



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

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

Copenhagen, 1 March 2012

**Subject: Options and ways for further increasing the level of ambition**

### 1. Introduction

1. The EU welcomes the opportunity to submit its views on the workplan to explore options and ways for further increasing the level of ambition in accordance with Decision 1/CP.17 establishing the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). We look forward to further explaining these views and engage with other Parties in the in-session workshop to be held at the next negotiating session in Bonn.
2. The EU fully shares the grave concern expressed by Decision 1/CP.17 about the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels. Against this background, the EU is fully committed to engage proactively in the workplan on enhancing mitigation ambition **to identify and to explore options for a range of actions that can close the ambition gap** with a view to ensuring the highest possible mitigation efforts by all Parties.
3. The EU urges all Parties to actively contribute to this process with a view to identifying and harnessing opportunities to bridge the gap, and **agree on clear steps that can allow the process to deliver increased ambition through a set of concrete initiatives**. All possible avenues should be considered, including domestic and bilateral actions and intensified cooperation in the framework of international bodies.
4. The EU holds firmly to the commonly agreed objective of keeping the global mean temperature increase below 2°C. This **overarching goal must guide the level of ambition of mitigation action at the global level**. The goal can only be achieved through a combination of full implementation of pledges already made, urgent actions through this workplan that increase ambition enough to close the ambition gap in the period to 2020, and an ambitious outcome on mitigation as an essential element of the legally binding agreement to be negotiated under the Durban Platform.
5. The EU sees the process to enhance ambition and close the gap as a **continuous process to assess the gap; identify options to increase ambition through pledges and complementary initiatives; and take appropriate decisions** to ensure that these are harnessed. The process should be sustained through 2015 and beyond until the global gap has been resolved.



6. The level of ambition of the action taken now and up to 2020 will have a significant impact on the feasibility of staying below the 2°C and on the cost of action beyond 2020. It is essential that low-emission development pathways are identified and that lock-in effects of emissions-intensive infrastructure is avoided.
7. A coherent approach to mitigation and ambition within the current processes and the ADP will be needed to ensure all actions lead us to achieving the 2°C target. **The new agreement to be negotiated under ADP should include mitigation commitments for all Parties** and in particular all major economies taking into account that responsibilities and capabilities are differentiated but evolve over time and that the agreement should reflect those evolving realities by including a spectrum of commitments in a dynamic way.
8. The process to deliver on implementation and to enhance ambition shall take an **integrated approach** drawing upon several processes and outcomes, including the 2013-15 review and the process under the LCA to clarify pledges of developed and developing countries.
9. There are several important inter-linkages between the efforts to increase ambition in the period to 2020 and the level of mitigation ambition required in the new agreement being negotiated under the ADP: The scale of the global mitigation challenge beyond 2020 is strongly dependent on successful pre-2020 mitigation; the feasible emission pathways and future mitigation costs beyond 2020 depend to a large extent on the ability to transform investment patterns within the next few years; and the experience with the mitigation workplan to enhance ambition will inform the negotiations on how to address mitigation effort in the new agreement.
10. Both the workplan to address the ambition gap and the mitigation process to define commitments under the new agreement shall be guided by the long-term temperature goal as well as scientific information about a long-term global emissions goal, pathways and milestones compatible with this goal, frequent assessments of the remaining gap and opportunities to bridge it.
11. This submission should be considered in conjunction with our previous submission (20 Sept 2011) on "Options and ways to increase the level of ambition of global mitigation actions".

## 2. A common understanding of the scale of the mitigation gap

12. A shared understanding of the **scale of the global ambition gap** constitutes an important foundation for the work to increase ambition and ensure the highest possible mitigation efforts by all parties. The process should continuously provide updated and increasingly detailed information on independent assessments of the significance of the remaining gap. Assessing the gap requires updated information on implementation as well as on the expected aggregate effect of pledges by all Parties.
13. Meeting the high end of existing pledges in full would achieve 50% of the global effort required, leaving an ambition gap of 6 GtCO<sub>2</sub>e by 2020, whereas delivering only the low-end of existing pledges without robust accounting rules may leave a gap as large as 11 GtCO<sub>2</sub>e.



