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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention**

**Second workshop**

**Nairobi, 15–16 November 2006**

**Dialogue working paper 18 (2006)**

**Submission from South Africa\***

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\* This submission was submitted on 5 October 2006 and has been electronically imported in order to make it available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

## SOUTH AFRICA

**Submission by the Government of South Africa to the 2<sup>nd</sup> workshop of the 'Dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention', to be held in Nairobi, 15–16 November 2006**

### **Sustainable Development Policies and Measures**

The principle of sustainable development is well established under the Convention and its instruments. The ultimate objective of the Convention explicitly frames the objective of stabilizing greenhouse gas concentrations in the context of sustainable development, in its often-forgotten second sentence of Article 2: "Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner". One of the underlying principles of the Convention is that Parties have a right to, and should, promote sustainable development (Article 3.4). The Delhi Ministerial Declaration on Climate Change and Sustainable Development (decision 1/CP.8) outlined the importance of linking climate change and sustainable development in both directions – integrating climate policies and measures in national development programmes, and taking climate change considerations into account in national sustainable development strategies in key areas such as water, energy, health, agriculture and biodiversity.

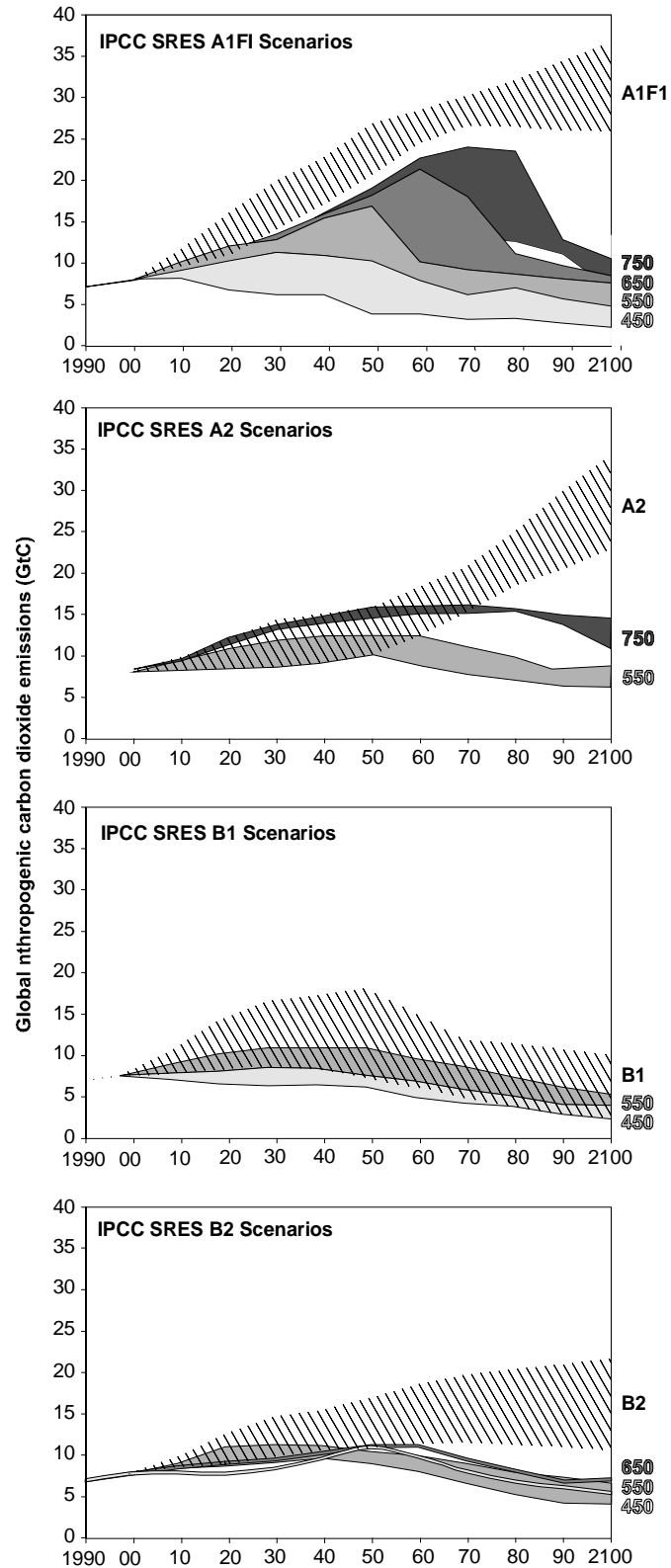
Economic and social development and poverty eradication are the first and overriding priorities of developing country Parties. Sustainable development is critical in delivering improved basic services such as energy, housing, transport, health, food security, eco-services and others. Making development more sustainable can significantly reduce greenhouse gas emissions, compared to what they would otherwise have been. Climate policy on its own will not solve the climate problem.

