

ECO

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Decision 1/CP.18: Close the Ambition Gap!!

What do the Beijing and Manila floods, US drought and hurricanes, and record low Arctic summer sea ice cover tell us? That climate impacts are a reality and, particularly with respect to sea ice, are happening faster than we thought. Report after report also tells us that current mitigation pledges are insufficient. It is clear that a work programme on increasing ambition in the short term must be adopted in Doha, so that emissions remain within a trajectory compatible with a 2°C/1.5°C limit. We need a Doha COP decision on closing that gap!! (Of course, that is not the only decision we need from Doha – others being the adoption of the Kyoto second commitment period amendment, a timetable and milestones for the 2015 deal negotiations and so on – ECO's point is simply that near-term ambition is critical: do something!)

In the interest of ensuring Parties have time to take in the sights of Doha, ECO has graciously done some of the work for you – with this list you could even forward draft decision text from Bangkok! The COP decision

on closing the gap must include:

- **Strong and early action on short-lived climate forcers** – particularly Black Carbon. Doesn't Black Carbon sound scary – well it is, and getting rid of it has major benefits. A recent UNEP report concluded that ambitious actions to cut Black Carbon and Tropospheric Ozone could reduce global warming by about 0.5°C by 2050 and even 0.7°C in the Arctic, with additional benefits related to health and food security. Parties should agree text that requests appropriate fora for these emissions to take urgent action.

- **HFCs** – This is a process laden with abbreviations – so why don't we get rid of one and accelerate the phase out of HFCs?? Parties should request that the Montreal Protocol agree to phase out production and consumption of these gases as a matter of urgency at MOP25, while all Annex I Parties should also commit to an immediate ban on the use of HFC-23 offsets for compliance with Kyoto Protocol targets. Alternative technologies to HFCs should be made access-

ible to developing countries in a cost-effective manner. Overall, up to 1.3 Gt CO₂e could be saved annually by 2020, and we'd all be one abbreviation lighter.

- **Removal of fossil fuel subsidies** – There is no better example of the idiom “killing two birds with one stone” than phasing out fossil fuel subsidies – which can contribute to both reducing emissions and act as a source of climate finance (with no disrespect for our friends at the CBD – we are, of course, referring to metaphorical birds). Subsidy removal in Annex I countries should be prioritized both for its mitigation and financial gap filling potential. Plans for carefully supporting removal of subsidies in developing countries should be developed in the near term. A COP18 decision must establish the enabling conditions to achieve fossil fuel subsidy removal, including a timeline for phase out, identification of ways for some developing countries to pursue fossil fuel subsidy phase-out as a supported NAMA,

continued on page 2

Transparency Through 2 Individuals Representing More Than 700 Organisations?

ECO recognises the progress made in the SBI last year on observer participation – but wonders why only two seats per constituency were assigned to NGOs in yesterday's roundtable on the vision for the ADP. A matter of meeting room size? A matter of willingness? ECO doesn't want to think the latter is the reason... The morning KP session that took place in Conference Room 2, with capacity for 250, was standing-room only (but there was standing room) – so there's definitely room for more.

Observers play vital and varied roles in the climate negotiations – you know that, right? We're working to find fair and ambitious

solutions to address the greatest collective challenge we are facing today – you know that, too. NGOs represent the interests of the general public that may not be fully covered or understood by governmental delegations, bring new ideas to the table and help ensure transparency on Parties' positioning, thereby strengthening accountability to the public and to other groups. And importantly, through their memberships and communications, NGOs help to increase public awareness of the issues being negotiated. Does ECO have to repeat the same thing over and over?

Apparently yes: The Convention itself commits Parties to “...encourage the widest

participation in this process, including that of non-governmental organizations”. These different roles that observer NGOs play help to promote transparency and accountability in the highly complex negotiations, and in doing so give greater legitimacy to the UNFCCC process as a whole.

Kudos to the Philippines for raising the issue of the need to increase observer attendance at the roundtable – ECO hopes that the remaining roundtables operate in a greater spirit of openness and transparency, the way it should be.



Gap continued

and requirements to include fossil fuel subsidies existence and plans for removal as part of the National Communications and/or Biennial Reporting.

Develop low carbon development strategies as per the Cancun Agreements

– Establishing emission pathways consistent with the 1.5/2°C limit requires the steady transformation of economies away from a high carbon economic growth model – there is no reason not to start planning today!

