

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

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

Vilnius, 16 September 2013

Subject: The scope, design and structure of the 2015 agreement¹

Introduction

1. The data and the science are clear. Current annual emissions stand at approximately 50 GtCO_{2e}. This is 14% higher than the median estimate (44 GtCO_{2e}) of the emission levels in 2020 consistent with a likely chance of limiting global temperature increases to below 2°C relative to pre-industrial levels (the *below 2°C objective*)². As recent extreme weather events have demonstrated, we face devastating impacts if we fail to achieve that objective. At the same time, the transition to a low greenhouse gas emitting and resilient future offers major opportunities for all Parties to achieve their development goals in a sustainable manner.
2. If atmospheric concentrations of greenhouse gases are to stabilise so as to achieve the below 2°C objective, global emissions need to peak by 2020 at the latest and be reduced by at least 50 % by 2050 compared to 1990 and continue to decline thereafter. All Parties need to contribute in order to keep these objectives within reach.
3. In accordance with what was agreed by all Parties in Durban, the EU is committed to adopting an international legally binding agreement applicable to all Parties by 2015 at the latest (the *2015 Agreement*). The 2015 Agreement must be ambitious, legally binding, multilateral, rules-based with global participation and informed by science. The 2015 Agreement should also fully respect the principles of the Convention. This year has seen the beginnings of useful discussions towards achieving these aims. But the pace has been too slow. In Warsaw we need to further focus our work on substantive issues. We welcome the intention of the new ADP co-Chairs to consult Parties intersessionally on the best way to do that. Warsaw should also make progress on the elements of the scope, design and structure of the 2015 Agreement. In order to assist us in our work in Warsaw the Secretariat should prepare a synthesis report of Parties' submissions.
4. It is clear that 2014 will be a crucial year to build the political momentum and commitment from all countries necessary to deliver the 2015 Agreement on time. In that context in Doha Parties welcomed the initiative of the United Nations Secretary General to host a summit of World Leaders in 2014.

¹ This submission should be read together with the previous submissions of the European Union on Workstream 1 of the ADP.

² IPCC 4th Assessment Report 2007 (AR4)

Leaders should come to that meeting prepared to discuss ideas for delivering a 2015 Agreement that facilitates all Parties doing their fair share to achieve the below 2°C objective. However in order to deliver the 2015 Agreement at COP 21 we will need high-level political engagement throughout 2014 and 2015, including in Warsaw. Appropriate engagement from observers, including civil society and the private sector, is also vital.

5. The general terms agreed by all Parties in Durban indicate that the 2015 Agreement should be: (i) ambitious, sufficient to put the world on track to achieve the below 2°C objective; (ii) applicable to all, meaning that all Parties must do their fair share; (iii) comprehensive, by addressing mitigation, adaptation, means of implementation, and transparency of action and support; (iv) legally binding at the international level; and (v) that it should be adopted by 2015 at the latest and enter into force by 2020. All these elements are crucial if we are to deliver in 2015 an agreement capable of achieving the below 2°C objective.
6. We look forward to working with the new ADP Co-Chairs to build on the excellent work of their predecessors. In particular we look to them to guide Parties in developing a text with elements of the 2015 Agreement by COP20 as a basis for producing a negotiating text before May 2015 at the latest.

Design of the 2015 Agreement

7. In order to achieve the below 2°C objective, the 2015 Agreement must be truly 'applicable to all'. This means that it must be designed to ensure participation and ambitious mitigation by all Parties. While all Parties should take on ambitious mitigation commitments, these will need to be differentiated in accordance with the principles of the Convention. Those principles must be applied in a dynamic way such that all Parties participate over time in accordance with their evolving responsibilities and capabilities.
8. If the 2015 Agreement is to attract global participation and to facilitate enhanced mitigation ambition, it will need to be a helpful tool in transforming the development pathways of countries. The 2015 Agreement will also need to endure well beyond 2020. As such it will need to be flexible, dynamic and robust. Of particular importance to stay on track for achieving the below 2°C objective will be the inclusion of a process for regular assessment and, if necessary, upward adjustment of individual and collective mitigation commitments.
9. But ambitious mitigation commitments from all Parties will not be enough. The 2015 Agreement should also facilitate Parties, but particularly the most vulnerable countries, in adapting to the consequences of climate change and increasing their resilience.

