Position paper COP 15 - October 2009

A) Introduction

Forum for Environment and Development calls for an increased political will to move ahead in setting wide-ranging domestic and international policies and measures to enhance global mitigation and adaptation efforts, in order to meet the urgency of the climate crisis, and in respect for our global concerns and the future generations. These policies must be based on the following:

- Warming of the climate system, as a consequence of human activity, is unequivocal.
- Deep cuts in global emissions will be required to prevent further dangerous interference with the climate system. Early and urgent action to this end is necessary.
- Developed country Parties must show leadership in mitigation commitments or actions, in supporting developing country Parties in undertaking adaptation measures and nationally appropriate mitigation actions (NAMAs), and in assisting them through the transfer of technology and financial resources to move towards a low-emission development path.
- An economic transition is needed that shifts global economic growth patterns towards a low-emission economy based on more sustainable production and consumption

Shared vision

The shared vision for a new international climate regime must be based on the need to keep global temperature rise below 2˚C, and must set out science based global reduction targets for greenhouse gas emissions that minimize the risk of exceeding this limit, as recommended by the IPCC.[1] The current scientific understanding implies that global reductions of about 85% from 2000 levels by mid-century will be required, with developed countries virtually eliminating its greenhouse gas emissions by 2050. Furthermore, the shared vision must present a coherent framework for collaborative action on adaptation that massively scales up commitment and delivery of adaptation resources and capacity, and must underline the responsibility of developed countries to deliver measurable, reportable and verifiable support to developing countries' efforts to achieve their part of the goals set out by the vision.

B) Technology transfer

Introduction

Technology transfer must be at the heart of any strategy to mitigate as well as to adapt to climate change. Thus far, the industrialised countries have failed to deliver significantly in this respect, which has severely exacerbated the distrust between North and South in negotiations. This scenario will be repeated at the COP 15 in Copenhagen, unless the industrialised countries contribute technological and financial resources to assist developing countries in decarbonising their development and adapting to imminent climate change. The countries in the North have a historical responsibility as

[1] Intergovernmental Panel on Climate Change

well as the required capacity to prevent developing countries from shouldering the added burden imposed by global warming.

At present, there are significant structural obstacles to effective technology transfer, and there is a failure to fundamentally comprehend the kind of measures and institutions required to ensure that climate-related technology is truly passed on. At the national level, there is a need for adaptation technologies (such as drought-resistant inputs for agriculture or efficient methods to filter salt from water and soil) as well as emissions-reducing technologies (e.g. renewable energy and enhanced urban planning). Internationally, there is a lack of tools to link up the multiple technology actors and initiatives at the country level, and of a strategy to use technology and technology transfer in efforts to achieve global emissions targets and adaptation goals. Swift and radical restructuring is called for to remedy these shortcomings.

Forum for Environment and Development suggests the following steps:

National measures:

1) Research into and development of new climate-friendly technology must be intensified at the national level.

2) Climate-friendly technology should count on an enabling context nationally, both through phase-in strategies (including subsidy schemes, public investment and tighter environmental regulations) and by discontinuing all subsides to fossil fuels.

International measures:

1) A separate technological cooperation mechanism should be established under the UN Climate Convention with the minimum responsibilities of:

    a) Overseeing implementation of existing technology commitments (Articles 4.1c, 4.3 and 4.5 in the Climate Convention).

    b) Setting global technology goals both for adaptation and emissions reductions, including greater investment in research and development, knowledge dissemination, and a growing market share for renewable energy.

    c) Developing and implementing action plans for technology to ensure the attainment of global technology goals. This effort might, for instance, be based on national needs analyses, national low-carbon strategies, national adaptation programmes of action (NAPAs), and nationally appropriate mitigation actions (NAMAs).

2) A separate technology fund should be set up with its own channels of finance for research and development, as well as for dissemination and transfer. This fund should constitute a reliable and predictable source of finance for developing countries to take quality-assured initiatives in pursuit of goals that are measurable, reportable and verifiable (MRV), and the resources should be additional to current levels of official development aid.