These are but a few of the many options out there to reduce emissions in addition to developed countries raising their pollution reduction ambition. It is clear that the COP decision should also mandate a **technical paper to assess the overall level of am-**

bition implied by mitigation commitments and long term low carbon development strategies, and identify any subsequent gap between this collective ambition and a trajectory consistent with a high probability of keeping warming below 1.5°C. We need to keep abreast of the size of the gap and ensure it is closed immediately.

But what about targets and actions? you may cry. How can that not be in your list, ECO? The answer is simple. KP Annex I Parties, including Australia and New Zealand, must move to the upper end of their ranges, enshrine these in an amendment to Annex B, along with removing false emission reductions by minimising carried over AAUs and improving CDM and JI rules. Non-KP Annex I Parties such as the USA must also increase their 2020 pledges so that the combined effort with the KP moves

into the 25-40% range. Countries (we're looking at you: Qatar, Argentina, Nigeria, Iran, Venezuela, Saudi Arabia, Malaysia, Thailand) that have not yet pledged NAMAs must do so in Doha, while developing countries that are in a position to do so should further strengthen existing pledges/NAMAs.

To enable developing countries to increase their mitigation actions, public finance from 2013-15 must be at least double the amount of the Fast Start Finance. All this needs to be done *in Doha* and so would be superfluous to include in a COP decision on closing the gap. In today's roundtable on raising near-term ambition in the ADP, ECO is anxiously awaiting constructive proposals, concrete commitments and draft text for an ambition COP decision in Doha. The climate crisis demands nothing less.

A Tenuous Linkage

ECO cautiously welcomes the announcement made this week by Australia and the EU that they have entered into negotiations to link their carbon trading schemes by 2018. If implemented with ambition, this could be a positive step toward greater international cooperation in carbon pollution reductions.

However, ECO wants to respectfully remind delegates that if two dogs play together they will catch each other's fleas. In the case of linking carbon markets together, weak ambition may be contagious. If neither emissions cap meets the targets that science suggests, then linking is only a gimmick.

Europe is already and will continue to face deficiencies in the EU ETS. Unless policymakers move to restore scarcity to the oversupplied European carbon market, they risk weakening incentives for zero-carbon development not only in Europe but also in the countries to which they link. Australia's economy is the size of Spain's, and could be overwhelmed by a flood of cheap European emission allowances, undermining climate action there. We note that this linkage is marginally better than allowing a flood of even cheaper CDM credits into the Australian scheme, which was a distinct possibility before changes were made in order to link with Europe, but, as feared, is likely to undermine climate action on both sides.

Full linking with the Australian scheme after 2018 also presents potential dangers for the EU. Since Australia's 2020 climate targets remain considerably weaker than Europe's, an insufficiently robust Australian cap could see a reverse flow of cheap Australian credits into the European market exacerbating the existing oversupply. Also, there is a danger that Australian land-based credits could enter the European scheme by the backdoor.

ECO urges the EU to act quickly and decisively to make structural adjustments to the EU ETS by permanently removing surplus emission allowances to fix the glaring problem of oversupply.

Australia regrettably had to do away with its intention to install a carbon floor price, which provided an important safety net to ensure a minimum level of investment in domestic pollution-saving activities. Removing this safety net means that other policies become even more important. ECO urges Australia to

commit to extend and increase the Renewable Energy Target to at least 40 per cent.

Finally, ECO can't help wondering...surely the EU did not forget to make joining the second commitment period of the Kyoto Protocol a pre-condition for bilateral negotiations between the EU and Australia to proceed?



Cooking Up New Mystery Mechanisms (NMM)

Since the decision to establish a new market mechanism (NMM) and an international framework for new bilateral or regional market mechanisms at COP17 in Durban, ECO hasn't noticed much progress. None of the details have been worked out and even insiders are unclear about what new mechanisms could look like and what the role of the so-called "common framework" should be. Many issues remain in mystery, such as whether there should be centralised governance or prevailing national rules, how to address double counting and how these new mechanisms will actually fit into the wider climate negotiations when there is insufficient political will for ambitious emission reduction commitments.

For a potion from the indigestion of many divergent views, the AWG-LCA chair needs to get his wand out at today's workshop on new market-based mechanisms. ECO restates several essential ingredients for an infatuating recipe:

- safeguards against double counting of efforts**
- as many as you can*
- real, measurable, verifiable and additional emissions reductions**
- "tonnes" of it*
- centralized governance**
- one piece*
- net atmospheric and sustainable development benefits**
- all you can get*

However, even if the Bangkok talks can cook up something, there is no feast without getting ourselves hungry with sufficient political will for ambitious emissions reduction commitments.