



Climate Alliance

Response to consultation

Designing the 2015 Global Climate Change Agreement

June 2013

Question 1: How can the 2015 Agreement be designed to ensure that countries can pursue sustainable economic development while encouraging them to do their equitable and fair share in reducing global GHG emissions so that global emissions are put on a pathway that allows us to meet the below 2°C objective? How can we avoid a repeat of the current situation where there is a gap between voluntary pledges and the reductions that are required to keep global temperature increase below 2° C?

During the latest round of UN climate talks in Bonn, a new Report issued by [Climate Action Tracker](#) - 12 June 2013 says that governments are less likely than ever to deliver on the Copenhagen pledges, let alone keep global warming below 2 degrees Celsius. Just two days before this Report, the International Energy Agency was raising awareness that 2012 emissions rose by 1.4%, although there were encouraging signs from the USA and China, the world's largest emitters.

Without any new targets, firm commitments and ambitious mitigation policies climate change is likely to get worse. The EU should be prepared to enter into the negotiations with a clear energy policy including strong and effective targets put in place for the next decade. Therefore the 2030 climate and energy policy framework is crucial and needs to reflect the ambitions needed for Europe to keep its forerunner role in the international negotiations. At the same time coming to an agreement on the 2030 framework at the EU level should not be used as an excuse for not starting the negotiations and making ambitious commitments at the international level.

National governments have agreed to work towards a climate agreement set to be signed in 2015, and Europe is on track to soon achieve the 20 per cent reduction target, so this should already provide a positive signal for the international negotiations, showing that at the European level this is achievable and that this success might be replicated elsewhere in order keep global warming below 2 degrees.

At the same time, the ambition levels could be higher. The Covenant of Mayors initiative launched in 2008 by the European Commission is a great success and accounts almost 5000 local authorities committed going beyond the EU climate and energy targets by 2020. With almost 3000 Sustainable Energy Action Plans under implementation, the Covenant signatories aim at reducing their CO₂ emissions in average by 28 % by 2020. Thus showing the potential emission reduction target in Europe for 2020. The enthusiasm and engagement of European local authorities should be used as an example for setting ambitious climate and energy policies also at the international level. To demonstrate this, Climate Alliance organised last year an event in Doha, together with the German Ministry on Environment and with the support of the DG ENER - the Covenant of Mayors. The event

highlighted the importance of both European level and national level support mechanisms for local climate action. [Further information on Climate Alliance's activities in DOHA](#)

Question 2: How can the 2015 Agreement best ensure the contribution of all major economies and sectors and minimise the potential risk of carbon leakage between highly competitive economies?

The reality of competitiveness concerns must be discussed transparently. The concerns raised by the energy intensive sector on too high energy prices and questions on competitiveness are slowing down the progress on climate and energy policy. There is however very little factual evidence substantiating the claims made by industrial companies. The recent CE Delft study '[Carbon leakage and the future of the EU ETS market](#)' shows that applying more realistic assumptions than those used by the European Commission in 2009, would imply a drastic reduction of the number of sectors deemed at risk of carbon leakage would have fallen from the current 60% of sectors, representing 95% of industrial emissions, to a mere 33% of sectors, accounting for only 10% of emissions.

Question 3: How can the 2015 Agreement most effectively encourage the mainstreaming of climate change in all relevant policy areas? How can it encourage complementary processes and initiatives, including those carried out by non-state actors?

The 2015 agreement will have to bring together the current patchwork of binding and non-binding arrangements under the UN climate convention and the Kyoto Protocol into a single comprehensive regime. Creating wide range action should therefore be one of the objectives, including the recognition of the local action and the important role of local authorities in achieving the national, European and international climate objectives.

Climate Alliance's central message and strategy continues to gain weight. Cities, municipalities and regions must continue to push ahead with the necessary transformations. Networks, cooperation and new alliances are decisive tools in this. Municipalities, cities and regions will become an increasingly important driver for change – including transition into a new energy system. Change is already taking place at the local level. The many activities of [Climate Alliance's members](#) constitute good examples of this. These actions are taking place without international agreements. However, support for local action can accelerate this change as shown in Europe via the [Covenant of Mayors initiative](#) as well as certain national level support schemes.

Question 4: What criteria and principles should guide the determination of an equitable distribution of mitigation commitments of Parties to the 2015 Agreement along a spectrum of commitments that reflect national circumstances are widely perceived as equitable and fair and that are collectively sufficient avoiding any shortfall in ambition? How can the 2015 Agreement capture particular opportunities with respect to specific sectors?

