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Elephant Issue

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The Ugly, the Not So Bad and the Good

ECO listened with great interest to Parties' expectations of COP18 in Qatar this year. The greatest surprise came from those bottom-up loving Brollies, who mentioned the need to have a significant amount of technical preparation to give Ministers "options" on the Kyoto Protocol. Yes, you heard it, optionSSSSSS. Why do we need plural options? Surely one will suffice? Provisional Application – period.

But it wasn't all bad, we liked the EU's call for more creative thinking that shouldn't just be exclusive to parties. ECO was jumping for joy. We will definitely let our creative juices run wild and are always happy to share these with our European colleagues, as well as others.

But the real music to our ears came from the UAE, which characterized itself, like Qatar, as a small but ambitious country, claiming that many countries in the region have renewable energy initiatives and targets, and hope that Doha can be a chance for these initiatives to get the "international recognition" they deserve. ECO is often wishful, but could this be the onset of support for the Arab countries to submit NAMAs?

We hope so.

Clarifying Clarifications

The two panels on quantified economy-wide emission reduction targets by developed country Parties left ECO feeling that there was something missing since Bali - like four years perhaps? - or a bit of ambition?

Surely Parties can cite 1(b)(i) from the Bali Action Plan in their sleep ("comparable" – remember)? Yet, as St Lucia pointed out, we still have different base years and metrics. That's not going to help spotting the loopholes and freeloaders - oh sorry...everyone's acting in good faith so no need to worry about transparency.

All in all, there are some surprisingly unsophisticated approaches on the table from some rather sophisticated economies – putting forward point targets rather than carbon budgets. And yes, ECO's talking about those north of Latin America. This includes no clear idea how international credits used by states and provinces are going to affect the national level. ECO was intrigued at issues for California being considered "within the noise" of measurement. Yes, who could possibly be concerned about accounting problems within an economy the size of Australia?

And talking of the latter – ECO believes the EU's urgings were heard loud and clear. Australia and New Zealand, you're wanted in the KP. As they say in those parts, "Come on Australia."

All in all, some in the Umbrella group must have been wishing they had their brollies to hide behind. Can't imagine how "banking and borrowing" can be used with inventories and point targets? Well no problem in adding a ban to the UNFCCC rule book then... And funny how those with issues with their emissions trajectories seem to be the keenest for flexibility and most concerned that harmonisation might prevent full participation. A tip to New Zealand - choirs and rugby sides seem to manage it.

So to clarify all that clarity, ECO supports South Africa's proposal for a common accounting workshop before Doha to assist the successful conclusion of 1(b)(i).

ECO was rather more encouraged to see some of the good progress on NAMAs presented by developing country panellists. And just a reminder to those who seem to have forgotten exactly what NAMA stands for – it's Nationally Appropriate Mitigation ACTIONS. It's apparent that here, too, provision of detailed information is important because it gives more clarity on what measures countries are undertaking. And this clarity will provide confidence and facilitate access to further support. On this note, ECO is having a bit of difficulty seeing the support – more of this in a minute.

Now, even with the focus on actions rather than outcomes, it is still vital that we are able to understand what emission reductions have been achieved below BAU. Not to hold developing countries to a particular goal, but to track emission reductions on a country level in the context of collective efforts.

Panel 2 on means of support seemed to have a great deal of agreement. Capacity building and, again, this cleverly invisible means of support for developing countries to be able to develop and design effective long-term NAMAs (aligned with low carbon development pathways) was emphasised time and time again.

Particularly notable was how this was coming almost equally from both sides of the 1(b)(ii) equa-

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LCDSs: Something For Everyone!

In Cancun, 1.CP/16 paras 45 and 65 respectively stated that developed country Parties "should" develop low-carbon development strategies and plans, and developing countries "were encouraged" to work on such strategies and plans. In Durban, both groups were invited to submit progress towards the formulation of their LCDSs during this year's workshops. ECO is disappointed that LCDSs were not a strong part of the 1(b)(i) and 1(b)(ii) workshops on Sunday – especially since such plans help fulfil the Convention's Article 4.1b mandate, respecting "specific national…development priorities, objectives and circumstances". Although some nations have prepared them or their equivalent, Parties should actually make a strong effort to do this national climate planning, since such plans can cater to the diverse interests, and here is why:

Developed countries: invest in future-proof infrastructure and avoid lock-in
Developed countries need to have achieved near-complete decarbonisation of their economies by 2050. This is not going to happen unless firm foundations are laid now through a vision of the kind of economy, society and environment they are aiming for in the long term, and working backwards to realise this vision. This is not simply a question of technology and infrastructure changes, but also the way to create a just transition for society as the changes are made. This will help reduce social disruptions, especially for those working in sectors that need to be phased down or out. Additionally, detailed decarbonisation pathways studies, such as WWF's "Blueprint Germany", have demonstrated that there is very little space to make decisions on development in such countries that is not low-carbon. Investments in old and dirty technology and infrastructure mean lock-in; future replacement of such infrastructure will increase costs considerably – and lock in the costs of climate impacts. While "flexibility" and market mechanisms have their place, they tend to drive away the transformational changes needed in all developed countries' economies.

