



**Combating Climate Change:
An International Cooperation Framework
Beyond 2012**

Final Version

29th June 2008

**A consensus paper by legislators from the G8 and +5
countries**

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for GLOBE International**

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1. Introduction

This paper was commissioned at the GLOBE G8+5 legislators' meeting in the US Senate, Washington DC, in February 2007. It reflects discussion with G8+5 legislators and business leaders and draws on much existing work including the Pew Centre on Global Climate Change's Pocantico Dialogue¹ and on BASIC's "Sao Paulo" proposal². This latest revision takes into account the outcomes of COP13/MOP3 at Bali in December 2007, specifically the Bali Action Plan³. The paper is set out in four sections: first the principles that might underpin a post-2012 framework; second the possible elements that such a framework might include; third other international processes; and finally a section on next steps.

CLAUSE PARAMOUNT

It is a Clause Paramount of this document that the world can and must maintain human economic development and stabilise atmospheric greenhouse gases at a level that avoids dangerous climate change, informed by robust science; and that these twin objectives can and must be achieved through commitments or actions to increase carbon productivity⁴ – the amount of wealth produced per tonne of CO2 equivalent emitted - that recognise the principle of common but differentiated responsibilities.

2. Principles for a post-2012 framework

There are a number of key principles that should underpin an international post-2012 framework, involving all countries:

2.1 Common But Differentiated Responsibilities

The G8 + 5 together account for 73% of current global greenhouse gas emissions. Further efforts by all of these countries are essential: developed countries should continue to take the lead in reducing greenhouse gas emissions in absolute terms, whilst developing countries should take actions to control their greenhouse gas emissions within the framework of sustainable development.

2.2 **Equity** – agreement on a post-2012 framework on climate change will be possible only if each participating country believes it to be equitable. This assessment is ultimately political but each country will judge equity in terms it believes it can defend both to its own people and to the global community. A post-2012 framework must recognize current, historical and per capita emissions of greenhouse gases, and the differing economic circumstances of developed and developing countries.

2.3 **Flexibility** – a post-2012 framework should accommodate different national strategies and circumstances.

¹ See www.pewclimate.org

² See

http://www.basicproject.net/data/Brazil_%20Sao%20Paulo/sao%20paulo%20proposals%20eng%20summary.PDF

³ For the full text of the Bali Action Plan, see

http://unfccc.int/files/meetings/cop_13/application/pdf/cp_bali_act_p.pdf

⁴ See "The Carbon Productivity Challenge," McKinsey Global Institute (2008), www.mckinsey.com/mgi

2.4 **Urgency** – action is urgently needed to strengthen resilience to the adverse effects of a changing climate, achieve immediate cost-effective emission reductions and assist development and deployment of breakthrough technologies to achieve deeper reductions in the future.

2.5 **Sustainable Development** – there need be no incompatibility between actions that serve development goals, including the Millennium Development Goals, and actions to combat climate change. Climate change should be addressed within the framework of sustainable development to seek economic development and poverty reduction and change the unsustainable pattern of consumption to harmonise economic growth and environmental protection. Developed countries should provide increased financial assistance and transfer technologies to developing countries to help the latter to contribute towards the objective of the UNFCCC.

2.6 **Adaptation** – the world is already experiencing the effects of climate change resulting from historical emissions of greenhouse gases. These impacts are falling most heavily on those least able to cope. Mechanisms are needed urgently to assist all countries, in particular the poorest, to adapt to climate change. Adaptation should, therefore, be given equal priority to mitigation in climate change discussions.

3. Possible elements

Taking into account the principles outlined above, the following elements should form the basis of a post-2012 framework that would enjoy broad support from the international community.

3.1 Long Term Climate Stabilisation

We need to strengthen the way we implement the ultimate objective of the UNFCCC – to achieve the stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. This should be achieved within a timeframe sufficient to safeguard ecosystems, biodiversity, food production and economic development; and to give all sectors of society sufficient confidence to move towards a low carbon economy.

An agreed understanding of an ambitious long-term stabilisation level ought to be used to guide emission reductions, based on the principle of common but differentiated responsibility. Such an agreed level should be expressed in terms of a temperature target, concentration of greenhouse gases in the atmosphere or in terms of global emissions reductions, supported by medium term goals. The long-term stabilisation level should be based on the latest scientific evidence from the IPCC. Legislators from most G8 and +5 countries believe that a global reduction of at least 50% from 1990 levels by 2050 will be required.

However, a lack of such an agreed understanding on a global stabilisation level should not prevent developed countries from undertaking ambitious emission reductions targets. Similarly, developing countries must continue to take nationally appropriate actions within the framework of sustainable development.

3.2 Adaptation

Enhancing efforts to address adaptation in all countries should be a central component of a post-2012 framework and should be given equal priority to mitigation. However, we should recognise that the impacts of climate change will fall most heavily on those countries least able to cope on their own. Therefore industrialised countries should provide additional assistance to developing countries to help them adapt to climate change. The gap between available funds (cUSD37 million per year via the levy on the CDM to supply the Adaptation Fund) and the estimated funding

required (cUSD28-67 billion⁵) for developing countries to adapt to climate change is stark. Policies should be taken forward in three main areas: under the UNFCCC (eg measures to increase the contributions to the Adaptation Fund); ensuring climate change and disaster risk are taken fully into account in determining development aid; and through “climate insurance” eg committing stable additional funding for an international response fund and to support insurance-type approaches to reduce the risk of climate-related losses (see GLOBE’s Adaptation Working Group recommendations for more detail).

