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## Make the FAB deal real

The choices leaders make this week will determine whether the world achieves a tipping point. A tipping point into a new era of cooperation and solidarity, or a disastrous tipping point in the climate system leading to direct conflict about the remaining environmental space.

The world demands nothing less than a Fair, Ambitious and Binding (FAB) deal. Three major gaps can and must be bridged in the remaining time: the gap between current emission reduction pledges and the science; the gap between the finances on the table and the need in developing countries; and - perhaps most critically - the gap between nations where trust must be forged. We clearly need a radical transformation.

ECO has written before about the "gigatonnes gap." Put simply, the emission reductions currently on the table, from developed and developing countries, will fail to meet the challenge posed by the science. Independent experts ranging from Lord Stern to McKinsey for Project Catalyst and Ecofys/PIK, show that we are way off track for staying well below 2°C, not to mention 1.5°C, which the latest science and most vulnerable countries demand.

At the heart of the problem lie the industrialised country targets (particularly the USA, Canada, Australia, and New Zealand). So far, the industrialised countries' targets are proving much more effective at capping ambition and innovation than they are at capping emissions. The picture gets even bleaker when the huge loopholes - notably "hot air" allowances and bogus LULUCF

accounting - are taken into account. Under the current approach these would lock economies and the planet into a costly high carbon future and undermine a green new deal that could pave the way out of economic recession. They render mute any shared vision referring to keeping warming below 2°C. Without urgent triage, there is no prospect of a peak in global emissions before 2020. Without a radical departure in Copenhagen, the world risks staying the course for warming of at least 3°C, very likely 4°C or more – even the prospect of "Venus" conditions on Earth.

The second huge gap is the finance gap. Again, there is a crisis in ambition. The EU has put forward figures for long-term finance, but these fall far short of the need. Norway and Mexico have proposed a new green fund. But, collectively, developed countries have failed to quantify the scale or to commit to a specific contribution.

Closing these two gaps will be even more difficult without clear action to close the trust gap. In these complex negotiations, fear, mistrust and suspicion have come to rule - particularly between industrialised and developing countries. The reality of historic responsibility, the vast disparity in per capita emissions, the legitimate development needs of countries whose populations struggle with the crisis of poverty and the existential threat posed by climate change must be faced.

Without trust the discussion has persistently returned to legal architecture drowning out discussion of substance. Each

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## COP out?

Will the doors slam shut at this highestprofile climate negotiations in Copenhagen this week? Will civil society, which has played such a constructive and vital role in the Conference so far, be left out in the cold by unjustifiable restrictions on access - well beyond the legitimate security needs of the Conference?

Accountability and transparency at these negotiations are a must, and cannot be secured without direct public participation. Civil society brings insight, oversight and connection to people around the world who depend on the work of NGOs to pursue the credibility of the process and integrity of the outcome.

The Rio Summit-derived Agenda 21 aptly observes: "One of the major challenges facing the world community as it seeks to replace unsustainable development patterns with environmentally sound and sustainable development is the need to activate a sense of common purpose on behalf of all sectors of society." How can civil society get onto the same page if we're not in the building when the real work is being done?

This meeting can go down as a milestone in human history, a watershed moment in the annals of participatory democracy. The Bella Center today is truly the world, earnestly at work on solutions to its most pressing problems. Implementing those solutions will require the active and direct mobilisation of government, business and civil society on an unprecedented scale. Any perception that the process is closed or rigged would severely undermine the prospects for success in Copenhagen and beyond.

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# Loss and damage mechanism under threat

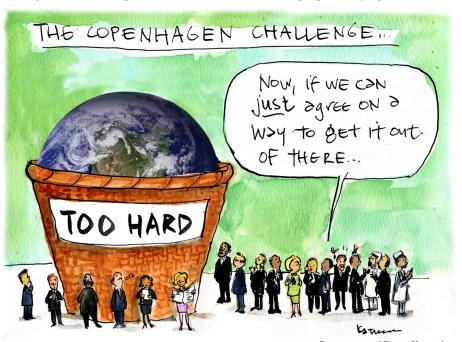
Simple arithmetic: Low mitigation ambition plus inadequate adaptation support for developing countries results in unavoidable loss, damage and suffering for the most vulnerable!

Any emission reduction and finance targets as well as legal format in the Copenhagen agreement must be open to periodic review (no later than 2014/2015). *ECO* wants to read in the shared vision that this is based not only on the latest science, but also on observations of loss and damage on the frontline of climate impacts – in LDCs, SIDS and Africa.

