



Combating Climate Change: An International Framework Beyond 2012

Version 11

21 February 2008

**Drafted by Lord Michael Jay
for GLOBE International**

*For further information please contact GLOBE's Director of Policy
Mr Terry Townshend at: terry.townshend@gmail.com*

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1. Introduction

This paper was commissioned at the GLOBE G8+5 legislators' meeting in the US Senate, Washington DC, in February 2007. It reflects discussion with G8+5 legislators and business leaders and draws on much existing work including the Pew Centre on Global Climate Change's Pocantico Dialogue¹ and on BASIC's "Sao Paulo" proposal². This latest revision takes into account the outcomes of COP13/MOP3 at Bali in December 2007, specifically the Bali Action Plan³. The paper is set out in four sections: first the principles that might underpin a post-2012 framework; second the possible elements that such a framework might include; third the links to existing international processes; and finally a section on next steps. Explanatory annexes are attached to the paper.

2. Principles for a post-2012 framework

There are a number of key principles that should underpin a post-2012 international framework:

2.1 **Critical Mass** – all countries, particularly the least developed, are vulnerable to the effects of climate change. But 25 countries account for 83% of global greenhouse gas emissions. Participation by these countries is critical.

2.2 **Equity** – agreement on a post-2012 framework on climate change will be possible only if each participating country believes it to be equitable. This assessment is ultimately a political one but each country will judge equity in terms it believes it can defend both to its own people and to the global community. A post-2012 framework must recognize historical and per capita emissions of greenhouse gases, and the differing economic circumstances of developed and developing countries.

2.3 **Flexibility** – a post-2012 framework should allow different types of commitments to accommodate different national strategies and circumstances. For developing countries, there should be a "menu" of options from which to achieve their share of effort.

2.4 **Urgency** – action is urgently needed to: strengthen resilience to the adverse effects of a changing climate; achieve immediate cost-effective emission reductions; and assist development and deployment of breakthrough technologies to achieve deeper reductions in the future.

2.5 **Sustainable Development** – there need be no incompatibility between actions that serve development goals and actions to combat climate change. Climate change should be addressed within the framework of sustainable development to seek economic development and poverty reduction and change the unsustainable pattern of consumption to harmonise economic growth and environmental protection. Action in developing countries will be most successful if complemented by assistance, investment and access to clean technologies.

2.6 **Adaptation** – the world is already experiencing the effects of climate change resulting from historical emissions of greenhouse gases. These impacts are falling most heavily on those least able to cope. Mechanisms are needed urgently to assist

¹ See www.pewclimate.org

² See http://www.basicproject.net/data/Brazil_%20Sao%20Paulo/sao%20paulo%20proposal%20engl%20summary.PDF

³ For the full text of the Bali Action Plan, see http://unfccc.int/files/meetings/cop_13/application/pdf/cp_bali_act_p.pdf

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all countries, in particular the poorest, to adapt to climate change. Adaptation should be given equal weight to mitigation in climate change discussions.

3. Possible elements

Taking into account the principles outlined above, the following elements should form the basis of a post-2012 framework that would enjoy broad support from the international community.

3.1 Long term stabilisation goal

A shared vision is needed to reach the ultimate objective of the UN Framework Convention on Climate Change – to prevent dangerous climate change while safeguarding ecosystems, biodiversity, food production and economic development – and to give all sectors of society sufficient confidence to make long-term carbon investments in a low carbon economy. This vision should take the form of an ambitious long-term goal to be expressed in terms of a temperature target, concentration of greenhouse gases in the atmosphere or in terms of global emissions reductions, supported by medium-term goals.

3.2 Adaptation

Enhancing efforts to address **adaptation** in all countries should be a central component of a post-2012 framework and should be given equal weight to mitigation. But the impacts of climate change will fall most heavily on those countries least able to cope on their own. There is, therefore, an obligation on industrialised countries to provide additional assistance to developing countries to adapt. The gap between available funds (cUSD37 million per year via the levy on the CDM to supply the Adaptation Fund) and the estimated funding required (cUSD28-67 billion⁴) for developing countries to adapt to climate change is stark. Policies should be taken forward in three main areas: under the UNFCCC (eg measures to increase the contributions to the Adaptation Fund); ensuring climate change and disaster risk are taken fully into account in determining development aid; and through “climate insurance” eg committing stable additional funding for an international response fund and to support insurance-type approaches to reduce the risk of climate-related losses (see GLOBE’s Adaptation Working Group recommendations for more detail).

