

# AUSTRALIA | NORWAY

Submission under the Cancun Agreements | September 2011

Enhanced action on Mitigation | AWG-LCA | AWG-KP

## I. Overview

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This submission contains the views of Australia and Norway on enhanced action on mitigation.

Cancun delivered welcome progress on mitigation. The compilation of Parties' pledges under the Cancun Agreements was a significant achievement<sup>1</sup>. However to meet the global goal of holding temperature rise below 2 degrees, enhanced action on mitigation – including a scaling-up of global ambition – is essential. To fully capture the significance of Parties' targets and actions and set the groundwork for raising ambition, further formalisation and clarification of mitigation efforts is now needed.

The mitigation outcome in Durban should help build an ambitious and legally-binding mitigation framework by further anchoring the Cancun mitigation pledges and stepping up ambition to meet the 2 degrees or lower global goal. The establishment of a common, accommodating, inclusive international accounting framework will also be key to further work on mitigation. It will make it possible to quantify emissions reductions/estimate emissions outcomes for targets and actions respectively.

Substantial decision(s) on mitigation in Durban that clarify the mitigation actions and targets put forward, and set a framework for further work, will contribute to a progressive outcome in Durban encompassing both Convention and Kyoto Protocol tracks. The suggestions and views put forward here do not prejudice outcomes for the Kyoto Protocol. They can be the starting point for a new legally binding agreement capturing targets and actions, whether in parallel to the Kyoto Protocol or as a single treaty for Parties with mitigation targets and actions, both developed and developing. Least developed countries are not expected to take on any legally binding obligations, but should be encouraged to develop low carbon development strategies with international support.

The Durban outcome on mitigation should:

- Reaffirm countries' commitment to implementing their existing mitigation targets and actions as well as continue working for increased ambition to close the mitigation gap;
- Capture information regarding the current pledges and their underlying assumptions – including relevant metrics such as base year or other reference value (BAU, GDP for emissions intensity, etc), covered gases and sectors, duration of commitment – to:
  - Establish a systematic and standardised format for recording targets and actions (eg, in annexes to decisions), that can be updated annually from Durban through 2015 to reflect added detail;

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<sup>1</sup> Included in INF documents FCCC/SB/2011/INF.1 and FCCC/AWGLCA/2011/INF.1 pursuant to paragraphs 36 and 49 of the Cancun Agreements.

- Start a process for quantifying the emission outcomes of the planned targets and actions, and their aggregate impact relative to what is necessary to meet the below 2 degree goal
- Provide transparency that will facilitate comparability of effort
- Begin preparing mitigation targets and actions as inputs to a future legally-binding outcome
- Provide initial and overarching information common to the mitigation actions that are to be submitted to the registry, including clarity about the type of and level of support needed by developing countries to implement these actions (finance, technology, capacity building).
- Establish principles, rules and guidelines for accounting of targets and actions, and decide on further work if necessary;
- Establish a process for periodic scaling-up of ambition levels, in the context of the 2013-2015 Review and beyond; and
- Launch a process to negotiate a new treaty under the Convention.

## **II. Building an ambitious and legally binding mitigation framework**

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Enhanced action on mitigation is essential to meet the global goal of holding temperature rise below 2 degrees Celsius. A legal agreement with binding mitigation commitments by both developed and developing countries, especially from major economies, provides the strongest basis for global mitigation action and increases Parties' confidence that they are part of a committed international effort. This need not include mitigation obligations for the least developed countries. An ambitious and legally binding global mitigation framework should include the following elements:

- a formal way of capturing Parties' targets and actions, including expected emissions outcomes;
- clear rules and transparent information about the basis for accounting for mitigation undertakings, including rules for the accounting of market mechanisms that prevent double-counting; and
- a periodic process for scaling up ambition levels and mitigation efforts over time.

Delivering this framework will involve a process of learning and capacity-building for all countries, but especially developing countries. A stepwise approach from Durban to 2015 will provide time and space for countries to build confidence and capacity and ensure a robust outcome over time:

<b>Time</b>	<b>Decisions/Actions</b>
Durban	<ul style="list-style-type: none"> <li>• Up to, and in Durban: Further submissions from Parties of additional information regarding targets and actions in a standardised format. This should include information on all relevant metrics of the mitigation targets and actions put forward (base year or reference year, gases and sectors, GWP values (if different from those specified in the Fourth Assessment Report), assumptions on rules, target year, averaging or commitment period and projections if relevant).</li> </ul>

	<ul style="list-style-type: none"> <li>• Formalise targets and actions, including additional information, in annexes to a decision and agree to annual updating to 2015, allowing for rapid scaling-up of ambition, including going to higher end targets and actions</li> <li>• Consider modalities and mandate for a periodic process of scaling-up individual mitigation efforts over time, linked to the 2013-2015 review</li> <li>• Adoption of guidelines for biennial reports</li> <li>• Develop principles, guidelines and rules for accounting for targets and actions</li> <li>• Adoption of guidelines for International Consultation and Analysis and International Assessment and Review</li> <li>• Decide to negotiate a new treaty under the Convention</li> </ul>
2012	<ul style="list-style-type: none"> <li>• Develop modalities for a process to subject accounting approaches to international oversight, exploring demands for flexibility according to national circumstances</li> </ul>
2013-2014	<ul style="list-style-type: none"> <li>• Submission of first biennial reports, including additional accounting information, where relevant</li> <li>• Calculate quantified emissions outcomes for developed Parties and estimated emissions outcomes for developing Parties based on the information in Parties' first biennial reports</li> </ul>
2015	<ul style="list-style-type: none"> <li>• Scaling-up process for increasing individual and collective mitigation targets and actions</li> <li>• Embed mitigation targets and actions into a new legally binding Protocol for all Parties</li> </ul>

### **III. Locking in mitigation targets and actions**

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Our current information on the mitigation targets and actions put forward is fragmented. A first step is to get a better understanding of mitigation targets and actions and their underpinning assumptions. In Durban, a decision should anchor Parties' mitigation targets and actions more firmly, for example in annexes or similar documentation attached to decisions, and agree to update these documents annually to 2015. A better understanding of mitigation targets and actions and their underpinning rules is essential to the integrity and ambition of the international climate regime. This will allow us to understand what targets and actions mean in terms of their anticipated emissions impact on the atmosphere and, in turn, track our progress towards our global goal. It will also increase Parties' confidence that others are acting, supporting ambitious domestic action.

