

# eco

24  
MAY  
AWG # 3  
Issue

Eco has been published by Non-Governmental Environmental Groups at major international conferences since the Stockholm environment Conference in 1972. This issue is produced co-operatively by CAN groups attending SB-24 in Bonn, May 2006.

## KEEP THE ANNEX !

Eco wishes to share a few thoughts on the latest chairman's text. While eco finds the text a good start, we continue to believe that a more intensive work programme, with inter-sessionals, is needed. Let's make sure enough time is budgeted to discuss the issues listed in the text and the annex.

Eco particularly wishes to expand the scope of the annex so as to better represent the opportunities for developing countries. Where, in para 3, is the reference to the potential new flexible mechanisms, which could drive finance to developing countries? What about a reliable funding source for adaptation, which should be included in para 4? Eco encourages especially developing countries to ensure that the annex not only stays, but includes a broader list that ensures that developing countries benefit most from these negotiations. Perhaps some Chinese wisdom is in order...

Please email your vote at:  
eco\_bonn24@hotmail.com

All ballots will remain secret. The results of the vote will be published in Friday's ECO.

## VOTE FOR YOUR FAVORITE CARTOON OF CANADIAN ENVIRONMENT MINISTER RONA AMBROSE



First Cartoon:  
"Mona Rona,  
Federal Minister of the Environment"



Second cartoon:  
"RONA happens to be the largest hardware store in Quebec and their slogan is: "

You want to do it, you can". In Harper's case: "You don't want to do it, you won't".

Note: Cartoons reproduced with kind permission of "Le Devoir", 19<sup>th</sup> and 20<sup>th</sup> of May 2006.

## TECHNOLOGY TRANSFER OR BUST

Under the UNFCCC and the Kyoto Protocol, Annex I countries have committed, to finance technology transfer and to build capacity in developing nations. The aim of these commitments remains to enable these non-Annex I countries to leapfrog the fossil fuel economy and to develop sustainably.

The technology discussions at the SBSTA now and in the past, have not made substantial progress towards addressing the existing commitments made under the Protocol and the Convention. Honouring these commitments is a prerequisite for developing countries to take further action to limit their own emissions.

Now we have come to negotiate the second commitment period. If the world is to move forward on addressing climate change and the developing world is to play its part, real progress on technology transfer must be achieved.

First, it is the developing nations that should themselves determine what technologies should be transferred, based on their respective national socio-economic situations. For this reason, the technology needs identified by developing countries in the recently released Synthesis Report on Technology Needs should form the basis for discussions on technology transfer. This report identified renewable energy and efficient appliances as key technology needs for mitigation. Thus these technologies should be given a central role in our discussions.

Second, it must be recognized that the transfer of technology and capacity development are inextricably linked. Institutional reform will also be required in developing nations if technology transfer is to be sustained over the long term.

## DEVELOPING COUNTRIES STAND TO LOSE BY INCLUDING CCS IN THE CDM

If CDM is to promote transformational changes towards a long-term sustainable low-carbon economy, its point of departure for including CCS must be the promotion of projects that contribute to sustainable development in developing countries. CAN strongly believes that the high levels of uncertainties, cost and risks associated with the CCS technology, as highlighted in the workshop on CCS in the CDM, would prevent the fulfilment of the CDM's second mandate to promote long-term sustainable development in developing countries.

### *Conti(Tech Transfer...)*

This will require co-ordinated and cooperative action. This institutional reform will be required at both the national and trans-national levels. Financial institutions must set ambitious targets for including renewable energy and energy efficiency technology in their investment portfolios, and phase out subsidies for polluting energy forms, such as fossil fuel and nuclear energy. International agreements, in particular trade agreements, should take into account the impact they are having on the environment over the long term. This would include addressing the issue of international patent law and the barriers these laws create to facilitating effective technology transfer.

These are all innovative ideas, though they are based on the use of very traditional opportunities for enabling the transfer of technology. The commitments made in the past must be met and the existing institutions reformed. But more than anything, countries must take a new look at technology transfer in order to build the strong second commitment period that is required to successfully address climate change.

