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Position Paper

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G8 summit 2008 in Japan:

A vision for leadership by industrialized nations

The G8 industrialized countries have an unprecedented responsibility for tackling climate change, and a global role to play in shaping the way forward. The IPCC Fourth Assessment Report and other scientific findings show how the need for decisive action to mitigate climate change is becoming more pressing. Inaction is no option: decision-makers, like the citizens they represent, will want to act now in order to avoid paying a much higher price for runaway climate change in the future.

The G8 summit in Japan builds on a process that started in Gleneagles in 2005 and continued through to Heiligendamm in 2007. Though not revolutionary in their outcomes, those two summits succeeded in advancing the debate. What governments bring to the table in preparation for the Toyako summit must be a step forward, not backward.

WWF is observing the current G8 negotiations for a 2008 communiqué, and there is reason for concern that the G8 conclusions either do nothing to further the debate or may even move in the wrong direction, absconding from decisions made in Heiligendamm and at the UN climate conference in Bali last December.

Towards a zero-carbon world

The G8 countries have ample reason to act as pioneers for developing the zero-carbon world: They make up more than 60% of world's wealth in GDP, account for roughly 39% of the world's current emissions, and are responsible for more than 62% of the historic emissions that have accumulated in the atmosphere, while representing a mere 13.5% of the world's

population.¹ While projected emissions growth is unquestionably significant in some emerging economies, the capability and historic responsibility of the G8 countries to act now remain unaffected. Simultaneously, green industries have already created thousands of new jobs, a number that is rapidly increasing. A green revolution – if done right – will benefit economies worldwide.

A vision for global action

In the run up to the 2009 UN climate conference in Copenhagen, WWF calls on industrialized country governments to commit to fair and ambitious “Kyoto Plus” negotiations under the UN for the post-2012 period and specifically agree to:

- An overall domestic mid-term emission reduction target for the group of industrialized countries of at least 30% below 1990 levels by 2020, in line with the IPCC² recommendations;

¹ National total is based on 2004 data. Includes international bunker fuels, excludes LULUCF, CO₂ only. Cumulative emissions are based on 2000 data, starting at 1850 levels, energy and CO₂ emissions only. Source: *Climate Analysis Indicators Tool (CAIT)*, Version 5.0 (Washington, DC: World Resources Institute, 2008): <http://cait/wri.org>

² As recognized by the Bali UNFCCC decision under the Ad-hoc Working Group under the Kyoto Protocol, emission reductions in the range of 25 to 40% by 2020 compared to 1990 levels would be in line with limiting global warming to about 2 to 2.4°C. Consequently, WWF believes that industrialized countries – to contribute their fair share - must aim for domestic reductions at the top end of this range. Source: IPCC working group III report, chapter 13, p. 776: <http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-chapter13.pdf>.



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- An adequate level of new and additional commitments to provide financial support and technology transfer through carbon market and non-market mechanisms, which should be invested in adaptation and emission reduction activities from energy and forests in developing countries. These resources must be measurable, reportable and verifiable, in order to fulfil the global mitigation and adaptation obligations by the industrialized world that come on top of their national mitigation commitments. In return, such additional resources will help to obtain the measurable, reportable and verifiable emission reduction actions needed by the more advanced developing countries, which they have agreed to in Bali if adequate support is forthcoming.

WWF calls on governments to let their engagement in the UN “Kyoto Plus” negotiations be inspired by a long-term vision for a zero-carbon world including:

- A commitment to get the world onto a development track that guarantees a global emission pathway to stay well below 2°C global average temperature rise (compared to pre-industrial levels), which will require a peak and decline of carbon dioxide equivalent (CO₂e) emissions before 2020.
- A recognition that global emissions must be reduced by at least 80% by 2050 compared to 1990 levels.

What the G8 countries must agree

The UNFCCC remains the only legitimate forum to negotiate the binding global climate contract needed. G8 nations have an opportunity to support these negotiations and must make use of it in order to reflect their responsibility.

- **Promote the results of the UNFCCC Bali negotiation process.**

Recognizing the decisions made in Bali, the G8 countries should seek to support the successful negotiation of a fair, comprehensive and ambitious post-2012 agreement by 2009 in Copenhagen.