#### **14. Proposed way forward in 2012 on understanding the scale of the mitigation gap:**

- a) Invite UNEP and other international organisations and experts to present the latest available knowledge about the ambition gap at the May Workshop on Options and Ways to enhance ambition, and in due time before COP18, with a view to build a shared understanding of the ambition gap,
- b) Active contribution by all parties in the LCA process on understanding of pledges will contribute to transparency on the mitigation effect of pledges, enabling the Secretariat to present comprehensive and accurate information about pledges at COP18,
- c) COP18 should acknowledge the scale of the gap and agree to continuously monitor the scale of the gap with a view to taking appropriate actions to overcome it.

### **3. Identifying opportunities to bridge the gap**

15. There is a technological and economically feasible potential to reduce global aggregate emissions levels by 2020 below projected baseline levels sufficiently large to bridge the gap<sup>1</sup>. Similarly, a number of scenarios show that it is feasible for global emissions to peak before 2020<sup>2</sup>.
16. **A range of opportunities have the potential to help close the ambition gap.** A large number of mitigation options with significant potentials to address the gap have been identified through i.e. Parties' submissions, the LCA workshops on pledges during 2011, scientific and experts inputs (including special reports by IPCC, UNEP green economy reports, OECD green growth initiative reports), as well as technical papers by the Secretariat.
17. Moreover, there is ample evidence that reaping this potential would also bring measurable and important contributions to sustainable development<sup>3</sup>, health and pollution co-benefits, and could contribute to poverty alleviation<sup>4</sup> and provide opportunities for green growth.

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<sup>1</sup> UNEP has estimated that it is technically and economically feasible to reduce by around 14 to 20GtCO<sub>2</sub>e the 2020 projected baseline emission levels, whereas cutting these levels by 12GtCO<sub>2</sub>e would retain a likely chance to stay below 2°C.

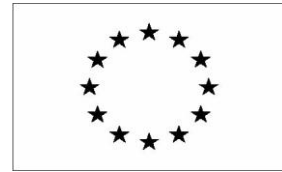
<sup>2</sup> Including scenarios developed as part of the EU work on a 2050 roadmap to a competitive low-carbon economy, or IEA World Energy Outlook 2011 (450 ppm scenarios).

<sup>3</sup> UNEP Green economy report series, for instance: UNEP report on 'Forest in a Green economy' estimates that in scenario where carbon storages in forest increase by 28% compared to BAU, and deforestation rates are halved by 2050, related investment would contribute to global employment growth (up to increasing jobs by 5 million in 2050).

<sup>4</sup> IEA WEO2011, UNIDO report on renewable energy



18. Implementing the **pledges** presented by Parties under the LCA and the Kyoto Protocol constitute the **cornerstone in achieving the necessary emission reductions in the period up to 2020** and thus limiting the scale of the gap. In this context, the ranges referred to by the IPCC AR4 report continue to constitute a valuable benchmark for the aggregate ambition of pledges of developed and developing countries. Full implementation and the use of robust approaches to accounting are fundamental. In addition, the process must address possibilities to enhance ambition related to pledges by developed and developing countries, including by encouraging those countries that have not come forward with pledges to do so; encouraging those which have submitted ranges to consider their possibilities for moving to the top of their range; encouraging countries to take more ambitious mitigation commitments and actions and where possible over-perform on these.
19. Options and ways for further increasing the level of ambition through a **range of complementary initiatives should be identified, analyzed and harnessed**. These may address e.g. sectors, gases and policy instruments that may support the realization of pledges and above all enable additional emission reductions beyond those ensured by pledges. Examples of such options include:
- addressing emissions from HFCs;
  - continued work through ICAO and IMO to develop without delay a global policy framework to address global emissions from international aviation and maritime transport;
  - phasing out subsidies for fossil fuels building on ongoing work in G20;
  - scaling up efforts to promote renewable energy and energy efficiency;
  - reducing short-lived climate forcers and ensuring a wide coverage of greenhouse gases;
  - enhancing action on REDD+;
  - targeting support effectively so as to maximize the resulting mitigation.
- 20. Proposed way forward in 2012 on identifying opportunities to bridge the gap:**
- a) The UNFCCC Secretariat should produce a written report after the May Workshop synthesising parties' views on options and ways to increase ambition. This shall include a structured compilation of specific options proposed for consideration as complementary initiatives, including where available assessments of mitigation potentials and costs according to expert analyses.
  - b) Before COP 18 an additional round of workshops could be held to further explore options, for Parties, relevant international bodies and experts to present and further detail possible complementary initiatives with a view to preparing for COP decisions at COP18 to initiate a first set of complementary initiatives.
  - c) IPCC, UNEP, IMO, ICAO, FAO and relevant experts should provide up-to-date information before COP18 about the potential to increase mitigation ambition in relation to various sectors (land-use, energy, transport, etc.) gases and policy instruments and the associated opportunities for sustainable development.