Yesterday's workshop reiterated many of the views found in the IPCC Special Report, including the "limited experience with the monitoring, verification and reporting of actual physical leakage rates and associated uncertainties". However, after lengthy discussions by Parties and industry about the financial and technological implications of CCS in general, Tuvalu's concluding remarks on behalf of AOSIS reminded everyone that they had overlooked in their discussions the single most significant issue that needed to be dealt with in the workshop: the extent to which CCS in the CDM can effectively promote "sustainable development" within developing countries. Presentations and discussions at the workshop largely ignored this objective, which reveals the lack of consideration and importance attributed to this fundamental principle by Parties and industry.

Like Tuvalu, CAN believes that the CDM provides an important opportunity for developing countries to leapfrog the unsustainable fossil fuel economy. However, this opportunity could be lost if CCS, as it currently stands, is included in the CDM given that:

- CCS technology has not been shown to be environmentally "safe and sound", a requirement for inclusion in the CDM according to the Marrakech Accord.
- Issues such as permanence, liability, responsibility and accounting of leakages have not been adequately addressed. The payback time for CCS projects under the CDM is not sufficient to render the technology economically viable during the 2008-2012 period. The best incentive to promote CCS is to substantially strengthen caps for Annex I Parties to guarantee a market for this technology.

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- CCS burdens future generations with monitoring the storage of carbon dioxide for public safety and climate reasons, and to remediate in case of leakage.
- Monitoring and liability are not about cost minimisation, as suggested by industry, they are about **risk** minimisation, which requires long-term monitoring and clear liability rules for those who purchase credits. Industry's attempt to downplay the importance of the long-term liability and monitoring of CCS projects is therefore unacceptable.
- According to the IPCC Special Report, CCS causes an increased energy penalty due to efficiency losses at facilities where carbon dioxide is captured, compressed, transported and injected.
- Allowing CCS into the CDM side-lines projects such as renewables and energy efficiency by diverting investments away from these projects and not rewarding the multiple long-term benefits they provide.
- The question of "additionality" was not adequately resolved in the workshop. Industry argued that CDM provided a good incentive for EOR. However, increased oil and gas sales from EOR with CCS makes it more profitable, thereby not meeting the additionality criteria in the CDM.

CCS may have a potential for reducing GHG emissions, but without appropriate safeguards, certainty and the establishment of a strong regulatory framework to minimize the risks and liability to future generations and the environment, CCS could compromise the sustainable development objective of the CDM

## ADMINISTRATION OF ADAPTATION FUND

The Adaptation Fund was established to assist those developing country parties particularly vulnerable to the adverse effects of climate change. Finance for the fund will be generated through monetizing the 2% share of proceeds of CERs issued for CDM project activities. Discussions of the details of this fund continue, with critical elements including institutional arrangements, modalities of operation, eligibility criteria, priority areas and identification of the managing institution.

CAN believes that the Adaptation Fund must be under the sole authority of Parties to the Kyoto Protocol. The managing institution will function under the guidance of and be accountable to the COP/MOP. Majority representation of the developing countries should be in the governance structure. The operation modalities must be flexible, should use an expedited processing system, and full cost funding principles should be accepted to meet the cost of adaptation. Experiences and process of improvement of operational modalities of the Least Developed Countries Fund (LDCF) can be considered for developing the operational modalities for Adaptation Fund.

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If carbon capture and storage were to be included in the first commitment period, all the risks and uncertainties associated with CCS would be exported to the developing world. Developing countries should not be a "testing ground" for this emerging technology.

Clearly, at this stage, the uncertainties, cost and risks associated with CCS outweigh its potential benefits, and therefore should not be eligible for CDM project activities.

We have heard from different Parties to link and de-link Adaptation Fund with Five-year Programme of Work on Impacts, Vulnerability and Adaptation to Climate Change. Linking Adaptation Fund with the Five-Year programme of work will allow other Non-Kyoto Parties to access this fund and therefore CAN strongly opposes this idea. Activities identified under the Five-year programme of work may be considered only for identification of priority areas and activities.

CAN urges that the Kyoto Parties first decide the institutional arrangement, modalities of operation, eligibility criteria, and priority areas and then negotiate and finalize the appropriate institution to manage the Adaptation Fund. CAN also demands that the adaptation levy on CDM should be applied to all the other flexible mechanisms.

