

Canada ADP Submission – June 2014

Canada is pleased to submit its views on the Durban Platform negotiations. This submission focuses on elements of the 2015 agreement; the submission of nationally-determined contributions, including up-front clarifying information; as well as considerations for our work on enhancing pre-2020 ambition.

The March 2014 negotiating session allowed for a constructive discussion, with greater clarity emerging concerning Parties' more specific views on elements of the 2015 agreement. We look forward to continuing this exchange in a comprehensive, yet focused, manner throughout 2014 to allow for the development of draft elements of the 2015 agreement by Lima.

1. Elements of the core text of the 2015 agreement

It is our view that the Paris outcome will be a package consisting of the core agreement itself that would be internationally legally binding, accompanied by a series of COP decisions, as well as Parties' intended nationally determined contributions. The core agreement must be concise and focused on those provisions that will remain unchanged over time.

The accompanying COP decisions will further elaborate upon and support the implementation of the core agreement. Such decisions may include details of a technical nature, including clarity concerning the rules underpinning contributions for the post-2020 period. As Parties will continue their work on these and other details from 2016-2020, it will be necessary to clarify when and how mitigation contributions become final and formally inscribed as part of the broader package.

Our general views on the key elements of the 2015 agreement are elaborated below, anchored in the following key understanding:

- The 2015 agreement will be under the Convention – guided by its principles and provisions, operationalized in a post-2020 context – and applicable to all Parties.
- The agreement must provide a durable framework for action and cooperation that ensures provisions are not subject to continual negotiations.
- The 2015 agreement should also acknowledge the importance of relevant UNFCCC institutions, bodies and mechanisms, and describe their application to a future climate regime.

Mitigation: To achieve the ultimate objective of the Convention, mitigation will need to be at the forefront of the 2015 agreement, with key provisions captured in the core legal text. Among these key provisions, the core legal text should lay out several obligations on mitigation that are common to all Parties, including the following:

- A common legal obligation for all Parties to put forward a nationally-determined contribution to the global effort to limit greenhouse gas emissions, maintained in a national schedule that is supplementary to the core legal text;
- A common obligation for each Party to periodically update its schedule, as well as update other matters that may be elaborated in its nationally-determined contribution to the global effort;
- A common obligation that these contributions should be quantifiable and be accompanied by sufficient information to facilitate their clarity, transparency, and understanding;

The core legal text should also acknowledge that the land sector is an important part of global mitigation and adaptation efforts and countries, and encourage Parties to include the land sector as part of their nationally-determined contributions. Furthermore, the agreement should stipulate that market mechanisms should meet standards of environmental integrity and avoid double-counting.

Transparency and Accounting: The core legal text should outline the commitments that will ensure transparency and that comparability of Parties' progress toward their contributions remains as simple as possible, and allow for flexibility. Among the key provisions related to transparency and accounting, the core legal text should include the following:

- A commitment for all Parties to participate in a common transparency and accounting framework which would allow for visibility of Parties' GHG emissions and action to address climate change;
- A commitment for all Parties to regularly report on their progress toward their nationally determined contributions in line with a common set of reporting guidelines;
- A commitment for all Parties to participate in regular review of this progress; and
- A commitment for Parties using market mechanisms to regularly report on the tracking of carbon units traded between Parties to ensure transparency of effort, in particular that they deliver real, permanent, additional and verified mitigation outcomes.

Specific details of this framework would need to be elaborated from 2016-2020, taking into account lessons learned through existing processes and provisions, in particular the submission of biennial reports and biennial update reports, and the process of international assessment and review and international consultation and analysis. In accordance with current reporting measures, the transparency and accounting framework for the post-2020 period should also encompass reporting on adaptation and means of implementation. The 2015 core agreement could mandate the COP to undertake work to develop guidelines for reporting and review provisions under this common framework.

