

# ECO



*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 Poznań, December 2008.*

## All Aboard for Copenhagen

Delegates may have heard the recent speculation that getting a strong climate deal in Copenhagen is not possible. Excuses include: the US won't be ready with cap and trade legislation before then, because the 2009 work program is too ambitious and because the horoscopes in this weekend's paper are rumoured to say "Jupiter crossing Saturn makes preventing dangerous climate change a bit difficult in 2009".

ECO reminds delegates that the Bali Action Plan committed parties to clinching a decent deal by the end of 2009 for a reason - there can be no gap between the first commitment period of the protocol and the emission reduction commitments that follow. Delaying an agreement past Copenhagen also delays peaking global emissions. The peak has to happen as soon as possible in order to keep warming below 2 degrees.

There's been some suggestions that the US can't sign up to a specific target until they pass a cap and trade scheme. Funny thing is, that's exactly what the EU did in the first commitment period of the Protocol. Delegates shouldn't need to be convinced that Obama is committed to acting quickly. He's said he'll immediately start working with congressional

leaders to craft a climate bill, and he's also fast tracking an economic investment package that will include major new investments in energy efficiency and renewable energy.

There is no reason the US - or other industrialized countries for that matter - can't move quickly on domestic climate policy and generate the financial resources for adaptation, clean technology and REDD needed to secure an ambitious and equitable climate deal in Copenhagen next December.

It's a matter of political will. Look how quickly politicians across the world have been scrambling to implement economic recovery packages that collectively add up to several trillion dollars worth of new spending. Especially considering the massive costs associated with the impacts of climate change, a strong climate deal in Copenhagen that gives us a fighting chance to save the planet, is just as doable - and much more worth fighting for.

Ministers coming to Poznan next week must reaffirm the commitments made in Bali and make crystal clear their intention to negotiate a strong post-2012 climate agreement by COP15 in Copenhagen.



*ECO looks forward to the famed Danish Hospitality*

## Early Christmas in Europe

Brussels seems to have organized an early Christmas this year... Nicolas S. (EU's current father Christmas) - nearly unrecognizable under a big long white beard, and a massive bag of goodies - roams the streets. He already gave Angela M. a nice big fuel-inefficient Mercedes that she can keep on using until 2015, and maybe even beyond. In Sweden he left a big bag of offsets, for his friend Fredrik R. While Gordon B. is sitting very merrily in his Scottish carbon storage cellar, funded by EU money...

But he's saved the biggest gift for last. The European manufacturing industry will continue to receive almost all pollution permits for free until at least 2020 under the post-2012 Emissions Trading Scheme (ETS). "En cours de route" Père Noël S. has fully endorsed the "polluter gets paid principle".

So who was that last gift for? ECO has a clue. We know Angela M. stalked him 24/7 for it, but he already had that car picked out for her. Perhaps it was for Yves L. - aka Chemical Yves - from Belgium? Or Silvio B. - the veto king of Italy? No, the biggest present goes to the Elysee in Paris. Few people realise, the power sector will be the only industry that will still have to pay for its emissions (you're not planning to give that away too, Nicolas, are you?). But this doesn't change the way the revenues will be distributed. This is a very complicated system, involving nuclear physics and relativity theory, for which ECO has no space and time in this article. But the outcome is clear: countries like France will receive the most.

Père S. is proud of his 'package' of goodies, and feels he deserves an early Christmas holiday. But - alas - did he forget someone on the Road to Copenhagen? Are there any trinkets left to support adaptation and mitigation in developing countries? His bag must be empty by now...

Maybe his GPS was malfunctioning when he left Bali? In any case he can still find his way back. He will need to correct his course soon though, because he's more than 2° off-track.

## It's Additional – Because I Said So!

I am thinking about building a project. I work to get the necessary government approvals and am approved for a loan. I start building the project. It then occurs to me to submit my project for registration under the CDM in hopes of receiving additional revenues from the project.

But I need to “prove” that I would not have built the project had it not been for the expectation of revenues from the CDM. This is because the CDM should only generate credits from projects that reduce emissions compared with business-as-usual. If it supports projects that were already going ahead, without the CDM, it allows emissions to increase in the industrialized country that buys the credits from the project, without reducing emissions on the ground.

How do I prove what I would have done without the CDM? I am protected by the subjectivity involved in “additionality” testing. I can make up a story, or I fudge some numbers. This is what is happening with many CDM projects.

Current discussions about tightening the additionality testing procedures mask the underlying problem that project development decisions are subjective, and that additionality testing is inherently inaccurate. Developers cannot “prove” their own intentions,

and external auditors (validators) cannot judge other's motivations.