3.3 Creation of a global carbon market

The private sector will deliver many of the low carbon technologies, products and services required to tackle climate change. The most efficient and powerful way to stimulate private investment in research, development and deployment of low carbon technologies is to adopt policies establishing a market value for greenhouse gas emissions in the long term. A post-2012 framework should learn from the experience of the Kyoto mechanisms to strengthen the CDM; and should aim to link the EU’s Emissions Trading Scheme (EU ETS) with planned schemes in the US, Australia and elsewhere, with the overall aim of creating a global carbon market, including broader participation and the involvement of more sectors. Other mechanisms such as taxation and mandatory measures (eg a ban on incandescent light bulbs, minimum energy efficiency standards) may be appropriate for some sectors such as transport or construction.

3.4 Commitments and Actions

Action to combat climate change must take account of the circumstances of economies at different stages of development, recognising the need for economic growth and access to energy to alleviate poverty. But climate change is a global issue and there is an **obligation on all countries to take action**, in line with their capabilities and historical responsibilities.

3.4.1 Commitments for developed countries (and other willing countries)

⁴ According to the UNFCCC: see

http://unfccc.int/files/meetings/dialogue/application/pdf/070828_smith.pdf

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Ambitious absolute emission reductions for developed countries must form a central part of a post-2012 framework. These commitments should take into account all net emissions. Hard targets create demand in the carbon market, providing incentives for innovation and investment into low carbon energy sources, products and services. Financial payments to fund technology and adaptation, based on ability to pay and historical responsibility, should also form part of the package of developed country commitments. Sectoral emissions reduction targets could also form part of a package of commitments for both developed and developing countries.

3.4.2 **Actions for developing economies**

A post-2012 framework should support and encourage **equitable contributions** from developing economies. Such contributions should include nationally appropriate mitigation actions in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner; incentives for new and flexible types of commitment to reduce greenhouse gas emission intensity of economic development, eg incentives to reduce deforestation and strengthen other carbon sinks, sustainable development policies and measures and voluntary or sectoral emissions reduction targets.

3.4.3 **Timeframe**

To increase long-term certainty and remove the need for substantial new negotiations every 5 years, there should be an **automatic annual extension** of developed country commitments, in line with the long-term goal and medium-term targets, with compliance at five-year intervals. The compliance review could also include a review of national economic circumstances to determine whether countries should move between Annex I and non-Annex I, and whether commitments and actions should be differentiated within Annexes, as economic circumstances change.

3.5 **Technology**

The aim of the measures outlined above is to drive the research, development, diffusion and deployment of the technology that is essential for combating climate change. The International Energy Agency estimates that, under business as usual, CO₂ emissions will be two and a half times the current levels by 2050. But the IEA's work also demonstrates that, by employing technologies that already exist, and developing new technologies such as carbon capture and storage, the world can be put onto a more sustainable path. A post-2012 framework should:

- double global financial support for Research and Development;
- create a **new technology fund** to support deployment of existing technologies, including renewable energy, and capacity building in the developing world, respecting IPR;
- promote technology transfer via market mechanisms such as the CDM;
- support the development and deployment of new technologies such as carbon capture and storage (CCS) to reduce the emissions associated with burning fossil fuels;
- promote a global agreement on energy efficiency including increasing international cooperation on public procurement, building, product, appliance and fuel efficiency standards.

3.6 **Extending participation beyond national governments**

A post-2012 framework might go beyond the scope of the Kyoto Protocol, to promote the participation, via Memoranda of Understanding, of specific sectors whose emissions cross international boundaries (eg **international aviation and maritime**) and for energy intensive sectors exposed to international competition such as aluminium, cement and steel.

