



Oxfam America Analysis of Key Elements of the *American Clean Energy and Security Act of 2009*

International Adaptation

- The International Climate Change Adaptation Program is established within USAID to promote the resilience of communities in the most vulnerable developing countries.
- The Program provides assistance for capacity-building, development of national and regional adaptation plans, deployment of technologies, and other activities to address impacts such as water scarcity, severe weather events and public health threats.
- The discussion draft requires engagement and consultation with local communities, a monitoring and evaluation process, and annual reporting on the security impacts of climate change and funded adaptation efforts.
- Between 40% and 60% of funds shall be provided to a qualifying international fund such as that created under the UNFCCC, with strict criteria for eligibility of an international fund.
- Not more than 10% of funds can be spent in any one country in a given year.

Oxfam America Comments

- *The international adaptation program is a strong one. To ensure equity, the program also needs to include a focus on assistance for the most vulnerable communities and populations, with a particular recognition of the importance gender plays in climate preparedness.*
- *The Program should be funded with at least 7% of the allowance value in a climate bill. This figure is based on current estimates of adaptation needs in developing countries, which range from \$28-86 billion annually, and on U.S. responsibility for emissions.*

Domestic Adaptation

- An interagency council is established to coordinate federal action on adaptation.
- A National Climate Change Adaptation Program is established within NOAA, with the agency publishing periodic national climate change vulnerability assessments that will also include regional assessments.
- Also establishes the National Climate Service within NOAA to provide decision makers with access to adaptation science, analysis, and technical assistance and facilitate communication among decision makers at federal, state and local levels.
- A National Climate Adaptation Fund will provide funding to states, local agencies, and tribes, to implement adaptation activities.
- Each agency represented on the interagency council will prepare an agency climate change adaptation plan.
- The Secretary of Health and Human Services will develop a national public health and climate change strategy

Oxfam America Comments

- *The disproportionate impacts of climate change on low-income and other particularly vulnerable populations need to be explicitly highlighted with specific adaptation strategies to address those impacts.*

Emissions Reductions

- The emissions reductions from 2005 levels are as follows: 20% by 2020; 42% by 2030; 83% by 2050. For 2020, this is roughly equivalent to 7% below 1990 levels.

Oxfam America Comments:

- *While the long-term targets are strong and put the U.S. on the right course, the near-term target for 2020 needs to be strengthened. In international climate negotiations, developing countries emphasize the need for reductions by developed countries as a group of at least 40% below 1990 levels by 2020 to ensure that reductions are in line with what is needed.*

International Offsets

- A covered entity in the U.S. may satisfy a percentage of its compliance obligation by holding 1.25 offset credits in lieu of an emissions allowance (i.e. an entity must submit 5 tons of offset credits for every 4 tons emitted).
- The total quantity of international offsets allowances permitted in any year is 1 billion tons (including reduced deforestation offsets as described below).
- EPA Administrator establishes an eligibility list for offset projects with input from an “Offsets Integrity Advisory Board” established to ensure environmental integrity.
- International offset credits will only be permitted in a developing country that has made an international (multilateral or bilateral) agreement or arrangement with the U.S.
- In major emitting developing countries, offset credits may only be given for sector-wide reductions, and sectoral credits will be determined relative to a lower than business-as-usual baseline agreed to in an international agreement or arrangement.
- UNFCCC authorized offsets are considered valid, subject to evaluation by EPA for assurance of integrity.

Forest Offsets

- International offsets may be issued for offsets from reduced deforestation, with the quantity of offsets based on reductions below a national deforestation baseline (the baseline must establish a trajectory to result in zero gross deforestation 20 years after baseline established).
- Any agreement to issue offsets from reduced deforestation activities “shall seek to ensure” the establishment of legal regimes, standards and safeguards that “give due regard” to the rights and interests of local communities, indigenous peoples, and vulnerable social groups, and “promote consultations” with local communities and indigenous peoples in affected areas, and “encourage sharing of profits from incentives” from reduced deforestation offsets.