#### **Clarifying and formalising pledges for mitigation**

The compilation of Parties' pledges under the Cancun Agreements was a significant achievement. To fully capture the significance of Parties' mitigation targets and actions, further formalisation and clarification is now needed. This process will also clarify what the conditions around the pledges are, and how further mitigation efforts can be undertaken, in particular with respect to developing countries' seeking support for actions.

The next step is to “lock in” mitigation effort by:

- identifying the mitigation targets and actions that *will* happen as distinct from those that remain contingent (for example, because they require international support or further evidence of global action); and
- elucidating the information and rules needed to quantify or estimate what mitigation targets and actions mean in terms of emission reductions.

Parties have already started elaborating and sharing some of this information through the mitigation workshops. We should use the time up to and in Durban to capture this information in a more systematic and standardised fashion. Some information will be relevant for many targets and actions, although there will be necessary variation in the type of detail that is relevant for different types of mitigation targets and actions. Key information will include:

- Actual mitigation target or action/s
- Base year, reference year or other reference value (BAU, GDP trajectory for intensity targets)
- GWP values (if different from those specified in the Fourth Assessment Report)
- Gases and sectors included (for developed country economy-wide targets all gases and sectors would be included)
- Averaging or commitment period
- Assumptions on rules (use of LULUCF and flexible mechanisms).

This information could be collected through providing a template or questionnaire for Parties to complete and included in updated annexes attached to decisions taken at Durban. This information would also be used for the development of a common accounting framework.

To allow Parties to put forward new mitigation targets and actions, or update their existing ones, while the further negotiation process establishes other parts of a common international framework, it would also be useful to decide at Durban to update these annexes annually to 2015. This would also allow Parties to provide more information about their targets and actions, through the regular reporting process or separate submissions.

### **Understanding emissions outcomes**

Another critical element in building a lasting mitigation framework will be clarification of the rules under which mitigation efforts will be implemented, and the quantification or estimation of associated emissions outcomes.

The establishment of a common international framework for accounting for mitigation targets and actions is necessary to provide predictability and estimate overall emissions reductions outcomes. The Convention does not currently have any accounting rules for the implementation of emission reduction targets and actions. An important part of the outcome in Durban should be to establish rules and frameworks for accounting, so that clarity on emissions outcomes and implementation can be achieved. Further elaboration and finalisation of the accounting of countries’ targets and actions could take place through an international process, including considering agreed options.

The accounting framework will need to accommodate the diversity of mitigation targets and actions, while ensuring a coherent and environmentally sound outcome. Common rules will provide transparency, promote a global carbon market and ensure the environmental integrity of any binding climate agreement. Options should be looked at to provide some flexibility, which can take specific national circumstances and capabilities into account.

Parties can begin at Durban by agreeing principles, guidelines and rules to ensure rigorous, robust and transparent accounting of targets and actions, drawing on the rules of the Kyoto Protocol. These can be built on through the biennial reporting process. A process should be started to calculate quantified emissions outcomes for developed countries' targets and estimated quantified emissions outcomes for developing countries' actions, based on agreed rules and frameworks for accounting. In their first biennial report, Parties could put forward further information about their targets and actions. This information will facilitate quantification of the emissions outcomes of targets and estimated emissions outcomes of actions in 2013-2014.

While all countries should quantify their expected emissions outcomes, developed countries will be held accountable to the emissions outcome of their targets; whereas, developing countries would only be bound to implement their actions, not the specific emissions outcome. A common accounting framework for all countries is still necessary to provide understanding and clarity with respect to the overall global emissions.

#### **IV. Increasing mitigation ambition through scaling-up**

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While Parties' current commitments to undertake targets and actions are an important contribution to international climate change action, Australia and Norway recognise that there is a need to scale-up or "load" mitigation ambition over time if we are to reach our long-term climate objectives.

Clarifying and formalising current mitigation commitments will build confidence in the international regime and assist Parties to raise ambition. However, we also need to ensure there is a structured process in place to recognise additional efforts and drive collective ambition forward.

The mitigation framework should provide the opportunity for Parties to add to or enhance their targets and actions as they learn from experience, deepen their capabilities and gain confidence. There should be a regular opportunity to update commitments to mitigation targets and actions when a new action has been pledged or an action seeking international support has secured the relevant kind of support. The process of scaling-up of mitigation action should be predictable, structured and coherent. Predictability in the process and consistency in the expected outcomes will be important for enhancing the international carbon market.

In addition, establishing a periodic, formal negotiating process for all Parties to revisit the mitigation goals would promote higher ambition by leveraging reciprocity, giving Parties an opportunity to understand the efforts of others, and be recognised for raising their own ambition. This process could be linked to the periodic review of progress toward the global goal. The 2013-2015 Review will be the first major opportunity to assess the international ambition level and should lead to a process to consider enhancing targets and actions. The process could be conducted in a dedicated ad-hoc body established under the COP within a pre-determined timeframe, and the results would be

captured in the relevant legally binding agreement. Taking a decision in Durban to start considering the modalities and mandate for such a process would allow time for arrangements to be concluded by the end of the 2013-15 Review.