



INTERNATIONAL CLIMATE EFFORTS BEYOND 2012

REPORT OF THE
CLIMATE DIALOGUE AT POCAANTICO

I. The Case for Action

- Clear scientific justification for stronger action now and over the coming decades
 - Strong economic rationale for acting now to reduce emissions and develop new technologies
 - Delaying action could increase long-term costs and undermine economic growth
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II. Framing the Future Effort

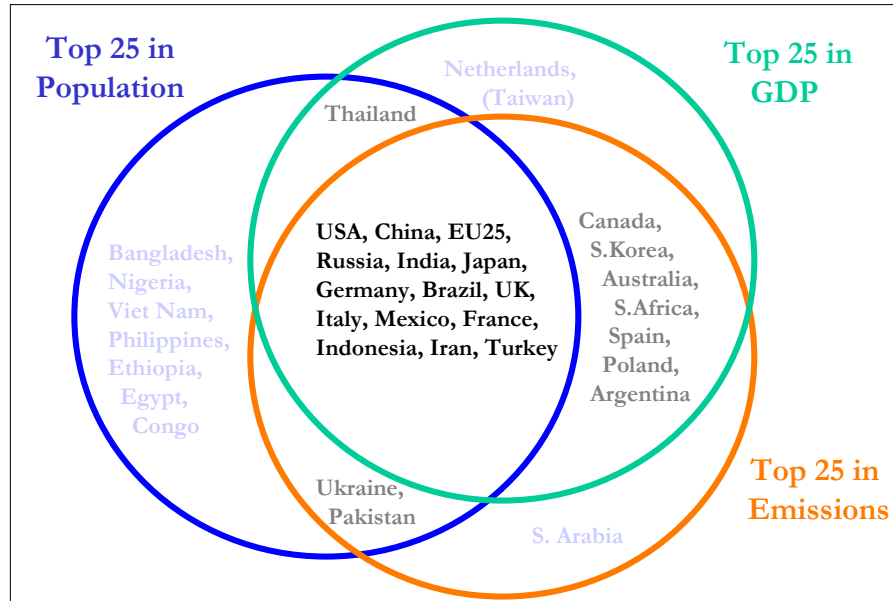
- Climate change is inherently a global challenge; should be met with a global response
 - UN Framework Convention on Climate Change establishes a foundation, and fundamental guiding principles, for a global approach
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Framing the Future Effort

A post-2012 framework must:

- Engage major economies
 - Provide flexibility for different national strategies and circumstances
 - Integrate climate and development
 - Couple near-term action, long-term focus
 - Address adaptation needs
 - Be viewed as fair
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Major Economies



III. Options for Strengthening Multilateral Action

Six Elements:

- Aspirational long-term goal
- Adaptation
- Targets and trading
- Sectoral approaches
- Policy-based approaches
- Technology cooperation

Element 1: Targets and Trading

- **Market-based approaches a core element**
 - **Emission targets could vary in timing, stringency, and form**
 - In addition to binding absolute, could include intensity, “no lose,” or conditional targets
 - **“Programmatic” mechanism could credit policy-driven or sector-wide emission reductions**
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Element 2: Sectoral Approaches

- **International agreements in key sectors:**
 - **Auto** – Differentiated fuel economy or greenhouse gas standards
 - **Power** – Standards for phase-in of carbon capture-and-storage
 - **Manufacturing** – Differentiated intensity targets
 - **Land Use** – Goals for increasing or maintaining carbon stocks
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Element 3: Policy-based Approaches

- **Countries address climate and development by:**
 - Committing to broad policy goals
 - Pledging specific national measures
 - Reporting on implementation, emissions impact
 - **Possibilities:**
 - Enhancing energy efficiency, security
 - Reducing local pollution
 - Raising agricultural productivity
 - **Complemented by “programmatic” crediting**
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Element 4: Technology Cooperation

- **Coordinate and increase funding for research and development of “breakthrough” technologies**
 - **Establish “zero-net” emission goals**
 - **Support deployment of existing and new technologies in developing countries through:**
 - Export incentives
 - Assistance for capacity-building and creation of enabling regulatory environments
 - Terms to ease access while protecting property rights
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Element 5: Adaptation

- **Within climate framework, stronger assistance to:**
 - Address urgent needs of the highly vulnerable
 - Develop national adaptation strategies
 - **Beyond climate framework, integrate climate into development assistance, planning**
 - One example: Routine climate risk assessments by multilateral development banks
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Element 6: Aspirational Long-term Goal

- **Scientific uncertainties, political stakes too great to negotiate a quantified long-term target at this time**
 - **Governments and others should continue to articulate their own long-term objectives**
 - Over time, these may coalesce into a more common concrete view guiding the international effort
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From Elements to Action

- **Linking Elements – Two Options**
 - Parallel tracks
 - An integrated approach
 - **A Dialogue Among Major Economies**
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Linking Elements: Parallel Tracks

- **Groups of like-minded countries form agreements along different tracks**
 - Could report to the Framework Convention
 - **Would launch action on multiple fronts, build confidence, provide lessons for future**
 - **But ad hoc mix may not yield an overall effort that is sufficiently timely or robust**
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Linking Elements: An Integrated Approach

- Linking and negotiating across tracks may produce a more balanced and ambitious effort
 - Negotiations could be could take the form of sequential bargaining
 - Critical issue: Terms of engagement
 - May need to agree at the outset that certain countries negotiate within designated tracks appropriate to their circumstances
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A Dialogue Among Major Economies

- Need political consensus among 15-30 key countries on the nature and scope of future multilateral efforts
 - Leaders should convene an informal high-level dialogue to scope out possible post-2012 approaches
 - Dialogue, not negotiation
 - Any formal agreements would be pursued under the Framework Convention
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