

Consultation on the 2015 International Climate Change Agreement: Shaping international climate policy beyond 2020

Response submitted by:

Kehitysyhteistyöjärjestöjen EU-yhdistys Kehys/
The Finnish NGDO Platform to the EU Kehys
Töölönatorinkatu 2 B, 5th floor
00260 Helsinki
Finland

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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?

In order to avoid a gap between voluntary pledges and required reductions which is currently happening, we need increased political will and commitment to make climate change a priority issue in actual decision-making and in actions taking place. Not only is climate change posing problems to developed nations' economies, they are posing a serious threat to developing countries, making the global effort to eradicate poverty and promote sustainable development on a global scale useless.

Year 2012 was a year of extreme weather which provided a glimpse into what dangerous climate change looks like - from severe droughts in the United States, Sahel, East Africa to heat waves in Australia. According to the most recent DARA Climate Vulnerability Monitor, in 2010 nearly five million lives were lost to the impacts of climate change. The report estimates that this will be six million per year by 2030, and that 90 per cent of victims will be from developing countries, in particular least developed countries. The most recent UNEP 'Emissions Gap' report shows an alarming gap between projected global emissions in 2020 and the UNFCCC's goal of keeping global warming below 2°C - not to mention the 1.5°C which is vital to the survival of many developing countries and small island states. Keeping global temperature rises within safe thresholds will require a paradigm shift to low carbon emission pathways in both developed and developing countries. This is why we need to act now and make sure climate change is a number one priority.

One of the biggest stumbling blocks to agreeing sufficient ambition is the failure to consider equity principles for a global effort sharing agreement - an equitable approach to sharing the costs of mitigation and adaptation amongst countries. Countries are concerned that they will be asked to do more than is their fair share, and fear that other countries will 'free ride' off their efforts. We believe that a common understanding of fair shares can help overcome this trust barrier and lead to higher ambition levels from all Parties. We also firmly believe that if the 2015 negotiations are to be successful, countries must urgently work towards a common understanding of equitable burden sharing. We believe that this can be done through a process of exploring (and agreeing) a number of equity principles and indicators.

What we need is a global cap on emissions, a plan for achieving this, a schedule and accountability measures to ensure its effective implementation. During economic challenges, it is crucial to invest in and create solutions, which are not short term solutions causing more problems in the long run, but which are sustainable and create long term benefits. The internationally legally binding protocol now under negotiation must include common and accurate accounting, MRV, strong compliance and enforcement, all respecting the principles of equity, including CBDRRC. It must have fair targets and actions that are consistent with the strong likelihood of meeting a 2°C global carbon budget.

In order to avoid the repetition of a gap between the required efforts and what countries currently seem willing to engage too in the post-2020 era, we need to effectively face up to a top-down science based approach, informed by and differentiated according to different

national circumstances and capacities. The upcoming publication of the IPCC Fifth Assessment Report will be an historical opportunity in this regard and we should make full use of it to shape the discussions on commitments around what is required by science.

More specifically the Agreement should:

- Increase energy efficiency of production and services, including building industry, transport industry and energy market (it is estimated that on average, existing coal-fired power plants convert only 37% of the energy in its fuels to useful energy; the rest is lost as heat - gas-fired power plants convert 50% and biomass power plants 26%)
- Promote strong investments in transport sector: transportation accounts for approximately 13 % of greenhouse gas emissions and as it is estimated that almost 50 % of current vehicles in traffic will still be up and running in 2020, any new vehicles must contribute substantially to the reduction of GHG emissions stemming from transport
- Promote consumer behaviour changes through increased awareness and incentives towards low-carbon behaviour (including pricing based on emissions)
- Cut emissions in all sectors in an equitable way
- Reduce also greenhouse gases which are non-carbon dioxide (e.g. methane and nitrous oxide) from waste, industry and agriculture

While the EU has a multitude of climate and energy policies in place that have contributed to substantial emission reductions, the EU can still further reduce its emissions and play its part in reducing the gap mentioned in the question. This reduction should take place through using the existing agreements, mechanisms and consensus in all 27 member states as well as taking forward policies currently being discussed and reviewed (including structural reform of the ETS, review of the Energy Efficiency Directive and Renewable Energy Directive etc). While the EU cannot close the gap by itself, it is crucial that the Union shows leadership and political will to work towards more sustainable future through demonstrating that reductions that acknowledge and are in line with equitable effort sharing model and go beyond the currently agreed limits are possible.

