CAN
CLIMATE ACTION NETWORK

Doha Milestones and Action

COP18/CMP8 MUST INCREASE SHORT TERM AMBITION AND ESTABLISH A CLEAR PATH TO 2015

October 2012

Summary

The planet is giving warning as to what dangerous climate change looks like – from historic droughts in East Africa, the United States and Mexico, to catastrophic floods in Brazil and China, and heat waves in Europe and elsewhere. The spectre of worldwide food shortages is growing. These warnings are being ignored by governments whose current lack of ambition has the world heading towards 3.5-6°C of warming and runaway climate catastrophe.

Agreements at Durban opened a window of opportunity for governments to put the world on a low emissions pathway, ready to leverage clean technologies for green development and create green jobs, investment and economic development, and to take important steps to build resilience to unavoidable impacts of climate change. However this window of opportunity is precarious. Fulfilling it will require governments to take decisive action at COP18/CMP8 in Doha. Short term (pre-2020) ambition must be urgently increased and a clear pathway mapped to negotiate a fair, ambitious and binding deal in 2015.

Essential elements to be concluded at Doha include:

- **A Doha amendment for a second commitment period of the Kyoto Protocol** applying immediately to a range of countries, including Australia and New Zealand; targets within the 25-40% range, with an adjustment procedure to increase ambition; removing the false emission reductions of carried over AAUs and improving CDM and JI rules;
- **Non Kyoto developed countries** must demonstrate that they are genuine about their responsibilities by adopting stringent quantified emission reduction commitments, comparable in effort and transparency with Kyoto Parties;
- **Developing countries** should register their mitigation actions and required support, and all developing countries should make pledges – including Qatar;
- Agreement that **global emissions will peak in 2015** which means that developed countries need to reduce their emissions much more quickly, and provide support for developing countries to take more mitigation action;
- Developed country commitment to provide a **2013-2015 public finance** package that (a) is at least double the amount of the Fast Start Finance period (2010-12) and ensures early and rapid progress towards the $100 billion goal, and (b) includes at least **$10-15bn in new public finance for the Green Climate Fund** over 2013-2015;
- Commitment to take meaningful steps to **develop innovative sources of public financing** and agree on a process to reassess the adequacy of financial pledges with the first reassessment in 2013;
- Funding modalities for **National Adaptation Plans** established in order to scale-up work immediately and a second phase of the **work program for loss & damage** established to elaborate on the principles, functions, and institutional structure of an International mechanism to address loss and damage associated with climate impacts (including for rehabilitation and compensation);
- Operationalising the GCF, the Standing Committee, the NAMA registry, the Adaptation Committee, and the Technology Executive Committee and Climate Technology Centre and Network. Including initial capitalisation of the GCF and the Technology Mechanism.

At Doha an ADP workplan to increase short term ambition must be agreed:

- Informed by a **technical paper assessing the gap in ambition and ways to close it** and by the **progress of the Review**; increasing developed country economy wide targets to close the gap between existing ambition and that needed to keep warming below 1.5°C; ensuring that any **new market mechanisms add to overall ambition with stringent rules**; facilitating developing countries to reduce their emissions by **rapidly scaling-up public climate finance**, focusing on economy-wide or sector-wide actions that would **rapidly and significantly lower emission trajectories** and supporting initiatives that reduce costs and eliminate barriers and perceived risk, so that low and zero carbon technologies and approaches can quickly become competitive;
- To enable developing countries to increase their mitigation and adequately deal with adaptation **public finance from 2013-15 must be at least double the amount of the Fast Start Finance**, and there should be a **process to reassess the adequacy of financial pledges** in terms of overall scale required, thematic balance and geographical distribution starting in 2013. A **2 year Doha Capacity Action Plan** should be initiated.

