Bridging the gap

Pathways for transport in the post 2012 process

What's next?

The outcome of the climate conference in Copenhagen and its implications for the land transport sector

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1 Introduction

The recent United Nations conference on climate change that took place in Copenhagen in December 2009 was the 15th meeting of the Parties under the United Nations Framework Convention for Climate Change (UNFCCC), COP 15, and the 5th meeting of the Parties of the Kyoto Protocol (MOP5). The conference was attended by over 40,000 stakeholders, with more than 100 Heads of State and some 190 governments from around the globe making it the largest gathering of climate experts and policy makers ever known. An expectation of the COP15 conference was the delivery of an international agreement on a post 2012 international climate regime after two years of intense high level negotiations and discussions on the basis of the Bali Roadmap.

This paper provides a brief overview of the outcome of the UN conference and a discussion of the implications of decisions made there in respect to the transport sector, and how transport can play a more defining role in addressing climate change. The aim of this paper is to identify opportunities and challenges arising from the outcomes of COP15 to better link sustainable transport and climate policy. It will also aim to develop recommendations for 2010 and beyond. The focus of the analysis and implications of the outcomes is on land transport rather than aviation or maritime transport.

It is indisputable that transport is a major greenhouse gas (GHG) emitting sector and that its importance in carbon reduction actions will increase; since 1990, CO_2 emissions from transport have been growing rather than declining. Although there is some evidence of emissions stabilising in some developed countries, the rapid motorization in developing countries is significantly contributing to this increase. In 2010, climate policy must therefore better acknowledge and support initiatives and activities that tackle GHG emissions from the transport sector.

This document is based largely on direct observations of the negotiations, engagement with transport and climate policy experts and an analysis of the decisions that resulted from the UNFCCC process. By informing the transport and climate communities about the outcome of COP15, the report intends to reinforce international activities to ensure that GHG emissions from land transport will play a more effective role in emissions reductions. In order to prevent dangerous climate change, transport must be part of the solution, and depends upon an international agreement that recognises the role of transport and provides more incentives and support to governments to move towards a low carbon, sustainable transport model.

2 The Bridging the Gap Initiative

This paper is a deliverable of the Bridging the Gap initiative, which is comprised of GTZ, TRL, Veolia Transport and UITP. The Initiative has more recently benefitted from working in conjunction with ITDP. The initiative was formed at COP14 in Poznan to encourage international recognition that land transport should play a more important role addressing climate change in the post 2012 agreement and to bridge the gap between this sector and climate policy.

The initiative increased the awareness of the need for transport and climate change policy to become more integrated in the year leading up to Copenhagen through a strategic programme which included:

1. The development of 10 guiding principles and key messages for how to integrate transport and climate policy. Based on these, the initiative made endorsement and additional recommendations for the negotiation text documents.
2. The partners[1] hosted four official UNFCCC side events, three expert workshops, and three events in parallel to the negotiations attended by a wide range of transport and climate change policy experts.

[1] The Bridging the Gap Partners are all part of and contributing to the Partnership for Sustainable Low Carbon Transport (SLoCaT) that currently includes about 50 organizations that have the common goal of reducing GHG emissions from land transport and to achieve various co-benefits, such as clear air or a reduction of congestion.

3. Contacts with negotiators from both developed and developing country Parties were established leading to in-depth discussions with some countries. Attendance of negotiators from both Annex 1 and non Annex 1 countries at the initiative's events is considered to be a good indicator of an increasing interest in low carbon land transport.

The value of the work of the initiative is reinforced by the positive feedback from workshops, the number visitors to our stand in Barcelona and Copenhagen, a large number of subscribers to our newsletter and the large amount of traffic to our website (www.transport2012.org). Our website summarises all of the activities of, and information on, the initiative but also presents news and information of other stakeholders in order to serve as a portal for those interested in transport and climate policy.

3 The outcome of COP15

Since COP 11 and COP/MOP1 in Montreal, December 2005, Parties to the UNFCCC as well as Parties to the Kyoto Protocol have been trying to define a post 2012 international climate regime. The Copenhagen conference was intended to be a milestone for such a new climate regime that would replace the Kyoto Protocol at the end of its first commitment period in 2012. Instead the key outcome is the agreement on the so-called "Copenhagen Accord", which was negotiated among around 30 Heads of States and Governments whose countries are responsible for more than 80% of the global GHG emissions. There was no agreement made on further climate action under either of the two negotiating tracks Ad hoc Working Group on Long-term Co-operative Action (AWG LCA)[2] and Ad hoc Working Group on further commitments for Annex I Parties under the Kyoto Protocol (AWG KP)[3] that were launched respectively under the Convention at COP13 and under the Kyoto Protocol at COP/MOP3 pursuant to the Bali Roadmap. However, the Copenhagen conference provided for the continuation of the work under both the LCA and KP tracks with a view to delivering results at the next conference, COP16, which will take place in Mexico in November/December 2010.