Two and half years is a very short time for building the political will and conditions for all countries to be able to agree to a legally binding protocol that would keep warming below 2°C. Therefore we urge as much as possible to be done already during 2013. As a first step on the road to the COP-19 in Warsaw we need to develop an understanding what is the scale of reductions necessary for the post-2020 framework, and the work on an Equity Reference Framework must begin simultaneously (see answer to question 4).

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?

By now, all actors should realize the fact that while one actor produces emissions, the consequences are suffered by everyone. Emissions know no national or industrial boundaries. Depending on the actor, the reduction of emission could be seen to have benefits and costs. The major 'benefit' of emissions reduction is that it can reduce the expected losses caused by global warming. The cost of a country's emissions reduction is reflected mainly in its decreasing output or increasing input. Due to the mobility of greenhouse gases, a particular country bears the full costs of emissions reduction itself,

while all countries share the benefits. Therefore, no country has sufficient incentive to unilaterally reduce its emissions. The main problem is that all want to be free riders. Consequently, it is difficult to achieve a rational result of global cooperation to reduce emissions. However, this does not mean it is not achievable or it should not be pushed for.

Crucial element of the 2015 agreement is that it must be based on fairness and sustainability, and it must not be diluted into a weak plan to allure signatories from states not willing to fully commit themselves to the plan. In terms of competitiveness, taking the lead in emission cuts will in the long run turn-out to be of competitive advantage for economies that commit to low carbon trajectories.

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?

Mainstreaming climate change in all relevant policy areas has its difficulties:

- The number of international (environmental) treaties and the institutional density on the international level has increased dramatically, which means implementing climate change into different regimes, with their own rules, dynamics, culture and ambitions may lead to friction
- Existing international policy frameworks are usually not designed to promote mainstreaming and the organisational structures with their vested interests complicate this further resulting in lack of cooperation, coordination and joint decision-making on different levels
- Different communities operate on different spatial and time scales, have different priorities and speak different languages which makes communication and coordination difficult
- Climate change is not always synergetic with other policy areas

Ultimately, the best way to ensure mainstreaming of climate action into all sectors and across policy areas is economy wide emission reduction targets. The UNFCCC should not be too prescriptive, but let countries define ways themselves to implement policies that deliver emission reductions.

Establishing emission pathways consistent with the 1.5/2°C limit requires steady transformation of economies away from a high carbon economic growth model. All countries should produce zero emission development strategies that are both visionary and pragmatic, and outline the pathway to near-zero emissions by 2050. For poor countries this should be enabled through appropriate financial and technical support and should be part of the country's overall development planning. Such plans would provide a visionary roadmap and outline a pathway to a low- carbon and climate resilient economy, building upon and be integrated into national development plans or planning processes already in place in many countries. These plans should be developed through a bottom up country- driven process.

These low emission strategies should detail an emissions reduction trajectory through 2020, 2030, and 2040 consistent with near-complete decarbonization by 2050, and be further divided into 5-year emissions reduction budgets, the first of which will be countries targets for the 2020-2024 period, identify the policies and measures to transform all relevant sectors of its economy. Such policies and measures should include early and urgent domestic

action to avoid lock-in of carbon intensive investments and infrastructure and short and medium term energy efficiency and renewable energy targets. They should outline a clear roadmap for investments in clean technology with sustained scaling up of development, diffusion and deployment of clean technologies in the short, medium and long term.

