, food insecurity, and ecosystems degradation. The current response from the international community for limiting global warming and providing resources to adapt to climatic impacts is wholly inadequate. Business as usual is not acceptable. The Copenhagen agreement must include a clear strategy for massively expanded collaborative action and commitment on adaptation from all countries, especially from Annex 1 countries to meet their historic obligations and to provide full financing and other resources to support adaptation.

One outcome from Copenhagen must be the provision of substantial finance for adaptation in developing countries. This must be at least US\$50bn on average over the period 2013-2017, rising to at least US\$100 billion per year by 2020, consistent with the latest available scientific and economic needs assessments. Funding should prioritise the most vulnerable countries and within them, the most vulnerable communities and peoples. All funding must be additional to existing Official Development Assistance (ODA) commitments of 0.7% of Gross National Income (GNI) which are still required to meet the Millennium Development Goals. This new finance for adaptation must be from innovative sources, be predictable and be provided as grants and not loans.

A Copenhagen Adaptation Framework should:

- Massively scale-up support for adaptation actions in developing countries, covering the full life-cycle of adaptation and for the full range of actions from specific projects to the full implementation of National Adaptation Action Strategies and Plans, from immediate to long-term action
- Deliver regular flows of financial and other support for adaptation planning, implementation and evaluation/monitoring, in the form of predictable periodic grant instalments
- Prioritise especially vulnerable people and countries, through sound human and ecosystem vulnerability and climate risk assessments
- Facilitate transparent, participatory, and inclusive decision-making at all levels, including at the level of institutional arrangements
- Provide immediate support for capacity building, including institutional capacity building, to set up new, or enhance existing in-country processes for transparent and participatory adaptation planning, implementation and monitoring/review
- Facilitate, enable and support generation, gathering and disseminating of data, knowledge and experiences, including traditional knowledge on adaptation planning and practices
- Make available interim support for developing countries for the development of adaptation programmes and for mainstreaming of climate change into all government programs in the next few years, before National Adaptation Plans are able to be prepared
- Provide upfront financial and technical assistance for the most vulnerable developing countries
- Strengthen and expand the work of existing (and where required new) Regional Centres to scale-up and facilitate capacity building on national and sub-national levels, with a view to accelerate the implementation of adaptation on the best scientific basis available
- Provide for the establishment of a Climate Risk Insurance Mechanism that a) provides or facilitates technical assistance for disaster risk reduction activities such as risk and vulnerability assessments; b) includes a climate risk fund to cover a pre-defined proportion of damages from high-level, climate related shocks; c) provides technical assistance and financial support for setting up and operating pro-poor insurance schemes such as micro insurance
- Initiate a mechanism to address loss and damage from unavoidable slow-onset impacts of climate change (such as sea-level rise or intrusion of saltwater into aquifers). This mechanism must be designed to recover and rehabilitate, and provide compensation for, livelihoods and ecosystems threatened, damaged or lost through such impacts
- Provide for independent monitoring and evaluation of finance and support provided internationally as well as of the effectiveness of programmes delivered, with space and resources provided for civil society to review and comment on national adaptation strategies, programmes and projects. Where appropriate, relevant social and environmental impact assessment tools should be used to avoid mal-adaptation. Provide for equitable, geographically-balanced and transparent governance of institutions (whether new or existing), with representation of vulnerable communities, populations and people and from civil society (including full participation and voting rights)
- Full support must be given to the urgent and immediate funding and operationalisation of the Kyoto Adaptation Fund.
- Recognise and support the value and importance of healthy ecosystems for human based adaptation and for building resilience to present and future climate change

## MITIGATION

To give a high probability of staying well below 2.0°C, and preventing the severe impacts of climate change at that level of warming, greenhouse gas emissions will ultimately have to reduce to 350ppm. Global emissions reductions must peak by around 2015 – within the 2013-2017 commitment period.