I do an “investment analysis” for the project, showing that the project is not financially cost effective. I choose the assumptions that go into the financial analysis so that the analysis shows low project returns. I am able to manipulate these numbers because this is a project being built, not a project that already happened. So there are many assumptions I can change to get the results I want.

As a backup, I also perform a “barriers analysis”. I describe the difficulties I had in acquiring the loan and building the project. It is easy to argue that a number of barriers were significant challenges to the development of the project.

Even validators agree that investment analyses are easily manipulated, and the barriers test is subjective.

It is necessary that industrialized countries effectively support decarbonization in developing countries, and in the least developed countries, in the context of the millennium development goals. This requires replacing the current subjective additionality testing approach with more accurate means of filtering projects worthy of support, and filtering out business-as-usual activities.

## Even Canada Can!

Imagine a world where Canada could cut its emissions to 25% below 1990 by 2020 — a target in the range needed to have any chance of avoiding 2°C of warming — while growing its economy and creating over a million net new jobs.

If that was possible, Canada's negotiators would surely drop their opposition and accept their fair share of the global effort needed to protect the climate — wouldn't they?

We're about to find out. In a groundbreaking study by the Pembina Institute published yesterday, two Canadian environmental organizations showed that Canada is fully capable of reaching a target in the 25–40% below 1990 range — a range that Canada's government fought tooth and nail in Bali on the grounds that it was just too difficult.

Using one of the same economic models that Canada's government uses, the analysis found that Canada can cut its emissions to 25% below the 1990 level while growing its economy by almost 20% during the next decade. This represents just 0.2% less GDP growth per year than projected under business as usual.

In the process, 1.2 million new jobs would be created. Canadians would save over \$5.6 billion each year by buying less gasoline. And renewables would move from the margins to the mainstream: while it cur-

rently accounts for less than 1% of Canada's electricity now, wind power's share would grow to 13% by 2020 under this scenario.

If you think there's nothing but good news in that analysis, you're clearly not a member of the Government of Canada. Canada's presentation to the mitigation potentials workshop this week listed a grab-bag of special circumstances that make it tough to cut emissions, starting with the ever-popular “export of fossil fuels”. The presentation never mentioned avoiding dangerous climate change; in fact, Canada has never said what level of warming it considers to be dangerous. And its current target — just 3% below 1990 by 2020 — is completely out of step with both Canada's responsibilities and its real mitigation potential.

As far as ECO knows, this is the first time anyone in Canada (including the government) has investigated the economic implications of tackling a science-based GHG target. Maybe the encouraging results will reassure Canada's government enough to stop making excuses and start cutting emissions.

**NGO Party - Sat. 6 Dec.  
Tuba Club  
ul. Małe Garbary 6**

## People live here, you know

The forests of the world support the livelihoods of more than one billion people. Despite this fact, indigenous peoples and local communities are often not included in forest related decision making, and have in many cases had to fight long and hard battles to protect their rights and interests.

In the past week, several parties have mentioned the need to recognize and resolve issues to do with the impact of REDD on indigenous peoples and local communities. Negotiators seem to have finally heard the voices of southern civil society and indigenous peoples' organizations.

The Accra Caucus on Forests and Climate Change, which first came together in Accra, Ghana this August, has reconvened in Poznan. The Caucus consists of southern civil society organizations from Brazil, Cameroon, Costa Rica, Democratic Republic of the Congo, Ecuador, Ghana, Honduras, Indonesia, Nepal, Nicaragua, Papua New Guinea, Philippines, Republic of the Congo, Thailand, and Vietnam. One of the key issues on their agenda is how the UNFCCC will deal with the rights and interests of indigenous peoples and local communities in relation to ownership and use of land and resources, including carbon. The participation of local and indigenous communities in the development and implementation of REDD is also high on the Caucus' agenda.

ECO believes that the COP should underline the importance of developing and implementing REDD in full accordance with the rights and interests of indigenous and local communities. Furthermore, the COP should request the AWG-LCA to include the rights and interests of indigenous and local communities in the coming REDD-negotiations, and ultimately in the post-2012 agreement.

# Mieszko

This time Mieszko has breaking news, or rather breaking rumours, related to our story concerning La Belle France's Christmas bounty. Un petit oiseau has told him that Saint Nicolas may have a rather large cadeau at the bottom of his bag.

What could it be? What is France's largest source of electricity? These questions are entirely unrelated. And who is this present for? Which COP-hosting country needs to be persuaded not to block the EU ‘package’? These questions are also unrelated. And which major state-owned nuclear generator would like to control how much of Europe's energy sector? Answers on a postcard to the Elysée palace.