



RECOMMENDATION  
PAPER

2010

# WWF key country demands for Cancún

*October, 2010*

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## WWF's Top Asks of Key Countries for a Good Outcome from Cancún

What the world's citizens need is for governments to reach a multilateral climate agreement that successfully limits global warming to 1.5°C warming and secures a peak in emissions by 2015. Those seriously affected by climate change need support to adapt to the climatic changes that are already occurring and which cannot be prevented. These should be the central concerns of Governments at the multilateral climate negotiations.

Governments failed to agree to a new climate treaty under the UNFCCC in Copenhagen. Now with COP16 in Cancún, Mexico, on the horizon, the public is asking whether Governments are willing and able to tackle climate change through a multilateral framework. Cancún is an opportunity to prove that they are. Everyone knows that climate change is a global threat that requires a coordinated international effort. It is the role of Governments and the UN to lay the basis for the protection of vulnerable countries, communities and ecosystems from devastating climate impacts. Governments can only do this through an international agreement under the UNFCCC that provides a framework and guidance for action, and which also encourages non-state actors to do their part. National climate, energy and development policies are key to underpinning the constructive role each country can play in order to make Cancún a success.

The challenge for Cancún is for countries to show leadership and secure a global way forward. This applies particularly to the large economies from the developed and developing world: the United States, the European Union as a whole, the United Kingdom, Germany, Japan and Russia on the one hand and China, South Africa, Brazil, Mexico and India on the other. What is required is collective political leadership by these countries to fill the political void hampering international multilateral climate efforts. These governments need to demonstrate that they will put the interests of the world and its peoples before their own national interests and restore the faith of citizens around the world in governments' willingness and ability to deal with climate change. They need to take responsibility for the future, while not sweeping historical responsibility under the carpet. Developed countries in particular have to take the initiative and do more in Cancún.

With all eyes on Cancún, each key economy has an important, constructive role to play, by pursuing positions that create a positive dynamic and end the current stalemate. WWF has chosen to focus on what a set of key countries can do to secure success in Cancún. However, this list can be expanded to include countries such as France, Indonesia or South Korea, as they also have important contributions to make. So do the Small Island Developing States and Least Developed Countries and Australia, Chile and Colombia – all can help in this complex world, which cannot be represented by just a small handful of countries.

Nevertheless, we believe that this particular set of countries can make a difference and get things moving in Cancún, if they put forward helpful proposals or take certain cooperative positions. These Governments wield great political influence, individually or collectively, and either historically or currently contribute to a rather large share of the world's emissions. They are also considered economic power houses. Some of

these countries already have progressive national climate and energy policies and can lead as examples for others to follow. Some of the others, notably the United States, have still a lot of catching up to do, and in Cancún they will have an opportunity to do their part so that nevertheless a global agreement can be secured.

We based our asks on what we know to be the positions of Governments currently. These requests focus on issues where these governments need to move to a more progressive position, need to better articulate their position, or need to better promote their progressive national level policies in the international arena.

WWF believes the asks in this paper when added together hold the key to overcoming the major negotiating hurdles necessary to achieving a fair, ambitious and balanced Cancún package – a set of substantive decisions touching on all building blocks and securing a negotiation process for a global legally-binding agreement under the UNFCCC to come into force by 2012.

Below is a list of key economies in reverse alphabetical order: United States, United Kingdom, South Africa, Russia, Mexico, Japan, India, Germany, the European Union, China, and Brazil.

## The WWF Top Asks of Key Countries

### Top Asks of the United States

As with all countries, we would like to see the US support a robust outcome on REDD and adaptation as part of a balanced package covering all building blocks in Cancún. In order to have robust outcomes in those areas, progress must be made on the overarching issues, particularly developed country mitigation commitments, long-term finance, and Measurement Reporting and Verification (MRV) as well as in the negotiation process overall. The US will need to show that they are serious about tackling the global climate crisis. Below is a list of the top priority asks of the US Administration that will be crucial to assuring other Parties that they are negotiating in good faith in the run up to the Cancún climate meeting.

**#1 - President Obama should lay out a plan for how to reach its modest Copenhagen target of 17% below 2005 levels.**

The President should explain the process and timeline for how a plan will be developed to achieve this target, and identify individuals and agencies that will be responsible for delivering on this objective. It should be clarified that the US administration will use their executive authority to regulate greenhouse gases using the Clean Air Act and other existing laws. Given the failure of the Administration to make climate change a legislative priority, and the resulting failure of the US climate bill in the Senate, these assurances will need to come directly from the President in order to convince other world leaders that the US is acting in good faith and show how the US intends to keep its promises.

**#2 - The US should reaffirm their commitment to the UNFCCC and a new legally binding treaty under the UNFCCC.**

The US should make a clear commitment to the UNFCCC process as the path towards achieving a legally binding agreement. Resolving the differences between the US and other major economies will not be any easier in other venues, and will require a spirit of compromise and flexibility. The US should make it clear that they are determined to reach a solution to the climate crisis that has environmental integrity and reflects a spirit of cooperation.

