

The Roadmap towards a successful Climate Agreement 2015

The beginning of the end for fossil fuels and nukes, rapid scaling up of renewable energy, and ending deforestation

November 2013

It is now *virtually certain* that human influence has warmed the global climate system. This is the conclusion of the Intergovernmental Panel on Climate Change (IPCC), published in its most recent report in September 2013. The debate about the human influence on the climate is over.

Climate change is happening – right now. The signals are unmistakeable: since 1993, sea levels have risen, on average, twice as fast as in the past century. The Greenland Ice Sheet melted at a rate six times faster, on average, between 2002 and 2011 than the decade before. Arctic sea-ice has diminished significantly faster than projected. Around the world, the impacts of climate change are accelerating, and vulnerable countries are paying the price.

The most dangerous impacts can still be avoided – **but only if the planet stays within a certain 'carbon budget', a finite cap on the total cumulative amount of greenhouse gases released into the atmosphere. Unfortunately, there is not much 'space' left:** if the world's fossil fuel and industry emissions continue to grow by 3.2% a year, as they did between 2000 and 2009, the remaining 'budget' will be used up by 2030 (to squander a financial budget in this manner would be irresponsible). There is only one way to keep within the limit: most of the **proven fossil fuel reserves need to stay in the ground.**

Around the world, a shift is underway: investments are moving away from fossil fuels and towards different sources of energy. Citizens are speaking up against coal plants and mines, and are demanding clean air, clean water and clean energy instead. In September this year,

China decided to peak and decline coal use by 2017 in three major industrial regions and banned new conventional coal power plants in these same regions. **The World Bank and European Investment Bank agreed to stop almost all coal lending.** Asset owners and managers are increasingly worried about 'unburnable carbon'. The logic behind all this is simple: if most proven fossil fuel reserves need to stay in the ground, investing in new dirty energy infrastructure makes no sense.

The 2015 agreement needs to acknowledge this fact. Yet, **up to now, the political response to catastrophic climate change has been inadequate.** Currently, no major emitter is taking the issue as serious as it needs to be taken. Doing so would mean: to start the transformation of energy systems to renewable energy, to use energy more efficiently, to phase out fossil and nuclear fuels, and to protect the forests. This roadmap shows that, if politicians give up their apathy and choose the new pathway to a new energy system, it is not too late to beat climate change.

Warsaw, November 2013, the 19th UN Climate Conference

Warsaw has to lay the foundation for a fair, ambitious and legally-binding agreement in 2015 which transforms how people in all countries use energy. Governments must also commit to doing more to reduce emissions prior to 2020. This is in order to ensure that the world can still stay as far below 2°C as possible. **Specifically, governments must:**

- ✓ **Chart the road to Paris**

The Ad hoc Working Group on the Durban Platform (ADP) must agree on the overall structure of the agreement. This will allow countries to focus on filling in the details in 2014. In other words: the table of contents of the agreement needs to be decided on now, so that the drafting of specific chapters can begin in 2014. This step is crucial if governments are going to honour their prior self-imposed deadline to produce a draft negotiating text by the end of 2014.

- ✓ **Table post-2020 targets in 2014, not 2015**

The world cannot afford repeating the mistakes of Copenhagen, where countries only tabled commitments at the last minute; commitments which were neither comparable nor ambitious enough to limit global warming to low levels. Countries need to start making emissions reduction offers **in 2014**, in order to have sufficient time to assess whether these commitments are fair and adequate to keep warming below 2°C, as agreed, or 1.5°C, as rightfully demanded by vulnerable countries. Countries may need time to revise and resubmit targets so as to reach the level of ambition needed.

✓ **Launch the development of an Equity Reference Framework**

Ambition and equity are, inevitably, two sides of any viable climate agreement.

Therefore, it is crucial for a fair and open equity discussion to start from Warsaw, in order to help the discussion of mitigation and finance targets in 2014.

