

# eco



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## Opening Moves

Cancun should deliver a substantial package of decisions that provides a clear framework for climate action. Such a package will move forward toward a legally binding agreement and put positive pressure on countries to go beyond their current quite inadequate pledges and commitments. The Cancun package must progress both the KP and LCA tracks and secure agreements on all building blocks, namely mitigation/MRV, finance, adaptation, REDD, technology, the legal form, the science review, and a road map for South Africa and beyond.

This means all countries must do their fair share to secure success in Cancun. And so ECO would like to take the liberty of identifying some opening moves that key countries should make so that Cancun starts on a constructive note, open negotiating space for the coming two weeks, and deliver outcomes that will set us on the pathway towards the ambitious, global treaty we need.

ECO supports the **United States** objective of increasing the transparency of mitigation actions by developing countries, but it must be part of a broader framework that includes greater transparency of developed country actions on both mitigation and finance. And so instead of pressurizing others, the US should announce its willingness to increase the transparency of its own actions. The draft decision text being circulated by the EU calling for more detailed information in Annex 1 national communications would be a very good way to start. Making it clear that supporting enhanced transparency for everybody includes the US itself will make adoption of

a balanced package of decisions here in Cancun much more likely. Just say yes!

ECO expects the **European Union** to speak out much more clearly in favour of a second commitment period of the Kyoto Protocol, so that a constructive dialogue between developed and developing countries leading to a legally binding agreement from both tracks can be achieved. To provide further support for the Kyoto Protocol the EU should also help close the loopholes in its own position on AAU surplus and LULUCF. Those helpful moves on the Kyoto track can be bolstered by the EU championing the establishment of the UNFCCC climate fund.

**China** should take a more progressive role in the international negotiations instead of just continually reacting to provocations from others. That way, China can building strongly on its domestic momentum for low carbon and clean energy development. For Cancun, this means China should now put forth its own views on the form international consultation and analysis should take, as well as challenge the US to clearly commit itself to proper MRV, along with other developed countries.

**Japan** must show more flexibility about the second commitment period of the Kyoto Protocol. Upfront rejection will create an unconstructive atmosphere for the entire negotiations. Kyoto was the product of hard negotiations, not only for the specific targets,

– *Opening Moves, continued on page 2*

## A Climate Fund Worth Fighting For

In the lead-up to Copenhagen and since, climate finance ranked has ranked higher and higher on the list of make-or-break issues. It's both vitally important and politically challenging. As COP16 kicks off, however, there are worrying signs that negotiators may be taking their eye off the ball and sleepwalking toward a result that does little to resolve the inadequacies of existing institutional arrangements.

To be sure, there is good news also. Over the course of 2010, talks on a new global climate fund have been productive – and now there are proposals and options on the table to provide for its establishment here in Cancun, with details to be worked out in time for COP17. But the establishment of the Fund and related climate finance decisions are far from a done deal. Many of the emerging 'areas of convergence' on the table may not deliver the fair, legitimate and effective climate fund that's really needed.

For example, many Parties appear ready to accept equal representation between Annex I and non-Annex I on the Fund Board. Because there are roughly three times as many developing countries, this means that each developing country will have one-third the voice in the Fund's governance. This notion of 'equal repre-

– *Climate Fund, continued on page 2*

– *Opening Moves, continued from page 1*

but also for a top-down approach so that aggregate emission reductions are driven by the science. ECO hopes that Japan still remembers the sleepless nights in Kyoto and knows that while the Protocol is not perfect, there is still a lot to be proud of. More openness on Kyoto will signal that it acknowledges that the Kyoto architecture is important to a vast majority of Parties and opens the way forward for securing a stronger global architecture.

**India** should help broker a solution to the dilemma of international consultation and analysis by tabling its own ICA proposal, unequivocally stating that it will work towards creating a rule-based system of multilateral governance within the UNFCCC and ensuring transparency and accountability. Another constructive move will be to support efforts to identify substantial and innovative sources of public finance for the new global climate fund.

