CLIMATE NEGOTIATIONS

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NGO NEWSLETTER



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If not now, then when?

Since the launch of these negotiations in Bali, a ticking clock has symbolised the race against time to secure a fair, ambitious and binding deal on climate change in Copenhagen. Now the clock is approaching midnight and all eyes are on our political leaders. Can they summon the collective vision needed to secure something positive out of a process that appears to be drifting worryingly towards failure?

President Obama addressed the challenge head on last week while in Oslo to accept the Nobel Peace Prize. "There is little scientific dispute that if we do nothing, we will face more drought, famine and mass displacement that will fuel more conflict for decades. For this reason, it is not merely scientists and activists who call for swift and forceful action – it is military leaders in my country and others who understand that our common security hangs in the balance."

Political leaders throughout the world have delivered similar messages while also highlighting the huge opportunities available through a global green new deal. Now is the time for the President to match his words by committing his country to effective and responsible action in the multilateral UNFCCC process.

Last weekend almost 100,000 people marched through Copenhagen and other cities around the world. It was an unprecedented demonstration of public commitment to securing a real deal on climate change. Calls for action on climate change have emerged from every quarter of society – labour unions, business leaders, faith groups, scientists, doctors, youth, and many, many more. The impact of all this can be seen in the wave of positive moves on climate change by governments throughout the world, from the EU climate and energy package agreed last December to pledges by Brazil and Indonesia to tackle deforestation. Without the Copenhagen deadline to focus minds, would we be seeing such positive momentum?

Yes, there is still fierce opposition to action on climate change from polluting industries and their political influence cannot be underestimated. But the fact remains that there are no insurmountable political obstacles to securing a real deal in Copenhagen. With the change of administration in the US, the few obstructions towards taking action ought to have been removed. The world's major economies now must be committed to taking serious action and have a shared interest in doing this within a global framework. Poor and vulnerable countries have made clear that a real deal is a matter of survival for them. The missing ingredients now are simple trust and political leadership.

Make no mistake: failure in Copenhagen would be a grave setback, fuelling public cynicism and resulting in a loss of momentum. The negative fallout could damage the prospects for multilateral cooperation on other pressing global issues, from financial regulation to trade. Meanwhile the climate crisis would continue to worsen and would only become more costly and difficult to tackle. There will never be a better time than now to rise to the challenge.

- continued back page, column 3

Finance text in serious trouble

ECO is [very] [deeply] [worried] [concerned] about the [entirely] [100%] bracketed text on the governance of climate finance and the specifics for the proposed [UNFCCC] Climate [Fund] [Facility] [Thingie].

Buried in the brackets of the negotiating text is an attempt by the United States and their allies to place the fund under the control of the World Bank.

ECO supports the position of developing countries that the fund should be controlled by a Board that is under the authority of the COP, where recipient countries should hold the majority of seats. The text is [silent] [confused] regarding the relationship between the Board and the COP.

The text also reduces the amount of new money going into the fund by stating that only the "main source of funding" rather than "all of the funding" should be new and additional money from rich countries. This suggests much of the money will likely be diverted from existing aid budgets or that developing countries will pay into it, or both. The key test of whether funding is truly new and additional is whether the money comes on top of existing targets for ODA.

The text fails to indicate the scale of funding required for medium and longterm finances and fails to set a formula for allocating contributions among developed countries. It also ignores innovative sources of public finance such as auctioning of AAUs, mechanisms to address emissions from shipping and aviation, and financial – continued back page, column 3

US states act on reducing emissions

The United States is poised to achieve significant emission reductions thanks to clean energy and climate policies driven by state governments.

A recent report by Environment America estimates that state-led energy and climate policies will reduce US emissions by approximately 536 million tonnes of carbon dioxide-equivalent a year by 2020 compared to business as usual. These reductions in emissions are significant; greater than that currently emitted annually by all but eight of the world's nations, and approximately 7% of total US emissions in 2007.

There is no doubt that the US Congress must pass a comprehensive climate bill and work aggressively on a fair, ambitious and binding international deal to stop climate change. Research shows that decades of action at the state level has delivered a down payment on the much greater reductions that the science shows are needed to prevent the worst effects of global warming.

By implementing strong energy and climate policies – including emission caps, renewable electricity standards, efficiency standards and cleaner cars standards – states are showing that the US is ready to tackle the challenge of global warming.

