



NEW ZEALAND

Submission to the Ad Hoc Working Group on the Durban Platform for enhanced Action

Work Stream 2

September, 2013

Context

1. This submission responds to the invitation from the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) at the second part of its second session held in Bonn from 4 to 13 June, 2013, to provide views on actions, initiatives and options to enhance ambition, including through the workplan on enhancing mitigation ambition, with a particular focus on 2013, and on further activities for its plan of work in 2014 (FCCC/ADP/2012/3 paragraph 31, and FCCC/ADP/2013/L.2 paragraphs 5 and 6 refer).

2. The submission builds on, and should be read alongside, New Zealand's previous submissions to the ADP Work Stream 2 (March 2012 and March 2013).

Summary

- The ADP Work Stream 2 should continue to be a forum for the open exchange of ideas and best practices to mitigate climate change.
- New Zealand is of the view that the workshop and roundtable format of ADP Work Stream 2 should continue in Warsaw and into 2014. Possible themes for workshops include: fossil fuel subsidy reform; energy efficiency; clean and renewable energy; short-lived greenhouse gases; the land sector; and international cooperative initiatives.
- New Zealand would welcome another technical paper from the Secretariat capturing the best practices and policy options that are discussed in Warsaw.
- New Zealand suggests that a COP decision on ADP Work Stream 2 could: encourage ambitious mitigation action by all Parties; encourage a continued dialogue, the sharing of experiences, and further cooperation in areas identified as having the highest possible mitigation potential; and recognise the contribution of all to global mitigation efforts, including international cooperative initiatives outside the UNFCCC.
- New Zealand proposes that ADP Work Stream 2 should aim to present a summary of possible concrete actions in areas with the potential for high mitigation and efficiency gains at the 2014 Leaders' Summit.

Urgent action by all

3. Parties are working towards a comprehensive, effective global climate change agreement to apply post-2020. New Zealand recognises the need for all countries – especially developed countries and major emerging economies – to take immediate action to tackle climate change, without waiting for the new agreement to come into effect in 2020.

The forthcoming release of the IPCC's Fifth Assessment report will add to the body of science showing us that current annual emissions far exceed levels consistent with limiting global temperature increases to less than 2°C. Without significantly scaled-up mitigation efforts in the short-term, the window for holding average global temperature rise to below 2°C may close. Delaying action will lock in fossil fuel infrastructure that leads the world down a path towards greater global warming. In addition to the environmental and social consequences of not meeting the 2°C goal, the IEA calculates the cost of delaying climate action until 2020 at US\$5 trillion.¹

4. Discussions on ways to increase ambition under the ADP's Work Stream 2 have highlighted the suite of technical and policy tools already available that can individually and/or collectively be taken to close the ambition gap, and that support and reinforce the UNFCCC process. In addition, many of the mitigation opportunities identified are cost-effective or cost-negative, and have significant environmental, economic and social co-benefits including for adaptation. Adopting actions that best fit with each country's circumstances can help build domestic support for further national and international action.

5. The two ADP Work Stream 2 sessions already held this year have been constructive. New Zealand found considerable value in the workshop discussions on low emission development opportunities and opportunities for mitigation and adaptation related to land use. New Zealand also welcomed the round table discussions on ways to catalyse action and building on a practical and results-oriented approach to increasing pre-2020 ambition relating to energy transformation. The skilful facilitation of the outgoing ADP co-Chairs was much appreciated, and New Zealand anticipates continuing this constructive work under the guidance of the new co-Chairs.

Role of the UNFCCC for ADP Work Stream 2

6. New Zealand considers it important for the UNFCCC to acknowledge, promote and encourage initiatives that can make a difference to our individual and collective efforts to address climate change. The ADP Work Stream 2, as a forum for exchange of ideas and best practice, can play a major role in assisting Parties and stakeholders to step up efforts to close the mitigation gap by laying the technical ground work so that political support for greater ambition can be fully realised.

7. In previous submissions New Zealand has outlined where it sees potential to make significant gains in increasing mitigation as well as continuing to build trust. These include:

- a. Bedding-in and maximising use of existing mechanisms within the UNFCCC, including:
 - i. Asking all Parties to consider how they might increase ambition, calling for Parties that have not yet made pledges (accounting for 7Gt CO₂e, or roughly 15 per cent of global emissions) to do so, encouraging clarification of the assumptions underpinning pledges, and asking Parties to undertake higher mitigation efforts;

¹ For every \$1 of delayed investment in mitigation action now would necessitate an average investment of \$5 post-2020 to compensate for increased emissions that result from delay, not accounting for increased adaptation costs on top of this.

