

KEY MESSAGES FROM CC9

1. The shared vision for long-term cooperation should make a clear reference to the respect of human rights as a core guiding principle of the post-2012 agreement. This is necessary to ensure climate justice and the fulfillment of the UN Millennium Development Goals.
2. Fostering an environment of trust is essential to secure a global agreement. Industrialised countries urgently need to take the lead in cutting emissions at home while at the same time providing substantial funding for adaptation and mitigation in developing countries.
3. It is imperative that we contain global warming below 2 degrees Celsius. To achieve this, we need a clear, transparent and predictable greenhouse gas reduction trajectory, with global participation. Different countries do however have different circumstances, and as such will need appropriate incentives to 'dock' into the global climate agreement.
4. The response to climate change should foster important co-benefits, such as job creation, environmental protection and health.
5. Sectoral approaches are essential complements to a comprehensive agreement, fostering enhanced collaboration, technology transfer, the elimination of deployment barriers, and early action.
6. Accelerated development and deployment of low emission technology must remain a primary target. Governments need to significantly scale up public funding for R&D, and develop simple, transparent and locally adapted regulations and incentives to drive the development of and markets for low-carbon technologies.
7. Incentives should be designed to accommodate technologies that enable emissions reductions beyond zero emissions, ie. carbon negative technologies such as biomass with carbon capture and storage, carbon-binding cement and biochar.
8. To ensure appropriate technical and managerial skills, capacity-building must be mainstreamed into the development and deployment of low-emission technology. Likewise, the power of entrepreneurship must be unleashed, particularly through the design of smart public-private partnerships.
9. Public financing mechanisms should be designed to multiply and accelerate the flow of private capital into climate friendly technologies and businesses. Subsidies for the use of fossil energy and electricity are inhibiting the implementation of low-carbon technologies and energy efficiency measures, and must cease.
10. The Clean Development Mechanism should be revised to effectively foster low-carbon development in least developed countries.

APPENDIX: WORKING NOTES FROM BREAK-OUT SESSIONS

WORKING SESSION A – CLIMATE JUSTICE

Climate change causes widespread damage on human life today. Millions of people globally are suffering because of climate change and, as extreme climate-related events become more frequent causing death, disease and displacement. The negotiations in Copenhagen must address the human impact of climate change and embrace climate justice as a guiding principle.

We urge the negotiators to consider that:

- Any outcome and any actions to be agreed under the final text shall be underpinned by universally acknowledged human rights standards. Negotiators shall therefore endorse the most ambitious targets in the negotiating text and commit to the mid-term goals.
- The shared vision for long-term cooperation should make a clear reference to the respect of human rights as a core guiding principle of the post-2012 agreement. This is necessary to ensure climate justice and the fulfillment of the UN Millennium Development Goals. We also urge negotiators to include an explicit reference to the need to respect human rights in any statement or press release resulting from the negotiations.
- The final text shall ensure that any actions to be taken in the context of adaptation, mitigation and technology transfer are in compliance with internationally agreed human rights principles and legal frameworks.
- We urge UNFCCC to take a leadership role in coordinating climate justice and development strategies between international, regional, and local institutions as well as the private sector.
- Adaptation and mitigation shall be given equal importance. National Adaptation Plans of Action shall be strengthened and Poverty Reduction Strategy Papers should regularly be updated to include analyses of developing countries' climate change risks, identify key policies for reducing vulnerability, and providing estimates of financing.
- Increased efforts to raise public awareness about the effects of climate change through education and public information campaigns. This will facilitate a higher degree of participation, which in turn should result in the transformation of societies to better respond to climate change.
- Negotiators shall establish alternative forms of protection or migration management systems for those persons who do not qualify as refugees but whose return is not feasible or not reasonable due to circumstances in the place of origin or personal conditions, including personal vulnerabilities.
- The required resources currently available for adaptation created by the levy on the clean development mechanisms are inadequate. Industrialized countries must take urgent steps to substantially increase funding and assistance to least developed countries.