California Governor Arnold Schwarzenegger, a leader in promoting sub-national energy and climate policies, is telling the story of state-level action in Copenhagen this week. "Global warming is a global problem that requires a global solution and California is proof that sub-national governments can make a difference," he remarked recently. In addition, he announced this week a new regional partnership of subnational governments to collaborate on actions to address global warming.

According to Senator Kerry who spoke in Copenhagen yesterday, 33 of the 50 US states have voluntarily entered into compacts to reduce emissions. As a result, over half the American economy was already preparing to implement mandatory emission reduction policies. Further, three regions were currently setting up emissions trading systems.

This message is being echoed in Copenhagen by other US Governors. While the states are not waiting for national or international action, a deal in Copenhagen remains absolutely critical to ensuring that we protect our planet and vulnerable populations from the threat of climate change.

Canada pranks world

Canada is playing an elaborate hoax on negotiators here in Copenhagen, *ECO* has learned. It seems to have as little intention of meeting its proposed 2020 target as it does of meeting its Kyoto target.

Canada is working in Copenhagen to convince the nations of the world they must grudgingly accept its "ambitious" pledge of 3% below 1990 by 2020. Yet, it is now clear: Canada has no intention of meeting its proposed target, already the weakest in the industrialised world.

Confirmation comes from a draft cap-and-trade proposal, which was to be presented to

the federal Cabinet by Environment Minister Jim Prentice. The proposal, which *ECO* has seen, details a plan for industrial emissions that is three times weaker than the government's previous flimsy approach. The secret plan would allow emissions from the oil and gas sector to grow to 37% above the 2006 level by 2020 (they were previously set to decline by 6%). Emissions from tar sands operations would be reduced only 10% below businessas-usual levels by 2020. This is dwarfed by the actions many developing countries are proposing.

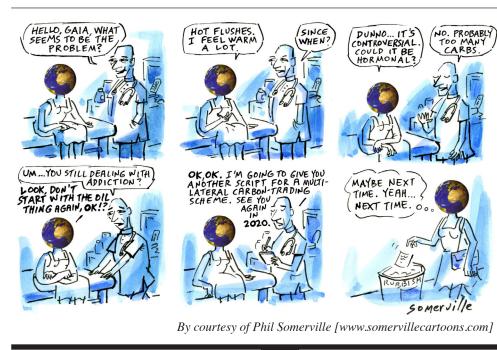
The plan further discredits Canada's

climate fantasy of developing an "integrated North American cap-and-trade system" by including several design elements far too flawed or lenient to link with leading American legislative proposals.

With a sham of a target and no serious contributions to critical issues such as financing, *ECO* wonders whether it would be best to save vital space in the Bella Centre for more credible and constructive voices. There is precious little room in this already-mistrustful environment for delegations negotiating in bad faith.

J rgen

Jørgen floats around the COP in his usual vague manner, nibbling organic Danish apples and enjoying the range of frenetic emotions in the main atrium. Drawn to the enormous white globe, he plots his favourite places in the world. Rio, check. Kyoto, check. Bali, check. He's surprised he can't see the giant tortoises on the Galapagos Islands, but looking to ease his disappointment, he seeks his beloved pictureperfect islands, the Maldives, but where are they? No, they're genuinely not there...have they already disappeared under the waves? Ah, but some indignant fan has reminded the world of their existence with a faint blue biro pen. Very good. The globe-makers were not predicting the future; they just forgot they were there. Hungry, Jørgen makes his way towards some spectacular vegetarian food, wondering if globe-makers and Annex I politicians have more in common than he first thought.



ISSUE 10 - DECEMBER 17

EU: Seize the day!

The EU must pull the talks back from the brink. It has held off on its -30% by 2020 target and long-term financing proposal in order to draw greater commitments from others. Now, as the negotiations teeter on a knife edge following the AWG-LCA's inability to agree on a negotiable text to present to the COP, the EU must play its two cards to save Copenhagen from failure.

First, it must move immediately and unilaterally to -30%. According to the International Energy Agency, windfall credits from the economic crisis and international offsets would allow its current 20% target to be met in a manner "such that in 2020 domestic emissions could be similar to today's level." This is clearly not comparable with the proposals by other Parties, demands of science, equity and the EU's obligation to lead.

Second, the EU must table numbers for long-term financing and seal the deal. Once it displays such leadership, other developed countries will surely follow and also commit numbers. If it does not, the reputation of its leaders will be affected. *ECO* takes note of positive developments. First, when the EU demanded that the Copenhagen outcome enables us to stay well below 2°C. Second, when Swedish Environment Minister Carlgren announced: "The EU is prepared to reduce emissions by up to 95 percent by 2050 compared to 1990". Third, the emergence of North-South proposals for a new Climate Fund backed by innovative and automatic sources of finance.While it may not meet the envisaged scale of funding for 2020, the importance of this first step should be recognised.