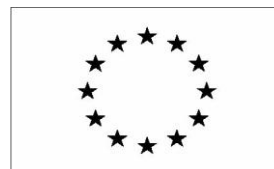


#### 4. Harnessing opportunities to bridge the gap

21. Much of the mitigation potential can be addressed through complementary initiatives implemented through a combination of domestic action, bi- and plurilateral cooperation and internationally coordinated initiatives in the framework of international bodies, and where relevant with support.
22. The success of the process in achieving a collaborative step-up of the level of ambition depends on its ability to increase mutual trust and to demonstrate that the UNFCCC process can deliver tangible mitigation results in a very short timeframe. To this end, **the ADP should be open towards innovative approaches to conducting its work**, reflecting an increased focus on swift and effective implementation.
23. The ambition process under the ADP shall **make recommendations to the COP with a view to COP18 and subsequent COPs adopting decisions that contribute to enhancing ambition, including by launching concrete complementary initiatives that will deliver action to close the gap**. This shall be based on identified options and information about their mitigation potential and scale, and include identification of appropriate bodies that may effectively and efficiently contribute to their implementation.
24. Wherever possible, opportunities to reinforce existing negotiation streams under the UNFCCC should be exploited, e.g. by making decisive progress enhancing action on REDD+ and on a new market-based mechanism.
25. An important task will be to **identify ways in which the UNFCCC can draw on and interact with other international bodies, other fora, experts and relevant stakeholders to incentivize, encourage, reinforce and maintain an overview of initiatives that enhance ambition**. This will be pursued while recognizing that implementation of such initiatives will usually happen outside of the UNFCCC.
26. **The COP should call upon relevant international bodies to develop and present concrete initiatives and to report on progress in implementing these**, with a view to securing that these are consistent with the ambition required to stay below 2°C temperature increase.
27. It is important to **build on other international negotiation processes** (e.g. under the auspices of CBD, IMO/ICAO, Montreal Protocol, Basel Convention<sup>5</sup>, etc.), or replicate at global level regional initiatives, such as work under the UNECE to implement the Convention on Long-range Transboundary Air Pollution (LRTAP). As one example, the EU has proposed that accelerated phase-down of production and consumption of HFC can be based on the model followed for ozone-depleting substances under the Montreal Protocol.

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<sup>5</sup> E.g. efforts under the Basel convention to enhance waste minimisation, recycling and re-use and production of energy from wastes may provide useful models for further national mitigation efforts (UNEP/CHW.9/INF/32)



***Proposed timeline for considering options and ways to enhance ambition during 2012***

Feb 2012	May 2012	June-Sept 2012	Additional work during 2012	Dec 2012
Parties propose list of options and ideas for process	WS options/ways ambition	Secretariat WS report listing options/ways proposed	2 <sup>nd</sup> WS options/ways ambition:	COP decisions:
UNEP bridging the gap report 2011	With input by UNEP, IPCC, IMO/ICAO	Secretariat WS report and technical paper capturing Parties shared understanding of potential captured by pledges (sectors, gases, actions)	- exploring further options	- Agree on next steps to identify, examine and launch in 2013-2015 possible further actions.
Parties' submissions clarifying Pledges	LCA pledges WS		- Secretariat, Parties and relevant international bodies present possible complementary initiatives.	- Launch in COP18 the implementation of a first list of complementary options to bridge the gap
			- Outlining of decisions needed to deliver a first list of options	
			UNEP updates its estimate of the gap	
			Secretariat with expert input, UNEP, and IPCC: Refined estimates of potentials from different options	





*Annex: Additional information on the scale of the ambition gap and opportunities to bridge it.*