The Conference of the Parties to the UNFCCC adopted a Decision -/CP.15 that only *'takes note'* of the Accord. Hence, the COP did not decide to adopt the Accord, nor did it agree on its content. "Taking note" is typical non committing language, which should be understood as giving the possibility to Parties to the UNFCCC to refer to the content of the Copenhagen Accord if they wish to, within the work programme that has been effectively decided by consensus at the COP 15 and COP/MOP5 (e.g. continuation of work under AWG LCA and AWG KP). As a result, the Copenhagen Accord cannot be regarded as a legal instrument adopted by the COP. It is not legally binding on Parties to the UNFCCC. Interestingly, the COP/MOP Decision that decided to prolong the mandate of the AWG KP in the run up to Mexico did not even take note of the Copenhagen Accord, which creates another asymmetry between the two tracks in the event Parties would effectively decide to use this Accord to feed in the work of the two AWGs.

A political agreement such as the Copenhagen Accord may be considered as a step forward if it is taken seriously by those who want to proceed with its implementation. The legitimacy of such agreement will fundamentally depend on whether its implementation can be effected through political pressure from Governments, civil society and stakeholders. There are two ways the Accord could help the climate negotiations to proceed in 2010:

a) It could serve as an input to the AWGs. During negotiations, the working groups could refer to the document and the decisions agreed by Heads of State.

b) The Accord could become the nucleus of a new international climate policy initiative to develop climate policy outside the UNFCCC with a limited number of countries supporting it and working under the provisions of the document.

[2] The AWG-LCA was established in Bali in 2007 at COP13 to conduct negotiations with the aim of strengthening an international deal on climate change by working to secure long-term co-operative on mitigation and adaptation. It was due to complete its work at COP15, but its mandate has now been extended for another year.

[3] The AWG-KP was established in Montreal in 2005 at COP11 as a forum in which to consider further commitments of industrialised countries under the Kyoto Protocol for the period beyond 2012.

Whatever the decision of countries on how best to use the Copenhagen Accord in the future, it is important to implement it in a way that can be mutually supportive of both outcomes. For negotiators, the implementation of the Copenhagen Accord will most likely be seen de facto as a third track, in addition to the work of the AWGs.

With regard to its contents, the main elements of the Copenhagen Accord are that:

- Countries officially commit to the 2 degree target but it neither translates this number into GHG emissions (including a peak year) nor describes procedures for effort sharing.

- By the end of January 2010, Appendix I to the Accord will comprise of economy-wide targets for 2020 pledged voluntarily by developed countries through a bottom up process. Developed countries can commit to implement individually or jointly quantified emission reduction targets, to be Measured, Reported and Verified (MRVed) based on guidelines existing under the UNFCCC. Following the analysis of Egenhofer and Georgiev (2009)[4] , the most ambitious upper limit of the pledges for 2020 submitted before Copenhagen, combined with the implementation of the national plans in China and India, would bring the globe towards a 3.2°C increase by 2100 at best (based on estimates from Höhne et. al. 2009).[5]

- Developing countries are asked also to submit their NAMAs by the end of January 2010 to be listed in Appendix II to the Copenhagen Accord. Actions included in national, bi-annual communications will be added to the list. In the communications, developing countries will also report more frequently about GHG emissions and provide verification (through international consultation and analysis to be defined) of supported NAMAs, whereas unsupported NAMAs will be MRVed domestically. NAMAs seeking international support will be recorded in a registry along with relevant technology, finance and capacity building support.

- The Accord does not provide any guidance on how to inscribe beyond the format for commitments laid down in its Appendix I and for NAMAs[6] in its Appendix II. In the absence of any guidance, the level and quality of information that will be submitted by end of January will not be harmonized, making thus the commitments of developed countries not comparable and the actions of some developing countries not complete enough to satisfy the financial needs.

- Mitigation actions in developing countries will be supported immediately through 'new and additional, predictable and adequate' sources of funding. To this end the collective commitment of developed countries is 'approaching' US$30 billion for the period between 2010-2012, growing to US$100 billion a year in 2020 with 'balanced allocation between adaptation and mitigation'. Thereby, for the first time commitment to a goal of jointly mobilising is set and could unlock the financial deadlock giving further impetus to the development of carbon markets (Egenhofer and Georgiev 2009). It is very generally stated that the Copenhagen Green Climate Fund shall be established to support projects, programmes, policies and other activities in developing countries related to mitigation. A high level panel will be established to study the contribution of the potential sources of revenue.

