



Climate Action Network-International (CAN-International) is the world's largest network of civil society organizations, with more than 800 members in over 93 countries, working together to promote government action to address the climate crisis.

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SUBMISSION ON ADP: WORKSTREAM 2 'Increasing short term ambition'

We welcome this opportunity to present views on the future work to be undertaken by parties in Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). This submission builds on the earlier submission made by Climate Action Network on ADP Workstream 2, dated 1st March 2013.

Global emissions are pushing upwards even though countries in the preceding agreements have consistently called for curbing growth in global emissions and keeping them within a trajectory that ensures global temperature rise is within the 2-degree safe limit. Countries are taking action on reducing their emissions but clearly that action is not enough. Lack of ambition across mitigation and finance has created a political impasse in the negotiations, which needs to be addressed immediately by injecting a large dose of political will.

Immediate increase in mitigation actions as well as a global peaking in emissions by 2015 is needed. This will close the growing gigatonne gap and will help build trust among parties and increase ambition for the 2015 agreement.

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MITIGATION

At successive UNFCCC meetings, Parties have acknowledged the existence of a big mitigation gap between the current level of ambition (expressed by countries in the form of QELROs, pledges, targets and NAMAs) and what is required in the period until 2020 to keep global temperature rise below the critical 1.5/2°C threshold.

According to the Climate Action Tracker¹, current emissions trends, implemented and presently planned policies imply a 40% chance of warming exceeding 4°C by 2100 and a 10% chance of it exceeding 5°C in the same period, with a likely warming projected at 3.8°C by 2100. There is a consensus within the scientific community that we are fast approaching a devastating tipping point. In this context it is alarming to see that governments have not yet taken any substantial steps to close the gap but instead allow it to widen.

According to the 2012 Emissions Gap Report by UNEP², the estimated emissions gap in 2020 for a “likely” chance of being on track to stay below the 2°C target, is 8 to 13 GtCO₂e, while it was 6 to 11 GtCO₂e in the 2011 report. Global emissions are currently 14 per cent above where they should be in order to limit global temperature increase under 2°C.

With enhanced political will, by 2020, emissions can be brought to a level consistent with 1.5/2°C emission trajectory. This would, however, require global emissions to peak by 2015. UNEP's “*Bridging the Emissions Gap 2012*” report asserts that this is possible and economically feasible, using existing, mature technologies. In fact, it should be common knowledge by now that if nothing more is done to increase the current unconditional pledges by countries, the cost of delayed mitigation action would be much higher, there would be a need to reach deeper emission reductions in a short span of time and adaptation needs would be exacerbated.

Agreeing on global peaking

In order to put global emissions on a pathway to keep warming well below 2°C, and to keep 1.5°C within reach, **global emissions must peak by 2015. This means that parties must agree to a global peak year under ADP Work Stream 2 at COP 19.** Global peaking will require developed countries to reduce emissions rapidly and much more than their current pledges. The rate of developing country emissions will also need to slow down and peak a few years after 2015. In order for developing countries to achieve this, scaled up financing, technology and capacity building support from developed countries will be required.

Increasing pre-2020 mitigation ambition

Raising the ambition level before 2020 requires:

(a) Immediate increase in current 2020 mitigation pledges/targets of developed countries;

¹ Climate Action Tracker, Climate Shuffle, Climate Action Tracker Update, 12 June 2013.
http://climateactiontracker.org/assets/publications/briefing_papers/2013-06-11_Climate_Action_Tracker_briefing_paper_Bonn.pdf

² UNEP, The Emissions Gap Report 2012, November 2012.
<http://www.unep.org/publications/ebooks/emissionsgap2012/>

- (b) Enabling developing countries to make new or enhanced 2020 pledges/NAMAs; and*
- (c) Strong mitigation action through complementary measures at the national and international levels with appropriate MRV systems to record results of these measures.*

While increased pre-2020 mitigation targets by developed countries remains the first priority for closing the gap, strengthened domestic mitigation actions by *all* countries can lay a strong foundation for a low-carbon global economy. **The ADP Work Stream 2 can and should address all three areas in Warsaw.** Any attempt to divert attention away from any of these should be resisted.

Increase current 2020 pledges/targets of developed countries

Most developed countries, to frightening dismay, have not demonstrated the political will needed to increase their current 2020 pledges, in order to avoid dangerous climate change. Developed countries' collective pledged effort falls far short of the agreed 25 to 40% range,³ all pledges are inadequate,⁴ and in some cases individual pledges are a disgrace.

In Doha, it was decided that Parties in Annex 1 will revisit their QELRCs for the second commitment period of the Kyoto Protocol no later than 2014 and inform the secretariat on the Party's intention to increase the ambition of its commitment, to be considered by a high level ministerial roundtable at the first sessional period in 2014. This review of targets must lead to ambitious reduction targets.

While no such decision was taken by the COP with regard to the pledges by Parties in Annex 1 that (continue to) refuse to join the second commitment period of the Kyoto Protocol, **CAN maintains that all developed countries must revisit and increase their pledges.** The emissions gap cannot be closed if these Parties continue to deflect responsibility to developing countries or to "complementary measures".

There is no need to wait until 2014 either. **Annex 1 Parties – Kyoto or non-Kyoto – should go beyond merely informing the secretariat (by April 2014) about their intentions to increase their ambition but instead use 2013 to indicate their intention to raise their targets and stimulate a race to the top.** Developed countries should increase their 2020 pledges so that their collective effort moves to the top of the 25-40% range as a first step towards increasing their targets to more than 40% below 1990 levels by 2020⁵. This also means developed country Parties with pledges in the form of ranges should move to at least

³ Noting that a high probability of staying below 2°C while ensuring that staying below 1.5°C remains within reach requires more than 40% reductions by 2020 from developed countries. After the KP rules for LULUCF accounting and the treatment of surplus AAUs have been agreed in Durban and Doha, the collective effort of developed countries can be estimated to be considerably lower than the 12-19% combined pledges suggest at face value.

⁴ As shown by Climate Action Tracker: <http://climateactiontracker.org/countries.html>. Only Norway's unconditional target falls into the "sufficient" category while all other developed countries have unacceptably low targets. To achieve the 1.5/2°C target equitably all these countries need to formally move up to and beyond their "conditional" targets. Developed countries will have to provide, in addition to their domestic reductions, adequate climate finance for mitigation in developing countries.

⁵ Environmental Defense Fund, Natural Resources Defense Council and The Nature Conservancy do not endorse this position.

the upper end of those ranges, replacing conditions to do so for instance with acknowledgement of their responsibility to current and future generations.