3.3 **Creation of a global carbon market**

The private sector, as well as the public sector, will deliver many of the low carbon technologies, products and services required to tackle climate change. The most efficient and powerful way to stimulate private and public investment in research, development and deployment of low carbon technologies is to adopt policies establishing a market value for greenhouse gas emissions in the long term. A post-2012 framework should learn from the experience of the Kyoto mechanisms to strengthen the CDM; and should aim to link the EU’s Emissions Trading Scheme (EU ETS) with planned schemes in the US, Australia and elsewhere, with the overall aim of creating a global carbon market, including broader participation and the involvement of more sectors. Many countries will find other mechanisms such as taxation and mandatory measures appropriate for sectors such as transport or construction.

3.4 **Commitments and Actions**

Action to combat climate change must take account of the circumstances of economies at different stages of development, recognising the need for economic growth and access to energy to alleviate poverty. But climate change is a global issue that should be addressed by the joint efforts of all members of the international community in line with their capabilities and historical responsibilities. In addition, but not as an alternative to binding emissions reduction targets for developed countries, it is important to explore the potential of sectoral approaches as a tool to implement emission reductions commitments or actions and to facilitate technology transfer.

3.4.1 **Commitments for developed countries** (and other willing countries)

Ambitious absolute emission reductions for developed countries must form a central part of a post-2012 framework. These commitments should take into account all net emissions and should include an aggregate reduction target of between 25 and 40 per cent below 1990 levels by 2020 and at least 60-80 per cent below 1990 levels by 2050. Hard targets create demand in the carbon market, providing incentives for innovation and investment into low carbon energy sources, products and services. Developed countries should also provide financial assistance and technology transfer, in a measurable, reportable and verifiable manner, to developing countries to enable the latter’s efforts to mitigate and adapt to climate change.

3.4.2 **Actions for developing economies**

A post-2012 framework should support and encourage equitable contributions from developing economies. Such contributions should include nationally appropriate mitigation actions in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner. Such actions could include incentives to reduce deforestation and strengthen other carbon sinks, sustainable development policies and measures and “no-lose” emission reduction policies.

3.4.3 **Timeframe**

To increase confidence in low carbon investment, reduce risk and remove the need for substantial new negotiations every 5 years, there should be an automatic annual

⁵ According to the UNFCCC: see http://unfccc.int/files/meetings/dialogue/application/pdf/070828_smith.pdf

extension of commitments for developed countries, in line with the agreed understanding of a long term stabilisation level, and medium term targets, with formal compliance at 5 year intervals. Legislators from most G8 and +5 countries suggest that a 5-yearly compliance review could include a review of national circumstances to determine whether commitments and actions should be further enhanced.

3.5 Technology

The aim of the measures outlined above is to drive the research, development, diffusion and deployment of the technology that is essential for combating climate change. The International Energy Agency estimates that, under business as usual, CO₂ emissions will be two and a half times the current levels by 2050. But the IEA's work also demonstrates that by employing technologies that already exist, such as renewable energy, and developing new technologies such as carbon capture and storage, the world can be put onto a more sustainable path. For some countries, nuclear will play a role, taking into account security and proliferation concerns. A post-2012 framework should:

- provide incentives to at least double global financial support for Research and Development;
- create a **new technology fund** to support deployment of existing technologies, including renewables, and capacity building in the developing world, respecting Intellectual Property Rights;
- promote technology transfer via market mechanisms such as the Clean Development Mechanism;
- support the development and deployment of new technologies, including carbon capture and storage (CCS), to reduce the emissions associated with burning fossil fuels;
- promote increased international cooperation on energy efficiency technologies, public procurement, buildings, products and appliances.

3.6 Extending participation beyond national governments

A post-2012 framework ought to promote the participation of specific sectors whose emissions cross international boundaries (eg **international aviation and maritime**) in accordance with the principles of the UNFCCC.

3.7 Strategies for reducing deforestation

Action on deforestation, which is responsible for around 20 per cent of global emissions of greenhouse gases, will be an essential part of the framework. In managing their natural resources sustainably, tropical forested countries have much to gain from potential market mechanisms that deliver a tangible transfer of funds for standing forests. Such market mechanisms should be part of a broader approach to the development of payment for ecosystem services. A necessary first step to delivering genuine forest carbon credits must be based on an increased focus on supporting the sovereign legal framework of each of the forest producing countries. This should lead to further efforts to address unsustainable timber harvesting and result in a forest sector that operates with effective governance and transparency. The private sector should be supported in the transition from progressive timber companies to sustainable forest management companies. In addition measures developed in the GLOBE Yoshino/Gardiner paper on illegal logging should be supported, including the introduction of a global system for recognising and reinforcing the license schemes for legal timber established by source countries and other legislative and market measures.

4. Other international processes

Where it can be supportive of a post-2012 framework, climate change should be considered as a factor in other international processes within the principles of the UNFCCC.

5. Next Steps

Achieving the objectives set out in the Bali Action Plan will be a difficult task, requiring great political will from all countries. In order for such an agreement to be possible, the right political conditions must be created between now and the deadline for agreement. It is therefore essential that legislators from all of the major countries promote: the urgency and seriousness of the issue; the political framework needed to combat climate change, as outlined in this paper; and the level of ambition that must be associated with this framework in order to meet the ultimate objective of the UNFCCC – to avoid dangerous climate change.

The following steps should be taken between now and Copenhagen 2009:

- G8 Summit, Japan, summer 2008: G8 governments inject further momentum to the negotiations.
- Third meeting of the post-2012 negotiations, Ghana, August/September 2008
- COP 14, Poznan, Poland, Dec 2008: negotiations enter final phase
- G8 Summit, Italy, summer 2009: G8 governments send a clear signal about the core elements of a post-2012 framework and that negotiations must be completed at COP 15, Dec 2009.
- COP 15, Copenhagen, Dec 2009: completion of negotiations on a comprehensive post-2012 framework