- Adaptation in the least developed countries, small island developing states, and Africa has been given 'urgent' attention and financial assistance of developed countries is intended. However, impacts of response measures are put on the same level which in fact weakens the adaptation element.

- Carbon markets are mentioned as an appropriate vehicle for emission reductions, not as a source of finance. However, the Accord does not refer to any sectoral market based

[4] Egenhofer, Christian and Georgiev, Anton (2009): The Copenhagen Accord - A first stab at deciphering the implications for the EU. CEPTS Commentary, 25 December 2009.
[5] Höhne, Niklas, Michiel Schaeffer, Claudine Chen, Bill Hare, Katja Eisbrenner, Markus Hagemann, Christian Ellermann (2009), Copenhagen Climate Deal – How to Close the Gap, Briefing paper, Ecofys & Climate Analytics, 15 December.

[6] NAMA – National Appropriate Mitigation Action

mechanism.

- A Technology Mechanism shall be established by the Accord, although no details of this mechanism or ideas behind the term have been provided.

- The crucial role of REDD[7]+ is recognized, and the Copenhagen Accord reflects an agreement on the need for a mechanism and the mobilisation of financial resources to address REDD+ activities, including the enhancement of removals.

- No mention of the need to reduce emissions from bunker fuels (international aviation and maritime transport) or from the transport sector in general.

The adoption of the Copenhagen Accord at COP15 and the extension of the mandate of the work of the two working groups mean that there are now effectively three tracks to follow in 2010:

1) AWG-KP,

2) AWG-LCA, and

3) the Copenhagen Accord.

The relative prominence of, and interaction between, these three tracks will only become clear over the coming months, particularly in February when it will become apparent which Parties have endorsed the Accord. However, even if all of the major emitters support the main outcome of COP 15, the 'Copenhagen Accord'[8] (Decision -/CP.15), there will still be the need for further dialogue. There are, for example, many more opportunities for establishing a more sustainable international development trajectory, some of which have been identified by the AWG-LCA and the AWG-KP, that are not acknowledged in the Copenhagen Accord.

With its provisions, the Copenhagen Accord is a step forward as it enables countries to start activities. This includes especially commitments from Annex I Parties (§4) and NAMAs from developing country Parties (§5). All other provisions, in particular those that purport the establishment of institutions such as the Copenhagen Green Climate Fund, will require either a COP decision to make them effective under the UNFCCC or additional instruments to make them operational under the terms of the Accord on its own. Hence, it will take some time to start implementation and will require further negotiations. These are opportunities for the transport sector to be included more effectively.

4 What do the COP decisions mean for the land transport sector?

This section of the report gives an overview of the potential implications of the COP decisions for the land transport sector. It refers to the three negotiating tracks described above and is structured according to the four building blocks of the Bali Action Plan (BAP): Mitigation, Adaptation, Technology Transfer and Finance. Thereby, the analysis and suggestions reflect the Key Messages[9] for negotiators, which were developed by the initiative prior to COP 15.

4.1 Mitigation

The transport sector is currently responsible for 13 percent of total global GHG emissions[10] and 23 percent of energy related CO_2 emissions[11], and this share is expected to increase in the future. Due to the fact that once transport systems are built behavioural change is difficult to achieve and maintain, it is necessary to start to intelligently design low-carbon transport systems in developing

[7] REDD - Reducing Emissions from Deforestation and Forest Degradation
[8] http://unfccc.int/files/meetings/cop_15/application/pdf/cop15_cph_auv.pdf.
[9] GTZ, TRL, Veolia Transport and UITP (2009) Key Messages for Copenhagen. Available from http://www.transport2012.org/bridging/ressources/documents/1/66,key-messages.pdf.
[10] Intergovernmental Panel on Climate Change (IPCC) (2007) Climate Change 2007 Synthesis Report. Available from http://www.ipcc.ch/ipccreports/ar4-syr.htm.
[11] IEA (2009) World Energy Outlook 2009. International Energy Agency: Paris.

countries in the short-term. Furthermore, a sole focus on the energy consumption of vehicles and alternative fuels bring short lived gains in emission reduction but less in the way of co-benefits such as clean air or a reduction of congestion that are necessary for sustainable development.

Emission reductions across the whole transport sector are necessary to fulfil any agreement. It is therefore felt important that an explicit mention of the transport sector be included in a preamble of any agreement and reference to the sector's importance is given. Furthermore, a sectoral breakdown of Nationally Appropriate Mitigation Actions (NAMA) within the registry would be beneficial in order to achieve a good basis for the transfer of transport policy approaches.

