

#### Question 4. Developing Country Participation

Submitter's Name/Affiliation: John Coequyt / Greenpeace

*If a key element of the proposed U.S. system is to “encourage comparable action by other nations that are major trading partners and key contributors to global emissions,” should the design concepts in the NCEP plan (i.e., to take some action and then make further steps contingent on a review of what these other nations do) be part of a mandatory market-based program? If so, how?*

It is essential that the United States become a leader in the effort to slow climate change. The United States can do this by coming to the international table with strong goals that are consistent with the European Union goal of limiting global warming to 2oC. A clear commitment for the mid and longer term is necessary to assure the European Union, Japan and other Annex I countries that their actions under the Kyoto Protocol will be met by comparable American action and to broaden the international effort to developing nations. Whatever position one takes in relation to the Bush Administration position on international climate change, it is clear that the USA needs to rebuild its credibility as a reliable, science driven partner on climate change.

The best way to ensure that American actions encourage comparable efforts is to negotiate such agreements within the UNFCCC and Kyoto Protocol system. The United States should rejoin this system as soon as possible during the second commitment period of the Kyoto Protocol, which starts in 2013.

It is also important to show the world that the United States understands its responsibility to tackle global warming. While it is true that the impact of developing nations is growing relative to developed nations, it is important to recognize that the historic contribution from developed nations is much larger. It is also important to recognize that developing countries are taking strong action already to decarbonize their economies. China, for example, is reducing global warming gasses at a rate of four percent per year relative to its economic growth, a rate that is more than double that of the United States.

It would be a major mistake for the United States to set a target that allows significant growth in the production of global warming gasses, and expect that action to produce anything positive beyond our borders. If the United States were to create a trading system that is not consistent with the targets set for the Annex I countries under the Kyoto Protocol, it will more likely erode international commitments to address climate change than galvanize any country to take significant action.

Furthermore, there is a necessary linkage between the level of emission reduction undertaken by developed countries and the level of action to be undertaken by developing countries seeking to reduce the growth in their emissions. The United States and other developed countries need to ensure that they are adopting no regrets measures as a matter of priority.

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The United States could take a lead in developing the architecture of new instruments under the Kyoto Protocol for the period beyond 2012, which would be critical to drawing in the large emitters in the developing world. A domestic trading system, with its demand for credits, would be a powerful attractor, if coupled with the kinds of ideas mentioned above.

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### Clarifying Question 4a:

- What metrics are most valuable for comparison of developed and developing country mitigation efforts to U.S. efforts?

Equity and fairness must be central elements of any viable framework for international action. No single answer exists to the question of what is an equitable and fair system. It is clear though that several factors need to be taken into account in an international climate protection regime that can meet these objectives, including emission per capita, emissions per GDP, capacity to act, ability to pay and historical contribution. Yet, no single measure, not even relative per capita emissions, can provide the sole basis for this, although any equitable and fair system needs to give prominent weight to this factor.

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### Clarifying Question 4b:

- What process should be used to evaluate the efforts of other nations and how frequently should such an evaluation take place?

The best and only formal international machinery for evaluation and negotiation of international efforts to limit global warming exists under the UNFCCC and its Kyoto Protocol. The UNFCCC provides the only system for international negotiation of commitments to reduce global warming gasses. This process needs to be built upon as it is trusted almost universally as a process by which countries commitments can be considered fairly. The next round of international negotiations, which is just beginning, will need to develop a methodology for evaluating each nation's efforts for the next five year period.

It is appropriate the commitment be reviewed five yearly as in the five-year commitment periods of the Kyoto Protocol.

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### Clarifying Question 4c:

- Are there additional incentives that can be adopted to encourage developing country emission reductions?

The United States could consider encouraging the development of new market mechanisms such as sectoral targets (eg power sector) with a no lose target architecture that would provide for credits to be sold into an international market once a target. Another idea that has merit are Sustainable Development Policies and Measures which could also be set up so as to generate credits for the international carbon market. The Flexible Mechanisms of the Kyoto Protocol provide important incentives for action in the developing world. In the first commitment period of the Kyoto Protocol (2008 – 2012), billions of dollars will flow through the CDM alone. This flow of money for carbon reduction projects will have a powerful impact in developing countries. In addition, a share of the proceeds generated by the Flexible Mechanisms will go into a fund that will pay for measures to alleviate climate change impacts in developing countries, further promoting cooperation by developing nations.

There is no reason that the United States could not create additional incentives through existing bilateral agreements or in other international talks. There are also promising discussions going on internationally about new creative ways to facilitate developing country involvement. The United States could contribute actively to this process if it were to come to the table with a global warming plan that is consistent with the efforts of the world's developed countries.

It is also important to remember that the United States has existing obligations under Article 6 of the Framework Convention. These obligations include financial and technological support of developing country carbon intensity reduction efforts.