Pushing the decision back until 2014 constitutes an unacceptable delay – a few examples are provided below:

- **European Union:** The EU's 20% target for 2020 has been achieved already, almost eight years in advance,⁶ and the EU is already on course to reach 25% emissions reductions by 2020. The final number will be closer to 27% if proposed further reductions from various EU initiatives are fully implemented⁷. If the EU does not increase its 2020 target now to at least 30% domestic emissions reductions, and repair its collapsed Emission Trading Scheme, fatal investment signals will be sent to the EU economy, leading to new lock-in of high emissions.
- **United States:** The US should also revisit and increase its clearly inadequate target. As the largest historical emitter it needs to be a leading country in the fight against climate change. It should not be looking at others to act first. As it is responsible for about half of A1 emissions, the US target needs to be at least in the range of 25 to 40% below 1990 levels by 2020. The 17% below 2005 levels by 2020 target is equivalent to only -3% relative to 1990⁸. This is barely an initial step, and even getting there will require concerted efforts by the Obama administration on several fronts. The Obama Climate Change Action Plan is a first move in the right direction. But even with the Plan in place, action by the USA will remain insufficient with regards to what science requires.
- **Australia:** There is no justification for Australia to stay at its current weak and highly inadequate pledge of merely 5% reductions below 2000 levels. Staying at such a low level can only be seen as an unacceptable unwillingness of the country to take on its fair share of the global mitigation effort. In Warsaw, the newly elected or re-elected Australian government should make it clear that it intends to ramp up the fight on climate change including through protecting the integrity of the carbon pricing system in Australia.
- **Japan:** Japan must not weaken its current 25% target. It has to clarify the status of the 2020 target at Warsaw. The country announced that it would revise its 2020 target after the earthquake and the nuclear accident two years ago and yet the status of the target has been unclear. Drastically weakening the target at this point

⁶ The European Commission projects that EU-27 greenhouse gas emissions will be about 18.2% below base-year levels for the period 2008-2012. When taking into account the use of carbon sinks and flexible mechanisms by Member States under the Kyoto Protocol, the emission reductions in 2011 were already 20% below 1990 levels. If existing policies and measures are implemented fully by EU Member states, projected 2020 emissions could be 27% below 1990 levels. If the EU would make full use of the opportunities identified by research groups and NGOs, it could reduce domestic emissions beyond 30%. CAN Europe, Closing the Ambition Gap, What Europe Can Do, 2012:

http://www.climnet.org/resources/publications/position-papers/doc_download/2127-closing-the-ambition-gap-what-europe-can-do-dec-2012-

⁷ Latest, provisional figures from the European Environmental Agency show that EU countries may overshoot their 2020 target by around 10% with policy and measure that are already in place or planned. If one includes international offsets, this percentage would be even higher. At the time when CAN prepares this policy paper, official figures are not published yet.

⁸ <http://climateactiontracker.org/countries/usa.html>

would have an immensely negative influence on other countries' willingness to raise ambition. In addition, for all developed countries not operating under the second commitment phase of the Kyoto Protocol, their pledges/targets must be converted into a trajectory until 2020. Knowledge of the trajectory and thus the country's carbon budget for the period is essential for the agreement to have environmental integrity. A point target for 2020 is not adequate.

Enable new or enhanced 2020 pledges/NAMAs of developing countries

Closing the mitigation gap will also require additional support to enable developing countries to enhance their mitigation efforts while respecting the principles of the UNFCCC.

2013 should be the year to identify what additional efforts are possible and what additional support would be required to enable developing countries to step up their efforts. (See finance section for more information on means of implementation)

Developing countries with relatively high capabilities such as Qatar, Argentina, Nigeria, Iran, Venezuela, Saudi Arabia, Malaysia, Thailand and others **that have not yet made pledges or announced NAMAs should do so in 2013.** These countries should use 2013 to prepare for their pledges and **announce them no later than at COP19, in Warsaw,** complemented by information on what support would be needed to implement such pledges/NAMAs and what additional support would be needed to enhance ambition even further.

For those developing countries with relatively high capabilities and/or high responsibilities **that have already made pledges** or announced NAMAs, it can be assumed that at least in some of those countries there could be additional mitigation potential that is not yet covered by NAMAs or pledges. COP19 should encourage those countries **to undertake in-country assessments on additional potentials that are not yet covered by current pledges,** including information on how those potentials could be captured in new or enhanced pledges and what external support would be required to unlock those potentials.

Parties should also use the ADP Work Stream 2 to explore options to improve the interplay between the provision of means of implementation and the level of ambition in developing countries made possible by such means of implementation. There is a danger that the lack of financial support or other enabling means for specific actions might lead to lower ambition than what is possible, locking-in developing countries in high-emission pathways. The aim of this work should be to simultaneously increase ambition and support to the highest possible levels. Parties should explore the potential role the registry could play here, or alternative mechanisms.

Some **developing countries with low capacity** will not be in the position to develop (and subsequently announce) pledges or NAMAs. For those countries, COP19 should **establish a NAMA readiness process** capable of adequately enabling those developing countries that wish to do so to build their capacity to develop and implement ambitious NAMAs in line with their national sustainable development priorities.

Additional and Complementary measures under the UNFCCC and other multilateral efforts

Doha made clear that with the current low level of ambition shown by so many countries, revisiting targets, pledges and NAMAs under the current UNFCCC architecture might not be sufficient to close the gap. There exists additional mitigation potential in various areas that could be discussed, agreed and implemented outside the UNFCCC negotiations, using other existing multilateral bodies and agreements.

These **additional and complementary measures should be designed to help tap into uncharted mitigation potentials** in countries and/or sectors; they would ideally happen in addition to a country's targets, pledges or NAMAs. For developed countries, these measures could help them over-achieve their current targets and take on more ambitious mitigation commitments. For developing countries with voluntary domestic targets, additional and complementary measures could help them realize their mitigation ambition. While for those developing countries with no mitigation targets, these measures could help them develop or enhance mitigation actions. Additional means of implementation for developing countries for participating in these additional and complementary measures must be at the heart of the design for these measures.

While these measures may be organized inside or outside the remits of the UNFCCC, **the UNFCCC could play a facilitative role in ramping up many of the initiatives that are already under way by lending them multilateral political support.** Yet the UNFCCC process should record those additional and complementary measures in order to keep track of the results achieved, including the degree to which they are additional to a country's targets, pledges or NAMAs.

Avoid double counting

Action agreed under this heading must not result in dual accounting of existing mitigation actions in countries that have international/domestic mitigation commitments. Complementary measures enhance domestic action and efforts should only be accounted for in national GHG emission inventories. Countries are very welcome to promote their efforts and targets in different fora as long as the accounting is only done in one place: national GHG inventories requested by the UNFCCC.

Funding for additional and complements measures

It is likely that developed countries will be (financially and technologically) supporting action through different fora and channels outside the UNFCCC. Support to complementary measures can count towards the 100 billion dollar commitment by 2020 as long as it is not double-counted, and only those parts should count that demonstrably support action in developing countries.

Types of complementary measures

There are a number of complementary measures that can be accomplished relatively quickly because "institutional homes" for agreeing to such measures have already been identified. **COP19 must send strong signals to the relevant bodies or institutions to progress work and request report-backs for COP20 on progress achieved.** Those complementary measures include⁹.

⁹ The secretariat has put up a list of all existing complementary initiatives. It is available at: http://unfccc.int/meetings/bonn_jun_2013/items/7655.php

CAN believes that the key initiatives that parties should be working towards are the following:

- HFCs
- International aviation and international shipping
- Fossil fuel subsidy reforms
- Short lived climate forcers such as black carbon
- Renewable energy
- Energy efficiency/savings

Agreeing an HFC decision at COP19

Although established to eliminate ozone-depleting substances and to restore the ozone layer, through its on-going phase-out of CFCs and HCFCs, the Montreal Protocol has already done more to mitigate global warming than all other international efforts combined.¹⁰ However, these achievements in terms of climate benefits could be offset by the projected growth in HFC emissions, which have been commercialized due to the Montreal Protocol, over the coming decades unless action is taken to curb their use now.¹¹

HFCs currently represent around 1% of global GHG emissions.¹² Although their contribution to climate forcing is still relatively small, it is expected to soar in the coming decades, with emissions of HFCs increasing at a rate of 10-15% per year.¹³ By 2050, the accumulation of HFCs in the atmosphere is expected to increase radiative forcing by up to 0.4 W m² relative to 2000.