WORKING SESSION B: SECTORAL AGREEMENTS

Sectoral approaches are essential complements to a comprehensive agreement, fostering enhanced collaboration, technology transfer, the elimination of deployment barriers, and early action.

JUSTIFICATION

In all countries

A sectoral approach fosters enhanced collaboration in the development and transfer of technology, the elimination of deployment barriers, and also provides industry with a platform for working with government to secure necessary regulatory approval for technologies.

Sectoral approaches can enable early, reliable and efficient greenhouse gas emission reductions, and are well-suited as complements to a comprehensive agreement.

Sectoral approaches can also stimulate innovation and market transformation with creative combinations of regulatory measures and credits tailored to the sector and market conditions.

In developed countries

Cap and Trade has not yet delivered the necessary reductions on schedule. Sectoral approaches are needed to replace, flank and/or complement Cap and Trade with sectoral approaches, such as standards, phase outs, command and control measures.

In developing countries

Sectoral approaches can provide access to know-how, technologies and funding even before an economy-wide cap is accepted.

Sectoral approaches are well-suited to reduce greenhouse gas emissions and other radiative forcings in sectors that have high climate impacts.

PRINCIPLES

Sectoral approaches should be designed to promote technology transfer, coordinated with funding streams and other incentives for knowledge sharing.

Absolute caps and sectoral performance standards, including intensity targets, should be designed to be complementary and supporting: sectoral approaches should not lead to relaxed national targets or carving out of sectors.

Performance must be transparent, measurable reportable and must be reported and independently verified at reasonable complexity levels.

Sector agreements should be designed to assure that emission reduction targets are continuously strengthened, and ultimately facilitate the transformation to carbon neutral and carbon negative societies. Compliance and enforcement must be assured by governments, intergovernmental, and/or sectoral bodies.

Sector agreements need to respond to new science and take full advantage of innovation.

**WORKING SESSION C: TECHNOLOGY DEVELOPMENT AND ADOPTION FOR POVERTY
ALLEVIATION AND SUSTAINABLE DEVELOPMENT**

ENTREPRENEURIAL FOCUS

An agreement in Copenhagen needs to enhance private-public partnership, aiming to ensure an entrepreneurial edge and active participation by SMEs. This is important to ensure that technologies are appropriately transferred from development to deployment.

INCORPORATE CO-BENEFITS FROM TECHNOLOGY DEVELOPMENT AND ADOPTION

While accelerated development and deployment of low emission technology must remain the primary target, it is important to also value the co-benefits, such as job creation and environmental and health impacts. This will help to incentivise and stimulate implementation, particularly in developing countries.

TECHNOLOGY PUSH: ENSURE INCENTIVES TO DRIVE THE DEVELOPMENT OF IMPORTANT LOW-CARBON TECHNOLOGIES

National governments need to significantly scale-up public funding for R&D within important low-carbon technologies. This is crucial to improve performance and reduce their cost of the technologies that will be needed to achieve the long-term, deep cuts necessary to meet emission targets. It also reduces the overall long-term cost of mitigation.

The impact of national and regional research efforts is higher when resources are pooled and experience is shared. Ensuring efficient mechanisms for targeted, international cooperation on R&D is therefore urgently needed.

IPR rules should not hinder collaboration between research and business communities and facilitate knowledge sharing.

TECHNOLOGY PULL: DEVELOP MARKETS

Develop simple, transparent and locally adapted regulations and incentives to develop efficient markets. One proven model is to combine buying power to establish and mature markets and achieve scale and accelerated technology learning. This should also be designed to strengthen first-mover advantages, ie. stimulate learning-by-doing rather than learning-by-watching.

Stimulate access to capital throughout the business development cycle from seed to commercial stage, both at large and small scale projects. Examples could be soft-loans, micro-finance and government co-funding.