Developing countries: leapfrog to clean and climate-resilient development
Developing countries already undertake considerable national planning, and many are already working on low-carbon and climate resilient development plans. These plans can assist developing countries in making their development truly sustainable, while avoiding lock-in to a carbon intensive development path that will cost more in the future to readjust away from. Therefore, adequate financial and capacity building support should be allocated as soon as possible for the development and achievement of these strategies. ECO notes that the countries that were first off the mark in having the infrastructure for CDM projects were the ones that attracted more investors, and attracted investment earlier. This is another reason to start planning!

OPEC countries: LCDSs can ensure economic diversification
OPEC countries have a special reason for why they should be pushing for LCDSs. Through the formulation of their strategy, they can show how they plan to diversify their economies into low-emission economies and indicate the support required to do so (such as technology transfer). One study indicates that economic diversification is especially difficult (though no less necessary) for fossil fuel-dependent economies. So, having long-term plans (rather than, say, Saudi Arabia's current 5-year development planning) provides opportunities for developing clear visions of what diversification might be nationally appropriate, and also to better engage other countries and entities in cooperative partnerships.

Doha should produce two decisions on LCDSs.

1) For developed countries we need an LCA decision mandating:
- A 2050 decarbonisation goal for near-complete (>95%) decarbonisation
- Indicative decadal goals for 2030 and 2040 that set out a realistic trajectory for achieving the 2050 goal
- The policies and measures that the Party shall implement to fulfil its QELRO (you too, US and Canada!)
- The first report should be submitted with the Annex I National Communications in 2014, subsequent reports paired with subsequent National Communications

2) The decision on voluntary, developing country LCDSs should include:
- An outline trajectory for the country's pathway to a low-carbon and climate-resilient economy, linking development and climate goals to achieve sustainability and equity
- A set of NAMAs that will contribute to this trajectory
- Address key issues of climate resilience, including food and water security
- Start to identify needed finance, technology and capacity building

Best get started, Parties. In case yesterday's edition didn't make clear, the ice is *still* melting...

AAU Elephants

Negotiators are truly having a tough time putting the pieces for a second commitment period together. But soon they will face the enormous elephant in the room. A recent UNEP report estimates that up to 13 billion tonnes CO2 of surplus AAUs could be carried over to the next commitment period. This is almost three times the annual emissions of the EU. With the supply of hot air AAUs much higher than current reduction commitments (that are well under the 25-40% below 1990 levels by 2020 actually needed), carry-over would lead to no emission reductions compared to business-as-usual emission projections by 2020. As a matter of fact, CP2 commitments as they stand would likely lead to another surplus. This would be the case even if the large quantity of Russian surplus is excluded. Additionally, carbon credits from the CDM and JI that can be carried over would further lower actual emission reduction levels by 2020 by roughly 6%.

But there is hope! A proposal by the G77, which is technically sound and politically feasible in addressing this enormous loophole, could do the trick. Europe showed in Durban that it can pull its weight internationally by being the driving force behind the agreement for a new climate accord by 2015. This can't be put at risk by domestic quarrels. The higher carbon price due to restricted carry-over could actually benefit surplus allowance holders, since it would avoid a likely price collapse after 2012.

However, ECO is deeply worried that a low ambition-laden second commitment period might emerge as a compromise. In particular, the differentiation of treatment between two types of hot air seems to be in the making. This could lead to an amendment that allows the European hot air that followed the economic crisis of 2008 to be fully carried over into the second commitment period. In particular, Brazil seems keen to allow such differentiation. ECO wonders why Brazil is so interested in helping further water down the weak European 2020 reduction target through the introduction of such a major loophole.

Clarifications contnued

tion – from developing countries in order to be able to act, and from developed countries in order to ensure value for their hard-to-find money. Given this last factor, ECO is left absolutely baffled as to why many developed countries seem to believe they have a logical basis for their determination to block the capacity building negotiation in the LCA. (But hey, ECO has gotten used to being baffled by flights of logic from developed countries many times before.) And let's face it – some of those non-KP developed countries seem to need a bit of capacity building to help them produce their QELROs.