Complementary processes and initiatives, including those carried-out by non-state actors can and should help state actors in achieving and over-achieving their respective emission reduction targets. State-actors must however be responsible for the necessary aggregate reductions as a whole, as any emission reductions achieved through complementary initiatives will be in any case counted towards national inventories.

Both mitigation of and adaptation to climate change require actions to be taken in many sectors of society, although so far this has not happened as hoped. These sectors include, among others, development policy, energy, agriculture, trade and finance, health, disaster risk management. The agreement has the potential to take these measures forward and demonstrate that mainstreaming climate change is possible and also feasible.

For example, in development policy, where poverty eradication is the main goal, mitigation to climate change is needed in order to achieve this goal, as stated in question 1. This requires sound management of natural resources, resource management for sustainable land-use, specific activities aimed at rural and agricultural development and specific measures for climate proofing agricultural practice, also taking into account a future increase in climate related disasters.

In addition, in terms of food production, sustainable land use depends on maintaining environmental functions such as water supply, biodiversity and carbon stocks. Activities crucial to boosting development in rural areas include sustainable agricultural production, small-scale industrial enterprises and sustainable tourism. Measures for sustainable resource management and rural development can also make a contribution to disaster risk management. Incorporating possible future climate changes will be increasingly possible as regional and local projections for climate change patterns improve and contribute to better preparedness.

Possible policy options for mainstreaming climate change mitigation in development policy, agriculture and land use and disaster risk reduction include:

- Support for partner countries for improving government response capacity as part of sustainable development policies
- Support for provision of information and capacity to the most disaster-prone regions and communities to leave them more prepared (especially those recovering from earlier shocks)
- Support for making disaster preparedness part of the national development planning
- Strengthening local capacity and reducing sensitivity risk management and early warning
- Support for capacity in responding to disasters, encouraging affected governments to take a more systematic approach to disaster preparedness
- Payment for ecosystem services if these lead to climate change-proof environmental management (moving subsidies towards rewarding farmers for sustainable land use)

- Mainstreaming adaptation measures in policy frameworks and programmes for poverty reduction and sustainable development mechanisms, using documented “best practices”
- Early warning systems, e.g. aimed at land managers, also helpful in dealing with climate change, soils and sinks
- Reduction of vulnerability of livelihoods, e.g. livelihood diversification
- Increased water use efficiency, improved soil crop management, insurance
- Precision agriculture, improved soil and crop management, climate change resilient crops
- Extensification: enhancing carbon management, zero tillage
- Landscape planning (e.g. to minimise the effects of flash floods)

Possible policy options for mainstreaming climate change in secure energy supply, trade and finance, air quality and health include:

- Energy-saving policies to reduce demand
- Policy package for more efficient and cleaner fossil fuel use and incentives for development of new low-CO₂ coal technologies, also technical cooperation
- Applying renewable energy sources for transport: fuel switch to gas and in the longer term to hydrogen or biomass - countries and parties could be encouraged by helping them to see the interests
- Mass transit systems and vehicle maintenance programmes
- Energy conservation in supply and demand
- Decentralized renewable energy for electricity, cooking and lighting
- Modern energy provision with renewable energy, more efficient heating and cooking techniques
- Include ozone and soot in climate negotiations
- Reduction or elimination of subsidies for fossil fuels, more subsidies for climate-friendly energy supply as part of electricity reform
- Reducing energy consumption so less investment is needed
- Introducing GHG taxes or border tax adjustment to favour climate-friendly investments, goods and services
- Electricity production: Conversion of efficiency improvement
- Renewable electricity; particularly photovoltaic, wind and hydro energy
- Transport: Hybrid electric cars, fuel cell technology, fuel efficiency
- Industry: Energy and material efficiency

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?

