

MINISTRY OF THE ENVIRONMENT OF THE CZECH REPUBLIC CONTRIBUTION

TO THE

**CONSULTATION ON THE 2015 INTERNATIONAL CLIMATE CHANGE AGREEMENT: SHAPING
INTERNATIONAL CLIMATE POLICY BEYOND 2020¹**

26/03/2013 - 26/06/2013

The Czech Republic supports adoption of a new international legally binding agreement in the form of protocol to the Convention by 2015. It is necessary that the new legally binding agreement is adopted no later than in 2015 in order to enter into force by 2020. It should cover all major economies and emitters, including both from developed and developing countries. Without a new binding agreement or a protocol, with a broad coverage and involvement of all parties, the global effort on climate change will be fragmented and will not be sufficient to really change the recent trends of increasing global GHG emissions. Therefore the Czech Republic supports the EU in the ongoing discussions and work towards the 2015 agreement. This agreement should overcome division between developed and developing countries from the 1990s which no longer exists in the same form. Responsibility for global GHG emissions should be broadened with respect to CBDR & RC principles.

- 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?*

It is clear that the current regime with Kyoto protocol's second commitment period covering less than 15 % of present global CO₂ emissions is not an option for the future. Lack of interest from major emitters (outside EU) to offer similar level of ambition and transparency towards international community threatens ability of the Convention to sufficiently deliver on the 2 degree Celsius objective. In this respect, it is crucial to identify and accept changes in the geopolitical and economic structure that have occurred since the adoption of the Convention (UNFCCC) in 1992.

- 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?*

¹ http://ec.europa.eu/clima/consultations/0020/index_en.htm

The 2015 Agreement should reflect growing share of emerging economies on global GHG emissions (see above), and rising risk of carbon leakage due to ever increasing volume of international trade. Carbon leakage limitation is a priority for the Czech Republic as a significant share of its GDP is formed by industry. Commitments by individual countries should therefore effectively combine *bottom-up* and *top-down* approaches. In this regard *stepwise approach* should be explored further as one possible option.

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 has to reflect climate and environmental objectives and global economic and social challenges at the same time. In order to gain support from businesses and citizens in the Member States it needs to facilitate necessary investments and R&D into new low-carbon technologies, support economic growth, avoid undermining affordability of energy services, secure well-being and find functional response to carbon leakage, which will not threaten domestic industries and jobs.

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?*

Having in mind that the future regime will be effective after 2020, special attention should be paid to the flexibility of the 2015 Agreement. Its objectives and measures need to reflect varying social and economic conditions across the World. (Actual) GHG emissions and economic performance should be the key variables when defining future commitments. Therefore, with respect to the level of ambition needed for delivering on the 2 degree target, the 2015 Agreement objectives need to secure enough space for all parties to design their individual policies with respect to climate, geographic, social and economic conditions (*bottom-up approach*). Countries need to have a space to adopt various economic measures such as carbon markets; international support should help facilitate linkages among individual schemes and create international standards in this respect.

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?*

Adaptation measures should reflect uncertainties with respect to the trajectory of global GHG emissions growth in the future and therefore also expected impacts of climate change in various sectors of global economy. Special support should be given to measures with multiple benefits (climate change adaptation, environment protection, water management, regional development, agriculture, health, etc.). There has to be clear connection to other building blocks of the new 2015 Agreement. We shouldn't be looking for universal solution, as adaptation measures have to reflect concrete regional and climate conditions.

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?*

Carbon markets (when properly designed) are cost-effective tools to support investment into low-carbon technologies. EU has a comparative advantage in this respect and within UNFCCC it should support introduction and linking of existing Emission Trading Schemes (ETS). Creation of partnerships on linking different ETs (within or outside UN) might be helpful example of deepened international cooperation and serve as a useful platform to exchange experience with different designs. Deployment of common rules and standards can facilitate mutual trust and promote better emission verification and reporting. The Czech Republic does not have a final position on climate finance after 2020. It is obvious that more and more countries should join the donor community; at the same time financial assistance should be targeted to limited number of countries (particularly LDCs). So far the Czech Republic has supported focus on the present pledges delivery and prefers combination of public, private and innovative sources of financing, while using both bilateral and multilateral channels.

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?*

The Czech Republic supports actions to enhance transparency of the UNFCCC with respect to Measuring, Reporting and Verification (MRV) which is a basis for trust among parties and it is necessary for the Convention to meet its targets. The Czech Republic sees the Kyoto Protocol rules and its two implementation periods as an important experience which can help to inspire necessary level of transparency of the new agreement or protocol. Involvement of important players in the future regime should not be prevented by excessive rigidity in this area, however one tonne of CO₂ in Europe must be equal to one tonne of CO₂ all around the World and this main rule must be secured.

We see MRV development of rules, which has been adopted by parties so far (especially in 2010 and 2011), as sufficient and flexible enough. On the other hand, future commitments should be comparable and there needs to be some certainty regarding their fulfilment. Special attention should be paid when designing global carbon market.

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 Czech Republic sees discussions within the Ad hoc Working Group on the Durban Platform for Enhanced Action (AWG-ADP) as an important approach towards preparation of the 2015 Agreement. We do not see a major revision of the processes within UNFCCC and current negotiations procedures as very likely mainly due to time constrains. Nevertheless, the Czech Republic is ready to discuss measures which have potential to make the current system more effective and flexible (e.g. more time dedicated to informal sessions at the expense of formal plenary meetings, more technical sessions on expert level, etc.). Generally we do not support creation of any new organisations (bodies), platforms or funds. On the contrary, we support making use of existing bodies or even limiting quantity of various institutions already in place.

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 should, on regular basis, assess the progress and its role in international climate change negotiations. As reflected also by the Commission's consultative communication, EU needs to take into account its decreasing share in global GHG emissions and especially the risk of carbon leakage. Other UN processes can represent useful additional platforms where various aspects of climate change, sustainable development and green economy are discussed. At the same time attention should be paid to the effectiveness of these meetings and a capacity of different UN bodies to exchange insight.

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