Facing the dire consequences of a +4°C

world, developing country Parties have proactively tabled a loss and damage mechanism in the adaptation text. Cynically, this crucial piece is about to be killed by the culprits of climate change – the EU, US and others.

The reality of unavoidable impacts on the very livelihood and sovereignty of many nations is a dual failure of the lack of mitigation action and adaptation support by industrialised countries. A shared vision which ignores the need to address loss and damage is a vision which is not shared by those affected by rising sea levels, barren fields and spreading deserts. And whose people are dying.



By courtesy of Fiona Katauskas

- Make the FAB deal, from front page – side is afraid to be taken advantage of by the other, prefering to debate who will be bound to what, instead of what they will do. Challenging times require creative solutions, demonstrating real action and sowing seeds for a new spirit of international cooperation.

The most obvious step that would change this dynamic is for the US to offer a more ambitious target and deliver on climate finance. Everybody in Copenhagen recognizes this as "the elephant in the room", while understanding the challenging political situation the US administration finds itself in. The good news is: studies show the US can reduce its emissions by 18% below 1990 levels by 2020 – it's probably easier than to go back to the moon.

Parties could embrace a large number

of hard-edged practical measures that can wipe out gigatonnes to make a FAB deal. Here are some creative ideas to spur the transformation. Why not take: Action on a global feed-in tariff for renewable energy? Ambitious global standards to improve energy efficiency and drive forward clean technology? An accelerated phase-out of HFCs and other potent greenhouse gases in consumer products? A targeted fund to address non-CO, industrial greenhouse gas emissions in developing countries instead of relying on an expensive offset mechanism? Clear measures to strip out the hot air and LULUCF loopholes? New and concrete agreements on key technology IPRs, now?

There are similarly innovative ideas to plug the public finance gap and mobilise complementary private money to fuel the

## Fast trick financing?

Remember the G8 summit in L'Aquila this year? World leaders proudly offered US\$20 billion to tackle the global food crisis. Subsequently it was reported that only US\$3 billion was going to be 'new' money. The rest had already been committed or was to be handed out as loans.

This scenario makes ECO wonder: How much of the  $\[ \in \] 2.4$  billion a year that the EU has now put on the table for fast track financing, over 2010-2012, will be new and additional? ECO's estimate is that it will be less than 5%. We fear that most of the remainder (EU, prove us wrong!) will come from re-packaging and double-counting previous pledges. ECO requests EU delegates to be transparent and accountable and explain to developing country delegates how much of the  $\[ \in \] 2.4$  billion has already been pledged elsewhere.

ECO points out that both fast track finance and long-term financial support in particular need to be committed, and provided in addition to developed countries existing ODA targets. This is because climate finance, which is meant to meet the additional cost of adapting to climate change, is not aid.

The means to overcome double counting is transparency. There has to be clear reporting on what is ODA, what is additional to ODA for climate finance and what has been pledged. Under the Copenhagen Agreement, Parties must agree that funding contributed once as climate finance will not be pledged elsewhere. There is ample opportunity over the next four days to ensure that the five months after the empty coffers of L'Aquila, world leaders will not be making the same mistake again.

transformation. Decisions could be taken in Copenhagen to reduce emissions and raise money from international aviation and shipping or the auctioning of allowances. The USA recently proposed to the G20 to agree to redirect fossil fuel subsidies by 2020. George Soros last week here in Copenhagen suggested better utilising Special Drawing Rights. Some of these ideas may need more work, but without vision they will remain orphans.

As Lord Stern said: "If we assume people and politicians will be irretrievably short-sighted, quarrelsome and narrow in their judgment of their interests and act accordingly, then our pessimism will be self-fulfilling." Now is the time for politicians to show that such an assumption is unfounded. Fight for the FAB deal!

## **CDM** black market

"I give you CCS in CDM if you give me forests in exhaustion in CDM" is one of the popular negotiation techniques that *ECO* observed over the past few days. Is this really how the UNFCCC seals its deals? *ECO* is seriously concerned that the "negotiators" forget that they don't barter apples for pears. Possibly they don't even know which goods they are handling.

Currently, any plantation established on land that was forested after 1 January 1990 is excluded from the CDM. However, based on a request by CMP4, the CDM Executive Board adopted a definition for land with "forests in exhaustion" as CDM afforestation and reforestation project activities to be possibly approved by CMP5. According to this new definition, CDM could support industrial tree plantations in areas that were "forests" either as of 31 December 1989 and/or at the start of the CDM project activity, provided that they will be converted to non-forested land through final harvesting within five years.

