

# eco



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

## Doha: Deliver a Tight Package With an Ambitiously Large Bow

In Durban, Parties agreed to a package – the adoption of a second commitment period of the Kyoto Protocol, a successful conclusion of the LCA, urgent action to close the pre-2020 mitigation gap between the 2 degrees goal and the collective pledges now on the table, and collective movement toward a fair, ambitious and binding agreement in 2015.

Parties must honour this political bargain. Let's start with the KP. Those trying to get another bite of the negotiation cherry by dragging out submitting their carbon budgets (QELROs) have to understand that this will be perceived as acting in bad faith. Australia – ECO remembers the brinkmanship with your QELRO last time.

So for you, as well as New Zealand, Ukraine and others on the fence on the Kyoto second commitment period, ECO demands to see your QELROs up front.

And, of course, just any old KP second commitment period won't suffice. We must have a robust, ratifiable agreement that respects the original intention of the KP to raise ambition and create real environmental integrity. The AOSIS and Africa Group proposals will facilitate this endeavour. Effectively eliminating surplus AAUs and ensuring the environmental integrity of the CDM is also essential – you can't have your cake and eat it too.

On to the LCA. There are a number of

elements that jump to the head of the queue in importance. We need a positive decision on finance – including ensuring that the discussion on scaling up Long Term Finance following the report of this year's work programme, among others, has a home in 2013 and beyond. And who needs an empty fund? We hear that the EU, Australia, Japan and Canada already have budgets they could allocate. Don't be shy! Enhanced post-2012 climate finance is essential to enable developing countries to implement low-carbon development strategies and facilitate desperately needed adaptation. Deciding to hold back on finance until the last moment – or not

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## Finally, Finance?

ECO is heartened to have heard that a group of developed countries is considering putting concrete numbers on the table for long-term finance in Doha. In the last year of Fast Start Finance, and with few firm commitments for finance from 2013 onwards currently on the table, this is none too soon. Substantial new and additional climate finance commitments could really help to give a boost to the negotiations going into Qatar.

As ECO has long argued, such commitments would give developing countries some needed reassurance that climate finance is not about to fall off a cliff, but rather start the steady climb towards the US\$100 billion per year

promise made in Copenhagen and Cancun. Rhetorical reassurances during the negotiations are no match for concrete numbers committed on paper.

Let's hope that more developed countries reach this enlightened conclusion before Doha. There will be nowhere for them to hide if a group of countries makes a pledge, while they turn up empty handed.

But ECO would also hope that developed countries have learned some lessons from the Fast Start Finance experience, and apply them as they consider their pledge. Don't forget that ECO has a beady eye for creative ac-

counting tricks that may artificially inflate finance pledges that are actually not new and additional. The potential for trust-building could be undermined if developed countries are seen to be counting spurious finance flows, especially from private finance.

One kind of pledge that is guaranteed to win plaudits from developing countries and ECO alike is a serious commitment to the capitalisation of the Green Climate Fund. No one wants to see a third COP in a row that leaves the GCF as an empty shell. Now is the time to give the pol-

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## Ace the AC!

ECO congratulates the Adaptation Committee (AC) members for their selection and welcomes them to Bangkok, where the first AC meeting will take place. The AC has been mandated with the very important task of promoting the implementation of enhanced action on adaptation in a coherent manner, and supporting the COP in taking appropriate decisions on adaptation. ECO would like to encourage all members of the AC, both from developed and developing countries, to work as ONE TEAM and with a true spirit of collaboration and cooperation.

In its first meeting, the AC's members will focus on developing its three year work plan and its modalities. ECO requests that the Adaptation Committee include the following priority issues. The AC should:

- consider the linkages and stimulate coherence among the various adaptation institutions within the UNFCCC, including the Standing Committee and Green Climate Fund

- develop an overview, identify gaps and establish/strengthen regional centres and networks to address those gaps

- facilitate discussion among Parties to explore ways to effectively address regional, cross-border and common sub-regional adaptation issues through promoting ecosystem- and community-based approaches.

Other issues to be reflected upon include the guidelines and modalities for the National Adaptation Planning (NAP) process for non-LDC countries and national institutional arrangements for adaptation.

Outreach to the wider community and public is an important part of the AC's job description. Organizing a biannual adaptation conference with diverse stakeholders to create a platform for sharing new knowledge, practices and experiences could be explored. Most importantly, the AC will have to elaborate its linkages with ongoing external processes, like the development of a new Disaster Risk Reduction Framework, SDGs and MDGs – all of which have an equal 3 year timeline and will be relevant to further elevate the adaptation agenda around the world.

Lastly, ECO offers its full support to the Adaptation Committee and wishes its members all the best for this exciting work!

### Finance continued

itical signal of financial support for the fund over the coming years.

After the delays in the Board's first

meeting, a round of pledges to the Fund would be like a shot in the arm to this nascent institution. It would spur efforts to get the Fund up and running and disbursing climate cash to those who need it most as soon as possible.