## ABOVE NORMAL HURRICANE SEASON PREDICTED IN US...

"According to the Washington Post, the U.S. National Oceanic and Atmospheric Administration predicted on Monday an "above-normal hurricane season" this year, with as many as 16 named storms and the prospect that four to six of them could become major hurricanes, the Post's William Branigin reported.

In a news conference in Miami, federal and state officials warned people to start making their own preparations and not to expect government help in the first hours after a storm, the Post reported.

Although hurricane activity is not expected to reach last year's record level, it is predicted to be greater

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then the 40-year average, said retired Vice Adm. Conrad C. Lautenbacher Jr., NOAA administrator.

"Although NOAA is not forecasting a repeat of last year's season, the potential for hurricanes striking the U.S. is high," Lautenbacher said. He said there is a "troubling yet real possibility" that another major hurricane could hit the ravaged Gulf Coast.

The prediction of an active hurricane season is based on high temperatures on the sea surface and wind patterns that favour hurricanes.

"Warmer ocean water combined with lower wind shear, weaker easterly trade winds, and a more favourable wind pattern in the mid-levels of the atmosphere are the factors that collectively will favour the development of storms in greater numbers and to greater intensity," said NOAA's statement. "Warm water is the energy source for storms, while favourable wind patterns limit the wind shear that can tear apart a storm's building cloud structure."

Reuters reported that oil surged above \$71 on Tuesday partly in response to the U.S. government predictions for another rough Atlantic hurricane season.

The Post reported that, R. David Paulison, acting director of the Federal Emergency Management Agency, said the agency has tripled its stocks of supplies, signed agreements with the Defense Logistics Agency and improved "situational awareness" by organizing its own reconnaissance teams to document conditions as storms hit.

## RESPONSIBILITY FROM BRAZIL!

If negotiators could reduce a tonne of GHG every time someone mentioned the principle of "Common but Differentiated Responsibility", we'd just about have the problem solved. But despite its popularity, there is little common ground on what the principle means. Perhaps the only attempt to address this problem head on is the Brazilian Proposal.

Brazil first presented this proposal in 1996, to provide the AGBM with a quantitative method for allocating responsibilities among Annex I countries, based on the contribution of their historical emissions to global average temperature increase. Since then, work on the methodology and data for the proposal has proceeded under the guidance of the SBSTA, most recently by MATCH (the Ad Hoc Group on Modelling and Assessment of Contributions to Climate Change), which considered the results to be "effective and robust".

Since the issue was taken up by the SBSTA in 1997, the attempt to keep this work on the SBSTA agenda has faced strong resistance from the usual suspects, and even some unusual ones.

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But, concerned citizens noted, FEMA has failed to incorporate predictions that global warming will result in higher storm surges as sea levels rise. Consequently, the maps that the U.S. National Flood Insurance Program has prepared, advising homeowners of the protections they need to take against hurricane-driven floodwaters, may seriously underestimate the extent and height of storm surges. FEMA's failure to take account of the global warming forecast may be putting Americans in harm's way all along the Gulf Coast.

The USA, as it is wont to do of late, opposes anything that can shed light on the way forward. But it is more surprising that some other Annex B countries, even while presenting their own endless list of areas for analysis needed under the AWG, want to push this off the SBSTA agenda.

And other parties appear interested in getting a per-capita equity-based approach on this agenda. (Memo to African delegations: contraction and convergence advocates absolutely no allocation of historic responsibility).

In fact, ECO believes that the Brazilian proposal, based on polluter pays principal, is one important element, along with equity and capacity to pay and reduce, that should serve as the basis for building on Kyoto and strengthening the global regime in the post-2012 regime. These three principals set out in the CAN future framework document and further work on exploring how to apply similar principles has been carried out by the South North Equity in the Greenhouse collaboration.

And perhaps Brazil could match actions to words by using its proposal to inform what contribution it can make in the in the post-2012 period, beyond strictly voluntary measures. Then there would be no question about whether Brazil is ducking its own responsibilities.

Eco recognizes the role of Germany, Norway and the UK, along with Brazil, in supporting this work, and notes they recommended that MATCH continue the work and report back in a year or so. This work merits a robust process under the SBSTA, and unnecessary delays are unacceptable.