3) A separate mechanism or process should be established to administer technology-related property rights and patents with the aim of encouraging innovation and enhancing access to

adaptation as well as mitigation. This arrangement should actively cooperate with businesses and institutions in both industrialised and developing countries in order to lay the foundation for greater innovation as well as access.

4) Recognizing that climate change represents a global state of emergency, the patent mechanism should be governed by a separate international declaration on climate technology and rights to be passed by the Parties to the Climate Convention. Such a declaration must affirm that all steps to ensure fast research, development, testing and dissemination of climate-friendly technologies need to be considered without international patent rights being allowed to get in the way. Flexibility, exceptions and limitations in patents may all feature as relevant measures to this end.

C) Emissions reductions

To keep global average temperature from rising more than two degrees Celsius, Norway and other industrialized countries must cut their domestic greenhouse gas emissions by at least 40% by 2020 relative to the 1990 level.

This figure is based on calculations by the IPCC that 25-40% reductions are required to stabilize atmospheric CO_2 concentrations at 450 ppm, which is associated with an increase in global temperature of between 2 and 2.4 degrees Celsius.

In order to minimize global warming as much as possible below the limit of two degrees, we thus ought to cut greenhouse gas emissions by at least 40% and aim for a stabilization target down towards 350 ppm. An emissions cap and emissions reductions need to be enacted swiftly. The release of greenhouse gases into the atmosphere must peak in 2015 and be rapidly cut thereafter.

1) **Who should cut?**

There can be no doubt that the industrialized countries carry historical responsibility for the high concentration of greenhouse gases in the atmosphere. Furthermore, looking at today's per capita emissions, rich countries remain the chief culprits. It will be impossible to get developing countries to accept reducing their emissions, if the Climate Convention's Annex 1 Parties (industrialized countries) fail to demonstrate successful cuts in theirs. Those with the historical responsibility, capital and technological means need to take the lead.

2) Domestic measures: Norway's greenhouse gas emissions

Norway needs to cut its emissions by at least 40% by 2020 relative to the 1990 level. This target does not include CO_2 sequestration in forests or trade in quotas, which ought to be additional.

Norwegian emissions in 1990 were 49.8 million tonnes. Accordingly, a domestic cut of 40% by 2020 relative to 1990 implies that Norway needs to get down to 30 million tonnes.

Implementing the principle of "common but differentiated responsibility and respective capabilities", the Greenhouse Development Rights Framework (GDRs) calculates each country's share of the burden based on its historical emissions since 1990 and its financial strength, while upholding poor people's right to development. According to GDR, Norway should take responsibility for 0.4% of the world's total emissions cuts.

3) Non-Annex 1 Parties (developing countries)

If emissions are to be reduced sufficiently, all countries need to be involved in a future agreement. At the same time, it is essential that industrialized countries demonstrate that they are serious about meeting their obligations before asking developing countries to sign up to the same types of binding, absolute emissions targets. The next round of commitments should help bring about a transition to a low-carbon economy, leading towards greater future emissions reductions, also in the South, albeit without infringing the right to development.

In addition to the emissions reductions mentioned in Annex 1, the two-degree target requires developing countries' emissions until 2020 to rise substantially less steeply than projected under a business-as-usual reference trajectory. Some of this can be achieved by launching initiatives that pay off locally as well, such as greater energy efficiency and so-called no-regrets options. Most such measures depend on financing from industrialized countries.

In order to obtain funds, developing countries should hand in plans identifying the steps to be supported. These should be measurable, reportable and verifiable (MRV). Developing countries' implementation of NAMAs requires access to adequate finance and relevant technologies.

At the same time, some countries hardly emit anything at present. Nevertheless, Least Developed Countries (LDCs) and Small Island Developing States (SIDS) are focusing increasingly on the urgency of bringing down greenhouse gas emissions if their territories are to remain inhabitable in the future. This is yet another important reason to implement domestic cuts in Annex 1 countries.

4) Differentiating between *non-Annex 1* countries

If the Annex 1 countries manage to meet their obligations during the next round of commitments, in succeeding periods the largest and most developed of the non-Annex 1 countries should accept binding targets commensurate with their historical responsibility and financial capacity.

