

VIEWS AND PROPOSALS ON PARAGRAPH 1 OF THE BALI ACTION PLAN (SUBMISSION BY BRAZIL)

Brazil recalls the invitations to Parties expressed in the Bali Action Plan (decision 1/CP.13) and in the conclusions of the AWG-LCA sessions (documents FCCC/AWGLCA/2008/3 and FCCC/AWGLCA/2008/8), and welcomes the opportunity to submit additional views and proposals on paragraph 1 of the Bali Action Plan.

A) Mitigation

2. In a context where all must act to face the challenge of climate change, it is essential to remember that mitigation measures of developing and developed countries are different in nature, as clearly defined in the Convention, Kyoto Protocol and, more recently, in the Bali Action Plan. The UNFCCC is based on the principle of common but differentiated responsibilities, which is reflected in distinct Annex I and non-Annex I legal obligations throughout the provisions of the Convention. This principle is a cornerstone of the regime and should guide the work of the AWG-LCA.

3. A key element for the AWG-LCA work programme in 2009 will be to define the basis of comparability for the mitigation commitments and actions of developed country Parties, including quantified emission reduction targets. Comparability should be considered regarding both the nature of actions and commitments and the quantitative mitigation impact of these actions and commitments.

4. An important equity factor in determining the burden sharing for mitigation will be the historical responsibilities for climate change. Historical responsibility means that, in facing the challenge of climate change, countries should contribute to the solution according to their contribution to the problem. This is not a simple general reference, but a solid foundation which we can scientifically translate into a specific and fair distribution of commitments. Considering historical responsibility does not imply disregarding the future; it implies acting in the present, with a view towards the future, in a way that is equitable regarding the past.

5. In this context, developed countries must achieve absolute reductions in the emissions of greenhouse gases. This result should be achieved under article 4.2 of the UNFCCC, through measurable, reportable and verifiable mitigation commitments, including quantified emission limitation and reduction objectives. The results of such actions should demonstrate the leadership required from developed countries in reducing emissions.

6. While Annex I Parties are obliged to reduce emissions to comply with their quantified targets, non-Annex I Parties, implementing nationally appropriate mitigation actions in the context of sustainable development, will seek to reduce their rate of emissions growth, as indicated in the IPCC 4 AR. All countries should contribute to the global effort of mitigation, but Annex I Parties and non-Annex I Parties contribute in different ways, guided by their specific responsibilities, capabilities and needs regarding

economic and social development and poverty eradication. Developed countries have their infrastructure in place and the essential needs of their societies fully satisfied; developing countries do not and therefore face the challenge and extra burden of combining economic growth and mitigation actions.

7. In Brazil's view, measurability, reportability and verifiability are different for Annex I countries and non-Annex I countries. What must be measured, reported and verified, in the case of Annex I countries, is the extent to which emission limitation and reduction complies with a quantified emission limitation and reduction objective. This must follow Convention guidelines for Annex I inventories. On the other hand, what will be measured, reported and verified, in the case of non-Annex I countries, is implementation of sustainable development actions that reduce the rate of emissions growth. Also, non-Annex I actions should be supported by finance and technology from Annex-I Parties in a way that is measurable, reportable and verifiable. This MRV component should be ensured by means of the new financial and technology mechanisms to be established under the Convention, as proposed by the G77.

8. Brazil recalls Article 4, paragraph 7 of the Convention, which establishes that the extent of developing country actions depends on the level of support they receive by means of enabling technology, finance and capacity building. Brazil has made it clear that it will continue to fight climate change, through national actions, to the full extent of its capacity. However, Brazil is ready to do more, if international positive incentives are established.

9. Implementation of the Bali Action Plan would benefit from full recognition of the mitigation actions that have been and are being implemented by developing countries. This would help avoid the false view that mitigation so far has been achieved only by a limited group of Annex I Parties.

B) Reducing emissions from deforestation and forest degradation (Bali Action Plan, paragraph 1.b.iii)

10. Actions on REDD are an important part of mitigation efforts by several developing country Parties, implemented in the context of sustainable development, to be supported and enabled by technology, financing and capacity-building. To ensure short-term mitigation results, simple approaches should be adopted to quickly implement mitigation activities in the forest sector. The UNFCCC should enhance endogenous capacities for monitoring and assessment in developing countries (establishment of reference emissions rate and the rate of emissions from deforestation, access to remotely sensed data of adequate spatial and spectral resolution, sound sampling design, etc.). Forestry mitigation efforts depend on institutional capacity; investment capital; technology; research and development; appropriate policies and incentives.

