CC8 – TECHNOLOGY AND FINANCE IN CLIMATE COOPERATION
5-6 June 2008, Hafslund Manor, Sarpsborg, Norway

CC8 Letter

Open letter to Presidents, Prime Ministers, Parliamentarians, negotiators, and other stakeholders committed to advancing the climate change agenda and international agreements.

Dear colleagues,

Recently we convened a high level discussion in Norway to consider the issue of technology and financing in relation to the international climate agreement negotiations leading up to the UNFCCC Conference of the Parties in Copenhagen in December 2009.

Those who attended the discussion included former heads of State and government, ministers, industry leaders of existing and emerging technologies, representatives of the banking sector, global financing institutions, hedge funds, UNFCCC negotiators, academia and environmental NGOs.

The conference recognized that the risks of climate change have been quantified and demand urgent action to cut global greenhouse gas emissions by at least 50 per cent by 2050 and by at least 80 per cent in developed countries, as well as to stabilize greenhouse gas concentrations to prevent dangerous climate change. Progress in technological development has been achieved since the Kyoto Protocol was negotiated, providing new tools to combat climate change while facilitating economic growth and wealth creation.

A post-2012 international agreement on climate change must break new ground in international cooperation. It will require consciously promoting a collaborative atmosphere of trust and a sense of common interest similar to the 'spirit of Montreal' that has characterized twenty years of international cooperation since the Montreal Protocol on protecting the ozone layer. A post-2012 agreement must aim to promote a global technological revolution that will transform the world's energy system within a few decades. While the scope is huge, it can be focused, recognizing that only about 25 nations – including both developed and rapidly industrializing nations – account for about 85 per cent of the world's greenhouse gas emissions.

In this letter we present the key messages coming from the Conference for your consideration. While these are meant to contribute to the consideration of technology and finance issues in the course of international negotiations leading up to the UNFCCC Conference of the Parties in Copenhagen in 2009, they should also be useful in the discussion of these issues in other fora.

CC8 discussions reflected a broad range of views of participants from developed and developing countries, politics, academia, business and environmental groups. From this

diversity, common ground emerged. The participants gave their broad support to the following points:

A firm foundation for post-2012 cooperation must build on acknowledging important challenges. It must be:

i. Effective – reaching defined goals.
ii. Efficient – exploiting both low costs and high dynamic potential of markets.
iii. Equitable – ensuring cooperation by combining justice, ability and opportunity.

To be on track towards global cooperation:

i. It must be demonstrated that low-carbon growth is feasible.
ii. There must be increased support for adaptation.
iii. There must be cooperation on technological development and change.

Importantly, a post-2012 framework should ensure pricing of greenhouse gas emissions, building on the Kyoto Protocol's first commitment period 2008-2012.

1: An international agreement to promote climate change technologies
An international agreement for the post-2012 period needs to be flexible and simple. Cooperation is necessary to ensure large reductions in emissions in this century. In addition to stimulating emission reductions directly, it should address the needs for finance sufficient to cover the cost of emissions abatement and increased adaptation in developing countries, and ways to achieve far-reaching technological change. Informal or formal mechanisms should go forward urgently, notwithstanding progress on a global climate agreement.

Provisions in this respect should reflect the following imperatives:

2: Boost longer term research, development and deployment of climate change mitigation and adaptation technologies internationally, using public resources and triggering private sector investments

- A post-2012 climate regime must boost public resources for research, development and deployment (RD&D) of appropriate existing technologies and catalyse far-reaching technological change.
    - Developed countries should invest or contribute at least 0.1% of GDP from public budgets to climate technology research.
    - Public funding is required for demonstration projects to ensure commercialization of emerging technologies like CO_2 capture and storage and renewable energy.
    - Measures are needed to accelerate the deployment of promising existing technologies.
- Such public efforts could be undertaken nationally (based on pledges to the international community) or through international collaborative efforts. International mechanisms should be non-bureaucratic, similar to the consultative group on agricultural research (CGIAR) and such previous experience in international cooperation as the global cooperation on confronting HIV/AIDS and smallpox.

- Successful interaction between public and private sectors is essential to the necessary paradigm shifts in RD&D. Countries and the international community should explore and coordinate a multitude of instruments to stimulate private-sector technology investment.
- Effective RD&D requires clarity of signals and an absence of vexatious barriers. Domestic and international institutions and policies should be as stable, transparent and predictable as possible.
- Commitments to joint use and wide access should be ensured, for instance through joint development projects between developed and developing countries.
- International rules should facilitate the development and transfer of both new energy technologies and adaptation technologies to countries in need of international assistance. An international agreement should aim to balance the incentives for innovation and diffusion including through innovative approaches to intellectual property rights.

3: Make low-carbon technologies top priority

- No low-carbon technology should be excluded from RD&D support. It is just as essential to support work on energy efficiency as on new energy supply technologies.
- Correct pricing of energy is a central element of energy efficiency, taking due consideration of social concerns.
- Appropriate standards and regulations should be established to boost development of the best technologies, such as:
    - Establish national and international best practices for new buildings and for minimizing energy consumption in existing buildings.
    - Establish national and international targets for transport efficiency to minimize energy consumption, and consider a measurement in kWh/km as the foundation for such a strategy.
- Particular attention must be focused on developing infrastructure solutions for energy storage.

4: Effective and substantial international climate funding

- To ensure private funding for development and application of new technologies, establish a well functioning global carbon market as soon as possible, if necessary with a government guaranteed minimum price for carbon.
- As part of the international post-2012 climate regime, provide adequate public financing to developing countries for:
    - Adaptation to climate change.
    - Compensation for ecological services, such as measures to avoid deforestation.
    - Additional official development aid to foster low-carbon economic development, or the creation of a multilateral fund similar to the precedent of the Montreal Protocol to facilitate the financing of technology transfer.

5: Make climate policy 'work for all', identifying the driving forces needed to build commitment among pertinent stakeholders and to mobilize new political constituencies and domestic coalitions in support of urgent action on effective, efficient and equitable climate change policies.

- Political leadership will be essential in achieving this. Broad coalitions must be sought among government, political parties, business, trade unions, civil society, and academia to

work together in the formulation of policies that will accelerate credible, predictable and stable regulatory frameworks favourable to clean-energy investment and opportunities.

- Communication is key. Citizens must be better informed regarding the challenges but also the opportunities and benefits of clean-energy development and new climate change policies. Education is essential in this regard. The government, civil society organizations and the media have a crucial role to play, responding to people's concerns and creating the environment needed to engage citizens around change and transformation.
- Trust, credibility and stability are needed to forge solid alliances around policy changes.
- Facilitating compliance with commitments and policies will be essential to ensure domestic support.
- Cross country learning on coalition building around clean energy issues should be fostered and facilitated. Some of the national examples mentioned were:
    - Coalitions in the Netherlands between cities and businesses allowing these to move further and faster than national governments in implementing climate friendly policies and frameworks.
    - A variety of coalitions in the US have brought together businesses and individuals/citizens; labour unions and environmentalists; academia and decision makers on clean-energy issues.
    - In Norway, parties across the political spectrum have built a climate policy coalition and agreed on concrete means.

Our commitment

The participants at the CC8 conference further recognise that an ambitious international climate regime that reflects the above criteria will come to fruition only if politicians, businesses, trade unions, environmental groups and the rest of civil society form strong collaborative alliances to provide UNFCCC negotiators with a mandate for action. The participants pledge themselves to work together for their respective governments to take on ambitious commitments at the 15th Conference of the Parties to the UNFCCC in Copenhagen in December 2009.