

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

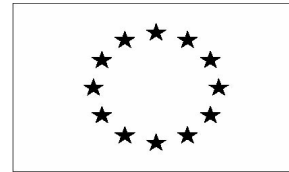
This submission is supported by Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia and Serbia.

Copenhagen, 17 April 2012

**Subject: Establishment of an Ad Hoc Working Group on the Durban Platform for Enhanced Action
Views on the work plan of the Ad Hoc Working Group on the Durban Platform for Enhanced Action, including, inter alia, on mitigation, adaptation, finance, technology development and transfer, transparency of action, and support and capacity-building**

OVERALL OBJECTIVES

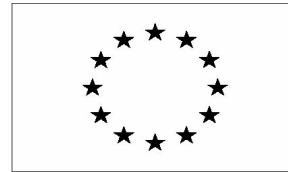
1. The Durban Platform for Enhanced Action (**DPEA**) builds on recent progress made in the UNFCCC negotiations, further implements the Cancún Agreements, paves the way for immediate actions, and is a decisive commitment **towards a single, fair and comprehensive legally binding agreement under the Convention that is applicable to all Parties**. The agreement must be adopted by 2015 at the latest, and ratified by Parties so as to come into effect as soon as possible but no later than the beginning of 2020, to ensure convergence and continuity after the second commitment period of the Kyoto Protocol (**CP2**) ends. A **new Protocol** would be the most efficient form of that agreement. The DPEA also articulates the recognition by all Parties of the gap in mitigation effort needed to achieve the long term objective of keeping the global mean temperature increase below 2°C compared to preindustrial levels and the commitment to address that gap in the immediate term.
2. The **DPEA is part of a wider coherent package** including an agreement to a CP2, which would, however, at most cover only 14% of global emissions. As such the Ad Hoc Working Group on the DPEA (**ADP**) should agree its work plan at its first session - progress on substance needs to commence in 2012. COP18 should signal the next steps of this package: how raising ambition will be taken forward; the adoption of CP2 and resultant closure of the AWG KP; as well as closure of the AWG LCA.
3. A **science based approach to mitigation where all Parties take action**, in order to achieve the 2°C objective, must be central to all aspects of the work of ADP. Global greenhouse gas **emissions need to peak by 2020 at the latest** and need to be **reduced by at least 50% by 2050 compared to 1990** and continue to decline thereafter. In the long term, gradual convergence of per capita emissions will be necessary, taking into account national circumstances. The ADP should be informed by the work of the IPCC and its 5th Assessment Report, as its' reports become available, as well as the 2013-2015 review.



4. **All Parties have committed to raising the level of mitigation ambition** and also launched a work plan to ensure the highest possible mitigation efforts. This is vital now to address the current mitigation gap. Looking beyond this to the new Protocol, **all Parties must have legally binding mitigation obligations** that are formulated in accordance with Convention principles including common but differentiated responsibilities and respective capabilities, recognising that responsibilities and capabilities evolve over time. The ADP will need to work towards providing for a **spectrum of commitments that will ensure the highest possible mitigation efforts** in a way that is cost-effective, dynamic, fair and reflects a country's particular economic realities and development opportunities. **Actions must be transparent and reliable** to allow for comparability of effort and to ensure that we are on track to meet our common 2°C objective, making it essential to develop a **common set of accounting and MRV rules and tools**.
5. The work of the ADP should be consistent with enabling all Parties to achieve sustainable development, poverty eradication and climate-resilient growth, taking into account vulnerability to climate change. Furthermore, the work of the ADP should acknowledge the intrinsic link between mitigation ambition and adaptation needs. Both **mitigation and adaptation need to be facilitated by appropriate and transparent means of implementation**.
6. The work done under the Convention, the Kyoto Protocol and the subsidiary bodies provides a basis to build upon. The ADP should also draw on relevant work, initiatives and experiences from outside the UNFCCC ensuring complementarity and avoiding **duplication of efforts or institutions**.

ADP PROCESS & ORGANISATION

7. **The work plan of the ADP will need to be organised around key milestones**, namely: (i) confirm Chair and agree an agenda, work plan and organisation of work at the first session of the ADP which will advance work on both raising mitigation ambition in the immediate term as well as negotiating the new Protocol; (ii) at COP 18 decide on an initial set of mitigation initiatives to close the ambition gap and agree how the work to address the mitigation ambition gap will be continued in the years ahead; (iii) produce a consolidated text based on the inputs of Parties that identifies key options and outstanding issues sufficiently far in advance of COP 21 to allow for informed high level political discussion and decision making; (iv) adopt new Protocol as soon as possible, 2015 at the latest.
8. It is essential that there is an opportunity to discuss early in Bonn options for making the ADP as efficient and robust as possible, as well as capable of addressing the challenges ahead.
9. The DPEA sets out a number of substantive issues that need to be taken up in its work plan. It is important that in the organisation of its work the ADP maximises opportunities to look at the synergies between these issues by adopting a cross cutting approach. Particularly important will be to allow time for an early and open exchange of views between Parties and stakeholders.
10. The DPEA makes a clear distinction between two work streams: enhancing mitigation ambition and negotiating a new Protocol. These are addressed below.