Currently however, the land transport sector is not mentioned explicitly as a major source of GHG reduction that needs special attention in any documents relating to mitigation. The sector is included in developed country quantified economy-wide emission reduction targets though in an implicit manner. It may also be addressed through specific project activities or sectoral policies that will be inscribed as NAMAs by some developing countries.

For aviation and maritime emissions, there was a consensus on the need to mandate ICAO and IMO for taking further action, but UNFCCC Parties were split as to whether emissions from bunker fuels were to be capped, as suggested by the EU, and whether a levy could be put on these sectors as an innovative source of finance. Hence, brackets were maintained around the whole §32 of the draft COP Decision, which shall be further developed in forthcoming AWG-LCA meetings. The AWG-LCA report also leaves open the possibility of establishing sectoral approaches for strengthening international cooperation, although the current version of §33 of the draft COP Decision (not bracketed) addresses sectoral approaches in the agricultural sector only.

The Copenhagen Accord states that mitigation actions will encompass projects, programmes, policies and other activities. NAMAs in the field of transport can be developed in each of these categories ranging in scale from national strategies to the local implementation of policy measures[12] and may suggest the use of different approaches ranging from command and control policies and measures to the use of economic, including market-based and fiscal instruments. For instance, a developing country may decide to inscribe a Programme of Activity (PoA) eligible under the current CDM rules, covering a scaled up programme of measures for which support (through carbon finance) would be requested. It is noteworthy that the COP/MOP adopted a decision in Copenhagen calling for the removal of barriers to the development of PoAs under the CDM.[13] From that perspective, the Copenhagen Accord can be articulated, in the short term, by implementing decisions taken under the Kyoto Protocol.

The Copenhagen Accord does not, however, specify what NAMAs should look like or how they should be described from a qualitative and /or quantitative point of view. It only says that there could be supported NAMAs (by finance, technology or capacity development) subject to international verification, and NAMAs subject to domestic MRV, the results of which being reported through the national communications every two years. NAMAs seeking international support will be recorded in a registry along with relevant technology, finance and capacity building support. Those actions supported will be added to the list in Appendix II. The first step is therefore to establish a registry further to the submissions that will be made by 31 January 2010. Such a registry is expected to play a critical role for matching action and support for action, allowing donors to identify where support is needed.

While the first type of NAMA will be especially relevant for new policies that a given country would like to develop but for which support would be needed, the latter is an opportunity to acknowledge steps already taken or which the country feels capable of managing and financing on its own. It will be interesting to see whether some countries decide to inscribe sectoral commitments and/or actions covering the transport sector in Appendix II. If that would be the case, it would obviously emphasize the prioritized attention given to it and the need to channel financial support to the selected activities or programme. It would certainly help argue in favour of organising Appendix II in the future according to a sectoral breakdown of activities based on further guidance for other

[12] For a more detailed discussion of transport NAMAs see Dalkmann, H., Sakamoto, K., Binsted, A. and Avery, K. (2009b) Strategies to bring land transport into the climate change negotiations. Discussion Paper. Available from http://www.sutp.org/bridgingthegap/downloads/Discussion_ Paper.pdf. See also http://www.sutp.org/slocat/wp-content/uploads/2009/11/CITS_info_sheet_-_October_2009.pdf for four case-studies of potential transport NAMA commissioned by the ADB and IDB .

[13] http://unfccc.int/files/meetings/cop_15/application/pdf/cmp5_cdm_auv.pdf.

submissions in the future. However, one must recognize that time is very short for developing countries to inscribe well identified and precise measures (in terms of expected performance and/or GHG outcome) in Appendix II. Only those parties who are the most prepared may be able to do this by the 31st of January 2010.

Table 1: Opportunities to better integrate land transport in terms of mitigation

Target Group	Specific Recommendation
International	• Require countries to report on national strategies in the field of transport through their National Communications; • Develop a sectoral approach for international transport, (i.e. as has been done in the forestry sector (REDD); • Implement a sectoral breakdown in a NAMA registry;
National	• Set sectoral emission reduction targets on a national level • Special 'transport NAMAs' should be developed (especially in countries that have a large share of emissions from the transport sector, or who are likely to in the coming years);
Expert Community	• Provide Parties with guidance for transport NAMA; • Develop guidance for PoAs in the transport sector; • Develop approaches for standardized transport baselines under the CDM