Climate change poses a serious challenge to our ability to construct equitable global responses to shared problems. Emissions of greenhouse gases come disproportionately from industrialized countries. Some countries – again predominantly in the industrialized world – are better placed than others to pioneer the technologies, processes, and behavioural changes that will be necessary to mitigate their emissions. Each response option implies a different distribution of effort. Moreover, the most harmful consequences of climate change

are likely to befall the poorest countries: in many cases, not only those least responsible for unleashing them, but also those least equipped to deal with them. Furthermore, in the climate negotiations, the same countries tend to be the least able to make their voices heard, and to assess the implications for their interests of any proposed outcome.

The key principles of an equitable approach should include:

1) The adequacy principle. Proposed regime must be capable of keeping global temperature below the 1,5°C or 2°C.

2) The principle of common but differentiated responsibilities and respective capabilities (CBDRRC). We need a common understanding of equitable effort sharing, one that moves forward to a dynamic approach based on clear principles and indicators – an approach to global differentiation that is adequate to the complexities of the emerging world system. This must give due account to both historical responsibility for the climate problem and the capability to act on it.

One of the main issues in this regard is the polluter pays principle, which needs to be taken into consideration. Those who have had the capacity to produce greenhouse gases into the atmosphere means they must also be the most able to contribute the most to the protection of the atmosphere. Industrialized countries have more access to the technologies necessary to address such problems, and to the capital necessary to develop them and bring them to market. They are better able to put in place the necessary policies, including those linking domestic measures to international commitments, and to innovate in pursuit of national goals. An equitable approach to climate would thus demand more from those most equipped to respond, which the 2015 Agreement should also strive for.

3) The right to sustainable development (and its reach beyond “poverty eradication”). “Equitable access to sustainable development” implies no right to unconstrained emissions; such a misinterpretation would conflict with the fundamental objective of the Convention (to protect the climate system). Adaptation is an integral element of sustainable development.

4) Precautionary Measures. Article 3.3 of the Convention is based on the precautionary principle and requires all countries to take measures to “anticipate, prevent and minimise the causes of climate change and its adverse effects.”

The next step is to look into a set of indicators that properly express these principles, and to build them into an Equity Reference Framework. An Equity Reference Framework together with an understanding of necessary emission reductions should give countries guidance when setting their national targets. At later stage an Equity Reference Framework can be used when scrutinizing when reviewing and improving targets to scale up aggregate commitments until they finally have a set that fairly distributes the effort of holding warming to a manageable 1.5°C or 2°C.

We believe that it is possible to gradually leave the Annexes behind. In their place, over time, we can introduce a dynamic, principle and indicator driven equity reference framework that expresses the notion of common but differentiated effort in a manner that more effectively captures the political and economic realities of the 21st century world.

In addition, the Millennium Development Goals define a set of basic human requirements to be met through shared action and support from those rich enough to provide it. Thus it is crucial that a fair climate change agreement would if possible help, and certainly not undermine, the efforts of the poorest countries to meet the basic needs of their people.

Also, the process of creating such an Agreement must itself be equal - an equitable solution means climate democracy. The Kyoto Protocol illustrates the importance of a fair process. The Kyoto Protocol probably could not have been agreed without methods such as strong chairmanship, crucially intense negotiations, absenteeism of some states, but it has been fragile in part because of them. As the process becomes more demanding on more countries, it will become ever more important for all to feel that their voice in it will be heard. The negotiation process stands a better chance of being accepted as fair if it is transparent for all parties. It should offer equal access to all who believe they have interests at stake in any aspect of the negotiation, and there should be equal room for any Party to press its concerns. Poor countries must have sufficient representation and influence in international climate negotiations. Their voices must particularly be heard, since to mitigate climate change every country must shift to low-emission models for development. Developing countries must be able to set the agenda for international climate negotiations according to their own needs.