11. Brazil is of the view that forest mitigation activities under the UNFCCC should not be discriminated from the treatment of other non-forest mitigation activities. Although REDD will play a role in mitigation, actions in the forest sector will be insufficient to combat climate change if ambitious results are not achieved in the reduction of emissions

from the use of fossil fuels, the main cause of climate change. According to the IPCC 4AR, climate change can affect the mitigation potential of the forest sector.

12. Brazil proposed, in 2006, an arrangement, under the UNFCCC, to provide positive incentives to countries that demonstrate, in a transparent and credible manner, reductions in emissions from deforestation. The proposal was further developed under the SBSTA, in 2007, and provided elements that were captured in the Bali Action Plan. The proposal aimed to implement Articles 4, paragraph 1(b) and (c), as well as 4, paragraph 3 of the UNFCCC by stimulating further action that could result in emission reductions in developing countries. The proposal is not a mechanism that could be used by Annex I countries to meet their quantified greenhouse gas emission limitation and reduction commitments under the Kyoto Protocol. It is an additional effort by developing countries. Its ultimate goal is to contribute to the objective of the Convention, set forth in article 2.

13. The proposal is based on the distribution of financial incentives to countries that demonstrate, voluntarily, in a transparent and credible manner, a net reduction in their emissions from deforestation. These financial incentives should be provided by Annex II countries that engage in the arrangement, and shall be new and additional to financial resources provided for other activities (according to Article 4, paragraph 3 of the UNFCCC). Such resources will assist countries in the implementation of both existing and new national public policies and measures that reduce emissions from deforestation.

14. Participating countries are entitled to financial incentives from the arrangement after they demonstrate, in a transparent and credible manner, that they have reduced their emissions from deforestation. This approach is based on *ex-post* results. The proposal is not, therefore, linked to the concept of maintenance of carbon stock on forest land, such as in the concept of “avoided deforestation” or “conservation”, but rather is based on effective reduction of emissions from deforestation.

15. Brazil believes that this proposal on REDD will help enable the full, effective and sustained implementation of the Convention, which is the mandate of the Bali Action Plan. The methodological issues on REDD have advanced in the SBSTA, but further discussions on the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries are still needed.

16. The carbon mitigation potential from reducing deforestation, reducing forest degradation, forest management and afforestation differs by activity, regions, time and horizon. Regardless of the mitigation potential of different forest activities, Brazil is of the view that all these activities are entitled, under the Convention, to financial support.

17. Brazil restates the elements presented in its submission dated February 26, 2007 (document FCCC/SBSTA/2007/MISC.2) and the importance of fully developing methodological issues related to forests within SBSTA.

C) Adaptation

18. Developing countries, despite their limited historical responsibility for climate change, face the highest costs regarding its impacts. This, along with the fact that adaptive capacity to climate change is uneven across countries, requires enhanced international cooperation to face increasing adaptation needs. The Bali Action Plan mandate to achieve full, effective and sustained implementation of the UNFCCC also involves commitments regarding adaptation, such as the financial support commitments defined for Annex II Parties in Article 4, paragraph 4.

19. Current barriers that hinder adaptation include knowledge gaps, impediments to information flows relevant for adaptation decisions and, most importantly, insufficient resources for building adaptive capacity and translating it into action in developing countries. As indicated by the IPCC, “the implementation of adaptation measures faces a number of financial barriers” (AR4, WGII, chapter 17, p. 734). The fact that only 15 countries had completed their National Adaptation Programs of Action (NAPAs) by mid-2007 clearly indicates that enhanced cooperation is needed.

20. The development of a comprehensive and robust work program on adaptation is an important first step to enable enhanced action under the Convention. Such a program should take into account lessons learned from the “Nairobi work program on impacts, vulnerability and adaptation to climate change”, which is expected to conclude in 2010. It will be crucial to increase capacity to translate data into information for users and, thus, into action.

21. One element that Brazil highlights in such a work program is vulnerability mapping regarding impacts in key areas, in light of economic, environmental and social indicators. This must be country driven and based on national circumstances. Another important focus is the establishment, or the identification and strengthening, of national and regional centers of excellence on vulnerability and adaptation.

