

ECO



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We are the Rockstars...

... said the Co-Chair of the Contact Group on the Development and Transfer of Technologies under the SBSTA at its first session in Bali. Technology Transfer, the Cinderella of the negotiations, is rising on the agenda on all stages.

All stages? Well, let us see. For the time being, you can find it under SBSTA. As of old: in the current Expert Group on Technology Transfer (EGTT) under SBSTA; under SBI (finally!), due to the surprise G77 move to place Technology Transfer onto the SBI-agenda in the first hours of this COP; and last, but not least, technology is one of the building blocks for a Bali Mandate.

Talking about stages, or rather, bodies: there is the important issue, both on substance and process, of the Expert Group on Technology Transfer (EGTT), which will have no mandate after this COP. This Group has done increasingly well on the ground-work and nitty-gritty of technology deployment and transfer. Its technical work, not least on the Technology Needs Assessments (TNA), needs to continue. At the same time, it has moved its agenda on some issues way into the realms of implementation and political discussions. All agree that the EGTT needs a successor body, currently termed [constituted body], and almost all agree that the standing of this body would need to be enhanced. *ECO* calls on delegates to ensure that the terms of reference for the [constituted body] are finalised in due time, with this [constituted body] reporting to SBSTA and SBI (at least?).

So what is in all that on substance?

Due to the diligent work of the EGTT, meeting in formal, informal, and very informal sessions all through 2007, there are only three remaining issues on which parties find

it difficult to agree, and have to find resolution here in Bali:

- Institutional arrangements for the above mentioned [constituted body]: *ECO* suggests that this is best finalised under the well-versed SBSTA-contact group. Go for it!
- Performance indicators for technology transfer: for the time being, a SBSTA issue – *ECO* looks forward to this discussion after Bali.
- Financial resources and vehicles: An SBI-issue, which promises interesting negotiations.

One might add to this the innovative proposal newly introduced by China this week: A Technology Cooperation Platform, which would bring together, under the Convention, governments and private actors to find solutions to obstacles to technology deployment and transfer, for example, on specific intellectual property rights (IPR) issues.

If all of this was not enough to make delegates and observers turn on and tune in to a “techy” issue – the atmosphere in the contact groups and plenaries would have “Boston Legal”-type lawyers’ games, Shakespearean show-downs on stage and behind the scenes, linguistic mastery and flamboyance, and a concerted EU-performance in T-Shirts with [bracketed text]. *ECO* witnessed all that, in only three days. What a beginning to the negotiations!

But, delegates, do not forget what is really needed for equity and sustainable development, and keeping global warming well below 2°C: THE MASSIVE DEPLOYMENT AND TRANSFER OF **truly clean TECHNOLOGIES**. So – let’s rock for an energy revolution!

Australia, Please Step Up

Australia has the opportunity to help move the negotiations toward a Bali Mandate that will set the roadmap with an agreement on content to ensure we get on the path towards avoiding dangerous climate change.

The aggregate 25-40 per cent emissions reduction target for Annex B parties sought at this conference by the EU, New Zealand, other developed countries and China, requires Australian support to be included in the Bali roadmap. At a debate in Australia between political leaders during the recent election campaign, Mr Kevin Rudd supported his policy on targets saying “this is

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AF or GEF?

Keep Your Eye on the Ball!

In yesterday's informal meetings on the Adaptation Fund, discussions focused firmly on the composition of the Adaptation Fund Board – as they should at this stage. Here's why: A fund designed to deliver on the needs of the countries most vulnerable to climate impacts, these countries should have a controlling stake in its governance. The decision about Board composition will determine how much power they have over decisions on eligibility and distribution of funds.

But, offline, delegates are buzzing about the EU's preferred option for the secretariat – the Global Environment Facility (GEF). Short-circuiting a decision-making process agreed in Nairobi, the GEF is lobbying aggressively on its own behalf to bring the Adaptation Fund into its portfolio. This behaviour debases a critical debate about Fund governance, with far-reaching and long-term implications.