The representation and participation of civil societies and vulnerable groups is equally important in international climate work as well as in the shaping of national climate programmes and plans for coping with natural disasters. Small-scale farmers and other local people have a better understanding of the local impacts of climate change and ways to adapt and find sustainable solutions. It is particularly important to get women involved, due to their experiences ensuring their families' food security and water supply, as well as young people and children whose future will be shaped by today's negotiations. Climate work must incorporate channels for genuine and significant dialogues between different organisations, population groups and civil society movements.

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

The 2015 agreement should aim to promote building adaptive capacity, including building awareness, and to increase capacity to take action. It also should guide the adaptation towards reducing risk and sensitivity, for example, of people, natural resources or property as well as increased coping capacity during extreme or damaging events. This means the 2015 Agreement should have a coherent focus on adaptation taking it into consideration prior to and after climate change related incidents.

In addition to single incidents, the Agreement should also promote holistic approach to adaptation. A centralized oversight can provide an overarching framework and strong leadership, and when translated into regional/local involvement, it integrates locally specific issues and increases stakeholder buy-in, which aids implementation. A sector-by-sector approach to risk assessment and strategy implementation is pragmatic, as it maps onto existing structures and stakeholder groups. However, it can also encourage silo working that hinders cross-sectoral learning and the identification of synergies. For this reason, cross-sectoral (horizontal) integration is also important though more difficult to achieve. This is

why a sound and ambitious Agreement is needed. In addition, adaptation is often not treated in isolation by the decision-makers. Climate initiatives have traditionally placed more emphasis on mitigation, and often adaptation has been taken into account later on in the strategy process, which should not be the approach taken in the Agreement.

The Agreement should promote adaptation measures for example in landscape, water and coastal zone biodiversity management, food production and security, disease and financial management and development cooperation. Linkages between adaptation and mitigation policies, the treatment of international impacts and social justice must also be considered in adaptation and thus also in the 2015 Agreement.

Enhanced action on adaptation could be delivered through:

- immediately scaling up of funding for adaptation;
- urgent need to scale-up action on mitigation required by science, in order to limit the adverse effects from climate change, and to scale-up action on adaptation to build up adaptive capacity early on; both strategies will also help to limit loss and damage associated with climate change impacts;
- the immediate design of National adaptation plans (for LDCs and others) and actions to implement key elements provides a key source of learning and information for scaling up adaptation beyond 2020, so enhanced action is required to speed up this process;
- full implementation of priority projects under NAPAs (for LDCs);
- implementation of adaptation actions should be based on a human-rights based approach;
- the ADP process as such should be regularly informed by other bodies such as Adaptation Committee, Adaptation Fund, GCF, International mechanism on Loss and Damage etc. to shape the 2015 agreement.
- consider additional action initiatives, such as a Global Action Plan on Community-based Adaptation which might not be contained in the agreement but could be pursued as concrete initiatives to be pushed by the 2015 political agreements
- adaptation finance on grant-based with direct access, new and additional over and above 0.7% commitment.

The instrument of adaptation should include and partially reaffirm a number of commitments. All Parties must commit to:

- take into account national circumstances;
- scale up adaptation and integrate it into development planning, in accordance with the principles mentioned above;
- prioritize for vulnerable developing countries (but broad definition)
- implement polluter pays principle within their jurisdiction, including as a means to reduce loss and damage
- reduce activities in their jurisdiction which may have an adverse effect on the adaptive capacity of other Parties;
- strengthen integrated approaches to adaptation and mitigation, where appropriate
- promote paradigm shift towards low-carbon and climate-resilient development.

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?

Climate finance is a central ingredient in the global effort to confront climate change. To secure an ambitious global climate agreement in 2015, developed countries will need to demonstrate a track record of year-on-year increases in climate finance over 2012-2015 and a credible pathway for continued increases up to 2020. The current scale and system of climate finance is insufficient to sustain the level of action needed to address climate change today, let alone to meet the intensified challenges of a decade's time. Ensuring strong financial assistance to developing countries post 2020 must therefore be at the heart of any successful global climate agreement in 2015.