22. The establishment of national and regional centers is necessary for adaptation planning, which is mandated by article 4.1(b) of the Convention and therefore is entitled to full incremental costs funding. These centers could assist Parties to build endogenous capacity for, *inter alia*: i) the development of analytical tools to enable scenario generation and downscaling for current and future impact assessments; ii) the research, development and transfer of adaptation technologies, for example in the areas of food, forestry, water resources, human health, industry, human settlements and society; iii) awareness raising; iv) support of pilot projects; and v) publication of studies on adaptation. The creation of partnerships, under the Convention, among companies and research institutions of developed and developing countries for adaptation would also be a useful tool for enhanced action in this area.

23. The implementation of NAPAs would also require institutional strengthening. The establishment, under the Convention, of national climate change committees for adaptation, similar to the “ozone units” created by the Multilateral Fund of the Montreal Protocol, would enhance coherence in national policies for adaptation. Since adaptation planning must be undertaken by a wide range of local and national governmental and non-governmental entities, dealing with a variety of social and economic aspects, a national

coordination mechanism, with technical capacity, supported by the Convention, would be an important element in the effective implementation of adaptation provisions.

24. Brazil is of the view that enhanced implementation of the adaptation provisions established in the Convention will require significant new financial resources. Financing for adaptation should be considerably increased in order to redress the balance in the allocation of funds under the climate change regime. To bridge the adaptation gap, predictable, stable and adequate funding should be ensured by means of the new financial mechanism to be established under the Convention. Considering the additionality of the adaptation effort regarding the existing challenge of development, resources for adaptation should be new and additional, beyond ODA.

D) Technology

25. In seeking to fulfill its mandate of achieving “full, effective and sustained implementation” of the Convention, the Bali Action Plan calls for “enhanced action on technology development and transfer to support action on mitigation and adaptation”. Brazil believes that the combined challenge of climate change and social and economic development demands the development and transfer of environmentally sound technologies for both mitigation and adaptation. Low levels of development and transfer would undermine the global effort as a whole. Brazil would like to recall the specific suggestions it has already presented on this topic by means of its submission on the development and transfer of technologies (FCCC/SBI/2008/MISC.1). The list of actions presented in this document includes the following:

- a) reinforce north-south, south-south and north-south-south cooperation, including joint development;
- b) promote climate change related new technology development, deployment, and transfer among country parties;
- c) accelerate the transfer of existing environmentally sound technologies and know-how to other country Parties, in special developing country Parties, to support action both on mitigation and adaptation;
- d) promote capacity-building and strengthen the development and autonomous use of technology in developing countries;
- e) stimulate innovative approaches, including strengthening the public availability of government sponsored technologies;
- f) increase the contracting of technological research in developing countries;
- g) consider new approaches that combine intellectual property rights protection and facilitated technological sharing, bearing in mind the example set by decisions in other relevant international fora related to intellectual property rights, such as the Doha Declaration on the TRIPS Agreement and Public Health;

- h) consider incentives to stimulate technology transfer within companies, with a view to strengthening capacity in subsidiary companies located in developing countries;
- i) enhance technology transfer through public companies;
- j) foster the establishment of national/regional technology excellence centers to promote technology development, deployment and transfer, stimulate capacity building, improve access to information, support an innovation culture and establish an appropriate international cooperation environment;
- k) consider mechanisms, including performance indicators, to measure, report and verify the effectiveness of technology transfer to developing countries, taking into consideration, as appropriate, inputs from the work undertaken according to decision 4/CP.13, paragraph 4;
- l) consider the removal of barriers to transfer of mitigation and adaptation technologies to developing country Parties; and
- m) establish new financing mechanisms and tools for scaling up the development, deployment and transfer of technology, in particular privately owned technology, to support action on both mitigation and adaptation to climate change in accordance with Article 4 paragraph 3.

26. It is important to bear in mind that the Convention determines that technological support is a specific obligation of developed countries (Article 4, paragraph 5) and that the extent of actions by developing countries will depend on the level of financial and technological support that they receive from developed countries (Article 4, paragraph 7). The Bali Action Plan adds an element by defining that technological support from developed countries should be measurable, reportable and verifiable.

27. There is general recognition on the need for institutional strengthening within the Convention. In decision 4/CP.13, for example, Parties agreed that “current institutional arrangements, access to financing and suitable indicators for monitoring under the Convention for the implementation of Article 4, paragraph 5, are limited and should be enhanced to deliver immediate and urgent technology development, deployment, diffusion and transfer to developing countries”.