Adaptation: Regarding adaptation, we believe that a common agreement to continue our work to enhance action on adaptation under the Convention, as provided under existing and relevant arrangements, in particular the Cancun Adaptation Framework, should form part of the core legal text, recognizing the important role of the Convention in this regard. We also believe that the work on Loss and Damage should continue to be anchored in the Cancun Adaptation Framework and be guided by the Warsaw International Mechanism. This work should be undertaken in the context of supporting Parties in their own national efforts to take appropriate actions to increase their resilience to and prepare for the adverse effects of climate change.

The 2015 agreement should also encourage all Parties to develop strategies that support the integrated planning of adaptation actions. The agreement should acknowledge that adaptation should be based upon best available science and knowledge, build on experiences and lessons learned, be implemented largely as a result of integration within existing policies and programs and engage a wide range of decision makers in both the public and private sectors.

Means of implementation: The provision of technology and capacity-building support, and the mobilisation of financing, will continue to play a role in enabling the implementation of a post-2020 agreement, taking into account the evolving capabilities of countries and their growing place in the global economy. The existing financial architecture, both within the UNFCCC and outside, already enables actions on mitigation and adaptation. An increasing number of countries are able to access sufficient flows of finance and investments on affordable terms directly from domestic and international private sources. However, this may not be true for some countries, including the poorest and most vulnerable countries, which face an ongoing need for support to adapt to the impacts of a changing climate.

The 2015 agreement should recognize and promote cooperation among relevant institutions as well as countries at various levels of development and encourage the sharing of capacity and technology and

the provision of support by all Parties in a position to do so. In addition to reiterating that support provided is in the context of meaningful mitigation actions and transparency on implementation, the 2015 agreement should further acknowledge that countries seeking financing to achieve transformative mitigation and adaptation results have the responsibility to dedicate sufficient domestic resources for this purpose, to put in place the conditions to mobilize, attract and absorb climate-related investments, and to report transparently on results achieved with support. Enhanced cooperation among countries could facilitate such efforts in line with sustainable development objectives and support should be provided, where appropriate, to help countries build necessary capacity in this regard.

2. Nationally-determined contributions

An important step in the development of the 2015 agreement will be the submission of nationally determined contributions in 2015, as agreed in Warsaw. Parties' submissions should reflect their contribution to the global effort to limit greenhouse gas emissions, in line with the ultimate objective of the Convention.

While the 2015 agreement will be applicable to all, Parties' contributions under a new agreement will be differentiated to reflect unique national circumstances and capabilities. We recognize that Parties need to continue to grow their economies in order to achieve sustainable development while reducing emissions well into the future. Various domestic factors will shape Parties' efforts to reduce emissions, including for example the structure of their economy, population growth, the cost of abatement, geography and climate. By accommodating a diversity of approaches, in line with Parties' capabilities, the 2015 agreement will maximize participation and ambition.

As agreed in Warsaw, by the end of COP20 Parties will need to identify the type of information that will be submitted along with Parties' nationally determined contributions in 2015 in order to facilitate their clarity, transparency, and understanding, including during an ensuing consultative process. Canada is of the view that this information should include the following key elements:

- Parties should provide a **description of the contribution** according to its type (e.g. absolute emission reduction, emission reduction from business as usual, etc.) with details addressing:
 - Period, including start year and end year;
 - Reference period or base year; and
 - Scope, including coverage of gases and sectors.
- Contributions will need to be quantifiable, and Parties should provide an estimation of the **expected mitigation impact** of their contributions (expressed in MtCO₂e).
- Parties should provide clarity about the specific **assumptions and methodologies** underlying their contributions.
 - Parties should also provide information on how the land sector will be accounted as well as the planned use of market-based mechanisms, and an indication of how they plan to avoid double-counting.

The basic up-front information that countries provide will need to be comprehensive enough to allow for the transparency, clarity and understanding of Parties' contributions, while at the same time recognizing that countries will need to have a degree of flexibility to suit various national circumstances and contribution types. As Parties will have used this information in the analysis and formulation of their contributions, providing this information should not represent an additional burden.

This up-front information could be captured in a common generic template or format that would then greatly assist the ensuing consultative process in 2015. A common template or format would not preclude Parties from providing additional information that they deem essential in presenting their

contribution, including how and why it represents a fair level of effort given their capabilities and national circumstances.