Unless action is taken, global HFC emissions could reach 5.5–8.8 GtCO₂e per year in 2050, equivalent to 9–19% of projected global CO₂ emissions under a business-as-usual scenario.¹⁴ This increase could be as high as 28–45% compared with projected CO₂ emissions in a 450ppm CO₂ stabilization scenario. Since a large share of the increase will take place in developing countries, where emissions are projected to be as much as eight times greater than developed country's emissions by 2050,¹⁵ action on HFCs must be accompanied by adequate means of implementation to support developing countries and ensure consistency with the UNFCCC principles. A phase-down of the super greenhouse gases, HFCs, would prevent the release of 2.2 Gt CO₂e by 2020 and almost 100 Gt CO₂e by 2050.¹⁶

¹⁰ Velders et al. (2007) *The importance of the Montreal Protocol in Protecting Climate*, PNAS March 20, 2007 vol. 104 no. 12 4814-4819, available here: <http://www.pnas.org/content/104/12/4814.full>

¹¹ Velders, et al., *The large contribution of projected HFC emissions to future climate forcing*, 106 PROC. NAT'L. ACAD. SCI. 10949, 10952 (2009) available at <http://www.pnas.org/content/early/2009/06/19/0902817106>

¹² UNEP (2011), HFCs: A Critical Link in Protecting Climate and the Ozone Layer

¹³ UNEP (2011), HFCs: A Critical Link in Protecting Climate and the Ozone Layer, p.19

¹⁴ UNEP (2011), HFCs: A Critical Link in Protecting Climate and the Ozone Layer, p.20

¹⁵ See Velders, et al., *The large contribution of projected HFC emissions to future climate forcing*, 106 PROC. NAT'L. ACAD. SCI. 10949, 10952 (2009) available at <http://www.pnas.org/content/early/2009/06/19/0902817106>

¹⁶ US Environmental Protection Agency (June 2012) *Benefits of Addressing HFCs under the Montreal Protocol* <http://www.epa.gov/ozone/downloads/Benefits%20of%20Addressing%20HFCs%20Under%20the%20Montreal%20Protocol,%20June%202012.pdf>

World leaders at the Rio+20 summit¹⁷ and the G8 summit¹⁸ and in a recent joint statement by the USA and China¹⁹ have already expressed their support for a phase-down in HFC consumption and production in recognition of the urgency of the issue. This phase-down can and should begin immediately under the auspices of the Montreal Protocol. This action would in no way diminish the UNFCCC's ability or authority to regulate HFC emissions, but rather create a parallel and reinforcing process to those efforts.

Parties should seek a COP decision or declaration at COP 19 in Warsaw that:

- **Urges the Montreal Protocol to undertake a global phase-down of the production and consumption of HFCs, recognizing that emissions of these substances will remain covered by the UNFCCC;**
- **Strongly recommends providing finance and ensuring transfer of environmentally sound technologies** to support leap-frogging and phasing out of HFCs **in developing countries.**
- Makes it clear that action on HFCs must not distract Parties from the essential goal of reducing their CO₂ emissions;
- Acknowledges support for a phase-down in HFC consumption and production repeatedly voiced by world leaders in 2012;
- Acknowledges the clear link between ozone and climate protection; and
- Acknowledges the role the bodies of the Montreal Protocol have played in facilitating technological transfer and administering financial flows from developed to developing countries over its 25-year history.

Addressing emissions from international aviation and shipping

The ADP must consider the role that international shipping and aviation can play in closing the mitigation gap. Emissions from international aviation and shipping are already large and growing fast, yet there is great potential to reduce those emissions - about 0.3–0.5 Gt of CO₂ equivalent in 2020 according to the UNEP 2010 Bridging the Gap report. Work is underway in both IMO and ICAO to agree on mechanisms that address emissions in these sectors, while adequately addressing equity, national circumstances of various countries and the principles of the UNFCCC through the use of revenues. Through the ADP the UNFCCC must call on these bodies to adopt actions to reduce emissions from these sectors in line with the latest climate science and ensure that these sectors are an integral part of a comprehensive and ambitious global strategy to prevent dangerous climate change.

The ADP must also closely monitor progress under IMO and ICAO, and provide guidance to these bodies on mitigation ambition levels, and any other matters as needed. This includes the application of CBDR & RC to address concern of developing countries and indications of how to reconcile the principles and customary practices of the various bodies, matters related to use of finance generated by market based measures for these sectors,

¹⁷ We recognize that the phase-out of ozone-depleting substances is resulting in a rapid increase in the use and release of high global warming potential hydrofluorocarbons to the environment. We support a gradual phase-down in the consumption and production of hydrofluorocarbons." Available at <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/476/10/PDF/N1147610.pdf?OpenElement> annotated as A/RES/66/288.

¹⁸ Article 14, Camp David Declaration, available at <http://www.whitehouse.gov/the-press-office/2012/05/19/camp-david-declaration>

¹⁹ The White House. 2013. United States and China Agree to Work Together on Phase Down of HFCs. Available: <http://www.whitehouse.gov/the-press-office/2013/06/08/united-states-and-china-agree-work-together-phase-down-hfcs>

and ensure that any market mechanism and offsets arrangements in these sectors that are linked to the UNFCCC mechanisms have the highest possible ecological and social integrity and result in net climate benefits. Financing generated from these carbon pricing mechanisms should be used for three purposes: in-sector actions, climate finance for mitigation and adaptation actions in developing countries through the Green Climate Fund; and to address climate impacts on developing countries, including by ensuring that finance generated from these sectors is used to meet developed country mitigation commitments and developing countries are adequately compensated for any net incidence incurred from mitigation action in these sectors.

Removal of fossil fuel subsidies for pre-2020 ambition

Market distorting and environmentally harmful subsidies to fossil fuels contribute to GHG emissions and, thereby, impede the transition to sustainable/low-carbon development. Significantly reducing consumer fossil fuel subsidies alone could save as much as 2 Gt CO₂e by 2020.²⁰ As such, fossil fuel subsidies should be phased out. Although the G20 and G8 have agreed to phase out “inefficient” fossil fuel subsidies, thus far, very little progress has been made²¹. A COP19 decision should support fossil fuel subsidy phase out plans that include:

- A Plan to Phase out Fossil Fuel Subsidies by 2015 – Given the broad agreement on fossil fuel subsidies phase out, **a COP19 decision needs to strongly encourage Parties to immediately adopt and implement concrete, time-bound plans to effectively phase out fossil fuel subsidies by 2015**, including:
 - *Transparency and Consistency in Reporting* – Governments should commit to fully and fairly disclosing the existence and value of all fossil fuel subsidies, and particularly producer subsidies, in order to allow for informed, robust plans for reform.
 - *Producer subsidies* – Between the G20 and G8, there has been little to no progress to reform producer subsidies. Moreover, instead of phasing out fossil fuel subsidies, some countries are offering new fossil fuel development incentives, e.g. reduced tax rates for shale oil and gas. A COP19 decision needs to support concrete measures to phase out existing producer fossil fuel subsidies – immediately eliminating those encouraging further exploration, as these are wholly incompatible with staying below 2°C warming - and strongly discourage Parties from introducing new fossil fuel producer incentives.²²
 - *Indirect subsidies/negative externalities* – COP19 should support tax reform that includes “indirect” subsidies, i.e. the mispricing of fossil fuels through inappropriate taxing that does not take into account negative externalities. The International Monetary Fund (IMF) estimates that these indirect

20 IEA 2010, World Energy Outlook, p. 569. Note: This estimate only includes consumer subsidies.

²¹ G20 Leaders Statement The Pittsburgh Summit 2009, para 29; available at <http://www.g20.utoronto.ca/2009/2009communique0925.html>; and The White House 2012: Camp David Declaration: <http://www.whitehouse.gov/the-press-office/2012/05/19/camp-david-declaration>, para 13.