All developed countries need to commit to a roadmap for scaling-up global public climate finance and reaching \$100bn per year by 2020, in which the 2015 Agreement can play a role. Agreement must be reached that a minimum of 50% of all public climate finance between now and 2020 will be spent on adaptation. A successful global agreement in 2015 will not only depend on the climate finance provisions for the period after 2020, but crucially, the degree to which developed countries can show demonstrable progress by 2015 in the delivery of their climate finance commitments before 2020. This progress requires: scaling up overall climate finance commitments and ensuring adequate public finance levels; committing to a minimum of 50% of all public climate finance being spent on adaptation; scaling up use of multilateral funds, with a particular focus on the Green Climate Fund, improving transparency and MRV in the provision of climate finance and building developing country capacity.

The EU and its Member States should agree to retain a portion of the EU Emission Trading System allowances at a central level and channel auctioning revenues to the Green Climate Fund, or transfer the allowances to the GCF directly so the GCF monetizes them as needed. Developed countries should take urgent action to redirect fossil fuel subsidies. Developed countries need to address the structures and mechanisms they keep in place that run counter to low carbon development pathways. Many Export Credit Agencies of developed countries continue to finance dirty fossil fuel projects, many times more than renewable energy and energy efficiency investments. Shifting these (publicly guaranteed) investment flows should be a priority in any discussion on leveraging private sector finance for mitigation.

In order for the Agreement to be fair and effective, it needs to include:

- **Adequate, predictable and sustainable funding to ensure certain and timely provision** - Notwithstanding the role of private finance in low-carbon investments, parties must commit to an agreed target for public finance during the period 2020-2025 in accordance with the scale of needs assessed by the Standing Committee which prioritizes the needs of the poorest and most vulnerable recipient countries and communities and includes a dedicated amount for adaptation.
- **Fair disbursement, prioritising the poorest, least developed and most vulnerable countries and communities** - in line with the reviewed distribution of CBDRRC, a broader number of countries must commit to mobilizing climate finance for the needs of the most vulnerable developing countries.
- **A guarantee of an agreed minimum amount of public finance for adaptation**
- **Additions to existing aid commitments** - climate finance commitments provided by developed countries must be recognized and accounted as separate and additional to ODA commitments.

- **Transparent governance with robust MRV of financial support** - the common reporting formats must include significantly more stringent accounting rules and clear definitions to track climate finance flows.
- **Coherence** – all international flows of finance to developing countries must be climate-resilient and compatible with the UNFCCC's new mitigation objectives.
- **Rationality** - with the majority of finance channelled through the Green Climate Fund

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?

In order for countries to know whether they are effectively reducing emissions, transparency and accountability rules are imperative. Opening policy-making up to scrutiny is one of the best ways of ensuring that it works in the interests of the majority as opposed to an influential few. Transparency and accountability will be essential to engage and empower citizens to respond to this challenge, to contribute their ideas and to generate trust, both within and between nations, to enable collective action to work. Transparency and accountability matter for climate change because of the fundamental mismatch of power both within and across nations. Improving transparency and accountability is essential to empower citizens and civil society to ensure that tackling climate change is seen as central to the national interest. It will also be vital to build the necessary trust between nations to take collective action to deliver climate security.

The effects of climate change pose a shared dilemma affecting people across national borders. Climate security is a global public good and, in order to deliver it, action will be required at the national, regional and international levels. The Copenhagen climate change conference led to the creation of the Copenhagen Accord and an extension of the formal parallel negotiations under the Kyoto Protocol and the Long-term Cooperative Action tracks (LCA). While not sufficient, the Accord does set certain international precedents. However, despite these precedents, the Copenhagen Accord will not deliver climate security: it has no legal force and countries' pledges on emissions reductions, even in the best-case scenario, still put the world on a trajectory of 3–4°C of warming. The Copenhagen Accord reflects a lack of confidence that countries can deliver the necessary low-carbon transformation at the scale and on the timescales required.