- **Support mid-term (2020) mitigation targets by industrialized countries.**

In Bali, the Kyoto Parties have agreed on the indicative range of greenhouse gas emission reductions of 25 to 40% by 2020 compared to 1990 levels. The G8 declaration should confirm this range and show the support of the seven industrialized countries that are Kyoto Parties. The current US administration recently announced a goal of US emissions peaking in 2025. While this target is not in line with the mitigation efforts necessary to keep global warming below the danger-threshold of 2°C, it should not prevent the other G8 countries from showing their continued support for the correct IPCC target range.

The G8 should agree that all industrialized countries must undertake a comparable level of effort. All parties agreed to this in Bali, including the United States, and it should be no problem to reflect this in the G8 text.

The G8 should confirm the UNFCCC principle of common but differentiated responsibilities. This means that industrialized countries continue to take the lead in developing a zero-carbon world, by taking on deeper absolute binding emission reduction targets, i.e. at the top end of the IPCC range of 25 to 40%.

- **Support a global emission pathway that peaks and declines in 10 years. Long-term global emissions must be reduced by at least 80% by 2050.**

The Bali decisions under the Kyoto Protocol negotiation track clearly state the IPCC



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conclusions, which show the need for a peak and decline of global emissions in 10 to 15 years. The G8 countries should reiterate their support for this. The suggestion by the Japanese government for a peak in 10 to 20 years (2027) goes against the IPCC recommendations. Such a late peak would bring the world far beyond the danger-threshold of 2°C warming. The need to stay below this threshold is already the agreed position of the EU and several other countries, including Chile and Bangladesh.

Long-term percentage targets are only useful if they are translated into actionable mid-term commitments. Policy makers must clearly define specific, mid-range actions that can be taken in the 2020 time range. These mid-range targets are important for guiding near-term policy and investment decisions.

*Over the long run, global emissions must be reduced by at least 80% by 2050, compared to 1990 levels.*³ The G8 in Heiligendamm stated that industrialized countries are considering whether a global long-term target of “at least 50% by 2050”⁴ without a specific base year is adequate. WWF points out that even a long-term reduction target of ‘at least 50% by 2050 compared to 1990 levels’ falls short of what is needed to keep the planet well below the 2°C threshold. Japan’s current proposal for “50% by 2050” is actually a weakening of the previous wording from Heiligendamm and clearly not sufficiently ambitious.

³ The IPCC Fourth Assessment Report concludes that for 2 to 2.4°C warming scenarios, global emission reductions in the range of 50% to 85% by 2050 compared to 2000 levels are needed. WWF advocates keeping global warming well below 2°C, so the upper end of this range is what the world must aim for. In a recent article in *Nature*, and building on newer research, Martin Parry, Co-Chair of the Working Group II of the IPCC Fourth Assessment Report, confirmed this, highlighting the need for global cuts of 80% by 2050. Parry et al. (2008): Squaring Up to Reality. <http://www.nature.com/climate/2008/0806/full/climate.2008.50.html>

⁴ Emphasis added

Any agreement on a global emission pathway must be accompanied by clearly defined actions that industrialized countries will take to achieve the necessary reduction levels. The industrialized countries should send a clear signal to developing countries that they are ready to live up to their responsibilities in a fair manner, recognizing that poorer countries will need to develop a low carbon economy that also fosters development. Per capita emissions are an important benchmark for responsibility to act. Industrialized countries will need to reduce their emissions by at least 80% by 2050 compared to 1990 levels.

► **Give sectoral approaches for mitigation their proper place.**

In the context of the international UN climate agreement, sectoral approaches could foremost be a means to look for creative and targeted ways to develop mechanisms and policy packages for mitigation and sustainable development for certain national sectors in developing countries, such as power production, cement or buildings. In developing countries, the sectoral policy approaches, including through the use of carbon markets, should receive additional support through finance and technology from industrialized countries. The Japanese G8 Presidency is promoting “sectoral approaches” as the key instrument for defining emission reduction targets. The *Fukuda Vision* reiterated that by applying the sectoral approach for identifying reduction potentials, research has shown Japan may be able to reduce its emissions by 4% to 8% by 2020 compared to 1990 levels.⁵

⁵ A copy of the *Fukuda Vision* can be found online here: <http://www.kantei.go.jp/jp/hukudaspeech/2008/06/09speech.html>. 8% reductions would include the use of 3.8% “sinks”, 4% are energy only related emissions. The numbers are based on the *Vision of 2020 with Maximum Introduction of Technology*, published by the Japanese Agency for Natural Resources and Energy: <http://www.enecho.meti.go.jp/english/itesd.htm>



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Such a target would be woefully inadequate, suggesting that Japan would need to take little to no additional action beyond its Kyoto commitment of a 6% cut by 2012. This Japanese version of “sectoral approaches” does not lead to ambitious climate action, and it underestimates the potential for mitigation, as well as the benefits from early mitigation action. It does not respond to the scientific and moral need for greater action by industrialized countries. Additionally, G8 governments should refrain from presenting sectoral approaches as a means to set common benchmarks between “all emitters.”

