

ECO



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Getting the Durban Deal Done

ECO has been clear in its call for a three-part outcome in Durban: adoption of a strong second commitment period of the Kyoto Protocol; a mandate for negotiation of a more comprehensive and ambitious longer-term climate regime based on both scientific adequacy and the principle of common but differentiated responsibilities and respective capacities; and a package of decisions facilitating near-term action on all four building blocks of the Bali Action Plan and implementation of the Cancun Agreements.

Let's make something else clear: building a long-term structure for fair and effective international action on climate change is important, but what really matters is meaningful action supporting peoples and communities already suffering the negative effects of climate change, and collective emission reductions at the scale and pace needed to avert even more catastrophic impacts in the future. The best legally binding treaty instruments in the world don't amount to much without emission reduction ambition in line with the science and financial resources commensurate with the need.

Coming out of Panama, there has been some progress in developing draft text on many of the elements of the Bali Action Plan and the Cancun Agreements. But the prospects for linked agreements on extension of the Kyoto Protocol and the negotiations on a longer-term legally-

binding instrument are not bright, absent significant changes in the negotiating positions of a number of key countries. Let's look at them in turn.

EU. Fair or not, the EU holds the key to the Durban outcome. If the EU does not come to Durban with the clear goal of adopting a second commitment period (not some fuzzy political commitment) the Kyoto Protocol will wither and die. On Thursday, the EU laid out a clear set of elements for negotiations over the longer-term treaty that would assure that a KP second commitment period is a bridge to a more comprehensive and ambitious legal framework. EU environment ministers need to be careful not to set overly stringent conditions for such negotiations when they meet next Monday in Luxembourg.

Australia and New Zealand.

While the view from atop the fence is nice, these countries need to get off of it and make clear they are ready to join with the EU, Norway, and others in embracing a second KP commitment period.

Japan, Russia, Canada. These countries claim they are bailing out of Kyoto because it doesn't cover a large enough portion of global emissions. They need to come to Durban prepared to reconsider their position if agreement can be reached on launching negotiations on a longer-term treaty regime, or risk being

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Finding the Finance

ECO is pleased to see the discussions on long-term finance in Panama finishing on a better note than they started. Too many hours in Panama were lost as developed countries pondered whether there was a need to even discuss how to mobilize the money they committed in Cancun. At one stage one developed country party even seemed to query what climate finance was.

Let's hope all that is now water under the bridge (or through the Panama canal). Yesterday the EU joined their partners in AOSIS, the Africa Group, India and Saudi Arabia in submitting text on long-term finance. As ECO goes to press, there is news that Japan and even the US are bringing their own ideas to the table. That sounds like consensus on the need to negotiate a package on long-term finance in Durban. The homework countries face until then, is what that package will contain.

Two upcoming meetings in the meantime may give them some ideas. First, the final session of the Transitional Committee will start to clarify the ambition of the Green Climate Fund. Many developed countries have said they are waiting to hear more about the contours of the fund being created before committing the resources that will ensure it is not an empty shell. ECO hopes that the final meeting will again capture the imagination of governments North and South. The world needs a new kind of fund to meet the

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climate challenge and spur commitments at the scale of resources needed.

Second, G20 finance ministers and leaders will discuss the report they requested from the World Bank and IMF on sources of long-term climate finance. The leaked preliminary report indicated an encouraging analysis of the potential to raise large sums from the international shipping sector, without hitting the economies of developing countries. ECO was told the report will show that a \$25 per tonne carbon price will increase the costs of global trade by just 0.2%, while generating around \$25 billion per year. ECO was particularly pleased to hear that the World Bank and IMF have found that it is possible to compensate developing countries by directing a portion of these revenues to them, ensuring they face no net incidence as a result of these measures. That would be a unique international solution to the high and rising emissions of a unique international sector.

ECO has never questioned the legitimacy of the UNFCCC process to take the final decisions on questions such as sources of finance. But any responsible country that is serious about generating the scale of resources so urgently needed – especially by the poorest countries – will not ignore such strong evidence to help do that.

So ECO leaves Panama with cautious optimism on the finance track. Countries have finally come together to negotiate text. With the inputs they will receive from the Transitional Committee meeting and the G20, there is every chance they can arrive in Durban ready to strike the real deal on long-term finance that developing countries need.

Panama Canal: *In traditional Panamanian dress, campaigners with the message Time to Act (Es Hora de Actuar) highlighted options to tackling emissions from international shipping – which are twice that of Australia and climbing – that were on the agenda at the UN climate talks in Panama. The talks are the last before government ministers meet in Durban, South Africa for the annual climate summit (COP17) at the end of the year. Advocacy organizations claimed establishing a price on carbon pollution from shipping would both cut emissions and help pay for the impacts of climate change that disproportionately hit poor countries.*

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perceived as multilateral treaty-killers, not treaty-builders.