### Mitigation : Developed Countries (Annex 1)

The challenge now is to work together – cooperatively, effectively, urgently – to tackle climate change, while also recognizing the historic and current contributions of developed countries to climate change and its harmful effects. Developed and developing countries can and must play their part in preventing dangerous climate change in a way that reflects equity and their fair share of effort to ensure a safe and stable climate system.

Developed countries must adopt an aggregate reduction target of more than 40% by 2020 below 1990<sup>5</sup>. National targets should be derived from the aggregate target using objective criteria to measure historic and present responsibility and capability. The calculations of national targets, ensuring that the mitigation effort is shared fairly amongst developed countries, should include all developed countries, including the United States which has not ratified the Kyoto Protocol.

Developed countries must meet the large majority of their national emission reduction target domestically, with limited flexibility to meet them through offsets, or credits, from developing countries. A dual target system, delineating clearly between a country's domestic and international mitigation commitments, can create a clearer, more robust and fairer system for international effort sharing. As long as developed country targets fall short of ensuring that domestic emissions are reduced by at least 30% below 1990 levels by 2020, there is no room – or indeed need – for offsets.<sup>6</sup>

With appropriate design, social and environmental safeguards and with sufficiently ambitious developed countries' reduction targets, offsets could play a role in a post 2012 agreement.

Any purchase of offsets from a developing country to meet a developed country's target does not reduce the requirement of the developed country to contribute to funding a low carbon trajectory of developing countries – the two obligations of developed countries must be met independently.

Even under ambitious targets for industrialised countries, emissions reductions through offsets should not lead to double counting of emission reduction efforts by both developed and developing countries. Finance

generated through carbon offset mechanisms must also not be double-counted against the obligation on developed countries to provide substantial, secure, predictable MRV public finance for mitigation and adaptation in developing countries.

A robust and strengthened compliance mechanism, at least as strong as that in the Kyoto Protocol if not more robust, with an automatic early trigger, must ensure that developed countries meet their emissions reduction commitments and their finance and technology support obligations.

### Land Use, Land use Change and Forestry (LULUCF) for developed countries

Accounting for emissions and removals from Land Use, Land-Use Change and Forestry (LULUCF) must be based on what the atmosphere sees. For example:

- Countries must account for actual changes in emissions from forest management, compared to a historical reference level; countries must not be allowed to pick and choose a reference level to erase planned increases in emissions or continued business-as-usual practices;
- In the event a country is not accounting for emissions from forest management, there must be a safeguard to ensure that emissions from conversion of natural forests to plantations are accounted for, for example, through further differentiation of the forest definition;
- Emissions resulting from forest management for bioenergy production must be accounted for; there must be a safeguard in place to ensure that these emissions are accounted for in either the energy or LULUCF sector;
- Asymmetries in accounting must be corrected – for example adding revegetation as well as reforestation;
- Major sources of emissions must be accounted for, for example from forest and peatland degradation;

There are many complexities and uncertainties associated with LULUCF and it is difficult to confidently predict the incentives and unintended consequences that may result from a particular set of accounting rules. LULUCF credits must not undermine or substitute for significant investments and efforts required to reduce fossil fuel emissions. This could be accomplished through strong rules and if necessary through the use of caps or higher national emission reduction targets or discounts of LULUCF credits.

Countries must commit to report on the achievement of goals and verifiable measures to protect reservoirs of greenhouse gases in natural forests, wetlands and grasslands, for example through the creation of protected areas.

### Mitigation : Developing Countries

In order to ensure that the agreement reflects the diversity of developing countries there should be an equitable process to assess, encourage and enable mitigation actions

<sup>5</sup> Environmental Defense Fund, Natural Resources Defense Council and The Nature Conservancy do not endorse this position.

<sup>6</sup> Conservation International, Environmental Defense Fund, Natural Resources Defense Council, The Nature Conservancy, The Woods Hole Research Center, and IPAM (Amazon Environmental Research Institute) do not endorse this position.



in developing countries to be in line with their fair share of effort.

