

WWF POSITION PAPER

Policy Expectations for UNFCCC Intersessional
October 2014

SUMMARY

The UN Secretary General's Climate Leaders' Summit in New York in September showed that people across the world demand that political and business leaders act much more ambitiously to address the climate change challenge. A record turnout of 410 000 people on the streets of New York, strengthened by more than 2 500 actions in 160 other countries made it clear that people are not going to stand by idly in the face of inaction from leaders. The presence of heads of state proved that climate change is a top political priority, but in the run up to Paris these leaders need to prove that they will listen to their people through delivering tangible commitments and constructive negotiation.

This year the UNFCC COP returns to a region that is already providing leadership on many climate issues. Over the past decade, through reduced deforestation, Brazil has accounted for between 0.4 and 0.8 Gt of CO_2 ¹ annually in emission reductions, Mexico has enacted one of the strongest climate laws in the world and adopted renewable energy targets, Costa Rica aims to become carbon-neutral by 2021 and Peru aims to have zero net deforestation by 2021. It is clear that with sufficient political will the climate change challenge can be met. WWF calls on all Parties to honour this leadership in Latin America by ensuring a successful outcome at COP20 that will lay the basis for success in Paris.

To do this, Parties attending this Bonn intersesssional need to recognise that what they achieve in this session will determine what the outcome will be in Lima.

In this regard WWF expects concrete outcomes in Bonn on the following:

- 1. Parties should finalise draft decision-text under Workstream 2 that will address the pre-2020 gigatonne and means of implementation gap;
- 2. Parties should make progression preparing a draft negotiating text for agreement in Lima under Workstream 1

¹Boucher, D, Roquemore, S and Fitzhugh, E. 2013. Brazil's Success in Reducing Deforestation. Tropical Conservation Science. Special Issue Vol.6 (3):426-445

1. ADP WORKSTREAM 2: CLOSING THE PRE-2020 AMBITION GAP

In order to stay within a carbon budget for less than 2°C of warming above pre-industrial levels (determined by IPCC AR5 WG1 scenario RCP 2.6) emissions need to peak before 2020^{2} . To stay below 1.5°C of warming an early peak year is even more critical. The later emissions peak the more costly the inevitable transition to a low carbon future will be. We cannot afford to wait for the 2015 agreement on post-2020 actions while current actions will leave us with an annual emissions gap of 8-12Gt CO_2eq by 2020^{3} . Furthermore, pre-2020 mitigation action is critical to build the trust necessary for agreement on ambitious post-2020 action.

Developed countries need to show that they are serious about addressing climate change so that their developing country counterparts can feel secure about pledging their fair share of contributions in a post-2020 agreement.

Concrete steps that need to be taken in 2014 include:

- 1. Developed countries need to commit to increase their pre-2020 emission reduction targets and take the lead in reducing global emissions and avoiding dangerous climate change. These parties have missed several opportunities during 2014 to present emission reduction targets at levels (25-40% below 1990⁴) commensurate with what is required to address the gigatonne gap. We now expect developed countries to use the opportunity of COP20 to pledge ambitious new commitments for the 2015-2020 period.
- 2. Developing countries that have the capacity to do so, are encouraged to pledge new or additional mitigation actions (which could take the form of concrete actions) to help build momentum for positive outcomes in Lima and Paris.
- **3.** Parties should commit immediate support for targeted actions on forests and agriculture in key regions, since these sectors can deliver immediate emissions reductions for the pre-2020 period⁵. Forest nations can contribute to the peaking of emissions by tabling their **national contributions** towards achieving **Zero Net Deforestation and Degradation (ZNDD)** by 2020. Parties must show a real commitment to define the ways and means of payments, and define a strategy to scale up finance for REDD+ in all phases. This will require rapid advances in the discussions in the Standing Committee on Finance, and in the Green Climate Fund.
- **4. Substantial contributions to the Green Climate Fund (GCF) this year and a mandate to finance outcomes of WS2.** With the progress made at the Green Climate Fund Board meetings this year the way is now clear for pledges of substantial contributions of finance to the Fund. This will permit the fund to play a strategic and transformative role in financing a paradigm shift towards a renewables-based low emissions and climate resilient world. Substantial financial contributions to the GCF

² Van Vuuren et al. 2011. <u>The representative concentration pathways: an overview.</u> Climatic Change (2011) 109:5–31. Accessed 26 February 2014

³ UNEP 2013. The Emissions Gap Report 2013. United Nations Environment Programme (UNEP), Nairobi. Available at

⁴ Gupta et al. 2007: Policies, Instruments and Co-operative Arrangements. In Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change. Metz et al (eds), Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA.

⁵ 10-12 GtCO₂e are emitted each year from these sectors

are key to scaling up ambition in the pre-2020 period and building trust and momentum towards a strong and ambitious agreement for the post-2020 period.

