

ECO



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Is It the Grave For “Noting With Grave Concern”?

“We believe that the world has had a lot of time to think. What we need is not more thinking. What we need is more action”. Inspiring words indeed in Durban from the EU, LDCs and AOSIS (the artists formerly known as the Durban Alliance). In the whirlwind after COP17, Europe was at pains to stress the importance of its victory on the inclusion of language in the Durban Platform “noting with grave concern” the significant (understatement of the year) gap between aggregate mitigation pledges and pathways consistent with below 2 degrees C. This was the foundation of the alliance with the LDCs and AOSIS. Further, in Bonn, ECO witnessed an epic battle by these groups and others to include pre-2020 ambition on the agenda.

But what have we here in Bangkok? Has Europe’s jet lag gone to its head? It appears as though the EU has abandoned its most vulnerable country allies, and is instead cosyng up with the notorious ship jumpers – the US, Japan, Russia and Canada – on the critical issue of raising developed country targets pre-2020. Indeed, in the KP discussion on numbers, one EU Commission official went as far as to say that raising the EU’s 2020 level of ambition to 25% “is not reality, it is wishful thinking”. Given its urgent call for much greater ambition, ECO calls on the EU to commit to at least 30% domestic emissions reductions, and 40% overall, below 1990 levels by 2020. In addition to where it comes down on its 2020 target, the EU’s decision on how to handle AAUs will very much affect the overall level of ambition, as will its provision, along with other Annex II countries’, of finance in a post-FSF world.

But let’s be fair, the EU is by no means the worst culprit here in Bangkok. That dubious distinction goes to the United States, which,

despite agreeing to the Durban Platform language on the urgent need to increase pre-2020 ambition, is now asserting that there should be no expectation of it or the other KP ship-jumpers increasing their pledges. Or – heaven forbid – turning them into QELROs. (Read on – ECO has more to say about the US later in this issue.) Instead, it’s all about everyone else. ECO would like to remind the US that **all** Parties “noted grave concerns” about the gigatonne gap, and notes the US would be first to say the ADP is “applicable to all Parties”. So yes, USA – this means you! And as for Japan, Canada and Russia, just because you’re cowering behind the US, doesn’t mean ECO will not name and shame you (and you too Australia and New Zealand, if you fail to sign up and ratify a second Kyoto commitment period).

Just last week the planet suffered another severe blow from lack of mitigation ambition. The Arctic – our planet’s canary in the coal mine on climate change – suffered record ice loss, according to scientific reports. Last week’s figure not only smashed all other records, but also came three weeks premature! The canary’s not dead yet, but it is gasping for breath.

And that means that the hundreds of millions of people here in Thailand and South East Asia, as well as around the globe, who are already suffering the impacts of the climate crisis, will suffer far more unless urgent action is taken. The earth is in grave danger. Developed countries must act now by committing to reduce their collective emissions by at least 40% below 1990 levels by 2020. ECO notes (wait for it...*with grave concern*) that their current pledges are woefully inadequate.

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Mission Not Accomplished!

The 5-year mission of the AWG-LCA is about to end, without going anywhere very boldly, or finding much new life. The frustrated and deeply divided crew of the USS Bali are already packing their bags, and preparing to jump over to the Durban Platform as soon as they dock in Doha in a few months.

The AWG-LCA will leave in its wake some new institutions, actions and achievements on various fronts, which may yet prove their worth. But in one crucial area there remains a gaping hole – sources of financing for the next year and out to 2020. Without adequate scaled up financing, most of what has been achieved by the LCA will be merely an empty shell. Yet with three months to go, there are no firm commitments or assurances of financing after 2012, when the Fast-start Finance period ends.

Having created the Work Programme on Long Term Finance, and mandated it to report directly to the COP in Doha, developed countries in the LCA are now claiming mission accomplished. That is clearly not the case. Right now, there is little confidence that scaling up climate finance will be given the attention it so desperately deserves.

Once the report of the Work Programme is finalised, there will only be a short window in the Doha COP itself to consider its contents and recommendations, decide on the scope of a COP decision and generate and negotiate the actual text. This is a risky strategy, and is unlikely to do justice to the issue or the Work Programme report, especially since some developed



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Concern continued

ECO agrees with Colombia, which in the ADP roundtable on ambition yesterday, noted that dealing with climate change is an urgent matter of global security. As Brazil further noted (so much noting!), many analysts think climate change is on par with global thermonuclear war as a threat that we have to do our utmost to avoid.

Noted.

It's the Politics, Stupid!

The UNFCCC wouldn't be the UNFCCC if the United States of America didn't ruffle some feathers. So, right on cue, Friday's intervention by US lead negotiator Jonathan Pershing in the ADP ambition roundtable certainly did the trick by labelling, yet again, the UNFCCC as a long and winding road to nowhere. This comes less than a month after Dr. Pershing's boss, Todd Stern, rocked his fellow negotiators with his assertion that negotiating "a treaty with binding emission targets stringent enough to...[hold] the increase in global average temperature to less than 2° centigrade above pre-industrial levels" is "entirely logical" but "ignores the classic lesson that politics – including international politics – is the art of the possible."