## 1. The scale of the ambition gap

28. The ambition gap to bridge in the period up to 2020 and beyond is significant, as acknowledged in the Durban decision 1/CP.17.
29. The UNEP 2011 Bridging the emissions gap report<sup>6</sup> underlines that the best available information about pledges consistently indicates that:
- In order to have a likely chance of keeping average temperature increase within the below 2°C limit this century, aggregate emissions in 2020 should not be higher than 44 GtCO<sub>2</sub>e, meaning that we should collectively reduce global emissions by 12 GtCO<sub>2</sub>e relative to the projected baseline emission levels in 2020.
  - Global emissions need to peak before 2020 to retain a medium or likely chance of staying within the 2°C limit.
  - If we meet the high end of existing pledges in full, we would achieve 50% of the global effort required, reducing global emissions by around 6 GtCO<sub>2</sub>e, thus leaving an ambition gap of 6 GtCO<sub>2</sub>e by 2020.
  - If we only deliver the low-end of existing pledges and fail to agree on robust accounting rules, the emission gap may be as large as 11 GtCO<sub>2</sub>e by 2020.
30. In the light of this information, it is **urgent to design and implement reinforced mitigation efforts in the period up to 2020**. And these efforts must be sufficiently ambitious to deliver the mitigation required to preserve a likely chance to stay below 2°C through pledges and complementary initiatives.

## 2. Opportunities to bridge the gap

### Opportunities related to pledges by Parties

31. Opportunities to enhance ambition related to parties' pledges include e.g.:
- Implementing the mitigation commitments and actions put forward so far fully and without delay.
  - Ensuring full transparency about pledges including by providing, ex ante, all necessary information relating to pledges, their assumptions and conditions, recognizing that the ambition of pledges depends on the definition of the target and action as well as on the related approaches to accounting, including rigorous, robust and transparent approaches to measuring progress.
  - Encouraging those countries that have not yet done so to formulate pledges in line with their respective capabilities, noting that this group of countries comprises a number of rapidly developing emerging economies and represents around 28% of the projected global emissions in 2020.

<sup>6</sup> [http://www.unep.org/pdf/UNEP\\_bridging\\_gap.pdf](http://www.unep.org/pdf/UNEP_bridging_gap.pdf)



- Encouraging countries to take more ambitious mitigation commitments and actions, and where possible over-perform on these, including by making best use of support in the context of meaningful mitigation actions.
- Widen the scope of pledges, e.g. by adding new NAMAs in new sectors<sup>7</sup>.
- Encouraging countries that have submitted ranges to consider their possibilities for moving to the top of their range;
- Swift development of the new market based mechanism, which has the potential to deliver net emission reductions additional to current pledges and CDM.<sup>8</sup>

Opportunities related to **complementary** initiatives<sup>9</sup>:

32. A range of complementary initiatives have the potential to reduce emissions beyond the level of pledges and thus help close the ambition gap. An initial list of examples of such initiatives includes:

- Taking action to reduce emissions from international aviation and maritime transport, noting that current pledges do not cover these emissions, that ICAO has reached an agreement to stabilise global CO<sub>2</sub> emissions from international aviation by 2020, and that the UNEP Bridging the emissions gap report estimates that it is feasible to curb the projected increase in bunker fuels emissions, reaping an emission reduction potential of 0.1 GtCO<sub>2</sub> in international aviation sector and of 0.2–0.4 GtCO<sub>2</sub> in the international shipping sector, both in 2020.
- Accelerating the phase-down of production and consumption of HFC, noting that these emissions are expected to increase by 2020 to represent 0.9 to 1.5 GtCO<sub>2</sub>e of projected 2020 baseline emissions, while it is feasible to cut these emissions by 0.5 GtCO<sub>2</sub>e beyond the scope of current pledges.
- Increasing the global share of renewable in the energy supply<sup>10</sup>, accelerating and intensifying energy efficiency improvements<sup>11</sup>, developing sustainable transport, going beyond current market- and policy-led trends could capture a larger share of the available potential than pledges will achieve. Domestic transport emissions could be cut by 1.4 to 2 GtCO<sub>2</sub>e by 2020, energy production emissions by 2.2-3.9 GtCO<sub>2</sub>e, industrial emissions by 1.5 to 4.6GtCO<sub>2</sub>e and building sector emissions by 1.4 to 2.9 GtCO<sub>2</sub>, as estimated by UNEP Bridging the emissions gap report.

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<sup>7</sup> Around 60% of emission reductions expected from the pledged NAMAs contained in FCCC/AWGLCA/2011/INF.1 could come from REDD+ activities (study by PBL, 2012)

<sup>8</sup> Submission by the Denmark on behalf of the EU and its Member States on Modalities and Procedures for a New Market-based Mechanism under the AWG LCA (February 2012)

<sup>9</sup> Note that some estimates of potential emission savings are the full potential which may in part be captured by current pledges.