It is also critical to note that enhancing participation of civil society can lead to positive outcomes, through better and more informed policy decisions and enhancing the links, and thus accountability, between citizens and state. Inside nations, the response to climate change must come from a range of stakeholders including not only governments but also citizens, civil society, academia and business. Empowering individual citizens and civil society to engage in climate action will be critical to creating critical mass. This is one thing the 2015 Agreement should reflect on.

Transparency and accountability will equally be critical in shaping power dynamics between countries. Because solving the collective action problem is at the heart of a successful global climate agenda, increasing trust will be critical to success. Honesty and maturity of countries and their ability to deliver low-carbon development are critical to driving progress. This goes to the centre of the debate on MRV. The transparency and accountability of national

mitigation actions and support for finance, technology and capacity building are necessary to build confidence that parties are fulfilling their commitments. Tackling climate change will require leveraging trillions of dollars of investment (the International Energy Agency estimates that developing and deploying 17 key climate technologies will require an annual average of \$1 trillion of investment between now and 2050) and transparency and accountability are needed to monitor and evaluate the effectiveness and additionality of climate finance.

Transparency and accountability will also matter for the creation and reform of institutions and mechanisms related to both mitigation and adaptation. Through better quality of and access to information, informed policy decisions and engagement can be delivered. This includes existing international institutions such as multilateral development banks, the Adaptation Fund and the Clean Development Mechanism, as well as emerging ones such as an international registry of actions and a technology mechanism. Reform is also occurring at the national level. For example, the UK government is in the process of establishing a Green Investment Bank; the United States has established the Advanced Research Projects Agency – Energy (ARPA-E) with \$400 million of funding Planning Commission in charge of developing a low-carbon strategy to 2025. These approaches will deliver benefits to the extent that they build on robust, transparent and accountable structures and this is what the 2015 should also strive for.

While transparency and accountability play a role to enable low-carbon development, they can also pose potential threats. For example, enhancing transparency and accountability can limit the willingness of organisations to take high risks, for fear of the ramifications i.e. the visibility of failure. In addition, transparency and accountability could also disincentivise actors to contribute towards a low-carbon, resilient pathway. However, an honest and mature dialogue is predicated on the basis of open and transparent information flows: thus, while transparency and accountability do entail potential negative consequences, the overall impact has the potential to be positive.

As a relatively new area of work, less developed than other new frontiers, the opportunities for transparency and accountability have not as yet been fully assessed. Other elements will be essential to success, but exploring new frontiers in transparency and accountability will be critical to delivering four main outcomes:

- **Increasing the level of ambition:** Shaping power dynamics to achieve low-carbon development and to deliver transformative national actions, with provision of scaled-up finance, capacity building and technology transfer support;
- **Creating robust policy-making:** Through enhanced awareness, capacity and participation of civil society and other stakeholders;
- **Building trust and cooperation for rapid action:** Ensuring that countries are willing to take collective action and believing that others will not renege on their commitments; providing a robust system of accountability to manage the difference between genuine errors leading to under-delivery versus deliberate free-riding; and providing confidence to the private sector to invest in climate solutions; and
- **Developing and reforming institutions and mechanisms:** Ensuring effective governance, delivery and anti-corruption measures in a range of areas including MRV, finance, technology cooperation and capacity building.

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?

1. Produce a balanced package from every COP

A clear lesson from Copenhagen is that the ‘nothing is agreed unless everything is agreed’ approach simply cannot deliver in negotiations covering as complex an array of issues as under consideration in the UNFCCC. The ADP will therefore need to be constructed in ways that create balanced packages of agreement at each COP, starting with outcomes from the Warsaw COP.