- ii. Requiring all countries to submit biennial reports and biennial update reports, as they have agreed to do. Transparency will build confidence and provides an incentive for countries to meet their commitments;
 - iii. Developing a strong international carbon market to enable countries to use access to more abatement opportunities to increase their ambition. Establishing a markets framework to integrate existing and rapidly emerging market mechanisms will serve to boost private sector confidence as well as enhance the environmental integrity and fungibility of tradable units.
- b. Recognising and encouraging international initiatives that complement and support the work of the UNFCCC.

8. In New Zealand's view, it is necessary to catalyse ambitious actions through all possible channels to deal with the mitigation gap. Our own response to climate change recognises this. New Zealand has an unconditional 2020 emissions responsibility target under the Convention of minus 5 per cent from 1990 levels for the period 2013-2020. We supplement our domestic mitigation efforts with active engagement and research into collective emission reduction opportunities that have high potential mitigation gains, for example: through the work of the Global Research Alliance on Agricultural Greenhouse Gases; the promotion of fossil fuel subsidy reform; and as a member of the Climate and Clean Air Coalition for Short Lived Climate Pollutants. New Zealand also uses its development programmes to assist partners in the Pacific region to pursue climate resilient development, including by using low emission sources to meet their energy needs.

The ADP Work Stream 2 in Warsaw and Beyond

Format and products of ADP Work Stream 2

9. The organisation of ADP Work Stream 2 discussions by workshop and roundtable this year has promoted free-flowing exchanges of ideas and best practices. New Zealand is of the view that the workshop and roundtable approach should continue in Warsaw and into 2014. Options for future workshops are outlined in the section below.

10. It is important that the findings from the ADP Work Stream 2 discussions are captured and communicated in the most useful way possible. This could be achieved through easy and clear communication of mitigation potentials of different sectors together with a range of country-level good practice examples of successful policies. These good practice examples could include any longer-term co-benefits that could usefully inform further action. Summary reports by chairs of the workshops and the technical paper² produced by the Secretariat are examples of how to compile in an accessible manner the ideas canvassed by the ADP. New Zealand would support preparation of a further technical paper drawing on discussions in Warsaw and submissions by Parties and relevant stakeholders.

11. The Warsaw meeting of the ADP should aim to build political and private sector momentum by, for example:

² FCCC/TP/2013/4

- a. Urging all parties to give positive consideration to the many cost-effective opportunities for emissions reductions already identified;
- b. Encouraging further dialogue, exchange of experiences and best practices and further practical cooperation amongst parties on energy efficiency, renewable energy and other areas of high mitigation potential;
- c. Acknowledging the contribution made by international cooperative initiatives to global mitigation efforts and encouraging these initiatives, where possible, to develop aspirational, measurable goals;
- d. Responding to the call by some Parties for the Montreal Protocol to agree on a phase-down of HFCs.

12. A significant level of political will is going to be required to generate the momentum necessary to put in place concrete actions and the investment needed for low carbon development. The phased release of the IPCC's Fifth Assessment Report over the next year provides opportunity to connect the science of climate change with the technical potential and policy options needed to scale up ambition. New Zealand proposes that a summary outlining the areas of highest mitigation potential and the best opportunities for productivity and efficiency gains discussed in ADP Work Stream 2, with clear policy options and concrete actions available to both governments and the private sector, be presented to the 2014 meeting of world leaders called by UN Secretary-General Ban Ki-moon.

Focus of the ADP Work Stream 2

13. New Zealand agrees with the former co-Chairs' suggestion of continuing work with a focus on areas of common ground. New Zealand proposes that specific workshops in Warsaw be held on:

Fossil fuel subsidy reform	<ul style="list-style-type: none"> • The scale of subsidies for fossil fuels is massive. In 2011, global subsidy expenditure for fossil-fuel consumption increased to US\$523 billion, up by 30 per cent on 2010 (IEA). Combined with the amount governments also spend subsidising the production of fossil fuels, the total is as much as US\$700 billion annually, depending on oil prices. Some countries spend more on fossil fuel subsidies than they do on health or education, putting governments under huge fiscal pressure. • The reform of inefficient fossil fuel subsidies offers significant mitigation potential as well as other co-benefits: <ul style="list-style-type: none"> ○ <u>Environmental benefits</u>: Phasing out fossil fuel subsidies would deliver benefits for the climate, reducing local pollution and cutting global greenhouse gas emissions by as much as 10 per cent in 2050, compared with business as usual (OECD and IEA, 2010). ○ <u>Social benefits</u>: In 2010, only eight per cent of fossil fuel consumption subsidies reached the poorest 20 per cent of the population. Reducing these inefficient subsidies would free up resources for better-targeted social spending (IEA, 2011). ○ <u>Energy security benefits</u>: Phasing out fossil fuel subsidies would promote more efficient energy consumption, thereby curbing the
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	<p>growth in global energy demand. It would also help to level the playing field for renewable energies and energy efficient technologies (IEA, 2011).</p>
<p>Energy efficiency</p>	<ul style="list-style-type: none"> • Reducing carbon dioxide through increased energy efficiency. Energy efficiency is widely recognised as a key policy option, but current efforts fall well short of tapping its full economic potential. • The World Energy Outlook (2012) and the IEA (2013) have both highlighted energy efficiency as one of the strategies that brings by far the greatest benefit to closing the emissions gap in cost-effective ways. Globally, policy actions (i.e. energy performance standards in buildings, appliance labelling and standards, bus rapid transit systems) are achieving substantial reductions in greenhouse gas emissions, largely through local and national implementation. • Major energy consuming countries have announced new targeted energy efficiency measures. There is considerable interest in hearing from others about how to accelerate the progress in implementing energy efficiency measures.
<p>Clean and renewable energy</p>	<ul style="list-style-type: none"> • The growing global clean and renewable energy market offers opportunities for new cost-effective mitigation with material co-benefits, including energy security, energy diversity, benefits for public health and the environment, and support for adaptation (WEO, 2012 and UNEP, 2012). • In addition to renewable energy, there is a collection of available clean technologies with the potential to generate emissions reductions from the use of fossil fuels, such as carbon capture and storage and cleaner coal power plants. • New Zealand is committed to a 2025 energy target for 90 per cent of our electricity to be generated from renewable resources, and is working with Pacific Island partners to increase access to clean and efficient energy. • As with energy efficiency measures, there is interest in further dialogue to share experiences and best practice and further practical cooperation to support the uptake of clean and renewable energy.
<p>Short-lived greenhouse gases</p>	<ul style="list-style-type: none"> • Reducing emissions from carbon dioxide should be complemented with stabilisation of emissions from short-lived climate forcers (e.g. black carbon, tropospheric ozone, methane and HFCs). Reducing output of a number of these short-lived climate forcers will lead to significant improvements in local environmental quality. <ul style="list-style-type: none"> ○ <u>HFCs</u>, for example, have a particularly strong global warming impact. HFC emissions are projected by UNEP to increase to 8.8Gt of carbon dioxide equivalent by 2020 and by 2050 to reach approximately 10 per cent of global (carbon dioxide equivalent) emissions under business-as-usual scenarios. Many countries have already realised the mitigation potential HFCs and have put national measures in place to regulate

	<p>HFC emissions. Internationally, G20 leaders have committed to the phase-down of HFCs.</p> <ul style="list-style-type: none"> ○ A multilateral approach to phasing-down the production and consumption of HFCs could be implemented through the Montreal Protocol, which has the technical expertise and institutions already in place to identify and implement measures that are economically viable and technically feasible. Emissions from HFCs would continue to remain within the scope of the UNFCCC and its Kyoto Protocol for accounting and reporting of emissions.
<p>The land sector</p>	<ul style="list-style-type: none"> ● Approximately one third of global greenhouse gases are generated in the land sector (which includes agriculture and forestry). This sector, however, has many unique challenges. A discussion on the land sector will help ensure the UNFCCC remains cognisant of broader land sector priorities such as food security, poverty reduction and sustainable development. ● The ADP workshop in May this year on opportunities for mitigation and adaptation in the land sector was a good introduction to this topic, but further workshops would be beneficial. This discussion should include approaches to mitigation in the agriculture sector, taking into account related issues including food security. <ul style="list-style-type: none"> ○ The agriculture sector, for example, already faces significant challenges in meeting a dramatic increase in global food demand but is also particularly vulnerable to the impacts of climate change. Global food demand is projected to increase by 70 per cent by 2050, and as a result agricultural emissions (which currently account for 14 per cent of the world's annual greenhouse gas emissions) are expected to rise by about 30-40 per cent. Understanding what mitigation is possible without constraining global food production and the ability of the agriculture sector to adapt to climate change is essential.
<p>International Cooperative Initiatives</p>	<ul style="list-style-type: none"> ● Cooperation outside the formal climate negotiations can support the UNFCCC achieve its desired goal of avoiding dangerous climate. Various international cooperative initiatives aim to catalyse climate change action and the transition to a lower carbon future. These initiatives are able to attract participation beyond the founding group (including governments, the private sector, and civil society; at both national and subnational levels) and work by tackling the global climate objective in achievable chunks and focusing action in discrete areas. Examples of this cooperation include: <ul style="list-style-type: none"> ○ The Majuro Declaration for Climate Leadership, which was issued at this year's Pacific Islands Forum meeting in the Marshall Islands. ○ The C40 Climate Leadership Group: a network of cities that explore and share ways to implement policies and programmes for measurable greenhouse gas emission reductions and climate risks in urban settings.

Conclusion

14. The ADP Work Stream 2 has an important role to play in catalysing global ambition, with discussions required at both a political and a technical level. New Zealand looks forward to engaging on these issues with other Parties.