At the end of Bonn, ECO insisted that a sum of \$10-15 billion of public finance by 2015 is needed. What better way for developed countries to show they mean business in the negotiations over this period than to take our hint.

## Get Technology's "Boots On the Ground" Grounded

We stand at the precipice of what could be the final stroke of the LCA at COP18 in Doha, and the conversation is turning ever more to the question of how political decisions for various elements of the LCA that have not been fully resolved will be handled post-COP18. ECO sees that the discussion on technology transfer, which cuts across mitigation and adaptation, provides a stark view of what's at stake if the LCA's closing is not properly done, in the light of the sometimes yawning gap between the understandings of developed and the developing countries.

If you mark the IPCC Assessment Report 1 (1990) as the starting point, the discussion on technology transfer has been ongoing for more than two decades. That's a lot of work to sit idle if the Technology Mechanism suddenly faced a lack of support, and a staggering missed opportunity to

close the mitigation gap and address the growing need for climate adaptation.

As it now stands, the Technology Mechanism lacks full funding even on a short-term basis, its governance and reporting structure are incomplete, its linkages with other bodies inside the Convention are hampered by the chicken/egg dilemma, its cross-cutting support for NAMAs and NAPAs/NAPs is uncertain and ill-defined, and the conversation on what is likely the most political decision of all – how priorities are to be set within the TEC and CTCN – has barely been broached, if at all. Undoubtedly, some of these issues will be addressed and hopefully resolved in Doha, but some of them have little or no hope of finding true resolution in that timeframe, and some are likely to require ongoing political guidance.

As for funding, which must stand above all other issues in terms of a critical path forward, the organisation requested by COP17 to financially support the early operations of the CTCN failed to be chosen, and CTCN support disappeared with the nomination.

So how do we avoid leaving the CTCN – the technology mechanism's "boots on the ground" – up in the air?

As the shaman of Pride Rock, Rafiki, says: "It is time." Let's get those boots grounded with at least five years of interim public funding and let's go kick some adaptation and mitigation bootie! Oh, and by the way, maybe we might also find a concrete way to ensure appropriate follow-up care for all the outstanding technology transfer and other LCA issues that risk being stranded?

## Aren't You Lowering Ambition, Japan?

Japan will soon make a decision on new energy and climate policy in light of the Fukushima nuclear accident. ECO supports the voices of the majority of Japanese people, who say, "No, thank you" to nuclear. Nuclear is not a solution.

However, we realized with surprise, Japan considered that mitigation is not possible without nuclear. Believe it or not, the projection of GHG pollution in 2020 for Japan is from 0% to -7% from 1990 levels when Japan chooses a nuclear-free future. This is nearly at the level of the first commitment period Kyoto target (-6%)! Is nuclear really a mitigation solution? ECO believes NOT. Japan could surely reduce CO2 while reducing its dependence on nuclear. Rather, it's better and faster to realise a low-carbon society through shifting the tremendous nuclear investments to renewables and energy efficiency.

ECO is anxious to know whether Japan intends to discuss raising ambition as a matter of urgency. We have no time to delay. No room to lower efforts. In the last session in Bonn, ECO urged Japan to reaffirm its 25% reduction target by 2020 in Bangkok. Your silence is deafening. So, take the ambition discussion back home, identify any possible reduction potentials other than nuclear (here's a preview – you will find a lot) and come back with an ambitious target. Through that, Japan could make a sizeable contribution to Doha and to the world by transitioning toward a safe, low carbon economy. The international community is watching you.

And a note to Japan: contrary to what you stated in Sunday's 1(b)(i) workshop, double counting of credits IS a VERY big problem. A 1-2 GtCO<sub>2</sub>e bit problem, according to the UNEP *Bridging the Emissions Gap Report*, "if double counting of emissions reductions by developed and developing countries due to the use of the carbon market is not ruled out, and if the additionality of CDM projects is not improved." ECO reminds Japan that they noted (here it comes again) – *with grave concern* – the existence and size of the gap. Japan needs to do its part to close it – and avoiding double counting is an important part of that.

## Doha continued

coming forward at all in Doha – will undermine confidence and faith in moving the climate negotiations forward.

Japan, Canada, Russia and the United States, do not think that by jumping overboard from the Kyoto Protocol that you're diving into balmy waters. You're still on the hook to do your share of closing the gigatonne gap, by putting forward quantified economy wide emissions reductions AT LEAST as stringent as the QELROs of Kyoto Protocol parties, and using common accounting to an equal standard as the Kyoto Protocol. We also expect to see your QEERTs well before Doha.

On these and the other LCA issues, it is essential that the LCA Chair, and the spin-off group facilitators, be supported to develop text proposals to put forward in Doha.