**Brazil** could come forward as a champion for the creation of a fair climate fund in Cancun, supported through innovative sources of public funding, which fully funds not only mitigation but equally so adaptation. Brazil also should come forward as a leading country fighting for responsible and transparent LULUCF accounting rules to help reduce and close the Gigatonne Gap.

It's time for **Mexico** to play a more creative role in its welcome efforts toward trust-building in the COP 16 presidency. Mexico is well positioned to spur Parties to tackle the issues that could otherwise drive the negotiations into deadlock: legal form, the road map on crunch issues post-Cancun, the Gigatonne Gap, the science review and more.

**Russia** has an AAU surplus of 6 billion tonnes of CO<sub>2</sub> that is creating grave uncertainty for the negotiations, carbon markets and the environmental integrity of the Kyoto Protocol. It's time for clear statements from Russia that it will not sell its AAU surplus from the 1st commitment period. That kind of good political will can go a long way to ensuring progress can be made in Cancun on dealing with AAU surplus, and give a big boost to closing the Gigatonne Gap.

ECO hopes this list of substantial but manageable first moves will help clarify the middle game on the Cancun chessboard and lead to a solution that makes everyone a winner.

– *Climate Fund, continued from page 1*

sentation' is a big step backward from the precedent established by the Adaptation Fund, which additionally has two seats from each of the UN regional groups plus one each for LDCs and SIDS. It's hard to see how, in the end, this would deliver arrangements that are any different from the GEF. Is this the "balanced" guarantee of interests needed for all UNFCCC members?

Secondly, none of the textual proposals tabled so far guarantee any balance between adaptation and mitigation funding – something most countries agree in principle even though it has not been delivered in practice to date.

Adaptation currently receives scarcely 10% of the overall climate finance portfolio. Unless Parties agree a dedicated adaptation window in the new Fund with at least 50% of the monies channelled to it, we can only assume the current trend will continue. Is this what Parties really mean by 'balance'?

Third, textual proposals for guidelines to ensure that the most vulnerable communities, especially women in rural areas, will ultimately benefit aren't difficult to improve – only because right now there aren't any such proposals. But this is easy to address with a few lines of text and it's hard to imagine any country opposing it. Who is against guarantees that gender equity will receive particular attention in adaptation support?

Finally, everyone knows building another near-empty fund is pointless. Several options to deliver predictable sources of innovative financing – such as a levy on international shipping and aviation as part of an emissions reduction scheme – were presented by the UN Secretary General's High-level Advisory Group on Climate Finance less than a month ago.

In fact, it's clear from the AGF Report that raising \$100 billion or more in public finance is possible. But unless Parties work in concert to map out options for putting such proposals into practice, a decision to establish a new Fund could deliver an empty shell. Is this what Parties had in mind in Bali when they agreed to 'improve access to adequate, predictable and sustainable financial resources'?

The decisions taken here in Cancun may not result in the FAB deal that is increasingly overdue. But they will have profound, long-standing implications for the institutional architecture of the future international climate regime.

A fair climate fund is definitely within reach, and ECO calls on all Parties to stand up for it.



## A New Way to Walk the Talks – And Fabulous Prizes!

COP 16 will be the seventh Conference of the Parties since the Kyoto Protocol entered into force in February 2005. That's a lot of talking. And the physical layout of these meetings means there is also a great deal of walking.

But, lack of progress in the negotiations shows that so far not enough governments are 'Walking the Talk'.

To highlight this disconnect, Greenpeace is hosting More Walk, Less Talk, a competition to find the person – and the country – that covers the most ground in Cancun. And there will be fabulous prizes!

As we all know, walking is very good for us – among its many benefits it is credited with improving circulation, bolstering the immune system, and helping keep us in shape.

It is also, of course, good for the climate.

So, the race to the future starts now. Grab your step-counter . . . reset . . . and go!

Get your pedometer from the Greenpeace booth or Greenpeace representatives around the Moon Palace. Register at [morewalklesstalk.org](http://morewalklesstalk.org). Winners will be announced on December 10th.

And by the way – did we mention the fabulous prizes?