

GLOBAL CLIMATE AND STRATEGY 2012 - 2014

July 2012



Vision

A safe and sustainable future for people, places and species, in an equitable low-carbon society that is resilient to climate change.

Goals

By 2050, equitable low-carbon, climate-resilient development is the basis of global societies and economies.

By 2015, there is a significant shift to climate resilient, low carbon development.

Objectives

1. By 2015, five focus countries start implementing ambitious climate resilient low carbon action plans, supported by international commitments and finance.
2. By 2015, ten focus countries have agreed to national renewable energy targets for 2030 in line with WWF's 100% renewable vision, including a target for ending energy poverty by 2030 in developing countries.
3. By 2015, public finance commitments and private finance are sufficient to fund mitigation and adaptation in 3 developing countries, including a renewable energy transition in 3 countries.
4. By 2015, in partnership with WWF, at least 10 large energy-consuming companies have increased the renewables share in their power consumption to 50%.

I. Introduction and summary

It is nearly impossible to overstate the threat of climate change. New research shows that greenhouse gas emissions are rising more rapidly than predicted, and the world is warming more quickly in response. At present, we are firmly on track for 4 °C degrees warming.

Even 3 °C warming globally will have catastrophic effects such as accelerating sea level rise, droughts, floods, storms, and heat waves. These will impact some of the world's poorest and most vulnerable people, disrupting food production, and threaten vitally important species, habitats, and ecosystems.

Despite compelling scientific evidence, governments and businesses have responded with painful slowness. Even if countries fulfill all current mitigation pledges, the world will still face between 2.6 and 4 °C of warming. As we work to reduce emissions, we must simultaneously begin to adapt to the increasing impacts of climate change.

However, new economic and political drivers for change have emerged. The age of cheap and plentiful resources is drawing to a close. The next two decades will bring higher demand and prices for essential natural commodities, including energy, water, food and land. The real costs of unsustainable development, from pollution to forest conversion, have also become more apparent. Governments and businesses increasingly see that they need new models of development, using less resources and carbon to provide essential services, lift people out of poverty and ensure economic growth.

WWF's climate and energy vision is a response both to the science and to new economic and political realities. We will work for a safe and sustainable future for people, places and species, based on an equitable low-carbon society that is resilient to climate change. Our focus will be on achieving climate resilient, low carbon development on the national level and with the corporate sector. International advocacy, including work with public finance, will provide strong support for national action.

A transition to an equitable, low carbon future goes beyond energy production and use. It requires an integrated approach. Land use, water, agriculture and the health of forests and seas are critical to sustain people and economies, and for biodiversity conservation. They also both affect and are affected by climate change. Energy production, even if it is renewable, can have significant implications for water, forests and land use, as well as human well-being and development. WWF's collective response to climate change must therefore include biodiversity conservation, equity, and a broad approach to reducing our ecological footprint.

II Key trends

A shift towards low-carbon development must start now, but will take years to implement fully. With this long-term perspective, there are four trends that shape our strategy:

First, emerging economies will be the main source of future emissions and economic growth. As they work to lift people out of poverty and grow their economies, they will make critical choices about energy, water and land use. They are well positioned to demonstrate models of decoupling growth and development from carbon intensity. This implies that WWF should increase its focus on these countries and capacity there.

Second, the globalization of business, markets and finance has created an influential yet informal global

governance system. WWF’s ability to work with businesses, markets and the financial sector will be critical to our success, and must be scaled up. In particular, we must increase our ability to work at different scales: with multinationals and market leaders; with SMEs, particularly innovators; and with local companies in our priority places, to demonstrate success.

Third, new economic blocs, regional and international, are emerging globally, leading to a shift in geopolitical power. There is also a growing trend towards new forms of co-operation, economic and political, at different levels and among non-traditional configurations of countries. These all add up to an increasingly multi-polar world and geopolitical complexity. WWF’s ability to influence and effect change in such a dynamic global environment depends on its ability to provide innovative solutions.