5) LULUCF

The rules under the framework regarding Land Use, Land-Use Change and Forestry (LULUCF) must not serve to undermine Annex 1 countries' commitments. Consequently, the reference levels of LULUCF must be set on the basis of objective criteria rather than conforming to the Parties' own wishes. Reduction obligations at the national level should be adjusted so as to prevent the sum of emissions cuts from being diminished by changes in LULUCF rules.

6) **Offsetting/CDM**

"Offsetting" refers here to Annex 1 countries' permission to meet parts of their national reduction commitments by taking action in non-Annex countries. Offsetting must be kept separate from Annex 1 countries' international obligations to finance emissions reductions in non-Annex 1 countries (in the sense of downward deviation from the business-as-usual reference trajectory).

Forum for Environment and Development wants to see greater restrictions on the scope for offsetting. This should never become an alternative to implementing countries' obligations domestically, but should be limited to a small percentage in terms of an upper ceiling on the amount of tonnes that can be "offset" by reductions elsewhere. In addition, it should be confined to relatively costly reduction measures to avoid undermining developing countries' chances of carrying out cheap measures on their own.

Carbon capture and storage (CCS) may still form part of MRV-supported projects in developing countries, but needs to be kept outside the Clean Development Mechanism (CDM). This is because CCS would undermine the CDM's current role as the only instrument capable of helping developing countries become less dependent on fossil fuels. Moreover, Nuclear power must never become a part of the CDM.

D) Climate finance

The Copenhagen Agreement on Climate will for several reasons need to contain clear and ambitious commitments, provisions and pledges for climate finance. For adaptation, mitigation, REDD and research, development and diffusion of technology the finance issue is a key to move negotiations ahead and to unblock the distrust.

Forum for Environment and Development believes that any concrete assessment of the overall needs will not be exact. Hence, a bottom-up approach to express the exact budgetary needs of the developing countries through their NAMAs and NAPAs is probably the best way to assess the true cost of climate change. However, the financial needs for adaptation and non-Annex 1 mitigation action covered by Annex 1 are likely to be well above 150 bn USD.

In line with the principle of common but differentiated responsibility and respective capabilities, as well as the polluter-pays-principle, we strongly urge Norway to commit to its *fair share* of these costs.

In the negotiations over financial sources, mechanisms, governance and disbursement we recommend that Norway:

- *Recognizes* its current commitments under the UNFCCC and contribute to the fulfillment of these, which include provision of financial resources to the LDC Fund.

- *Scales* up its auctioning proposal as this source could possibly generate enough predictable, additional and scalable money for most of the adaptation and mitigation needs (including REDD). The holdback could easily be adjusted according to the market price and the overall financial needs.

- *Advocates* a revamped cap and trade regime containing stringent regulation on off-setting and banking of AAUs. This is essential to achieve a reasonable price of carbon that could also have an effect on mitigation.

- *Proposes* an equity based formula to determine each Party's contribution to the auction based on historical responsibility and respective capacity. Such a differentiation of effort will limit the entry cost for new Parties which in subsequent periods will have to contribute.

- *Marries* its resource generating mechanism with the Mexican Fund proposal with the adjustment of non-Annex 1 Parties taking on their binding commitments during subsequent commitment periods if Annex 1 Parties meet their commitments during the next period.

- *States* that only the COP can be the supreme decision making body of a financial mechanism where contributions count (as compliance of UNFCCC Art. 4.3, 4.4, 4.5 and 4.7).

- *Emphasizes* the importance of additionality in climate finance in accordance with the developed countries' obligation to carry the full incremental cost. If developing countries

shall not lose the fight against poverty and develop in a more sustainable way, climate finance will have to be additional to traditional ODA.

- *Further emphasize* the need for effective disbursement both to adaptation activities and to mitigation actions counting as MRV.

- *Proactively questions* the role of private finance in meeting the needs of the Convention. While recognizing that private investments have a role to play in developing new and climate friendly technologies, all adaptation and the brunt of mitigation costs have to be born by public funding from Annex 1 countries.

- *Finance* enhanced actions on adaptation through a near term programme from 2010 to 2012. Such a programme should contain implementation of adaptation measures and capacity building.