US. The one developed country that stayed out of Kyoto, in part because the Protocol didn't include major developing countries, claims it is willing to enter into negotiations on a new legally-binding instrument. But it has set very stringent conditions for the launch of such negotiations, while acknowledging that these conditions almost guarantee no agreement on a negotiating mandate in Durban. Meanwhile, the US is struggling to meet its already inadequate emissions reduction commitment, and has been reluctant to discuss ways of meeting the \$100 billion by 2020 annual climate finance goal its president committed to in Copenhagen. At the very least, the US must contribute to such discussions in Durban, not attempt to block them.

The LDCs and AOSIS. The moral power of the most vulnerable countries needs to be heard, highlighting both the existential crisis they face and the reprehensible failure of those responsible for the problem to face up to it. These groups support both the extension of the KP and a mandate for negotiation of a new legally-binding instrument; they must continue to work together in Durban to achieve both of these goals.

The BASIC countries. All four of these countries are leaders in taking

domestic actions to limit their emissions growth as their economies continue to rapidly develop. Their leadership is also needed on the current fight to preserve a rules-based multilateral climate treaty regime. They should certainly continue to demand a second Kyoto commitment period. But they should also call the US's bluff, by indicating their willingness to negotiate a more comprehensive long-term treaty regime including binding commitments for all but the Least Developed Countries, as long as it's truly based on principles of equity and common but differentiated responsibility.

All countries must come to Durban prepared to negotiate in a spirit of compromise if we are to achieve the ambitious package of decisions needed to address the mounting climate crisis. Ministers must take full advantage of their time together before Durban, at both the pre-COP ministerial consultations and the likely pre-Durban meeting of the Major Economies Forum, to explore constructive solutions to the current roadblocks to such a package of decisions. Then in Durban, they must work actively under the guidance of the South African presidency to bring the deal home. Their citizens need – and expect – nothing less.



Adapting for Durban

ECO has noted that adaptation negotiators have worked seriously to make decent progress on the Adaptation Committee in the last days here in Panama. The time for adding new text suggestions should be over now. Parties should sort out differences, produce the negotiating text and leave only the political issues to be tackled in Durban.

COP 17 taking place on African soil is just seven weeks away and ECO is probably not the only one to note that adaptation is crucial for the African continent. Therefore insufficient progress on this issue would be an bad signal for Africa and the whole world. In no circumstances should adaptation be held hostage by other issues and used as a bargaining chip. The Durban conference must advance the implementation of the Cancun Adaptation Framework, which

ECO acknowledges is not an easy task. In Durban, Parties need to finalize the modalities and guidelines of National Adaptation Plans; operationalize the Adaptation Committee; concretize the work programme on Loss and Damage and make specific decisions on activities for the next phase of the Nairobi Work Programme. ECO recommends that those few Parties that have for so long stalled and delayed the negotiations on adaptation change their behavior, otherwise they will be to blame for any failure of the adaptation track.

ECO hopes that parties will come to Durban prepared to reach an agreement on adaptation that will give Africa, the world's poor and vulnerable peoples and communities and their ecosystems the much needed confidence to combat climate change.

A Fund to Inspire the World

There are nine days left before the members of the Transitional Committee (TC) tasked with the design of the Green Climate Fund (GCF) will gather in Cape Town, South Africa for their fourth and final meeting before the COP in Durban.

It is clear that discussions are in a critical phase. The outcome of the TC meeting will likely determine whether the GCF will become a major driver for change that allows developing countries to shift towards a sustainable, low-carbon and climate-resilient development pathway, or alternatively become just another business-as-usual instrument. Will the Fund initiate a shift in the global financial architecture towards increased ownership for those who face the harsh reality of climate change impacts and wish to harness the benefits from low-carbon development? Or will it be another body with difficult access procedures for developing countries and thus lag behind the urgency of response that is needed? Success is possible in Cape Town, but there is also a real risk of failure.

ECO would like to encourage all TC members to do their utmost to conclude a strong and ambitious GCF which gives the developing world the bold means necessary to address climate change.

Concluding their task will not be the endpoint for the design of the Fund, but rather a starting point which will hopefully provide the framework from which the key pillar in the international fight against climate change will emerge. Thus, ECO urges the TC members to focus on finding common ground, seeking compromise and show that the GCF is a joint response by the global community to the urgent problem which we are facing with our backs against the wall. It will not be perfect from its inception, but has to be a solid foundation on which to build.

Importantly, the TC must ensure that the Fund is credible from its inception, and ECO would like to urge the TC members to ensure that the outcome of their discussions is one which civil society can continue to defend. We seek assurance that civil society will be given at least the same attention as the private sector in the procedures of the GCF – for example, through active observer seats on the board and strong in-country participation.

