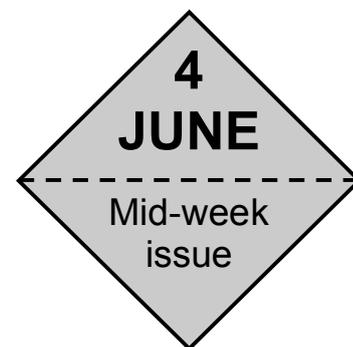


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A technology revolution is possible

There were, to ECO's pleasure, at yesterday's workshop on technology transfer, many constructive and concrete proposals made during the presentations and statements, for new institutional arrangements, national and regional technology excellence centers, sectoral technology expert panels that could develop and apply performance indicators on effective technology transfer strategies, and greatly enhanced cooperation on clean technology R&D.

ECO was also pleased to note that there is broad agreement among Parties on several key points:

- Unprecedented levels of financial resources will have to be mobilized to meet the dual challenges of aggressive climate mitigation and sufficient adaptation capacity.
- The bulk of these resources will have to come from the private sector, but public sector financing of various forms

is essential to generate an enabling environment and to leverage private sources.

- Policies are needed in both developed and developing countries to create enabling conditions for clean technology transfer, address barriers to clean technology deployment and avoid carbon lock-in.
- A suite of strategies and mechanisms is needed to address different sectors and regions, and to facilitate not only deployment of currently available technologies, but also demonstration of technologies yet unproven at commercial scale, as well as research and development of new technologies.

There were clear differences among Parties on several issues, such as whether intellectual property rights hinder or facilitate

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No talkshop but action on adaptation

The LCA workshop on adaptation delivered a wealth of experiences and suggestions on the issue of adaptation; ECO noted, inter alia, two key messages: progress on implementing adaptation lags far behind what is needed; and Parties had only few, if any, concrete proposals for really moving forward. Even the chair couldn't quite stomach the US presentation. ECO is convinced the US recycled it from five years ago. All this is dramatic, as for millions of poor people around the world adaptation, where possible, is not an option but a matter of survival. There were some interesting discussions, though, such as on the relationship between stand-alone adaptation activities and mainstreaming adaptation with development. As South Africa and Brazil noted, there are impacts of climate change that cannot be foreseen in business as usual development scenarios and hence adaptation to these cannot be mainstreamed.

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technology development and transfer and whether substantial new dedicated funds for technology transfer should be established as part of the post-2012 regime.

The United States made a particularly provocative intervention, listing a host of barriers to technology deployment in developing countries, including “excessive bureaucratic procedures, instability... corruption... social biases... [and] lack of intellectual property rights protection.”

ECO wonders, if the US call for “enabling environments” will now mean that the US will phase out the massive subsidies for fossil fuel production in its own country, and give up the current administration’s vociferous opposition to policies such as renewable electricity standards and binding caps on carbon pollution, in order to create an enabling environment for clean technology in the United States.

The US call for a “move away from a donor-based paradigm of access and transfer of environmentally sustainable technologies” seemed blind to the unmet obligations in this area under the framework treaty that the US signed and ratified, not to mention the Bali Action Plan’s linkage between provision of technology and financial support by developed countries in support of nationally appropriate actions by developing countries.

The CAN intervention noted the need for a “revolution” in the development and deployment of clean technologies, pointing out that to cut global emissions by

half or more by 2050 will require a sixteen-fold reduction in GHG emissions per unit of economic output. CAN called for developed countries to give political priority to technology issues in order to reach a sufficiently ambitious agreement in Copenhagen. This must include well-governed, adequate, predictable, sustainable funds but also, scaled-up capacity building and the means to address outstanding barriers to the uptake of technology for adaptation and mitigation. Any contributions to funding mechanisms outside of the framework of the UNFCCC should not be counted as delivering reportable, measurable and verifiable measures by developed countries, unless accepted as such by the UNFCCC.

CAN called for performance indicators for technology transfer that are designed to ensure the adequate scale-up and scope of technology transfer funds and mechanisms, focusing primarily on energy efficiency and renewable energy supporting development.

The AWG-LCA should build on the momentum out of yesterday’s workshop by establishing a contact group on technology issues to work over the next ten days on fleshing out options and draft conclusions. Institutional arrangements, technology funding issues, balancing intellectual property rights with the need to make clean technologies accessible and affordable, and addressing non-price barriers to clean technology deployment are all issues that seem ripe for fruitful discussion in such a contact group. The interrelated issues of technology and finance are the linchpins of the post-2012 deal in Copen-

hagen, making possible the aggressive actions on both mitigation and adaptation needed to confront the climate challenge. ECO feels that real progress can – and must – be made at this meeting in Bonn to narrow differences and start to frame clear negotiating options on these issues.

