



2 February 2010

Mr. Yvo De Boer, Executive Secretary
UNFCCC Secretariat
Haus Carstanjen, Martin-Luther-King-Strasse 8
53175 Bonn, Germany

Dear Mr. De Boer:

Please find the 'Preliminary and Conditional Inscription of Nationally Appropriate Mitigation Actions and Adaptation Investments', including the respective rationale for and conditions of association, submitted pursuant to Clause 5 of the Copenhagen Accord by Papua New Guinea.

This submission is underpinned by the *Preliminary Climate Compatible Development Plan* approved by the National Executive Council on 8 December 2009 and further elaborated by our Prime Minister, Grand Chief Sir Michael Somare, on 17 December 2009 during Plenary of the 15th Conference of the Parties.

In summary, subject to the conditions outlined herein, Papua New Guinea seeks to:

1. Increase GDP per capita more than 3 times by 2030;
2. Decrease GHG emissions at least 50% before 2030 while becoming carbon neutral before 2050;
3. Increase adaptation investments per annum by \$80-\$90 million to reduce expected losses by \$230-\$250 million.

Papua New Guinea recognizes the mandate of the Copenhagen Accord to operate under Article 7.2(c) of the Convention and hereby requests the Conference of the Parties to facilitate the coordination of measures adopted by those Parties inscribing actions to address climate change and its effects, taking into account their differing circumstances, responsibilities and capabilities and respective commitments.

Papua New Guinea views the Copenhagen Accord as a valuable interim 'stepping stone' designed to facilitate immediate action while finalizing a legally binding and broadly inclusive international agreement on climate change required to meet the ultimate objective of the Convention.

With our highest consideration,

Kevin M. Conrad
Special Envoy and Ambassador for Environment & Climate Change
Department of Prime Minister and National Executive Council
(National Focal Point)

Papua New Guinea

Preliminary Inscription under the Copenhagen Accord

Rationale for Support of the Copenhagen Accord

1. **Commitments and Actions Covering 80% of Global Emissions:** For the first time, total commitments made by countries, including key sectors such as REDD+, represent almost 80% of global emissions. Conversely, less than 25% of global GHG emissions are now represented by signatories to Annex B of the Kyoto Protocol (11Gt of 46Gt in 2005).
2. **Potential for Global Emissions to Peak by 2020:** If the commitments pledged under the Copenhagen Accord are implemented to their maximum potential domestically in both developed and developing countries, these actions could lead to global emissions peaking by 2020. Conversely, under the Kyoto Protocol, this would be impossible due to technically infeasible domestic reductions and/or financially unsustainable purchases of CDM offset credits.
3. **Commitment to limit Global Temperature Rise:** The Copenhagen Accord expresses collective commitment to limit global temperature rise below 2 degrees while agreeing to consider by 2015 the strengthening of long-term goals to limit temperature rise below 1.5 degrees. However, this will require participating Parties to perform at the maximum range or exceed existing commitments. Conversely, the Kyoto Protocol cannot achieve a 2 degree limit, let alone a 1.5 degree limit, and will result in a business as usual temperature increase of 4 degrees.
4. **Focus Upon the Most Vulnerable:** The Copenhagen Accord places appropriate reemphasis on those developing countries most vulnerable and least able to adapt to the impacts of climate change from the dual metrics of adverse consequences and required economic transitions. Conversely, the Kyoto Protocol has channeled less than 5% of CDM resources (number of projects and pipeline credits) to those vulnerable and least able to adapt, such as the Least Developed Countries, Small Island Developing States and Africa.
5. **Facilitating Economic Transformation:** The Copenhagen Accord correctly approaches climate change from the perspective of economic transformation for developing countries facilitated through incentives to develop along 'low emissions pathways' (Clause 7) within the context of sustainable development. Similar policy advances must be incorporated within the outcomes of the AWG-LCA. Conversely, the Kyoto Protocol only incentivizes project-oriented and programmatic activities which are insufficient to fulfill the ultimate objectives of the Convention.
6. **Increased Funding to Enable Developing Country Mitigation:** The Copenhagen Accord pledges approximately US\$ 30 billion from 2010 - 2012, or US\$ 10 billion per year, with a significant proportion to enable mitigation actions in developing countries. Conversely, the Kyoto Protocol, under the primary CDM market generated US\$ 6.5 billion in 2008. Therefore, the addition of the Copenhagen Accord along with the ongoing CDM market may provide significant and additional emissions reductions in developing countries.
7. **Increased Funding for Adaptation:** The Copenhagen Accord pledges approximately US\$ 30 billion from 2010 - 2012, or US\$ 10 billion per year, with potentially several billion of this total for adaptation action in developing countries. Conversely, the Kyoto Protocol, under the Adaptation Fund linked to the CDM, has so far at its disposal 7.5 million CERs (CDM credits), worth around US\$ 125 million.
8. **Legal Mandate:** The Copenhagen Accord operates under Article 7.2(c) of the Convention and Papua New Guinea hereby requests the Conference of the Parties to facilitate the coordination of measures adopted by those Parties inscribing actions to address climate change and its effects, taking into account their differing circumstances, responsibilities and capabilities and respective commitments.

