



## COP8 must move forward

COP8 can build on last year's successful negotiations in Bonn and Marrakech which decided on the rules and paved the way for ratification – and implementation – of the Kyoto Protocol. But Parties must not relax in the expectation of a "sleepy" COP in Delhi. Although many of the issues are "technical" in nature, much is at stake here. On the agenda are topics crucial to maintenance of the environmental credibility of the Protocol as well as policies to address climate change and its adverse impacts adequately and equitably.

Of course, we are far from that. The Protocol with all its loopholes (Hot air, sinks – you know the list) is only a modest first step to combat climate change. Everyone knows much deeper reductions of CO<sub>2</sub> from burning fossil fuels are needed post-2012 if dangerous climate change is to be avoided. This year alone, we have witnessed a number of extreme weather events and resulting damage around the globe.

In addition, the Protocol is not on safe ground yet. Although more than 90 countries have ratified the Protocol – among them the EU, Japan, Poland, China, Brazil and India – it still has not crossed the threshold of 55 per cent of industrialised countries 1990 CO<sub>2</sub> emissions required to become a legally binding treaty. Russia, the largest potential beneficiary of all the loopholes contained in last year's agreements, has not ratified yet. Neither has Canada, which still maintains its indefensible demand of credit for "Clean Energy Exports" to the US.

Furthermore, policies to cut emissions in a credible manner to meet Kyoto targets domestically are still lacking in most

industrialised nations. Emissions are still growing from Norway to Spain and from Canada to Australia – not to mention the US, which is now the largest coal consumer worldwide, having overtaken China in recent years. A rare bright spot is Germany's recent commitment to cut its CO<sub>2</sub> emissions 40 per cent below 1990 levels by 2020, conditional to the EU (with at least 25 member nations by then) cutting its emissions by 30 per cent.

For the Climate Action Network (CAN), four main items on the agenda need to be addressed in Delhi:

### Clean Development Mechanism

#### Leadership by Executive Board

The Clean Development Mechanism's executive board (EB) has had a year in which to get the CDM off the ground. While they have moved the process forward, gaps remain that leave open the question of whether CDM will be a vehicle for clean development with real emissions reductions, or a giant loophole that advances neither environmental nor sustainable development goals.

Projects are now being validated that would have happened anyway. Because CDM credits permit increased emissions by Annex I countries, non-additional projects are obviously bad for the climate. They are also bad for host countries because they do not represent any new investment or transfer of advanced technology. Instead, non-additional projects merely play a role in wealth transfer to project participants which are frequently from Annex I countries.

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## Adaptation: Show us the money

At COP7, governments agreed to create new funds to support the efforts of developing countries in carrying out activities related to climate change, primarily adaptation. These included:

- The Least Developed Countries (LDC) Fund to support the LDCs in elaborating rapid assessments of their national adaptation priorities through the preparation of national adaptation programmes of action (NAPAs);
- The Special Climate Change Fund to fund adaptation, technology transfer, mitigation, and economic diversification (primarily for OPEC countries); and
- The Adaptation Fund to assist developing countries carry out concrete adaptation projects, which would be funded from the proceeds of the so-called "adaptation levy" on the proceeds of the Clean Development Mechanism (CDM) as well as voluntary contributions.

All three funds are to be channelled through the Global Environment Facility (GEF).

At COP6bis in Bonn, without deciding who would pay what and when, the European Union and its member states, Canada, Iceland, New Zealand, Norway and Switzerland collectively promised to provide US\$410 million per year starting in 2005 in new climate change funding. But now they assert that money provided through replenishment of GEF, and other unspecified bilateral and multilateral channels can be counted against this total. It is therefore not clear how much new money will be put at the disposal of the new funds, which were already inadequate. Funding from the CDM "adaptation levy" was also added to the list,

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Similarly, baseline methodologies designed to maximise credits fly in the face of the conservative approach designed to avoid over-counting. In an era of low carbon prices, conservative baselines are at risk of being sacrificed to the demands of tight-fisted carbon credit buyers.

The varying quality of project design and validation approaches cries out for EB guidance, beginning with the clear rejection of the worst offenders. Projects that would have happened anyway (or do not even bother to present an additionality argument) should be weeded out and prevented in the future. Baselines and additionality tests should truly be transparent and conservative.

The CDM EB needs to remember it has been delegated the responsibility to maintain the integrity of the CDM. With great power comes great responsibility

## Sinks in the CDM Keep reforestation definitions

Whilst NGOs have many serious reservations about the definitions, we reject any re-opening of the text that Parties agreed in Marrakech because it would set an appalling precedent. The majority of Parties, such as Costa Rica, China, Chile and all EU countries, support keeping consistent definitions for all articles. The COP should clearly reject any proposals to modify the reference date of 31 December 1989, as such proposals would create perverse incentives to deforest in the future, further reduce the price of sink credits, and undermine energy efficiency and renewable projects. And as sufficient data is available to implement the 1990 base-year definition, "data" is no reason to break open a long-fought definitions' debate.