3. Pre-2020 ambition

Technical expert workshops

ADP technical expert meetings, presentations, and roundtables on enhancing pre-2020 ambition can play an important role in facilitating the necessary action to enhance our progress toward the 2°C goal. This type of information exchange can help Parties identify nationally appropriate actions and multilateral initiatives that may be useful tools in their domestic mitigation efforts, and contributes to trust-building and goodwill amongst Parties. To ensure that information generated through these activities flows to those with the necessary levers for taking action, we support the continued participation of stakeholders, including subnational governments and cities, the private sector, other international institutions, and non-governmental organizations, in the meetings, and encourage Parties to consider how best to disseminate this information to key actors, and how to keep the current dialogue open beyond the conclusion of the ADP.

In technical workshops, we should continue to explore practical and cost-effective options for greenhouse gas abatement, and see value in sharing information on regulatory development, how barriers to implementation can be addressed, and how international cooperation can help expand these mitigation efforts worldwide. Parties should continue to have an opportunity to make presentations and upload material on best-practices and lessons learned from their domestic measures.

For example, Canada has developed practical experience during the regulatory development of its Electricity Performance Standard for coal fired electricity, which phases out traditional coal-fired plants. According to the International Energy Agency (IEA), in 2011, coal represented 29% of the world's electricity needs but it accounted for 44% of the global CO₂ emissions due to its heavy carbon content per unit of energy released. For this reason, policies and measures that affect coal use are a fundamental part of controlling global greenhouse gas emissions. In part due to this regulation as well as strong policies and measures at the subnational level, emissions from the Canadian electricity sector are projected to decrease by about 50% between 2005 and 2030. Canada would be pleased to elaborate on our experience with coal fired regulations if a relevant theme was developed under the ADP expert meetings.

As another example, Carbon Capture and Storage (CCS) is a well-known mitigation option for several energy-intensive sectors, such as natural gas processing, oil refining/upgrading, chemicals, iron and steel, cement, and electricity generation. However, according to the IEA, the knowledge gap regarding costs and technical performance of CCS technology remains among the major impediments to its deployment¹. Canada's investment of up to \$4.5 billion on CCS (including federal, provincial and private sector investments) will yield significant information and lessons learned, contributing to advance our collective knowledge. We are already sharing information internationally through discussions under the IEA, the Clean Energy Ministerial, the Canada-US Clean Energy Dialogue, the Carbon Sequestration Leadership Forum and the Global CCS Institute. We welcome the opportunity to exchange with other Parties contemplating the use of CCS in their domestic arenas through the ADP.

¹ International Energy Agency, *Global Action to advance carbon capture and storage - A focus on industrial applications*, 2013

Moving forward, as we continue to hold technical expert meetings on actions with high mitigation potential, it would be useful to focus also on actions to address short-lived climate pollutants (SLCPs), an area where Canada is particularly engaged internationally and that offers considerable potential to enhance our global ambition.

Short lived climate pollutants

Global CO₂ emissions reductions remain the backbone of climate change mitigation efforts. In addition, focusing on measures to reduce short-lived climate pollutants (SLCPs) as well, can lead to substantial climate and health benefits. Given the importance of SLCPs to addressing near-term warming, Parties should consider utilising the ADP discussions and the technical workshops to share information and best practices on this potent source of warming.

The Climate and Clean Air Coalition (CCAC) on Short lived Climate Pollutants (SLCPs) is a result-oriented international cooperative initiative that provides a strong support network to Parties as they test and undertake specific measures in a manner that is both complementary and supplementary to actions taken under the UNFCCC.

