

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: Further elaboration of elements of a step wise process for ambitious mitigation commitments in the 2015 agreement¹

Introduction

1. The data and the science are clear. Current annual emissions stand at approximately 50 GtCO₂e. This is 14% higher than the median estimate (44 GtCO₂e) 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 internationally legally binding agreement applicable to all 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.
4. It is clear that 2014 will be a crucial year to build the global political momentum and commitment necessary to ensure that we remain on track for achieving the below 2°C objective. In that context Parties welcomed in Doha the plans of the UN Secretary General to convene World Leaders in 2014. Leaders should come to that meeting prepared to discuss mitigation commitments in the 2015 Agreement consistent with the below 2°C objective, noting that all countries need to play their part. 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. We look forward to working with the new ADP Co-Chairs to build on the excellent work of their predecessors, including in guiding Parties towards delivering a successful outcome in Warsaw and beyond. Towards that end this submission sets out further ideas on a step wise process for delivering ambitious mitigation commitments in the 2015 Agreement. In order to assist us in our work in Warsaw we request the Secretariat to prepare a synthesis report of Parties' submissions.

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)

What is needed from Warsaw:

- Ministerial discussions related to the work of ADP Workstream 1, including on the step wise approach;
- A Decision:
 - setting out the process for Parties coming forward with proposed mitigation commitments and inscribing them in the 2015 Agreement;
 - committing all Parties to propose mitigation commitments in 2014;
 - setting out the requirements for up front information that must accompany proposed mitigation commitments and ensure they adhere to the criteria of transparency, quantification, comparability, verifiability and ambition;
- A clearer understanding of how an international assessment of proposed mitigation commitments will be organised;
- Progress towards defining the elements of an accounting framework that are to be set out in the 2015 Agreement.

The Step Wise Approach

6. Securing mitigation commitments consistent with the aim of achieving the below 2°C objective will be a key challenge of the 2015 Agreement. In that context, the EU has proposed a step wise process to ensure the adoption in 2015 of an Agreement with the highest possible mitigation commitments from all Parties and consistent with the principles of the Convention applied in a dynamic way, including equity and common but differentiated responsibilities and respective capabilities³:
- **Step 1:** define the information to be presented up front, with proposed mitigation commitments, so they are easily understood. The information presented needs to ensure transparency, quantification, comparability, verifiability and ambition – the key criteria that proposed commitments must fulfil. The information requirements will depend of the type of commitment proposed;
 - **Step 2:** all Parties decide in Warsaw to propose commitments in 2014, in order to allow time for step 3;
 - **Step 3:** a robust international assessment of individual and collective ambition of commitments in light of the below 2°C objective. This would involve comparison and an assessment of the ambition and fairness of proposed commitments, possibly against objective indicators;
 - **Step 4:** inscription of the commitments in the 2015 agreement.

Step wise process for formulating ambitious mitigation commitments

Define up front information requirements	Parties to formulate and propose commitments	International assessment of proposed commitments	Inscription of commitments in the 2015 Agreement
2013 →	2014 →	2014/2015 →	2015

³ *Process for ensuring ambitious mitigation commitments in the 2015 Agreement*, EU submission, 27 May 2013.

7. All Parties need to urgently start preparing their mitigation commitments at the national level in order to be ready to propose international commitments in 2014. The EU has begun this domestic process..
8. For many Parties 2014 will be the first time they will put forward a mitigation commitment that will be part of a legally binding international agreement. As such opportunities should be provided to share experience and know-how with those countries that need it. It would be helpful if Parties could specify particular capacity building requirements in relation to formulating mitigation commitments and subsequently accounting for them.
9. Many Parties already have relevant experience to build on, such as pre 2020 pledges that they have made as well as putting in place and implementing domestic mitigation policies. The ongoing work in relation to Low Emission Development Strategies could also be relevant.