E) Climate change adaptation

The adaptation building block in the Copenhagen agreement should massively scale-up financial, technological and knowledge-based resources for developing countries, particularly the most vulnerable, in order to adapt to climate change, reduce vulnerability and build resilience against, and cope with loss and damage from, the now unavoidable impacts of climate change.

In the negotiations over the issue of adaptation in the Copenhagen agreement Norway must give priority to:

1. Ensure that all Parties meet their adaptation-related commitments under the Convention and the Bali Action Plan, in particular the provision of financial support for short and long term by developed countries to support developing countries, adhering to the principles of responsibility and capability in the provision of resources.

2. Adaptation efforts should prioritize the most vulnerable. When disbursing adaptation finance on the international level, most vulnerable countries should be prioritized, although other developing countries should also be eligible to receive financial support. Within a country, most vulnerable communities, people and populations should be prioritized. Appropriate gender considerations must be included.

3. Adaptation action should be consistent with provisions of existing conventions, covenants and declarations on basic rights, including human rights as well as (traditional) land rights or the rights of indigenous peoples.

4. Norway should acknowledge that progress to date on adaptation under the UNFCCC, including finance for adaptation, has been woefully insufficient, and work to establish a short term working program on adaptation from 2010 until the Copenhagen agreement is operational.

5. Adaptation planning, implementation and monitoring and evaluation should follow the subsidiary principle and be based on inclusive and participatory processes so that the needs and capacities of especially vulnerable communities, people and populations are duly reflected.

6. Promote an integrated approach to adaptation, ensuring environmentally sound adaptation planning and implementation, recognizing the value and importance of healthy ecosystems.

7. Strengthen international activities to facilitate and support adaptation planning and implementation, and the exchange of knowledge and experience amongst all countries, including local and traditional knowledge. Hereunder, establish and strengthen regional adaptation centers and initiatives for adaptation planning, forecasting and information sharing on projected climate change impacts.

8. Support country driven adaptation through provisions within the new agreement that cover the costs of actions countries identify in country-driven processes, including means to integrate adaptation into development planning, and they need support to build the necessary institutional capacity, generate relevant knowledge, including making vulnerability assessments. An effective and transparent monitoring and evaluation systems is needed, building on in-country experience and processes.

9. Address loss and damage from unavoidable impact due to climate change. Adverse effects of climate change should be considered as separate from those arising due to the implementation of response measures. This difference is continued in the Bali Action Plan, where response measures are treated in paragraph 1b which deals with mitigation. Adaptation is mentioned in paragraph 1c which is a section dedicated to adaptation. For these reasons FORUM believe strongly that the issue of response measures should be removed from any text and/or discussion of adaptation and be treated only in the context of mitigation.

10. The Adaptation building block should take into account and address the humanitarian consequences of climate change, including displacement. Build on existing frameworks and tools, including the Hyogo Framework for Action 2005-2015 and the capacity and experience of humanitarian actors in the design of this regime.

11. Establish publicly funded, global and regional risk management and insurance mechanisms to cover large-scale disaster losses; and support and assist in establishing (micro-) insurance systems for addressing medium sized impacts.

12. Establish compensation and rehabilitation mechanisms to deal with the loss and damage from the immediate and slow-onset impacts where adaptation is no longer possible and that cannot be covered through insurance.

F) Principles on REDD

Reducing emissions from deforestation and forest degradation in developing countries (REDD) can contribute to a substantial and immediate reduction in greenhouse gas emissions. But to achieve this reduction and ensure its permanence, it is crucial that REDD policies are built upon, and do not undermine, the rights of indigenous peoples and traditional forest communities and international environmental and development agreements.

Scale and scope

1. REDD must reduce emissions from both deforestation and forest degradation. REDD must also set positive incentives for countries with currently low deforestation and degradation to protect

their natural forests. Incentives for enhancement of forest carbon stocks and carbon-sequestering agricultural activities should be dealt with through other means than REDD.