✓ **Don't shelve climate protection until 2015, increase climate action now**

The ADP has a second, equally important, task: to reverse current emissions trends from their upwards trajectory downwards, in order to keep the world on track to staying as far below 2°C as possible. This means: stopping exploring for new oil and gas in ever more sensitive places, like the Arctic. Stopping new oil drilling. Stopping immediately any investment into new oil drilling platforms and coal-fired power plants, and eliminating fossil fuel subsidies. It also means: increasing current targets for emission reduction, renewable energy, and energy efficiency – and tabling new ones. Governments must act decisively on the *implementation* of these options.

✓ **Establish a mechanism to address loss and damage of homes and livelihoods**

Those who are responsible for the unavoidable impacts of climate change should assist those who are most vulnerable and may suffer terrible losses. This includes the submergence of sovereign territory from sea-level rise. In Warsaw, countries must establish a mechanism to address loss and damage, operationalise it as soon as possible and include it as a core element of the 2015 Agreement. The message from vulnerable countries in the show-downs with major emitters at previous conferences was clear: reduce emissions or be held accountable. This has demonstrated that the most vulnerable will not let major emitters off the hook.

✓ **Respond to the latest science: review the long-term temperature warming limit**

We now know that an increase in global temperature of even 1.5°C could lead to irreversible impacts, while 2°C risks triggering catastrophic climate change. Assessing the adequacy of the long-term warming limit, in light of the IPCC Fifth Assessment Report, is what we need to do. Meeting lower temperature limits is still feasible, if robust emissions cuts start now. Peak and decline of emissions before 2020 will be crucial. The rolling outcomes of this first review must continually be fed into consideration of the overall level of ambition required from the 2015 Agreement. Time is of the essence. In Warsaw, countries must start considering the outcomes of the IPCC's latest report in order to be able to contribute to the assessment of targets tabled under the ADP process in 2014.

✓ **Fill the climate fund and ensure that climate finance works for the poor**

In Copenhagen, developed nations pledged \$10 billion annually for climate action in developing countries from 2010 to 2012. They also agreed to increase this financing to \$100 billion annually by 2020. However, currently no agreement has been reached on how to deliver on this pledge between 2013 and 2020. Instead of an increase in finance there is a risk of a decrease, or a gap in funding. In Warsaw, countries must commit to providing at least \$60 billion in support for the 2013 to 2015 period and agree on a roadmap for the further scaling up of support to reach the \$100 billion (per year) target by 2020. A substantial portion of this financing should be pledged to the Green Climate Fund. The revenue from a functioning carbon market, based on the 'polluter pays principle', a financial transaction tax, or the elimination of perverse subsidies for fossil fuel industries can help generate the billions needed.

A key role for the financial and technological support is to enable and accelerate decentralized renewable energy development in developing countries, for example by supporting the development of policy measures (i.e. feed-in tariffs), and through the payment of incremental costs and risk guarantees, which will allow poor communities without access to electricity to leapfrog towards a clean energy future. It will help immediately to work with those civil society groups, progressive governments and countries in designing the energy transformations needed.

✓ **Make REDD+ finance about stopping deforestation and protecting forests**

Tropical forest destruction and land use change are currently responsible for about 10 to 15 percent of the world's greenhouse gas emissions. Stopping deforestation and degradation is crucial to achieve the emissions cuts needed to prevent runaway climate change. In Warsaw, governments need to make commitments for results-based finance – conditional on strong safeguards that ensure forest protection, as well as the rights of indigenous peoples and local communities. Governments must reject the inclusion of forest offsets in any new emissions trading scheme. Using forests as an offset will neither protect the forests nor reduce overall emissions. It merely gives the fossil fuel industry a cheap alternative to truly reducing their emissions. This risks locking in polluting technologies for decades at a time where the science tells us that reductions in deforestation must be *in addition to*, and not instead of, cuts in fossil carbon emissions

New York, September 2014, the Leaders' Summit on Climate Change

World leaders must deliver bold and ambitious commitments on economy-wide greenhouse gas emission reduction, renewable energy and energy savings targets to prove that they are moving away from fossil fuel dependence. They also need to commit to a global phase-out goal for net greenhouse gas emissions by around mid-century.