WWF expects the following as next steps on climate finance:

- a) Developed countries must make pledges to the GCF this year totalling at least \$15 billion, and scale up financing flows through the GCF significantly in subsequent years.
- b) Based on the outcomes of WS2, the COP must mandate the GCF to prioritize mitigation finance in the areas of renewable energy and energy efficiency, as well as others areas that can accelerate a paradigm shift towards a sustainable and inclusive global energy systems based on energy efficiency and renewable energy.
- 5. Through the Lima decisions Parties should enhance the Technical Experts Meetings process in a way that enables and incentivises Parties and other stakeholders to work collaboratively on concrete, complementary measures that can be rolled out under ADP Workstream 2⁶. This process provides an exciting, long-overdue opportunity for Parties to work together on concrete actions and measures that can contribute to unleashing the potential of technologies and human ingenuity to close the gap between current action and what is required by science⁷. In particular, scaling up renewable energy (excluding traditional biomass) to provide 25% of global energy consumption could save 3.5 Gt CO₂eq per year by 2020⁸. Similarly, if the rate of energy efficiency improvement doubled to 2.4% per year by 2020, 4-5 Gt CO₂eq would be saved per annum by 2020.

The UNFCCC can play a positive and proactive role in supporting such collaborative concrete actions and measures related to specific technologies, sectors and policies. It can do this through the institutions that already exist under the UNFCCC, including those related to financing (e.g. the GCF) and technology cooperation and support (e.g. TEC/CTNC), as well as its capacity to convene countries and non-governmental actors and make collective decisions, contributions and commitments (e.g. through the NAMA registry and country pledges). ADP WS2 provides an opportunity to utilize these powers to address the emissions gap.

The draft text proposed by the co-chairs for an ADP WS2 outcome contains many good proposals but it needs to be strengthened to ensure that WS2 has the ability to contribute to effective additional actions to combat climate change as soon as possible. Simply continuing TEMS in their current format and setting up information sharing platforms, though useful, will not be sufficient to close the emissions gap.

⁶ For details on how WWF thinks each this could be achieved please refer to the WWF Submissions which are available <u>here</u> and <u>here</u>.

⁷ Working Group 3 of the IPCC Fifth Assessment Report (SPM 2014: p. 8) finds that "without additional efforts to reduce GHG emissions beyond those in place today, emissions growth is expected to persist driven by growth in global population and economic activities. Baseline scenarios, those without additional mitigation, result in global mean surface temperature increases in 2100 from 3.7 to 4.8°C compared to pre-industrial levels." Analysis of the figures presented in IPCC AR5 WG 1 (SPM 2013: p. 27) show that at current emissions levels we have less than 27 years left of the global carbon budget for a 66% chance of keeping warming below 2°C above 1880-1890 levels.

 $^{^8}$ This would close the emissions gap by between 1.2 and 1.5 billion tonnes (Gt) of CO₂ by 2020 The difference between the two figures is due to the fact that some emission reductions from expanding renewable energy are already captured in existing pledges.

Decisions that should be taken in Lima to leverage the convening power and institutions of the UNFCCC include:

- i. Establishment of a sustained platform under the UNFCCC, supported by a web-based tool, where parties and other stakeholders work collaboratively to create new action initiatives or to improve on existing ones to close the emissions gap. Such a platform should build on the existing TEMs process with a strengthened mandate to launch new initiatives or to identify and overcome barriers and obstacles to scaling up existing initiatives. Discussions under the action platform could also play a matchmaking role between various actors including international organizations, UNFCCC institutions, governments, non-state actors, etc. to link support providers with those that are willing to roll out new initiatives. Nowhere else under the UNFCCC is there a place where parties and other stakeholders can interact creatively to produce constructive solutions.
- ii. An annual event at the COP where Parties and other stakeholders could formally announce ambitious new climate actions, based on the outcomes of the collaborative platform. At COP20 such a platform could be launched with additional impact if it already identified a limited number of initiatives from the Climate Summit, previous WS2 discussions and other processes and advance work towards their rapid implementation or scale-up. WWF believes that discussions on renewable energy and energy efficiency measures are the most promising areas in this regard.
- iii. A mandate for the TEC to support info sharing and collaboration among Parties in an online database of good practices that can be developed into a policy menu for others to use and learn from.