Fourth, we are entering an age of relative scarcity. Demand and prices for energy, food, water and land are projected to increase dramatically towards 2030. The effects of climate change will accelerate these trends, worsening living conditions for many of the world’s poorest people and increasing pressures on land, water and forests. Providing basic resources, while maintaining or reducing footprint, will be a major challenge.

III Geographic focus

In response to global demographic, political and resource trends, WWF has defined new priorities for investment and growth. These are the BRIICS countries – Brazil, Russia, India, Indonesia, China and South Africa – plus Poland and Mexico. These are also priority countries for GCEI and the implementation of this strategy. In addition, GCEI will work with and focus on the EU as a bloc, and in particular the UK and Germany; Japan; and the United States.

IV Strategies

A. Low carbon frameworks

National action

Objective	By 2015, five countries start implementing ambitious climate resilient low carbon action plans, supported by international commitments and finance.
Activities	<ul style="list-style-type: none"> • By 2012, WWF supports or initiates situation and power analysis in 15 focus countries to establish country specific context for plan development. • By 2013, WWF is active in coalitions for creating “good” low carbon and adaptation plans in 10 focus countries. • By 2013, GCEI has built capacity on low carbon development in WWF’s national offices in 10 focus countries, including via a low carbon learning platform. • By 2014, WWF has contributed actively to the completion of “good” low carbon development and adaptation plans in 8 countries.

Measures of Success

- By 2015, “good” low carbon development plans, with sufficient funding, have been adopted by governments in 8 of WWF’s focus countries; and 5 of these focus countries have started implementation.
- By 2015, governments in 8 of WWF’s focus countries have adopted and are implementing “good” national adaptation plans.

Our starting point is surprisingly good: several countries already have adopted strong national frameworks for low carbon development. These have different forms: binding, economy-wide targets (the UK’s 80% reduction target); restrictions on deforestation (the Brazilian Forest Law); or renewable energy targets (South Africa’s Integrated Resource Plan 2010, committing to 25 GW of renewable by 2025). The EU’s 2020 targets for renewables and emissions (20% RES share and 20-30% emissions reduction), and current efforts towards a binding 2020 target for energy efficiency (20% improvement), are also good examples. WWF played a clear role in getting each of these frameworks in place, and is now working to ensure implementation.

For low carbon development, our goal will be binding laws or plans, with long-term trajectories, clear targets and milestones, and funding sources. Ideally, these laws or plans will cover all economic sectors. At a minimum, they must cover key emissions sources such as energy or deforestation. For energy efficiency targets, buildings / housing and high-emitting sectors are most critical and lend themselves to a global scale. Additionally industry, technology and finance policies that promote innovation, particularly within clean tech or reduced resource use, will be important.

However, tackling climate change is not only a question of reducing emissions. Further temperature increases are inevitable. We will also need to consider the adverse effects of climate change on biodiversity, people and societies, and on core issues such as food and water security. It is therefore crucial that climate and energy frameworks on the national level also include adaptation or climate resilience.

At the national level, this means incorporating anticipated climate change into WWF’s interventions in different sectors. These include: water resource management, as the quantity and quality of freshwater available changes; agricultural and land use policy, as climatic variability alters the viability of crops and pasture land; and energy policy and infrastructure.

WWF will work in key countries to incorporate good adaptation policies into resource management, and to drive national finance towards adaptation.

WWF will build on good national examples, work to ensure their implementation, and disseminate and magnify best practice to other countries. Our activities will be a mixture of coalition building, strategy, research, communications, and policy advocacy, both directly by WWF and with/by key influencers, including companies. We will attract partners, convene stakeholders and provide new ideas, development models and research.

As shown in WWF’s Energy Report, we can only reach 80% emissions reductions and 100% renewable energy if we reduce energy use massively and at scale. Energy efficiency work is therefore key to our overall approach. Efficiency targets and policies for key sectors are part of comprehensive economy wide national low carbon development plans and policies, scaling up one-off improvements to legislation and regulation.