After a firestorm of reactions to his speech from both negotiators and NGOs, Stern issued a clarification that the US still supported the 2 degree goal agreed to by President Obama and other world leaders. But the damage was done.

Don't get us wrong – ECO, along with most others here in Bangkok, shares the frustration at the glacial (at least there are still glaciers somewhere) speed at which these negotiations proceed. But to paraphrase Bill Clinton: it's the politics, stupid! The continual swipes and undermining of this process demonstrates the bad faith of the US.

ECO agrees with the US – and virtually everyone else – that other processes must help deliver the much greater ambition required to save civilisation as we know it. We need all hands on deck. This battle can't be won in the confines of the UNFCCC alone. But the UNFCCC is an essential element of an effective global response to climate change, and the US vision of a fragmented, bottom-up international process will never deliver enough ambition to keep us well below 2 degrees. Our experience with the agreements reached first in Rio, and more recently in Copenhagen, clearly proves this.

Higher degrees of trust and accountability are required to encourage greater ambition. Isn't this why the US pushed so hard in Copenhagen and Cancun for more robust MRV from China et al? It claimed that reas-

surances of other countries' ability to meet their pledges is essential to persuade its Congress and public that the administration's pledge to reduce US emissions 17% below 2005 levels by 2020 (read: -4% based on 1990 levels) is reasonable. But now that the shoe is on the other foot, and it's constructive action that is demanded of the US to encourage others to act, all we get are claims of

"NO WE CAN'T"

The assertion that top-down agreements produce lower-ambition results is nonsensical. It goes without saying that complementary investments to support change in the real economy are critical to change a country's perception of its national interest. But top-down agreements are essential to incentivise ambition, as only a serious multi-lateral regime can convince those whose capital allocation decisions shape the economy that a high-carbon business model will expose them to greater risk and hit their returns harder than betting now on a low-carbon future.

The Kyoto Protocol, though far from perfect, gave us a legal framework that culminated in European taxpayers and companies investing at least €40 billion to purchase international carbon credits. The Kyoto Protocol spurred on Europe's renewable energy investments, which have helped create a global revolution in renewable energy investment now outstripping annual new fossil fuel-powered investments. Thanks to Kyoto, it is Europe's energy regulations and standards which emerging economies are emulating, and which underpin a global market worth US\$3 trillion. Without Kyoto, China would not have decided to implement a Five-Year Economic Plan based on the core assumption of rapidly expanding global markets in clean energy. It's clear that Kyoto, a top-down multi-lateral agreement, has shaped global economic reality.

The sluggish progress we witness at these negotiations is not due to the intrinsic nature of the UN system, but is truly a reflection of the woeful political leadership of countries like the United States. It's ironic that a decade after the world was compelled to defend the Kyoto Protocol against the vicious and unfounded attacks of the Bush administration, the US is yet again proving a grave threat to the progress needed in these talks.

ECO would suggest the next time Dr. Pershing feels the urge to make yet another comment about the rapidity and effectiveness of agreements here in the UNFCCC, that he stop and take a long, hard look at what the US is doing, compared to its fair share of the much greater global effort needed to address the urgent threat of climate change.

Mission continued

countries are keen to shut down any discussion of scaling up finance.

This is why ECO backs the call by developing countries to keep finance on the LCA agenda and work up some draft text here in Bangkok for a decision in Doha. Political decisions are needed that guarantee sources and scaling up of financing. These are a central element of efforts to achieve the objectives of the Convention and ensure it won't drop off the agenda or be sent to languish in the SBs.

The list of finance issues that need to be addressed in Doha, either by reaching some conclusions or finding a future home, is substantial. The LCA can lay the groundwork now for an adequate outcome at COP18 by getting some clarity on the scope of the issues to be addressed, and creating some draft text. Of course, the final decision will only be decided in Doha, informed in many areas by the report of the Work Programme on LTF. When the COP considers the report of the Work Programme on LTF in Qatar, it can be informed by the deliberations of the LCA, and perhaps then find creative ways to divide up the different issues requiring decisions.

So what issues need decisions in Doha?

- 1.) Commitments of climate finance from 2013 to 2020, or at the very least for the mid-term period from 2013-2015. There must be at least a doubling of Fast-start Financing levels from 2013, with agreed criteria for new and additional finance
- 2.) Commitments to the initial capitalisation of the Green Climate Fund, of at least US\$10-15 billion over the period 2013-2015
- 3.) MRV of financial support
- 4.) Outstanding institutional issues
- 5.) Clarification of where ongoing discussions about the various elements of long-term finance will take place after Doha – whether in the Standing Committee, as a continuation of the Long-term Finance Work Programme or under the ADP

ECO sees potential benefits and downsides of different options for continuing the finance discussions beyond COP18, and urges an open discussion among Parties on the issue. And let's not forget that adaptation finance needs a suitable home, too...