2. ADP WORKSTREAM 1:

A: ELEMENTS TO BE INCLUDED IN THE 2015 AGREEMENT

To ensure that an effective and equitable climate agreement is agreed to in Paris, and implemented by 2020, a draft text for the agreement needs to be produced by Lima and refined during the session. The co-chairs' non-paper (ADP.2014.6.NonPaper) of July 2014 provides a good starting point that should be further refined based on Parties' interventions and submissions. During the October session Parties must start moving to convergence on some of the issues and WWF believes that the following elements must be captured at the heart of the negotiation text coming out of Lima:

1. A global goal that agrees to cap emissions in line with the carbon budgets as set out by IPCC AR5 to keep warming below 1.5°C (655 - 815 GtCO2 for the period 2011 - 2050)9. WWF believes that in addition to a temperature goal, an agreement on a global carbon budget will make it much easier for Parties to have constructive discussions about any gaps that arise between the level of effort and what is required science. Having only a temperature target makes it difficult to measure mitigation

⁹ IPCC AR5 WGIII SPM page 17

efforts against the science as there is a time lag between emissions and the temperature increases that they cause. This long-term goal has to be further strengthened by objectives to source 45% of all primary energy from renewable sources by 2030, to ramp up global energy intensity improvements to 4.5% annually and to phase out all fossil fuel subsidies in a just transition. Furthermore, there should be 2050 objectives of phasing out all fossil fuels and obtaining 100% of the energy consumed from renewable sources.

- 2. An equity reference framework that would set out the principles according to which countries will fairly share the global carbon budget. At the heart of the climate talks lies the question on who is responsible for mitigating the problem and financing the transition costs as we move to a low carbon economy. The global agreement must provide an agreed equity reference framework or ranges of responsibilities for countries based on historic responsibility and current capacity. Responsibilities include both a country's domestic emission reduction actions as well as how they will provide the means of implementation to support the transition to a low carbon economy in countries that have little or no historic responsibility.
- 3. A legal architecture that ensures binding national emission reduction targets within an international legal framework, based on the principles of the convention. The legal form of the final agreement is probably one of the most difficult issues for agreement. It is critical that Parties start discussions this year so that the legal form issue does not prevent ambitious emission reduction efforts in the 2015 package. WWF believes that the most critical characteristics of the legal form of a global agreement must be its efficacy in achieving real emissions cuts and its ability to ensure fairness. The agreement needs to give all parties the security that their partners are making ambitious and comparable commitments and delivering on them. An important part of the discussion that must start soon is where and how Parties will inscribe their NDCs as well as how the issues around the terminology of commitments/contributions/actions will be resolved.
- 4. A regular process for Parties, (supported by experts) to review aggregate emission reduction efforts (including finance provision and emission reduction objectives) to measure aggregate efforts against the global carbon budget and the equity reference framework. It is essential that the pledged commitments, actions and contributions of countries be considered against the scientific and equity requirements to determine whether enough is being done. Therefore the 2015 agreement must include a regular collaborative review process where Parties evaluate aggregate effort as well as each other's' contribution to global effort with regard to mitigation and the delivery of finance and other support mechanisms. Such a review mechanism could be trialled between March 2015 and December 2015 as countries' provisional pledges come in and then a refined mechanism can be incorporated in the post-2020 regime as part of the Paris decisions.
- 5. An expanded approach to climate finance that uses a range of instruments and commitments to shift investments towards low emissions renewable energy technologies and energy efficiency. Transfers and mobilization of public finance from multiple sources must remain a central element of the overall financing strategy, but this must be expanded to other approaches to mobilizing and shifting the additional \$1 trillion per year that the IEA estimates is necessary to end dependency on fossil fuels and build low carbon global energy systems compatible with staying below 2 degrees.

- 6. A mechanism to increase action and commitments (finance as well as emission reductions) in line with the outcomes of the reviews. The mechanism should encourage parties to increase their domestic efforts as well as create an opportunity for parties to achieve additional emission reductions through collaborative efforts. Such collaborative efforts could include incentives for climate action, standards, sectoral measures, etc. Once the review process described above is in place the next step would be for Parties to collectively address any remaining gap in line with climate science and an equity reference framework. This can be achieved through ratcheting up individual and cooperative action through scaled up mitigation efforts and finance provision. Building on lessons from ADP Workstream 2, this mechanism could direct specific tools of the convention, such as the GCF. The mechanism could also be used to provide recommendations to other institutions from outside the convention to take steps to close the gap. This ambition ratcheting mechanism must be tested between March 2015 and December 2015 as Parties table their initial pledges. Thereafter a regular review process and ratcheting-up mechanism with strict timelines should be incorporated in the 2015 agreement so that the further rounds of review and ratcheting culminate in a sufficient and ambitious enough global effort. An agreement that allows for rounds of review and ambition ratcheting can also help build trust between Parties and enable each to ramp up their ambition as they see others moving to higher targets.
- 7. Agreement on a monitoring, reporting and verification framework that will ensure transparency and environmental integrity. The existing reporting framework of Biennial Reports and Biennial Update Reports, as well as the Kyoto Protocol, provide agreed reporting standards that can form the basis for a post-2020 MRV framework. It is important that the 2015 agreement should build on and strengthen the existing MRV framework to ensure robust accountability rules and increased transparency between parties and citizens globally.
- 8. Adaptation must be treated at the same priority level as mitigation and thus it should form an integral part of the 2015 agreement. The best way to ensure that adaptation has its rightful place is by agreeing on a global goal for adaptation that covers the following objectives, amongst others; adaptation finance objectives, an institutional framework for adaptation, and adaptation readiness objectives. It is imperative that Parties discuss a global adaptation goal urgently to ensure that adaptation is fairly captured in the 2015 agreement.
- 9. Recognition that loss and damage will increase where adaptation and mitigation action is not sufficient to curb the most severe impacts of climate change. Therefore the issue of Loss and damage should be captured in the 2015 agreement.
- **10.** Finally, it is crucial to guarantee the **inclusion of the forest sector in the new climate regime**; for that, reflections on the role of forests in a land-based approach on a post-2020 agreement need to be advanced.
- **11.** Parties need to reaffirm the **importance of** incentivizing **non-carbon benefits** for the long-term sustainability of REDD+ activities by encouraging developing countries, which are implementing REDD+, to **prioritise areas** of intervention **that can provide benefits beyond carbon**.