International action

Activities	<ul style="list-style-type: none"> • In 2011, WWF will work in the UNFCCC and other key fora to advocate specific institutional arrangements for climate finance (particularly bunkers), adaptation, REDD+, MRV, and; “good” guidelines for low carbon development plans; and to close loopholes in mitigation pledges. • By end 2011, WWF with partners will have promoted and facilitated coalitions of countries that advance the implementation of the Cancun Agreement • In 2012, WWF will develop a future strategy for its work in the UNFCCC based on the Durban Outcome.
Measures of Success	<ul style="list-style-type: none"> • By 2012, UNFCCC parties have agreed to “good” guidelines for low carbon development plans and the first iteration of these have been submitted by developed countries as part of their international commitments. • By 2013, UNFCCC parties agree to innovative sources of financing totaling 10 billion USD per year (bunkers and/or FTT). • By 2013, parties at the UNFCCC agree to effective frameworks for adaptation, REDD+, MRV and finance.

Though strong national action is the foundation for a transition to low carbon development, international commitments are necessary to drive countries and businesses to more ambitious action. The UNFCCC remains the only forum where these commitments can be made at scale, particularly for finance for REDD+ and adaptation. An ambitious global treaty is difficult to achieve in the short term, but remains the long term goal.

Only a global response at scale can address the threat of global warming and prevent runaway, dangerous climate change. The world urgently needs to transition to climate resilient, low carbon development to achieve an equitable low carbon society and economy. International frameworks are critical for driving this transition and in turn national frameworks and actions create the momentum for international frameworks to be agreed on. The chances of delivering enhanced national actions, especially in some emerging economies, are very small without global agreements. Achieving global agreements is not possible without strong national actions. The two depend on each other.

Progress on low carbon development is a good example of this positive relationship between national and international action. It also illustrates the unique role that WWF can play. WWF successfully promoted a global commitment to low carbon development plans in the UNFCCC negotiations in Cancun. At the same time, WWF and partners contributed to the Mexican low carbon development plan, which the government launched during the negotiations. Mexico is now considering whether to strengthen that plan in line with the recommendations in WWF’s Energy Report, which WWF recently presented to a group of top level Mexican government, corporate and civil society stakeholders.

Going forward, WWF will focus on issues in the UNFCCC and other fora that have strong synergies with our other strategic priorities: finance, adaptation, REDD+, and the Gigatonne Gap. Our main focus will be on operationalising the Cancun agreements, while also increasing the level of ambition. The latter will be done through coalition building, campaigning with partners and showcasing national level work. COP 17 in Durban should provide excellent opportunities to highlight WWF’s work in Africa on climate, energy and business engagement.

At the same time, we will use 2011 to judge the political appetite amongst key countries for a global agreement that is fair, ambitious and binding. While we will try to influence this political will, if there is only

a desire to continue with a pledge and review system, WWF will review and revise its strategy in relation to how and what we engage on in the UNFCCC.

B. Renewable Energy at Scale

Objective	By 2015, ten focus countries have agreed to national renewable energy targets for 2030 in line with WWF's 100% renewable vision, including a target for ending energy poverty by 2030 in developing countries.
Activities	<ul style="list-style-type: none"> • By 2011, WWF supports or initiates a situation and power analysis for 2030 RES targets in 10 focus countries. • By 2012, WWF and partners have contributed to a commitment at Rio +20 to ending energy poverty by 2030 in developing countries, including finance mechanisms. • By 2012, WWF produces environmental and social sustainability standards for key renewable technologies. • By 2012, WWF and partners contribute to the development of at least 5 national blueprints for 2030 RES targets. • By 2013, WWF is active in coalitions to advocate for 2030 RES targets in 10 focus countries, and to implement 2020 RES targets.
Measures of Success	<ul style="list-style-type: none"> • By 2015, focus countries are on track to achieve their 2020 RES targets. • By 2015, 5 focus countries in the developing world have national plans to end energy poverty by 2030.

In 2010, renewable energy investments surged to 243 B USD worldwide, an increase of 30% from 2009. More than 60 countries, including China (11,4% RES by 2015), South Africa (15% RES by 2030) and the EU (20% RES by 2020), have adopted renewable energy targets. Environmental organizations, including WWF, played a clear role in getting some of these targets in place.

