

APRODEV position for COP 17 in Durban

APRODEV is the network of European development agencies related to the World Council of Churches. This paper expresses the views of the APRODEV Working Group on Climate Change and Development. Over the last five years this group has worked with ecumenical organizations like the World Council of Churches and partners in the South to advocate an ambitious, equitable and legally binding climate regime. Being a European network our focus is first and foremost to influence the European Union, Norway and Switzerland.

1. Introduction – Building agreements by bridging the trust gap

Time is running out. While the world's poor continue to experience growing catastrophes caused by or exemplifying the consequences of climate change, the negotiation path towards an equitable, ambitious and legally binding climate regime is far too slow. The recent drought and famine in the Horn of Africa, the flooding in Pakistan and the wildfires in Texas and Australia all make it clear what human consequences a changing climate brings to our planet.

The current climate negotiations are fraught with risks and distrust. Unless enhanced political will from all sides is mustered, we are heading towards a possible breakdown of the multilateral climate regime. APRODEV believes that renewed demonstrable EU leadership alongside more active engagement from other major emitters is a must and a pre-requisite to enable discussions to move forward. Lack of progress on key issues is currently widening the trust gap, in particular between industrialized and developing countries, and reducing the chances of an ambitious and equitable agreement being reached at COP 17. As a first step, Annex 1 Parties need to acknowledge promptly their responsibility for and capability to deal with the climate crisis and to commit urgently to providing the required support for climate action in developing countries.

It is time for the governments of the world to start taking the big decisions. COP 17 in Durban must first and foremost make progress in the negotiations over the future of the Kyoto Protocol (KP). Given the current political constraints in the US, the EU and others must take the lead in moving the multilateral climate regime forward by agreeing a second commitment period for the Kyoto Protocol.

Secondly, Durban must be another substantial stepping stone on the path towards an overarching, equitable, ambitious and legally binding regime for all countries that also secures the right to sustainable development for all. Decisions on finance for climate activities in developing countries, comparable effort for other developed countries as well as mitigation actions by developing countries and a sound system of monitoring, reporting and verification (MRV) must all be part of an outcome under the Long-term Cooperative Action (LCA).

APRODEV is expecting negotiations in Durban to focus on the fulfillment of the Bali Road Map, namely an agreement on a second commitment period under the Kyoto Protocol and a move towards conclusions on the agenda for the Ad-hoc Working Group on Long Term Cooperative Action with a set of decisions including a mandate to conclude those negotiations. APRODEV also expects the Parties to fulfill their obligations under the Cancun Agreements.

APRODEV calls on the South African presidency to conduct the negotiations in an open and transparent way and to allow for full participation of civil society and other stakeholders.

2. Getting the mandate right

APRODEV believes the lack of progress in the negotiations is caused mainly by the fact that some Parties are not honoring the sequencing of the Bali Road Map and by a general lack of political will of many – if not most of the parties – to take the action needed. The stalemate situation is partly caused by the uncertainty about what obligations the US is able and willing to take on, and partly by other Parties – both Annex 1 and non-Annex 1 – who insist on ensuring that their commitments are comparable to those of the US.

APRODEV favours a regime with commitments for all parties, derived from adequately ambitious aggregate targets and based on equitable effort sharing. However, under the current situation and given the absence of sufficient political will, we believe it is first and foremost the obligation of the developed countries, which carry the most significant historical responsibility, to break the impasse.

Hence, APRODEV calls on the EU and other Annex 1 Parties to move forward by agreeing a second commitment period under the KP. The KP is the only legally binding international agreement setting clear targets for greenhouse gas emissions. If the loopholes are closed and the targets increased, the KP can continue to set the standard for the international climate regime. Failing at this point would endanger the multilateral and legally binding climate regime for many years – bringing intolerable risks for those states and populations who are most vulnerable to climate change.