CDM roulette – Seal the deal

Negotiations on CDM reform are set to conclude their pre-ministerial round today. Contentious issues that Parties cannot agree on will be referred to the ministers. However, the question of which items remain within brackets will depend heavily on compromises achieved between three key issues.

One, the inclusion of forests in exhaustion (FiE); two, carbon, capture and storage (CCS); and three, development of standardised baselines. Brazil fired the opening salvo last night with a tempting offer to postpone discussions on FiE until COP16 if standardised baselines and CCS in CDM were dropped. However, Saudi Arabia and Norway did not follow suit, stating CCS in CDM as their absolute red-line. The EU on the other hand insisted on not giving up on standardised baselines. It believed it had already gained one negotiation point by not pushing for a definition on conflict of interest so strongly opposed by Japan, Brazil, Canada and China. ECO's take however is that the EU should have spoken out louder.

As the COP15 slogan "Nothing will be agreed until everything else is agreed," seems to be taken seriously, *ECO* had a closer look as to what else is still on the negotiating table. They are: a) Polices favouring low GHG emitting technologies; b) Clauses favouring regional distribution of CDM projects; and c) A surprise proposal put forward yesterday to include "carbon-negative projects that reduce in net terms the carbon concentration in the atmosphere".

ECO finally understands the rules of this game and offers some comments for this final round. Measures have to be taken to prevent China from extending its freedom to reduce tariffs while claiming the additionality

for wind power projects at the same time. China provides substantial subsidies in the form of tariffs to certain technologies and

"... the question of which items remain within brackets will depend heavily on compromises achieved between three key issues."

is generously supported by Japan. On the other hand, Japan does not think that LDCs

would need similar support having proposed the deletion of support measures for LDCs, which is very shameful. Japan also supports the new Indonesian proposal on the basis it would be another attempt to include CCS in the CDM. However, it actually would open the door to peat cultivation and possibly even advanced biofuels and REDD in the CDM. Hence, it is not surprising that Brazil also supports this.

As is the case of FiE and CCS in CDM, *ECO* calls on Parties NOT to adopt these proposals without further discussion as their impacts are completely unknown. The time to show environmental responsibility is now! It is difficult to assess the score so far but the final spurt is set to make a difference: No cheating, negotiators!

575,000 Americans demand stronger action

Dr John Holdren, the environmental scientist who as director of the Office of Science and Technology Policy is President Barack Obama's top science advisor, yesterday accepted a petition signed by 575,000 Americans demanding stronger United States action in Copenhagen to solve the climate crisis. (Dr Holdren taught at Harvard University and directed the Woods Hole Research Center in Massachusetts before joining the administration earlier this year.)

Dr Holdren was presented the petition during a side event on clean energy development and policy organised by the US Climate Action Network.

USCAN also presented a brief letter to Dr Holdren and asked him to carry it to the president, which he agreed to do. The brief letter said: "Mr. President: You said the planet is in peril. We agree. What the United States proposes is not enough. Bring this climate conference your highest aspirations. Commit the United States to stronger action. Let's do this 575,000 Americans."

Eight other organisations joined USCAN in collecting the signatures and in signing the letter. They are Tck tck tck, 1Sky, Oxfam, Avaaz, National Wildlife Federation, Greenpeace, CARE, and Energy Action Coalition.

The side event was moderated by Peter Bahouth, the executive director of USCAN, and along with Dr. Holdren featured Dan Reicher, Google's director of climate and energy initiatives, and Dave Foster, the executive director of the Blue Green Alliance.

Text on gender under threat

Just a year ago at COP14, there were no references to gender in the LCA track. By the beginning of COP15 there were gender references throughout the text – thanks to Iceland and a number of other countries (the LDCs, several African and Central and South American countries, the Philippines, Bangladesh, Indonesia, and the EU). As the text gets changed and streamlined, these gender references face danger. They must be protected.

On the related matter of gender, the

2009 UN Population Fund report on women, population and climate states it is not enough to identify women as vulnerable; they are also critical agents of change. It is essential that the final text ensures women's full and effective participation in the design and implementation of all aspects of a climate agreement. At COP15, only 21 of the 181 speakers in the high level sessions are women. Greater effort has to be made to ensure better balance and equality in women's participation and decision-making at all levels of the negotiations.