Papua New Guinea
Preliminary Inscription under the Copenhagen Accord

Conditions of Support for the Copenhagen Accord

1. **Preliminary Nature of Inscription:** Any actions inscribed hereto by Papua New Guinea are preliminary in nature and only indicative of aspirational objectives and are subject to Paragraphs 2, 3, 4, 5, and 6 below.
2. **Interim Nature of the Copenhagen Accord:** Papua New Guinea views the Copenhagen Accord as an interim 'stepping stone' agreement designed to facilitate immediate action while supporting the development of a legally binding international treaty on climate change through the ongoing work of the Ad Hoc Working Group on Long Term Cooperative Action and the Ad Hoc Working Group on Further Commitments of Annex 1 Parties under the Kyoto Protocol. However, Papua New Guinea believes that the lack of finalized rules of procedure under the 'two-track' process impedes progress and erodes ambition. Therefore, an urgent review must be undertaken by the Parties.
3. **Need for Legally Binding Treaty:** Papua New Guinea believes that global development and climate objectives are best realized through a legally binding and broadly inclusive international treaty framework that includes, inter alia, science-based global emission reduction targets, leadership by all developed countries related to deep domestic emissions cuts and the provision of international support, nationally appropriate actions by developing countries subject to respective capabilities and provision of international support (finance, capacity, and technology) that is adequate, predictable and sustainable, appropriate investments to support adaptation measures in developing countries, an effective system for measurement, monitoring, reporting and verification, and a robust compliance regime, etc.
4. **Delivery on Pledges and Potential:** Papua New Guinea's support for the Copenhagen accord is subject to immediate mobilization and verification of the pledged \$30 billion in financial resources from 2010 - 2012 and the rapid establishment of mechanisms and governance systems to facilitate effective implementation and distribution. Further, the Copenhagen Accord must deliver on promise and potential, inter alia, including expanded commitments, actions and sources for emissions reductions, aggregate commitment leading to a peaking of emissions by 2020, establishment of the 'Copenhagen Green Climate Fund', a coordinated increase of funding commitments building toward \$100 billion or more by 2020, a refocus on effective implementation related to Africa, LDCs, SIDS and forests (REDD+), and the transition to a framework that facilitates low-carbon economic transitions at a national scale, etc.
5. **Enabling Climate Compatible Development:** Papua New Guinea intends to finalize an initial 'Climate Compatible Development Plan' designed to promote economic and social development in a manner that eradicates poverty, subject to Articles 4.3 and 4.7 of the Convention and Clause 2 of the Copenhagen Accord. Further, Papua New Guinea recognizes that nationally appropriate mitigation actions will be undertaken on the basis of respective capability and further enabled by international support (financial, capacity, and technology) that is new and additional, predictable and adequate, including voluntary actions by LDCs and SIDS taken on the basis of support as stipulated in Clause 5 of the Copenhagen Accord. However, neither the Copenhagen Accord nor the draft AWG-LCA text adequately support frameworks for delivery of finance based on country-led national climate compatible development plans thereby necessitating further review, consideration and guidance by the Parties.
6. **Periodic Review and Update:** Subject to ongoing national planning processes, Papua New Guinea expects to periodically update relevant sustainable development objectives, BAU projections, nationally appropriate mitigation actions, adaptation investments and the resulting requirements for enabling resource mobilization.

Papua New Guinea

Preliminary Inscription under the Copenhagen Accord

Preliminary and Conditional Nationally Appropriate Mitigation Actions and Adaptation Investments

Preliminary Climate Compatible Development Plan: Actions and Objectives			
High-Level Policy Objectives	Est. 2010*	BAU 2030*	Objectives of Policy or Action
1. Sustainable Growth	\$,1000	\$3,000	Increase GDP / capita by more than 3 times by 2030
2. Emissions Reductions	82 – 99	99 - 141	Decrease GHG emissions by at least 50% by 2030 (75% technically possible subject to enabling finance)
			Carbon Neutral before 2050
3. Adaptation Investments			\$80-90m investment required to reduce expected loss by \$230-250m
Appropriate Mitigation Actions			
1. Forestry	50 – 52	53 - 64	26 – 32
2. Agriculture	25 – 38	31 - 58	15 – 27
3. Oil and Gas	0.4 – 0.6	5.3 – 7.5	5.1 – 7.3
4. Transportation	1.6 – 2.4	3.3 – 4.5	2.8 – 3.8
5. Power Generation	0.3 – 0.5	1.4 – 2.0	0.2 – 0.8
6. Mining & Fire	5	5	2.5
<i>Total</i>	<i>82 – 99</i>	<i>99 - 141</i>	<i>51 – 73</i>
Adaptation Investments		Expected annual loss	Costs and benefits of counter-measures
1. Coastal Sea Level Rise	\$20m	\$90-100m	\$35-40m p.a. to reduce expected loss by \$80m
2. Inland Flooding	\$10-15m	Tbd	Tbd
3. Malaria	\$130m	\$210-250m	\$45-50m p.a. to reduce expected loss by \$150-170m
4. Agricultural Yield Change	N.a.	Tbd**	Tbd
5. Coral Reef Damage	N.a.	Tbd***	Tbd

* Mt CO2e/year, unless otherwise noted.

** A 10% reduction in agricultural yields would reduce agricultural output by \$120-150m; research is needed into the expected loss.

*** Coral reefs contribute approx. \$170m to the economy now and this could increase to \$700-900m by 2030, expected loss tbd.