²² See OECD, 2013. **Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013**.

subsidies make up nearly two thirds of the IMF's total estimated 1.9 trillion USD in fossil fuel subsidies.²³

- *International finance* – Fossil fuel subsidies phase out plans need to incorporate subsidies provided through international financial institutions, such as the multilateral development banks and export credit agencies. International finance institutions provide cheaper and/or more attractive financing terms to fossil fuel projects than commercial lenders, such as lower interest rates, longer tenors, and/or lower cost insurance.²⁴
- Assistance and Safeguards for Developing Countries – **The phasing out of fossil fuel subsidies, especially in developing countries, has to be designed and managed in a way that supports poor and vulnerable groups and does not conflict with sustainable and affordable access to energy**, e.g., well targeted safeguards to protect vulnerable groups and financial, technical and capacity building assistance where needed should be provided to developing countries prior to phasing out fossil fuel subsidy.²⁵
- Collaboration and an International Body to Support Reform – **COP19 should strongly encourage Parties to share fossil fuel subsidies reform experiences and to form alliances on making joint fossil fuel subsidy phase out pledges and implementation schedules**. The biggest providers of fossil fuel producer subsidies should lead and initiate a club of pioneer states that are willing to phase out fossil fuel subsidies. Ultimately, an international body should be created to support the global effort to phase-out fossil fuel subsidies. This body should be transparent, inclusive of civil society, balanced to include representation from developed and developing countries, and sufficiently empowered to ensure accountability of commitments by countries.

Short-lived climate forcers

In addition to (and not substituting) enhanced actions on CO₂, CAN recommends **strong and early actions on Black Carbon** which is not listed as a greenhouse gas but according to recent science contributes significantly to global warming. A report by UNEP and WMO²⁶ concludes that ambitious actions to cut Black Carbon and Tropospheric Ozone could reduce global warming by about 0.5°C by 2050 and even 0.7°C in the Arctic compared to a reference case; there are additional benefits related to health and food security, avoiding more than 2 million premature deaths and the loss of more than 50 million tons of cereal and soybean production. Parties should further explore this area and agree on a text that requests an appropriate forum to address emissions from black carbon.. Methane emissions from fossil fuel production reinforce the need for a rapid transition to efficient energy use from renewable sources of energy, whereas some of the black carbon sources might be best treated through forums addressing access to clean and sustainable sources of energy for all.

Other complementary measures

²³ IMF, 2013. Energy Subsidy Reform – Lessons and Implications. January 2013.

²⁴ In acknowledgement of this subsidized support for FF, the US government's Climate Action Plan stipulates an end to support for public financing of new coal projects overseas, except in narrowly prescribed circumstances.

²⁵ See the International Institute for Sustainable Development, Global Subsidies Initiative, 2013. A Guidebook to Fossil Fuel Subsidy Reform for Policy Makers in South East Asia.

²⁶ UNEP and WMO 2011, Integrated Assessment of Black Carbon and Tropospheric Ozone

In addition there will be more complementary measures in several areas – such as **energy efficiency, renewable energies or REDD+** – where collective action could be identified and captured. For those measures institutional homes will have to be found.²⁷

Scaling up Renewable Energy and Energy Efficiency

During the second ADP session in Bonn, AOSIS released a proposal, which called for technical level workshops and a submission process before a ministerial meeting at Warsaw on implementing renewable energy and energy efficiency. The first two requests were delivered during the intersessionals in 2013, and the UNFCCC has released a technical paper, which puts forward ideas on how short-term emissions reductions could be achieved²⁸.

CAN welcomes and supports this initiative that can help foster discussion and co-operation amongst countries and promote urgent action. It presents an opportunity for Parties to come together on a voluntary basis to catalyze an upward spiral of action and finance. They can quickly identify areas of low hanging mitigation potential and ramp up action, without having to go through protracted negotiations. Such a positive example of international cooperation can help build trust among negotiators, who can then talk to their ministers ahead of next year's ministerial process. **Renewable energy and energy efficiency are ideal technologies for building such shared efforts as they are uncontroversial technologies that promise both short term mitigation and long term economic decarbonization benefits.** Practically speaking, **a UNFCCC framework could work as an aggregator of various RE & EE initiatives scattered across international forums and national contexts** in order to create a common understanding of what those initiative are and to ramp them up in order to close the mitigation gap. The UNFCCC can play a critical role as a central tower that sends strong policy signals about how RE & EE initiatives could be strengthened.

CAN believes this process should be placed under the ADP to enjoy sufficient political support. **A COP decision could be made in Warsaw on what the initiative consist of and solicit inputs from the TEC and other appropriate bodies.**

By Warsaw, interested Parties should come together to better flesh out what this initiative will consist of, and develop global plans. Then they should launch those plans at COP20, in Lima, Peru. For this proposal to lead to real and concrete action, CAN thinks Parties should focus on fast actions where the most mitigation potential is, such as the Global program on building codes and the technical work being done in IRENA.

Develop a rigorous common accounting framework

In developed countries

In CAN's opinion, developed countries should:

²⁷ Examples of such cooperative initiatives or "climate clubs" are listed in Lutz Weischer, Jennifer Morgan and Milap Patel (2012), *Climate Clubs: Can Small Groups of Countries make a Big Difference in Addressing Climate Change?*, RECIEL 21 (3). They include a Sustainable Energy Trade Agreement (as proposed by the International Centre for Trade and Sustainable development (ICTSD) - "home" to be defined; and a technology specific club around renewable energy, promoting feed-in tariffs (FIT), with a potential link with IRENA (German Advisory Council on Global Change – WBGU). See

<http://onlinelibrary.wiley.com/store/10.1111/reel.12007/asset/reel12007.pdf>

²⁸ FCCC/TP/2013/4

- Adopt the revised review guidelines for national communications and biennial reports to enable review of biennial reports in 2014.
- Adopt the revision of the UNFCCC reporting guidelines on annual inventories for Parties included in Annex I to the Convention.
- Adopt common accounting framework covering, inter alia, base years, GHGs covered, sectors, accounting of LULUCF emissions, and GWPs to enable their integration in the UNFCCC reporting guidelines for annual inventories. This is important to ensure comparability of effort among Parties based on the submission of national communications in 2015.
- Have compliance consequences attached to the IAR process

With regards to MRV of support, only public finance for implementing ICIs in developing countries will be counted towards the \$100 billion commitment.

In developing countries

In Warsaw, parties should agree to develop common reporting format tables for developing countries. Such formats were agreed in Doha for developed countries, with a view to strengthen the transparency of information on mitigation action and support. However, a double book keeping, through the use of common reporting format table by both developed and developing countries would be necessary to ensure an effective tracking of financial contributions.

With respect to verification, the current ICA processes do not yet provide the authority for the Technical Team of Experts (TTE) or the Subsidiary Body for Implementation to make recommendations to the Party under review. Thus, in addition agreeing on the modalities for the composition of TTE for ICA, Parties should agree at COP 19 to allow recommendations by TTEs and the SBI to Parties under ICA.

