

ECO

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down to business
issue

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Adaptation – No More Scraps

ECO is very pleased to see adaptation issues finally taking a more central role and being recognised as an essential component in the post-2012 deliberations. ECO welcomes the first estimate of adaptation cost presented by the Secretariat within the UNFCCC. However, this is only a start in a much bigger and longer term process – as two expert panellists highlighted yesterday, adaptation is fundamentally a cross-cutting and complex issue.

The Dialogue financial paper is a useful attempt at assessing investment and financial flows needed in response to climate change. But as its author recognised in the session yesterday, it begs as many questions as it tries to answer. Its cost estimates are very conservative as far as adaptation is concerned, with a number of key considerations excluded including the costs of climate-related disasters (both preparedness to reduce impacts, and post disaster reconstruction), the cost of impacts on ecosystems, and the need for new institutions and policy enabling frameworks.

Adaptation is also a social justice and equity issue, a view ably expressed within AOSIS' Dialogue submission. It is in this context that eyes are increasingly focussed on developed countries – the climate change culprits – both to limit the extent of adaptation necessary (through deeper cuts) and provide the necessary support. For the post-2012 regime this will mean, that the principles of polluter pays (for all damages caused, including historical responsibility) and that the precautionary principle

is applied, in the sense that disasters are prevented and preparations made for inevitable changes.

In CAN's view, this requires the following:

1. *Consistent and sufficient funding linked to the costs of adaptation and damages for the most vulnerable countries.*

All Parties will be clear, after reading the financial paper that contributions of 2% of CDM projects to the Adaptation Fund, plus all the GEF funds currently available, do not begin to provide anywhere the scale of funding required: \$50bn **per year as a minimum**. So how can this gap be met? There are many options, the latest concrete proposal contained in AOSIS' Dialogue submission, for contributions based on level of a country's GHG emissions, (responsibility) and a GDP index (reflecting ability to pay). This after all just implements the Convention's Article 4.4.

2. *Ensuring that Adaptation funding is prioritised to most vulnerable communities and those with the least capacity to cope with climate change impacts*

This does not mean just directing ODA and funds from the Adaptation Fund to these communities and those people who fall outside of existing and proposed funding mechanisms. Most funding flows will be managed by national governments and sectoral ministries, whose track record of reaching the poorest is not good - This therefore

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Size Really Does Matter

The world's biggest emitters have special responsibilities in the fight against climate change. Some are stepping up, while others are stepping away.

Most countries are working within the Convention and the Kyoto Protocol towards agreement on legally-binding emission limits for industrialised countries and increased action from a range of emerging economies that cut global warming pollution and drive a robust, expanded carbon market. This is a vision with a chance of staving off catastrophic warming while supporting sustainable development and adaptation for all countries.

But the U.S. has another vision, if you can call it that. The U.S. is promoting a parallel process of negotiating purely aspirational targets and voluntary action. President Bush has called a meeting of Major Emitters – oops, Major Economies – in Washington next month, the first in a series of meetings over the next year and a half. The Administration promises some sort of contribution to a post-2012 framework in this forum in 2009, but this is a path to nowhere.

The Asia-Pacific Partnership illustrates just how (un)successful these voluntary processes can be. In three years, the APP has nothing to

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Germany heading for 40% reductions

As inspiration for the AWG discussions on ranges for emission cuts, ECO would like to remind delegates of a specific example of Annex-I leadership. At COP12 in Nairobi the German Environment Minister Sigmar Gabriel announced that Germany will reduce its GHG emissions with 40 % by 2020 compared to 1990 levels. Last week his government agreed on the next steps in achieving the target.

Rummaging through Gabriel's new toolbox, ECO was happy to find 29 different mitigation measures, dealing with all relevant sectors without touching the nuclear phase out. The federal budget for mitigation was tripled to a significant 2.6 billion euros.

At present, the plan is projected to achieve up to 36% reduction; the gap could be filled by the EU Emissions Trading System, and as NGOs have pointed out, better measures in the transport sector.

The German government will monitor progress every two years. There you go Annex-I, it can be done!

Reading ECO pays ...

If only the US delegation was reading ECO. They inquired in the Dialogue yesterday what the financial implications were if emissions in the energy sector were reduced through the expansion of renewable energy and energy efficiency only (and without the use of nuclear or CCS). Hmmm, as ECO said yesterday: "Investing in a renewable electricity future will save 10 times the fuel costs of a 'business as usual' fossil-fuelled scenario, saving \$180 billion USD annually and cut CO₂ emissions in half by 2030."

Don't be like the US -- read up on the details at:

<http://www.energyblueprint.info/449.0.html>

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show for itself. With no targets and no market drivers, it makes no difference. Now President Bush is proposing to do nothing on a larger scale.

ECO hopes the countries invited to the Big Emitters meeting(s) will recognize that "pledge and review" is old news. George W. Bush's goals are a throwback to George H.W. Bush's goals before the last big meeting in the U.S., at Chantilly in 1991.

No serious pollution problem has ever been solved by voluntary action. The trouble with voluntary action is that there aren't enough volunteers.

On Tuesday, the U.S. delegation asked a question that pretty much reveals their desperation. The U.S. asked "what, besides the obvious example of expanding the carbon market," could be used to increase the deployment of cleaner technology. What indeed?

American businesses get the point. That's why more than two dozen of the largest U.S. companies have banded together with leading environmental organizations in a U.S. Climate Action Partnership to press for domestic cap and trade legislation to start cutting American emissions now, and to ramp them down 60-80 percent by 2050. And legislation on this model is now moving forward with bipartisan backing in the U.S. Congress.

President Bush's real goal for the Big Emitters meeting is to look busy – hoping to diffuse mounting pressure for real action from across the political spectrum at home.

Bush may be betting that the world's largest developing countries will join him in this do-nothing strategy. ECO hopes that they will see that their interests are better served in a world with effective carbon limits and a robust carbon market that

promises real money in climate-friendly investments in their countries.

The Big Emitters process – at least as presently conceived by its US proponents – is just another desperate attempt by the outgoing Administration to avoid taking on its fair share of the responsibility to avoid a climate catastrophe. It must not distract from the valuable and constructive work going on this week on the road to Bali. A new US administration will thank other countries for not having fallen for this trick.

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leads to our third point:

3. *To support scientific, technical and capacity building for adaptation planning and implementation.*

Adaptation is complex: it is not just about infrastructure investment, but about new enabling institutions and policy frameworks for a range of sectors eg. agriculture, water, forestry and health. Adaptation means ensuring adequate information is available, and building the capacity of small-scale farmers and local institutions to manage their environment and strengthen ecosystems resilience to support livelihoods and biodiversity. The Nairobi Work Programme starts this process, but has major limitations in reach and capacity. Adaptation must be integrated within the development process, but not marginalised and funded merely as part of ODA.

- 4 *Recognition of the direct link between mitigation and adaptation.*

The level of control over global emissions in a post-2012 agreement will determine the scale of impacts and the costs of funding adaptation. Less mitigation means more adaptation – but for many people and countries, there are costs, barriers and limits to adaptation. As AOSIS has made very clear, those limits are perilously close and 2 degrees is too much for most SIDS.