**#3 - At the highest levels, the US should announce their commitment to developing a Zero Carbon Action Plan (ZCAP) through 2050 to be included in the next US national communication.**

The US has made a point of asking other countries to develop low carbon development strategies. It should practice what it preaches. The US ZCAP should include: economy-wide targets for 2020, 2030, 2040, and 2050 that will lead to decarbonization; policies and measures to meet the mid-term targets; an emissions pathway associated with those policies and measures; and a formal indication of the level and source of financial commitments for additional reductions in other countries.

#### #4 – The US should support a COP decision to establish a new Global Climate Fund under the UNFCCC.

In the model of the Global Fund to fight AIDS, Tuberculosis, and Malaria, which includes voting power for both civil society and affected local community members, a fundamental commitment to country ownership, and strong oversight of funding. The new fund should embody principles of: transparency and accountability, direct access to funding based on agreed fiduciary standards and social safeguards, and full participation of affected communities, particularly women, and civil society. Establishing a global Climate Fund under the authority and guidance of the UNFCCC will be a clear sign that the US is serious about implementing its climate finance pledge, which will build trust with developing country partners.

#### #5 – The US should agree to stronger measurement, reporting and verification (MRV) of actions and finance.

This is an area where the US needs to lead, not simply ask other countries to do more. The US should commit to the following:

- In addition to continuing to submit National Communications every 4 years and annual GHG inventories, the US should call for including Zero Carbon Action Plans (ZCAPs) in developed country communications and agree to prepare updates to their national communications and ZCAPs every two years.
- An annual financial inventory should be submitted along with the annual GHG inventory. This inventory should detail the specifics of where climate finance is going in a common reporting format.
- An additional mandate for the Expert Review Teams to publicly document when developed country Parties are more than [15%] off of a linear trajectory to their economy-wide target according to their own GHG inventory.

### Top Asks of the United Kingdom

It says a lot about the state of the negotiations that the UK is one among the “least worse” countries on climate policy. However, it seems that the new coalition government is retaining a high interest in climate change, and a willingness to continue to put diplomatic resources toward addressing the issue. Having supported the UK Climate Change Act, the government has already demonstrated a willingness to legislate in this area, and the Prime Minister has pledged that his government will be the “greenest ever”. The UK needs to continue its diplomatic outreach, but also put its actions where its mouth is through concerted actions at home and enhance the ambitions of the Climate Change Act in all relevant sectors of the economy and through the positions it pursues internationally.

#### #1 – The UK should promote the inclusion of Zero Carbon Action Plans (ZCAPs) in the Cancún package.

The UK has a climate change bill that currently sets out a target of an 80% emissions reduction by 2050, that is broken down into three 5-year commitment periods, the latter ones of which are subject to review and target recommendation by the independent Climate Change Committee. There are several European countries that

seem to be looking at this as a model, including Denmark and Germany. In addition, the EU Commission is working on its 2050 scenarios on transport, energy and 'other' climate issues, which, if properly integrated in scope and analysis could form the basis of an EU ZCAP. Through its experience of the Climate Change Act, and its ability to be responsive to independent scientific information and analysis, the UK should act as an advocate for the ZCAP approach in the UNFCCC and other relevant fora that require developed countries to reduce emissions by 80% to 95% by 2050 compared to 1990 levels based on the 4<sup>th</sup> IPCC Assessment Report findings. The UK's experience can clearly demonstrate to other developed countries that this approach is not only feasible, but advantageous by promoting greater discussion and action on climate change across government departments.

### #2 – The UK should support the establishment of a Global Climate Fund under the UNFCCC and promote agreement on innovative sources for public finance.

UK should support a robust process and work plan for decisions on implementation of traditional and new innovative sources of public finance in 2011, including raising finance from the aviation and shipping sector and through Financial Transaction Taxes (FTT), building on any useful findings and analysis from the UNSG's Advisory Group on Climate Finance (AGF). This is needed in order to secure adequate, and predictable levels of public finance for supporting developing countries under the UNFCCC agreement. To support implementation of commitments under the UNFCCC, the UK should throw its weight firmly behind the creation of a new global climate fund under the authority and guidance of the UNFCCC in Cancún, with full operationalization and agreement on sources in 2011.

### #3 – The UK should support ways to close the Gigatonne Gap.

The UK has in the past played a useful role in highlighting new scientific and economic findings. For example, through the Stern Review and the 2005 Exeter science conference that provided an update on scientific advances between the IPCC Third and Fourth Assessment Reports. The UK needs to translate this approach into additional areas including:

- strong positions on the need for domestic action in developed countries, as there is little remaining scope for offsetting within the global carbon budget
- holding fast for good LULUCF accounting rules
- having a positive position on the retirement of surplus emissions allowances

In addition, the UK needs to support both a 5-year commitment period (2013-2017) to allow a more rapid reassessment of targets and a scientific review to help close the gigatonne gap to start right after Cancún in 2011 and end in 2013, as well as a full review based on the IPCC AR5 in 2013-15 to determine a new set of commitments and other provisions for the post-2017 period.

## Top Asks of South Africa

South Africa has long been considered a leader in climate negotiations, a bridge-builder between developing and developed countries and an originator of good ideas. It is currently placed in a strategic position in terms of being an incumbent COP president, a member of BASICs and the Africa group and its President Zuma as co-chair of the UN's High Level Panel on Sustainable Development. However actions speak louder than words, both at a domestic and international level. Now is the time for South Africa to walk the talk and truly lead!