Countries must learn from the disaster at Copenhagen by mapping out an **ADP workplan at COP18 with clear timelines, milestones and deadlines** for agreeing key issues on the pathway to negotiate **a fair, ambitious and binding global agreement in 2015**. The ADP workplan to 2015 must be:

- Informed by the **Review** incorporating IPCC drafts, and by an **equity work program** beginning immediately;
- Consistent with a **1.5°C** global carbon budget with high likelihood of success, including **targets and actions** within an **equitable framework** that provides the **financial, technology and capacity building support** to countries in need;
- 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;
- Serious about ensuring sufficient support for dealing with the unavoidable impacts of climate change; and
- Shepherded by a **consistent Bureau** responsible for producing a compilation text by COP19, complete negotiating text by COP20, and a **draft fair, ambitious and legally binding protocol circulated by May 2015**.

After the disaster of Copenhagen, leaders do not have another 'trick up their sleeve'. Countries must deliver a fair, ambitious and binding deal by 2015 at the latest, putting in place the first steps in the pre 2020 ambition workplan in 2012, to ensure that we prevent catastrophic climate change. There is no atmospheric nor political space for a second failure.

Key Milestones toward a fair, ambitious and binding deal in 2015

At COP18 countries must agree a workplan with a timetable and milestones to negotiate a global agreement in 2015. A summary of key milestones is below. More detail is contained in later sections of this document:

	2012	2013	2014			2015	
	COP18	COP19			COP20		COP21
Legal/ Process	Adoption CP2 with all rules (incl adjustment proc) Agree ADP workplan: clear scope, linkages & milestones	Compilation text of the main elements Nature & form of commitments	Submission by issue of draft legal text	Design compliance regime MRV package	FULL NEGOTIATING TEXT		PROTOCOL COVERING ALL ISSUES
Equity	Establish "dialogue" track	Agree principles & broad metrics	Integrate into negotiating streams				
SV Review	Peak year (2015) Review scope, body & work plan agreed						
Mitigation	A1 targets (25-40%) Common accounting rules A1 NAMAs all significant parties Parameters for low carbon development strategies agreed for developed & developing countries	HFC IMO ICAO		Agree level ambition	Adopt common accounting framework Mitigation actions for each country identified	Assess proposed mitigation (for ambition & equity)	
Finance	Commitment to scale up finance from 2013-2015 LTF adopted	GCF Operational (with windows)			G20 innovative sources		
Adaptation	AC workplan Decision to build-up loss & damage; decide finance modalities; kick-off NAPs process	Stocktaking NAPs to scale-up implementation			Loss & damage mech		
Technology	TM fully operational Additional functionality for TEC and CTCN; initial capitalisation of CTCN	Map Tech needs Criteria 2°C Tech goals			Tech action plan		
Capacity Building	2-yr Doha CB action plan				Integrated capacity coordination function		

1

Mitigation Ambition

In order to keep global temperature increase to below 2°C with likely probability and to keep the possibility of warming staying below 1.5°C viable, global emissions must peak no later than 2015. According to UNEP[1], global emissions in 2020 should be not higher than 44 $GtCO_2e$ for a reasonable change to stay below 2°C global warming. Yet, current pledges and lenient accounting rules are set to result in global emissions of 55 $GtCO_2e$ in 2020 – and put the world on a pathway towards 3.5 – 6°C of warming[2]. Parties that are unwilling to work towards an increase in ambition for the period before 2020 are putting millions of people and entire nations at risk. Measures to increase ambition in the short term (before 2020) must be an essential part of the negotiations for Doha and beyond, so that emissions remain within a trajectory compatible with the below 44$GtCO_2e$ limit and a peaking of global emissions in 2015. Developed countries must take leadership though increasing their current, pathetic level of ambition, thereby creating space within the remaining global carbon budget for developing countries to achieve sustainable development. Discussions on options for developing countries to increase their ambition (through supported and unsupported action) should not be based on the residual ambition gap left by developed countries' low level of pledges.

"Developed country pledges should increase in the KP and LCA – to the top of pledged ranges and beyond. Appendix 1 lists country specific targets."

A transition to lower emissions pathways offers opportunities in new markets and clean technologies -- driving innovation, investments, employment and economic growth. Additionally, tapping into the abundant potentials for domestic renewable energy sources, energy efficiency, and shifts towards more sustainable lifestyles, support national energy security, lowering dependencies on energy imports, as well as increased health benefits through reduced air pollution.