When looking at the impact of this definition let's clarify first things first: Forests in exhaustion are actually not forests. The forest definition under the UNFCCC includes existing monoculture tree plantations. In practice, this applies to the millions of hectares

of peatlands that have been drained for oil palm and pulp wood. The loss of these carbon rich soils causes ongoing emissions of up to 90 tonnes CO, per ha/yr, /200 million Mt CO, per year. Support for these emissive plantations is support for deforestation. The new definition would just benefit large existing forest plantations in Indonesia, Malaysia and Brazil while LDCs would lose as they hardly have plantations. It would moreover open doors to forest management under the CDM which severely contradicts the agreement reached in Marrakech. Any amendment of the current definition of "forests" should rather exclude plantations and must under all conditions avoid extending it to the management of existing tree plantations.

Besides, this definition is highly problematic as it builds on a hypothetical assumption that plantations (alias forests) will be converted to non-forested land in five years. How do you prove that the land would have actually been finally harvested in five years if CDM supports the plantation to continue beyond that period? It rather seems like throwing money to a commercial activity that might continue anyway. This rings a bell. *Eco* reminds that the CDM is already suffering from one characteristic which is based on

hypothetical assumption. The current project-by-project additionality testing is inherently subjective and impossible to do accurately and is leading to millions of non-additional CERs that are eagerly used by AI countries to offset their emission reduction obligations. Any countries out there that might think to seal a deal for CCS in CDM by accepting this misleading new project activity must think twice. *ECO* does not believe that CCS in CDM can pay for the huge negative impact that this new definition would bring along. Negotiators, please handle with care!

## Africa stands tall

ECO did note one encouraging development at the start of the second week. The Africa Group dug in its heels in defence of the two-track approach, with most of the G77. Ministers considering the process proposal for the day perceived an agenda too close to the paper leaked early in the first week, which sought to terminate the Kyoto Protocol.

Four ministers broke off their own meeting and marched to the office of the COP President. Fortunately, the ensuing consultation resulted in a reworking of the order of business for the day and negotiations proceeded with restored respect for the two-track process.

The principled response to a threat to the Kyoto Protocol by the Africa Group is applauded.

## Close the logging loophole now

Most developed countries came to Copenhagen asking the world to ignore planned increases in greenhouse gas emissions from logging and erase them from the books. It was a proposal that never deserved to see the light of day at a climate conference. Now it has to be put to rest.

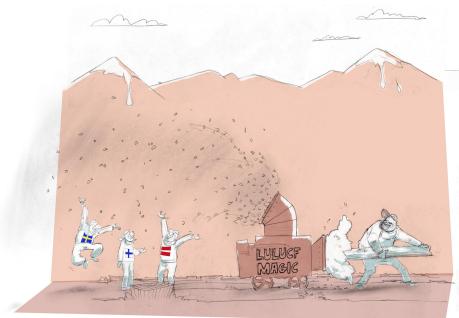
The Climate Action Network has developed and proposed to negotiators a reasonable, technically sound and objective way to close the logging loophole: Account for all changes in forest management emissions compared to the average level of emissions between 1990-2007. It is so simple and so obvious that it's boring.

It is imperative this loophole is closed if we are to have an agreement with environmental integrity. Closing this loophole will also strengthen overall targets by nearly 4%.

Will developed countries make this most basic commitment to environmental integrity or will they insist on keeping increased forestry emissions out of accounting even though they are in the atmosphere.

Austria, Australia, Canada, Finland,

Japan, New Zealand and Sweden – ECO is looking right at you.



Disappearing LULUCF emissions are saving countries from real emissions [www.petersmith-portfolio.blogspot.com]

## Brazil emerges as leader

In the fifth edition of the Germanwatch-CAN Europe Climate Change Performance Index (CCPI), Brazil climbed to fourth place, as Sweden slid down its LULUCF projected baseline and landed in fifth. As the top three places were left vacant, Brazil earned the top rank among 57 countries surveyed for the CCPI.

At the other end of the scale, Saudi Arabia and Canada finished last and second last respectively at 58 and 59. Saudi Arabia's negative rating was for blocking a fair, ambitious and binding treaty to protect the most vulnerable developing countries. Canada earned second last place for its weak domestic

climate policy, huge per capita emissions and lack of any kind of constructive engagement in the UN climate talks.

The USA also fared poorly – it was ranked 53 – as President Obama and the Congress have yet to make good on the mandate of renewal (and renewables) which swept him to office.

