

# ECO

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Changing  
Issue

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*ECO email: [administration@climatenetwork.org](mailto:administration@climatenetwork.org) - ECO website: <http://climatenetwork.org/eco-newsletters> - Editorial/Production: Kyle Gracey*

## Climate Finance: Up and Not Down!

To our freshly arrived negotiators, get ready for a major wake up call (or at least a loud and not particularly polite noise) on finance, when the countries most vulnerable to climate change will be rightly asking: what happens when Fast Start Finance runs out at the end of this year?

And what happens now that we know Fast Start Finance (the money pledged between 2010 and 2012) was mostly a false start? Yes, ECO did the maths and estimates only 33% of FSF was "new" money (that is, additional to existing, pre-Copenhagen pledges), and around 24% additional to existing aid promises. Only one-fifth of finance was spent on adaptation, and less than half was available as grants. It seems developed countries need to re-learn some basics about climate finance. Which part of "new and

additional, predictable, and adequate in relation to rapidly spiralling needs...with balanced allocation between mitigation and adaptation" are they failing to understand?

And to those who need illustration of "spiralling needs", please count the unprecedented number of climate related disasters in 2012 which - along with sea-level rise, and the gradual but deadly effects on agricultural and fresh water systems - mean that the bill from carbon pollution just keeps going up and up. If we are to tackle the consequences of current inaction, the hundred billion annual figure promised before Copenhagen is now looking implausibly small.

Here in Doha, we are facing a "finance cliff" with fast start finance ending just at the point when we need ramping up. ECO is concerned that many developed

countries have arrived in Doha unwilling to pledge new resources. For vulnerable countries this is a daunting prospect, and will hugely reduce their trust that these countries intend to make good on their \$100 billion a year by 2020 promise. By holding back on money they have promised, developed countries are shooting the 2015 global deal in the foot.

Luckily, ECO is giving countries two extra weeks to do their homework on how to:

**SCALE UP** – ECO will not accept Doha as a success without reassurance that climate finance will go UP, not down and especially not off a cliff in 2013. For 2013-2015, developed countries should at least double the amount delivered under Fast Start Finance levels and

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## President Obama: We Hope for Change

In his victory speech after being re-elected to a second term, President Obama swelled the hopes once again of people around the world who care about climate change when he said, "We want our children to live in an America that is not burdened by debt, that is not weakened by inequality, that is not threatened by the destructive power of a warming planet." Those hopes continued to swell when in a press conference a few days later, he responded to a question from the media on climate by saying that he planned to start "a conversation across the country..." to see "how we can shape an agenda that garners bipartisan support and helps move this agenda forward...and...be an international leader" on climate change. President Obama

appears to understand that climate change is a legacy issue that was not adequately addressed during his first term in office.

The question therefore has to be, what next? In his second term, will President Obama deliver the bold action needed to reduce the threat of climate change to the US and the world, by shifting the US economy towards a zero carbon future, and making the issue a centerpiece of US foreign policy? In the aftermath of superstorm Sandy, and the drought, wildfires and other extreme weather events that have afflicted the US over the last year, it is clearly time for President Obama to press the reset button on climate policy, both nationally and interna-

tionally.

First, the world needs to hear from the President and his negotiating team here in Doha that they remain fully committed to keeping the increase in global temperature far below 2 degrees, that it is not only still possible but essential to do so, and that the USA is going to provide leadership in this collective effort.

The administration should then make clear how it will meet its current 17 percent reduction target. While US emissions are decreasing slightly – both as a result of the administration's policies on renewable

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**Finance continued**

channel US\$10 to 15 billion to the Green Climate Fund.

**PROGRESS ON SOURCES** – To sleep tight, ECO needs to see a scaling up of climate finance to meet the \$100 billion per year commitment by 2020. Advancing promising new sources of finance will be crucial to provide predictable and scalable finance and needs genuine commitment by developed countries. ECO supports the recommendation on the Long Term Finance Work Programme to establish a high-level experts group across the ICAO, IMO and UNFCCC secretariats to examine finance-raising

options from a fair carbon pricing mechanism. ECO will give top grades to the EU member states who allocate at least a quarter of the upcoming Financial Transaction Tax to the Green Climate Fund.

