

ECO



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Wanted: Bali Leaders

It is imperative governments here exercise bold and visionary leadership in order to come up with a strong Bali Mandate. *ECO* notes the strong statements made by AOSIS over the last two days calling for deep cuts in the range of 50-85 per cent by 2050 in order to stabilise greenhouse gas emissions in the atmosphere and stay well below 2°C. This statement, taken together with the EU Bali roadmap proposal leading to a global and comprehensive post-2012 agreement by 2009, is a stark contrast to attempts by several Parties to derail progress through various diversionary tactics.

The AOSIS and EU interventions have outlined the key elements necessary to bring together a robust Bali Mandate. Both strongly emphasised that: the science is clear; we cannot afford to waste any more time; and the time for governments to step up and prove they are tackling climate change seriously starts now. *ECO* believes the time for talk fests is over. To remain relevant, tracks such as “open-ended dialogues” should graduate into a negotiating process under the Convention, covering the key building blocks relating to technology, adaptation and financing.

The Vienna meeting’s recognition of a need for emission cuts of at least between 25 and 40 per cent below 1990 levels by 2020 needs to be taken out of the suitcases of the EU and unfurled again, as they were displayed at the AWG-4 with the help of AOSIS. This range has to be put forward now in light of calls not only from small island developing states but also from LDCs that deeper cuts in emissions are necessary to prevent dangerous climate change.

Bali must be the place where scientific evidence is translated into real, bold action.

Signals coming from a large group of developing countries that include China, Brazil, South Africa and major regional blocs such as the Africa group, LDCs and ASEAN are encouraging. *ECO* hopes to see an emerging group of countries collaborating closely to lead talks towards a successful outcome next week.

At the end of the day, as AOSIS members have said many times, the avoidance of climate change impacts on small island states must be one of the key benchmarks of the effectiveness of a post-2012 agreement.

State your position Australia

Confusion remains on whether Australia supports the range of reduction targets for industrialised countries of at least 25 to 40 per cent below 1990 levels by 2020. A significant next step forward, this target has been supported by almost all countries here except Japan, Canada and the US; all of whom are doing their utmost to prevent Kyoto continuing beyond 2012. Australia’s omission in indicating a position on this range at present is disappointing, and will soon become worrying.

It is essential the Bali Mandate include the 25 to 40 per cent range as the basis for negotiations on new Annex I commitments post 2012. Thus it is vital the Australian Government supports it explicitly. NGOs and other Parties are hoping to hear such a commitment from Australia in today’s AWG contact group. Because, while ratifying Kyoto is good, it is only the first step and there is a long way to go.

Canada leaving 4 degree club?

Canadian Environment Minister John Baird stated on Tuesday in parliament that a rise of 2°C in the earth’s temperature is unacceptable.

Such a statement appears contrary to the actions of the Canadian Government on climate change and raises a number of key questions. In particular, how does rescinding Canada’s commitment to meet its Kyoto target jive with avoiding 2°C of global warming? (Especially when the government has replaced that target with a 2020 goal that would not get to the Kyoto first commitment target, even 10 years after the scheduled date.)

Amongst the confusing mixed messages are media reports that Prime Minister Harper called Kyoto, the only multilateral agreement with binding emissions reduction targets, a “mistake that should never be repeated” at the Commonwealth Heads of Government Meeting just last month.

This position is further exacerbated by Canada’s support of Japan’s “beyond Kyoto” proposal this week, as well as its ongoing problem understanding what everybody else means by “common but differentiated responsibilities”.

If Canada wants to avoid 2°C, *ECO* has two suggestions:

- Reduce your emissions to at least 25 to 40 percent below the 1990 level by 2020. (Do take note here of the 1990 baseline, which is what the rest of the world uses.)
- Take serious domestic action to reduce emissions. In Al Gore’s

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Living Inside the REDD Zone

REDD is a hot item for Bali COP attendees - standing room only at the SBSTA plenary yesterday. Among the statements made, only a few Parties mentioned those most directly affected by the outcome of these negotiations - the approximately one billion people who depend directly on forests for their livelihoods.

Ironically, local communities and indigenous people who have the greatest knowledge and interest in protecting the forest are seldom afforded the right and option to give their prior informed consent about governmental and intergovernmental initiatives designed to "protect" their homes. Violations of customary land and territorial rights, land speculation, land grabbing and land conflicts are all features that are too commonly associated with forest development.