### #1 - South Africa should agree to have its Copenhagen commitments inscribed in a legally binding agreement.

South Africa should demonstrate leadership by agreeing to inscribe its Copenhagen Accord commitment (34% by 2020 and 42% by 2025) in a legally binding agreement under the UNFCCC.

South Africa is obliged to provide leadership as it is COP17 President and the President of the country is co-chair of the UN High Level Panel on Sustainability that is preparing for Rio+20.

It should persuade the BASICS group to do so too. South Africa should be in a position to break the current logjam between developed and major developing countries with regards to common but differentiated responsibilities (CBDR) and historical responsibility through asserting its commitment to dealing with its future responsibilities as a global citizen.

Furthermore they should highlight the progress they are making to put in place a low carbon growth and development strategy to meet the announced commitments.

### #2 - South Africa should come to Cancún with a set of NAMA's to be inscribed in a Registry.

South Africa is in a position to table a set of NAMA's for inclusion in a registry. These should include information about the potential emissions reductions to be achieved, the costs of implementation, which ones or portions require international support and which would be possible without support. Both supported and unsupported NAMA's should be subject to differing forms of Measurement, Reporting and Verification (MRV). By tabling such NAMA's in Cancún, South Africa will be able to concretely demonstrate its commitment to doing its fair share as well as begin the process of learning by doing.

### #3 - South Africa should state its political commitment to a legally binding agreement, which should bind both developed and developing countries. It should be clear about the form this agreement should take and outline a roadmap of how to get there.

South Africa should be unambiguous about what it expects at COP17 as the incumbent President. They should step up the political work needed to ensure that we have a legally binding agreement in 2011. As the incumbent COP President, South Africa should produce a roadmap for achieving a legally binding agreement at COP17.



#4 - South Africa should demonstrate its solidarity with the vulnerable countries and groups by building alliances with and support for the LDCs, SIDS, and Africa.

South Africa is currently in a difficult position in terms of its political credibility amongst the vulnerable groups and especially within the Africa group. It is sometimes viewed with suspicion and accused of acting in its own interests. South Africa needs to make every effort to concretely demonstrate that it will support the interests of the most vulnerable by supporting their demands and actively promoting these in the negotiations and within the G77+China and BASIC negotiating blocs.

## Top Asks for Russia

Russia is quite powerful politically in the G8 and G20. The country has vast opportunities for energy efficiency improvements as well as increased renewable energy production. Russia's focus under the UNFCCC is the adoption of a long-term global agreement with legally binding commitments for all major emitters, especially China and the United States. This means, that Russia at the moment is against simply continuing current commitments under the Kyoto Protocol through a second commitment period only. However, Russia is more flexible when it comes to a "smart" option of a Kyoto extension for Parties, if further Parties wish to be involved. Because of its economic history, Russia views its position of "Economy In Transition" as an important status to uphold until the UNFCCC "Annex 1/Non-Annex 1" division between developed and developing countries has been adapted to fit the evolving global economic circumstances. Therefore, Russia insists on wide and free use of offsets in a new global agreement. In light of these positions, we ask of Russia:

#1 – Russia implements its domestic energy efficiency measures that will lead to a stabilization of greenhouse gases at 35% below 1990 levels by 2020.

This reduction should be achieved without LULUCF and without Assigned Amount Units (AAUs) from the 2008 – 2012 1<sup>st</sup> Kyoto Commitment Period. Russia should announce its support to put in place a Zero Carbon Action Plan (ZCAP) with the ultimate goal of full decarbonization of its energy by 2050.

#2 – Russia should announce in Cancún that its Copenhagen pledge of reducing emissions 25% below 1990 levels by 2020 is without LULUCF and any use of AAUs from 2008 – 2012 1<sup>st</sup> Kyoto Commitment Period.

This is needed as a first step from Russia in Cancún in order to set itself on a decarbonization pathway.

#-3 – Russia should proactively play a facilitation role in Cancún so that decisions on REDD+, adaptation, finance, technology and capacity building can be agreed as part of a balanced Cancún package.

Russia needs to take on this role in order to show commitment to the urgent needs of the most vulnerable countries.



#### #4 – Russia should facilitate in Cancún the extension of the Kyoto Protocol post-2012.

Various options are being discussed as to how and under what scenarios and conditions the Kyoto Protocol 2<sup>nd</sup> Commitment Period could be agreed. Russia should engage in these debates in a way that helps find a solution, even if Russia itself could not yet fully sign-up in Cancún.

#### #5 – Russia should stop its demand for getting Assigned Amount Unit (AAU) carry-over.

If Russia is strictly against a second commitment period for the Kyoto Protocol, they might as well forget about any such carry-over. All Russian surplus of 2008-2012 (from 1990 through to 2012) may only be used as part of long-term calculations of a national long-term carbon-budget, e.g. 1990-2050, as part of their Zero Carbon Action Plan approach.

### Top Asks of Mexico

Mexico has been leading by example with the enactment of national public policies to meet ambitious carbon reduction goals as well as through taking on an open and positive role as President to COP16. We would like Mexico to recognize the need for the global climate agreement and its commitments to be of a legally-binding nature. Mexico should also push for the completion of a robust REDD+ agreement by putting in place and presenting its own REDD+ vision as well as to take a clear position vis-à-vis the strengthening of the provisions for NGO participation in the framework of UNFCCC.

