

## **New Zealand**

### **A submission to the Ad hoc Working Group on Long term Cooperative Action under the Convention**

#### **Overview comments on the Bali Action Plan**

**30 September 2008**

#### **Introduction**

1. The following submission provides New Zealand's preliminary overview comments on negotiations under the Bali Action Plan. New Zealand has submitted its specific views on a shared vision, mitigation, MRV, technology and finance.

#### **Shared Vision**

- A shared vision describes what we want the future to look like.
- An agreed quantified long-term goal for emissions reductions is the fundamental component of the shared vision and is needed to ensure global emissions are following an agreed quantified pathway that will lead to achievement of the ultimate objective of the Convention.
- There is a clear relationship between the work on the scale of reductions to be achieved by Annex 1 under the guidance of the AWG-KP, and the work on mitigation commitments and actions taking place under the AWG-LCA. Both work programmes must progress in tandem, especially as they have a common shared vision, resulting in all countries taking appropriate action.

#### **Mitigation**

- A common shared vision, including a long term global goal, is required to guide future mitigation efforts under the Convention and its Kyoto Protocol. Further defining the range of emission reductions to be achieved by Annex I Parties in aggregate will depend upon defining an agreed quantified pathway for all countries that will lead to achieving the agreed quantified global long-term goal.
- The Intergovernmental Panel on Climate Change's Fourth Assessment Report provides useful indicative ranges of emissions reductions required by all Parties by 2020.
- New Zealand supports an indicative range of emissions for Annex I Parties as a group of 25 to 40 per cent below 1990 levels by 2020 (as the lowest greenhouse gas stabilisation band currently assessed by the IPCC), in the context of a global goal and agreement that has comparable effort from all developed countries and nationally appropriate mitigation action from developing countries<sup>1</sup>.
- New Zealand supports the use of objective criteria to guide mitigation commitments and actions.

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<sup>1</sup> At the SBSTA 28 workshop in June 2008, the IPCC authors provided further explanation of the AR4 Working Group III report (pg. 776): an aggregate emissions reduction for Annex I Parties of 25-40 percent below 1990 by 2020 had a concurrent reduction in non-Annex I Parties' emissions in the range of 15-30 percent below baseline.

## **Differentiation**

- The science tells us that meeting the ultimate objective of the Convention will require an ambitious global effort involving all Parties. Parties' contribution to this effort should be based on equity and common but differentiated responsibilities and respective capabilities, and take into account different national circumstances. These principles are embodied in the Bali Action Plan.
- Parties are already differentiated in practice under the Convention and the Kyoto Protocol. Further differentiation among Parties is now appropriate, to reflect the fact that the national circumstances of many countries have significantly changed since 1992 (when the Convention was agreed), and will continue to do so.
- Static categories of "developed" and "developing" country, or "Annex I/II" and "non-Annex I" Parties are no longer helpful. Instead, there should be a dynamic continuum with different commitments, actions and support for different countries based on common, objective criteria. Some of the criteria being discussed under the AWG-KP in the context of mitigation, including GDP per capita, and others such as the Human Development Index, could be relevant.
- Differentiation is a cross-cutting issue and needs to be considered in the context of all elements (mitigation, adaptation, technology, financing) of the Bali Action Plan.

## **Adaptation**

- The Nairobi Work Programme provides the information base for countries to improve their understanding and assessment of impacts, vulnerability, and adaptation, and to make informed decisions on practical adaptation actions and measures.
- Assistance to adapt to the physical impacts of climate change should be targeted at the most vulnerable countries.

## **Finance**

- Finance is a cross-cutting issue that needs to be discussed consistently and coherently across the Convention and its Kyoto Protocol, if the current negotiating processes are to deliver effective decision making and efficient and effective outcomes.
- Greatly increased funding implies higher mutual accountability between Parties for the use of finance, and to their citizens and parliaments on the results<sup>2</sup>. The Paris Declaration on Aid Effectiveness supplemented by the Accra Agenda for Action, and the Monterrey Consensus on Financing for Development provide relevant principles.
- "Financing" is a three step process: assessing needs, collecting the funds, and delivering (according to need).
- New Zealand supports the use of objective criteria to guide eligibility for finance and for the provision of finance.

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<sup>2</sup> This is most relevant under paragraph 1(b)(ii) of Decision 1/CP.13 where the results of actions enabled by finance and technology must be measured, reported and verified and the finance and technology provided must also be measured, reported and verified.

## **Measurement, reporting and verification (MRV)**

- Measurable, reportable and verifiable actions or commitments are central to the mutual accountability of all Parties under the Convention.
- Measurement, reporting and verification can provide an audit of global mitigation effort, better inform emissions projections, and provide an estimate of progress in relation to targets and goals.
- Frequent and up to date greenhouse gas inventories and baseline projections - at least covering the bulk of global emissions (noting that just over 80% of global emissions come from only 25 countries) - will be essential now, up to and beyond 2012. Greenhouse gas inventory reporting and review requirements for major developing economies must mirror Annex I requirements.
- Enhanced implementation of Article 12 of the Convention is easily achieved with modifications to, and broader application of, current national communications guidelines.
- Measurement, reporting and verification are necessary to ensure access to finance and the carbon market by non-Annex I Parties, for example via a mechanism that addresses the reduction of emissions from deforestation and forest degradation (REDD).
- The frequency of reporting on financial resources and transfer of technology (actions to implement Articles 4.3, 4.4 and 4.5 of the Convention) could be increased, with the relevant national communication tables being submitted at the same time as the national inventory report.

## **Cooperation on Technology Research and Development**

- Parties should build upon existing work in the UNFCCC, should consider what can be pursued outside of the UNFCCC process, and whether additional financing or institutional structures are required.
- Cooperation on technology research and development is important to increase the size of investment and to speed up the development and deployment of technologies, particularly in sectors with large mitigation potential, or where significant knowledge gaps exist.
- Enabling environments are fundamental to the research and development of technologies and to the successful deployment of new technologies. A carbon price signal and removal of environmentally harmful subsidies are critical foundations. To maximise incentives and to minimise leakage, this carbon price signal needs to apply as broadly as possible. There may also be a need for transitional financial incentives to supplement carbon price signals, as well as other policy measures to overcome non-price barriers.
- We should look to strengthen the catalytic role of the Convention to promote and facilitate multilateral technology cooperation inside and outside of the Convention, and build upon existing initiatives/institutions. Parties could make an explicit political commitment to actively promote and resource global technology cooperation.
- Soft technology (information and knowledge) is an important element of technology cooperation, particularly in sectors where significant knowledge gaps exist (e.g. agriculture). New Zealand established the international Livestock Emissions and Abatement Research Network (LEARN) to cooperate on research and development of technologies in the livestock agriculture sector and welcomes the active cooperation of other countries in this effort<sup>3</sup>.

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<sup>3</sup> See <http://www.livestockemissions.net/>