**STRENGTHEN MRV** – False Start Finance has taught ECO the tricks for how to count existing aid as new and additional. ECO is now looking forward to learning how to do things the right way. Parties now need to agree on MRV reporting formats on climate finance that help assess whether the promises are “new and additional” finance, and ensure “balanced allocation between adaptation and mitigation”. It is high time that the re-

porting is transparent, verifiable and clarifies what is “real” and “legitimate” climate finance.

**HIGH-LEVEL POLITICAL PROCESS** – Finally, ECO intends to be an ongoing and relentless nuisance, by insisting on a high level political space for negotiations on finance, if and when the AWG-LCA comes to an end after COP18. In whatever context negotiations continue, finance MUST NOT be relegated to the status of a “technical” issue. There is nothing technical about being on the receiving end of climate disaster. Lives and livelihoods are at stake, and we expect this issue to be treated with the political seriousness it deserves.

**The First Place Fossil is awarded to USA, Canada, Russia, Japan and New Zealand** for running away from a legally binding, multilateral rules based regime. To the USA – seriously, get over your exceptionalism and agree to common accounting rules already. Canada you are exceptional in ways we cannot communicate diplomatically during a fossil presentation, but it is not good - withdrawing from the Kyoto Protocol is completely unacceptable and your target is an insult to the most vulnerable. As for Japan, Russia and New Zealand - you still have a chance to support the only legally binding regime and commit to ambitious targets for the second commitment period (and that means no AAU carry over, Russia). We

are looking to hearing from you by the end of the week, because really, do we want to be lumped into this low-ambition group?

**The Second Place Fossil is awarded to New Zealand.** Unlike its neighbour to the west, New Zealand decided not to put its target into the second commitment period, citing spurious grounds when the reality is that it is just a



massive display of irresponsibility. Its island partners in the Pacific should think again before ever trusting NZ again.

**The Ray of the Day goes to the EU** for having already reached their pledged 2020 target almost 10 years ahead of time! They really are the fastest under-achievers in the KP! But wait!? The EU has told us that they are not planning to increase their 2020 emissions pledge from the already achieved 20%. How outrageous! Is the EU really planning to go for the next 10 years without doing ANY further emissions reductions? EU you will need to quickly increase your target or the clouds will appear and it will start raining fossils on your negotiating table.

**Change continued**

energy and vehicle fuel economy standards and because of sharply lower natural gas prices that have reduced coal use for electricity generation – it is unlikely that without additional regulation or legislation that the US will meet its 2020 target. The delegation should also clarify what the Obama Administration will do to put the US on track to the near-elimination of emissions by mid-century called for by the scientific community.

Finally, delegations need to hear that the US remains committed to meeting its fair share of the Copenhagen pledge of mobilizing \$100 billion in climate finance per year by 2020, as well as which innovative finance options the administration is prepared to support to get there.

These four steps would go a long way to reset US climate diplomacy. They would show that instead of dragging the world down to the level of what is (not) possible in the USA, President Obama and his team are going to pull the US up

to what the science and the world demands to avoid catastrophic climate change.

One last point: every coach knows that when you find your team down by several goals at half-time, a change in your game plan may not be enough; it may also be time to make some substitutions to the players on the field.

**Right to Appeal Is Not a Game Of Two Halves**

Here in Doha, Parties will decide on an appeals procedure that would consider decisions made by the CDM Executive Board. It is crucial that civil society representatives are eligible to launch an appeal. But wait, ECO heard that some Parties would like to grant the right to appeal to one side (investors) only? Dear delegates, this is not a game of two halves but two sides of the same coin. Indeed, we would like to remind you

that any appeals procedure must serve the interests of all affected stakeholders.

Granting the right to appeal to investors only prioritises corporate profit over the public interest, especially given the wider impacts that flawed CDM projects can have on global climate change and sustainable development.

ECO urges delegates to take this opportunity to adopt a fair and balanced means to provide a public check during the CDM project approval process, and promote transparency, accountability and integrity in the decision-making process. Take this critical opportunity to introduce much needed quality control in the CDM decision-making process and adopt a robust appeals procedure!