28. Brazil believes that a new mechanism under the Convention should be created to address these issues. We recall the proposal of a technology mechanism presented by the G77, which we support. The mechanism should be guided by the Convention (particularly Article 4, paragraphs 3 and 5), comprehensive (covering different stages of technology research, development, diffusion and transfer) and would build on the work of the EGTT. The technology mechanism should operate under the authority and guidance of the COP and be fully accountable to it.

29. The mechanism should include an Executive Body and a Multilateral Climate Technology Fund (MCTF). The Executive Body would have planning, monitoring and technical responsibilities and, by means of a verification instrument, would control contributions made to the mechanism in accordance with the “measurable, reportable, verifiable” requirement. The MCTF would operate within the framework of the new financial mechanism to be created under the Convention, as proposed by the G77.

E) Finance

30. Brazil recalls that the Bali Action Plan’s mandate to achieve full, effective and sustained implementation of the Convention includes implementing enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation. The Convention, in Article 4, paragraphs 3, 4, 5, 8 and 9, offers clear examples of funding commitments that must be met in order to achieve full implementation. Additionally, the Bali Action Plan states that the financial support offered by developed country Parties should be measurable, reportable and verifiable.

31. Brazil supports the establishment of a new financial mechanism under the COP. The proposed new financial mechanism should be comprehensive, efficient and oriented towards the needs of non-Annex I Parties for funding for mitigation and adaptation activities, as well as technology development, deployment and transfer related to such activities.

32. Regarding the nature of such a mechanism, Brazil recalls the proposal presented by the G77 during the third session of the AWG-LCA, which we support. As defined in the proposal, such a mechanism must be based upon the principle of common but differentiated responsibilities and respective capabilities; operate under the authority and guidance of the COP and be fully accountable to it; have an efficient and transparent governance, with equitable and geographically balanced representation of Parties; enable direct access to funding by the recipients; and involve the recipients in the identification, definition and implementation of their projects. It is essential that the mechanism, in its operations, follow a country-driven approach.

F) Shared vision

33. Brazil believes that a shared vision is needed on the practical implications of the principles of the Convention for mitigation, adaptation, financing and technology development and transfer. The principles contained in the preamble and Article 3 of the Convention should inform and define all discussions regarding international norms to address climate change, especially decisions adopted by the Conference of the Parties. Principles such as the common concern of humankind (Preamble, paragraph 1), common but differentiated responsibilities (Article 3, paragraph 1), precaution (Article 3, paragraph 3), along with the idea that developed countries “should take the lead in combating climate change” (Article 3, paragraph 1), the consideration of specific needs and special circumstances of developing countries (Article 3, paragraph 2) and the right to promote sustainable development (Article 3, paragraph 4) are elements that must determine the implementation of the Convention.

34. The principle that climate change is a common concern of humankind defines a common endeavour, differentiated according to Parties' capacities and responsibilities. A shared vision requires, therefore, the recognition that all states should do more, in the context of a global effort. This means that deeper absolute reductions in emissions are required from developed countries, while developing countries should implement mitigation actions, supported by finance and technology, with a view to deviating emissions trends from the baseline.

35. The principle of common but differentiated responsibilities and respective capabilities manifests itself in the very structure of the Convention. It is based on elements such as distinct historical responsibilities regarding global warming, distinct financial and technological capabilities and distinct national development challenges. A shared vision should reiterate the established legal distinction between the obligations of Annex I and non-Annex I Parties.

36. The precautionary principle has special implications for the implementation of the provisions of the Convention on adaptation. Article 3, paragraph 3, by making reference to precautionary measures to mitigate the adverse effects of climate change, explicitly mandates a precautionary basis for action on adaptation. This means that where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing the implementation of adaptation provisions, including financial, under the Convention.

37. The obligation of developed countries to lead mitigation actions is also reflected throughout the Convention. Article 4, paragraph 7 is a clear example: it conditions the implementation of commitments by developing countries to developed countries' compliance with their commitments related to financial resources and the transfer of technology. This link is also present in the reference made in paragraph 1(b)(ii) of the Bali Action Plan to measurable, reportable and verifiable support by Annex I Parties to actions in non-Annex I Parties.

38. Brazil considers a global goal as an important element of a shared vision. It should reflect the best available science, particularly IPCC AR 4 and recommendations therein. This includes ambitious mid-term goals for Annex I Parties of at least 25% to 40% reductions, regarding 1990 levels, by 2020.