

Adaptation is Additional by Definition

As negotiators continue to wrangle over procedural issues in the adaptation contact group, Parties should be preparing for a possibly contentious debate on an issue that is nonetheless essential – the additionality of climate finance.

ECO has overheard very few developed countries in the corridors who are ready to provide climate finance in addition to their obligations to provide 0.7% of gross national income (GNI) for overseas development assistance (ODA). Most developed countries apparently hope to get away with cherry-picking their future aid budgets to meet the potential provisions of a Copenhagen agreement on financial support for adaptation (and mitigation as well) in developing countries.

There are some important reasons why climate finance needs to be *additional* – and that means not only additional to existing ODA flows, but additional to ODA targets.

First: Finance for adaptation is not aid but *advance compensation* for climate change impacts experienced by developing countries from emissions by developed countries.

Second: The pledge to deliver 0.7% of developed countries' GNI as aid was made long ago – and long before the additional burden of climate change became apparent. To be sure, 0.7% is not exactly a huge amount of money if we are to achieve the Millennium Development Goals (MDGs), and the developed countries aren't on track for their ODA targets on the MDGs. Not even close, in fact.

Third: In a fair Copenhagen agreement, developed countries would have to provide public finance of at least \$50 billion per year for adaptation (and \$100 billion for mitigation and other needs). If just a portion of these totals were to be obtained by diverting money for climate change purposes from future aid budgets, this would come at the expense of already scarce resources needed for basic education, health care, sanitation, housing and poverty eradication.

The argument is often heard that adaptation interventions cannot be considered as separate from development. However, while it's true that adaptation efforts should be *consistent* with poverty reduction and development programs, adaptation funding must be *additional*.

An increasingly hostile climate makes development increasingly expensive. This necessitates new resources for agriculture, increases in social and private insurance, and investment in new buildings and infrastructure, to name only a few. These are the costs of adaptation, and they are by definition additional. Therefore, adaptation financing should also be truly additional, and not extracted from future aid budgets.

ECO will be listening closely when developed country colleagues speak on their plans to provide new and additional financial resources. If the LCA adaptation text in para 14(p) made the 0.7% target explicit, it would have it just right. So developing country delegates may wish to focus on this paragraph when working on the finance chapter of the LCA text.

Don't Slide Back, New Zealand!

ECO was a bit shocked, but not really surprised, to learn today that New Zealand is stepping away from even the lower end of its weak mid-term emissions reduction target. Speaking to *Point Carbon*, New Zealand's climate change ambassador said that "if our conditions are not met we reserve the right to drop (our target) below 10%." So now you know, New Zealand's 10% to 20% is actually "do nothing" to 20%.

The truly off-key note in the interview was New Zealand's excuse for not having a unilateral target: "We didn't think there was any point in setting a low-ambition figure." Mind you, could we expect any more from a country whose emissions trading scheme is slated to be so pathetic that New Zealand's emissions will continue going up well after 2020.

– *Parties Light-Years Apart on Financing, page 1*

was spelled out and agreed to by all.

A number of developed countries fought hard to get rid of the very first paragraph in the finance text referring to the "substantial gap" between resources required and those that are currently available. Most disturbing was Canada's intervention suggesting that the entire paragraph was "too negative" and that the negotiating text should have a more positive tone.

While the negotiations have been tied down for months by the stubborn refusal to put forward specific funding commitments from developed countries, the very same countries are now pointing their fingers at the developing countries and suggesting they should put money on the table for climate action.

The US "generously" recognized the need to scale up finance while counting carbon markets as financial transfers. It's not clear whether they are talking about scaling up offsets, and thereby allowing developed countries more opportunities to avoid their obligations at home, or scaling up crucial public financial support to developing countries.

Furthermore, during Monday's curtain raiser press conference, chief negotiator Jonathan Pershing made several statements indicating that the US team has not advanced their positioning on finance since Bonn I. The US ought to have come to Bangkok with numbers on the table, and not with a strategy that is sure to continue stalling the negotiations on financing.

Despite cheery advice from Canada, the predictions for the residents of Metro Manila and other climate-vulnerable areas seem bleak, until developed countries come to the table prepared to fulfill their commitments in Copenhagen.

– *Playing the Convention Against the Plan, page 3*

measures from the adaptation discussion and places it under mitigation. That's how parties agreed to effectively implement the terms of the Convention. If OPEC members are truly serious about implementing the Convention, then their course of action is equally clear. Stop playing the Convention against the Plan – drop response measures from the adaptation discussion.



