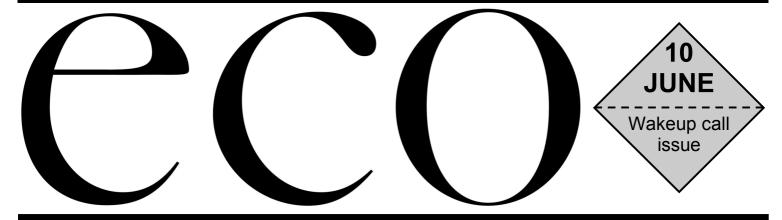
CLIMATE NEGOTIATIONS BONN JUNE '08 NGO NEWSLETTER



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ECO website: http://www.climatenetwork.org/eco

Blurred "Fukuda Vision"

The Japanese Prime Minister Fukuda's climate change policy, so called Fukuda Vision, announced yesterday in Tokyo, totally lacks the ambition and climate urgency needed as a host country of G8 summit 2008 in CAN's view.

Although Japan expressed its domestic long-term target as 60-80% emissions reductions by 2050, it has postponed announcing its medium target until next year. Instead, Japan played a numbers game, and disguised its lack of ambition by changing the base year from 1990 to 2005.

Japan claims it will match the EU's unilateral target of 20 % reduction by 2020, using its favourite sectoral approach. This claim is on the basis that the EU's target of 20% is actually 14%, if one were to take the baseline as 2005. However,

what Japan has not revealed is that its 14% emission reduction is actually a mere 8% with a 1990 baseline, and if one were to exclude sinks, the Japanese emission reduction would just -4% to 1990 levels, as against 11% of EU to 1990 levels.

| Base | EU | Japan | Japan |
|--------|-----|--------|----------|
| year | | (with | (without |
|) Juli | | sinks) | sinks) |
| 1990 | - | -8% | -4% |
| | 20% | | |
| 2005 | - | -14% | -11% |
| | 14% | | |

ECO simply doesn't understand how Japan can say it will take a leadership at G8 on climate issue with only 8% domestic reduction by 2020, which is only 2% deeper than the current Kyoto target!

Not only trying to fool the world, but Japan is also pro-

posing that other countries use the sectoral approach as an option to set national commitments. ECO is seriously worried about the huge gap between bottom-up aggregated numbers and the reduction range which science requires. Japan should stop playing number games and set its midterm target within the range of 25-40% reduction from 1990.

Japan has increased its emissions by around 7 % but has failed to announce the viable domestic trading scheme, which is crucial to meeting its Kyoto target. Instead, Prime Minister Fukuda only said that he would start an emission trading scheme on an experimental basis. How can Prime Minister Fukuda show leadership at the G8 summit, with such a blurred vision?

It's déjà vu all over again!

Mondays are hard. Mondays in the second week of negotiation are harder. Mondays in which draft AWG KP text on emissions trading and the projectbased mechanisms, including the reintroduction of so many of the fruitless fights of the Kyoto negotiations and the exclusion of several areas where improvement is imperative, is circulated are down right insufferable. With the process already marred by two lame Brolly ducks from the southern hemisphere, one dead duck that still tries to quack and a Canada Goose that is all honk and no feathers, there is no need to beat dead horses...

Considering that we only have 18 months to negotiate a deal to save the planet, it is high time to cut the crap, bury the dead ducks and move on. The things that really must go include, inter alia: REDD, CCS, weakening the additionality criteria (this is an offset mechanism after all), and, of course, nuclear. These proposals and others in the list are inconsistent with environmental integrity and should play no role in the flexible mechanisms. The CDM and JI are not the appropriate mechanisms to support REDD actions.

With such a shopping listing of

elements, ECO was also disappointed to not even hear an echo of some key issues, like consideration of compliance matters. Why should the issue of borrowing from future commitment periods be on the table and not the old idea of financial penalties for noncompliance?

ECO would like to remind Parties that the CDM, and markets generally, aren't a panacea and that there will need to be creative thinking on other options. For instance, the regional distribution of CDM projects is at least in part a reflection of investor confidence in the host country. There are countries that, for many reasons, are not suitable for private investment, and perhaps for which other, non-market, mechanisms might be necessary to facilitate mitigation and adaptation investment

The overriding objective of the flexible mechanisms must be environmental integrity, and in this context CAN supports making baseline setting more objective and robust, and improved measures for testing environmental and social impacts. Indeed, we think that fulfillment of rigorous criteria to ensure environmental and so-

cial sustainability should be mandatory for crediting.

On emissions trading, CAN believes that the linking of national or regional emissions trading schemes is best negotiated bilaterally as time is too short in the UNFCCC and KP processes. Parties should be free to define the scope of their own national or regional emission trading schemes, and the fungibility of credits in the different systems must relate to the different scopes of these schemes.

A lesson the HeadOzBrollie and CanuckBrollie forgot was not to leave the table before all are finished. They left the shared vision contact group laughing and talking as the Distinguished Delegate from Micronesia was making a detailed and emotive intervention on the issue of the plight of small island states. This behaviour is not reflective of the leadership aspirations expressed by Prime Minister Rudd of Australia on climate change.

So when you put pen to paper today – cross out the old fruitless pre-Kyoto nonsense and get down to a constructive way forward.

EU in search of Guinea Pigs?

This is something new in the CDM - a proposal is on the table that would legitimise – if accepted – developed countries to use developing countries as a testing ground for new technologies, namely coal-power plants capturing CO2, transporting and storing the CO2 in geological formations (CCS).

So far those projects have not been tested at demonstration or commercial scale and thus not shown to be environmentally "safe and sound" – as is a requirement for inclusion in the CDM.

The "CCS learning by experience", seems like a classic case of "putting the Cart ahead of the Horse", while the EU claims in all seriousness that it is indeed the "Horse before the Cart" as it would push and pull and thereby improve knowledge and expertise of the tech-

nique of CCS.

Technical issues can betested wherever a coal-fired power plant and a geological formation suitable for CO₂ storage exist. Europe has plenty of coal-fired power plants emitting hundreds of millions of tons of carbon dioxide year by year and the coal is imported from places such as Australia, a country with a vested interest in getting CCS kick-started in order to greenwash its coal industry.



Instead of pushing for "learning-bydoing" phase money should be invested in renewable energy and energy efficiency projects in developing countries. This would help increase access to clean, reliable and affordable energy in developing countries. A CDM project should improve social, economic, and environmental wellbeing-- CCS projects instead would distort a program that is intended to provide economic incentives for sustainable investments like efficiency and renewables.

All this debate the past week has only detracted from ECO's additional concern of CDM which as of last year, now allows the inclusion of coal-fire power plants in the CDM.

Ludwig

In a slip of the tongue, the Chair of the LCA addressed Bangladesh as the spokesperson for the SIDS.

As Bangladesh is not yet a collection of islands Ludwig reflected that perhaps the Chair was predicting the formation of a new group, Slowly Inundating Deltaic States.