4.2 Adaptation

The draft conclusions of the AWG-LCA in relation to 'Enhanced action on adaptation'[14] and the Copenhagen Accord both stress the need for urgent action in the field of adaptation, particularly to build resilience in the most vulnerable countries. The Copenhagen Accord states that developed countries *'shall provide adequate, predictable and sustainable financial resources, technology and capacity-building to support the implementation of adaptation action in developing countries'* (§3). The AWG-LCA suggests that such action could be taken in the context of a Copenhagen Adaptation Framework for Implementation (CAFI) that was created by the COP. This CAFI makes an important reference to the integration of adaptation into relevant national policies. Under the LCA track, Parties seemed ready to agree on a mechanism for addressing insurance, loss and damage and to look further into the possible need for a global mechanism. Although no decision was adopted, it is worth noting that Parties were close to reaching a consensus on the need to further support existing regional centres for adaptation and the creation of new ones, where necessary.

These documents do not make reference to any specific sector. Moreover, they remain heavily bracketed. The amount of work still to be done on the text does, however, indicate that there could still be the opportunity for the role of transport to be recognised in adaptation efforts.

[14] http://unfccc.int/resource/docs/2009/awglca8/eng/l07a01.pdf.

Table 2: Opportunities to better integrate land transport in terms of adaptation

Target Group	Specific Recommendation
International	• Develop guidance for how both public and private sector transport stakeholders can access funding for adaptation; • Request that transport stakeholders are involved in the elaboration of National Action Plans; • Promote a Transportation window within the Adaptation Fund including support for capacity building and knowledge transfer;
National	• Conduct pilot projects to demonstrate climate proofing of transport systems, particularly in cities; • Submit indicators for further integration of the transport sector into National Adaptation Plans.
Expert Community	• Develop guidance for assessing the adaptation needs for the transport system • Submit indicators for further integration of the transport sector into National Adaptation Plans

4.3 Technology

Low carbon transport systems require an integrated approach that reduces distances travelled, prioritizes low-carbon modes and decreases the carbon-emissions of vehicles. Hence, technology is not limited to the energy efficiency of vehicles and biofuels but refers to energy efficient transport systems as a whole, on any scale from the local to the national. Technology Transfer under the UNFCCC is treated equally broadly providing the capacity to invent and apply technologies. It is therefore in principle well-suited to the transport system perspective and a technology mechanism should provide capacity building regarding all modes of sustainable transport.

The draft COP Decision contained in the report of the AWG-LCA[15] shows that there was a great level of consensus for an agreement on technology activities to be undertaken under the UNFCCC and on promoting country-driven processes as well as the creation of a Climate Technology Centre. The text repeatedly refers to the need for appropriate, affordable and applicable technology transfer. It also outlines the enhanced provision of financial resources to support such actions and co-operation and provides scope for bilateral and multilateral co-operative activities in the field of technology development and transfer. Further, it recognises the fundamental role that capacity building and public-private partnerships will play in this process. However, disagreement remains on Intellectual Property Rights (IPRs).

The work of the AWG-LCA refers to a Technology Mechanism, which is also mentioned in the Copenhagen Accord. The Accord does not specify how the Mechanism should be established and work, whereas the AWG-LCA report outlines that the Technology Mechanism could comprise of a Technology Executive Committee (to replace the Expert Group on Technology Transfer at COP16) and a Climate Technology Centre (CTC). Much of the related AWG-LCA text is bracketed, but it outlines that the CTC will be an international centre with a remit that will include providing advice, training and support to developing country Parties for the identification and subsequent implementation and maintenance of technology needs, practices and processes. The AWG-LCA does, however, also *'encourage'* Parties to develop regional technology centres (§5) to complement the international CTC.

The need for enhanced action on capacity building is the subject of an AWG-LCA report[16]. Capacity building is also referred to several times in the Copenhagen Accord in the context of adaptation, mitigation and financial support. However in both texts this is not specifically in the context of the transport sector, where interventions must be intelligently combined if they are to be effective in supporting low carbon mobility.

[15] http://unfccc.int/resource/docs/2009/awglca8/eng/l07a03.pdf.
[16] http://unfccc.int/resource/docs/2009/awglca8/eng/l07a04.pdf.

The draft conclusions of the AWG-LCA recall the need for developing countries to identify *'regional, subregional and sectoral activities that can effectively and efficiently address common capacity-building needs,'* which is an important feature for the transport sector. As the AWG-LCA conclusions highlight the need for capacity-building to be 'country-driven', it could be an opportunity to further improve the guidance on technology need assessments for the transport sector.[17] The increased interest from sub-national regions (such as California, Quebec and Catalonia) could potentially take some leadership in innovative sustainable transport actions for climate related reasons.