A good agreement in Doha requires considerable progress on mitigation issues. For 2012 there are four tracks for action that are in play and need to be utilized to the full. The needed decisions include:

Kyoto Protocol

- **Clarification of which countries will have quantified emission reduction commitments in Annex B in CP2:** CAN thinks that all developed countries should have their QELROs (targets) inscribed in Annex B of the Protocol and fulfill their other KP obligations. CAN therefore welcomes the agreement by the EU, Norway and Switzerland and others to be good faith actors by inscribing their targets in Annex B for the second commitment period while we note with concern that these targets remain inconsistent with a 1.5°C/2°C trajectory despite repeated rhetoric to the contrary by those parties. CAN is gravely appalled that the US, Canada, Russia and Japan have declared their intention to stay out or weasel out of acting under this treaty, shying away from their global responsibility at the brink of runaway climate change. CAN urges Australia and New Zealand to declare firmly that they will be part of a second commitment period of the KP.

- **Increase developed country pledges within the KP**: Developed countries should, by COP18/CMP8, increase their 2020 pledges so that the combined effort, with the developed country pledges under the LCA, moves into the 25-40% range (on the way to the more than 40% by 2020 pledges that developed countries must make[3] to keep us on track to keep warming below 1.5/2°C). **CAN has identified how much each countries' pledge should increase, as a first step, at Appendix 1 of this document.** This would require countries that have pledged ranges of reductions to **move to the top end of their ranges.** In CAN's view, relevant conditions put forward by countries have been met, and the urgency of the problem allows for no further hiding behind those conditions. Translating pledges into quantified emission reduction commitments must happen with the highest possible environmental integrity and not lead to further ***de facto*** weakening of the pledges.

- **Agree the full package of amendments need for a ratifiable outcome:** amendments to Annex B, Annex A and to the body of the

[1] UNEP Bridging the Emissions Gap, 2011, pp 15, 16

[2] Climate Action Tracker & IEA – include links

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

KP need to be agreed in Doha and adopted as a package, so the KP second commitment period can be ratified and enter into effect in 2013. To avoid a legal gap, the package of amendments will need to be provisionally applied pending ratification.

- **Agree a KP adjustment procedure to increase pledges** of the 2013-2017/2020 timeframe similar to the adjustment procedure under Article 2.9 of the Montreal Protocol that is **restricted to *increasing* ambition and specifically rules out decreasing ambition.** This adjustment procedure should allow both unilateral real increases in ambition by a country and for a ratcheting up of all KP Annex B countries resulting from an adequacy review.

- **Close existing loopholes and avoid new loopholes opening up in the KP:** The AAU surplus from the first commitment period could be as large as 13 Gt.[4] The use of 'hot air' (surplus units due to pledges above BAU) should not be allowed after 2012, as outlined by the G-77 and China) proposal[5,6].

- Make the KP mechanisms fairer and more environmentally robust:

  (a) Strengthen additionality and baseline rules for CDM and JI: CDM offsets that do not represent actual emission reductions could make up between 0.7 – 3.3 GtCO2e of the gigatonne gap by 2020.[7]

  (b) Require sustainable development monitoring for the CDM: The CDM has so far failed to deliver meaningful sustainability benefits. It is therefore necessary to introduce mandatory requirements to monitor and verify sustainability benefits throughout the crediting period of a project.

- **Eliminate JI track 2 and increase accountability, international oversight of JI and avoid "hot air laundering"**: Only countries that enter a second Kyoto commitment period and have an emissions target that is below their 2012 emissions should be able to sell any ERUs in the second commitment period.

- **Formulate an independent NF_3 target for each country**, so the gas's inclusion in Annex A of the KP does not water down the already weak KP pledges.

LCA

The LCA should achieve the agreed outcome required by the Bali Action Plan – including **agreeing comparable effort, carbon budgets and common accounting for non Kyoto developed countries and nationally appropriate mitigation actions (NAMAs) for developing countries, emphasising the need for predictable and stable support for NAMAs**. CAN stresses that mitigation in developed and developing countries should be undertaken in the context of zero carbon growth strategies and low carbon growth strategies, respectively.