Such political leadership from the EU and others will not only put pressure on the US and other less willing countries to bring their targets under a legally binding treaty, but it will rightfully require remaining Parties to step up their responsibility. Given – and in combination with – a secured continuation of the legal nature of the KP, APRODEV calls on all Parties to agree a mandate to negotiate a legally binding treaty under the LCA based on the Bali Action Plan. We also stress the increasing responsibility of the emerging economies to contribute adequately to a fair, legally binding and ambitious agreement. A system for measuring, reporting and verifying actions from all countries needs to be part of such a mandate.

Furthermore, Parties must agree on the provisional application of the second commitment period pending ratification and entry into force of the second commitment to avoid the looming gap between the current commitment and the subsequent commitment.

APRODEV calls on the EU not to attach any conditionalities to its obligation to accept a second commitment period under the Kyoto Protocol.

3. An amended Kyoto Protocol with a second commitment period

The future of the Kyoto Protocol (KP) is in severe danger. We deeply regret the current US inability to commit legally to international obligations to tackle climate change. However, the US should not hinder the rest of the world to engage actively in climate change actions. We cannot allow the only international legally binding climate regime to fall apart due to stalemate in a few countries. The world

entered these negotiations in 2008 on the condition that the KP alone is not enough to tackle climate change. Four years later we risk losing even what we had.

APRODEV believes that, for the period 2013 to 2017, a second commitment period of the KP, together with a set of decisions (finance, MRV, adaptation, shared vision, REDD+, technology) being adopted under the LCA, could serve as a feasible solution to bridge the gap until finding an agreement for long-term solutions on a future climate architecture that will be an ambitious, equitable and legally binding regime for all Parties in the next phase. We believe it is imperative that all Parties, in these times of a difficult global economic situation, realize the environmental, social and economic opportunities that lie in zero and low carbon development.

The US, Japan, Russia and Canada should, if they are not entering a second commitment period, take on ambitious actions under the LCA, ensuring that the principle of Common But Differentiated Responsibilities and Respective Capabilities is applied.

APRODEV asks for an amendment to the Kyoto Protocol which contains:

- An aggregate target for Annex 1 based on latest science and equity;
- At the very least the high-end of Annex 1 Parties' mitigation targets, as contained in the Cancun agreements, to be inscribed in Annex B of the Kyoto Protocol;
- A reform of the Clean Development Mechanism (CDM) that secures the social and environmental integrity of the mechanism, ensures net emissions reductions, better access for LDCs and other small developing countries, and limits the use of CDM only to the part of a domestic mitigation obligation exceeding 30 per cent from 1990-levels;
- No loopholes like surplus Assigned Amount Units (AAUs) and weak Land Use, Land-Use Change and Forestry (LULUCF) rules.

4. A shared vision, sharing the effort equitably

The Shared Vision should build upon Article 2 ('the ultimate objective') and Article 3.1 of the UNFCCC, in recognition of our common but differentiated responsibility and respective capabilities. Effort sharing principles for finance and mitigation should be based on cumulative historic greenhouse gas emissions since 1990 (responsibility) and ability to pay for the necessary climate protection measures (capacity). An explicit development threshold should be included in any future effort sharing model to secure the right to sustainable development for the poor bearing neither responsibility nor capacity.

Further, the Shared Vision should be based on the precautionary principle and define both mid- and long term targets accordingly. Even a two-degree target brings severe risk of dangerous climate change for many areas of the world and a review of targets based on recent and updated science must be included in the agreement.

Adaptation and mitigation must be treated as equally important and inter-related. Failure to undertake adequate mitigation measures in the near future will lead to future loss of lives and livelihoods and increased adaptation costs. Adaptation is already a necessity in all countries – but in particular in the

most vulnerable ones, and will increase in importance every year. Much enhanced support for adaptation is a key to an equitable agreement.

Annex 1 countries have an obligation to provide adequate, sustainable and predictable finance to enable adaptation and sustainable development in developing countries. Climate finance should be new and additional to Official Development Assistance (ODA) commitments already made.