ENHANCING MITIGATION AMBITION

11. The **scale and cost of the global mitigation that will be required in the new Protocol in order to achieve the 2°C objective will be strongly dependent on preceding action** and the ability to transform investment patterns within the next few years. The EU has submitted detailed views on options and ways to further increase the level of ambition in accordance with decision 1/CP.17¹.

12. **Enhancing ambition and closing the mitigation gap requires an iterative process** of assessing the gap, identifying options for all Parties to increase ambition through pledges and **complementary initiatives**, and **appropriate action** to ensure implementation. **Those Parties that have not come forward with pledges must be encouraged to do so.** It is vital that the ADP allocates sufficient time to address mitigation ambition, including strengthening the multilateral framework both in the transition pending implementation of the new Protocol and beyond.

13. We will need to draw on the work of the AWG LCA and AWG KP before they close in Doha, as well as the work of the COP, the CMP and its SBs. In order to further enhance current tools and measures to leverage greater global mitigation action essential elements should underpin our work, in particular:

(i) securing **ambitious emissions reductions and full implementation of the 2020 pledges** under the Convention using **robust, common and transparent accounting tools** which need to be elaborated and are fundamental to achieving the necessary pre 2020 emission reductions;

(ii) **continuation of the KP framework:** we expect CP2 to run until 2020 ensuring the continuation of a strong accounting system and of market based mechanisms. Ambitious CP2 targets will be needed as part of the global effort to address the gap and to avoid locking in insufficient ambition. The ADP will need to ensure that experience gained under the KP contributes to a rigorous and effective multi-lateral rules-based system in the new Protocol that provides the incentives for actions in line with the 2°C objective;

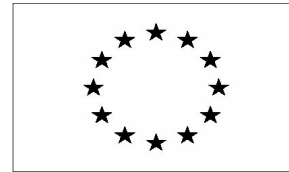
(iii) **implementation of new market mechanisms**, through a common set of rules that enables real, permanent, additional, sustainable and verified outcomes, and avoids double-counting, building on existing processes;

(iv) A **strong MRV system:** the Durban decisions relating to the setting up of the MRV system are an important step forward. However challenges remain and need to be addressed. Efforts should focus on settling and supporting the IAR and ICA processes, as they are key tools to understand what other Parties are doing. This understanding is critical to creating confidence in countries' efforts and making the case for greater global ambition.

14. Furthermore the work plan to enhance ambition should be in parallel to and should inform the negotiations on ambition of mitigation efforts in the new Protocol, consideration of which will become increasingly relevant as the work of the ADP progresses.

15. As mandated by the DPEA, the **process on ambition should start without delay this year with a clear initial focus on addressing the pre 2020 ambition gap.** The ADP should identify and harness opportunities to bridge the gap and agree clear steps to implement increased ambition through an initial set of concrete initiatives at COP 18. Moreover, this process should deliver further tangible results.

¹ ADP submission by Denmark and The European Commission on behalf of the European Union and its Member States on *Options and ways for further increasing the level of ambition*, 1 March 2012



THE NEW PROTOCOL

16. In addition to the important focus of raising mitigation ambition, the ADP will need to negotiate and adopt the new Protocol by 2015 at the latest. In doing so we should build on our collective experience of the Convention and its Kyoto Protocol.

17. In order to give a context to our deliberations it is important to have a collective vision regarding what we are working towards. **The new Protocol could contain the following main elements:**

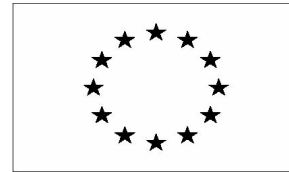
- Overall objectives
- Mitigation and accounting (including market mechanisms)
- Compliance
- Adaptation
- Means of implementation (finance, technology transfer, capacity building)
- Transparency of action and support
- Mitigation review & simplified ways to raise ambition

Mitigation

18. **Ambitious mitigation commitments by all Parties must be the core of the new Protocol. Its rules and tools should allow collective ambition to be transparently tested against progress towards the 2°C objective.** Market mechanisms will be essential to deliver the required ambition in a cost effective way. These requirements both require **robust international common accounting rules.**

19. We will need to explore ways to build upon and elaborate the global approach to mitigation established by the DPEA which has moved us beyond a binary distinction between Parties. **It will be important for us to consider, and to collectively answer well before 2015, a number of key questions** that will be important for delivering effective and appropriate global mitigation action through the new Protocol:

- (i) What are the best ways to define the aggregate emission pathways and milestones so as to achieve an appropriate level of collective global ambition in a way that is consistent with the latest science and the 2°C objective? How can low emission development strategies be used to ensure we don't lock in high emission production patterns and to effectively encourage decoupling of emissions and growth? How can we ensure that emissions are not simply moved between Parties?
- (ii) Whilst the new Protocol must have legally binding mitigation obligations for all Parties, those obligations could vary in substance. Those countries with the greatest responsibilities and capabilities would be expected to make the most ambitious contributions towards the 2°C objective in the form of absolute, economy-wide reduction targets. Further to that, what are the spectrum of obligations available to encourage and ensure the highest possible mitigation efforts by all Parties, so we are on the path to achieve the 2°C objective in a way that is fair, efficient, transparent and takes into account evolving responsibilities, capabilities and circumstances? Are there options in addition to absolute targets, intensity targets, economy wide or sector specific approaches? How can we ensure that all relevant greenhouse gases and sectors are considered and covered in the agreement?
- (iii) How can the new Protocol be designed to create incentives for effective participation and high ambition by all Parties and facilitate them to easily ratchet up mitigation ambition and strengthen the nature of their commitments as their responsibilities, capabilities and circumstances change?
- (iv) What is the best way to ensure mitigation efforts are cost effective globally and provide opportunities for sustainable green growth? Market mechanisms will be essential to facilitate ambitious mitigation and wider global action at a larger scale, both of which are needed to achieve the 2°C goal. How can we most effectively use the different options and instruments available?
- (v) What are the options for a compliance system that facilitates and ensures that all Parties meet their obligations, and is sensitive to and appropriate to particular circumstances?



(vi) What lessons can be drawn from experience of international, regional and domestic regimes in reducing emissions of greenhouse gases while at the same time contributing to fostering economic and social welfare, and reducing poverty?

20. **Common accounting rules for all** - a clear definition of commitments and the related rules and tools are important in order to track progress towards our 2°C goal. Such rules should promote transparency, contribute to better understanding obligations, facilitate comparability of efforts, ensure environmental integrity and enable the implementation of market-based instruments. How to best design an accounting system in the new Protocol that meets these objectives will therefore be a crucial question that needs to be addressed.

Adaptation

21. Adaptation to the adverse impacts of climate change is necessary for countries to minimise negative impacts and make full use of the opportunities for climate resilient growth and sustainable development. Successful mitigation implies a higher likelihood for ecosystems, societies and economies to adapt in a timely manner, while failure to mitigate would make adaptation efforts extremely costly or even unfeasible. How can the ADP work plan acknowledge the intrinsic link between mitigation ambition and adaptation needs?

22. How can we reap the benefits of the significant progress that has been made in consolidating adaptation work under the Convention, as well as draw on the work of existing institutions and the adaptation architecture being implemented, in order to facilitate action by Parties?

23. Should the ADP work plan address enhanced reporting on vulnerability and adaptation? Should the ADP also look at how to follow up on observed impacts of climate change and measures undertaken to facilitate adequate adaptation, drawing on the ongoing work under the Convention? How can systematic collection and exchange of information on adaptation actions best support cost effective actions, and favour the exchange of knowledge e.g. about appropriate technologies?

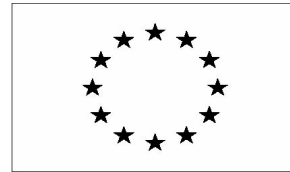
Means of implementation

24. The ADP will need to discuss **how to mobilise the most appropriate and efficient tools and resources to enable the implementation and delivery of ambitious mitigation efforts, as well as to provide support for adaptation**, in a way that is a catalyst for positive and sustainable change. This will raise a number of issues that will need to be addressed:

(i) How can we mobilise the investments required to ensure a smooth transition to low carbon economies and climate resilient societies?

(ii) How can international climate finance, post 2020, incentivise or adequately support the actions needed to keep on track to the 2° goal? In particular, how can post 2020 international climate finance incentivise or support developing countries' enhanced action on climate change mitigation and adaptation?

(iii) While the EU will continue to support climate action in developing countries, how can we ensure that a broader range of Parties contribute to climate finance, reflecting evolving economic realities? Private finance will have to play a larger role. How can market mechanisms and other regulatory approaches best be used to mobilise finance, in particular for mitigation?



(iv) The outcomes of the Copenhagen, Cancun and Durban conferences expanded and defined the international institutional structures, including MRV of support. The effectiveness and leverage factor of international climate finance will also depend on domestic policies, ambition and regulatory framework in developing countries. How can the ADP support the continued work to strengthen the overall governance and investment frameworks, as well as effective carbon price signals, and incentives for climate resilient investments?

(v) How can we ensure that the architecture for cooperation on **technology development & transfer**, currently being implemented, facilitates actions by Parties in the context of the ADP? Existing sustainable low carbon technologies to support action on mitigation and adaptation should continue to be our key technology transfer cooperation goal. However, how can we learn from existing cooperation for innovation, particularly in the context of long term ambitious mitigation action and the 2°C objective? How can we benefit from the work of the TEC and from the best practice of other multilateral mechanisms and partnerships in order to invest in the most sustainable solutions?

(ix) How to effectively address **capacity building** for adaptation, mitigation, reporting obligations and GHG inventories, technology transfer and market mechanisms in an integrated way?

Transparency of action and support

25. The process to track progress towards achieving mitigation ambition and to develop a new Protocol will depend on reliable data on global GHG emissions and removals from all Parties. How can we build on, enhance and complement the current MRV provisions under the Convention including the new procedures agreed in Durban?

26. Improving the flow of information about the means of implementation was also at the core of the Cancun agreements and the Durban decisions. Are there further opportunities to improve the flow of information in this area?