CAN strongly supports the G77 proposal, made in Bangkok, for four COP decisions from 1bi that would require developed countries to 1) increase their ambition, 2) set common accounting standards building and improving on those of the KP, 3) define the carbon budgets to 2020, rather than having point targets, and 4) indicate how the common accounting methods impact on the carbon budgets, and calls on all countries to work cooperatively for a strong outcome to this end. CAN's expectations in these regards are expressed in greater detail below.

- **Increase developed country pledges within the LCA**: Developed countries should, by COP18/CMP8, increase their 2020 pledges so that the combined effort, with the pledges under the KP, moves into the 25-40% range at a minimum. More than 40% reductions by 2020[8] is needed from developed country commitments to keep warming below 1.5°C/2°C. **CAN has identified how much each country's pledge should increase, as a first step, at Appendix 1 of this document**. This would require countries that have pledged ranges of reductions to move to the top end of their ranges. In CAN's view, relevant conditions put forward by countries have been met, and the urgency of the problem allows for no further hiding behind those conditions.

- **Calculate and agree developed countries' quantified emission reduction commitments:** Translating pledges into targets must happen with the highest possible environmental integrity and not lead to further *de facto* weakening of the pledges. A point target for 2020 is not an adequate response to climate change: knowledge of the trajectory and thus the country's carbon budget for the period is essential for the agreement to have environmental integrity.

[4] Point Carbon (2012). Carry-over of AAUs from CP1 to CP2 –Future Implications for the Climate

[5] Environmental Defense Fund does not endorse this position.

[6] G77 and China Proposal: http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/awgkp_g77c_surplus_040912.pdf

[7] See CDM Watch Policy Brief, 2011, available at http://www.cdm-watch.org/?p=2969

- **Agree a rigorous common accounting framework to ensure transparency on domestic emissions in developed countries** – and ensure that the same transparent Kyoto Protocol accounting standards (including compliance rules) alongside the MRV rules under the Convention, apply to all developed countries. This is a prerequisite for allowing the comparability between countries agreed in the Bali Action Plan.

- **Countries that have not yet pledged NAMAs and are in position to do so should put forward their planned NAMA**: CAN notes that developing countries with relatively high capabilities including Qatar, Argentina, Nigeria, Iran, Venezuela, Saudi Arabia, Malaysia, Thailand and others have yet to put forward their proposed NAMAs. These and other developing countries that have yet to submit pledges and/or NAMAs should do so as early as possible in 2012. Additionally, **developing countries, which are in a position to do so, should further strengthen existing pledges/NAMAs** to help narrow the ambition gap, with the recognition that this **increase in ambition by developing countries is only possible with enhanced support** (ie: finance, technology and capacity building) from developed countries.

"All developing countries should pledge NAMAs, and where possible increase ambition. Developed countries must increase support."

- **Provide clarity on assumptions and projection of emissions in 2020 for developing countries, as well as support needs**: Developing countries, especially the advanced developing economies, should clarify the assumptions behind their pledges and proposed NAMAs. This should include key factors underlying BAU projections, including information on energy use and prices, economic development, population trajectories etc. Especially the more advanced developing countries should thus provide clarity on their expected net emissions for 2020, as an important step to further clarify the scale of the global ambition gap. An important element of the assumptions is how NAMAs would be funded, and developing countries should provide **clarity on what they would implement with their own resources, what actions would need support and the nature of the support needed**. This is without prejudice to the call for increased ambition from developed countries on mitigation and support pledges. Financial, technological and capacity building support for developing countries is essential, thus **CAN fully supports the call of developing countries that developed countries should provide clarity and predictability of support** to enable effective planning by developing countries (see further below).

- **Inscribe developing country NAMAs in the NAMA registry**: To ensure quick start and taking into account the need to close the gap, developed countries must ensure there is sufficient and predictable funding (see further below) and developing countries should inscribe their NAMAs seeking support, either seeking support for implementation or for development, in the Registry before COP18/CMP8. In doing so developing countries should use common guidelines for timelines, baselines, expected emissions reductions, expected costs and support required. Developing countries with low capacity, such as least developed countries, may need more time to inscribe their NAMAs, and should be enabled, through finance and capacity building support, to register their NAMAs in the shortest possible timeframe in order to be able to take advantage of funding for NAMAs.

