CLIMATE NEGOTIATIONS BANGKOK SEPTEMBER-OCTOBER 2009 NGO NEWSLETTER

eco

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POLITICAL WILL ISSUE

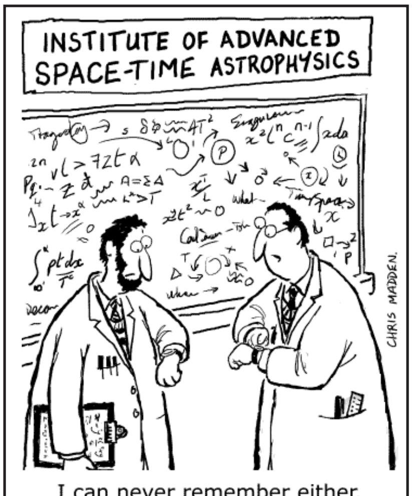
Eco has been published by Non-Governmental Environmental Groups at major international conferences since the Stockholm Environment Conference in 1972. This issue is produced co-operatively by CAN groups attending the climate negotiations in Bangkok, September-October 2009.

No Time to Lose

All the talk about how little negotiating time remains before Copenhagen inspired ECO to turn to our dictionary of quotations for wisdom and guidance. Apparently 1960s British artist Andy Warhol once said: "They say that time changes things, but you actually have to change them yourself."

This is just how ECO feels about the time available to negotiators to fulfill the promise made in the first paragraph of the Bali Action Plan: "To launch a comprehensive process to enable the full, effective and sustained implementation of the Convention through long-term cooperative action (LCA), now, up to and beyond 2012, in order to reach an agreed outcome and adopt a decision at its fifteenth session."

ECO wants the Copenhagen talks to get the best possible start. More than talks, it requires that political blockages around the big ticket items of Annex I emissions cuts and financing contributions be overcome. But time cannot be made the scapegoat. The missing ingredient this week has been political will, not time. Former US Senator Jesse Jackson said: "Time is neutral and does not change things. With courage and initiative, leaders change things." There has been no lack of opportunity for our leaders to put their minds to resolving their differences. They have met at the G8, the MEF, the G20 and at the UN Summit, and they will meet again at the COP. But no number of additional talks, either under the UN or other auspices, will make up for their failure to table an offer that negotiators can sink their teeth into.



I can never remember either. Is it 'Spring back, fall forward'?

Here in Bangkok, negotiators have clearly shown they can trim text even when their instructions prevent agreement. Imagine what they could do if they were told to deliver! If leaders deliver the mandate for a real deal in Copenhagen, that may mean extending the Barcelona session for an extra week. Or scheduling another session and continuing negotiations straight through to Copenhagen, with provision for the Haj season.

And what of the mandate required for negotiators to trim more text? There has been general support for the work undertaken by the facilitators in preparing papers to facilitate negotiations. So, a mandate for the facilitators to produce revised negotiating texts will be an important extension of the consolidation work that has already been underway this week. Starting Barcelona with a shorter text, setting out clear options in the key areas for discussion will put the negotiations on track for Copenhagen. With a good text basis for LCA negotiations and by genuinely advancing discussions under the Kyoto track, Barcelona can be a success. For good measure and to help speed things along, maybe it is also a good idea to invite Ministers to join delegations in Barcelona. Since dinner in Spain is not served until 11pm, Ministers would have plenty of time over tapas to starting bridging the gap.

Baby Steps on Finance

The US proposal on financial architecture has received considerable interest over the last few days, and with good reason. It is an interesting mix of new and old, good and bad, promising and perverse.

ECO can see movement in two respects. First, after consistently resisting calls for a new institution, the US has now endorsed the creation of a new fund. Second, as Article 11 requires, the US has agreed that the fund should be under the guidance of and accountable to the COP; that the COP should determine its policies and priorities; and that it should have balanced and equitable representation of all Parties.

The more cynical among ECO readers may wonder whether restating the provisions of the Convention really counts as progress. But we will take movement wherever we can find it. After all, in the quest for a useful negotiating text, we could do a lot worse than the Convention itself.

It now appears that we have a broader basis for agreement on parts of some critical issues of financial architecture and governance (we are assuming, of course, that the silence of some other umbrella Parties and the EU can be taken as assent). And it would appear that the US has heard the concerns of developing countries regarding simpler administrative procedures and, perhaps, on direct access to financing.

The proposal may also provide a basis for a deal on another contentious issue – the use of existing institutions. Many Parties have expressed their bitter experience and deep frustration with the procedures and governance of multilateral development banks. And while

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LULUCF Report Card

End of term is nearing for LULUCF and ECO presents the report card for some Parties, indicating their grade based on interesting statements made in Wednesday morning's contact group on Annex I Parties' emission reductions.

ECO notes that this subject is a difficult one with several Parties routinely handing in incomplete assignments and struggling to understand the basic concept: account for emissions.