One proposal for an equitable distribution of 'burden' could be to base the mitigation efforts on the GDP. If all countries would dedicate 1-2 % of their GDP for implementation of necessary mitigation actions, the necessary greenhouse gas emission reductions worldwide could be secured. This could be the principle behind when looking for an equitable agreement in 2015.

Question 5: What should be the role of the 2015 Agreement in addressing the adaptation challenge and how should this build on ongoing work under the Convention? How can the 2015 Agreement further incentivise the mainstreaming of adaptation into all relevant policy areas?

The EU wide adaptation strategy has challenges. Adaptation is not yet widely seen as an important part of climate policy and integrated into necessary regulatory procedures. As adaptation is fairly local issue, financial constraints, information gaps, and the lack of resources in measuring future

climate impacts needs to be carefully considered. Associations of local authorities such as Climate Alliance can help to make a link with the overall EU strategy and the local needs. At the international level similar multipliers need to be identified.

In Europe 16 Member States have developed national adaptation strategies so far and 12 national adaptation strategies are under development. Even if adaptation actions can be steered from a national level, implementation will have to be done locally. Local adaptation actions are still fragmented and awareness as well as adaptive capacity is limited. Awareness raising, knowledge sharing and strategic planning from decision and policy makers can overcome these structural barriers. Lessons should also be learnt from the existing local adaptation strategies and projects.¹

Building on the success and experiences of the Covenant of Mayors initiative could form a basis for EU wide action on this issue. Within the context of this new envisaged initiative, local authorities would be asked to commit to certain adaptation efforts, and with the help of the European Commission, a platform to learn and share efforts with likeminded cities would be established. Such an initiative could also serve as a model in other regions around the world.

Taking more ambitious action on mitigation now will lower the costs of adaptation in the future. The Commission estimates that failing to adapt to climate change will cost at least €100 billion a year in 2020, rising to €250bn in 2050.

Question 6: What should be the future role of the Convention and specifically the 2015 Agreement in the decade up to 2030 with respect to finance, market-based mechanisms and technology? How can existing experience be built upon and frameworks further improved?

Market based instruments are not really working. The main achievements of the European energy and climate policies are not due to market based mechanisms, but decisive and ambitious policies.

At the EU level ETS could be a useful instrument and if working adequately, support the CO₂ emission reductions considerably. However, at its current state it functions more as a means to make business than reduce CO₂ emissions. Due to a reduced economic activity and the over-allocation of allowances, the price of carbon in the ETS has gone under €5. There is an urgent need to address the oversupply of allowances and the low carbon price, and implement working solutions. Without an adequate price the target of 80-95% less CO₂ emissions by 2050 will not be accomplished. Therefore also other means and instruments for reducing CO₂ emissions need to be explored. The non-ETS sectors are crucial for reducing the emissions and local authorities can have a significant role in tackling the emissions of the transport and the building sectors.

At the international level several tools were set up (e.g. the “Clean Development Mechanism” and “Joint Implementation” mechanism), which has led to many providers of voluntary compensation and “climate-neutral” products. Also REDD (Reducing Emissions from Deforestation and Forest Degradation) was established to halt the dramatic deforestation, generate profit and contribute to climate protection in forested areas. However, with a very low price for a ton of CO₂ has meant little success for these mechanisms.

The purpose of the Clean Development Mechanism (CDM) was to generate certificates for companies requiring additional pollution rights. Once these certificates generated by projects in developing countries and emerging nations are sold, sustainable development should also simultaneously be boosted in these areas. But what has happened, and what is still happening, is that

¹ For example in the project “SEAP Alps” Climate Alliance has developed a methodology to integrate adaptation into Sustainable Energy action Plans (SEAPs) <http://seap-alps.eu/hp2/Home.htm>

emerging economies such as China, Brazil, India and South Africa, who could have used their own resources to realise projects, have taken advantage of these to boost their economic growth. The world cannot fight climate change without emerging economies fully committing. At the same time almost nothing has been invested in the poorest regions.

REDD+ additionally aimed to generate funds for forest protection via the market. Since 2007, this has been the major ray of hope for many to provide solace for the lack of success in the climate process and arouse high hopes for a newly created billion euro market. Companies were established for project development and the marketing of forest certificates. Indigenous groups around the world were tricked to sign long-term agreements guaranteeing companies the CO₂ marketing rights.

In the resolution of the Climate Alliance General Assembly on 24 May 2012, Climate Alliance members called for an Indigenous REDD solution. This alternative is called “Amazonian Indigenous REDD+” and proposes more effectiveness, efficiency and simplicity, correcting problems found in “Conventional REDD+” with its reductionist approach to carbon, the confusion regarding emission compensation, the dependency on the uncertain “Offset” or carbon credit markets, and the conflicts caused by “carbon cowboys” or “carbon pirates”. Climate Alliance, though successful in the cooperation with several specific projects with Indigenous Peoples, would need to experience an action with a wider scope, acting at the level of the entire Amazonian biome, seeking to have incidence on the global climate change processes.

