

SUBMISSION BY GREECE AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

This submission is supported by Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Athens, 28 May 2014

Subject: EU Submission on Mitigation in the 2015 Agreementⁱ

Summary

This last year has seen the emergence of an approach towards securing ambitious mitigation commitments in a legally binding agreement that is applicable to all countries (the **2015 Agreement**) and capable of keeping us on track to limit average global temperature increase to below 2°C relative to pre-industrial levels (the **below 2°C objective**). Under this approach mitigation commitments would result from a combination of: (i) intended nationally determined contributions (**INDCs**) proposed by each Party, including the type and ambition of its mitigation commitment; and (ii) a process before COP 21, together with elements in the 2015 Agreement, designed to ensure that the collective level of ambition is consistent with the below 2°C objective.

An INDC should represent what each Party considers to be a fair and ambitious reflection of its responsibilities and capabilities and must be accompanied by up front information. The kind of up front information that a Party should provide, as well as which elements of the common MRV and accounting rules base will apply to its mitigation commitment in the 2015 Agreement, should follow from the Party's choice of INDC.

It is essential that all Parties come forward with their INDCs in accordance with the timetable agreed in Warsaw. The major and emerging economies must lead the way and submit their INDCs in the first quarter of 2015, together with other Parties that are ready to do so.

However INDCs alone will not be enough to achieve the below 2°C objective. We must also make urgent progress on: (i) the requirements for up front information to ensure INDCs are transparent, quantifiable and comparable; (ii) an international process before COP 21 to consider and understand the INDCs Parties have proposed; (iii) a robust, common and durable MRV and accounting rules base; (iv) a mechanism in the 2015 Agreement to regularly revisit the collective level of ambition; and (v) procedures and institutions necessary to promote compliance with mitigation commitments.

Keeping these points in mind, and in light of the mandate and timetable agreed in Warsaw, the Bonn session in June should focus on the following:

- up-front information requirements
- the draft elements of the 2015 Agreement text; and
- discussion of the details of the MRV and accounting rules base.

This submission focuses on these areas. The EU will submit views on Adaptation and Means of Implementation in the post-2020 regime after the June session.

Introduction

1. The overwhelming scientific consensus as set out in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (*IPCC*) is stark: (i) warming of the climate system is unequivocal, and the human influence is clear; (ii) climate change has caused impacts on natural and human systems, including food production; (iii) the risk of severe, pervasive, and irreversible impacts is increasing; and (iv) the period 2000 to 2010 saw the highest levels of greenhouse gas (*GHG*) emissions in human history, reaching 49GtCO₂equivalent/year in 2010.
2. However, the IPCC report also gives us hope. If we act collectively, urgently and at the global level we can achieve the below 2°C objective - and do so in a manner that promotes sustainable economic growth, as well as co-benefits in areas such as air quality and human health, energy security and resilience, ecosystem impacts, and sufficiency of resources. Scenarios consistent with a likely chance of achieving the below 2°C objective require GHG emissions in 2050 to be 40% to 70% lower than levels in 2010, and with net emissions levels near zero, or below, in 2100.
3. The urgency to act means that it is imperative that, as agreed in Durban, we adopt the 2015 Agreement at COP21. Warsaw set out a timetable to that end. Decision 1/CP.19 invited all Parties to initiate or intensify domestic preparations of their INDCs; invited Parties to come forward with those INDCs well in advance of Paris and in the first quarter of 2015 for those Parties in a position to do so; and specified that the up front information requirements in relation to INDCs must be agreed by COP20 at the latest.
4. It is essential that all Parties stick to that agreed timetable. The EU will do so – we have started our domestic preparations and will come forward with our INDC in the first quarter of 2015. The EU expects all major and emerging economies, as well as other Parties that are ready, to also come forward in early 2015. The March session of the ADP highlighted the support and capacity building available to those Parties that need it to prepare their INDCs and we appreciate the UNFCCC Secretariat facilitating the coordination of this supportⁱⁱ.
5. We welcome the ADP co-Chairs' reflection note of the March ADP session and look forward to further discussions with other Parties to deliver by Lima at the latest draft elements of a negotiating text and agreeing requirements for up front information in relation to INDCs.