The need for up front information in relation to proposed mitigation commitments in 2014

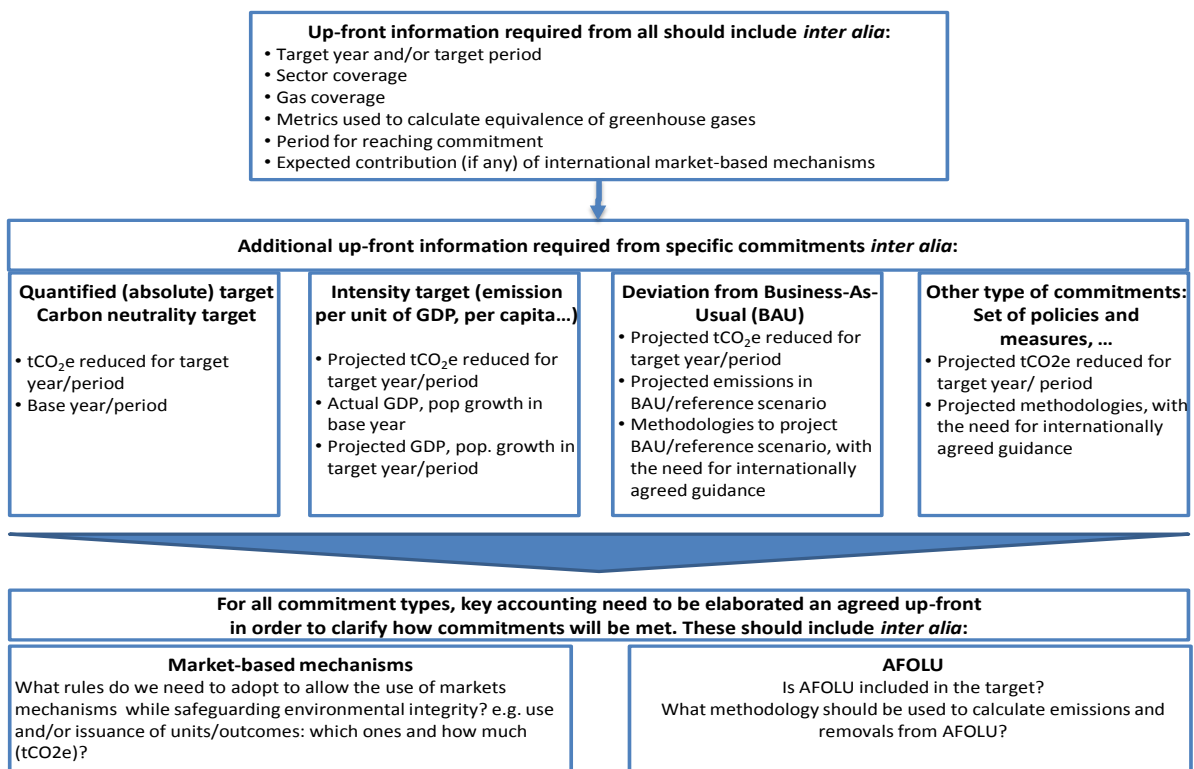
10. It is in every Party's interest to easily understand whether mitigation commitments proposed by others are: (i) individually ambitious, fair and in accordance with responsibilities and capabilities; and (ii) collectively sufficient to stay on track for the below 2°C objective. In order to facilitate that, proposed mitigation commitments must be accompanied by a minimum level of up front information in order to ensure that they are transparent, quantifiable, comparable, (i.e. consistent with agreed accounting elements under the Convention), verifiable and ambitious.
11. Parties will need to set out clearly what their proposed commitments will achieve in emissions reductions terms, and how the commitments reflect an appropriate level of ambition, in line with the principles of the Convention and the below 2°C objective. This should include an outline of how their proposed commitments represent a fair contribution based on their responsibilities (past, current and future) and capabilities.
12. Presenting clear up front information with proposed mitigation commitments is a precondition to an effective assessment phase (Step 3).
13. For these reasons, it is important that in Warsaw we agree on the minimum information that will need to be presented with proposed mitigation commitments.

Ensuring transparent, quantifiable, comparable, verifiable and ambitious mitigation commitments

14. In order for a proposed mitigation commitment to be transparent, quantifiable, comparable, verifiable and ambitious up front information needs to include a quantitative estimate of the emission reduction/limitation to be achieved, i.e. a value in tonnes CO₂ equivalent, within a certain specified timeline. In order to assist comparability, that timeline should be agreed and common to all Parties' commitments – noting that a longer timeline will give greater certainty in the context of making long term investment decisions.

15. There are a number of different commitment types which Parties might consider. All commitment types require: transparent methodologies for the estimation of emissions and removals; a clearly defined scope of gases, sectors and source/sink categories covered by the mitigation commitment; and agreed global warming potentials (GWPs) to convert individual gases to a total emission value in CO₂eq. The approach used in all cases should build on IPCC methodologies and categories.
16. When formulating their commitments, Parties should bear in mind that certain mitigation commitment types have higher levels of inherent uncertainty than others and therefore will require different upfront information in order to ensure transparency, quantifiability, comparability, verifiability and ambition (see Figure 1). For example, emission reduction targets measured against a business-as-usual scenario will require information relating to underlying economic and social assumptions. Emission intensity targets rely on additional data such as GDP or sectoral economic activity levels and their future projections. A similar approach is required when discussing per capita targets.
17. Those commitments types with the greatest level of uncertainty will likely be subject to more detailed discussion during the international assessment phase (Step 3) in order to give all of us the necessary assurance that what is proposed by a Party is sufficiently ambitious and fair, taking into account responsibilities and capabilities of the proposing Party.