Question 7: How could the 2015 Agreement further improve transparency and accountability of countries internationally? To what extent will an accounting system have to be standardised globally? How should countries be held accountable when they fail to meet their commitments?

Changes have already been proposed at the EU level on monitoring and reporting greenhouse gas emissions. More emphasis should be placed on following up emissions also at ‘lower levels’ of government and collecting more spatially specific data. The Covenant of Mayors initiative has potential to be able to report widely on local level CO₂ emission reductions in Europe. This methodological approach has been adapted already to Eastern Neighborhood Countries, South Caucasus and Central Asian Countries (CoM East). It will also be adapted to fit the Maghreb and Mashreb areas – and could be adapted globally!

There are some examples of initiatives at the EU level creating partnerships between national governments and local / regional governments with the aim of basing national climate funding to CO₂ emission reductions achieved at the local level.² Such schemes would require a functioning ETS system allowing the distribution of ETS ‘profits’ to the local authorities performing best. Such types of funding schemes would allow moving from project based funding into result oriented funding with more strategic orientation.

Question 8: How could the UN climate negotiating process be improved to better support reaching an inclusive, ambitious, effective and fair 2015 Agreement and ensuring its implementation?

The UN system is the only binding international instrument currently available. With its problems and inefficient processes, it most certainly requires improvement. However, no other international forum exists to enable such an encounter between the political sphere and civil society on a global level, including countries in which democracy is not always practised. Particularly for smaller countries, this is the only opportunity to be heard and to influence binding international decisions.

² Such work has been carried out for example in Norway, Finland and France.

The role of local authorities in the process should be reinforced and a true multi-stakeholder process embraced. The expertise and knowledge of observers should be valued as a resource and a culture of transparency and inclusiveness in the negotiations fostered. This should include creating regular opportunities for interventions from the different constituencies, calling for submissions from observers, opportunities to present in workshops, and opportunities to speak from the floor, in a more structured manner.

Making a clearer link between the climate challenge – and the economic implications would also help. Global Climate Agreement should also be seen something positive and an opportunity from the economic point of view. The economic issues should be discussed with the finance and other relevant ministers, engaging them into the process more actively. In addition, the global climate agreement will certainly be discussed in other forums such as the G8. More direct links between the climate negotiations and such discussions should be explored.

Careful planning is needed. The negotiating text needs to be available early by May 2015 (or earlier) with as much detail as possible, including the ambition level and the means needed for implementation. The experience of Copenhagen demonstrates that there are certain decisions that will only be taken at the Head of Government level. These could include decisions on the legal form of the 2015 agreement, the levels of ambition for each country and decisions around means of implementation, especially provision of climate finance. These are complex and interlinked decisions and as a result, they cannot be discussed during the last night of the negotiations. There is a need to ensure that leaders are able to contribute to the process in a timely manner. And to ensure that all parties have sufficient understanding and knowledge of the issues on the table and the opportunities for discussion with each other.

Question 9: How can the EU best invest in and support processes and initiatives outside the Convention to pave the way for an ambitious and effective 2015 agreement?

The EU is on course to meet its goal to reduce its greenhouse gas emissions by 20 % in 2020 compared with 1990 levels but Member States still remain divided over the need for stricter climate policies. For example Poland blocked a statement by energy ministers March 9 on post-2020 emission reduction goals; and this is the country due to host the next COP this year.

The negotiations towards the 2015 agreement are not likely to be easy. Therefore European institutions should consider local authorities as an important ally in both shaping and implementing the EU wide climate and energy policies – now and in light of the 2030 framework. Initiatives such as Covenant of Mayors should be continued and reinforced with other initiatives supporting local action and providing targeted financing.

Local authorities are ready to support the EU in the negotiations and prepared to set more ambitious targets for 2030. Lead by the success of the Covenant of Mayors initiative the support and enthusiasm of local level could help raising ambition also at the international level.

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[Climate Alliance](#) is the largest European local government network dedicated to local climate policies. The association represents some 1,700 European local authorities in 20 countries committed to ambitious target of reducing their greenhouse gas emissions by 10 percent every five years. Climate Alliance supports its members via various activities. It develops instruments and tools to help members in setting up local climate strategies, organises exchanges of experiences, coordinates European projects with and for its member cities and represents its members interests at national and European levels.