Using the support provided by developed countries, developing countries should design and put in place low carbon action plans to achieve their sustainable development objectives, while also achieving a low carbon economy. The development and implementation of these plans must be supported by financing, technology and capacity from developed countries to meet the full incremental costs of these actions.

The Copenhagen agreement should establish a UNFCCC climate facility/mechanism under the authority of the Conference of Parties, which will have a dual role of ensuring that developed countries meet their obligations to provide measurable, reportable and verifiable support for the enhanced actions of developing countries, and ensuring that developing countries undertake the implementation of the actions that have been provided support.

A binding agreement in the context of the UNFCCC facility/mechanism should quantify the deviation from business as usual emission trajectories to be achieved in developing countries as an outcome from and conditional on appropriate financial and technological support from developed countries.

Least Developed Countries and Small Island Developing States (LDCs and SIDS) should not be required to submit low carbon plans to receive support, but can submit individual NAMAs to the facility/mechanism for financial and technological support.

The level of mitigation action by developing countries that can be internationally measured, reported and verified will depend on the level of support by developed countries that is provided in a measurable, reportable and verifiable form under the full authority and guidance of the UNFCCC.

Developing countries should deliver national and sectoral monitoring and reporting of greenhouse gas emissions. Developing countries, except LDCs and SIDS, should be expected and enabled to develop these inventories by 2013, and on a two-year basis.

Any offsets against developed country targets must be *in addition* to the substantial deviation from BAU required from developing countries, which developed countries already have an obligation to support. And they must not include low-cost and no-regrets mitigation actions achieved autonomously by developing countries<sup>7</sup>.

### **Reduced Emissions from Deforestation and Degradation in Developing Countries (REDD)**

Tropical deforestation and degradation<sup>8</sup> – where the majority of deforestation takes place – account for about

15% of global emissions every year. As well as capturing carbon, natural forests provide both ecosystem services, (such as watershed protection and moderating extreme fluctuations in local climate) and livelihoods for millions of people. Combating deforestation can achieve both mitigation and adaptation benefits as well as sustainable development.

The Copenhagen agreement should include the goal to halt the destruction of natural forests and reduce emissions from deforestation and forest degradation to zero by 2020.

In so doing the international REDD-plus mechanism must:

- Give priority to conserving natural forests
- Address all drivers of deforestation to relieve the pressure on forests and land that result in greenhouse gas emissions
- Include safeguards to maintain biological diversity and against the conversion of natural ecosystems to forest plantations
- Ensure the full and effective participation of Indigenous Peoples and local communities in all stages of REDD from planning to evaluation, requiring their free prior and informed consent for activities that affect them
- Require mechanisms for monitoring, reporting and verification of REDD actions that apply not only to emissions reductions but also the social and environmental safeguards around maintaining forests
- Provide adequate, predictable and sustainable financing, including US\$2 billion per year for early and urgent actions from 2010

### **International Aviation & Shipping (bunker fuels)**

Emissions from international aviation and shipping must be covered by a Copenhagen agreement in order to ensure a comprehensive mitigation response. The sectors currently account for nearly 10% of anthropogenic warming and their share is forecast to rise rapidly unless they are controlled.

Countries are unable to agree a methodology for allocating emissions to individual countries, and therefore the most promising method for including these emissions is to pursue a co-operative sectoral approach, with countries collaborating to reduce emissions that occur in international space.

The Copenhagen agreement should specify a number of elements to ensure that such policies can be rapidly developed and implemented, on an equitable basis that minimises negative impacts on the most vulnerable countries:

- The principle that **all bunker emissions** should be covered by sectoral policies; except that
  - thresholds should be set that exempt traffic to or from SIDS and LDCs, without causing significant trade distortion or carbon leakage though re-routing of traffic
- The principle that any **revenues** raised by such

<sup>7</sup> Conservation International, Environmental Defense Fund, Natural Resources Defense Council and The Nature Conservancy do not endorse this position.

<sup>8</sup> Degradation generally refers to the reduction in biomass within a forest without resulting in land being converted to another use (eg: agriculture). Deforestation is where the reduction in biomass within a forest does result in land being converted to another use (eg: agriculture).

policies should be spent in developing countries, to cover any incremental costs incurred under this approach and to fund climate mitigation and adaptation.