The G8 countries should reiterate that sectoral approaches will not substitute national absolute emission reduction targets by industrialized countries. In WWF’s view, the guiding principle for setting individual targets for industrialized countries should be the impact of emissions on the climate system. It is about what each country has to do – not what it might be able to do easily.

► **Recognize industrialized countries’ obligation to provide financial and technology support for mitigation and adaptation.**

The G8 group and other industrialized countries need to be much more ambitious in providing measurable, reportable and verifiable financial and technology support for low carbon development (energy solutions and reducing deforestation) and adaptation. In order to fulfil their obligations under the UNFCCC, industrialized countries must provide adequate and predictable resources, which are new and additional to their current ODA commitments and which cannot be counted toward fulfilling the ODA commitment of 0.7% of gross national income. The polluter pays principle should apply to who must pay and how much.

Governments should seek to design new and innovative finance mechanisms, such as securing funds through the auctioning of “emission allowances” from capping emissions in industrialized countries. New sources of finance – if combined with adequate policy frameworks and a fair and effective institutional set-up for channelling such new large financial flows – may be able to deliver a substantial share of mitigation action. A fair and transparent governance system, however, requires equal representation by developing countries, as well as a fair system for accessing the funds.

Clearly, the current Climate Investment Funds proposed by the World Bank do not live up to these requirements. The funds are being pushed through without adequate consultation with developing countries and their links with the UNFCCC remain far too weak. It is a welcome development that the World Bank wants to engage in the fight against climate change, but WWF would prefer to see this reflected in a general overhaul of the Bank’s energy portfolio, which is still heavily reliant on fossil fuels.⁶ Limiting the Bank’s climate-related activities to a separate initiative is generally inadequate in light of the magnitude of the climate change problem. The proposed new Climate Investment Funds are not the answer to the development of a future international financial architecture for climate and development.

► **Financial support for adaptation is an obligation – loans are inadequate.**

Provision of additional funds for adaptation is welcome and much needed, but it must be clear that these are given in the form of grants and not loans. Some governments, like the UK, are suggesting to provide loan-based funds channelled through a World Bank adaptation fund. This is not acceptable and hardly an expression of the polluter pays principle that

⁶ See Lies Craeynest and Daisy Streatfeild, *The World Bank and its Carbon Footprint*, WWF UK, June 2008: http://www.wwf.org.uk/news/n_0000005164.asp



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should govern climate action. Ensuring adaptation to climate change which is caused chiefly by industrialized countries by lending money and then asking for payback later is the wrong way forward. Loan based adaptation funding cannot count toward fulfilling the UNFCCC adaptation responsibilities of industrialized countries toward developing countries.

► The “Major Economies Meetings” (MEM) have no future and should end.

WWF believes the MEM should be discontinued now. Past MEM meetings have shown that the outgoing US administration wanted to use these meetings – unsuccessfully to date – to compel countries into a “pick and choose” menu of actions. This would only serve to undermine the UNFCCC negotiations and the principle of common but differentiated responsibilities for action by industrialized and developing countries.

The MEM meetings have also lacked transparency, taking place in settings inaccessible to the public, and have omitted the voices of the most vulnerable countries that will suffer the most from climate change. The MEM arrangement has been unproductive, due to the general lack of ambitious commitments by key industrialized countries such as Japan, Canada, Australia and the US, which will be governed by a new administration beginning next year.

Contrary to this stalemate in the MEM, developing countries came to the recent sessions of the UN climate negotiations with proposals for post-2012 actions on finance, technology and adaptation. It is now the responsibility of industrialized countries to come forward in the UN climate negotiations with similarly constructive positions and raise their level of engagement.

No Major Economies Meeting can paper over the fact that the current lack of substantial commitments by many of the G8 governments – notwithstanding some positive statements by the EU – is the true stumbling block for international action on climate change.

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