Under the GEF, using the “incremental costs” approach, it is only global environmental benefits that can be funded. At Tuesday's SBI session, the GEF Chief Executive Officer (CEO) and Chairperson insisted that, “In the adaptation programmes

currently funded by the GEF, the incremental cost does not apply. The incremental cost does not apply to any adaptation programme of the GEF. It applies only to mitigation.” Anything to the contrary was labelled a “miscommunication”. Yet, in 2004, the GEF Council requested their secretariat and its implementing agencies to ensure that projects under their Trust Fund were consistent with principles of the Fund. These included criteria concerning incremental costs and global environmental benefits.

For example, the most recently approved adaptation project under the “Piloting an Operational Approach to Adaptation” (SPA) in Yemen, has had to demonstrate GEF's contribution to global environmental benefits through incremental reasoning.

In practice, this does not ensure environmental integrity, but is an extra hurdle for funding to reach the most vulnerable. All GEF-funded adaptation projects to date have therefore had to be co-financed from other sources, undermining the CEO's suggestion that GEF now funds the full cost of adaptation activities.

Last month, the GEF Council adopted a

new communication and outreach strategy. However CAN finds no evidence in it to explain the GEF's recent “miscommunications”. It would be one thing to say the GEF could function differently as host of the Adaptation Fund. It's quite another to misrepresent current practice in these ways.

The GEF's adherence to COP guidance reflecting the needs of developing countries is already in question. Tuesday's statements by the GEF don't help its case. In this light, it is surprising that no Parties commented on the CEO's statement. Could it be they have all been blinded by promises of more project funding?

LDCs and some AOSIS Parties are clear that today's negotiations need to stay focused on the question of Adaptation Fund Board composition – without distractions about the specific identity of the secretariat at this stage. The more critical debate about the governance of the Fund should not be prejudiced by shenanigans of a candidate for one of its functions. To ensure a quality agreement about the operating entity for the Adaptation Fund, we all need to follow the lead of the LDCs and keep our eyes on the ball.

Guest Article

Climate Change is Biggest Obstacle to Meeting the MDGs*

A global alliance of anti-poverty advocates is in Bali calling on the United Nations and its member governments to acknowledge that climate change impacts, which are being felt already in many poor nations, are undoing the progress made in achieving the Millennium Development Goals (MDGs) and present the biggest obstacle to halving extreme poverty by 2015.

The Global Call to Action Against Poverty (GCAP) is an alliance of civil society organisations in 112 countries that was established in 2005 to strengthen civil society advocacy for overcoming poverty and inequality. GCAP's political declaration underscores the impact of climate change in the world's poorest countries where it is exacerbating poverty and inequality.

Rezaul Chowdhury of GCAP Bangladesh is at the Bali conference

to tell delegates of the impact of climate change in his country. “Tackling climate change is a question of justice for poor people. In Bangladesh, poor people have

“Sidr killed thousands of people and destroyed more than 40 per cent of our land.

This is a huge setback in terms of the efforts to eradicate poverty in Bangladesh,”

fallen victim to relentless and severe flooding and harsh droughts, devastating the lives and livelihoods of millions and this is being replicated in other poor parts of the world.”

Chowdhury is from the island of

Kutubdia in Bangladesh, which is being gradually submerged by water forcing most residents to become environmental refugees. He has been working to help people living in other small islands in Bangladesh that have fallen victim to rising sea levels. In recent weeks, he has been assisting in the area most severely affected by Cyclone Sidr. “Sidr killed thousands of people and destroyed more than 40 per cent of our land. This is a huge setback in terms of the efforts to eradicate poverty in Bangladesh,” he said.

GCAP urges delegates to remember during their negotiations that poor people all over the world are experiencing the impact of climate change today.

* Contributed by Global Call to Action Against Poverty

REDD Hot!