APRODEV asks for an equitable and adequately ambitious shared vision where:

- The overall aim should be to limit global warming to the least possible (1,5 degrees centigrade). However, we acknowledge that this may prove to be a difficult target given the amount of greenhouse gases already emitted.
- The long term target for developed countries is to reduce their emissions by 95 per cent by 2050 from 1990-levels, with emissions peaking before 2015.
- The long-term target for developing countries is to reduce their emissions by 30 per cent by 2050 from 1990-levels, with technical and financial support from developed countries, with emissions peaking – depending on the country - before 2030.
- A review of targets and commitments is conducted in 2015 based on the latest science available.
- The need for climate finance is continuously evaluated, and mobilization of resources revised.
- The need for development, in the light of the MDGs, is acknowledged and respected.
- Overarching visions on each of the four building blocks of the Bali Action Plan are included.

The EU must acknowledge its historical responsibility, advocate a global goal that will secure a safe and sustainable future for all and agree to share equitably the effort required to meet the goal based on Common But Differentiated Responsibilities (CBDR).

5. Climate finance enabling development for the poor

Success at COP17 will be directly linked to the negotiations on climate finance. APRODEV thus urges the parties to take the following considerations into account and to take a decision on finance at COP17. APRODEV urges COP 17 to adopt a common baseline for measuring additionality to ODA commitments to ensure no double counting and to establish that climate finance, both short term and long term, should be equally divided between mitigation and adaptation. Developed countries are obliged to provide financing under the principle of CBDR under the UNFCCC, and this should be unconditional.

Compensation for the harm from the historical emissions is the responsibility of the developed countries and thus their governments. This should not be left for the private sector to solve. It is important to underline that whether funding is considered public or private is determined by who spends the money and not where it comes from. The 100 bn USD per year in 2020 is far from sufficient and APRODEV acknowledges that private finance will play an important role in climate activities in developing countries. However, APRODEV calls for a thorough analysis of the potential of these sources. Experience shows that private finance is often directed to mitigation rather than adaptation and does not easily reach the least developed countries and the most vulnerable groups. APRODEV encourages the developed countries to initiate dialogue with relevant stakeholders from governments, universities, the private sector and civil society to elaborate how private finance can best be used as climate finance. Private finance is also the responsibility of governments and they must ensure that social and

environmental safeguards are met. Clarification of how much public money should be used to leverage private finance is needed.

Absorptive capacity is frequently used as an argument by developed countries to hold back on funding commitments. APRODEV wants to underline that this can be solved by dropping conditionality on the public sector and give developing countries the room to build the capacity needed. In addition private finance must not be used to level the playing field by adding pressure on developing countries to reduce taxes, investment regulations, feed in tariffs, etc.

APRODEV calls for a decision on finance that includes:

a. Operationalization and Capitalization of the Green Climate Fund:

APRODEV urges COP17 to operationalise the Green Climate Fund to receive the vast majority of long-term finance, with a governance structure that is transparent, regionally balanced and ensures the COP decides policies, program priorities and eligibility criteria.

- It should enable direct access to funds.
- The Fund and its secretariat should be fully independent of any international financial institution or multilateral development bank and, consistent with Article 11 of the UNFCCC as referenced in paragraph 102 of the Cancun Agreement, is under the guidance of and fully accountable to the UNFCCC.
- The role of the trustee should be limited to holding the financial assets of the Green Climate Fund, maintaining appropriate financial records, and preparing financial statements and other reports required by the Board of the Green Climate Fund, in accordance with international fiduciary standards.
- The Fund must guarantee the meaningful participation of a diversity of civil society and community-level organizations. In particular, socio-economic development and gender expertise should be represented throughout the Green Climate Fund structures to ensure that funding is being equitably accessed by both women and men and is reaching the most vulnerable persons and communities, including indigenous peoples, who most urgently need funding.
- A dedicated window for poor countries to access finance for clean energy and low carbon development should be established.