FINANCE

The costs of climate change to both developing and developed countries are steadily rising – in terms of lives lost, livelihoods disrupted and money needed to adapt to a warmer world and access energy that is truly clean and renewable. All countries will need to make a fundamental shift to a low carbon economy and such a paradigm shift involves a strategic, long-term, and transformational re-orientation towards low-carbon, climate-resilient, gender-equitable, pro-poor and country-driven development. Assessments by the World Bank, the World Resource Institute, the South Centre and others indicate that the overall financing required to catalyze this shift in developing countries will be anywhere from \$600bn to \$1,500bn each year – significantly more than the \$100bn commitment made by developed countries²⁹. But delaying action now because of a high price tag will only increase the price we will all pay in the future³⁰.

Increasing mitigation, adaptation and finance ambition. Keeping people safe and global warming as far below 2 degrees as possible will require ambitious adaptation and mitigation action. Many developing countries have proposed targets and actions based on

²⁹ For more discussion of various adaptation and mitigation cost estimates, see : <http://bit.ly/16OEvlU>, <http://bit.ly/18sMGuY>,

³⁰ <http://www.iea.org/publications/worldenergyoutlook/pressmedia/quotes/45/>, <http://bit.ly/Z1esnV>

their own resources, which add up to deeper emissions cuts than the sum of developed country pledges. With financial support, even more mitigation potential could be captured by developing countries. Along with more ambitious emissions cuts in developed countries, international financial support as a critical driver of developing country mitigation action is a basic principle of the Framework Convention Articles 3, 4 and 11 – and has been reiterated in the Kyoto Protocol, the Bali Action Plan, the Copenhagen Accord, the Cancun Agreement and the Durban AWG-LCA decision.

Finance in a global deal. But international **climate finance** is not just an existing obligation - it is **key to closing the mitigation gap and to reaching a deal in 2015**, and it is linked to all the other aspects (mitigation, adaptation, loss & damage, technology transfer, capacity building, etc.). Therefore, it is not only urgent but also necessary to **have clear commitments on climate finance at COP19 in Warsaw** in step with other parts of the ‘package’ for COP21 in Paris. We are unlikely to win a new agreement that is applicable to all if developing countries have not seen increased action on finance in the period leading up to that agreement. Early and strong actions on mitigation, adaptation, and finance – especially developed countries - must send the political signal that all countries are serious about securing a strong global deal in 2015.

Public finance is key. Public climate finance has a major role in the landscape of financial support for countries as they address climate change. First and foremost, public money is needed to pay for basic public goods and services that are impacted by climate change – such as access to water, food security, disaster preparedness and recovery, and access to clean energy. Public finance is needed to cover the costs of activities that will never (and arguably should not have to be) be profitable – including most adaptation activities. Public money will also be needed to support mitigation and adaption activities in countries with smaller economies, poorer economies and less developed financial infrastructure – all factors that discourage private investment. Finally, public finance is critical for charting new territory and reducing risk in sectors, technologies, and at scales that the private sector considers too dicey for investment.

Where is the money? The Fast-Start Finance period ended in 2012 with little new and additional money on the table. The Adaptation Fund, the Least Developed Country Fund and Special Climate Change Fund are woefully underfunded by developed countries. And, the Green Climate Fund remains empty. Action to deliver climate finance is long overdue.

At COP 19 in Warsaw, developed countries need to provide clarity on how they intend to meet their \$100 billion by 2020 commitment. In this context, CAN-I organizations are supporting the following actions at COP19 as essential steps toward an agreement in 2015.

1. *In Warsaw, all developed countries must commit to new and additional public finance for the period 2013 – 2015, in a way that is transparent and comparable.*

Although some parties came forward with political commitments to continuing climate finance after 2012, most were silent. COP18 in Doha did not provide developing countries with desperately needed assurance that finance will go up, not down. All developed countries need to come forward with commitments that are transparent, comparable in scope, and cover the period 2013-2015. This includes, countries that made political announcements in Doha, who now need to strengthen their commitments. These commitments must draw lessons from the fast-start finance experience. They must be

additional to existing ODA commitments and accounted for separately under the UNFCCC. Year-on-year increases in finance are needed as we scale-up to \$100 billion by 2020, and this needs to include an overall mid-term finance target \$ 60 billion in public finance for the period 2013-2015.

2. Commit to a roadmap to reach \$100bn of global public finance per year by 2020.

Developing countries have long criticized the lack of long-term signals and indications on finance they should be expecting and which could help them plan, scale and shape actions accordingly. This is why, **by Warsaw, parties should agree a concrete global roadmap for scaling-up climate finance from 2013 to 2020.** This needs to indicate how they intend to gradually scale-up new and additional, predictable, adequate and sustainable climate finance, including:

- Intermediate targets for climate finance levels, including **a mid-term target of \$60 billion in public finance for the period 2013-2015.**
- Agreement in Warsaw that there should be **year-on-year increase of public finance.**
- Which **sources of public finance** will be used and when they will be mobilized, including financial transactions taxes, fair carbon pricing of international transport, revenues from auctioning emission permits, Special Drawing Rights, and redirection of fossil fuel subsidies.
- Through **which channels the money will be disbursed**, particularly looking at the GCF as well as other UNFCCC funds.
- With **which instruments the money will be provided**, particularly looking at the role grants and highly concessional loans should play.

3. And commit to allocate at least 50% of public finance to adaptation.

This is in order to address the current neglect of financial support for adaptation and ongoing 'adaptation gap', recognizing the vital importance of public finance to address adaptation needs. Adaptation has received only around \$10 billion of public finance in 2011 according to the 2012 CPI report, which is inadequate for supporting developing countries' adaptation needs estimated to cost from \$86 to 109 billion per annum from 2010 to 2015 according to the UNDP assessment, in 2007. According to more recent estimates by the World Bank, adaptation will cost \$70 to 100 billion per year by 2050, and up to \$60 to 182 billion each year by 2030 according to the UNFCCC. Private finance is largely unsuitable for many vital adaptation interventions, especially those involving community-based adaptation and basic livelihood services (such as water and food security) that offer little or no return-on-investment on a commercial level.

At least \$50 billion of public finance of the \$100 billion commitment is needed, and estimates of adaptation needs suggest even that will not be enough (for example, the Indian government is currently budgeting 2.6% of its GDP, about \$49bn, for adaptation)³¹. **A decision in Warsaw allocating at least 50% of public finance to adaptation will take us in the right direction, as finance is scaled-up towards \$100 billion.**

³¹ http://articles.economictimes.indiatimes.com/2012-07-24/news/32827781_1_national-action-plan-climate-change-green-climate-fund

4. Make substantial pledges to the Green Climate Fund, the Adaptation Fund, and the Least Developed Country Fund

In order to ensure that international climate finance is provided in accordance with the principles of the climate convention (including equity, transparency, accountability), the majority should be channeled through UNFCCC funds. Contributions should be made as soon as possible to the Green Climate Fund (GCF), as well as to the severely underfunded Adaptation Fund (AF), and Least Developed Countries Fund (LDCF). To build good will for a 2015 deal, contributor countries should prioritize these UNFCCC mechanisms over the World Bank's Climate Investment Funds, which are set to close.

For the GCF, CAN calls on developed countries to make substantial pledges and launch replenishment process.

Agree to a first round of pledges to the Green Climate Fund in Warsaw to support readiness activities and incentivize early actions. For the GCF to be operational as fast as possible, recipient countries need to get ready to receive and disburse substantial volumes of climate finance, as well as start early action wherever possible. Developed parties should pledge money for readiness support, particularly to create or strengthen National Designated Authorities as well as support the preparation of NAMAs and NAPs.