The GCF will be a key channel for adaptation finance, and many civil society organizations have long experience in addressing the needs of peoples most affected by climate change. We seek assurance that a balanced allocation

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28 Mouths – 1 Voice

ECO truly appreciates that the European Union still supports the Kyoto Protocol (KP), and is heartened by the commitment of the EU to continue (what some might call) ranting about the importance of a legally binding regime. This week, ECO has been particularly pleased to see that the EU started to show some more readiness to accept a second commitment period of the KP. And ECO understands, from the EU's stated preference for a comprehensive legally binding outcome of the future framework, that the commitments under the Protocol are going to be kept legally binding.

Of particular concern to ECO is that some representatives from particular European countries favor other positions. Understandably it can be hard to make 28 mouths express the same, clear and coherent position but this is, indeed, urgently needed.

ECO believes that the EU should fight harder to ensure that, in Durban, the KP will move into a legally binding second commitment period with broad participation and binding rules. How would anyone understand that the EU believes it would be easier to build a legally binding regime after abandoning the only legal building block we have?

It is in the EU's, and the planet's, own interest to ensure that its commitment to the Kyoto Protocol goes beyond a political declaration. Moreover, if the EU is really keen to get all countries to negotiate a legally binding outcome in the LCA, promoting a political commitment to the KP does not seem the best strategy. Increasing ambition means going up, not down.

Next Monday, when the EU member states' environment ministers meet in Luxembourg, the EU has the chance to unambiguously put its position on paper and ECO believes the time has come to do so and take on a clear leading role. To accept and adopt a second commitment period of the KP does not require anything more than what the EU is already doing, so ECO would find it difficult to understand that the EU denied this breath of fresh air to the current climate talks.

ECO believes the EU could gain a lot if it could leave Durban as the Party that (once again) shaped the outcome of the COP and helped to save the only existing pathway to a global legally binding agreement.

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between adaptation and mitigation will be achieved to correct the major global overallocation towards mitigation that exists. We seek assurance that the GCF will enable direct access to funds for developing countries, notwithstanding the fact that reliable fiduciary standards are an important part of direct access design.

We seek assurance that environmental, social and gender safeguards are consistently and effectively applied with a view to reducing the risk that GCF resources are harming the people they are intended to help. Finally, we seek assurance that the GCF will be a key driver of low-carbon, climate-resilient and gender-equitable development pathways thus providing developing countries the help they have long been promised to alleviate poverty and achieve their development goals. There is still a chance to come up with a great result in Cape Town, the world will be watching.



"Moving Planet was a worldwide day to move beyond fossil fuels, with over 2000 events in more than 175 countries!" - Credit 350.org

Don't Give LULUCF the FLU

LULUCF has been suffering from a variety of ailments but now it looks in danger of getting FLU. The "Flexible Land Use" proposal, being heavily marketed by New Zealand, allows countries to cut down trees and replant them somewhere else, but instead of counting this as deforestation and reforestation and counting the emissions accordingly, it brings this under forest management rules – the ones that allow countries not to account for substantial increases in logging emissions compared to historical levels.

Some might argue that New Zealand having FLU is unfortunate but not disastrous but this provision could be contagious - what if lots of other much larger countries have FLU too? What if this proposal goes viral and REDD countries catch it? ECO suggests that a cure is achieved as soon as possible by eliminating FLU from the LULUCF discussions.

Lackofambitionitis

One thing that developed country delegates might want to report to their ministers back home is how they spent the full week talking about measuring, reporting, and verification. This was done instead of getting serious about their need to increase their levels of ambition. The signs of chronic lackofambitionitis are clear and have dire 4°C symptoms – including rising sea levels, disruption of food production, forest fires, increasing droughts and much more.

The gigatonne gap, which negotiators have left largely untouched in Bangkok, Bonn and again in Panama, is now up to the ministers to pick up. Of course, it can still be hidden under the carpet of a number of technical COP decisions on mitigation, but ECO can't believe anyone will be thinking that this related disease has been even remotely addressed.

The cure is simple but requires a steely resolve. Acknowledging the magnitude of the gap and resolving to close it, is the first step that ministers can take as they fly to South Africa for the pre-

COP. A second step would then be to move the mitigation ambition to the upper end of the pledges. Extensive research has shown that countries like Australia and the EU can both reduce the symptoms of the broader disease and improve their own economic health by moving to the upper end of their pledges. Of course, the cure requires other countries to do more and thoroughly review their pathetic low pledges. This is the case for Canada and the US neither of which is planning to reduce their emissions much below their 1990 levels. And this is also the case for countries as Russia, Ukraine and Belarus whose pledges would assume emissions that are much higher than all business-as-usual projections. Preventing the deadly effects of lackofambitionitis requires industrialized countries to move their emission reduction targets to the upper end of the 25-40% pledge that was agreed in Cancun. We know that the cure is within reach as countries like Denmark, Norway, Germany and others have shown the way and thus deserve to be recognized as leaders in a race to the top.