- Emissions reduction **targets** for each sector against 1990 baselines.
- **Timeline** for development, adoption and implementation of policies by the end of 2011.

## Clean Development Mechanism (CDM)

In the second commitment period, the Clean Development Mechanism (CDM) requires fundamental restructuring or replacement, and should not continue or be expanded without fundamental reform. The CDM must create a more reliable means for filtering out projects that are non-additional and those that have adverse social and environmental impacts.

## FINANCE

Negotiations towards a Copenhagen agreement hinge on a number of key elements, including ensuring that sufficient financial assistance will be available in the short and long term to support developing country actions to deal with climate change. Without substantial and upfront commitments of financial resources from developed countries in the near and long term there is an increased likelihood of continued stalemate in the negotiations, and substantially raising the extent of damage and the costs of climate change in the future.

All public finance must be new and **additional** to existing Official Development Assistance (ODA) commitments which will be required in order to meet the Millennium Development Goals.

To effectively support and enhance developing countries' efforts on adaptation and mitigation, developed countries will need to mobilize significant **public funding** for developing country actions—at least **US\$195 billion per year by 2020**. This figure is based on conservative estimates of the minimum resources required to support mitigation and adaptation in developing countries:

- At least US\$50bn on average over the period 2013-2017, rising to at least US\$100 billion per year by 2020, consistent with the latest available scientific and economic needs assessments). Including an international climate insurance pool. This finance must be provided in grants – not loans.
- At least **US\$95 billion per year** to cover the full incremental cost of low emissions development, halting deforestation, agriculture, and technology research and development in developing countries.

There is a need for near term financing to be provided, starting immediately up until the new agreement is able to provide a steady stream of finance.

Any offsetting of developed country targets, by buying credits from developing countries, must be paid for over and above the financing listed above. The financing

support above will support the substantial deviation from business as usual necessary in developing countries if we are to keep warming well below 2°C, to complement developed countries independent emissions reductions of more than 40% below 1990 levels by 2020<sup>9</sup>. Creative “double accounting” means developed countries are not meeting their dual obligations, and threatening the environmental integrity of the climate regime and the change of keeping warming well below 2 degrees.

Developing countries must have the confidence that the funding will be delivered if they are to play their part in keeping warming well below 2 degrees. Repeating the unsatisfactory lack of delivery of voluntary aid commitments is unacceptable. Rich countries must ensure predictable, automatic and innovative revenue streams, enabling the polluter pays principle, and additional to existing Official Development Assistance (ODA) commitments. Revenue streams, amongst other things, could include:

- The auctioning of the international emissions allowances (AAUs) allocated to each developed country that has a target. AAUs are currently assigned free of charge. 10% of allowances auctioned could generate US\$69bn per year<sup>10</sup>.
- Aviation mechanism (e.g., Air Travel Levy or emissions trading scheme) could raise US\$12bn per year<sup>11</sup>.
- Maritime mechanism (ETS or Levy) could generate US\$14bn per year<sup>12</sup>.
- Extending the levy (or share of proceeds) to all emissions trading, and flexibility mechanisms under the new agreement could raise US\$1.5bn per year.
- Any remaining funds could be generated through assessed national contributions made by developed countries, differentiated based on responsibility and capability.

To ensure accountability, coherence and transparency, the vast majority of public climate funding must flow through a consolidated fund under the authority of and fully accountable to the Conference of the Parties to the UNFCCC (COP) and COP decision-making. Political oversight by the COP on fund policies and safeguards is essential to effective accountability and political acceptance. Likewise, institutional governance should be inclusive and participatory, including representation of vulnerable communities, populations, people, and civil society, and the full and effective participation of vulnerable populations and people. Governance of institutional arrangements should also protect rights,

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

10 Oxfam International, *Turning Carbon Into Gold*. Oxfam Briefing Paper, December 2008, calculated using carbon price estimates at 550ppm concentration targets. If lower concentration targets are adopted, or a higher percentage of AAUs auctioned, then more finance could be generated from this source.