<sup>10</sup> IPCC SRREN indicates aiming towards at least 50% of global primary energy supply by 2050 would significantly accelerate current deployment of renewable energy, beyond existing policies.

<sup>11</sup> UNEP Bridging the gap report, OECD Green Growth strategy, IEA WEO2011 indicates along pathways bridging the ambition gap, it is projected that sectors would at least double the rate of energy efficiency improvements to 2.5% p.a. up to 2030, and emissions from transport peak before 2020 and decline thereafter.





- Enhancing actions related to sustainable agriculture and forestry and to delivering global commitments for biodiversity<sup>12</sup>. UNEP has estimated that there is a potential to cut emissions by 1.3 to 4.2 GtCO<sub>2</sub>e in forestry, and 1.1 to 4.3 GtCO<sub>2</sub>e in agriculture, which is not fully captured by pledges.
- Securing universal access to energy through harnessing the potential of low-emission options<sup>13</sup>
- Reforming and phasing out inefficient subsidies for fossil-fuels, noting that IEA estimated that such measure<sup>14</sup> offers a potential to reduce aggregate emissions by 2020 by 1.7 GtCO<sub>2</sub>e while at the same time enhancing income and welfare; valuable experience has been gained by several countries from the combined reform of such subsidies with enhanced provision of universal access to sustainable energy. The experience from processes under G20 and ASEAN may serve as a reference, and COP18 may call on the Parties who are members of the G20 to deliver on their commitment to reform and phase-out inefficient subsidies for fossil fuels while encouraging other Parties to consider similar actions.
- Reducing emissions from short-lived climate forcers not covered by the Kyoto "basket", noting that UNEP has estimated that such measures<sup>15</sup> may contribute to reducing near-term warming. Similarly, ensure that emissions of all relevant greenhouse gases are addressed.

### 33. Make use of accumulated experience with international cooperation and support.

Recent examples with EU participation i.a. based on EU Fast Start Finance include:

- o Various initiatives with EU support<sup>16</sup> to enhanced access to sustainable energy such as: Climate Change Windows in all EU investment facilities; the ACP-EU energy facility; and the Global Energy Efficiency and Renewable energy fund.
- o EU support to sustainable agriculture and forestry: UN-REDD programme; Global Climate Change Alliance.
- o Support to capacity building, particularly enabling energy efficiency improvements (cf. EU submission on capacity building in EIT).

<sup>12</sup> The Aichi Commitments on Biodiversity encourage win-win actions aiming to: at least halve by 2020 the rate of loss of all natural habitats, including forests, and significantly reduce their degradation; enhance carbon stocks from biodiversity through conservation and restoration, including restore at least 15% of degraded ecosystems; by 2020, manage sustainably 2020 areas under agriculture and forestry.

<sup>13</sup> IEA WEO2011 estimated it is feasible to realise universal access to energy decreasing aggregate emission levels and UNIDO 2011 confirmed low-carbon technologies are available to do so.

<sup>14</sup> IEA/OECD highlights the benefits in terms of green growth to rationalise and gradually phase-out in the medium term the inefficient fossil fuel subsidies that encourage wasteful consumption of fossil fuels including finding effective alternative mechanisms (e.g. means-tested social safety net programmes) for assisting low-income consumers that benefit from existing subsidies.

<sup>15</sup> UNEP/WMO 2011 Integrated Assessment of Black Carbon and Tropospheric Ozone recommends to: address methane leakages (from coal mining, oil and gas production, long-distance gas transmission, municipal waste and landfills, wastewater, livestock manure, and rice paddies); realise universal access to sustainable energy for all (providing alternatives to wood, dung and charcoal for cooking and heating); enhance air quality protection (accelerating the replacement of high-emitting diesel vehicles, biomass stoves, brick kilns, and coke ovens or banning agricultural waste burning), as it would enable peaking before 2020 and deliver sizeable benefits in health, protection against air pollution and poverty reduction.

<sup>16</sup> [http://ec.europa.eu/clima/policies/finance/international/faststart/docs/fast\\_start\\_2011\\_en.pdf](http://ec.europa.eu/clima/policies/finance/international/faststart/docs/fast_start_2011_en.pdf) and [http://ec.europa.eu/clima/publications/docs/spf\\_startfinance\\_en.pdf](http://ec.europa.eu/clima/publications/docs/spf_startfinance_en.pdf)