

ECO



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Halt Perverse Incentives to HCFC-22

Today's SBSTA agenda item on the "practical solutions" of including HFC-23 abatement at new HCFC-22 facilities in the Clean Development Mechanism (CDM) is a matter of serious concern. ECO believes there are no practical solutions that remove the perverse incentives created if these projects are included in the CDM. Exclusion is the right cause of action.

HFC-23 is a highly potent greenhouse gas controlled by the Kyoto Protocol, having 14,000 times the global warming potential of carbon dioxide. It is a by-product of HCFC-22 production, an ozone-depleting refrigerant as well as a greenhouse gas.

The implications of including HFC-23 abatement in new HCFC-22 facilities in the CDM would create high revenues for these project developers. So high in fact, it may be enough to outweigh the cost of building any new facility. And as such, it creates the incentive to continue using these technologies rather than substituting to environmentally friendly ones. This merely delays the replacement of this technology. For the international community to first pay for reductions of emissions from new HCFC-22 plants, and then, a few years later, pay for the phase out of this same HCFC-22 plant, seems to be an inept misallocation of funds.

Moreover, due to the low cost of destroying HFC-23, which could be as low as US\$0.20 to

US\$1 per tonne of carbon dioxide-equivalent, the carbon market will be flooded by cheap credits. This could crowd out projects that meet real sustainable development objectives such as renewable energy and energy efficiency because they have to compete against cheap HFC-23 abatement projects. HFC-23 abatement technology also offers nothing in the way of real technology transfer, sustainable development benefits, reduced local air pollution, job creation or any of the other goals of the CDM.

It is clear that HFC-23 emissions have to be dealt with...

There have been a number of practical solutions suggested in Parties submissions to limit these perverse effects. These include applying a discount rate or a setting a fixed cap on the quantity of Certified Emissions Reductions to be issued. However, these solutions will not eliminate the perverse incentives themselves and their effectiveness would vanish with higher carbon prices. This is why they cannot be considered as fundamental solutions.

It is clear that HFC-23 emissions have to be dealt with, given both the projected growth of HCFC-22 in developing countries, and the terms of their regulation under the Montreal Protocol. ECO believes, however, that if Annex I countries support non-Annex I Parties to reduce their use of HCFC-22, it is possible to ensure a transition to real sustainable technologies that do not threaten either the ozone or climate systems.

Time is of the Essence

Parties have promised that work under Article 3.9 will proceed "expeditiously". This sense of momentum – one of the five broad themes identified by our COP/MOP President, Professor Kivutha Kibwana – needs to infuse not only the work of the open-ended *Ad Hoc* Working Group, but also the Article 9 review. Much remains to be done to achieve an effective agreement on how to proceed to address climate change post 2012. Both tracks are vital for success.

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At Nairobi, to establish a sound scientific and technical basis for negotiations, CAN believes delegates need to agree to a one-year analysis phase under both Articles 3.9 and 9, leading to a negotiating mandate in 2007. This will allow the work of the Dialogue, due to be completed by COP/MOP3, to also inform the negotiations. This negotiating mandate should result in a single coherent agreement to be agreed in 2008, with commitments adequate to address the enormity of the climate challenge. This end date is needed in order to avoid a gap in commitments periods.

Just a reminder: it took eight meetings over the course of over two years to prepare for the Kyoto agreement. Hence, CAN strongly believes a robust schedule of regular and intersessional meetings is needed, both during the analysis and negotiating phases. Parties are encouraged to pledge their political support and their financial backing for these meetings.

AYICC: Birth of a New Voice for Africa

The cheers echoed loudly throughout the halls of Nairobi's 680 Hotel, witnessing the birth of an exceptional new network in the global fight against the climate crisis – the African Youth Initiative on Climate Change (AYICC). This past weekend, over 100 youth from across Africa and from around the world united at the Second International Conference of Youth to articulate a uniquely African perspective on solutions and responses to climate change and sustainable development.

The AYICC was conceived, like many youth climate movements, at the late-night meetings of COP/MOP 1 in Montreal.

"I was really shocked by how world leaders were playing with our future like children play games and I said to myself the time has come

to do something," says Sena Alouka of Togo. "These people do not know what climate change means to us. They don't realise how critical climate change can be to our future, so we are going to let them know."

The AYICC is the culmination of the frustration felt by many African youth who believe politicians and negotiators are missing the bigger picture. It seeks to overcome this barrier locally and internationally by empowering African youth to unite, learn and proactively participate in the decisions and solutions that are critical to their future.

The inclusion of this newly-articulated perspective should have a significant effect on future negotiations beginning right here in Nairobi, on issues such as Adaptation,

improvements to the Clean Development Mechanism and an acceleration of the post-2012 process. By taking their message to delegates and communities here and abroad, the youth seek to lay the foundations for political will to push negotiations forward and to leave Nairobi with concrete outcomes.

The AYICC is an important new voice in the emergent global youth climate network, which also includes groups such as the Canadian Youth Climate Coalition and the American youth initiative, SustainUS.

Watch for the AYICC's public debut today at the Climate Kiosk at 4pm. The Initiative will be formally launched at a side event on November 16. More information can be found at www.ayicc.org.

The Land Downunder: Is Everything Upside Down?

The sun and drought downunder may have led to some sunstroke inspired confusion.

Firstly, Prime Minister Howard, and Environment Minister Campbell are claiming that they intend to meet Australia's Kyoto Protocol targets. Yet they state that ratifying the Kyoto Protocol would seriously damage Australia's economy. How are these two things possible at the same time?

Secondly, Prime Minister Howard said Australia would not join international agreements until all other major greenhouse gas polluters were on board, including rapidly developing nations such as China and India. "If everybody is in I'm prepared to lead Australia in," Mr Howard said last week. "I say no to the old failed Kyoto because it did not include the world's major emitters."

Mr Howard will be surprised to discover that China and India ARE in the Kyoto

Protocol – and that both countries are participating actively in a number of ways, implementing vigorous energy efficiency and renewable energy programmes. Given this scenario, ECO looks forward to an announcement foreshadowing Australia's imminent ratification.

And finally, from the "no, we are not joking" file: A government minister has compared climate change to horse dung. Minister De-Anne Kelly noted that at the turn of the century, economists in the United States predicted horse drawn carriages would lead to the country being covered in horse dung.

"This was a topic of great debate. They were going to tax horses; they were going to remove horses from the city and, of course, along came Henry Ford," Mrs Kelly said. Frankly, comparing climate change to horse dung is a load of bull.

MEANWHILE, BACK ON PLANET QUACKO



Walks Against Warming



The response to the November 4th Day of Action on Climate Change last Saturday was fantastic. Synchronised throughout the world, tens of thousands of members of the public took to the streets to symbolise global solidarity on climate change.

Demonstrations are known to have taken place in at least Australia, Bulgaria, Canada, Czech Republic, Finland, Italy, New Zealand, the Philippines, Portugal, South Africa, Taiwan, Turkey, United Kingdom and the US. Among their calls were for world leaders to take urgent and resolute action.

One of the biggest gatherings took place in Australia where more than 90,000 people took part in at least 14 cities under the theme of Walk against Warming across Australia. Sydney and Melbourne attracted 40,000 each.

Participants at COP12 are informed that this Day of Action campaign comes to their doorstep in Nairobi on Saturday, November 11. Details on the walk will be posted.