11 Oxfam International, *Turning Carbon Into Gold*. Oxfam Briefing Paper, December 2008; Müller and Hepburn (2006)

12 Oxfam International, *Turning Carbon Into Gold*. Oxfam Briefing Paper, December 2008



prioritize the most vulnerable populations, and observe environmental and social safeguards; and must follow the principle of subsidiarity (matters should be handled by bodies at the most local level that show relevant competency). Country ownership should maximise national, sub-national and community level ownership in order to enable and guarantee participatory local-level planning, implementation, monitoring and evaluation, and facilitate overall effectiveness.

## TECHNOLOGY

To keep the global average temperature increases as far below 2°C as possible and to support vulnerable countries in adapting to the impacts of climate change, we truly need a worldwide revolution in research, development and rapid diffusion of environmentally-sustainable technologies (EST), particularly renewable energy and energy efficiency. We need drastic action and global cooperation all along the technology chain targeted at: the direction and financing of national and cross-border research and development; the speed of technology demonstration and deployment; the scope and extent of technology diffusion; and the directness, affordability and ease of accessibility to technology products, skills and know-how.

This will require a transfer of resources, (information, skills, know-how, financing, goods, and equipment, etc.) in particular from developed to developing countries, all along the technology chain, while supporting the creation of conditions in all countries that enable environmentally sustainable technologies to flourish.

This will require significant amounts of public funds, channelled directly to support technology objectives and programmes as well the use of public funds to leverage private sector investment and participation in technology programmes and joint ventures.

Copenhagen must establish a dedicated **Technology Cooperation Mechanism** under the authority of the COP or COP/MOP that would:

- Establish a **Global Technology Objective**, including a commitment to scale up **public funding to at least US\$5bn per year** for global technology efforts (including RD&D, diffusion and capacity building) in addition to adaptation and mitigation finance ; and to increase renewable energy penetration globally
- Establish **Global Technology Roadmaps** that outline a strategy for Research Development, Demonstration and Diffusion for a key set of technologies
- Oversee the development and implementation of national and international **Technology Action Programmes** to prioritize areas of RD&D cooperation, and targets for uptake and diffusion and to ensure that the Global Technology Objective is met, including:
  - **National Technology Needs Assessments**, which describe the technological, human, and institutional capacities needed to implement the Low Carbon Development Plans and

national approaches to adaptation and identify the gaps in domestic capacities which must be met through international technology cooperation

- Establish a **Technology Executive Board** that would: oversee the Technology Action Programmes; the Technology Fund; establish expert technical panels, where needed; coordinate the work of regional centres of excellence; and establish criteria to ensure projects and support are measurable, reportable and verifiable. The Board should be a professional body with technical experts
- Be directly responsive to, and driven by, the needs (capacity building, technology etc) identified by developing countries via TNAs, NAMAs, National Adaptation Plans etc.
- Establish regional/sub-regional centres for increased access to technologies through innovation, match making and information sharing, and to develop, diffuse and scale up the use of new and existing technologies related to mitigation and adaptation
- Support for the creation of incentives to mobilize significant private sector funds/actions to promote clean technology transformation, and facilitate public-private partnerships
- Establish a mechanism or process to address **patents and related intellectual property** issues to ensure both increased innovation and increased access for technologies for mitigation and adaptation. A variety of options, including: funding for buy-down of license fees; using all the flexibilities in TRIPS<sup>13</sup>; and patent sharing arrangements, should be made available to help developing countries access these clean technologies

## LEGAL ARCHITECTURE

The Kyoto Protocol established a system whereby developed (Annex 1) countries commit to take legally binding emission reduction targets and to be subject to an international compliance regime. Until the international community agrees to a system that provides better environmental outcomes, a stronger compliance mechanism and has widespread support, the Kyoto Protocol should continue with a second commitment period.