### No mono-culture industrial plantations

All Parties should send a clear signal to project developers that industrial mono-culture plantations are not acceptable CDM projects. These projects threaten biodiversity and local sustainable livelihoods and undermine the CDM's integrity. Although they are likely to be excluded by rigorous carbon accounting rules for additionality, leakage and permanence, CAN urges Parties to explicitly exclude such projects from the CDM which undermine the environmental and social integrity of the CDM.

CAN is pleased to see a growing consensus around the T-CER (Temporary CERs with a five year lifetime) approach to permanence, which though not a full solution, is the only

credible approach to this unique sinks issue. Elements of Canada's risk management suggestions might be good ideas, in addition to, but not instead of, T-CER liability and rules.

CAN is less pleased to see a lack of meaningful social and environmental assessment criteria, and processes to consistently apply them. COP9 should adopt rules that unambiguously uphold the agreed principle that LULUCF activities "contribute to the conservation of biological diversity and sustainable use of natural resources".

## Science community and IPCC

### Look at low-CO<sub>2</sub> concentration scenarios

The last SBSTA meeting requested that Parties provide input on issues for further examination by the scientific community. One key issue is the range of scenarios to be run by the large climate models that can be used by the impact assessment and adaptation communities. Emission scenarios that would produce large levels of warming in the future have been or are being run by the main modelling groups on the request of the IPCC Task Group on Impact Assessment. Low emission scenarios corresponding to lower CO<sub>2</sub> levels are not. However, these are essential for the assessment of future climate change under a wide range of scenarios, and in particular for assessing in more detail the damages that can be avoided by emission reduction policies.

The IPCC Third Assessment Report had identified a number of damages and/or severe risks that arise if global mean temperatures increase by 1 to 2°C or more. These include: the meltdown of the Greenland ice sheet which would clearly be dangerous, leading as it would to sea level rise of several metres, as well as significant damage to crop production in tropical and subtropical countries, which could reverse progress towards agricultural self-sufficiency in many developing nations. According to the IPCC, a 2 to 3°C global mean warming would place 300 million more people at risk of malaria, 50-120 million more people at risk of hunger, 100 million more people at risk of coastal flooding, more than three billion people at risk of water shortage, and losses of unique ecosystems and substantial damage to coral reefs.

The IPCC Task Group on Impact Assessment has requested that modelling groups run a scenario for 450 ppmv CO<sub>2</sub>, which with other gases would correspond to stabilisation at around 550 ppmv CO<sub>2</sub>.

equivalent level, or about double pre-industrial concentrations. This would produce a long term temperature increase of around 2.5°C (for a climate sensitivity of this level for doubling CO<sub>2</sub>). For a higher climate sensitivity, of which there appears to a significant probability, the temperature increase would be higher. Hence this new IPCC "450" scenario would produce global mean changes that would bring all of the above impacts into reality. Surely, then it is essential that the IPCC request lower scenarios be run by the modelling community. An appropriate lower scenario would avoid a 2°C warming and lead to declining global mean temperatures from late in this century into the future. The IPCC should do it.

## Adaptation

Adaptation has not had the attention given to mitigation but it has not been forgotten. It formed an important part of the Marrakech Accord adopted at COP7, which provided a range of new funding mechanisms. The basis for a solid adaptation framework is there, but it needs elaboration and, importantly, more funding. (See frontpage article for details.)

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last month, in Footnote 7 to the review of GEF implementation of the Convention, even though this GEF funding is supposed to exclude CDM money. Moreover, the "adaptation levy" on CDM projects is unlikely to be up and running before the end of the first commitment period when CDM project proceeds become available. Since the creation of these new funds, the only one that has received start-up cash is the LDC Fund"—a grand total of US\$10 million thus far.

These funding commitments are woefully inadequate and the US and Japan are noticeably absent from the list of contributors. And now, the world's rich nations are backtracking on the already meagre promise that was integral to securing the Bonn deal, jeopardising the kind of North-South trust-building so essential to the long-term climate process.

To show progress at COP8:

- Funding must be demonstrated to be additional to existing ODA and to the CDM;
- The newly created funds must be well-resourced in order to function properly, so the proposed US\$410 million should go to these new funds;
- Developed countries must agree to increase their level of funding;
- The provision of funds should be mandatory, with responsibility allocated according to the polluter pays principle.