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ECO suggests concentrating on tangible suggestions for a package approach to capture the whole range of different adaptation responses to climate change. Mainstreaming climate change with development will be part of such a package and necessitates integrating new and unforeseen risks, but also requires flexible finance to react and respond. Obviously, that also requires adaptation finance to be integrated with other forms of financial flows and development pathways to support climate resilient development.

But perhaps the underlying concern of some of the Parties is their concern about whether mainstreamed adaptation finance will be additional to ODA commitments. To reassure them, countries with historic responsibilities may wish to clearly state that additional funding for mainstreaming adaptation will be available. Beyond that debate, the workshop repeated many of the issues and principles that we’ve all heard before.

However, ECO heard some valuable contributions towards

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Beyond Nairobi: enhancing the NWP

Eighteen months into the Nairobi Work Programme (NWP), Parties have now come to assess how the NWP is helping Parties make “informed decisions on practical adaptation actions and measures to respond to climate change”.

The NWP has brought together a wealth of information and developed the momentum for greater collaboration between different stakeholders, particularly research institutions and intergovernmental organizations.

Action pledges have been an important step in coordinating efforts in an open and transparent process for discussion and review. ECO believes this must continue and be enhanced. However, as the impacts of climate change are increasingly being felt across the planet, Parties might wish to consider if adaptation has had its time solely under SBSTA. ECO wonders if there are any other bodies

No talkshop but action on adaptation (*cont'd from page 2*)

raising the level of ambition. The following were four forward-looking proposals that ECO encourages Parties to develop further:

- A new Convention adaptation financing mechanism, as proposed by AOSIS, with contributions based on historical responsibility (with 1990 emissions as the baseline) and ability to pay.

under the UNFCCC where adaptation should be addressed as well, to enhance implementation and facilitate real action.

ECO believes it is crucial to link the NWP to the BAP and therefore suggests evaluating the results of the NWP with a view to informing the negotiations on the adaptation building block of the Bali Action Plan (BAP).

To that end, the NWP should prioritize capacity-building and research on issues such as

- Insurance and risk sharing and transfer mechanisms;
- More reliable assessments of the cost of adaptation across various sectors;
- Capacity-building at the national and regional level to carry out vulnerability assessments;
- Integration of adaptation into development agendas and national processes;

- Guidelines for ensuring climate-resilient development in all sectors of the economy;
- Disaster-reduction strategies aimed at the most vulnerable communities.

ECO also wants to see a strengthened link between the work of the Adaptation Fund Board (AFB) and the NWP, as the AFB will decide on the funding for adaptation activities in the most vulnerable countries. Parties may wish to consider the creation of a dedicated expert group on adaptation that would facilitate the work of the NWP and support the AFB. ECO suggests, as an immediate step, to have SBSTA and the AFB identify areas where the NWP provides insights and assistance to get real adaptation action on the ground.

- National adaptation planning to be conducted by all countries (not just LDCs), with revised guidelines, to better promote integration of adaptation into development planning, as suggested by The Gambia.
- An Adaptation Committee established under the Convention, as suggested by China, with responsibility for assessing and promoting adaptation actions, reporting progress to the COP, and establishing regional capacity-building centres.

- Funding for mechanisms, like insurance, for risks that countries cannot adapt to.

ECO wonders if Parties will use the remaining days of the meeting to move beyond making general statements and reshuffling known facts – and instead begin discussing concrete proposals for the BAP adaptation building block, with a view to take bold and decisive action that addresses the urgency of adaptation needs.

Careful what you factor out

ECO warned yesterday of the slippery slope of playing games with LULUCF rules. Today, ECO is expressing concern that one of the approaches, presented by Canada as an option for not counting (factoring out) anthropogenic and natural effects, known as the 'forward-looking baseline', is way off base.

This approach to factoring out actually 'factors out' emissions from forest management too! Under the described approach Parties would incorporate fire and insect damage; climate-induced changes; and Business As Usual forest management in the baseline, and only count the effects of

new management activities. This means that Parties would NOT receive debits for emissions resulting from current forest management, and these can be significant; Canada alone reports that its emissions from logging are 122 Mt CO₂ per year¹!

As a result, this could allow Parties to get credits from forest management activities, since only the effects of 'enhanced' activities would be counted. To ECO, this sounds like cheating.

So due to the special accounting rules, this proposal could open the door for phantom credits for activities that would not provide any

benefit to the atmosphere. In any system that truly aims to both account and mitigate climate change, Annex I countries must account for all emissions and removals that are human induced. They must be penalized for human induced net emissions increases and could only count net emission reductions towards achieving their targets. LULUCF must not allow exceptions to this rule.