#### #1 - Mexico should agree to have its Copenhagen commitments inscribed in a legally binding agreement.

Mexico should agree to inscribe its Copenhagen Accord commitments (30% reductions by 2030 and 50% reductions by 2050 compared compared to 2000 levels) in a legally binding agreement under the UNFCCC; both would provide credibility to its pledges as well underline its belief in the UNFCCC system. In addition, as President to UNFCCC Cancún climate summit, Mexico should secure a decision on legal form as the bedrock to a UNFCCC agreement in South Africa in 2017.

#### #2 - Mexico should demonstrate leadership by enacting a progressive National Climate Change Law.

By inscribing its international commitments (30% by 2030 and 50% by 2050 compared to 2000 levels) in a national legal framework before a finalized international legally binding agreement is completed Mexico would demonstrate its seriousness and willingness to lead. This would strengthen its position and inspire others in the developing and developed worlds alike.

By enacting a Climate Law with immediate effect, Mexico would demonstrate that it is willing to invest public resources beyond Calderon's Presidential mandate, in favor of national and international common interest.

#3 - Mexico should come to Cancún with an ambitious target to halt deforestation, within a framework of biodiversity protection and poverty alleviation.

Mexico should come to Cancún with a clear REDD+ vision (aligned with the WWF REDD+ principles) and a goal to halt net deforestation before 2016. It should show that a global net deforestation goal conditioned by environmental and social safeguards can be viable and locally acceptable. It should communicate the pathway to a legitimized national approach to REDD+ and the roadmap to readiness based on strengthened local forest governance.

#4 - Mexico should demonstrate how livelihoods/ecosystem-based national adaptation policies can be mainstreamed globally, starting with the water sector.

Mexico should demonstrate that the adaptation framework within the Convention should integrate the ecosystem's approach, which recognizes the interrelationship between livelihoods and ecosystems. For example, freshwater management should demonstrate that ecosystem-based policies, such as 'e-flows' (allocating water for the use of the environment), are the most cost-effective way to do adaptation. It should show how these policies can be the basis for the development of guidelines for the use of international resources inscribed within the UNFCCC adaptation framework. Mexico should show how to arrive at a global consensus on adaptation priorities and guidelines for a sector, using water as an example.

## Top Asks of Japan

Despite its relatively ambitious target of reducing emissions by 25% from 1990 levels by 2020, Japan has not been able to add positive impetus to the UNFCCC negotiations. Its hardnosed attitude against anything related to Kyoto is surprising given the fact that the protocol has its old capital's name. The country should cease the opportunity to create positive momentum in the negotiations by showing willingness to stick to the target, flexibility to adopt a two-track approach, while providing concrete ideas for financing and strong support for multilateralism.

#1 - Japanese new PM (along with new Environment Minister) should reiterate its 25% target by 2020 (compared to 1990 levels) without emphasizing strong conditionality.

Prime Minister Kan, who is a successor of Hatoyama, should firmly hold Japan's commitment of 25% reductions and should not threaten other Governments by emphasizing that Japan would not attempt to achieve 25% reductions if all other major emitting Governments do not have "ambitious" targets. Instead, Japan needs to show leadership towards an aggregate developed countries' goal of 40% through encouraging other Parties, especially EU, US and other developed countries, to join Japan. Also Japan needs to make it clear that it would achieve most of its 25% reduction domestically.

#2 - Japan should be flexible towards two-protocol approach.

Japan is known for favoring a single protocol approach, saying that Kyoto Protocol Parties only occupy 30% of the world total emissions. However, a single protocol outcome is not the only way to get meaningful participation by all major economies.

Of course the US and major developing countries should undertake strong mitigation actions, but Japan needs to realize that protesting a two Protocol approach (and the continuation of the Kyoto Protocol) too much could be a disastrous for building trust between developed and developing countries. Japan needs to be flexible toward a two-protocol approach, as part of a way to ensure real participation of all major emitting countries. Such an approach needs to also find a way to deal with the reality that the US is only slowly catching on to the rest of world. This means, that Japan needs to firmly focusing on making sure the world puts in place a global legally-binding agreement under the UNFCCC, despite the US situation.

### #3 - Japan should submit its proposal for innovative financial mechanisms to raise long-term finance and contribute to create transparent and fair governance structure.

- 1) So far, Japan has never contributed to the discussion of long-term finance. In time for Cancún, Japan should be ready for submitting its innovative mechanism proposal(s) or show support for existing proposal(s). The Japanese new Foreign Minister said at the recent MDGs Summit that he would pursue a levy on airline tickets. Hence, WWF expects Japan to support the inclusion of the aviation and shipping sectors under the UNFCCC in order to raise finance as a means to contribute to the long-term annual 100 billion USD financial commitment for mitigation and adaptation actions in developing countries. Secondly, as Japan is the host country for "Leading Group on Innovative Financing", WWF urges Japan to support some form of Financial Transaction Tax (especially Currency Transaction Tax) to be included in for implementation in a roadmap on innovative sources for Cancún, as well as other traditional or new innovative mechanisms.
- 2) Japan should show flexibility in the discussions of the new institutional set-up for the global climate fund under the UNFCCC to allow for a balanced and equitable governance system and direct access and not maintain its position of using existing institutions.
- 3) Japan should contribute to the robust MRV system of financial support, including guidelines for eligibility, additionality to ODA, common accounting standards for improved transparency on both fast-start and long-term funding, and the establishment of annual finance inventories.