Table 3: Opportunities to better integrate land transport in terms of technology

Target Group	Specific Recommendation
International	• Pursue the development of a division within the international CTC dedicated to technology development and transfer in the transport sector; • Ensure that the CTC is broad in scope and not limited to large-scale technologies to ensure that it can support the transfer of all forms of hard and soft technology;
National	• Support technologies relevant to low-carbon transport under the Copenhagen Green Climate Fund; • Include examples for technology transfer from current and future Global Environment Facility (GEF) and other projects to demonstrate needs for applicability in the transport sector.
Expert Community	• Improve the guidance on Transport Needs Assessments in the transport sector; • Identify activities in the transport sector that could address common capacity building needs; • Support the development of regional technology centres to diffuse appropriate hard and soft transport technologies;

4.4 Finance

Even if new (sectoral) mechanisms would emerge in a post 2012 climate agreement, the carbon market alone cannot provide the predictable or sufficient funding required by the transport sector. There is therefore the need for a transport window in a public fund to provide the transport sector with the finance required for mitigation (and adaptation) actions within the sector. Any future development towards a sustainable low carbon mobility system requires national and local commitment, which is a precondition for a successful paradigm shift[18]. Future international financial support can therefore be seen as an incentive to support such development. The Copenhagen Accord and draft conclusions of the AWG-LCA on the provision of financial resources and investment[19] both make repeated reference to the need for scaled up, predictable, new, additional and adequate funding for developing countries.

The draft conclusions proposed by the Chair of the AWG-LCA are all bracketed. The Copenhagen Accord does refer to a Copenhagen Green Climate Fund (§8), for which a decision is made to establish the Fund *'as an operating entity of the financial mechanism of the Convention'* [paragraph 9]. This Fund is not mentioned by name within the AWG-LCA outcome document, although it does refer to the same '*Climate [Fund] [Facility]*' for which it says that *'specialized funding windows may be established by the Board of the Climate [Fund] [Facility] with the approval of the Conference of*

[17] See Bongardt, D. and Schmid, D. (2009) Towards Technology Transfer in the Transport Sector. An Analysis of Technology Need Assessments. GTZ.
[18] Bongardt, D. and Sakamoto, K. (2009) NAMAs, MRV and Technology - Ensuring a Role for Land Transport in the Post-2012 Framework, and Sakamoto (2009) Innovative Financing for Sustainable Low Carbon Transport, Both available from www.transport2012.org
[19] http://unfccc.int/resource/docs/2009/awglca8/eng/l07a02r01.pdf.

the Parties' [paragraph 9].[20] The report of the AWG-LCA during its seventh session[21] indicates that any such new and additional funding will be complemented by bilateral and multilateral funding and the GEF, with the latter needing to "*enhance its support to developing countries,'* particularly in terms of capacity building [Annex IX, §4].

A COP decision to continue the fourth review of the financial mechanism and its consideration of additional guidance to the GEF was adopted at COP15 with a *'view to recommending a draft decision for adoption'* at COP16.[22] Nevertheless, there will be a new four year financing period in place on July 1st 2010 (the replenishment process for GEF 5).[23] There is currently discussion about how to continue the support for sustainable transportation under the climate mitigation programme. Replacing the current focus on project support with a broader support for improving the enabling conditions (such as knowledge transfer and institutional frameworks) and allowing programmatic, sectoral approaches (such as the development of 'Masterplans') could be a way of making use of this limited financial resource.

Sectoral crediting refers to activities in the carbon market. This recommendation is based on the finding that a project approach is not well-suited for the transport sector for neither private nor public actors. Sectoral crediting with no-lose targets might reduce the uncertainty of baseline development (through an ambitious no-lose target) and include political actors. Furthermore, the option of Programme of Activities should be further explored.

The Copenhagen Accord endorses the meaning of carbon markets as a means to achieve emission reductions but it does not suggest the creation of a sectoral crediting mechanism. In principle, Parties agree to further work with the instrument but the future of the Kyoto Protocol is still uncertain and the negotiations of the AWG-KP in Copenhagen resulted in deadlock. The same applies to likely developments of the CDM under the AWG-KP, which could serve to make the mechanism more appropriate for projects in the transport sector. This would be useful for transport as to date there are few CDM transport related projects. Numerous recommendations have been developed for ways in which barriers to the greater participation of the transport sector in the CDM flexible mechanism could be overcome.[24]

A decision adopted by the CMP5[25] requests the Executive Board to improve the efficiency of the CDM and to explore its governance, accreditation, baseline and monitoring methodologies, additionality, capacity building and resources. This could represent an opportunity for the transport sector to increase the strength of its message and to input technical recommendations for its reform. Specific opportunities could include the fact that the transport sector could justifiably fall under the category of *'under-represented project activity types,'* which the Executive Board has been called to prioritise the development of baseline and monitoring methodologies for.

