

## Recommendations

### 1 Develop a multilateral framework for avoiding dangerous climate change under the post-2012 Kyoto Protocol

- Establish an agreed threshold for dangerous climate change at 2°C above preindustrial levels.
- Set a stabilization target for atmospheric concentrations of CO<sub>2</sub>e at 450 ppm (the costs are estimated at 1.6 percent of average global GDP to 2030).
- Agree to a global sustainable emissions pathway aimed at 50 percent reductions of greenhouse gas emissions by 2050 from 1990 levels.
- Targets under the current Kyoto commitment period implemented by developed countries, with a further agreement to cut greenhouse gas emissions by at least 80 percent by 2050, with 20–30 percent cuts by 2020.
- Major emitters in developing countries to aim at an emissions trajectory that peaks in 2020, with 20 percent cuts by 2050.

### 2 Put in place policies for sustainable carbon budgeting—the agenda for mitigation

- Set a national carbon budget in all developed countries with targets for reducing overall emissions from a 1990 reference year incorporated into national legislation.
- Put a price on carbon through taxation or cap-and-trade programmes consistent with national carbon budget goals.
- Carbon taxation to be introduced at a level of US\$10–20/t CO<sub>2</sub> in 2010, rising in annual increments to US\$60–100/t CO<sub>2</sub>.
- Adopt cap-and-trade programmes that aim at 20–30 percent cuts in CO<sub>2</sub> emissions by 2020 with 90–100 percent of allowances auctioned by 2015.

- Utilise revenues from carbon taxation and cap-and-trade to finance progressive tax reform, with reductions in taxes on labour and investments, and the development of incentives for low-carbon technology.
- Reform of the European Union's Emissions Trading Scheme to reduce quotas, increase auctioning and limit windfall gains for the private sector.
- Create an enabling environment for renewable energy through 'feed-in' tariffs and market regulation, with a 20 percent target by 2020 in renewable power generation.
- Increase energy efficiency through regulatory standards for appliances and buildings.
- Reduce CO<sub>2</sub> emissions from transport through stronger fuel efficiency standards in the European Union, with a target of 120g CO<sub>2</sub>/km by 2012 and 80g CO<sub>2</sub>/km by 2020, and more stringent Corporate Average Fuel Economy Standards (CAFE) in the United States with the introduction of taxation of aviation.
- Increase financing, incentives and regulatory support for the development of breakthrough technologies, with a focus on Carbon Capture and Storage (CCS)—the United States should aim at 30 demonstration plants by 2015, and the European Union should have a comparable level of ambition.

### 3 Strengthen the framework for international cooperation

- Develop international cooperation to enhance access to modern energy services and reduce dependence on biomass, the primary source of energy for about 2.5 billion people.
- Reduce the rate of increase in carbon emissions in developing countries through strengthened energy sector reforms, backed by finance and technology transfer.

- Create a Climate Change Mitigation Facility (CCMF) to mobilize the US\$25–50 billion needed annually to support low-carbon transitions in developing countries through a mix of grants, concessional aid and risk guarantees for investment under nationally-owned energy sector reform programmes.
  - Integrate project based carbon-financing through the Clean Development Mechanism and other Kyoto flexibility provisions into programme-based and sectoral national strategies for supporting low-carbon transition.
  - Significantly strengthen international cooperation on coal, with the creation of incentives for the development and deployment on Integrated Gasification Combined Cycle (IGCC) technology and CCS.
  - Develop international incentives for the conservation and sustainable management of rainforests.
  - Extend carbon financing beyond industrial sector mitigation to land-use programmes—such as forest conservation and grasslands restoration—that offer benefits for the poor.
- 4 Put climate change adaptation at the centre of the post-2012 Kyoto framework and international partnerships for poverty reduction**
- Recognize that the world is committed to significant climate change, that even stringent mitigation will not materially affect temperature change until the mid-2030s, and that average global temperatures will rise to 2050 even under a ‘good case’ scenario.
  - Strengthen the capacity of developing countries to assess climate change risks and integrate adaptation into all aspects of national planning.
  - Act on G8 commitments to strengthen meteorological monitoring capacity in sub-Saharan Africa through partnerships under the Global Climate Observing System.
  - Empower and enable vulnerable people to adapt to climate change by building resilience through investments in social protection, health, education and other measures.
  - Integrate adaptation into poverty reduction strategies that address vulnerabilities linked to inequalities based on wealth, gender, location and other markers for disadvantage.
  - Provide at least US\$86 billion in ‘new and additional’ finance for adaptation through transfers from rich to poor by 2016 to protect progress towards the MDGs and prevent post-2015 reversals in human development.
  - Expand multilateral provisions for responding to climate-related humanitarian emergencies and supporting post-disaster recovery to build future resilience, with US\$2 billion in financing by 2016 under arrangements such as the UN’s Central Emergency Response Fund and the World Bank’s Global Facility for Disaster Reduction and Recovery.
  - Explore a range of innovative financing options beyond development assistance to mobilize support for adaptation, including carbon taxation, levies on quotas issued under cap-and-trade programmes, air transport taxes and wider measures.
  - Streamline the current structure of dedicated multilateral funds which are delivering limited support (US\$26 million to date and US\$253 million in the pipeline, with high transition costs), and shift the locus of support from projects to programme-based financing.
  - Use Poverty Reduction Strategy Papers (PRSPs) to conduct national estimates of the costs of scaling-up existing programmes, identifying priority areas for reducing vulnerability.