Oxfam America Comments:

- *The international offsets (including international forest offsets) permitted are equivalent to roughly 70% of the emissions reductions required below 2005 levels by 2020. International offsets can provide a helpful flexibility mechanism and create investment for mitigation in developing countries, and the discussion draft includes some important criteria for the use of these offsets. However, the large quantity of international offsets permitted could significantly erode the level of emissions reductions undertaken domestically within the US.*
- *The social safeguards for local communities and indigenous peoples are not mandatory and do not apply to specific offsets. These must be strengthened significantly and made mandatory for specific offsets.*

Reduced Deforestation - Supplemental Emissions Reductions

- 5% of all allowances (decreasing after 2025) is set aside to promote reduced emissions from deforestation in developing countries
- The goals of the set-aside are to reduce emissions from deforestation by 10% below 2005 levels by 2020, to build capacity to reduce deforestation, and to preserve existing carbon stocks
- Eligible activities include national deforestation reduction activities, subnational deforestation activities, leakage prevention, capacity to quantify reductions, development of governance structures to reduce deforestation, and efforts to combat illegal logging
- EPA may support activities by developing programs and projects and by distributing emissions allowances to an eligible country, private or public group, or international fund established by an international agreement
- Supplemental emissions reductions must be additional and, in cases of national deforestation reduction activities, require establishment of a national reduction baseline
- The same social safeguards language as for international forest offsets is used for the supplemental emissions reductions

Oxfam America Comments:

- *Providing support through this set-aside for reduced deforestation efforts, especially for effective governance and capacity building, is essential. However, there is no minimum level of funding or other support established for governance and capacity building efforts.*
- *As with the international offsets language, the social safeguards language must be strengthened and made clearly mandatory for specific reduced emissions activities.*

International Clean Energy Technology

- The discussion draft establishes an International Clean Technology Fund overseen by an interagency group chaired by the Secretary of State.
- In consultation with the interagency group, the Secretary of State can distribute funds bilaterally, through the World Bank or other multilateral dev banks, or through an international fund created under the UNFCCC.
- The interagency group will set criteria for project selection that require substantial GHG reductions and no adverse effects on human health, safety or welfare.
- Eligible projects include carbon capture and storage, renewable electricity, energy efficiency, and transportation efficiency or low-GHG fuels.
- Eligible countries must have signed an international agreement to undertake nationally appropriate mitigation activities and have undertaken such activities to reduce GHG emissions relative to business-as-usual. The President may also establish other criteria.
- Not more than 20% of funds can be spent in any one country in a given year.

Oxfam America Comments:

- *Providing support for international clean energy technology is one of the keys to reaching a global agreement. The eligibility criteria need to provide flexibility for comparatively lower emitting countries to receive assistance in adopting clean energy pathways.*
- *The requirement that multilateral funds meet the project selection criteria need to be made strictly binding, including for social protections. Also, to qualify as a multilateral funding channel, an international institution should be authorized by international climate negotiations.*

Black Carbon

- The discussion draft requires a report on current efforts and recommended strategies to reduce black carbon emissions, caused from wood-burning stoves, including efficient stoves and fuels.

Green Jobs

- Secretary of Education establishes a range of studies focused on clean energy, efficiency, and mitigation.
- Secretary of Labor executes a sustainability workforce training and education program to institutions of higher education.

Oxfam America Comments:

- *Green jobs programs must explicitly include training for climate resilience employment, including climate-resilient building, coastal restoration, and sustainable water management.*

International Trade Measures (International Reserve Allowances)

- Includes transitional rebates of emission allowances to certain energy-intensive manufacturing facilities making basic commodity products that are subject to strong international competition.
- If negative impacts are still found on these industries, then starting in 2019 the President can require that importers of competing products must purchase special emissions allowances to address the “competitive imbalance” associated with the imports. Products from least developed countries and countries responsible for less than 0.5% of global GHG emissions are exempted.

Oxfam America Comments:

- *Any trade measure in climate legislation must, at minimum, explicitly take account of the differing economic levels of development among developing countries subject to these provisions. The provisions should also set clear criteria for the implementation of the import allowance requirement.*

Distribution of Allowances

With the exception of a program to achieve supplemental emissions reductions from reduced deforestation, allowances are not yet distributed.

Oxfam America Comments

- *100% of the allowances under a cap-and-trade program should be allocated for public benefit. In accordance with the “polluter pays principle,” no allowances should be freely given to polluters.*
- *Substantial proportions of the allowances should be used to support programs that ensure equity, including funding for adaptation and emissions reduction efforts in developing countries, adaptation support for low-income and other vulnerable communities in the U.S., and assistance to low-income energy consumers.*