Intended Nationally Determined Contributions

6. This last year has seen the emergence and elaboration of an approach towards securing ambitious mitigation commitments in the 2015 Agreement whereby such commitments should result from a combination of: (i) INDCs proposed by each Party, including the type and ambition of its intended mitigation commitment, accompanied with up front information to ensure it is transparent, quantifiable and comparable; and (ii) a process before COP 21, together with elements in the 2015 Agreement, designed to ensure that the collective level of ambition is consistent with the below 2°C objective.

7. An INDC should therefore represent what each Party considers is a fair and ambitious reflection of its responsibilities and capabilities. The kind of up front information that a Party should provide, as well as which elements of the common MRV and accounting rules base will apply to its mitigation commitment in the 2015 Agreement, should follow from the Party's choice of INDC.
8. In this way, INDCs operationalise common but differentiated responsibilities & respective capabilities and equity in a way that is dynamic, reflects evolving realities, and is fair to the Party concerned. This will ensure an equitable post-2020 regime.
9. In addition to INDCs it is essential that the process before COP21, as well as the substance of the 2015 Agreement, add value in a way that ensures we stay on track to meet the below 2°C objective.

In order to achieve the below 2°C objective:

- INDCs should reflect, in type and ambition, the responsibilities and capabilities of the Party concerned. Parties with the greatest responsibilities and capabilities should come forward with INDCs in the form of economy-wide absolute targets relative to a historical base year (***economy-wide absolute targets***) - including those Parties that currently have such commitments pre 2020 to ensure that there is no backsliding. Whilst other types of commitment might be appropriate for Parties with fewer responsibilities and less capability, all Parties should aspire, over time, to eventually having economy-wide absolute targets because they provide the greatest certainty on emissions reductions while giving Parties flexibility on how to achieve those reductions
- INDCs should be accompanied with up front information to ensure they are transparent, quantifiable and comparable
- There should be an international process before COP 21 to consider how all submitted INDCs bring us closer to the below 2°C objective
- INDCs should be included in the 2015 Agreement in the form of mitigation commitments that are legally binding
- The 2015 Agreement should:
 - (i) set out a long term goal that, in line with the findings of the IPCC, ensures an aggregate emission pathway consistent with having at least a likely chance of ensuring that the 2°C objective is achieved
 - (ii) contain mitigation commitments from all Parties that are legally binding and provide the framework in which Parties will fulfil those commitments
 - (iii) further strengthen the multilateral rules-based regime through provisions on MRV, accounting and compliance
 - (iv) set out a mechanism to regularly consider the level of global ambition represented by mitigation commitments in order for Parties to raise their own ambition in a timely manner should they wish to do so and if necessary to stay on track to achieve the below 2°C objective
 - (v) catalyse real action by all types of stakeholders, taking into account results from ADP Workstream 2

Up front information

10. It is important that Parties are given guidance on how to present up front information in a way that ensures INDCs are transparent, quantifiable and comparable. Up front information must also allow Parties to demonstrate why they consider their INDC to be fair and ambitious. Making progress towards agreeing up front information must be a top priority for the June session.
11. Parties will need to generate and consider various types of information as part of the domestic preparation of their own INDC. When a Party comes forward with its INDC it should at the same time communicate internationally the information gathered as part of its domestic preparation process. As such providing up front information in relation to INDCs should not create additional burdens.
12. Some of the required up front information will be common to all commitment types, while some will be specific to particular types of commitment.

A Lima Decision on up front information should address & provide guidance on the following information categories:

- Description of the INDC (e.g. type of commitment; gases or sectors included; base year or reference; metrics used; length of commitment period)
- Additional information specific to each commitment type (e.g. base year emissions for absolute targets; information on GDP for intensity targets; explanation of a business-as-usual projections)
- Proposed approach for emissions and removals from forests and land use
- Expected use of international market-based mechanisms
- Background information that will help a Party to explain the level of ambition and fairness of its INDC in light of its responsibilities, capabilities, national circumstances and the below 2°C objective (e.g. past, current and future emissions; mitigation costs and potential; GDP and population; poverty indices and national circumstances)

International Process to consider INDCs before COP 21

13. COP 21 should be preceded by an international process that facilitates the transparency, clarity and understanding of INDCs, whereby the ambition and fairness of Parties' proposed mitigation commitments can be considered in light of their contribution to the below 2°C objective.