The co-benefits of making development more sustainable are well-recognised at least since the IPCC's Third Assessment Report (IPCC 2001) and its Special Report on Emission Scenarios (SRES).

Figure 1 shows four of the families of scenarios from the SRES. Each of the striped scenario families represents a different storyline of how global emissions might evolve in future. The SRES scenarios deliberately do not consider policies explicitly aimed at combating climate change. The striped reference scenarios shown in Figure 1 do not include climate policy and are shown together with mitigation scenarios resulting in atmospheric concentrations of CO<sub>2</sub> ranging from 450 to 750 ppmv (various shades).

Figure 1: Comparison of SRES reference emissions scenarios (without climate policy) and 'post-SRES' climate change mitigation scenarios

Source: (Morita & Robinson 2001: 151, fig. 2.14)



Choosing a sustainable development path means that the baseline - or reference – GHG emissions are lower than in other possible futures. Put differently, a more sustainable development path has lower emissions, *even without* any explicit climate policy. The IPCC's Third Assessment Report found that this choice of future 'world' more important than the drivers determining GHG emissions (Morita & Robinson 2001: 142).

The corollary is also true – development objectives can be met in more or less emission-intensive ways. Beginning with one or more future development ambitions it would be possible to describe paths towards those goals (Metz et al. 2002; Winkler et al. 2002). The selected scenarios show clearly that to reach the same atmospheric concentrations, significantly less effort is required if reference emissions are low (in the B family) than if the future world had higher emissions (in the A scenarios). The difference in emissions between the reference case in A1FI and 550 ppmv is much larger than the corresponding difference between B1 reference emissions and a path stabilising at the same level. While we may not know the exact climate outcome of undertaking SD-PAMs, we can say with confidence that we know that making development more sustainable will reduce emissions below what they would otherwise have been.

Clearly, the co-benefits of pursuing sustainable development can make a meaningful contribution to mitigating climate change. The challenge considered in this non-paper is to turn the conceptual link between sustainable development and climate change into a workable approach.

#### **CDM notionally addresses SD, but not effective**

The Clean Development Mechanism should “assist Parties not included in Annex I in achieving sustainable development and in contributing to the ultimate objective of the Convention” (Kyoto Protocol, Article 12.2). The experience of the CDM to date, however, suggests that projects that produce large amounts of emission reductions, such as those targeting F-gases, often have little tangible benefit for local sustainable development, while other projects that have direct benefits for local communities may deliver fewer CERs and are accompanied by high transaction costs.

Thus, although sustainable development is one of the two purposes of the CDM, and of a key concern to developing countries, the CDM only provides monetary incentives for the other, GHG-reduction, purpose (Ellis et al. submitted).

#### **Strategic approach**

A new approach is needed to effectively capture the potential of sustainable development policies and measures (SD-PAMs) in developing countries<sup>1</sup>. The concept sustainable development policies and measures has been explored in the research community, including detailed case studies of policies in several developing countries (Winkler et al. 2002; Bradley et al. 2005; Mwakasonda & Winkler 2005; Dubash & Bradley 2005; Wei-Shiuen & Schipper 2005; Moreira et al. 2005). The approach needs to be elaborated in the context of the multi-lateral negotiations under the Convention, in order to give greater recognition to action taken by developing countries.

The SD-PAMs pledge would build on *existing* commitments of developing countries. Almost all developing countries are signatories to the Convention. Under Article 4.1(b), all Parties commit themselves to ‘formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all greenhouse gases.’

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<sup>1</sup> Annex I Parties could, in principle, also implement SD-PAMs, as long as it is clear that these are no substitute for their Quantified Emission Reduction and Limitation Commitments under the Convention and the Protocol.

By committing to SD-PAMs, a country would pledge to implement policies for sustainable development. Such a pledge would be consistent with Article 10 of the Protocol, which re-affirms existing Convention commitments and aims to 'advance the implementation of these commitments in order to achieve sustainable development'.

The SD-PAMs approach is aimed at stimulating action on climate change in developing countries. A key incentive for developing countries would be the co-benefits of more sustainable local development itself. On its own, SD-PAMs may not be enough to solve the climate problem. It is should be used together with other strategic approaches. And yet there may be those that need to follow an "Empower First" path, while others need to "Cap First" (Sugiyama 2005).

SD-PAM is an attempt to shift the focus from the final outputs to immediate action. It would fit into a general approach of starting to act (on the basis of precaution, despite uncertainty) and then to correct course as one learns from the actions. We believe that changing development paths is a meaningful contribution to mitigating climate change, and that SD-PAMs can be an important element in a transition to an equitable and adequate climate regime.