This should also taking into consideration work being done in other workstreams. The ADP will also need to ensure that it leaves open the possibility of work being done in other workstreams being included in the 2015 Protocol.

2. Detailed negotiating text, with specific commitments, by May 2015

The negotiating text agreed by May 2015 (or earlier) must have full details not only on the structure of the agreement but importantly the ambition of mitigation and support/means of implementation commitments, to ensure delegations come to COP-21 with legal and political authority to adopt a fair and ambitious Protocol. The political homework to effect a “prompt start” of the new Protocol must be done prior to COP21 so that it can take effect immediately and not await entry into force procedures.

3. Ensure Leaders’ Involvement

The experience of Copenhagen demonstrates that there are certain decisions that will only be taken at the Head of Government level. There is a need to ensure that leaders are able to contribute to the process in a timely manner to ensure that they have sufficient understanding of the issues and opportunities for discussion with each other, to make wise decisions commensurate with the levels of action the global climate crisis requires. Ban Ki-moon’s proposed leaders’ meeting in 2014 could be a component of such a process, but other opportunities for leaders to engage need to be considered.

Also, finance and other ministers will need to be engaged in the process more actively as well as the current annual engagement with environment ministers at the COP.

4. Ensure adequate negotiating time

To complete the large amount of work ahead of it on the agreed timelines, the ADP will need to ensure that there is sufficient negotiating time, including intersessional meetings.

5. Embrace multi-stakeholder process

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 NGO interventions, calling for submissions from observers, opportunities to present in workshops, and opportunities to speak from the floor, as has been increasingly offered in the UNFCCC in recent years.

6. Agree a budget for an adequate number of meetings

Parties must agree a budget for an adequate numbers of meetings, including support for at least three delegates from each LDC and low income country with substantial climate impacts e.g. AOSIS and Africa Group to attend formal and informal UNFCCC meetings,

ensure there is representation at meetings of specialist work areas and ensure sufficient budget for positive LDC and AOSIS representation at negotiation meetings hosted by Parties designed to inform the UNFCCC negotiations.

Other possibilities for development include:

- Streamlining the agendas
- Reconsidering the organization of work at the negotiations
- Examining the possibility of using the new bodies (including the Adaptation Committee, Technology Executive Committee and Forum on response measures) to eliminate agenda overlaps on issues such as adaptation, technology and response measures

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?

For the 2015 agreement to have a chance of adequately tackling the climate challenge facing us, an active and ambitious input from the EU is crucially important. The EU's best leverage to ensure a successful global agreement on climate change in 2015 will be its domestic post-2020 climate and energy policy. This will need to reflect the EU's fair share of the global effort and to be agreed well in time before the Ban Ki-moon meeting in autumn 2014.

At the moment, the EU, while claiming it wants to play a leadership role in the international climate negotiations, is not using the opportunity its real emission reductions is offering to drive international negotiations forward. By introducing a higher QELRO the EU could stimulate and/or push other countries to also look at how they can move forward with policies and targets that will help to bridge the gap. By introducing a QELRO of 20%, which adds little or nothing to the current emission reduction pathway, nor adequately reflects the action that is already being taken, the EU is giving wild cards to those countries unwilling to support increased climate action. The EU should concentrate on finding long-term solutions to low-carbon development, and not emphasize "re-industrialization" which is currently taking place, in which short-term competitiveness and cheap energy are put before long-term development and environmental protection.

The Commission emphasizes the need for high ambition as a key ingredient for the 2015 deal. This message is directly targeted at EU governments that continue to protect dirty industries. The EU must take urgent steps to fix the ailing emission trading system and move towards the long-promised 30% cuts in greenhouse gases by 2020 - developing countries will expect nothing less of their European partners in a 2015 global climate deal. The EU must also show, by the next UN climate summit in Warsaw later this year, how they will meet their share of the \$100 billion per year committed at Copenhagen, and work to get the Green Climate Fund fully up and running.