Agree to formal replenishment process to secure an initial \$10 to 15 billion capitalization for the GCF in 2014. The COP should agree on a timeline and mandate for the GCF's first formal replenishment process in 2014. This initial capitalization should amount to USD \$10 to 15 billion in order to implement a first round of meaningful and transformative actions in developing countries.

For the Adaptation Fund, CAN calls on countries to pledge USD \$150 million in Warsaw, towards a total of USD \$450 million over 2013-2015

Currently, eight fleshed-out and already approved projects from multilateral implementing entities are queued in a pipeline and await funding. Without additional resources, these projects are being held back from providing invaluable assistance to developing countries that are struggling to adapt to the adverse effects of climate change.

Given the commendable track record³² of the AF, and the collapse of the carbon market, which is a key source of income to the Fund, it is vital that **by Warsaw, developed countries commit to providing USD \$150 million to save the AF this year, and an additional USD \$300 million by 2015.**

CAN calls on countries to pledge at least an additional USD \$900 million to the LDCF, enough to finally and fully implement priorities identified in the 48 existing NAPAs

Most of the forty-eight countries' Nationally Adaptation Programmes of Action (NAPAs), identifying country-driven priorities for adaptation activities, currently await funding in the LDCF. **In Warsaw, developed countries should pledge the additional \$900 million needed to implement the existing NAPAs.**

³² Since its operationalization, the AF has successfully operationalised direct access; accredited 27 implementing entities, of which 15 national entities in developing countries, approved 28 concrete adaptation projects and programmes in vulnerable developing countries.

5. Commit to an initial assessment of post-2020 public finance needs for mitigation and adaptation by mid-2014

This initial assessment should be based on a vulnerability assessment, and include forward estimates on potential loss and damage. It should be submitted to the COP by mid-2014, in time for the UNSG high-level meeting in September 2014.

6. Accelerate and strengthen work to track and count climate finance

Under the Standing Committee

The COP should request the Standing Committee along with its function to:

- **Assess the MRV of finance and financial flows to the various financial instruments and funds under the UNFCCC** and provide a comprehensive overview by **establishing a permanent working group under the SCF**;
- **Develop an aggregate verification process through the Biennial Assessment and Overview of climate flow** to strengthen methodologies for reporting climate finance and to ensure climate finance effectiveness in the context of sustainable development.

Under SBI and COP

Current reporting provisions should be amended so that Annex II countries are required to submit an annual report to the COP on the provisions of climate finance under Article 4 of the convention, including how they meet their financial obligation. The report format should combine the fast start best practice of project level reporting as well as additional elements identified in the common reporting tabular. A synthesis report of countries reporting should be compiled by the Secretariat with the view of providing at each COP by 2015, on how to enhance the report format.

7. Establish permanent high-level negotiating space for climate finance under the COP

CAN believes **finance needs permanent and high-level political space under the COP** to ensure progress towards the \$100 billion target. This permanent space could for instance include an agenda item under the COP, combined with a yearly ministerial on finance.

8. When and where does all this need to happen?

The “in-session high-level ministerial dialogue” mandated for COP19 presents a crucial opportunity for progress on long-term financing, and one we cannot afford to miss. The ministerial roundtable will be key in unlocking progress on other fronts of the negotiations – particularly short-term mitigation efforts. It is crucial in that regard that **Ministers come to Warsaw with an adequate mandate to make strong commitments and provide clarity on the pathway towards a 2020 finance goal.**

Crucially, **this year's Long Term Finance work program must produce options that can be discussed and agreed by Ministers at COP19.** The work program must explore and make concrete implementable recommendations on innovative sources of public finance, including financial transaction taxes and a carbon price on international transport emissions, to supplement national budget contributions. The wrap-up session in September must agree on concrete options for decisions by ministers.

The **submissions** due 2 September **on 'strategies and approaches'** must send a strong signal ahead of COP19 on intentions and political will to effectively and ambitiously support adaptation and mitigation action in developing countries. Developed countries **need to include clear plans and trajectories on how they intend to increase their own climate finance**, and progress agreement on international sources, towards scaling-up to \$100 billion of public finance.

The **ECOFIN summit** in October must **deliver on the EU roadmap for climate finance** and include a collective pledge for 2013-2015 and commit to a 50% allocation of public climate finance for adaptation.

The **US Finance ministerial** must send a **strong signal** to developing countries **on the scaling up of public finance** for both mitigation and adaptation needs.

TECHNOLOGY

Technology, particularly energy efficiency and renewable energy, will need to play a key role in achieving the quick emissions reductions we will need to meet our temperature goals. But today, the UNFCCC's tool for accelerating the diffusion of technologies for mitigation and adaptation, the Technology Mechanism (TM), has no guaranteed commitment for long term funding. The TM may have only scant guidance from the COP for deciding how to set prioritization criteria for allocating resources at its main distribution channel, the Climate Technology Centre and Network (CTCN). Also, it has no mechanism for addressing negative impacts on the ground that could result from an inappropriate transfer of technology and it has no mechanism for ensuring that the technologies whose diffusion the TM promotes will be environmentally sound in the long term, or that they are adequate to meet our temperatures goals.

In short, despite the goal of full operationalization in 2012, the Technology Mechanism has a big task ahead to finish the job of setting its structural rules and to get down to project work on the ground.

Given the above needs, ADP workstream 2 should address the following issues:

Long term funding for TEC and CTCN

Our vision is of a TM that is well resourced to serve the needs of developing countries, yet independent from potentially corrupting financial influences. While we understand that private enterprise has a role to play in the TM, we believe that core funding for the decision making part of the TM, the TEC and the Climate Technology Centre and its Advisory Board should be supported long term by public funding to ensure that vision.

CAN seeks a **COP decision for long term public funding from the GCF for the core operations of the TEC and the CTCN**. This funding should cover the expenses of the operations of the TEC, including its secretariat support and the operational costs of the CTCN, especially in responding to the technology needs of developing countries.

Technology Assessment

Simply put, it makes no sense to develop or deploy technologies that may, in the long run, turn out to have unsuspected detrimental impacts on biodiversity or human lives. But how might we foresee such impacts in advance? The answer to this question has been discussed in a number of organizations within and outside of the UN system, and there are a number of established methods to evaluate environmental and social impacts of projects and technologies. The use of appropriate technology impact assessment must be an integral part of the work of the CTCN.

We seek a **COP decision for a mandate to the Technology Mechanism to produce a plan to organize an effort including relevant UN organizations that will result in a portfolio of Technology Assessment references, assessment criteria, and tools**. This Technology Assessment portfolio would form a reliable basis for ensuring countries that the technologies that they wish to deploy conserve biodiversity, respect and prevent harm to human lives and promote sustainable development.

Mandate to TEC to provide guidance on CTCN priorities

The work of the CTCN is seen as being a developing country driven process. But today there is no adequate mechanism by which developing countries can voice their collective requests. Moreover, there is no understanding of how convention principles should influence the priorities adopted by the CTCN. The **TM needs to adopt request prioritization procedures that are based on the ADP's understanding of equity and how it is measured to create an "equitable distribution" of the resources of the CTCN**.

