

Submission by South Africa

FRAMEWORK FOR VARIOUS APPROACHES (FVA)

06 September 2013

South Africa welcomes the opportunity to submit its views and proposals on Various Approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries

Purpose of the framework

South Africa understands that the aim and purpose of the Framework for Various Approaches (FVA) is to draw parameters through regulation, standardization, rules setting; and building on existing standards, with a view of reducing or avoiding GHG emissions globally for sustained environmental integrity. The FVA should operate under the guidance of the COP and the principles of the Convention. Ultimately the FVA should cover a wide range of activities, while upholding the common standards governing these activities as well as ensuring the fungibility of units created. Additionally, these activities must be subject to standardised measurement, reporting and verification procedures. South Africa asserts that the Framework for various approaches may include all approaches (e.g. technology transfer, finance, capacity building etc.), including market and non-market opportunities, for internationally traded carbon market units under the Convention, that are applied by developed and developing country Parties, on a voluntary basis, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind the different circumstances of developing and developed countries.

The need for FVA is justified by the demand that can only be assured through developed countries taking legally binding targets. Lessons can also be drawn from other flexible mechanisms such as the CDM; the rate of transfer of climate friendly technologies to developing countries; climate finance and capacity building. Amongst the lessons that can be highlighted from CDM are unequal geographic dispersion of the projects, capacity at project level, availability of technologies, project size as well as where funds are sourced from, there should be no one size fits all kind of an approach – unique circumstances of developing countries should be taken into account.

For the framework to be effective, the issues above should be addressed or should not be repeated. Therefore the FVA must encompass the following elements:

1. The FVA should apply to internationally traded units in the carbon market and will only be accessible to Parties under the Convention that have expressed quantified emission limitation and reduction obligations under Decision XXXX.
2. The FVA includes all approaches (technology transfer, finance, capacity building), including market and non-market approaches, for internationally traded carbon market units under the Convention that are supplemental to domestic action by developed country Parties.
3. Activities covered under the FVA must meet Sustainable Development criteria as defined by Parties hosting/participating in such activities

4. The FVA should include common standards, to ensure that activities:
 - Deliver measured, reported and verified emissions reductions and/or avoidance which include the following:
 - Reduction of greenhouse gas emissions by sources or avoided emissions resulting from a clearly identified action or policy (activity);
 - Emissions reductions or avoided emissions are accurately measured and recorded over time, at a reasonable frequency
 - Provision for unit tracking and registering;
 - The effective tracking of activities (therefore units created), including registries that record the attributes, quantities and ownership of units, and transaction logs that record the movement of units within and among Parties;
 - The effective operation of emissions trading systems, including emissions caps, unit distribution and points of regulation;
 - Good governance, including the development of appropriate legal and regulatory frameworks
 - Ensures fungibility of units
 - Disallow double counting by ensuring the following:
 - A unit can be claimed only once, and on an exclusive basis, towards the achievement of a developed country Party's mitigation commitment or target, or towards the achievement of a developing country Party's mitigation action;
 - Measures exist to ensure the accurate and consistent quantification of activities (units created)
 - The work programme on the FVA must be developed in a transparent manner that is fully inclusive of all Parties.
5. With regard to the institutional arrangements, there should be an executive board for FVA which should coordinate all the elements of the approaches that have international implications. It is envisaged that the board will meet more often in order that progress can be consistently tracked.
6. Revenue generating approaches should contribute towards adaptation needs of developing country parties, collection of such revenues should be in a manner that will have no net incidence on developing country parties or transfer the burden to developing country parties.