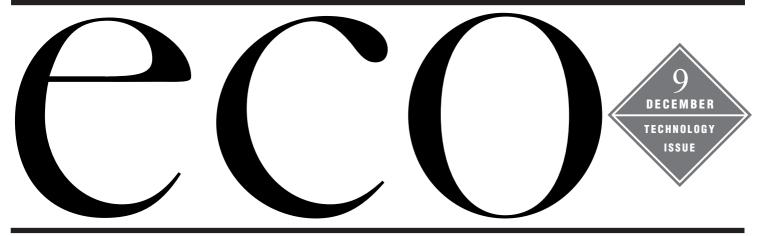
CLIMATE NEGOTIATIONS

DECEMBER'03 NGO

NGO NEWSLETTER



MILANO

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 Climate Action Network groups attending COP9 in Milano in December 2003.

# Technology for Progress, Not Procrastination

Technologies like  $CO_2$  capture and storage, or hydrogen fuel cells may play some role in the future, though there are still important environmental and economic issues to be resolved first. Without Kyoto reduction targets, however, the vast potential of existing technologies and practices (renewables, efficiency, etc.) will go underutilised, and there will be no reason to implement new technologies once (if) they arrive. This explains why the US emphasis on new technologies should not be confused with an effective and coherent climate policy.

A fossil-fuel power plant with  $CO_2$  capture and storage, for example, will always be more expensive than a plant without it. No matter how much technology development is done, it will never be used as long as it has a cost, in the absence of policy.

Hydrogen and fuel cells are particularly targeted to vehicles beyond the year 2015. Studies show, however, that the CO<sub>2</sub> savings from hydrogen are relatively small compared to hybrid vehicles which are available today. And the CO<sub>2</sub> balance is worse than diesel unless hydrogen is produced with renewable energy. Therefore, even for hydrogen, a strong renewables policy will be the single most important element to reducing CO<sub>2</sub> emissions, and there is no reason not to implement much stronger efficiency standards to take advantage of current technologies.

The US suggestion that nuclear fusion is an important part of their climate mitigation strategy is ridiculous. Even supporters suggest it may only be made to work by 2050 (by which point Annex I emissions should have been reduced by 60 to 80 per cent to avoid dangerous

climate change). Fusion is a technology that is 50 years in the future – as it has been for the last 30 years. The US, which also funds the SETI project searching space for signs of alien life, might as well forward this as a climate policy. Perhaps aliens will bring us fusion once we find them.

"Breakthrough" technologies are -continued back page, column 3

### Enable tech transfer to work

Critical factors for technology transfer, high on the agenda here in Milan, are enabling environments for development and transfer of technologies. However, the solutions forwarded in yesterday's BINGO-sponsored event – (moving) from negotiations to implementation – should be more than just talk. They should work. This Convention issue has been too long in a "pilot" phase, with GEF and a few examples making the entire success portfolio to date.

Even if it is not a new issue, one may be right to look for cultural disconnects to explain why it has not been easy to overcome barriers to the implementation of technology transfer. Ownership of technologies is of course linked to economic (and military) power. Parties are negotiating the transfer of technologies which are not necessarily theirs to transfer in the first place, and over which they may have little or no control.

Instead of repeating the tired old arguments of business, we propose to revisit and qualify the main principles and success factors as expressed yesterday by industry representatives:

- A necessary policy framework should not only be consistent with national technologies' strategies, but also with the host country's sustainable development strategy;
- The assessment of receptivity of technologies is a critical process. Priority should be on meeting basic needs rather than only considering access to electricity in LDC's as a "huge market". While success *-continued back page, column 2*

Hello, COP9? Do something about climate change now!

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## **Agreement on budget**

The first agreement of COP9 on one of the substantive issues – the programme budget for the biennium 2004 to 2005 – occurred last night at around 23.30 when the draft text proposed by Chairman Ashe was adopted.

However, this new draft was a slightly revised version of the one from December 6.

The biennium budget will be US\$34,807,326, down US\$985,104 from the previous option "A" which was US\$35,792,430, although the difference has been added to the Interim Allocation which is

now US\$5,455,793.

The total difference between the decision adopted last night and the Chair's draft on December 6 amounts to US\$1,611,058.

We congratulate Parties for having reached this conclusion. However, we feel the Secretariat should have been allowed the 30 per cent increase it asked for back in Bonn last June. We call on Parties to swiftly provide the funds just agreed. Any delay on contributions may jeopardise the prompt implementation of the Protocol once it enters into force.