Figure 1: The types of information that would be required in relation to different commitment types



18. Economy wide absolute emission targets based on a multiyear budget approach are the most robust type of mitigation commitment. They provide the highest level of certainty about the level of emission levels/reductions that will be obtained; are the best basis for the functioning of a robust carbon market; avoid carbon leakage between sectors of the economy; provide Parties with flexibility to choose the parts of their economy to implement their proposed emissions reductions most effectively; and overall provide the best chance for remaining on a pathway consistent with the below 2°C objective. Given the fact that absolute emission targets can be defined both as to imply emission reductions from present levels (reduction targets) as well as limitations to emissions growth (limitation targets) they offer flexibility to accommodate Parties at different stages of development.

Ensuring sufficient mitigation ambition in the 2015 Agreement

19. Each Party should ensure that their proposed commitment is a fair, adequate and ambitious contribution towards our collective below 2°C objective, in accordance with its responsibilities and capabilities as well as development needs.
20. In that context the EU would expect economy wide absolute targets for those that currently have them, resulting in a continuous decrease of their emissions. Other Parties with the greatest responsibilities and capabilities should also take on economy wide targets, resulting at least in a limitation of the growth of their emissions. Other mitigation commitment types for other Parties may be appropriate given particular national circumstances, responsibilities and capabilities. But all Parties should aspire towards eventually having economy wide absolute targets.
21. We recognise that not all Parties are in a position to implement ambitious mitigation commitments without support. As such it may be appropriate for some Parties to put forward their proposed commitment in the form of a range in order to clearly indicate what they could do with and without support. However, in order to ensure comparability and transparency, all proposed commitments should clearly indicate what Parties are able to do unconditionally.
22. An international assessment phase (Step 3) is essential to ensure ambition consistent with achieving below 2°C objective. The assessment phase will need to be transparent, robust, simple, flexible, consistent across Parties and science based. During the assessment phase, Parties should be prepared to outline how their proposed commitment represents an appropriate contribution based on their emissions profile and national circumstances, responsibilities and capabilities. Parties should also outline uncertainties around the emissions reductions they expect to achieve. The assessment phase should result in a step up of ambition if necessary to ensure we stay on track for achieving the below 2°C objective, recognising that any decision to raise a particular commitment is solely for the Party concerned to take.
23. In the assessment phase objective criteria/indicators could be used to reach a view as to whether proposed commitments are sufficiently ambitious and fair. They could allow for a better comparison of proposed commitments between Parties with similar circumstances. Relevant criteria/indicators could include those related to, *inter alia*, past/present/future emissions, projected GDP, projected population, development needs, mitigation potential and mitigation costs.

24. It will be up to individual Parties to choose which criteria/indicators they want to use in order to develop their own proposed commitments. However, they would be expected to put these forward - in a transparent manner - so that all of us can see clearly what criteria/indicators were used in determining the type and level of ambition of their proposed commitment. This is important to assist in comparability between proposed mitigation commitments. Some convergence may emerge among Parties with regard to which indicators are most relevant for use in the assessment phase.
25. In Warsaw we should discuss our expectations about the ambition of proposed mitigation commitments and explore to what extent these are shared. Moreover, we should make progress on designing how such an assessment phase would work in practice, addressing considerations such as whether the assessment could be informed by an independent analysis of the environmental effectiveness and adequacy of the proposed commitments.

Measuring progress towards the achievement of commitments

26. Once mitigation commitments are inscribed in the 2015 Agreement, we will need to be able to keep track of progress towards achieving them. Commitments must be contained within a common, robust, rules-based and internationally binding MRV & accounting framework. The basic principles of that framework, specific to different types of commitment, should be set out in the 2015 Agreement.
27. Further thoughts on the MRV and accounting rules in the 2015 Agreement are set out in the EU's submission on the scope, design and structure of the 2015 Agreement⁴.

⁴ *Submission on Scope, Design & Structure of the 2015 Agreement*, EU Submission, 16 September 2013