### #4 - Japan should respect and reiterate the importance of multilateral agreements.

Japan should avoid being regarded as abandoning a multilateral approach. Recently Japanese government expressed its interest in creating a bilateral crediting mechanism, which some officials indicate is a substitute system in case a multilateral agreement is not put in place. Japan should make it clear that it will do its utmost to secure a multilateral agreement with international rules.

## Top Asks of India

India looks forward to the forthcoming Cancún meeting as an important step forward in getting an ambitious deal in the near future. For this it believes that there have to be substantive decisions made in Cancún. This would primarily include decisions on REDD+, technology, and the financial mechanism. However, India is not very optimistic about achieving this due to lack of enthusiasm by developed country counterparts. India has shown leadership by demystifying the MRV and financial mechanism issues for developing countries, but has also more prominently raised the issue of equitable burden sharing. The Indian government has been engaging within BASIC as well as in the Major Economies Forum (MEF) discussions on these issues over the last year, and should also extend this leadership to the larger forum in the UNFCCC. We as WWF ask the government to pursue an outcome from Cancún on the full range of substantive decisions *and* the negotiation process that will lead to adopting a full agreement by South Africa.

### #1 - India should position itself clearly on the nature of a legally-binding agreement.

India is looked upon as a leader within the group of developing countries on environmental issues. Its legacy of leadership within the UNFCCC has been hailed by all developing countries. To maintain this, India should explain clearly its stand on the legally binding nature of the deal. India should clearly promote the following as an outcome from Cancún: It should support a mandate for the COP towards a legally binding instrument by South Africa from the AWG LCA in parallel to a similar decision on the AWG KP track, as well as a set of substantive decisions on the elements of the Bali Action Plan. For this it is important that India should take on the issue in every forum before the COP, and also within the BASIC group, as well as within the G77 + China.

### #2 - India should press for substantive decision on scale and sources of financial support under the UNFCCC.

Substantive decisions on finance including governance, sources and scale are important for India and other developing countries to undertake ambitious climate actions through international support. For this it is important to maintain its demand for assessed contributions, but to also support the proposal to agree and implement innovative sources of public finance from the developed countries, so that substantive funding is available to be governed by a financial mechanism under the UNFCCC. As has become clear with the lack of fresh, additional funding in the case of fast-start climate finance from developed countries, developing countries simply cannot just depend on developed country annual national budgets to add up to 100 bn USD. Innovative sources of financing would generate the scale required to undertake actions to prevent catastrophic climate change and protect the vulnerable from climate impacts. Innovative sources are a must. And only with funding securely flowing through the UNFCCC, will the proposed UNFCCC global climate fund with a fair, equitable and balanced governance architecture as proposed by developing countries be meaningful.

#3 - India should quantify emissions reductions from the different proposed climate friendly domestic programs as part of creating a set of Nationally Appropriate Mitigation Actions (NAMAs).

Currently the government is undertaking various actions, such as the Energy Efficiency Missions, Performance and Trade systems for its industrial sectors and the National Green India Missions, to name a few. India should quantify in absolute numbers what the total CO<sub>2</sub> reductions are from these actions.

#4 - India should clarify its proposals on linkages between International Consultation and Analysis and MRV.

India has been referring to a set of ideas under the concept of Measurement, Reporting, and Verification. Basically the actions that have been undertaken have to be reported and reviewed. However, to date the concepts have not crystallized as to what exactly the country wants the form to be for reporting and review. Politically within the G77 block this is a sensitive issue and especially within the BASIC countries there are a few remaining differences. It would therefore be very useful to have India put forward a concrete idea of how to link domestic developmental actions, climate change and the issue of a domestic review mechanism based on the international guidelines. This is important because India is the first country within the BASIC group to propose a middle ground between no reporting of the unsupported actions versus reporting of all actions and reviewing them internationally. India has a chance to be a bridge-builder within BASIC, G77 and also with developed countries.

## Top asks of Germany

WWF would like to see Germany to be a strong voice inside the EU for a robust and ambitious outcome in Mexico and afterwards in South Africa. Germany has recently reconfirmed its unilateral 40% emission reduction target for 2020 compared to 1990 levels, and has committed itself - in line with the scientific advice of the IPCC 4<sup>th</sup> Assessment Report - to reduce its emissions in the long-term by 80 to 95% by 2050 compared to 1990 levels. Below is a list of the top priority asks of the German government in the coming weeks in the run up to the Cancún climate meeting.

#1 - Chancellor Merkel has to argue for a 30% target of the EU and make sure that Germany and the EU will be a frontrunner in the negotiations.