Arab change of heart

There is a famous Arabian Kingdom wellknown for being obstructionist at the climate negotiations since the very first COP. Here in Copenhagen it blocked an informal session in the Kyoto Protocol track which caused the COP to be suspended.

One of its latest tactics is challenging climate science and lobbying to remove references to the IPCC from the G77&China position, thereby weakening the 40% target by 2020 that came out of the collective Arab position.

A few days ago this Arabian Kingdom changed its entire rhetoric and adopted a position even stronger than that of AOSIS. You can find out first hand about its new stance on Al-Mounira TV (www.almounira.tv).

ECO has always believed that even the Arabian Kingdom can change. Besides, who would miss the opportunity of becoming public hero number one?

FOSSIL OF THE DAY AWARD

Wednesday, December 16 First place – United States

The United States took home first prize for the third day in a row. This time, for inserting a proposed "X%," as an alternative to the science based targets currently in the text. When it comes to targets, we need numbers, not letters.

Second place – Umbrella Group

For coming up empty on long-term financing just when these talks need it most. It doesn't get much more anemic than today's Umbrella Group statement on long-term finance, which contained not a single number but did prominently feature the role of carbon markets. The Umbrella Group, representing all industrialised Annex I countries other than the EU, refused to provide developing countries with the support they need through long-term finance agreements.

Tuesday, December 15 First Place – United States

The US won the top fossil of the COP for two reasons. First, for making absolutely no commitment on long-term financing for developing countries to cope with the impacts of climate change and to reduce their own emissions even further. Second, because the US – far and away the biggest cumulative

emitter of global warming pollution in world history – has among the weakest mid-term emission targets of any major developed country, a laughable 4% below 1990 levels by 2020. Will US negotiators ignore the interests of their own children and the poorest nations on the planet? Or will they bring the US into the community of nations, rich and poor alike, rising to the biggest challenge humanity has ever faced? US, all eyes on you: is it Hopenhagen or Brokenhagen?

Second Place – The EU

The EU won second-place fossil dishonours for failing to address a gaping loophole that undermines its targets: hot air and forest management. Allowing full carry-over past 2012 of Europe's hot air, that is, targets based on 1990 levels that in fact allow huge increases in emissions could allow 11 gigatonnes of carbon emissions. Europe's flagging credibility as a climate leader could crumble completely if this hot air loophole is not closed — and all of the EU member states are responsible.

Third Place – Canada and Saudi Arabia

Saudi Arabia and Canada received the third place fossil for their respective last and second-last place finish in the Climate Change Performance Index released yesterday by - If not now, then when?, from front page -

So where do we go from here? Above all, leaders need to reach agreement on three major issues: science-based mitigation targets, long-term finance and legal architecture. Progress in these areas can bridge the trust gap and provide the clarity we need to move forward in other areas, from adaptation to tackling deforestation. As President Nasheed of the Maldives reminded us yesterday: "Get the politics right, and the technology will follow. Technical creativity can make great leaps for mankind – but political leadership must provide the springboard."

- Finance text, from front page -

transaction levies, which will be necessary to create reliable sources of new and additional funding at the needed scale.

Developing countries have long asserted that the current operating entity of the UNFCCC financial mechanism - the Global Environment Facility (GEF) - has not been serving their needs. GEF funding has been very difficult to access because of co-financing requirements, burdensome application processes, and because developing countries are forced to work through multilateral implementing entities instead of being able to access the money directly. (ECO believes that funding from the Global Climate Fund should be directly accessible by national governments, local governments, and civil society organisations.) Furthermore, the GEF governance structure is heavily weighted towards wealthy contributing countries.

The World Bank has become a major contender to manage any new climate finance. But the Bank's history of failed development models, its continued investment in fossil fuels, and the fact that it is ultimately accountable to its shareholders (mostly rich countries) and not the UNFCCC, makes it unacceptable to many developing countries and much of civil society.

ECO strongly urges Parties to refocus the discussion on ensuring the creation of an equitable and effective financial mechanism.

Germanwatch and Climate Action Network Europe. The Index evaluates 57 industrial and developing countries which release 90% of the world's greenhouse gas emissions, Saudi Arabia's record speaks for itself. Canada only finished second-last because Saudi Arabia received a zero rating for its climate policy! Canada is in the world's top ten emitters, has one of the world's highest per capita rates of emissions at 23 tonnes per person, and is 34% above its Kyoto target (which is just a modest 6% cut from 1990). Simply put: on climate change, Canada has performance issues.