Lastly, it is of great urgency to achieve progress in the negotiations about sources of funding, as institutions without money will be empty shells leading to no result in the global efforts to reduce emissions and enable adaptation.

b. A trajectory for scaling up finance

APRODEV calls for a credible trajectory for scaling up public finance in the period 2013-2020 that builds on the current fast-start commitments of \$10 billion per year in 2010-2012, and increases yearly so that the commitment of \$100 billion by 2020 is met predominantly with public finance. APRODEV stresses the need for a commitment ensuring there is no finance gap in 2013 after the end of the fast-start-finance period. A credible trajectory would include:

- Modalities and timeline for a review of the financial needs to be conducted by 2015 and a following adjustment of the financial obligation of developed countries to raise 100 bn USD a year from 2020 onwards.
- An ambitious Work Program to operationalise supplementary and innovative sources of long-term finance
- Agreement on a further set of public sources needed to meet the financing requirements for climate action under the UNFCCC.

c. Innovative sources

APRODEV urges COP 17 to initiate a process to secure innovative sources of public funding.

- COP17 must agree a clear mandate to negotiate and implement specific innovative sources of public finance and a formula of contributions from each developed country, while addressing developing countries' concerns about potential incidence on their economies.
- Further, COP17 should adopt a decision on international transport under "Sectoral Approaches" that gives guidance to the International Maritime Organisation (IMO) and International Civil Aviation Organisation (ICAO) to address emissions from their respective sectors and ensure that developing countries do not incur net costs as a result of climate protection measures. The same concept is discussed in the report of the High-level Advisory Group on Climate Change Financing (AGF) as ensuring 'no net incidence' on developing countries. Besides achieving appropriate mitigation ambition with relevant reduction targets, any measure should be designed to generate additional and substantial finance for mitigation and adaptation actions in developing countries. The guidance should include an invitation to channel the revenue through the Green Climate Fund.

d. MRV

COP 17 should establish common measurement and reporting formats for financial support by developed countries, including annual 'climate finance inventories', to make comparisons and verification possible and indicators to measure the mitigation and adaptation outcome.

The EU should ensure that there is no finance gap post 2013 and develop a credible trajectory for the scaling up of finance.

The EU must propose an effort sharing framework and commit to paying its fair share of the USD 100 billion a year.

The EU should take the initiative on a mandate to conclude the discussion on sources by COP 18, and should table initiatives on some of the specific sources, e.g. bunkers.

6. Enabling adaptation

Climate change is causing increasing damage that can no longer be avoided through climate protection and against which there are no adaptation measures. Much of this damage is caused by extreme events that occur suddenly, like typhoons in the Caribbean or the Indian Ocean, “floods of the century” like the ones that occurred recently in Pakistan and Thailand, and catastrophic droughts as in the Horn of Africa today. While not each and every one of these natural catastrophes is a direct consequence of climate change, the increased frequency and growing intensity of such extreme events are man-made. Serious damage like harvest shortfalls, shortages of drinking water, the spread of climate-dependent diseases like malaria and dengue fever, and the loss of arable land emerge as climate consequences that take place gradually, like warming, rising sea levels, and salinisation of the soil and groundwater.

In Durban there is an urgent need to step up the focus and commitments on adaptation by agreeing modalities and composition for the Adaptation Committee, including meaningful observer access and participation, so that the Adaptation Committee becomes operational in 2012. Members of the Committee should be adaptation and development experts and include non-governmental stakeholders such as civil society and research organisations with relevant expertise and experience. The committee should have a gender-balanced composition.

APRODEV calls for a decision on adaptation that:

Agrees on further activities under the work program on loss and damage and agrees on a clear mandate to work toward a decision at COP 18, resulting in:

- scaling-up of climate-smart disaster risk reduction and management,
- establishment of an international climate risk insurance mechanism, and
- a rehabilitation mechanism.

Finally, APRODEV calls on all members of the UNFCCC to do their best to keep the climate negotiations within the UN system and maintain the real multilateral process.

We call on the incoming COP Presidency to ensure an open and transparent process that allows for proper stakeholder participation.