2. REDD must be demonstrably consistent with the upper limit of 2˚C temperature rise and the environmental integrity of the UNFCCC and its Kyoto Protocol. REDD can play an important part in achieving the immediate peak and rapid reduction of global GHG emissions which is needed to stay below 2˚C, but only if it is done in addition to deep domestic emissions reductions by Annex I countries of more than 40 % by 2020 from 1990 levels.

3. National approaches (e.g. national-level accounting, regulatory frameworks, reference levels, and monitoring and enforcement systems) must be adopted in order to reduce transaction costs, address intra-national displacement of emissions and ensure the integrity of baselines. International and regional displacement of emissions must also be addressed.

Funding

4. Reliable and adequate funding for REDD must be made available by Annex I countries, in addition to their official development assistance (ODA) commitments.

5. To ensure that emission reductions achieved through a REDD mechanism are additional to the necessary reductions in Annex I countries, and to protect the integrity of emission reduction commitments against the uncertainty associated with forest carbon fluxes, REDD should not offset emissions in Annex I countries in the next commitment period.

6. *Equitable sharing of the benefits* arising from REDD *must be promoted*. REDD funds must benefit traditional stewards of the forests, and must avoid creating perverse incentives where actors behind deforestation and forest degradation are substantial beneficiaries of REDD.

Biodiversity

7. In designing a REDD mechanism, Parties must *take into account their commitments under relevant international environmental agreements,* in particular the Convention on Biological Diversity. REDD must contribute to *the conservation of biological diversity and the sustainable use of its components*.

8. REDD must enhance, and not undermine, the policies and objectives developed under CBD. For developing countries to develop one set of policies for protecting tropical forest with regard to the CBD, and another set of policies for protection of tropical forest under the UNFCCC, will mean an unnecessary burden on countries that in many cases have limited management capacity.

9. REDD must not support commercial, non-traditional extraction of natural resources, like timber, in primary forests. Selective logging, often referred to as Sustainable Forest Management (SFM), in primary forests leads to substantial emissions of greenhouse gases. Avoiding logging in primary forests will also contribute to the protection of biodiversity.

Rights of indigenous peoples and local communities

10. REDD must respect and promote the rights of indigenous peoples and local communities, and must not adversely affect their rights and benefits pursuant to other Conventions and Recommendations, international instruments, treaties or agreements. To this end, REDD must adhere to the principles of relevant international agreements and declarations, *inter alia* UNDRIP, the International Covenant on Civil and Political Rights and CBD. Not only indigenous

peoples, but all forest dependent groups risk being adversely effected if REDD measures do not respect their basic rights and needs. If these issues are not addressed, the effectiveness and permanence of REDD will be threatened. Relevant and already established rights of indigenous peoples must therefore apply also to other forest dependent communities. The most important principles are:

a. The right to self-determination and self-government.
b. Free, prior and informed consent.
c. The right to management and customary use of natural resources.
d. Land tenure issues and land rights.
e. The right to redress.

11. *Ways and means of ensuring participation of indigenous peoples on issues affecting them must be established*. The UNFCCC must ensure meaningful participation by indigenous peoples in the negotiation and implementation of a future REDD mechanism.

Governance and transparency

12. National mechanisms should be formed to coordinate all initiatives to reduce deforestation and forest degradation in the relevant tropical forest countries. To ensure long-term, permanent emission reductions, the national implementation of REDD must be based on broad consultation and multi-stakeholder processes.

13. In order to avoid carbon leakage in areas where large forests are shared among several countries, regional initiatives and approaches may help complement and strengthen national initiatives. To avoid leakage and reduce the pressure on forests, it is also necessary to address drivers of deforestation at the international level, i.e. via international trade regulations and agreements and other measures.

14. All global and national transfers of funds in REDD schemes must be transparent and open for public scrutiny. Data on carbon emissions from deforestation and forest degradation that lay the basis for REDD schemes and payments shall also be open and transparent. All transfers of funds and data on carbon emissions from deforestation and forest degradation need to be open for monitoring and verification by independent third parties, both at the global and national levels.

15. Independent complaint and conflict-resolution mechanisms must be incorporated within the overall framework, and must be available both on the national and international level to address any conflicts which might arise between governments, communities and other stakeholders.