Implementing such an approach in the context of the Convention would require several questions to be addressed. Parties might wish to comment in general, pose their own question and also reflect on the following questions:

- What might constitute an "SD-PAM" that would be eligible to be pledged under the UNFCCC?
- What process might best be established to pledge eligible SD-PAMs – through a list of countries e.g. in an Annex, or a register of pledged policies and programmes?
- What methodologies exist to quantify both the local sustainable development and climate co-benefits of SD-PAMs? What entity should be asked to collect, develop and compile methodologies on SD-PAMs?
- What metric should be used to compare the climate co-benefits of SD-PAMs to other approaches? How would that allow us to give recognition to DC efforts.
- How might SD-PAMs best be registered?
- Could SD-PAMs be reported and reviewed as part of national communications, or should a separate reporting mechanism be established?
- What potential do SD-PAMs have to attract international funding, from both climate and non-climate sources? Given that SD-PAMs promote local development, can they be expected to mobilise domestic investment? Should adoption of SD-PAMs make countries eligible for expedited access to funding for adaptation and technology transfer?

### **Next steps**

To consider the approach of SD-PAMs, we suggest the following steps could be taken to give consideration to the approach outlined briefly in this non-paper:

- Submissions from Parties could facilitate an initial exchange of views on the potential of SD-PAMs as a strategic approach, experiences with promoting sustainable development in their countries, and the questions outlined above;
- The Secretariat could be asked to organize a workshop / round-table at the next session of the SBI;
- Eventually organize a work programme on SD-PAMs, as one of the outcomes of the Dialogue.

## Further background on SD-PAMs

A number of publications and reports on SD-PAMs have been produced. Many of these can be downloaded from <http://www.erc.uct.ac.za/recentpub.htm> or specific web-sites below.

- Bradley, R, Baumert, K & Pershing, J (Eds) 2005. *Growing in the greenhouse: Protecting the climate by putting development first*. Washington DC, World Resources Institute.  
[http://pubs.wri.org/pubs\\_description.cfm?PubID=4087](http://pubs.wri.org/pubs_description.cfm?PubID=4087).
- Dubash, N & Bradley, R 2005. Pathways to rural electrification in India: Are national goals also an international opportunity? R Bradley, K Baumert and J Pershing (Eds). *Growing in the greenhouse: Protecting the climate by putting development first*. Washington DC, World Resources Institute.
- Ellis, J, Winkler, H, Morlot, J C & Gagnon-Lebrun, F submitted. CDM: Taking stock and looking forward. *Energy Policy*.
- IPCC (Intergovernmental Panel on Climate Change) 2001. Climate Change 2001: Mitigation. Contribution of WG III to the Third Assessment Report of the IPCC. Cambridge, Cambridge University Press for Intergovernmental Panel on Climate Change.
- Metz, B, Berk, M M, Den Elzen, M, De Vries, B & Van Vuuren, D 2002. Towards an equitable global climate change regime: compatibility with Article 2 of the Climate Change Convention and the link with sustainable development. *Climate Policy* 2 (2-3): 211-230.
- Moreira, J R, Nogueira, L A H & Parente, V 2005. Biofuels for transport, development and climate change: Lessons from Brazil. R Bradley, K Baumert and J Pershing (Eds). *Growing in the greenhouse: Protecting the climate by putting development first*. Washington DC, World Resources Institute.
- Morita, T & Robinson, J 2001. Greenhouse gas emission mitigation scenarios and implications. IPCC (Ed). *Climate Change 2001: Mitigation: Contribution of WG III to the Third Assessment Report of the IPCC. Chapter 2*. Intergovernmental Panel on Climate Change, Cambridge University Press: 115-166.
- Mwakasonda, S & Winkler, H 2005. Carbon capture and storage in South Africa. Chapter 6 in. R Bradley, K Baumert and J Pershing (Eds). *Growing in the greenhouse: Protecting the climate by putting development first*. Washington DC, World Resources Institute: 94-109.
- Sugiyama, T (Ed) 2005. *Governing climate: The struggle for a global framework beyond Kyoto*. Winnipeg, Canada, International Institute for Sustainable Development.
- Wei-Shiuen, N & Schipper, L 2005. China motorization trends: Policy options in a world of transport challenges. R Bradley, K Baumert and J Pershing (Eds). *Growing in the greenhouse: Protecting the climate by putting development first*. Washington DC, World Resources Institute.
- Winkler, H, Spalding-Fecher, R, Mwakasonda, S & Davidson, O 2002. Sustainable development policies and measures: starting from development to tackle climate change. K Baumert, O Blanchard, S Llosa and J F Perkaus (Eds). *Building on the Kyoto Protocol: Options for protecting the climate*. Washington DC, World Resources Institute: 61-87.

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