## Sinks in the balance

The contact group to discuss the proposed Chair's text for final rules for CDM sinks, scheduled for last night, was cancelled. We hope this gave the Chairs extra time to work out the various issues, questions or problems that Parties might have expressed, and to improve some of the issues identified by CAN as well. These include:

- Categorically excluding the allowance for the use of environmentally dangerous and risky genetically modified organisms and alien invasive species in the CDM;
- Requiring the linking of CDM project activities to relevant multilateral environmental agreements in order to promote synergy, and maximise resource use and biodiversity objectives across relevant Conventions and agreements;
- Strengthening stakeholder participation rules for local people and communities, so that their viewpoints, ideas, experiences and aspirations for sustainable development and healthy, productive and biologically diverse environments, are integrated into project design and implementation.
- Taking stock of the potential complexities to operationalise small-scale projects with sustainable development and environmental benefits at the local and community level, which should have been the focus of the CDM in the first place.

Constructive elements of the proposal must be maintained, notably in the treatment of nonpermanence, the removal of positive leakage, certain appendices and aspects of monitoring and verification.

### "Fossil of the Day" Award

The US extended its fossil lead yesterday for repeatedly stating when presenting its technology-based climate change strategy at a side event that it was "taking the lead on climate change mitigation" without presenting any evidence to support it.

The US also won second place, for its continuing opposition to the Convention budget, which is meant to keep the UNFCCC (signed and ratified by the US) going. The Bush administration must not interfere with international efforts to stop climate change, and pay its far share of the Convention budget.

Third place went to Italy, the country of fabulous food and stunning architecture, for bringing us to their fashion capital and putting us in this dumpy environmental unfriendly rabbit warren where lights are on 24 hours, and the differentiated waste collection is limited. - Enable tech transfer, from front page stories from the South do exist and need to be learned from, southern ownership should be ensured and adapted to local contexts;

- Concerning capacity building, South-South (and north-assisted) cooperation has a growing momentum and could help address the legitimate sustainability concerns of developing countries. Moreover, it is a good way to foster the development of technology, particularly for adaptation;
- On new expected types of partnership, the so "promising" public private joint ventures should be regulated.

Moreover, there also should be a transparent reporting of the mechanisms and monitoring of the dissemination of the technology transfer. And while we are talking about technology and listening to private initiatives presented by nuclear technology merchant, Framatome, unsustainable energy technologies, especially nukes, should not slip in through the backdoor.

- Technology for progress, from front page inappropriate as the sole basis of any Annex I climate policy. But a policy that ceaselessly promotes these possible long-term solutions, while ignoring both the need for much greater utilisation of available clean technologies and the pressing needs of non-Annex I countries, is a slap in the face. Those in the developing world who do not have access to modern energy could be perfectly well served by a range of current technologies, from grid extension to solar panels, but they are not. If there is no money or political will to put up utility poles, how will these people benefit from a billion-dollar low-emissions coal fired power plant? If people are too poor to take a \$0.25 bus ride and have to walk to work, what are they going to do with the promise that they can buy a hydrogen-fuelled SUV in 30 years? This "let them eat fusion" attitude should be roundly rejected by non-Annex I countries.

# LUIGI

At yesterday's US climate change technology programme side event, Luigi was surprised to hear the most accurate summary yet stated on the US's vacuous approach to action on climate change. In response to a question "Is the US government working on a protocol it would sign?", a US panel member said: "I'm sorry. I don't understand." Need Luigi say more.

The lack of coffee in the EU coordination offices may just prove the most divisive issue of the COP, as the grumbling from Floor 0 drowns out other business. Rumour has it the Italian EU presidency has its own coffee supply for personal use. However, it does not put the kettle on for the benefit of its fellow member states as they sit through the EU's epic coordination meetings. Could it be that the presidency hopes to push through its own internal positions as everyone else falls asleep? Luigi has it on good information that this would not be a positive development.

#### THANKS

The Climate Action Network would like to thank The Swedish NGO Secretariat on Acid Rain, RAC France, WWF International, David Suzuki Foundation, SECCP, INWENT/CDG, Greenpeace International, CAN-Europe, NRDC, FoE International, Peruvian Environmental Forum, NET, Pelangi and an individual contributor.

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