REDD continues to stay hot in Bali this week. Two issues have emerged as contentious: forest degradation and subnational approaches.

Since COP-11, the use of national baselines founded on historical baselines has been seen as critical to the integrity of a REDD system for parties and NGOs. Without national baselines, leakage is a real danger – in other words deforestation could slow in one area but increase in another, with no change in overall emissions. National baselines don't completely eliminate this problem, but they go a long way towards that goal, since many of the drivers of deforestation stay within national boundaries.

Subnational approaches, which some parties are calling for, pose significant leakage problems and baseline uncertainties. This would also undermine biodiversity objectives. For these and other reasons, project based deforestation activities were not included in the CDM. *ECO* considers that national approaches are superior to

project based ones. *ECO* recognises that some countries currently may not be able to account at the national level. Therefore capacity building and support needs to be undertaken as a priority for countries to implement a national level approach.

Whilst the complete removal of forests (deforestation) has been identified as a crucial source of emissions needing urgent action, degradation (increased emissions from forests without destruction of their canopies) can also cause appreciable emissions. Degradation is caused generally by selective logging, understorey burning or small-scale agriculture, and in some countries may be a greater source of carbon dioxide than conventional deforestation. Furthermore, degradation is often a prelude to complete deforestation, as for example when logging roads open up areas to crop production and ranching. The current debate focuses on whether degradation should be included as part of the system to reduce

forest emissions, or whether it should be confined to deforestation alone.

There's no doubt that deforestation can be detected more accurately and cheaply than degradation. Measuring degradation requires finer resolution imagery coupled with ground-based measurement, significantly increasing technical demands and cost. New techniques promise to improve this, but it will take time and a substantial investment in capacity building, especially for poorer tropical countries where it is likely to be most important. *ECO* recommends that SBSTA examine the implications of including degradation within the mechanism and examine IPCC methodologies on deforestation and degradation to assess whether they are adequate.

It is crucial that these issues do not derail the need to see deforestation included in the Bali Mandate. If they are not resolved soon things could get REDD hot in Bali before the end of COP-13.

Pacific Islanders Call for Urgent Action

People of the low-lying Pacific Islands, who have contributed less than 0.06 per cent of global emissions and yet find themselves paying the price of climate change, call for urgent action from delegates to this climate summit.

Any failure they say would constitute a fundamental breach of universal human rights. Threats faced by these islanders include:

- severance of their intimate connection and relationship with the land, together with sacred sites and ancestral ties
- salinity of their water supply
- loss of food supply

- destruction of shelters. To help address these issues, Annex I countries are called upon to:
 - fulfil their moral and ethical obligations that demand commitment, compassion and sacrifice
 - contribute generously to fund urgent adaptation programmes that ensure the preservation and integrity of cultural heritage and identity
 - provide just access to labour markets
 - engage indigenous people in the ongoing discussion, consultation and decision making process.



Pacific islanders face destruction of their shelters and loss of food supply.

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what the science calls for". Earlier this year, the IPCC supported this range for Annex B countries.

Recent confusing media comments on Australia's position, and Rudd, as the new Prime Minister, calling for further economic analysis before taking on new binding national emission obligations, should not distract Australia from the decision at hand.

There is nothing inconsistent between Australia supporting an aggregate 25-40 per cent emissions reduction target for Annex B parties and Rudd's insistence that Australia determine its own national target "based on the merits, and based on the advice that [it] will get through the [Garnaut] commission of inquiry", reporting mid-next year. Indeed the determination of national targets is also a task on the Ad Hoc Working Group (AWG) work plan for the next two years.

Next week Rudd will be the first Australian Prime Minister to ever attend an international environmental conference. But it is essential, before he arrives, that Australia take this critical opportunity to explicitly support the conference's science-based target range of 25-40 per cent for Annex B as a whole, "to bridge the gap between the positions of the developed and developing world on future emission controls", and ensure the necessary deep cuts called for by best science.

