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ECO has been published by Non-Governmental Environmental Groups at major international conferences since the Stockholm Environment Conference in 1972. ECO is produced co-operatively by the Climate Action Network at the UNFCCC meetings in Bangkok, August-September 2012.

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Australia and the KP: True Love or a One Night Stand?

Dear Australia,

I've been waiting for your call for months now. When we first met you gave me flowers and whispered sweet promises and commitments in my ear. Though you've taken years to take our friendship further, we have now been seeing each other for a while. I've grown to like your company and it hurts that you've stopped returning my calls.

I know over the last few years you have had trouble at home – especially with your ex, Mr. Abbott, complaining that you should not be seeing me any more. But you still haven't called, even though he sent me a little note recently saying that he's happy for us to get together.

My good friend the EU has also been talking to you about linking up for dinner (and maybe sharing an Emissions Trading System?). This would certainly be easier if we all went to the same restaurant. Just imagine how awkward it would be if we all accidentally ended up in the same space, sharing the same air, but sitting at different tables. I don't think the EU will want to have too much to do with you unless you and I are getting on.

Please Australia, it's time you called.

Yours faithfully,

The Kyoto Protocol

(the love story continues on page 2...)

Angels and Demons?

Welcome again to the Krung Thep, the city of angels. ECO hopes that this location will inspire delegates to put aside their devilish disagreements and instead move forward in a spirit of angelic co-operation in the fight against climate change and its deadly impacts. The recent flooding in Manila, the typhoon coming ashore near Shanghai and widespread drought and crop failures in the U.S.A. are stark reminders that the impacts of climate change are real, global and growing.

The large majority of countries, especially the poorest and most vulnerable, are demanding a global response that has a very high probability of limiting global warming to levels that do not threaten their livelihoods and their very existence. The best available science indicates that this will require global emissions to remain within a strict carbon budget – and a collective and rapid transition to a low carbon global economy. It requires both an ambitious post-2020 treaty regime and much greater ambition between now and 2020 – the two-track approach agreed in Durban.

Success in the negotiations towards a fair, ambitious and legally binding deal by 2015 depends on bridging one of the fundamental divides in these talks. On the one side, we have those countries that want a scientifically responsive and responsible, rules-based system. On the other side, there are those that don't want too many questions asked about their failure to act. (Of course, at least one of these countries doesn't put it exactly this way, and calls for a more "flexible" approach.)

To meet the global climate challenge, the new ADP architecture for the post 2020 period must be viable for the long term, with a negotiated renewal of targets and actions every five years. It must also be dynamic, with respective changes in responsibility and capability fairly reflected in each renewal of the framework. It must further ensure that countries are accountable for doing what they agreed to do in both mitigation and in providing and effectively utilising support, with common accounting rules and a common, but differentiated, MRV system to allow transparent reporting of progress and to spotlight freeloaders. ECO notes that these are exactly the design elements that so many have fought hard to uphold in the Kyoto Protocol.

Against this fair, ambitious and legally binding deal are just a few countries. For these countries, fairness is finger pointing, ambition is for others and legally binding is too much of a bind. If their lack of political will causes the world to blow past the 2 degrees Celsius target that their leaders have endorsed, well, that's just too bad.

So what do negotiators at Bangkok need to work towards to receive their halos? At COP18 in Doha, the world needs to see:

• **A Doha amendment for a second commitment period of the Kyoto Protocol** applying immediately to a range of developed countries,

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Angels continued

including Australia and New Zealand; this should include targets within the range of 25-40% below 1990 levels, with an adjustment procedure to increase ambition, and should enhance environmental integrity by minimizing carried over AAUs and improving CDM and JI rules to lead to real emission reductions.

- **Non-Kyoto developed countries** adopting stringent QEROs, comparable in effort and transparency with Kyoto Parties. 'Comparability' requires common accounting!

- **Developing countries registering their mitigation actions** and required support, and all developing countries to make pledges – including Qatar.

- Agreement that **global emissions will peak in 2015**, which means that developed countries need to reduce their emissions much more quickly, and provide support for developing countries to take more mitigation action.

- **Agreement on a detailed work plan for the ADP**, both on the 2015 legally binding agreement and on ways to substantially raise pre-2020 ambition.

- Commitment to at least **US\$10-15 billion in new public finance for the Green Climate Fund** over 2013-2015, together with meaningful steps to **develop innovative sources of public financing** and agree on a process to **reassess the adequacy of financial pledges** with the first reassessment in 2013.

- Funding modalities for **National Adaptation Plans** in order to scale-up work immediately, and establishment of a second phase of the **work programme for loss & damage**.

- The **rapid operationalisation of the GCF, the Standing Committee, the NAMA registry, the Adaptation Committee, the Technology Executive Committee and the Climate Technology Centre and Network**.

Laying the foundations for these successes in Doha means that this will be a busy week in Bangkok! As we all know, the devil is in the details. So, where better to get started than in the city of angels?

Australia and the KP: Time to Come Clean

Many ECO readers will recall the standing ovation Australia received in Bali in 2007 when the newly elected Labor government formally handed over the instrument of ratification of the Kyoto Protocol. The mood in the room was one of excitement and anticipation.

Fast forward almost five years and the spotlight is again on Australia as we wait with bated breath to see if they will join the second commitment period of the Kyoto Protocol.

Since 2009, Australia has been calling for a "Kyoto-plus" outcome from the current round of negotiations. Yet throughout this year, their negotiators have walked a diplomatic tightrope, refusing to rule Australia in or out of the second commitment period of the Protocol. The official line has been that they need to see all final amendments before they can make up their mind. In ECO's humble opinion, this is little more than a delaying tactic. Clearly no country should be expected to sign up to an international treaty until they have seen the final wording, but this should not stop them from signalling support in principle.

If truth be told, the major barrier to the Australian government declaring its support for Kyoto CP2 has been political. As anyone from Australia will

tell you, implementing effective climate change policies in the land down under is no easy task, with the two major political parties deeply divided on the best way forward. The Government, therefore, deserves our admiration for persevering with the introduction of a national carbon price in the face of a highly effective scare campaign against such measures.

Yet it appears that the fate of Australia's involvement in the second commitment period may be separated from the political fight over a carbon price. Earlier this month, the leader of the main opposition party, Tony Abbott, declared support, in principle, for joining the second commitment period. There also seem to be good levels of public support, with a recent poll indicating that close to 60 percent of voters would support Australia joining Kyoto CP2.

The benefits for Australia are obvious. Signing on to Kyoto CP2 would strengthen Australia's reputation within the negotiations, aligning it with other countries that support a top down, rules-based approach to a global climate deal. It would also remove the risk of being shut out of the Kyoto Protocol's carbon markets.

Why wouldn't Australia publicly announce in-principle support? With no obvious political barriers in place, the longer Australia delays, the more it looks like they are using the KP CP2 as a bargaining chip, presumably to extract something in other areas of the negotiations. If indeed this is Australia's strategy, it is a high risk gamble. As we saw in Bonn in May, the political deal struck in Durban last year remains fragile and the last thing we need is Australia playing hardball with a key pillar of the Durban deal.

The Bangkok talks present a perfect opportunity for Australia to end the speculation and declare its intention to join the second commitment period of the Kyoto Protocol. This will provide much needed momentum in the lead up to Doha and equally ensure that the spotlight is put back on those countries who are truly opposed to a fair, ambitious and binding global deal.

Come on Australia, you raised our expectations back in 2007, and just like a new partner, we had high hopes for something more. Will you meet the promise we imagined with starry eyes back then? We're waiting by the phone to hear your response. Waiting for those two little words:

I do.