As good as this sounds, it is nowhere near enough. To avoid dangerous climate change, global energy production must switch from fossil fuels to nearly 100% safe and clean renewable energy by 2050. This would require a switch both in the focus of investments to renewables and investing in innovative systems. Globally, innovative and clean renewables (excluding large hydro and traditional biomass) provide a fraction of all energy consumed. Renewable investment therefore must triple in this decade

WWF will work in key countries to achieve the essential next step: strong and credible renewable energy 2030 targets. Very few countries have targets past 2020. To ensure that projects get built now, 2030 targets must be in place to provide 20 years of regulatory and investment line of sight.

As part of its policy work, WWF will emphasize sustainable and equitable renewable energy solutions. We will develop social and environmental sustainability standards for major renewable technologies.

Policy work on renewable energy targets for 2030 and implementation of 2020 targets to a large degree will take place on a national level. In addition, WWF will engage in international policy dialogues and fora such as the IEA and IPCC.

Targets must be accompanied by policies and measures that provide financial support for renewable power, economic development, compliance and grid management. Getting these in place will require powerful coalitions, from civil society through to businesses in the renewable energy value chain. WWF's

renewables strategy will thus have strong interfaces with our low carbon development, green finance and business work.

Renewable energy targets and measures also are necessary to ensure affordable and reliable energy access. About 1.4 billion people, mainly in Sub-Saharan Africa and South-Asia have only erratic access to electricity. In the same region, some 2.7 billion people depend on unsustainable biomass and manure for heat, cooking, with major impacts on human health and forest biodiversity. WWF will work towards a commitment to clean and safe energy for all by 2030 at the Rio+20 conference. We will provide policy positions, models for financial and technology cooperation, and case studies from our field projects, such as WWF-India's micro solar power station in the Sundarbans.

C. Greening Public and Private Finance

Objective	By 2015, public finance commitments and private finance are sufficient to fund mitigation and adaptation in 3 developing countries, including a renewable energy transition in 3 countries.
Measures of Success	<ul style="list-style-type: none"> • At least 3 national governments will maintain or increase their levels of funding for mitigation, REDD and adaptation, in line with advocacy by WWF and partners. • One or more major bilateral or multilateral donors implements a public-private financing model promoted by WWF. • Agreements are in place for public-private finance that meets at least 50% of climate finance needs in 3 focus countries, in line with advocacy by WWF and partners.

Estimates of the annual cost of a transition to a low carbon, climate resilient economy vary, from 1-3% of global GDP. This includes not only the cost of transforming the energy sector, but also forest conservation at scale (REDD+) and adaptation.

Though experts disagree on the exact amount needed, they agree that both public and private financing are needed for a transition to a low carbon world. While some countries can generate investments internally, many cannot. Multilateral financing is thus a key piece for the transition, in particular in developing countries and for priorities such as avoiding deforestation and adaptation.

WWF has had real success in generating public finance at scale for our place-based priorities, such as the Amazon and Coral Triangle. We also have strong relationships with multilateral donors, such as the Asian Development Bank, the World Bank and GEF; and with key bilateral donors, such as USAID, NORAD, DANIDA, DFID and KFS. Public finance should continue to be our priority and in many countries our top priority.

Looking forward, however, new approaches may be necessary. Budget constraints in most developed countries threaten to shrink development funding. At the same time, most emerging economies have increasingly strong financial sectors. State and private banks are the biggest potential sources of funding for national mitigation. New institutions – such as Chinese banks and the Brazilian Development Corporation – are emerging as major global or regional investors.

WWF's strategy for green finance will therefore follow three tracks. First, we will continue to work within the UNFCCC to get adequate financing for mitigation, REDD and adaptation in developing countries. We will focus on innovative sources, primarily levies from bunker fuels. To reinforce our work in the UNFCCC, we will continue to advocate for innovative sources in other fora, including IMO/ICAO; G20/G8 and the Global Sustainability Panel.

Second, WWF will advocate nationally and internationally for governments to maintain or if possible increase levels of funding for mitigation, REDD and adaptation. This includes ensuring that funds are new,

additional and predictable, and are allocated against WWF priorities. WWF also will increasingly work with new national and bilateral funders in emerging economies. To get maximum benefit from public funds, WWF will target structures that leverage private finance for our priorities, such as renewable power.