US Heads toward Climate Legislation

This week the United States Congress took a historic step toward comprehensive mandatory climate legislation, further underlining the stark contrast between the US delegation's do-nothing, wait-and-see rhetoric here in Bali and local, state, and congressional will to act on climate change back in the USA.

On Wednesday, December 5 the US Senate Environment and Public Works Committee approved a bill to create mandatory, binding limits on national greenhouse gas emissions in the country.

This bill, the bipartisan Lieberman-Warner Climate Security Act, would cover 85 per cent of the economy under a cap-and-trade system, as well as mandating energy efficiency measures. The bill now goes to the full Senate for a vote.

While President Bush remains opposed to mandatory emissions limits, US public opinion increasingly supports meaningful action on climate change. If the Congress passes legislation by this summer, President Bush will be forced to choose between a politically costly veto on the eve of

the presidential election and betraying his arch-conservative core supporters.

The cap would put the US on a steep reductions path to 18-25 per cent below 2005 levels by 2020. The bill creates incentives for developing countries to reduce national level deforestation – international forest carbon would receive a set-aside of 2.5 per cent of all allowances.

The bill approved yesterday echoes actions that have been taken across the country by states, cities and businesses. Most of the nation is finally ready to start confronting their responsibility to address global warming, while the White House resists making any firm commitments.

For example, over the last four years, 25 states, which contain more than half of the population of the US, have joined regional plans to cut their emissions. The first one was the regional initiative of the north-eastern states, which commits 10 states to reduce power plant emissions by 10 per cent by 2019.

Then earlier this year, six western states set a regional goal of

overall reductions from 2005 levels of 15 per cent by 2020. And just last month, six mid-western states agreed to set up their own cap and trade programme. Three other state governors, including those from Colorado & Florida, have made their own commitments to reduce emissions by 80 per cent.

In addition, 27 states have mandated targets for renewable energy, and 12 states have set the goal of 30 per cent reduction in greenhouse gas emissions from passenger vehicles by 2016. These states represent 52 per cent of the US population.

New York City has passed legislation to cut emissions inside the city by 30 per cent by 2030. And over 725 US cities have signed the Mayors' Climate Protection Agreement, pledging to advance the goals of the Kyoto Protocol.

While these measures do not yet make deep enough cuts to stave off the 2°C threshold of dangerous climate change, "the other US" is beginning to emerge, finally willing to take action despite the inertia of the Bush White House.

“Fossil of the Day” Award

First prize yesterday was awarded to Australia for going back on its word over the last 24 hours. Australian delegates announced Tuesday they supported 25-40 per cent emissions cuts for developed countries by the year 2020. Soon after, new Australian Prime Minister Kevin Rudd stated Australia does not “accept those targets as binding...” despite these targets originating in the IPCC report, and still enabling Australia to set its own national target within that range by 2009.

Second prize went to Saudi Arabia for the most inappropriate hyperbole so far of suggesting funding technology transfer amounted to bribery. In

the informal Contact Group on the Convention yesterday, they accused certain developed countries of bribery for suggesting there be an increase in funding to developing countries for adaptation technology. They argued this potential funding amounted to very little and was already an obligation already under other conventions.

The US came in third today for announcing they no longer agreed with Australia on the Kyoto protocol. US Under Secretary of State Nicholas Burns said: “We do not see eye to eye with Australia and other countries on the wisdom of signing the Kyoto regime, that's obvious.”

Errata: Tuesday's third place fossil was awarded to the EU for explicitly endorsing the current modalities of the GEF and World Bank. *ECO* apologises for the accidental reference to the secretariat.

The Fossil-of-the-day Award is given nightly at 6pm at BICC Booth 44 to countries that block progress at the United Nations climate change negotiations. The winners are chosen daily by a vote of the Climate Action Network, which comprises more than 400 NGOs from every world region.