Indeed the AWG-KP has specifically invited Parties, IGOs and observer organisations to make recommendations for '*modalities and procedures for the development of standardised baselines that are broadly applicable with a high level of environmental integrity taking into account specific national circumstances*.'[26] The potential for input is open until 22 March 2010 and could represent an opportunity for elevating awareness of issues relating to the transport sector.

[20] The potential nature of 'specialized funding windows' has not been elaborated upon in the text, although indications are that they are not likely to be sectoral, rather to support certain types of action, such as capacity building and technology transfer.
[21] http://unfccc.int/resource/docs/2009/awglca7/eng/14.pdf.
[22] http://unfccc.int/files/meetings/cop_15/application/pdf/cop15_gef_auv.pdf.
[23] http://www.gefweb.org/interior_right.aspx?id=48

[24] For example see Dalkmann, H., Sakamoto, K., Binsted, A. and Avery, K. (2009b) Strategies to bring land transport into the climate change negotiations. Discussion Paper. Available from http://www.sutp.org/bridgingthegap/downloads/Discussion_ Paper.pdf.
[25] http://unfccc.int/files/meetings/cop_15/application/pdf/cmp5_cdm_auv.pdf.
[26] http://unfccc.int/files/meetings/cop_15/application/pdf/cmp5_cdm_auv.pdf.

Table 4: Opportunities to better integrate land transport in terms of finance

Target Group	Specific Recommendation
International	• Advocate the inclusion of a transport window in climate change funds; • Position the land transport sector as an 'underrepresented sector' that needs better provisions under the CDM; • Widen the project driven approach for GEF 5 during the replenishment phase; • Ensure that criteria for obtaining funding from new and additional sources of funding will support the financing of projects, programmes and policies in the transport sector;
National	• Register supported transport NAMAs and match funding; • Communicate the need for early and supported action in the transport sector to meet long-term targets;
Expert Community	• Develop and submit standardised baselines to the UNFCCC, for example expressed in modal share or efficiency standards.

5 The road ahead

So what's next? The challenge that climate change poses to mankind requires the international community to continue to press forward. The outcomes of the Copenhagen conference are conducive to such efforts. The AWG-KP and AWG-LCA have both had their mandate extended until COP16 in Mexico and so there will be another year of negotiations ahead under the two AWGs. The number of options, alternatives and bracketed text in draft AWG documents demonstrates the large amount of negotiating work that still needs to be done. It is also likely that even if an agreement under the UNFCCC could be reached in 2010, there will still be a lot work needed to specify the implementing provisions by 2012.

In addition to the AWG-KP and LCA, the Copenhagen Accord is a third track that now needs to be followed carefully and reported upon. At this moment, it is too early to say whether the Accord will be legitimate, whether within or outside the UNFCCC. If a large number of countries would decide to inscribe their commitments and actions, at the end of January 2010, they would then show their support and make it legitimate from a political perspective.

On the one hand the Copenhagen Accord could be a text that stimulates debate in the AWG-LCA. It contains numerous references to the UNFCCC and expresses an intention to strengthen the objectives of the latter. Most of its provisions could, however, only be operationalised under the UNFCCC on the condition that the COP adopts decisions for that to happen in Mexico or thereafter, in particular for the establishment of institutions (Copenhagen Green Climate Fund, High Level Forum, Technology and REDD Mechanisms) and the adoption of modalities (MRV of commitments by developed countries and support to action in developing countries, MRV guidelines of supported NAMAs). The Accord may, however, have its own life outside the UNFCCC with fewer Parties and evolve in a new direction. But, it is clear that the Accord, as it stands, cannot be a new international agreement that would bind the countries that subscribe to its implementation. Its evolution will fundamentally depend on the decision from those supportive countries to make it an alternative framework for international cooperation on climate change to the UNFCCC, notably if no progress can be made under the UNFCCC. This would then require additional decisions and instruments to be agreed among these countries. Overall, the risk is to provoke a fragmentation of the international climate regime.

The Copenhagen Accord does not preclude the transport sector. The focus on economy-wide commitments for developed countries means that there will not be specific references made to sectors, but it may happen that some developed countries, like the US (the Waxman-Markey Bill covers only 84% of the US economy), could decide to inscribe not just a quantified target but also specific actions to complement it. As far as NAMAS taken by developing countries are concerned, there is room for a specific identification of activities, programmes and sectoral approaches, including for the transport sector. In both cases, the Copenhagen Accord provides for a bottom up

approach whereby each country pledges its commitments and actions. For that reason, it is of fundamental importance to stimulate the debate at country level in order to make transportation an identified and prioritized sector, in particular for obtaining support to transport NAMAs in developing countries.