3.7 **Strategies for reducing deforestation**

Action on deforestation, which is responsible for around 20 per cent of global emissions of greenhouse gases, will be an essential part of the framework. In managing their natural resources sustainably, tropical forested countries have much to gain from potential market mechanisms that deliver a tangible transfer of funds for

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standing forests. Such market mechanisms should be part of a broader approach to the development of payment for ecosystem services (forests acting as a carbon sink are, additionally, providing an ecosystem service). A necessary first step to delivering genuine forest carbon credits must be based upon an increased focus on addressing illegal logging. This should lead to further efforts to address unsustainable timber harvesting and result in a forest sector that operates with effective governance and transparency. The private sector should be supported in the transition of progressive timber companies to forest management companies. In addition measures developed in the GLOBE Yoshino & Gardiner paper on illegal logging should be supported, including the introduction of a global licensing scheme for timber and other legislative measures based on the US Lacey Act.

4. Links with international processes

Climate change will become increasingly important in many international processes, including those relating to development, trade and security. To support a post-2012 framework, climate change should be considered in existing international processes such as trade policy negotiations, including the WTO, UN technical cooperation agencies and the Montreal Protocol.

5. Next Steps

There is no doubt that achieving the objectives set out in the Bali Action Plan will be a difficult task, requiring great political will from all countries. In order for such an agreement to be possible, the right political conditions must be created between now and the deadline for agreement. It is therefore essential that legislators from all of the major countries promote: the urgency and seriousness of the issue; the political framework needed to combat climate change, as outlined in this paper; and the level of ambition that must be associated with this framework in order to meet the ultimate objective of the UNFCCC – to avoid dangerous climate change.

The following steps should be taken between now and 2009:

- First meeting of the new negotiation process, March/April 2008
- Second meeting of the new negotiation process, Bonn, May 2008
- G8 Summit, Japan, summer 2008: G8 and +5 governments inject further momentum to the negotiations.
- Third meeting of the post-2012 negotiations, August/September 2008
- COP 14, Poznan, Poland, Dec 2008: negotiations enter final phase
- G8 Summit, Italy, summer 2009: G8 and +5 governments send a clear signal that negotiations must be completed at COP 15, Dec 2009.
- COP 15, Copenhagen, Dec 2009: completion of negotiations on a comprehensive post-2012 framework



HOUSE OF COMMONS

LONDON SW1A 0AA

Mr Yvo de Boer
Executive Director
UNFCCC

3rd March, 2008

Dear Yvo,

Many congratulations on the successful outcome from the Bali COP in December. It is clear that without your personal leadership and diplomacy, in often difficult and sometimes fraught circumstances, the outcome could not have been achieved.

You invited contributions from Parties about the work programme for the post-2012 negotiations under the Bali Action Plan.

As you know Lord Michael Jay has been developing a GLOBE post-2012 framework paper, in consultation with legislators from the G8 and “+5” emerging economies of Brazil, China, India, Mexico and South Africa. A draft was presented by Lord Jay, and discussed by delegations, at our most recent forum in Brasilia on 20-21 February. Over 100 legislators from the G8, +5 and the major forested countries (eg Cameroon, DRC, Ghana, Indonesia) participated. The forum was addressed by the Brazilian President, Lula da Silva, the President of the Brazilian Senate and the leader of the Brazilian Congress. There were also strong delegations from the US (7 Members of Congress led by Ed Markey, Chair of the Committee on Energy Independence and Global Warming), the Indian Lok Sabha and the Chinese National Peoples Congress.

It is clear that there is a broad measure of agreement, but not yet consensus, on the political framework outlined in the latest version of Lord Jay’s paper (attached). Nevertheless, **all delegations asked me to write to you, attaching the latest version of the paper (revised in the light of discussions in Brazil) as a positive contribution from legislators as the negotiations under the Bali Action Plan get underway.**

One of the most interesting elements is the suggestion by two delegations (one a G8 and the other a “+5” country) that there should be graduated commitments based on economic circumstances including not only the possibility of moving between annexes as circumstances change but also differentiated commitments within annexes.

We will continue to refine the paper with a view to gaining consensus at the next GLOBE G8+5 legislators’ forum in Tokyo on 27-29 June.

I would like to take this opportunity to wish you every success as the formal negotiations at the UN reach a critical stage and would like to assure you that GLOBE members in all of the G8 and +5 countries will be working tirelessly to support you in terms of encouraging more progressive national positions and policies and, of course, ratifying the post-2012 agreement reached in Copenhagen in 2009.

Yours sincerely,

Rt Hon Elliot Morley MP
President of GLOBE International and UK Prime Minister’s Special Representative for the
Gleneagles Dialogue