

6. December 2008

Submission by The Nature Conservancy on the Assembly Document (“Ideas and Proposals on paragraph 1 of the Bali Action Plan” (FCCC/AWGLCA/2008/16))

A shared vision for long-term cooperative action

1. Guiding Principles

The following ideas are submitted in the assumption that a shared vision on the implementation of the Convention and its principles will be the basis for a strong outcome of COP-14 and for the framing of a negotiating text on long-term cooperative action by June 2008 at the latest in order to facilitate the finalization of a new international agreement by COP-15 in Copenhagen.

The shared vision should be based on the ultimate objective of the Convention as stated in UNFCCC Article 2; means to achieve its full and effective implementation, and on the following principles:

- common but differentiated responsibilities and respective capabilities;
- equity;
- effectiveness;
- efficiency; and
- promotion of sustainable development toward low-carbon societies in all countries.

The shared vision should be guided by science as expressed in the 4th IPCC Assessment report.

2. A Framework for Implementing the Bali Action Plan

The Nature Conservancy calls on Parties to conclude negotiations on an effective, comprehensive and equitable climate change regime beyond 2012 by COP-15 in Copenhagen in 2009, to take effect by the conclusion of the first commitment period of the Kyoto Protocol in 2012. These negotiations should result in a new, legally binding, enforceable, and effective post-2012 international agreement that involves all major emitters in reducing emissions.

All four elements of the Bali Action Plan should be considered and incorporated as part of the regime to achieve the long term goal of the Convention. Technology transfer, finance and capacity building elements should be closely tied to and support the mitigation and adaptation objectives.

The solution to the climate challenge, however, will not only be found in the climate regime but in other regimes that address trade, economic and development issues. Accordingly, governments should ensure that climate change considerations are taken into account in the

policies and planning of a wide variety of governmental and multilateral institutions. In this regard, the framework for implementation of the Bali Action Plan should further advance synergies with the Convention on Biological Diversity as well as other relevant international legal instruments, including other environmental conventions.

3. Medium-term and long-term global goal for emission reductions

On mitigation, we support setting medium and long term targets that lead to a stabilisation of global emissions by 2020 at latest and atmospheric concentrations to a maximum of 450 ppm, such as limiting dangerous anthropogenic climate change to a 2 degrees C or less above pre-industrial levels.

These atmospheric targets should lead to the following medium and long term targets for all parties:

- binding and absolute targets for developed countries, taking as a reference the IPCC's recommendation of a minimum 25-40% reduction of greenhouse gases in developed countries by 2020 based on 1990 levels;
- further advancing mitigation efforts to achieve a substantial deviation from business as usual scenarios for developing countries;
- a global long term target of at least a 50% reduction by 2050 based on 1990 levels.

If global emissions are not reduced dramatically through urgent mitigation actions, the costs of adaptation would significantly increase, as concluded in the Stern Review.

The climate regime should integrate the evolving science to effectively address mitigation and adaptation as well as the dynamic development of all countries' responsibilities and respective capabilities.

4. REDD

Deforestation and forest degradation contribute at least 18% of global greenhouse gas emissions. Addressing these emissions is crucial to the world's ability to limit warming to 2°C. Reducing emissions from deforestation and forest degradation in developing countries (REDD) offers the potential to mitigate a major source of global emissions while addressing sustainable development, enhancing livelihoods and protecting biodiversity.

Key components of a REDD mechanism include:

- A national accounting framework for REDD should be prioritized, but crediting for sub-national activities that take place outside of national accounting should be allowed in the initial phase of the mechanism in order to build capacity for creating national accounting frameworks.
- Implementing a REDD mechanism will require a variety of mutually reinforcing financing options, including direct incentives, official development assistance, carbon markets, multilateral donor funds, and other potential revenue sources. Market-based approaches to REDD offer the greatest potential level of revenue, as well as efficiency in directing resources, but other sources of funding have a role to play in financing REDD as well.
- In a market-based mechanism, REDD credits, generated through rigorous and verifiable methodologies, should be fungible with emissions reductions from other sectors; such a mechanism should be accompanied by deeper targets for developed countries.

- A REDD mechanism must apply effective social safeguards to protect the rights of Indigenous Peoples and local communities including relevant provisions of the UN Declaration on the Rights of Indigenous Peoples.

5. Ecosystem-based adaptation

We view adaptation as an essential component of the ‘shared vision’ which aims to create a climate resilient society. Negative impacts In this submission, we wish to highlight the important contributions that ecosystem-based adaptation can provide to effective adaptation strategies. We recommend that ecosystem based adaptation becomes one of the elements of the future adaptation framework under the UNFCCC, to be implemented by governments at all levels, the UN agencies and other multilateral donors, bilateral donors, and other actors.

Ecosystem-based adaptation includes a range of local and landscape scale strategies for managing ecosystems to increase resilience and maintain essential ecosystem services and reduce the vulnerability of people, their livelihoods and nature in the face of climate change.

Parties are invited to consider the following options for including ecosystem-based adaptation under the UNFCCC:

- Include ecosystem-based adaptation as a component of the Shared Vision of the AWG-LCA which aims to create a climate resilient society, and of the post-2012 adaptation framework;
- Increase incorporation of ecosystem-based adaptation into the implementation of the Nairobi Work Programme and the development of technical guidance and capacity;
- Incorporating ecosystem-based adaptation more fully into NAPAs and other national adaptation strategies and action plans, and in other planning processes.
- Aligning ecosystem-based adaptation strategies with ongoing efforts under the Convention on Biological Diversity, the UN Convention to Combat Desertification and other relevant international commitments.

6. Financing

Various studies from the Stern Report to the World Bank to the UNFCCC Secretariat 2030 study indicate that huge new sums of financing will be needed in the future to deal with climate change in the developing world. Estimates as put forward by the Secretariat and others range from about \$30-80 billion per year for adaptation, with similar amounts needed for mitigation, including adaptation. Costs for financing the halving of deforestation rates in the developing world have been estimated around \$20 billion per year. Adding these figures together indicates that the world would need to mobilize amounts in the range of \$100 – 150 billion per year to effectively deal with climate change in developing countries.

The future financial arrangements for climate change should be based on the following principles:

- Design a coherent architecture for international climate financing that respects the political guidance from the UNFCCC, but allows different institutions and funding mechanisms inside and outside of the UN system to utilize their specific strength

- Significantly increase foreign assistance transfers in support of low-carbon development and adaptation to climate change.
- Revise the mandates and core budgets of multilateral development banks and UN agencies to ensure that every investment they make enhances the recipient country's resiliency and/or enhances its mitigation potential
- National development frameworks in developing countries should take into account climate change concerns so as to increase climate resiliency and mitigation potential.
- Maximize the potential of flexible mechanisms
- Finally, all financial mechanisms should be designed so as to effectively mobilize and direct public and private sector financial flows to reinforce and complement each other to promote low-carbon development pathways that advance both climate mitigation and adaptation.