The US has suggested that countries put forward their actions in an Annex, where countries would unilaterally pledge to undertake targets or actions and would self adjust to ensure that the commitments are fair and ambitious. Parties would present their actions to the COP periodically for peer review. There would be no independent body determining whether countries are in compliance, and there would be no penalties for inaction. It's hard to imagine that a system with no compliance

13 TRIPS is the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights

would ensure that countries would do what they promised to do, so it is hard to believe that this system will result in warming staying well below 2°C. This is therefore a completely unacceptable proposal.

The Australian Government has proposed a system of individual country schedules, which could incorporate the targets of the Kyoto Protocol for developed (Annex 1) countries and act as a register of actions for all countries. This proposal risks leading to de facto bottom up, pledge and review approach, rather than starting from a global aggregate target for emission reductions to ensure that sufficient action is taken to keep warming well below 2°C.

Copenhagen must ensure that all developed (Annex 1) countries take on both legally binding emission reduction targets and commitments to provide adequate, additional and predictable finance and technology support, backed by a compliance regime at least as strong as that in the Kyoto Protocol, if not more robust, by including an automatic early trigger and stronger penalties for non compliance. At this stage that means a second commitment period of the Kyoto Protocol, and a complementary agreement under the UNFCCC to ensure that the United States commits to effort comparable to other developed countries, calculated using historical and current responsibility and capability.

The second commitment period of the Kyoto Protocol, and the complementary agreement, must encompass all of the elements listed in this document as essential to being agreed at Copenhagen in order to produce a legally binding, enforceable and ratifiable outcome. The outcome of negotiations under the Convention<sup>14</sup>, or LCA track, regardless of form, must provide a strong basis to rapidly enhance implementation of the Convention, including full implementation of financial obligations of developed countries. The legal form and nature of the LCA track outcome must be in full respect of equity principles including “common but differentiated responsibilities”.

The core legal architecture elements of an agreement at Copenhagen must be:

- supported by finance from developed countries;
- A strengthened compliance regime for all developed countries building and improving on the Kyoto compliance system incorporating both facilitative and enforcement branches with oversight of inventory and reporting obligations and the dual commitments of mitigation targets and financing for developing countries;
- Inclusion of early warning triggers for those countries at risk of non-compliance – the system cannot rely on other countries providing referrals, but must be more proactive and robust;
- Establishment of a facilitative mechanism for developing countries experiencing difficulties in implementing their mitigation actions.
- A commitment period of 5 years, incorporating an emergency review trigger – that gives governments the opportunity to review the international agreement if the science demands it;
- 1990 base year for developed countries as agreed to in the Kyoto Protocol – picking and choosing of base years is only likely to lead to “gaming” of the system;
- Enhanced national reporting and review requirements for all industrialized countries which build on the framework established by Kyoto;
- Enhanced national reporting and review requirements for developing countries with greater frequency of reporting;
- A regime for measurement, reporting and verification for developing country mitigation action that is

<sup>14</sup> United Nations Framework Convention on Climate Change (UNFCCC). Negotiations have been ongoing under the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (the LCA track) and the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (the KP track).

## FOR MORE DETAIL ON CAN POLICIES, PLEASE SEE [www.climatenetwork.org](http://www.climatenetwork.org) and specifically:

### Legal

Considerations Regarding National Schedules for Climate Change Mitigation – June 2009

[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CAN\\_Considerations\\_Regarding\\_National\\_Schedules\\_for\\_Climate\\_Mitigation\\_Analysis\\_June09.pdf/view](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CAN_Considerations_Regarding_National_Schedules_for_Climate_Mitigation_Analysis_June09.pdf/view)

### Adaptation

Submission to UNFCCC Ad Hoc Working Group on Long-Term Cooperative Action Regarding An Adaptation Action Framework – April 2009

<http://unfccc.int/resource/docs/2009/smsn/ngo/128.pdf>

Views Regarding Adaptation Under the LCA Submission - 30 September, 2008

<http://climatenetwork.org/climate-change-basics/by-meeting-and-date/cop-14-poznan-december-2008/CAN%20adaptation%20Submission%20to%20the%20AWG-LCA%20final%2030%20Sept%202008.pdf>