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Time for a Course Correction

The Bali Action Plan (BAP) provides a clear timetable and outline for negotiations aimed toward a fair and effective deal in Copenhagen. That outline differentiates between the mitigation commitments of developed countries and the MRV actions undertaken by developing countries.

The BAP did not, however, provide space for the crucial overarching discussion on architecture. That includes a discussion about the relationship between an enhanced Kyoto Protocol (or a successor Protocol) and the legal outcome of negotiations under the LCA. This architectural debate goes to the heart of the Copenhagen outcome.

Such a discussion will have to include consideration of the comparability of the efforts of those rich countries that have avoided doing so under Kyoto – especially the United States – and those who have

inscribed their commitments in Annex B. It should fully consider all architectural proposals that aim to flesh out all the requisite responsibilities, as the climate regime evolves and builds on the solid foundation the Convention provides.

ECO has been a bit surprised by the confusion the US was able to create with its call for a discussion of the "common" elements of the BAP. Indeed, it is the US that is on review until it is ready to commit to doing its fair share, both in reducing its own emissions and taking on a concrete financial obligation. The clock is ticking on the US Senate turning the good intentions of President Obama into legislative action. Today, the main bill from Senate leadership is being released: game on. The countdown to Copenhagen continues.

As for the developing countries, based on what they have been tabling recently,

like China last week, they have nothing to fear. Developing countries need not be defensive, and they should welcome a broader debate on architecture.

ECO calls on all delegations to enter into this debate with an open mind, without dwelling too much on the motivations of the US. We welcome political statements if they are used as a means to clarify country positions, rather than as detours slowing down progress towards an equitable and ambitious deal that has real environmental integrity.

These refinements to the course of the debate would help shorten the negotiating text to its bare essence, by articulating areas of convergence and divergence in legal terms and conducting actual negotiations, rather than further process discussions. Yet for all the diplomatic niceties: this is a fight worth having.

Parties light-years apart on finance

Mind the gap?! That looks like the understatement of the year. A *Grand Canyon-sized divide* would be a better description of the distance between the amount of public support available for mitigation and adaptation in developing countries, and the actual scale of financing required according to an ever-growing stack of

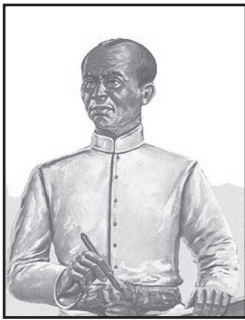
authoritative assessments.

While the deplorable lack of funding for climate change adaptation is clearly being felt right now by the millions of residents of Metro Manila, and many more poor communities are suffering from monsoon disruption and related crop failure in South Asia, developed countries seem to be

frozen in place, eyes tightly closed and voices strangely silent.

So far this week, the discussions in the LCA finance contact group have plainly highlighted how a good many developed countries are attempting to renege on the agreement reached in Bali, where the need for their support to developing countries

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สุนทรภู่

I observed a curious thing
A leader of a great country, like a King
Invited to meet the great leaders of the world
To make merit in the hall of nations united
Joining together to pledge together
To cleanse the sky

But instead this leader, they call him Harper
Made way to a local place within his Kingdom
Stopping neither at temple nor palace
He made his way to a place of commerce
A symbol for the nation to be sure

And though I too often delight in coffee and pastry
In our wonderful land Siam
And many tell of the convenience and the value
At the sign of Tim Horton
A great leader must rise to great occasions
Or lose face in the eyes of his own people and the world

Sunthorn Phu, often called Thailand's greatest poet, has been making astute observations on matters great and small since the early 1800s. His great epic poem, Phra Aphai Mani, was over 20 years in the making, about the time the climate negotiations have taken.

"Yesterday, while Obama spoke to the General Assembly, Harper was in Oakville, touring a Tim Horton's "innovation centre" and touting his government's tax policies. And on Tuesday, when Obama and others addressed a conference on climate change, Harper had a grip-and-grin with New York Mayor Michael Bloomberg." -"Obama shines, Harper absent", Toronto Star



A Sugar-Coated Dinosaur arrived at the doors of the Canadian Embassy, yesterday...
Go to: <http://tinyurl.com/yaja5qp> to savour the moment...