Structure of the 2015 Agreement

10. As we have said in previous submissions, we all made a decisive commitment to work towards a single, fair and comprehensive legally binding agreement under the Convention that is applicable to all Parties. We have also stated that the form of that agreement should be a new Protocol under the Convention. This approach has a number of advantages that give us the best chance of achieving our below 2°C objective, namely: the greatest indication of national commitment; the highest level of certainty needed to generate the mutual trust and confidence necessary to ensure that we all deliver the level of ambition required to stay on track for below 2°C; greatest leverage for domestic action; greatest longevity in the context of domestic political changes; and a high degree of inherent compliance value.
11. The 2015 Agreement could be broadly organised around the following themes: (i) objectives; (ii) mitigation and related MRV & accounting; (iii) market mechanisms; (iv) adaptation; (v) means of implementation; (vi) transparency of support; (vii) regular mitigation assessment and simplified adjustment; (viii) compliance.

Scope of the 2015 Agreement

12. The 2015 Agreement will need to be concise and focus on essential elements. Provisions should only be included in the 2015 Agreement if a legally binding form is necessary to make them operational and effective. Furthermore the 2015 Agreement should build on existing institutions and processes and avoid inefficient duplication of efforts.
13. The 2015 Agreement will be part of a wider 2015 package that includes a series of accompanying COP decisions that elaborate and implement the 2015 Agreement, and promote the effective operation of existing institutions.

Mitigation commitments

14. In order to stay on track to achieve the below 2°C objective, the 2015 Agreement should aim to address 100% of global greenhouse gas emissions. All Parties should have legally binding mitigation commitments, in accordance with the principles of the Convention applied in a dynamic way, such that commitments are ambitious, fair and reflect the changed and changing responsibilities and capabilities of Parties.
15. Mitigation commitments Parties propose to include in the 2015 Agreement must be transparent, quantifiable, comparable, verifiable and ambitious, which means that up front clarity on the nature of commitments is essential. It is also essential that the collective level of ambition in the 2015 Agreement keeps us on track for achieving the below 2°C objective from the outset. In that context the EU has put forward ideas for a process to develop ambitious mitigation commitments in time for adoption of the 2015 Agreement, including an international assessment phase to consider the

individual and collective level of ambition and fairness of proposed mitigation commitments before they are inscribed in the 2015 Agreement³.

16. However as experience since 1992 has shown, we are living in a rapidly changing world with continuously evolving responsibilities and capabilities as well as an increasing knowledge base of climate change action and its effects, and new technological options to address these. In order to be flexible and dynamic enough to respond to changing circumstances and the latest requirements of science, as well as to endure for many years beyond 2020, the 2015 Agreement itself will also need to include procedures to regularly assess and enable Parties to raise the ambition of their own mitigation commitment in a timely manner in order to ensure we collectively stay on track for below 2°C. These assessments and adjustments should be based on an up to date view of the responsibilities and capabilities of Parties and ensure that commitments continue to be individually ambitious and fair.
17. As discussions progress we will need to devote time in the ADP to considering how an international assessment and adjustment procedure in the 2015 Agreement could be organised. Many of the considerations the EU has highlighted in relation to formulation and assessment of proposed mitigation commitments before 2015 will also be relevant to such assessment and adjustment in the 2015 Agreement. These considerations include the importance of up front information, as well as the possible use of criteria/indicators against which all Parties can determine the fairness and ambition of proposed commitments⁴.

Common robust MRV and accounting rules

18. It is in the interest of all Parties to know whether others are living up to their commitments, and whether globally we are on course for achieving the below 2°C objective. A strong rules based system based on common, robust, transparent and legally binding MRV and accounting in the 2015 Agreement is therefore of primary importance in order to safeguard environmental integrity and promote mutual confidence that all Parties are doing their fair share.
19. Such a system must as a minimum provide the information needed to enable Parties to demonstrate – and for other Parties to be able to assess - progress towards achievement of individual commitments and the collective below 2°C objective. The MRV provisions in the 2015 Agreement must apply to all Parties and must ensure: (i) Monitoring – all Parties should establish domestic monitoring systems; (ii) Reporting – all Parties should report both emissions data (through inventories, which must be at the very core of the future MRV regime) and other climate-relevant information; (iii) Verification – all information provided by Parties should be subject to an independent technical analysis and review.
20. The 2015 Agreement and wider 2015 package will need to build on the provisions of and experience with the current MRV regime, bearing in mind that IAR and ICA will go into their first rounds in 2014 and 2015 and will be subject to a review respectively in 2016 and 2017. All MRV institutions

³ Submission by EU and its Member States on the Process for Ensuring Ambitious Mitigation Commitments in the 2015 Agreement of 27 May 2013

⁴ EU Submission on step wise approach, September 2013

and processes should eventually be consolidated into a common, coherent international MRV system for all Parties.