It is important that the EU moves from their 20% target and any conditionality for adopting a 30% target. This strategy for the negotiations is over two years old and hasn't shown any success. It is time to find new ways of thinking about how to advance a more ambitious approach and to show leadership. The Minister of Environment Norbert Röttgen has mentioned several times that it would be in the economic interests of the EU to step up to an EU-wide 30% target without any international conditionality. We look to Chancellor Merkel and Environment Minister Röttgen in the lead up to and during Cancún to show that success in the international climate negotiations is the top issue on their agenda, and that the EU will move to at least 30%. By these actions the EU economy will prepare itself for a global low-carbon future.

#2 - Germany has to step back from the approach that an outcome in Mexico and in the UNFCCC can only be achieved with the US; stronger cooperation with China, other BASIC countries and developing countries as a whole is the more promising route to a low-carbon economy.

Germany has to put forward more concrete proposals on how it wants the path to a legally-binding agreement to look like. A future for the Kyoto Protocol, and a rules-based, commitments-based approach led by ambitious scientifically sound global goals and architecture are key elements of any proposal. The US is slower than the rest of the world in implementing climate action. A global way forward needs to be found despite the US situation; Germany and the rest of the world cannot wait any longer. Of course, any approach must anticipate that the US will enter into the regime in the same way as other industrialized countries, at a later point of time.

Waiting for the United States must stop. Germany should look to how they could cooperate closely with China, BASIC and other developing countries, while sending a signal to the US that Germany will act, even if the US is not moving at the same speed. This way Germany would demonstrate their commitment to tackling climate change and interest in leading toward a low emission affluence model.

#3 - Germany has to meet its financial commitments and ask for innovative sources.

Germany should push for international innovative sources and should do the same on EU-level. In Cancún, Germany should advocate for innovative sources by using insights from the UNSG's Advisory Group on Climate Finance (AGF) report in order to establish a roadmap for implementing these as part of the UNFCCC negotiations.

In Copenhagen, Merkel made financial commitments concerning the fast-start money from 2010 to 2012. Germany has to meet this commitment and all the other commitments they have made on REDD, biodiversity and aid for development to maintain its credibility. At the moment it appears Germany only reaches its finance pledge through double counting. Additionally, they are using loans for the Climate Investment Fund (CIF) and are including this full loan-amount as part of their contribution. That means Germany takes loans into the amount of their fast-start pledges that the developing countries will have to repay through loan agreements. In Cancún, Germany should support establishing future, more transparent MRV on climate finance so that money is not double counted and truly additional.

#4 - Germany should show stronger leadership to conclude a REDD+ agreement.

Germany is one of the major donors for reducing emissions from deforestation and degradation (REDD). Environment Minister Röttgen emphasized that REDD is one of the essential issues in Cancún, and Germany should play a leadership role in securing agreement on a framework for REDD+. Chancellor Merkel always highlights the need of MRV for mechanisms and financial resources. To that end, Governments should in particular agree on MRV of safeguards, which should also apply to the 500 million Euro Germany promised for biodiversity protection (which includes also REDD).

The REDD+ partnership is currently a slow and lengthy process. Besides the UNFCCC process Germany should also become more engaged in this partnership and properly integrate civil society – as mentioned in the founding documents – in the partnership process.



## #5 - Germany should more strongly support a COP decision to establish a new Global Climate Fund under the UNFCCC.

Germany should show stronger support for creating a Global Climate Fund under the UNFCCC. The new fund should include windows for different issues (like REDD, adaptation, mitigation, technology), direct access and should be under the authority and guidance of the UNFCCC. This new fund is important to generate trust with developing countries, and a decision on this in Cancún is needed so that financial architecture under the UNFCCC negotiation can soon be concluded.

## Top Asks of the European Union

For much of this year the EU has struggled with finding a way to overcome its toothless performance in Copenhagen, where it was overshadowed by the US and China. To overcome this, a new Climate Action directorate in the European Commission headed by Connie Hedegaard is proving to be a solid advocate in many regards. But Europe is hamstrung by its insistence that it is the world's leader on climate, open to further action and progressive positions, but waiting for others. This approach reflects a balance of internal country positions, but by resting on its laurels Europe risks losing momentum, overlooking opportunities, and failing to take leadership positions. The EU has played down expectations for Cancún since January, hoping to avoid another train wreck; it has signaled openness to solutions on a variety of issues while keeping an eye on effectiveness and fairness to the EU. However, it will take active diplomacy, internal cohesion, and a measure of vision to exert real leverage; furthermore, positions that may seem self-serving to all or part of the EU, such as in forestry, will erode confidence.

### # 1 - The EU needs to take on stronger positions on fast start and long-term finance.

Fast start finance is one of the few concrete outcomes the EU has to point to from Copenhagen, which explains their high-profile announcement in Bonn in June about how they had met their pledges. However, there is still no common definition or baseline for additionality, meaning it is difficult to rate Member States' efforts; there is also a lack of disclosure on the funding at the national level. To change this, the EU should be in favor of a proper transparent and comparable system of MRV for support, including annual financial inventories based on common guidelines.

The EU also needs to be a champion on innovative sources for raising public finance, scale and management of long-term finance through a UNFCCC Global Climate Fund as it is one of the few parties to have something like a coherent position (from September last year). They can create political space for any good suggestions the UNSG's Advisory Group on Climate Finance (AGF), eg. support for raising finance from the aviation and shipping sectors or through a Financial Transaction Tax.