Pursuant to 2/CP.17 Annex VII, paragraph 9 (a) (ii) which states that the "...advisory board of the Climate Technology Centre and Network will...provide guidance on... [p]rioritization criteria taking into account the strategic considerations and recommendations provided by the Technology Executive Committee in relation to 1/CP.16, paragraph 120..." , **we seek a COP decision to mandate that the TEC prepare an analysis of key technologies whose deployment would bring the greatest and most rapid sustainable reduction of emissions and/or reduction of barriers to resilience to inform its recommendation to the CTCN on prioritization criteria**. This analysis should include energy efficiency and renewable energy technologies, particularly including off-grid renewable energy technologies aimed at resilience for energy-underserved areas, among key sustainable technologies in other sectors that could underpin the push for short-term ambition.

Below are a few more **recommendations that CAN is making towards the subsidiary bodies** in relation to fully operationalizing the technology mechanism before 2020

Technology Assessment:

It makes no sense to develop or deploy technologies that may, in the long run, turn out to have unsuspected detrimental impacts on biodiversity or human lives. But how might we foresee such impacts in advance? The answer to this question has been discussed in a number of organizations within and outside of the UN system, and there are a number of established methods to evaluate environmental and social impacts of projects and technologies. The use of appropriate technology impact assessment must be an integral part of the work of the CTCN.

CAN seeks a recommendation from the Subsidiary Bodies to the COP for a mandate to the TEC to define and plan an effort among the relevant UN bodies that would yield a workable resource for countries to determine for any new technologies they might choose to deploy.

CTCN prioritization criteria:

CAN recommends that as part of its review of the work of the Advisory Board to the CTCN, **the Subsidiary Bodies carefully review any prioritization criteria for requests to the CTCN adopted or considered by the Board with respect to the principles of the convention.** We furthermore ask that the subsidiary bodies recommend to the COP **any specific consideration on these criteria that are considered essential.**

CAN also suggests that the Subsidiary Bodies recommend to the COP **a decision to mandate that the TEC consider giving guidance to the Board to prioritize Energy Efficiency and Renewable Energy, particularly off-grid Renewable Energy to support the resilience provided by rural energy access.**

Redress Mechanism:

Employment of a robust Technology Assessment for all TM projects and active involvement of Stakeholders throughout the planning process will lead to fewer issues on the ground during and after implementations. But human error happens, and when it does a redress procedure is needed to aid those who are impacted.

CAN suggests that Subsidiary Bodies recommend a COP decision to **mandate that the Advisory Board of the CTCN consider ways in which stakeholders who anticipate or experience negative impacts of project implementations can raise concerns and seek redress.**

Global Technology Action Plan:

The ultimate goal of preventing dangerous climate change as much as possible and developing resilience to the changes we can't avoid is best served when every component of climate mobilization is vetted against the targets of the best available science. For the TM this vetting would have two targets: the success of the TEC in identifying and promoting the key technologies that lead to optimum emissions reductions and the diffusion of technologies in developing countries aimed at their specific resilience needs, and that of the CTCN in promoting the diffusion of optimum technologies among developing countries.

CAN seeks a recommendation to the COP for a mandate to the TEC to define a process that would deliver a global Technology Action Plan resource in 2015. This resource would inter alia map technology needs and key technologies to offer a portfolio of strategies specifically

aimed at meeting our 2 /1.5 degree C goal while respecting environmental integrity. It could provide countries with updated technical and financial information on the mitigation and resilience potential of technologies as well as tools that allow countries to model their emissions pathway and Climate vulnerability risk based on planned technology implementations. Based on input from countries the tool would also provide input to a broader model that could provide a comparison of the global trajectory against the latest science as an input to the Review.

REDD/LULUCF

REDD+ has a key role to play in decreasing emissions prior to 2020, as has been shown by the recent large reduction in emissions from deforestation in Brazil. For substantial emission reductions to be achieved, however, finance needs to begin to flow in significant quantities. Estimates by a range of authoritative sources indicate that to halve emissions from deforestation and forest degradation by 2020, it would require spending about US\$25 billion per year on REDD+.

CAN considers that comprehensive mandatory accounting for LULUCF is required in the 2015 agreement. Experience indicates that it takes a long time to negotiate LULUCF rules and that it is vital to agree accounting rules before setting targets. Yet there are currently no negotiations under way in the ADP. Instead, informal negotiations have begun behind closed doors outside of the UNFCCC process. **In Warsaw, a decision is required to begin negotiations on LULUCF rules in the SBSTA with a mandate to report back to the ADP at the following COP.**

In Warsaw, we ask Parties to focus discussions on framing elements that are common to all REDD+ activities such as registries, the relationship between RL/REs and compensation, and safeguard implementation.

The work programme under the COP on REDD+ finance should be extended in Warsaw with a view to it being included in more comprehensive finance provisions under the ADP.

ADAPTATION

Adaptation to the adverse impacts of climate change is now more urgent than ever. While increasing the level of ambition in mitigation actions remains crucial to prevent further dangerous climate change, it is clear that climate change has already started causing catastrophic disasters and its impacts are unavoidable due to past GHG emissions and lock-in for further loss and damage. This totally undermines efforts to ensure the fulfillment of human rights of the poorest and most vulnerable, and protecting them from devastating impacts of climate change.

Increasing near-term ambition

The adaptation agenda under the UNFCCC has made significant progress in the last few years, with the adoption of the Cancun Adaptation Framework, an important milestone and initiation of important processes and institutions. The Adaptation Committee is expected to

develop as the main body for promoting adaptation and ensure coherence under the Convention.

It is no doubt that **action on adaptation and loss and damage has to be significantly scaled-up in the near-term, not only post-2020**. The most **important gaps are related to finance**. Hardly any donor country has achieved the envisaged balance between adaptation and mitigation, including in the fast-start finance period, as agreed in Copenhagen and Cancun. Adaptation finance lags far behind mitigation finance. Both are crucial and need to be expanded rapidly.

At the same time, the Convention process has to contribute to enhanced action on adaptation in all areas of the Cancun Adaptation Framework, with the Adaptation Committee being a key body to identify and propose to the COP further action in areas such as regional cooperation and centers, national institution-building, monitoring and evaluation of adaptation and its support, scaling-up of community and ecosystem-based adaptation, including regional and trans-boundary adaptation approaches, etc. The **first Annual Adaptation Forum, organized by the Adaptation Committee at COP19, should contribute to this call for enhancing near-term action**. All this will also be greatly enhanced through increased financial and technical support, which must also help vulnerable countries to progress on integrating adaptation into their development and poverty reduction planning and activities.

We urge Parties to take **decisions at COP19, which ensure the scaling-up of adaptation actions immediately**, including in the following areas:

Scaling-up adaptation finance immediately: Please see Finance section under chapter

Nairobi Work Programme: agree on a next phase of the NWP which effectively scales-up knowledge sharing and outreach related to it, taking into account in particular the needs and concerns of the particularly vulnerable groups, communities and ecosystems, and the growing experience with adaptation implementation including under the multilateral funds; it will also be crucial to find an efficient and constructive division of labor and cooperation with other bodies, in particular with the Adaptation Committee. **The NWP should inform the work of the AC, which is crucial in order to prepare COP decisions for more ambitious action on adaptation.**

NAPAs and National Adaptation Plans: commit to pursue the full implementation of NAPAs and provide the required support to LDCs, as well as to enhance immediately the support to vulnerable developing countries in preparing their NAPs in the next two years. The process must include coming up with better estimates of the adaptation costs as well as the potential loss and damage from climate change, which will occur due to adequate actions on adaptation and mitigation. The process must not only be limited to the LDCs, but other developing countries should also be supported.