Action on Adaptation: The Scale of the Challenge and Required Responses – June 2008

<http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-june-2008/CAN%20adaptation%20paper%20final%20june%202008.pdf>

CAN Adaptation and Ecosystems Position and Briefing Paper - May 2009

<http://climatenetwork.org/climate-change-basics/by-topic/CAN%20adaptation%20and%20ecosystems%20position%20and%20briefing%20paper%20260509%20FINAL.doc/view>

### Finance

Principles for Climate Finance under the UNFCCC – September 2009

[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bangkok-sept-oct-2009/CAN\\_Principles\\_of\\_Financial\\_mechanism\\_september09.pdf](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bangkok-sept-oct-2009/CAN_Principles_of_Financial_mechanism_september09.pdf)

CAN Finance Position Paper Scale and Sources of Support for Developing Country Adaptation, Mitigation and Capacity Building

[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CANfinance\\_position-scale\\_and\\_sourcesFinal7June2009.pdf](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CANfinance_position-scale_and_sourcesFinal7June2009.pdf)

### Mitigation

Position on an Annex I aggregate target1 - 7 April 2009

[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-i-mar-apr-2009/CAN-A1aggregate\\_target\\_position7Apr09-FINAL.pdf](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-i-mar-apr-2009/CAN-A1aggregate_target_position7Apr09-FINAL.pdf)

Non-Annex I Mitigation Position Paper - June 2009

<http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CAN%20NA1%20Mitigation%20Position%20Paper>

Views regarding the mitigation under the LCA Submission - 30 September, 2008

<http://climatenetwork.org/climate-change-basics/by-meeting-and-date/cop-14-poznan-december-2008/CAN%202008%20>

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Views and information on means to achieve the mitigation objectives of Annex I Parties - 15 February 2008

[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bangkok-awgkp-awglca/CAN%202008%20Feb%20AWG%20submission%20AI%20mitigation%20objectives\\_FINAL.pdf](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bangkok-awgkp-awglca/CAN%202008%20Feb%20AWG%20submission%20AI%20mitigation%20objectives_FINAL.pdf)

CAN Position on Technology Cooperation and Sharing

[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CAN\\_position\\_tech\\_April09.pdf](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CAN_position_tech_April09.pdf)

### Flexibility Mechanisms

March 2009 - CAN Positions on CDM Options

<http://climatenetwork.org/climate-change-basics/by-meeting-and-date/cop-14-poznan-december-2008/March%202009%20-%20CAN%20position%20on%20CDM%20options.doc/view>

COP 14 December 2008 - CAN position on the future of the CDM

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### LULUCF

April 24 (2009) Submission on LULUCF

<http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bonn-ii-june-2009/CAN%20submission%20on%20land%20use%20and%20change%20and%20>

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## REDD

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[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/cop-14-poznan-december-2008/CAN\\_2008\\_sep\\_LCA\\_REDD.pdf](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/cop-14-poznan-december-2008/CAN_2008_sep_LCA_REDD.pdf)

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<http://climatenetwork.org/climate-change-basics/by-meeting-and-date/cop-13-bali-december-2007/CANREDDpositionFINAL5Dec.doc/view>

## Other

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[http://www.climatenetwork.org/climate-change-basics/barcelona-november-2009/CAN\\_bunkers\\_position\\_november09.pdf](http://www.climatenetwork.org/climate-change-basics/barcelona-november-2009/CAN_bunkers_position_november09.pdf)

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Views and information on methodological issues

[http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bangkok-awgkp-awglca/CAN\\_2008\\_Feb\\_AWG\\_submission\\_methodologies\\_FINAL.doc/view](http://climatenetwork.org/climate-change-basics/by-meeting-and-date/bangkok-awgkp-awglca/CAN_2008_Feb_AWG_submission_methodologies_FINAL.doc/view)

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