The Germanwatch CCPI is an independent report, ranking the 57 largest emitters on their efforts to protect the climate. This year, like last year, witnessed blank spaces for the first three ranks. This was because no country was on a path to keep warming as far below 2°C as possible. For details, visit germanwatch.org

#### FOSSIL OF THE DAY AWARD

#### First Place - United States

The US won its first fossil of the COP yesterday for two reasons: first, for making absolutely no commitment on long-term financing for developing countries to cope with the impacts of climate change and toreduce their own emissions even further. Second, because the US - far and away the biggest cumulative emitter of global warming pollution in world history - has among the weakest midterm emission targets of any major developed country, a laughable 4% below 1990 levels by 2020. Will US negotiators ignore the interests of their own children and the poorest nations on the planet? Or will they bring the US into the community of nations, rich and poor alike, rising to the biggest challenge humanity has ever faced? US, all eyes on you: is it Hopenhagen or Brokenhagen?

#### Second Place - The EU

The EU won second-place fossil dishonours for failing to address a gaping loophole that undermines its targets: hot air and forest management. Allowing full carry-over past 2012 of Europe's hot air, that is,

targets based on 1990 levels that in fact allow huge increases in emissions could allow 11 gigatonnes of carbon emissions. Europe's flagging credibility as a climate leader could crumble completely if this hot air loophole is not closed — and all of the EU member states are responsible.

#### Third Place - Canada and Saudi Arabia

Saudi Arabia and Canada received the third place fossil for their respective last and second-last place finish in the Climate Change Performance Index released vesterday by Germanwatch and Climate Action Network Europe. The Index evaluates 57 industrial and developing countries which release 90% of the world's greenhouse gas emissions. Saudi Arabia's record speaks for itself. Canada only finished second-last because Saudi Arabia received a zero rating for its climate policy! Canada is in the world's top ten emitters, has one of the world's highest per capita rates of emissions at 23 tonnes per person, and is 34% above its Kyoto target (which is just a modest 6% cut from 1990). Simply put: on climate change, Canada has performance issues.

#### - COP out, from front page -

The Rio Declaration on Environment and Development affirms that "non-governmental organisations play a vital role in the shaping and implementation of participatory democracy."

Excluding civil society would not only be inconsistent with UN Principles. It would be profoundly counterproductive to the spirit of the conference and the practical value of its outcome. To launch the world toward a sustainable future, the process over the critical next four days must be accountable and transparent so that the result will have the power of broad ownership by all sectors. Nothing less than the full and active participation of civil society can produce such an outcome.

Finally, this move goes against the aspirations of the UN Secretary-General himself who called upon civil society to create a movement and support the world's governments to deliver the strongest outcome possible in Copenhagen.

Closing the door will give the perception that what governments are saying is a greenwash. It was the public pressure generated by civil society which will soon

# A hoax of a day for Canada

What a rough ride it was for Canada yesterday. At about noon, a press release supposedly by Environment Canada emerged. It claimed that Canada was changing its stand and going for 40% emission reductions below 1990 levels by 2020, and was committing 1% of its GDP for mitigation and adaption in developing countries.

As it sounded too good to be true, it turned out to be what it only could be – a hoax. In spite of this, the news made it to various web sites including the *Wall Street Journal* only for them too to realise it was a hoax.

This was followed by another press release saying the first one was a hoax, which also turned out to be a hoax. And if that was not enough, a video by a Ugandan delegate reacting to the news on the UN website also turned out to be fabricated.

While all these goings-on must have given the Canadian government a massive headache, its reaction was irrational. The spokesperson for the Prime Minister of Canada publicly attacked a respected member of the Canadian NGO community and long time participant in the international climate negotiations process, of being the source of the hoax. That, in turn, generated a further storm of news coverage in Canada until Yes Man confirmed that they were behind the prank.

In summary, it was a bad day for Canada and there are at least four more days to go.

### J rgen

Jorgen, like many in the Bella Center, actually prefers it even cooler than +2°C. Yesterday he was just glad that temperatures had come down from +6°C. So imagine his delight when he drew the curtain this morning and his giant thermometer was registering +1°C! In solidarity with the most vulnerable countries on the planet, he hopes that temperatures hover around there to Friday and beyond, even if he himself will be sitting frozen out in the street, wondering what leaders are cooking up inside.

result in more than 100 heads of state descending upon Copenhagen. Don't let the reward for this outstanding achievement be a shut out from the Bella Center. Keep the doors open. Don't COP out!

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