Third, WWF will take its engagement with the private finance sector to another, more challenging level. Our ultimate goal is reallocation of investment streams to sustainable businesses and projects, including the renewable value chain. As this is a relatively new area for WWF, however, we will proceed stepwise. First, WWF will map its activities, partnerships and experiences with the finance sector. We will then articulate the business case for bringing investments in line with WWF's low carbon goals. The business case will be the basis for convening sector leaders to develop and promote a standard for 'climate performance', with a view to mainstreaming this across the sector.

Climate Innovation

Reducing global emissions by 80% will require more than incremental improvements to how we generate and use energy. It will demand completely new business models and low carbon solutions that transform the way we work and live. Many of these innovations will be triggered by IT developments, while others will be driven by other environmental pressures (e.g. cradle-to-cradle manufacturing).

A number of WWF offices already work in this area, particularly with SMEs (e.g. India with its digital industry consortia work, UK on dematerialisation, Sweden on low carbon innovators, and the Netherlands on clean tech). WWF's efforts will, therefore, focus on promoting and convening leading SMEs in the field of low carbon innovation; and working in a few key countries to achieve policy environments that promote innovation and technology commercialization.

V. Communications and Campaigns

Our communications plan work focuses on supporting national communications with tools and information for use in national efforts and campaigns, and ensuring exchange and information about mutually interesting events.

GCEI's communications and campaigning efforts will help to increase the political and economic space in key countries that is necessary to advance a low carbon, climate resilient world, by:

- Contributing to a global discourse that is in favour of a low carbon, climate resilient world as socially and economically advantageous;
- Demonstrate the superiority of clean energy alternatives to fossil fuels;
- Making the impacts of climate change matter to people.

The audience for GCEI's communications and campaigning work will be national decision-makers and their main influencers, as selected by national WWF offices. In addition, GCEI will select six to ten top-tier global leaders with whom WWF will attempt to engage to help catalyze the journey to a climate resilient low carbon future. Messengers are business voices, public voices, and coalition allies.

Message and work modules

Our central message is: *We can act now, overcome the threat of climate change and create a fairer and more sustainable world in which energy from efficient and renewable sources will cover the needs of all people.*

Five work modules will deliver communications; in implementing this, we will aim at using existing tools and do not necessarily have to create all of this on our own.

Support for national campaigns is at the core of GCEI's role: NOs and POs will receive regular and timely information from other parts of the world through a response mechanism, to support their media and lobby work. WWF is (re-)positioned as a global actor in the field of low carbon development.

By *building capacity*, we will establish constant contact with selected journalists of influential media and train spokespeople, to ensure WWF stories and positions influence the reporting.

Through *Business Voices*, we will provide communications tools to give the business lobby for renewable energy and low carbon legislation a louder voice in its fight for a world powered by 100% renewable energy

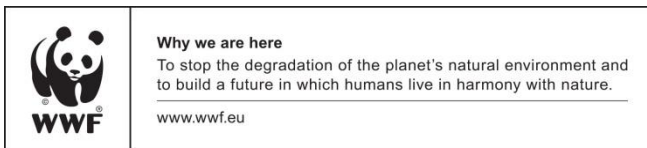
Through *Public Voices*, WWF wants to reach existing and new public audiences: our members, new supporters, and constituencies in emerging economies. GCEI will produce attractive tools that WWF offices in focus countries find useful for engaging with their key public audiences.

Global Champions are 6 to 10 personalities of high global standing who speak out about low carbon development and help us to present our views. We will identify candidates for such cooperation with the network and approach those that have the greatest potential impact in our focus countries.

Campaigning

We will campaign towards two major international events: at the next UN climate conference, in Durban in December 2011, our communications and advocacy will emphasize REDD, Adaptation and Climate Finance,

issues where we are optimistic about progress. COP 17's location in Africa gives us opportunities to communicate WWF's success stories in the region as well. At Rio +20, we hope to deliver a big set of commitments around low carbon development.



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