- **Tap into the full potential of REDD+**: REDD+ offers the potential for huge carbon savings. Deforestation alone accounts for about 17% of global emissions, and early action on REDD+ could make a valuable contribution to increasing ambition well before 2020.

- **Common rules and modalities and procedures for both the new market-based mechanism and the common framework** need to be drafted in such a way that they ensure high environmental integrity. Given that there is very limited demand for credits from any market mechanisms, such new mechanism only make sense if they go hand in hand with significantly increased ambition.

- **Prohibit double-counting of offsets from existing and new mechanisms**: Double-counting of international offsets could reduce ambition by up to 1.6 $GtCO_2e$ in 2020, equivalent to roughly 10% of the total abatement required in 2020 to stay on a 2°C pathway.[9][10] Parties must ensure that the new market mechanism agreed at Durban does

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

not become another version of the CDM with the same additionality problems.

- **Addressing emissions from international aviation and shipping:**

  - Emissions from international aviation and shipping are large and growing fast, yet there is great potential to reduce those emissions. The shared and overlapping jurisdiction between the UNFCCC and the specialized agencies of the ICAO and IMO with different conventions and regulations is currently a key factor blocking progress. It is clear that the principles of one body should not take precedence over another, however arrangements can be found that reflect the principles and customary practices of both.

  - To this effect, parties to the UNFCCC should agree under the LCA in Doha to send a signal to the IMO and ICAO on how to reconcile the respective principals and customary practices of the different bodies and Conventions. This signal should consist of a call for global measures to reduce international transport emissions consistent with the procedures of the IMO and ICAO, while taking into account equity, national circumstances of various countries and the principles of the UNFCC convention principally through the use of revenues. Additional financing generated should be channeled to developing countries for mitigation and adaptation actions through the Green Climate Fund, as well as for in-sector actions.

  - After the conclusion of work under the LCA at CoP 18, any further consideration under the UNFCCC of measures to address emissions and financing from international transport should take place under the short-term mitigation track of the ADP.

ADP - pre-2020 ambition workplan for 2012

Under the ADP, Parties have recognized that current pledges for the period until 2020 is insufficient and hence a work plan on ambition has been launched. Given the closing window of opportunity to limit global warming to below 2°C/1.5°C, it is of vital importance that Parties take crucial action this year.

The ADP workplan for pre-2020 ambition should not duplicate work in other negotiating tracks. It should, however, provide a platform for discussions on the urgent need for developed countries to increase their current, pathetically low pledges. The workplan should also be seen as a platform whereby countries can hear and better understand the actions being taken by others, and learn from their experiences through discussion and development of low carbon development strategies.

The Durban Platform workplan on near-term ambition must include a **technical paper produced by the UNFCCC assessing the overall level of ambition** implied by mitigation commitments and long term low carbon development strategies and identify any subsequent gap between this collective ambition and a trajectory consistent with keeping warming below 1.5°C with a high probability.

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

- **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

[9] Erickson P. and Lazarus M. (2011). The Implications of International Greenhouse Gas Offsets on Global Climate Mitigation. SEI Working Paper WP-US-1106

[10] See SEI Working Paper and SEI Policy Brief, 2011, available at http://sei-us.org/publications/id/424

ensuring renewable energy access for all. In 2011, the IEA estimated that only 8% of consumption subsidies reach the poorest 20% of the population.

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

- **Zero emission development strategies for developed countries:**

– Establishing emission pathways consistent with the 1.5/2°C limit requires the steady transformation of economies away from a high carbon economic growth model. Developed countries should produce low emission development strategies that are both visionary and pragmatic, and outline the pathway to near-zero emissions by 2050.

– These low emission strategies should detail an emissions reduction trajectory through 2020, 2030, and 2040 consistent with near-complete decarbonization by 2050, and be further divided into 5-year emissions reduction budgets, the first of which will be countries targets for the 2020-2024 period (these parameters should be adopted as a decision in Doha), identify the policies and measures to transform all relevant sectors of its economy. Such policies and measures should include early and urgent domestic

renewable energy support mechanisms.

- **Low Emission Development Plans for developing countries**:

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

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

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