Playing the Convention Against the Plan

The "response measures" discussion – which OPEC countries seem to want included in absolutely every negotiating context, regardless of what Parties have previously agreed – drags on in the most inappropriate places. Why compensation for potential loss of oil revenues should be considered in the same breath as supporting adaptation for the world's most vulnerable countries and communities has been a deep mystery to many Parties – and to ECO - for some time.

Sure, response measures is an important issue. It should be discussed, and it is – in the KP and LCA mitigation groups. But shoe-horning response measures into the LCA adaptation box is a problem. It takes time and energy away from addressing the more urgent needs of countries that see the impact of climate change not only on their bottom line but on their declining elevation above sea levels and their fight against hunger. All this reduces trust, and it diminishes the likelihood of an effective

adaptation outcome.

Various Parties have made the call for some time for response measures to be dropped from the adaptation discussion. Despite that, the Saudi intervention in the opening day's LCA adaptation contact group took a legalistic tone. Response measures are in the same sentence of the Convention as the needs of countries affected by the impacts of climate change. Therefore, it is said, they should remain in the adaptation discussion.

But the Algerian negotiator may have inadvertently given us a way out from OPEC's desire to keep response measures in the adaptation arena. Speaking in support of the Saudi intervention, he pointed out that the Bali Action Plan does not replace the Convention, and is expressly for the purpose of facilitating its effective implementation. In short, "Don't play the Convention against the Plan."

ECO couldn't agree more... though maybe not in the way he was hoping. The Bali Action Plan clearly separates response

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Uncooperative Landings

Q: Do you know how big bunker emissions are?

A: 1,184 million tonnes - more than the 6th biggest emitting country (Germany).

Q: Do you know what proportion of a 2° GHG budget they would take up in 2050, if we do nothing?

A: Two-thirds, according to one wise delegate yesterday.

Q: What have IMO and ICAO done to reduce them since 1997?

A: Nothing . . . well, they haven't passed a single binding measures at any rate.

Q: Do you think the Parties at the UNFCCC know everything they possibly need to know about bunkers?

A: Are you joking? Were you listening to the 1(b)(iv) discussion yesterday?

Q: Excuse me, I'm supposed to be asking the questions. What does 'country of beneficial ownership' mean?

A: It refers to where the company that ultimately controls a ship is registered.

Q: And is that a good way to differentiate between Annex I and non-Annex I shipping?

A: Well, no. Companies could just re-register in developing countries if it cost less to do so. Just as they would change flags if policies applied to Annex I-flagged ships only.

Q: Sounds complicated. Where can I learn more about it?

A: There was some talk of a Q+A session on bunkers... but a few Parties objected.

Q: Why would they do that? I heard you could raise billions of dollars from these sectors. Surely they want to discuss that?

A: No, apparently they want to leave it to IMO and ICAO.

Q: The policy or the money?

A: Both, apparently.



Fossil of the Day 29.09.09

1st Place: Algeria

Algeria suggested in the LCA Contact Group on Adaptation that response measures should be addressed under adaptation. We award Algeria the fossil of the day for blatantly not representing the interests of the African Group. African countries are vulnerable to climate change, not decreasing oil revenues. Cynical, Algeria, cynical!

2nd Place: Kuwait & Saudi Arabia

Both countries attempted to further dilute the rules of the CDM in Tuesday's informal, proposing that a potential CDM 'positive list' include "clean fossil fuels" without any further elaboration on what that would include. "Clean fossil fuels" is a Pandora's box including a range of technologies allowing coal, gas and oil production into the CDM. These are non-additional and not sustainable, a key requirement for all CDM projects.

3rd Place: United States of America

In yesterday's contact group on mitigation, the US, supported by a portion of the Umbrella group, the EU, Costa Rica and Columbia, put forth a proposal to create a sub-contact group on common elements of mitigation between developed and developing countries under the Bali Action Plan. Failing formation of the sub-group, the US threatened that if the proposed new groups were not formed, all discussion should revert to the full contact group, putting a halt to work of multiple subgroups. The fossil is being awarded to the US for rolling out demands on the process when they themselves have yet to help build a constructive process by putting forth emissions targets or figures on finance.

The Climate Action Network (CAN), a coalition of over 450 NGOs worldwide dedicated to limiting climate change to sustainable levels, regularly judges and presents three 'Fossil of The Day' awards to the countries who perform the worst during the past day's negotiations at UN climate change conferences. The Fossil-of-the-Day awards were first presented at the climate talks in 1999, in Bonn, Germany.