Finally, on the ADP, you all need to do your homework between now and Doha on the ADP work programme. Doha must agree to a plan of work, including a clear timeline and milestones. So let's take inspir-

ation from our setting here in Bangkok – these milestones can incorporate a period of "contemplation" on some issues. How equity and CBDRRC will apply in the 2015 protocol will require a work stream that allows discussion and agreement on principles before being applied to all of the elements that will constitute the final deal. On other elements, including ways to urgently enhance short-term ambition, Parties must pick up and start negotiating immediately in Doha and beyond. Leaving the workplan "loosey goosey" will result in a repeat of the Copenhagen tragedy. Rather, parties must agree on specific issues to manage each year while ensuring compilation text by COP19, complete negotiating text by COP20 and draft a fair, ambitious and legally binding protocol to be circulated by May 2015.

This is indeed an ambitious agenda for Doha. But it is the least the peoples of the world demand, and expect their political leaders to deliver at a time when the impacts of climate change – and the costs in terms of both human suffering and economic development – are more evident than ever.



Activists from ASEAN for a Fair, Ambitious and Binding Global Climate Deal (A-FAB), a partnership between Greenpeace Southeast Asia and Oxfam, beam the message "Save the Climate, Save Southeast Asia" on the UN Building in Bangkok, Thailand. The region experienced massive flooding in many parts weeks ago from climate change disrupted monsoons, according to local scientists. A-FAB is calling on governments to save the climate and to infuse much-needed urgency into the international climate negotiations, for the sake of the region, considered as most vulnerable from extreme weather events made worse by climate change.



## Common Sense Common Accounting

To enable understanding of mitigation efforts by developed country Parties, transparency is critical. The LCA process has already launched a process to clarify Annex I targets. This is a significant step. Developed country Parties should clarify the assumptions that underlie their targets, including:

- Emission reduction target (in terms of MTCO<sub>2</sub>e)
- Expected emissions reductions
- Base year
- Emissions level in the base year (in terms of MTCO<sub>2</sub>e)
- Methodology used to calculate the national inventory in the base year
- Target year
- Methodology that will be used to calculate the national inventory over the target period
- Sectors covered by the target
- Gases covered by the target
- GWP values
- Role of LULUCF, including methodology used to calculate emissions and removals from LULUCF
- Use of surplus emissions units, to the extent used in any second commitment period of the Kyoto Protocol and also used to meet targets under the Convention track
- Role of any domestic offsets, international offsets and other market-based mechanisms:
- Methodology used to assess emissions reductions
- The percentage of (in terms of both the goal and the reduction effort), as well as the absolute amount (in tons of CO<sub>2</sub>e), of emissions reductions generated that will be used in achieving their mitigation goals.
- Mechanisms used to prevent double counting

## Markets On Our Mind

While most developed nations remain unwilling to commit to legally binding targets for CP2, discussions about market mechanisms have been (un)surprisingly vivid. The fact that carbon market prices are at a record low and surplus allowances threaten to bring prices near zero hasn't added much urge to increase ambition.

ECO wonders why the many carbon market industry lobbyists haven't made it clear yet that markets can only flourish with vigorous demand, which can only be created by binding reduction commitments. Let's get that right: allowing emissions trading schemes from countries without enough demand to reach their voluntary targets with international offsets won't help. The recent announcement of the Australian ETS linking up to the EU ETS has stirred worries that the lack of an international accounting framework will create a fragmented market that will undermine the environmental integrity of carbon markets altogether.

My dear negotiators, would you honestly buy the right to pollute with Japanese Yen from an Indian company if you don't know whether the emissions reductions are calculated in watts, horsepower or feet? ECO presumes not. However, it's definitely maths time: do the numbers and calculate the emissions reductions you need for your market to work.

Not only that, we also need a common accounting framework (look to your left) that ensures 1 tonne is 1 tonne. We also see the need to develop a UN common framework, with rules for countries that transfer credits and allowances for meeting QELROs, to ensure reductions are additional and not double counting. ECO looks forward to the outcome of the Parties' calculation exercises to be presented in Doha, so that the environmental integrity and fungibility of carbon credits can be assured. All this, obviously, must be under the condition of strong and binding emission reduction commitments.

## CAN Classifieds

### Training available: **Advanced deception in the 21st Century.**

Canada invites you to a workshop on how creative accounting can enable you to claim greenhouse gas reductions and deceive domestic and international audiences alike. All inquiries to Harper Consultants Ltd.

### Training available: **Deficit reductions the easy way.**

Is your carbon deficit looking worse than your financial one? New Zealand and Canada provide you with basic and advanced training in balancing the books while keeping polluters happy.

### For sale: **Cooking Your Books: 100 delicious recipes.**

Umbrella Publishing Group. Come in quick as supplies are limited, unlike our carbon credits.

**Cheating 101:** Basic introduction to LULUCF rules and effective use of the flexible mechanisms. **LULUCF Accounting 201:** Advanced use of LULUCF rules, how to protect your agriculture sector. **Advanced Rules 301:** Hiding emissions in QELRO rules, target overshoot, advanced deception techniques, strategic use of the flexible mechanisms.