Lima, December 2014, the 20th UN Climate Conference

Lima is a critical milestone. **By this time, governments must have:**

- ✓ Submitted their proposed mitigation commitments on economy-wide greenhouse gas emissions reduction, renewable energy and energy savings targets;
- ✓ Initiated a process to evaluate whether the proposed commitments will collectively allow the world to avoid dangerous climate change. This review should be completed no later than mid-2015 in order to allow time for countries to strengthen commitments if targets are not deemed adequate to limit warming to as far below 2°C as possible; and
- ✓ Tabled a DRAFT PROTOCOL which will serve as the basis for negotiations in 2015.

Pre-Paris Homework

Paris will only be successful if governments have done their homework in advance of the meeting. The new agreement must be built on ambitious national action and it must accelerate the paradigm shift to a renewable energy future.

The *Chinese* government has started in September 2013 with its air pollution action plan. This banned the approval of new conventional coal-fired power plants in three major industrial regions. It also mandated the peak and decline of coal consumption in these three regions by 2017. This will significantly slow down China's coal consumption growth, setting an important precedent which should be expanded to other regions in China. In fact, China should go even further and introduce a nation-wide peak on coal consumption in its 13th 5-year plan (2016-2020).

The *EU* also has a good opportunity to increase its 2020 commitments and to establish a strong roadmap towards 2030. For this it will be necessary to stop acquiescing to the Polish

government, which remains addicted to coal. Also: Germany, France and the UK need to get back on track, moving the continent ahead again in the fight to protect the climate.

China and the EU can set the tone of this process together. They can show what true commitment and a green economic vision are all about. Others will follow, as the vast majority of countries want to build up a strong, multi-lateral rules-based regime. In such times, proposals such as the 'do-whatever-you-want', bottom-up approach of the US (with its weak targets and lack of accountability) will be set-aside.

Leadership by major economies is needed for a successful agreement in Paris that will have a fighting chance of preventing catastrophic climate change.

Paris, December 2015, the 21st UN Climate Conference

The 2015 agreement must signal the beginning of an end to the fossil fuel era, as well as to deforestation and forest degradation.

Governments must deliver:

- ✓ **A Protocol under which all countries take on binding emissions reduction**

commitments: To guide these commitments, the Protocol should re-affirm the need to keep warming below 1.5/2°C.

- ✓ **A phase-out goal for fossil fuels around mid-century:** the Paris conference needs to mark the beginning of an end to our fossil-fuel era and send a clear signal that the world is moving beyond fossil fuels.

- ✓ **Binding financial commitments for an expanded group of countries as well as agreement on a number of innovative sources,** such as auctioning of emissions allowances (AAUs) and a levy on international transport.

- ✓ **A robust compliance regime** which combines the current enforcement and facilitative branches under the Kyoto Protocol with the peer-review process under the Convention, as well as the addition of strong provisions for early warnings of non-compliance.

- ✓ **A good deal on financing forest protection,** not the polluters. To ensure the overall integrity of the 2015 deal, forests (and REDD+) cannot be used as a

bargaining chip to offer the fossil fuel industry a cheap way to reduce their emissions on paper in order not to have to make any real cuts. The 2015 agreement must include a decision on forests (REDD+) that puts sustainable finance and strong safeguards front and centre.

✓ A Protocol that **enshrines the mechanism for dealing with loss and damage** in a legal agreement.

The overall 'deal' will also need to include advancements on adaptation and technology, some of which will be reflected in the Protocol and some in implementing decisions. A loose agreement in which commitments are only taken at the national level, where there is little more than a peer-review mechanism to ensure enforcement and no common rules on key issues (land-use, markets, etc.), is unacceptable. Such an agreement will fail to deliver the emissions reductions needed, or send the signals required to shift investment patterns.