21. In order to facilitate all Parties demonstrating progress towards achieving their stated post 2020 mitigation commitments, and enable the use of international market-based mechanisms in an environmentally credible way, including by addressing issues such as avoiding double counting, the 2015 Agreement will need to include common accounting requirements. The future accounting regime should build on the experience under the Kyoto Protocol and the Convention as well as the outcomes of on going discussions in the context of the Framework of Various Approaches and the international market-based mechanisms. However, the 2015 Agreement will have a more diverse range of commitment types than was the case under the Kyoto Protocol, and the accounting regime will need to be developed in order to accommodate this.
22. Clearly for some Parties there will be a need for capacity building and opportunities should be provided to share with them experience related to putting in place an effective MRV & accounting system. It would be helpful if Parties could identify their particular capacity building requirements in that regard.

International market-based mechanisms

23. International market-based mechanisms are vital to facilitate cost effective and ambitious mitigation action and as such will need to be an important element of the 2015 Agreement. Parties opting to use international market-based mechanisms to comply with their commitments, or to promote sustainable development, would be expected to adhere to additional MRV and accounting requirements in order to ensure environmental integrity and to establish and maintain eligibility to participate in the mechanisms. The EU has set out its views on the Framework for Various Approaches and Market Based Mechanisms most recently in its Submissions of 12 September 2013⁵.

Adaptation

24. Adapting to climate change will continue to be one of the most pressing challenges facing us all, and especially so for the most vulnerable countries. Adaptation and mitigation are closely linked and are both essential to ensure that the unavoidable impacts of climate change remain manageable. The 2015 Agreement and wider 2015 package must strengthen the continued efforts by all Parties to adapt to climate change and contribute to achieving climate resilient sustainable development. The 2015 Agreement could do so by building on the work ongoing in the subsidiary bodies and within existing institutional arrangements. We need to further explore how the 2015 Agreement can provide an

⁵ *Submission on Framework for various approaches and Submission on New market-based mechanism*, EU Submissions, 12 September 2013

opportunity to better recognise the efforts made by Parties to adapt to climate change and strengthen their resilience.

25. Our challenge for Warsaw is to start identifying the essential elements for adaptation in the 2015 Agreement in order to further advance the implementation of adaptation actions. The EU position on adaptation in the context of the 2015 Agreement is elaborated in its submission on adaptation in the 2015 Agreement.

Means of implementation

26. Globally we all need to undertake the necessary actions and investments to achieve the below 2°C objective. It will be crucial to achieve the necessary transformation and redirection of investment and financial flows towards low-emission climate-resilient economies and societies. Enhanced and effective development and deployment of technology should enable us to achieve the necessary speed and scale on the pathways.
27. Enabling environments are crucial for both developed and developing countries to mobilise effective climate finance. A carbon price, reform of subsidies and low emission development strategies and institutional capacity (in government and financial markets) are all components of enabling environments. Capacity building efforts under the 2015 Agreement should support these enabling environments.
28. Much of the transformational investment will be private. The 2015 Agreement will have to encourage, facilitate and incentivise private sector action and investment. Increased certainty on climate policy in the short and long-term would greatly facilitate private sector activity.
29. Public climate finance support to developing countries has played and will continue to play an important role. The financial provisions of 2015 Agreement should be able to adapt to future changing environmental and economic realities such as ability to pay and responsibility for global emissions. We need to gradually broaden the range of Parties contributing to climate finance, including emerging economies, taking into account their respective capabilities. Additionally all Parties should be encouraged to think more broadly about how to mobilise domestic and international investment, as well as how to deploy resources more effectively.
30. We need to discuss in Warsaw how we can best operationalise these elements in the 2015 Agreement and the wider 2015 package.

Compliance

31. The 2015 Agreement will need to have an effective compliance system, primarily based on transparency, international assessment and facilitation, while safeguarding environmental integrity.

Design of the system should take on board experience gained under the Kyoto Protocol, and should facilitate as effectively as possible Parties achieving their stated mitigation commitments and ensure their effective implementation, whilst not discouraging Parties from being ambitious.