AN INTERNATIONAL MECHANISM ON LOSS & DAMAGE

The world is warming and climate impacts are unfolding at an unprecedented rate, meanwhile governments are failing to mitigate and adapt at a rate sufficient to reduce loss and damage from climate change impacts. As such, loss and damage should be regarded as the third pillar to the UNFCCC framework leading on from mitigation and adaptation. Loss

and damage from the adverse effects of climate change cuts across mitigation and adaptation. Given the continued lack of mitigation ambition and inadequate resources to implement adaptation actions, poor and vulnerable communities and countries are facing the risk of significant loss and damage from climate change impacts. At the same time there is an observable lack of commitment and willingness on the part of developed country governments to live up to their historical and current responsibilities. This continues to be an obstacle for adequately addressing the problem of loss and damage, even if future action will have to take into account globally changing responsibilities. The loss and damage threat is likely to get worse in future, in particular in any scenario with temperature increases in this century beyond 1.5°C and even more so in a 4°C world which seems to be the outcome of existing emission trajectories. There is currently little sign of the political will among the most relevant Parties to take serious their past commitments and move the world on a pathway below 1.5°C temperature increase. The less mitigation ambition will be there and the more losses of lives and properties will incur. The higher the likelihood that more and more individuals, companies and governments will seek compensation for the loss and damage they experience due to this inaction - and probably with increasing judicial success.

There is no doubt: Increasing mitigation ambition and rapidly scaling up adaptation action and support must happen simultaneously to reduce the avoidable loss and damage as soon as possible. But this will no longer be enough due to decades of inadequate mitigation action by developed countries. In addition to this, approaches must be developed to deal with the unavoidable loss and damage and residual impacts caused by sea level rise, ocean acidification, loss of biodiversity, glacial retreat and climate change impacts, including through actions of rehabilitation, and compensatory measures.

Any financial means provided for enhanced action on loss and damage, both economic and non-economic losses, should not come at the expense of pro-active adaptation finance, but must be additional to the already inadequate promise by developed countries of delivering USD 100 billion annually by 2020.

Decision 3/CP.18 taken in Doha has been an important milestone, inter alia by defining the role of the Convention and thereby clarifying that loss and damage will clearly stay on the agenda. However, neglecting the central causal relationship between the lack of mitigation ambition and the increasing risk of loss and damage is a major gap in the decision. It thereby misses addressing key responsibilities for the cause of the problem. It currently does not require governments, especially from developed countries, to live up to these responsibilities nor to make them tackle the responsibilities, including that of non-state actors – first and foremost highly polluting corporations and industries – in their jurisdiction. Any decision taken at COP19 must clearly highlight the increasing risks due to the lack of adequate mitigation action, and address the responsibilities underpinning the problem in line with the principles of the Convention.

Establishing an international mechanism on loss and damage

COP18 decided to establish institutional arrangements on loss and damage, particularly an international mechanism on loss and damage at COP19. Therefore, **establishing an international mechanism to address loss and damage in Warsaw must be key outcome on loss and damage**. Further, modalities and functions of the international mechanism should be agreed by COP20, and it should be fully operationalized by COP21 at the latest. The institutional arrangements must also give high priority to the needs of the poorest and most vulnerable people, communities and ecosystems.

CAN is of the view that **there needs to be a distinct, strong and permanent institutional arrangement at the international level to address loss and damage**, since the problem of loss and damage will continue to grow in the future and the UNFCCC has a leading role to play in addressing it. An international mechanism can and must deliver on this need.

This International mechanism as **a decisive institutional arrangement will also need to provide specific loss and damage perspectives on the inter-linkages between the mitigation ambition and action, the support and action on adaptation**, and the challenges that remain beyond through the loss and damage that might occur. The institutional arrangements should also perform a well-designed coordination between the different bodies addressing issues relevant to the specific perspective of loss and damage, which is required in order to minimise duplication of work and to maximise the efforts of the global communities. An international mechanism on loss and damage can address these institutional requirements, if adequately designed. Its specific role could lie in oversight as well as tackling those issues, which are hardly addressed by others.

The ongoing work programme needs to continue beyond COP19, assuming that operationalization of international mechanism will require some more time. But further action of the Parties should not depend on it. The work programme should seek, in line with the mandate from COP18, to **explore pilot initiatives on approaches to address loss and damage, potential options should include promoting social protection, the consideration of an international Climate Risk Insurance Facility**, which was already mandated in Cancun, and in particular approaches to rehabilitate from loss and damage associated with the adverse effects of climate change. It should also include other financial tools to address loss and damage, which could be pursued and scaled-up by the international community, and which might also be designed in a form that they implement the polluter pays and the historical responsibilities principles.

AGRICULTURE

Agriculture both contributes to and is threatened by climate change – the latter jeopardizing global food security. Smallholders working on approximately 500 million small farms (*located mainly in developing countries*) are particularly vulnerable to climate change – a situation that could potentially render up to nearly two billion rural people food insecure worldwide as well as urban populations supplied by them.

Parties must therefore ensure that **climate policies encompassing agriculture protect and promote food security, biodiversity, gender equitable access to resources, participatory decision-making, the right to food, animal welfare and the rights of indigenous peoples and local populations, while promoting poverty reduction and climate adaptation**. Policies need to support biodiverse, resilient agricultural systems that achieve social and gender equity and are led by small producers. Systems of biodiverse and resilient agriculture need to be developed, demonstrated, tested and implemented so as to transform farming that is currently environmentally, economically, or socially unsustainable into farming that improves ecosystem health, communities and cultures – even in the face of a changing climate.

Climate policies addressing agriculture in developing countries must have adaptation as focus, due to the strong and growing impacts of climate on food security and food production, and the intensifying risk of widespread food insecurity, as well as the key role of

farmers in sustaining ecosystems services. Therefore, CAN **welcomes SBSTA's intent to focus on adaptation at COP 19 in Warsaw**. The SBSTA in-session workshop should:

- **Assess existing adaptation policies** to determine whether they adequately address inequalities and support the most vulnerable, particularly smallholder farmers;
- **Assess the environmental and social integrity of climate policies** in the agricultural sector, including their impacts on food security, gender equity, biodiversity, and animal welfare;
- **Document examples of smallholder farming** that employ sustainable farming techniques, improve soil fertility, conserve natural resources, support biodiversity, reduce dependency on external inputs, raise yields and promote gender equity;
- **Identify agro-ecological practices** that contribute in a sustainable way to enhancing food security, soil health, farmers' seed saving and exchanges, animal welfare and climate resilience;
- **Identify approaches that improve access to information, training and capacity building, enhance interactions among and between farmers and the scientific community, and promote farmer-driven research and innovations to increase the utilization of agro-ecological approaches;**
- **Document the impact of carbon sequestration focused agriculture models/policies and soil carbon markets** on the adaptive capacity of smallholder farmers;
- **Identify policies that avoid and/or phase out perverse incentives and subsidies that have negative climate change related impacts**, for example by promoting the utilization of emission-creating chemical pesticides and synthetic fertilizers, or large-scale, industrial operations;
- should **analyze the specific role of UNFCCC in relation to agriculture policymaking** in other international organizations and decision making bodies such as the UN Food and Agriculture Organisation (FAO) and the Committee on World Food Security so as to ensure coherence as well as to avoid high transaction costs.

SBSTA should use the workshop outcomes to build an open dialogue on SBSTA's next steps to reach the goals listed here, *to include consideration of the possible roles of all the relevant UNFCCC and Kyoto Protocol programmes and financial mechanisms which are necessary for an equitable, food secure, sustainable, and climate resilient agriculture*. **SBSTA should identify scientific and technical research and exchanges necessary to fulfill these goals, and lay out a clear process for approaching them.**