In any case, the debate will continue. The draft COP decisions still present opportunities for a better recognition of the need to integrate low carbon mobility within the UNFCCC process.

From an international perspective, COP15 has clearly not fulfilled expectations. This is rather disappointing and might limit motivation to engage in climate policy from a transport sector perspective. Nevertheless it would serve even less purpose to stop now as (a) despite barriers and difficulties, there is no better suited option to integrate transport and climate policy and (b) as there was no binding agreement, there is still considerable possibility to influence the process, possibly even more so than before Copenhagen when all positions were blocked and all Parties were waiting for another to make the first move. Now there is again a window of opportunity. The Copenhagen Accord even allows for immediate implementation removing the need to wait for an agreement for some actions to take place (such as transport related NAMAs or PoA with transport elements). It is, however, still necessary to make sure that the barriers to creating low-carbon transport systems are overcome and stimulated by the requirement to reduce emissions for climate protection. This report has provided suggestions for ways in which this can be done (see table 5 overleaf).

If these recommendations are to be effective then they will need to be accompanied by a broader set of activities. These will need to incorporate continued awareness raising of the need to better integrate the transport sector with climate policy. This should not be limited to the UNFCCC but broaden its scope to encompass other UN processes and negotiation tracks.

Due to the complex nature of transport and the fundamental differences between different subsectors within it, there would also be value in establishing an expert group on low carbon transport, even within this process. It should comprise of governments, climate and transport experts able to understand the issues pertaining to climate policy and implementation into transport. This should have a mechanism to enable direct reporting to the UNFCCC as well as to other significant international processes. The Partnership on Sustainable Low Carbon Transport (SLoCaT, www.slocat.net) could be a nucleus for such an expert group. This partnership already comprises of over 50 organisations with UN organisations, multilateral development banks, technical co-operation agencies, NGOs and research organisations among its members.

In a process currently characterised by so much uncertainty, two things are clear – 2009 saw a significant increase in the prominence of the transport sector in the climate change debate, and the momentum must be maintained to ensure that the bridge between transport and climate policy is strengthened in 2010.

Table 5 : Overview of recommendations for 2010.

	International	National	Expert Community
Mitigation	• Require countries to report on national strategies in the field of transport through their National Communications; • Develop a sectoral approach for international transport, (i.e. as has been done in the forestry sector (REDD); • Implement a sectoral breakdown in a NAMA registry;	• Set sectoral emission reduction targets on a national level • Special 'transport NAMAs' should be developed for the purpose of their inscription in Appendix II (especially in countries that have a large share of emissions from the transport sector, or who are likely to in the coming years);	• Provide Parties with guidance for transport NAMA; • Develop guidance for PoAs in the transport sector; • Develop approaches for standardized transport baselines under the CDM
Adaptation	• Develop guidance for how both public and private sector transport stakeholders can access funding for adaptation; • Request that transport stakeholders are involved in the elaboration of National Action plans; • Promote a Transportation window within the Adaptation Fund including support for capacity building and knowledge transfer;	• Conduct pilot projects to demonstrate climate proofing of transport systems, particularly in cities.	• Develop guidance for assessing the adaptation needs for the transport system • Submit indicators for further integration of the transport sector into National Adaptation Plans
Technology	• Pursue the development of a division within the international CTC dedicated to technology development and transfer in the transport sector; • Ensure that the CTC is broad in scope and not limited to large-scale technologies to ensure that it can support the transfer of all forms of hard and soft technology;	• Support technologies relevant to low-carbon transport under the Copenhagen Green Climate Fund; • Include examples for technology transfer from current and future GEF and other projects to demonstrate needs for applicability in the transport sector.	• Improve the guidance on Transport Needs Assessments in the transport sector; • Identify activities in the transport sector that could address common capacity building needs; • Support the development of regional technology centres to diffuse appropriate hard and soft transport technologies;
Finance	• Advocate the inclusion of a transport window in climate change funds; • Position the land transport sector as an 'underrepresented sector' that needs better provisions under the CDM; • Widen the project driven approach for GEF 5 during the replenishment phase; • Ensure that criteria for obtaining funding from new and additional sources of funding will support the financing of projects, programmes and policies in the transport sector;	• Register supported transport NAMAs and match funding; • Communicate the need for early and supported action in the transport sector to meet long-term targets;	• Develop and submit standardised baselines to the UNFCCC, for example expressed in modal share or efficiency standards.