

The 2015 International Climate Change Agreement: Shaping international climate policy beyond 2020

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 degrees 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 degrees C?

A comprehensive global systems analysis is needed in order to find out a cost-effective effort sharing of emissions reductions for all countries. In this analysis local circumstances in each country must be taken into account such as climate conditions, natural resources, financial resources and social capacity. There should be schemes for technology transfer, capacity building and financial aid for economically weaker countries in order to encourage them to implement their share of emissions reduction. This procedure should lead to an equitable and fair effort sharing that should be acceptable to all countries.

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?

There should be strict rules against non-compliance in the Agreement. Carbon dumping should be prevented by making appropriate rules within the WTO so that no country can take advantage over the others by neglecting the emission reduction commitments. There should be sanctions against those countries that violate the rules.

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?

Countries should be encouraged by low carbon technology transfer programs. These should include capacity building and technical assistance programs for developing countries. The role of World Bank and other financial institutions should be emphasized in order to create sustainable pathways for those countries that need support. Public private partnerships may also provide valuable means in creating complementary processes and initiatives.

#### 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?

In determination of an equitable effort sharing, it is important to utilize adequate global systems analysis that takes local circumstances into account. One competent institute capable of performing such an analysis is IIASA (International Institute for Applied Systems Analysis). There are different resources, climate conditions, technical and financial capacities in different countries and these must be taken into account when assessing the most cost effective effort sharing for all countries. Simultaneously there should be sector specific calculations in order to capture the potentials of each sector in reducing emissions (e.g. benchmarking the best available technologies in energy intensive industries like steel, paper and pulp and the chemical industries).

#### Question 5:

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

Adaptation measures are important especially for developing countries where the problems of availability of fresh water, erosion, deforestation and sustainable agriculture are interlinked. There should be projects for re-forestation and erosion prevention integrated in the implementation of adaptation measures within the Agreement. Again, it is important to use the World Bank and other financial institutions to ensure the necessary funding of these projects.

#### 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?

The most important thing is the setting of carbon price globally. There are several alternatives: cap&trade emission trading, sectoral baseline&credit emission trading based on benchmarks, global carbon tax. When emission allowances are auctioned or carbon taxes collected, these funds should be used to finance initiatives for transfer of low carbon technologies and sustainable adaptation measures.

#### 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 standardized globally? How should countries be held accountable when they fail to meet their commitments?

It is of utmost importance that G20 countries build a credible and reliable accounting system that can be extended to form the basis for a global and standardized system. When G20 is committed to binding global Agreement, there is a great majority of world's economic power and also a great majority of emissions to be reduced within the Agreement. This must be achieved first. In the Agreement there must be sanctions against carbon dumping and it must be avoided by incorporating the rules in the WTO process as any other violations of rules of international trade. This is how carbon leakage can be avoided. For developing countries there should be incentives like technology transfer, capacity building and re-forestation projects in order to get their commitment to the Agreement. Failure in meeting the commitment shall lead to reduction of financial assistance.

#### 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?

G20 should be given the biggest responsibility, because it represents an overwhelming economic capacity and by far the majority of emissions. Other countries shall follow automatically when the global implementation of the Agreement includes effective sanctions. Violations of the Agreement should be taken up in the WTO process like any other braking of the rules of international trade.

#### Question 9:

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

It is important that the EU prepares the 2030 framework for climate and energy policy before the 2015 meeting. In this framework only carbon reduction target should be legally binding provided that the Agreement is reached. If there is no global and legally binding agreement in Paris in 2015, the EU must withdraw its commitment and refrain from adopting more stringent climate and energy policies unilaterally. The 2030 framework should be regarded as an offer delivered by EU in order to speed up the negotiations. If the Agreement is reached, then EU adopts the 2030 framework with new binding reduction target for carbon dioxide and new indicative targets for increasing the share of renewable energy and for promoting energy efficiency by 2030. The other targets are important, because they alleviate the pressure on the price of carbon allowances from abrupt increases when the economic growth starts again. Indicative targets for renewables and energy efficiency demand that Member States have national programs for increasing the share of renewable energy and for energy efficiency by 2030. They must report on progress of these programs to the Commission regularly.