European Union: D

Although the EU's intervention was fairly focused on the implications of LULUCF for targets, it allowed a glimpse of that most troubling idea of projected baselines (an idea the EU just does not seem able to shake). Surprise, surprise: they estimate that the impact of this approach on EU targets is zero, because it is defined to be so! The EU gets a D for handing in an incomplete assignment with a non-position that points in all directions, some of which are absolutely unacceptable.

New Zealand: D

For continuing to parade its graph showing that their planned harvest of forests creates an unacceptable hit on the national accounts. The graph on page 13 of their submission (not shown during the contact group) shows that these unacceptable forest management debits are balanced by credits from afforestation!

Canada: C

Canada deserves kudos for being the only Annex I Party to explicitly observe that countries need to account for emissions from all management activities. However, the code behind their accounting principles is clear: remove all natural disturbances from the inventory, use projected business-as-usual baselines, and account for carbon stored in wood products.

Japan: C

Japan had a mixed performance: good marks for observing that forest management projections are not a good idea, but demerits for their continued support for the existing rules when what we really need are rules with greater environmental integrity.

Australia: B

ECO considered handing out the only A for an Annex I country to Australia for being the only country to propose that the national emission reductions target apply to LULUCF as for other sectors. Great idea! But then ECO remembered that Australia had very high deforestation emissions in 1990, and that this proposal would (coincidentally?) make it much easier for Australia to meet ambitious targets.

Norway: B

Norway almost got a high grade for being willing to accept a simple accounting approach of measuring changes in emissions since 1990, but slipped behind when it observed that special adjustments may need to be made for some countries.

G77 & China: A

For giving Annex I Parties a wake-up call and proposing the revolutionary concept that the same set of simple rules should apply to all Annex I Parties: account for changes in emissions/removals compared to a base year. Although their proposal to apply a cap to the entire LULUCF sector is difficult to evaluate without more information, it appears that they are interested in using it to ensure that mitigation happens both in LULUCF and in other sectors. Makes sense to ECO! Finally, G77 & China have rightly called for a resolution to these negotiations by Barcelona so that new Annex I targets can be agreed in Copenhagen.

Micronesia: A

As well as supporting the call for simple, transparent accounting and environmental integrity, Micronesia also added some humour to the discussion in describing the data submissions by Annex I Parties: "Whoops, data gaps! Whoops, data uncertainty! Whoops, different rules for everyone!"

Africa Must Unite on REDD

Africa's forests are attracting increasing attention. And for two good reasons: One, they hold great potential as a carbon sink. Two, unsustainable land use, agricultural expansion, commercial harvesting and urbanisation are causing massive deforestation and forest degradation.

When African REDD negotiators put together their country strategies, ECO highlights that for REDD to work for Africa the first step is to recognise the complexity and diversity of Africa's forests as a whole. Their forest cover is about 635 million ha and account for 16% of the world's forests. Seventy per cent of the African people depend on forest resources for their survival. As forests and trees play a crucial role in the socio-economic development of the people, thinking of Africa in a united manner and diversifying livelihood options for the poor would ensure greater REDD success in Africa. At the same time, the underlying causes of deforestation and degradation must be addressed.

– Baby Steps on Finance

ECO is not a Party, we cannot see giving a policy-making role to an institution like the World Bank. Its own senior sustainable development economist recently called the Bank's continued support for coal a moral imperative. Another contentious issue is a reaffirmation and expansion of the role of the GEF, which may provide additional fodder for developing countries to resist this proposal.

But we understand that the US may wish to use existing institutions only for fiduciary oversight and auditing functions, leaving the substantive work to the new mechanism and its technical panels. If this is indeed the US position, they should say so clearly. Nobody wants to see this money squandered, so the need for strong fiduciary oversight should attract broad support.

Unfortunately, the US proposal brings us no closer to agreement on a number of other key issues. All countries except LDCs will be expected to contribute, and there are no guarantees that the funds that are made available will be new and additional to existing ODA. And assessed contributions are off the table. Instead, the fund is to be replenished on a voluntary basis. Periodic pledge parties, rather than a common understanding of historic responsibility and capacity, will determine contributions. This ECO is told will maximise contributions and provide predictability.

Other issues remain to be resolved. Key among these are the specific makeup of the board, how it will be appointed, and whether there will be separate thematic windows. But for the US, these issues can be negotiated. The key point is that it provides sufficient fiduciary assurances that donors will put money into it.

Of course, fiduciary oversight is only an issue if there is actually money to safeguard. Now let us see some movement on scale. ECO has previously stated that US$150 billion of public financing is required to deal with climate change in developing countries.

C'mon Aussies

Australia seems to be making progress – moving recently from its insistence on ending at 6pm to allow an extra hour of fun for KP discussions. But Australia, this simply will not do. We cannot get to an ambitious agreement in Copenhagen under such conditions. You have got to do away with the pleated pants and pocket protectors, let your hair down and get ready for some late nights and long fights, but we promise the climate will thank you in the end. Furthermore, what are you possibly going to do in Barcelona at 6pm? The restaurants are not serving dinner and those "friends" of yours are a bad influence. Australia, it is time for you to become climate cool.