Forest protection is not a simple subject. Schemes designed to protect forests can lead to increased top-down control of forest land and compromise development opportunities through denial of resources to local people. All forest protection schemes and resource flows have implications for how forests are managed, who manages them, who participates and who benefits.

Transferring technology

To keep global warming well below 2°C, there is a need to dramatically change the way energy is used and produced. Nothing less than a redesign of global energy infrastructures will do. Technologies also need to be developed and deployed globally to adapt to the already unavoidable impacts of climate change. The solutions are here. What is lacking are measures that reorient investment flows and which put in place the right policy frameworks and mechanisms, additional financing and sustained capacity-building programmes in the developing world.

Unfortunately, despite all the years and all the words that have been devoted to the importance of technology transfer as a vital building block in an equitable and effective future climate regime, technology transfer has continued to languish in the margin of discussions. But not anymore, it seems, if the impassioned exchange yesterday at the SBI was any indication. The referral of "development and transfer of technologies" onto the SBI agenda reflects the fact that this debate has finally moved closer to centre stage.

ECO hopes the spirited debate in

Any approaches to reduce emissions from deforestation must carefully consider the standards and safeguards that need to be incorporated to ensure adequate protection for the rights of local people and indigenous communities. This includes the right to full participation from the beginning of the process; to prior informed consent in decisions affecting their rights; and to ensure that these peoples receive an equitable and fair share of the incen-

Violations of customary land and territorial rights, land speculation, land grabbing and land conflicts are all...commonly associated with forest development.

tives and rewards. The Climate Action Network (CAN) calls for solid guarantees that robust standards will be incorporated in the design and development of policies and measures to achieve REDD. Further, they have to ensure both respect for basic human rights and the preservation of high conservation values.

yesterday's opening SBI session has generated the right amount of momentum to ensure that technology transfer becomes real instead of a rhetorical building block of the Bali Mandate and the post-2012 deal. Technology must be for everyone if it is to build a future that is both sustainable and equitable.

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words, Canada's domestic policies are "a complete and total fraud". Every independent analyst has found that they are far too weak even to meet Canada's anaemic targets.

Minister Baird has taken to calling Canada a "leader" on climate change. For *ECO*, just seeing Canada follow the leaders would be reason enough to celebrate.

Two degrees of global warming is unacceptable. So is talking about two degrees here in Bali without dealing with its implications.

Fossil of the Day Awards:

Japan received three fossils yesterday for its negative behaviour at these negotiations.

Ensuring additionality in the CDM

Central to whether a Clean Development Mechanism (CDM) project delivers the gains it was designed to achieve, of reducing emissions reductions, depends on additionality - ensuring the project would not have gone ahead without the revenue from CDM credits. However, three indicators of project additionality based on the popularly used "*Tool for the demonstration and assessment of additionality*" manual may not stand up to thorough scrutiny.

Financial assessments such as low internal rates of return (IRR) can be easily manipulated, "common practice" is weakly defined and all projects must overcome barriers. Because it is difficult to prove additionality in practice, they also render the system vulnerable to abuse. As a result the CDM has been criticised for delivering many projects that fail to deliver on additionality.

With regard to hydropower, which makes up one quarter of CDM projects, more than a third of them were already completed at the time of registration and almost all were already under construction. And too many large hydro projects nearing completion are now applying for CDM credits. Yet there has been no substantial increase in the number of hydro projects under construction compared to recent years when they did not receive CDM credits.

Two thirds of all projects in the CDM pipeline are currently in the process of applying for Executive Board (EB) approval. This provides an opportunity now for the CDM's EB to scrutinise these projects thoroughly and send a strong signal that the issue of additionality will be taken seriously. To prevent non-additional projects from being registered, the EB can implement the following measures:

- Randomly assign validators to each project or have the UNFCCC hire them. This may avoid conflicts of interest where validators have an incentive to positively validate their client's projects.
- Clarify validation standards and procedures, including the definition of "common practice".
- Disallow or severely limit the barriers test.
- Instruct validators to judge projects conservatively regarding the likelihood they would not have gone forward without the CDM.