

# ECO



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## Ingredients for a credible decision on the AWG

Greetings from Oslo where the Nobel Peace Prize was awarded last night! *ECO* had another great party there. That is until the phone started ringing off the hook. *ECO* received some serious complaints about the work underway in Bali.

So let us remind you, dear negotiators, of what you need to do to turn the best available scientific advice into a credible decision on the open-ended Ad Hoc Working Group (AWG), on the Article 3.9 process, to adequately prepare for the Kyoto Protocol's second commitment period.

1. Create a shared vision that draws directly on the Fourth Assessment Report as originally proposed by your Chair under para 2, in particular:
  - the range of Annex I emissions reductions of -25 to -40 per cent by 2020 from 1990 level.
  - a peaking of global emissions in the next 10 to 15 years.
2. Avoid dangerous climate change by requiring the rich to take on legally binding quantified emissions limitation and reduction objectives.
3. Highlight that industrialised countries need to take on national caps. Sectoral agreements are only appropriate for energy-intensive industries in emerging economies.
4. Avoid a gap in the markets by signing

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5. Cover emissions from international bunker fuels (aviation and maritime) and strengthen the scale of reductions to reflected their inclusion.
6. Establish the scale of emissions reductions in 2008; this work really does not need to take more than one year to complete. Agree on new national targets as soon as possible but no later than 2009.
7. Inform this AWG process through a robust Article 9 review, including the adequacy of the flexible/financial mechanisms. Though clearly, the intent of Article 9 is not to reopen the discussion on the type of commitments, base year or length of commitment periods.
8. Commence work on a fair allocation and differentiation system as soon as possible.
 

After five years of hard work *ECO* thought we deserved a break from the inter-governmental process.

Do we really need to leave this cool city of Oslo for the very warm hallways of the Bali International Convention Centre to sort this out? And remember what George Orwell said: “sooner or later a false belief bumps up against solid reality.”

## Kyoto Protocol turns ten today

Happy birthday to you, happy birthday to you, happy birthday dear Kyoto Protocol, happy birthday to you! Today the Kyoto Protocol celebrates its tenth birthday. Isn't it fascinating we are able to commemorate this special day in Bali at the UN climate conference where we are hoping for a great success in the negotiations!

How lucky we all are to be able to meet this day together in a place where the sun is shining, with the sound of waves in the background and among people who have tirelessly nurtured the Protocol so that it now can take its first step towards the necessary emissions reduction goals, despite all the hardships it has faced since its birth.. For example, just when the Protocol was about to come into force, one of its fathers, the biggest developed country emitter, the US, decided to abandon its precious child. Luckily, the rest of the world, except Australia, kept a close eye on the Protocol until it finally came into force in 2005. Starting next year, the Kyoto Protocol will take its first steps toward becoming a foundation in addressing global greenhouse gas emissions.

What we have to do at Bali, on the Protocol's tenth birthday, is first to remember the promise we made 10 years ago to make Kyoto our future and to make the world a more sustainable planet. Then, we have to promise to see that the Kyoto architecture continues and we want deeper reductions after 2012 when the first commitment period ends. Only with this new promise can the Protocol continue to play its crucial role of preventing global warming to go beyond the dangerous threshold. It is our responsibility to make this happen here in Bali. We wish you many more birthdays!

## Decision on the Adaptation Fund

An audible sigh of relief went up in Plenary 2 yesterday evening as the gavel came down, putting an end to debate and announcing acceptance of a decision on the Adaptation Fund. The Fund will finance desperately needed "concrete adaptation projects and programmes...based on the needs, views and priorities of eligible Parties." Undoubtedly, however, there were also a few inward groans as the Global Environment Facility (GEF) was invited to be the secretariat of the Fund – albeit in an interim capacity. The World Bank will serve as trustee of the Fund, also in an interim capacity.

The Adaptation Fund Board will be composed of 16 members, including two from each of the five UN regional groups, two each from Annex I and non Annex I Parties, and one each from SIDS and LDCs. Positively, eligible Parties and government-chosen entities can submit their proposals directly to the Board providing they fulfill eligibility criteria. Decisions will be taken

by consensus, and if consensus cannot be reached, decisions will be taken by a two thirds majority.

Encouragingly, the Board has power of review over all matters relating to the Fund including the institutional arrangements (GEF and World Bank) on a three year basis. But will this be enough authority to weaken the GEF if necessary?

The draft text did not pass quite as fast as the Chair would have liked. A number of small items of language and precision caused some debate principally between G77&China and Canada; in particular article 34 which provides for continued funding for projects in the event that the institutional arrangements are changed after three years. However, in a masterful show of ability, the vice-Chair was able to negotiate with the Parties and come to an acceptable conclusion without the need to resort to informal discussions. With a speedy wrist the gavel fell before further opposition could be raised.

## US up to the same old tricks

*ECO* is very concerned that the United States appears to be undermining progress here in Bali. We received several reports that the United States was blocking the negotiations. It appears that US negotiators are unwilling to discuss the range of emissions reductions required or financial and technology issues under the Dialogue. *ECO* also heard that other less high profile issues were being blocked at least in part by objections from the US. We are reminded of the negotiations in Montreal two years

ago when the US worked to delete the word "process" from the text.

*ECO* found no comfort in the hard lines taken by Dr Watson in the press conference yesterday. We were surprised to hear him dismiss the emissions reduction ranges as not a reliable guide the same day that the IPCC received the Nobel Prize. Those negotiations ultimately proved successful and *ECO* hopes these will as well.

## "Fossil of the Day" Awards

Saudi Arabia won first place for pushing language on response measures in Article 9 in the Contact Group, and then trying to block further discussion of 6c, the element of the Article 9 review that could add to the list of countries to take on binding emissions targets.

Saudi Arabia also came in second for trying to block progress within the G77&China on adaptation, even after getting the Group to support their position on response measures.

Canada and Japan won third prize for insisting on retaining the phrases "nature of commitments" and "commitment period and the base year" in the Article 9 review. This is a step towards changing commitments from binding targets to pledge-and-review goals, extending the commitment periods, and shifting the base year for emissions.



## The inconvenient truth about Canada's climate plan

The Canadian Government is holding a side event tonight to present its climate change plan. It hopes to convince delegates it has something to showcase and Environment Minister John Baird is scheduled to be star of the show.

Before the curtain rises, *ECO* would like to acquaint readers with a few real facts about Canada's climate plan.

First, Canada has opted not to meet its Kyoto target. The government has set a 2020 target that would keep Canada's emissions slightly above the 1990 level – a far cry from the 25-40 per cent reduction the IPCC has shown is needed from developed countries.

Worse, every independent review of Canada's climate plan has found it will fall short of even its own indefensibly weak target. The conservative C D Howe Institute concluded the plan would allow Canada's emissions to remain indefinitely above current levels. The National Roundtable on the Environment and the Economy (a government advisory body) found the plan "likely overestimated" the emissions reductions from all three of its key regulatory measures.

The bad reviews are mostly based on Canada's very weak approach to heavy industry emissions.

Instead of absolute targets, the government plans to use "intensity" targets for heavy industry. With this approach, Alberta's tar sands industry – the single largest contributor to the growth in Canada's emissions – could triple its emissions by 2020 and still meet its target. And, by as late as 2014, industry can achieve the majority of its target by making low-cost payments into a "Technology Fund" instead of actually reducing emissions.

Clearly, Canada needs to radically strengthen its feeble domestic plan before it is ready for prime time. *ECO* welcomes delegates to attend Canada's side event scheduled for 8pm in the Wave Room in the Grand Hyatt and pose these questions to Mr Baird.