B: Intended Nationally Determined Contributions: Information requirements

The primary purpose of Parties submitting their INDCs has to be to enable a review of the global level of effort in relation to equity considerations and the emissions trajectories consistent with a reasonable chance of staying below 1.5°C of global warming above pre-industrial levels. Therefore, the COP 20 decisions on the information requirements for INDCs should clarify the process from their initial consideration, through their submission and review, right up to their inclusion in the 2015 agreement (without prejudging the final legal nature of the agreement).

In general, WWF believes that "intended nationally determined contributions" (hereafter INDCs):

- 1. Should be communicated as early as possible.
- 2. Should have mitigation contributions as its primary focus and must also include financing and other means of implementation
- 3. Should capture adaptation measures;
- 4. Should contain sufficient and quality information to enable a Review in terms of ambition (based on inputs from the latest science) and equity;
- 5. Contributions on mitigation and means of implementation should be subject to a review of adequacy and equity before COP21 and COP/MOP11 in Paris;
- 6. Should be re-considered, re-negotiated and scaled-up by Parties before COP21 and COP/MOMP11 in case the review process finds the INDCs, collectively and individually, to be insufficient;
- 7. Should be captured in the 2015 agreement

These considerations mean that the information requirements must include:

(Please see our <u>website</u> for WWF's detailed thinking on these areas)

- Areas of contributions: The first, and best, response to the challenge of climate change is undeniably through mitigation efforts that reduce emissions of greenhouse gases (GHG). Therefore WWF believes that mitigation efforts should be at the heart of the INDCs and its review processes. However, developed country Parties have largely failed to meet their mitigation and financing responsibilities to date, and the scale of the mitigation and adaptation challenge is now correspondingly greater. Thus, to enable global climate action with sufficient levels of ambition and equity, means of implementation and adaptation measures must also be captured in countries' INDCs. Neither adaptation nor means of implementation can be a substitute for mitigation action but they are necessary in their own right.
- **Ambition and equity justification**: Parties' views on how their INDCs serve ambition and equity must be provided in INDCs so that the different approaches can be compared and evaluated.
- Clarity on global mitigation efforts: The INDCs should contain sufficient information to enable calculations of total global anthropogenic GHG emissions¹⁰ as

¹⁰ Including CO₂ and non-CO₂ gasses as well as emissions from land use, land use change and forests

- well as to ensure transparency of other measures that affect contributions, such as, for example, carbon market mechanisms or non-market-based approaches.
- **Differentiation:** Differentiation in the INDCs can be achieved through both the timing of when countries submit their INDCs as well as the type of mitigation contributions that are put forward in accordance with countries' respective responsibility and capability. Furthermore, INDCs submitted by developed country Parties should include indications of how they will support adaptation and mitigation beyond their own borders, and developing countries with similar responsibility and capability should be encouraged to do so too. Those developing countries with low responsibility and low capability should clearly indicate which portion of their efforts will require international support and which portion they will undertake themselves.
- Effective ex ante review modalities: The information submitted in INDCs should be compiled and made publicly available by the Secretariat. A reputable body with relevant expertise and broad support should be tasked with the assessment of individual Parties' ambition, aggregated ambition, fairness and equity. Complementary analysis from a range of institutions should also be invited. Furthermore, Parties should agree in Lima to convene two formal ex ante review sessions under the ADP in 2015 before Paris. At these sessions experts on equity and other relevant areas, civil society representatives and Parties should interrogate and debate the INDCs that have been submitted. The outcome of these review sessions should be summarized in an informal paper and Parties should be strongly encouraged to reconsider and revise their INDCs based on the paper and feedback that they receive.
- **Pre-2020 enhancement information:** Parties should provide information about what actions they will be taking to enhance mitigation efforts in the pre-2020 period.

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Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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