SLCP mitigation is garnering increased attention for its potential contribution to effective climate action while addressing other quality of life issues such as air quality. The *Integrated Assessment of Black Carbon and Tropospheric Ozone* released in 2011 by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) identified that near-term global action in key sectors has the potential to slow down the warming expected by 2050 by as much as 0.5 degrees Celsius globally, in addition to reducing crop losses by over 30 million tonnes a year and preventing 7 million deaths per year from indoor and outdoor air pollution. UNEP and WMO further estimate that simultaneous global action to reduce CO₂, black carbon, and methane together is more likely to be successful in limiting expected warming by 2050 to under 2 degrees than strategies focused on CO₂ alone.

More recently, the *Summary for Policymakers* Working Group I contribution to the IPCC Fifth Assessment Report ranked black carbon as the third largest contributor to current warming, following CO₂ and methane.

Cooperation by Parties on SLCP-reducing actions clearly complements cooperation under the UNFCCC as it can result in, or accelerate the achievement of, reductions of GHGs that ultimately will be recognized in countries' inventories and reported under the UNFCCC as part of progress towards national emissions reductions objectives. Cooperation on SLCPs also supplements the UNFCCC by addressing black carbon emissions, which are not included under the UNFCCC but which contribute to near-term warming, especially in sensitive regions such as the Arctic and other glaciated regions such as in the Himalayas and the Andes.

Since its launch, the CCAC has established many sectoral initiatives that complement, or supplement UNFCCC cooperation by focusing on rapid action in significant sectors, including agriculture, heavy duty diesel vehicles and engines, and municipal solid waste, and refrigeration and air conditioning (where HFCs are used).

- The agriculture sector continues to be the largest source of methane emissions and is responsible for significant emissions of black carbon due to open burning practices. At the same time, crop losses from tropospheric ozone exposure are very important, ranging between 7-12 percent for wheat, 6-16 percent for soybean, 3-4 percent for rice, and 3-5 percent for maize.
- Heavy-duty diesel vehicles and engines are a major source of fine particle emissions, a majority of which are black carbon. An estimated 19% of global black carbon emissions come from the transport sector, with a relatively large share from diesel vehicles. Transport emissions,

including emissions from freight, have been steadily on the rise, with more demand for goods produced through global value chains.

- Municipal solid waste landfills are the third largest source of global methane emissions, and open garbage burning emits black carbon and other air toxics as well as greenhouse gases. The World Bank projects that municipal solid waste streams will nearly double worldwide by 2025.
- Emissions of HFCs are increasing rapidly and various studies estimate that these emissions will constitute between 7-19% of total GHG emissions by 2050 under business-as-usual scenarios.

Each initiative has successfully developed robust work plans to reduce emissions, bringing together global best practices and mobilizing resources from many organizations. For example, the Agriculture Initiative has recently launched a technology and capacity building project to radically address the methane emissions from rice production, representing 10% of anthropogenic methane emissions in the agriculture sector globally.

The agriculture sector presents an opportunity to fully integrate short-lived climate pollutants and long-lived climate pollutants. It is also important because of the potential to integrate climate change mitigation and adaptation as well as sustainable development. For example, zero tillage methods can reduce emissions intensity, enhance carbon storage in soils, and reduce wind erosion, thereby improving environmental sustainability and agricultural productivity. This sector warrants international attention and Canada will continue to advocate for a more comprehensive and substantial program of scientific and technical work on agriculture under the UNFCCC. We encourage Parties to utilise the ADP discussion on pre-2020 ambition and the technical workshops as an avenue to foster the discussion on agriculture issues by sharing information and best practices.

Action on HFCs

HFCs emissions are projected to continue to increase substantially over the next decades since they are used as alternatives for ozone-depleting substances controlled by the Montreal Protocol. Due to their very high global warming potentials, a gradual reduction of HFCs would provide the international community with the opportunity to achieve effective GHG mitigation and contribute to both pre-2020 and post-2020 mitigation objectives. Such a phase-down would be complementary to, and supportive of action under the UNFCCC regime.

There are an increasing number of alternative technologies coming to market which enhance the capacity for the HFC phase-down. The Montreal Protocol is the appropriate instrument to undertake this task, as it has the appropriate control regime, expertise and infrastructure to address HFCs, as well as a successful track record in phasing out similar substances in the same sectors where HFCs are used.