The pre COP 21 international process should:

- Not be overly designed or prescriptive and ensure maximum participation
- Be facilitative, transparent and encourage Parties to come forward with ambitious INDCs
- Create a common understanding and enable comparison of INDCs by allowing Parties to explain their choice of INDC and why they think it is fair and ambitious. When clarifying their INDCs Parties should use the up front information they provide, including any balanced and objective indicators Parties have used in preparing their INDC
- Be informed by science and be evidence-based, and also guided by considerations of evolving capability and responsibility

14. The international process could be facilitated, for example, by: (i) a technical summary and analysis of the INDCs by the UNFCC Secretariat or another independent body, including by compiling INDCs and determining the aggregate level of ambition; and (ii) written submissions, including by observers, followed by a question & answer phase and/or workshops.

Multilateral Rules Based Regime Applicable to All Parties

15. Decision 1/CP.19 emphasised the importance of strengthening the multilateral rules based regime in the context of the 2015 Agreement - which will be applicable to all Parties. The 2015 Agreement should therefore establish a legally-binding framework based on clear rules related to accounting and monitoring, reporting and verification of emissions, as well as a link to a system of compliance (the *rules based regime*).
16. The main objective of the rules based regime should be to create the basis for tracking progress towards the achievement of mitigation commitments in a way that creates transparency, enables comparability and avoids double counting of effort.
17. In order to promote trust and confidence, the rules based regime must be fair and based on transparency and accountability. This can only be achieved through clear internationally agreed rules. Fairness would be achieved because the rules that apply to each Party should follow from the INDC it chooses and should reflect its capability and national circumstances.
18. Some rules should be common to all commitment types, such as the use of common metrics and methodologies, and a common approach to the length of commitment period. Certain commitment types should also have their own specific rules in order to reduce uncertainties and increase confidence in the level of ambition proposed. For example, rules for business as usual projections and reporting of GDP for emissions intensity based commitments.

The rules based regime should be strengthened as follows:

- At COP 21 the 2015 Agreement should establish:
 - the key elements and principles to ensure we have clear a rules base, such as in relation to: common metrics and methodologies; the obligation to report information and the basis for review; the approach to the length of commitment periods; and the land sector
 - the principles guiding the design of a compliance regime that will facilitate and encourage implementation of Parties' commitments
- Accompanying decisions at COP21 should set out the rules related to the accounting of emissions and removals in the land sector.
- Decisions at COP 21 should also set out work programmes for the further elaboration and implementation of the rules based regime, including for example in relation to the use of markets, and the details of the monitoring, reporting and verification. These work programmes should be completed as soon as possible after COP 21 to provide sufficient time for the full implementation of the 2015 Agreement from 2020.

ⁱ The previous submissions of the EU in relation to ADP Workstream 1 continue to be relevant, read in light of the European Council Conclusions of 14 October 2013 and 20-21 March 2014, as well as the outcome of COP 19. Of particular relevance in this context are the EU's submissions on:

(a) the *Process for ensuring ambitious mitigation commitments in the 2015 Agreement*, 27 May 2013

(http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf);

(b) *Further elaboration of elements of a step wise process for ambitious mitigation commitments in the 2015 Agreement*; 16 September 2013

(http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_mitigation_20130916.pdf);

(c) *The scope, design and structure of the 2015 Agreement*, 16 September

2013(http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_design_of_2015_agreement_20130916.pdf);

(d) *Adaptation in the 2015 Agreement*, 16 September 2013

(http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_adaptation_20130916.pdf)

ⁱⁱ *Reflections on progress made at the fourth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action*, ADP co-Chairs, 17 April 2014 at paragraph 11.