Particular focus should be put on accelerated, massive deployment of existing technologies. Urgent and strong focus on buildings is particularly important. Energy use in buildings is the cause of about 40 percent of global energy-related CO₂-emissions. The building sector is expanding rapidly, particularly in developing countries. Each building constructed without implementing the many existing energy efficiency options represents a missed opportunity and will lock in inefficient energy use throughout the life-time of the building, often several decades.

DEVELOP MECHANISMS TO FACILITATE ACCESS TO INFORMATION AND KNOWLEDGE SHARING, SPECIFICALLY ON TECHNOLOGY AND PROJECTS

DEVELOP CAPACITY BUILDING BOTH ON TECHNICAL, COMMERCIAL AND MANAGERIAL SKILLS

WORKING SESSION D: FINANCE

- It is imperative we contain global warming below 2 degree Celsius. To achieve this we need a clear, transparent and predictable GhG reduction trajectory with global participation. Different countries have different circumstances, and as such will need appropriate tools (including financial incentives) to “dock” into the global climate agreement. Any new agreement should be designed to support effective and efficient docking for new entrants into the global carbon reduction process.
- All industrialized countries, not only the present members of the Kyoto-agreement, should tie into the internationally recognized market mechanisms, although some less developed and major emitting nations can join-up on a phased basis within an agreed timeframe. This will ensure sufficient scarcity to deliver our climate objectives. Collective climate considerations - climate before burden sharing - should be stimulated.
- Predictability of a carbon constrained world is a necessary condition for supporting technology innovation, encouraging the business sector to evaluate their investments, and governments to adjust their development trajectories. Some technologies, like carbon capture, will for some time require additional financing to drive the economies of scale.
- Low-carbon investments are inhibited by fossil related, explicit and implicit energy subsidies. Fuel and electricity subsidies are both large and distortive and, as such, should urgently be phased out.
- For those forest nations not sufficiently prepared to participate in the carbon market, the Copenhagen Agreement must have appropriate and committed financing.
- Measurement, reporting and verification (MRV) of emissions is a prerequisite for the introduction of incentive based systems. Lack of implementing capacity in many developing countries is however a limiting factor, making international support for capacity building a priority.
- International transfer of funds through various mechanisms can encourage broader participation, including that of the major emitting nations, in the global carbon market,. This funding will incentivize countries to adopt wide reaching emission reduction targets which may be achieved through creating a price on carbon by implementing a cap and trade or carbon tax with additional national complimentary GHG reduction schemes.
- Adequate, additional and predictable funding for Adaptation is imperative. Markets cannot be used for Adaptation. Public international finance is called for.
- The compliance market itself could be a good source for the needed finance and options should be explored. For example turning international permits, or assigned amounts, into dollars would generate sufficient, reliable and additional resources.
- CDM has built execution capacity, experience, methods, local engagement and, pushing the barriers and revealing the weaknesses of systems to make the tons of CO2 mitigated MRVable. But it has not delivered the scale and transformation required to deliver climate objectives. CDM should be revised, and project based approach must be retained as it leads to high MRV offset projects and easier engagement by the private sector. Investment in aggregation resources should be deployed to focus on green house gas reductions that existing mechanisms have failed to deliver. Microfinance mechanisms and other alternative existing channels should also be considered to assist in the deployment of these projects.
- Public Finance delivery mechanisms and approach should leverage the greatest amount of private sector finance to accelerate capital flows into climate friendly investments. Specific examples could be:
 - Sovereign backed facilities should be used to guarantee large quantities of late stage debt capital which will accelerate commercially mature clean energy/ transport project.
 - Focus on the gaps in the financing spectrum where the private sector is naturally poor at managing such risks.
 - Extended Country risk insurance
 - Confidence in a long-term policy framework for pricing in of externalities (eg.carbon)
 - Basel II risk capital weighting 0% for Green Infrastructure related debt.