### #2 - The EU should work towards securing a legally binding agreement to come into force by 2012.

Europe is more vocally open to a two-protocol solution should conditions be met, which includes a 2<sup>nd</sup> Commitment Period of the Kyoto Protocol. This is a crucial and helpful position to have, to be able work with in particular developing countries toward finding a solution to secure a comprehensive legally-binding agreement. However, openness is not enough. They have to be actively engaging with a range of



parties to see that disagreement over legal form doesn't hold up action in Cancún, and instead a way forward becomes possible so that a legally-binding agreement can come into force by 2012.

### #3 - The EU should help close loopholes, not exploit them – starting with Assigned Amount Units and LULUCF.

The EU is keen to point out what a gaping loophole Assigned Amount Unit (AAU) carry-over is, and they're right. They've come up with a range of analyses showing how they could be dealt with, but not chosen a particular approach – this depends on negotiations. Given the EU's unique position of having AAUs inside their own borders, they are well placed to broker agreement on this issue using one of the various means they've investigated.

The other loophole is LULUCF. Europe is now consulting on how it could be included for European compliance at the same time as supporting positions in the UNFCCC that we feel will only expand the loophole – namely projected reference levels and gross-net accounting.

### #4 - The EU should go for an unconditional EU move to (at least) a 30% reduction (domestic!) target.

Even the supportive climate commissioner Connie Hedegaard says this is unlikely to be resolved before Cancún, due to internal resistance from several Member States. This is odd, because numerous analyses all indicate the same thing: the 20% target is nearly business as usual, and a 30% target would benefit Europe whether or not other countries take and further action immediately. Several member states insist on conditionality: they will move when other countries do, particularly China. What they are ignoring (aside from the fact that action in Europe would in itself be beneficial) is that current and planned action is already significant in several parts of the world; failing to recognize this lends downward pressure to ambition rather than upwards encouragement.

### #5 - The EU should promote the inclusion of Zero Carbon Action Plans in a Cancún package.

European institutions are engaged in a 2050 analysis of how the EU as a whole could decarbonize. A handful of member states have something like a Zero Carbon Action Plan nationally. Europe should champion this concept in the UNFCCC as a means to put developed countries on track to a 80% to 95% reduction target for 2050 compared to 1990 levels, then follow up at home by having ZCAPs both as EU and for each 27 member states.

### #6 - The EU should help close the gigatonne gap through pushing for a process to fill it.

Europe has some potentially useful tools to support closing the gap. The EU presented a science analysis in Tianjin that shows they're thinking about the long-term implications of the targets; they should support a mechanism via the UNFCCC to do a similar review of the gigatonne gap. Europe is also talking about how to deal with HFCs, both in the CDM in the short term, and in concert with the Montreal Protocol in the longer term. They should push these initiatives forward.

## Top Asks of China

China has been taking a number of ambitious domestic targets since 2006 and is on track to meeting these targets by end of this year. At the same time, China is now finalizing the 12<sup>th</sup> Five Year Plan in which significant commitments in energy efficiency, renewable energy and most important, carbon intensity of GDP are expected to be included. But China needs to take on even more stringent and effective measures to ensure that future mitigation commitments will be met and even exceeded. Also, China needs to work toward having its domestic efforts incorporated into the international effort. Below is a list of the top priority asks of the Chinese administration in the run up to the Cancún climate meeting.

**#1 - China should in Cancún reaffirm the commitment of 40%-45% reduction in carbon intensity of GDP by 2020 from the 2005 levels, and try domestically to reach an even higher level of reduction, e.g. 50%, if technology and finance support could be provided by industrialized countries.**

China is currently on good track reaching the 20% energy intensity target and the carbon intensity target for the next five years (2011-2015) is being reviewed under the design of 12<sup>th</sup> Five Year Plan which is about to be announced. There is a possibility for China to overshoot the announced target of 40-45%. The WWF China office is working with other stakeholders on this. But a 50% carbon intensity ambition should be supported through international support, particularly in low carbon technology development and finance.

**#2 - China should announce its commitment to developing and implementing a Low Carbon Action Plan/Low Carbon National Plan through to 2050, and to be subject to international third party verification that is consistent to what is described in the Copenhagen Accord.**

China has developed a national climate program and made various reduction commitments, which could be further developed into a low carbon national plan through to 2050. This should be agreed in the Cancún conference in principle conditional to appropriate commitments of industrialized countries and other emerging economies.

**#3 - China should agree that developing country emission reduction commitments supported by international funding should be subject to an effective MRV system that is established with international support, and to include China's Nationally Appropriate Mitigation Actions for MRV at a later stage.**

The Chinese government has clearly recognized the need to improve its energy and emission statistic system and is not against it in principle. However it is reluctant to give permission to MRV all mitigation measures. The Chinese government should agree to have MRV for internationally funded reduction commitments subject to the protection of its sovereign rights. With increased capacity and trust, MRV could be expanded to include China's NAMAs at a later stage.

**#4 - China should agree to produce National Communications every 4 years, with an update, including a GHG inventory, submitted every two years.**

The Chinese government is already completing its second national communication and should agree to produce subsequent national communications every four years, with updates every two years. The first update would then be due in 2012. China

should also agree that developing countries' national communications should be reviewed by expert review teams as part of a UNFCCC facilitative approach, with an alternative option for in-country reviews based on internationally agreed guidelines for countries that want to have in-country review processes in order to build capacity.

## Top Asks of Brazil

Brazil is becoming an ever more important member of the international community, as an emerging economy, a member of BASIC and the G20. But also because Brazil is guardian of an important global treasury of some of the world's largest share of biodiversity and freshwater reserves. Because of this, Brazil must act as a leader in achieving a global legally-binding agreement under the UNFCCC that provides the basis for a low carbon development pathway. Brazil should lead by example, through its domestic efforts to mitigate and adapt to climate change, through transparency, as well as through being a leader in the international process in the UNFCCC.

### #1 - Brazil must lead the negotiation process towards a robust agreement on REDD+ with a global goal linked with the provision of finance.

Brazil has the largest tracts of remaining global native tropical forests. In the last 10 years, a new species was discovered every 3 days in Amazon Forest. It is a major ethical and moral duty to its own citizens that Brazil leads the pathway for a robust REDD+ decision in Cancún. The country has already entered a path to reduce emissions in the Amazon, by having announced a national target for 80% reduction of emissions from the Amazon bioma as well as 40% reduction in Cerrado, the Brazilian savanna. However, even with those targets Brazil would still be experiencing a deforestation of 12.450 square km per year by 2020. In order to help countries to tackle those challenges a global target for REDD+ is needed linked with a global financial support target. A meaningful long-term financial architecture can be secured through agreement on innovative sources for public finance from developed countries.

An international framework for REDD+ must be complementary to the targets and actions taken under the Convention of Biodiversity. There is a need to guarantee that a REDD+ mechanism will incorporate strong safeguards and the participation of Indigenous people. Brazil must show leadership on REDD+ in Cancún, by agreeing and pushing for the establishment of medium term global goal for ending deforestation reduction as well as financial support goals for the short, medium and long-term.

### #2 - Brazil should commit to developing a Low Carbon Action Plan for a long-term 2050 vision for Brazil and formally submit its NAMAs.

Brazil has formally informed the UNFCCC of its national voluntary targets aiming to reduce its emissions between 36.9 to 38.1 % in 2020 from a Business As Usual (BAU) scenario. These national targets have been broken down into in several national actions in different sectors (agriculture, charcoal for steel industry, energy and the reduction of deforestation in the Amazon and Cerrado). This is a very important step in the right direction, however Brazilian national goals are for 2020 only. A key next step for Brazil will be to develop a Low Carbon Action Plan with a long term 2050 vision, based on an appropriated carbon budget, detailing a set of Nationally

Appropriate Mitigation Actions to achieve the 2050.

The country must lead by example and agree to formally register its national appropriate mitigation actions (NAMAs). When submitting its NAMAs to a registry system, Brazil should outline the objective, aimed for emission reductions, financial costs and what international support may be needed from the UNFCCC. Such a progressive step could help to unblock the climate negotiations, prompting progress in several critical areas.

### #3 - Brazil should support progress on innovative sources of public financing.

Brazil needs to agree to include innovative sources of funding, such as raising finance from the aviation and maritime transport sectors, Financial Transaction Taxes (FTT) and auctioning allowances, in conformity with the principle of Common But Differentiated Responsibility & Respective Capabilities. Only with innovative sources to raise finance will it be possible to reach the scale needed to support mitigation and adaptation action in developing countries. The country has shown support for innovative finance at the Task Force on FTTs of the Leading Group on Innovative Financing for Development. The country must maintain its leadership in this regard. Such type of innovative thinking is needed. Only if innovative sources are implemented will the scale of funding materialize that developed countries have to put forward to fulfill financial commitments based on the concept of 'assessed contributions', which Brazil promotes.

### #4 - Brazil needs to assume leadership within BASIC and support a legally binding agreement at COP17 in South Africa.

Amidst the debate on whether governments are still aiming for a legally-binding agreement under the current UNFCCC negotiations, Brazil has not been very vocal. Recent comments made by Chancellor Celso Amorim, Brazilian Minister of Foreigner Affairs, though confirms that Brazil believes a legally-binding agreement under the UNFCCC is needed, though doubts that this will be possible by South Africa in 2011. However, according to Chancellor Amorim, an agreement should be expected in the year of the World Summit "Rio +20" in 2012.

As WWF, we ask Brazil to be much more vocal in supporting a global legally-binding agreement to come out of the current round of negotiations. This should be an agreement for industrialized countries *and* for developing countries that evolves the approach of the Kyoto Protocol – a rules-based, commitment-based approach based on and guided by scientifically-sound global targets and the need for fairness. This means that, next to demanding a 2<sup>nd</sup> commitment period for the Kyoto Protocol, Brazil should support that also the negotiations under the Climate Convention track lead to a legally-binding instrument.

It is risky to have such an agreement approved during Rio+20 only. An international climate regime could be threatened by a gap between the signature of the agreement and its implementation. Appropriate time will be necessary for the development of rules, procedures, or an UNFCCC architecture on adaptation. Also national parliaments need time to approve a new regime. Parties should not take the risk of not having a legally binding agreement done prior Rio + 20. There is no time to lose. Brazil must support a robust legally binding agreement in South Africa, 2011.

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To stop the degradation of the planet's natural environment and  
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