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eco

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The Week Ahead

Last week there was much talk of elephants in the room. Today, ECO chooses to highlight members of the cat family. The UNFCCC process is crawling forward like a timid kitten but the pace must accelerate to cheetah-like speed at once if effective actions are to be taken in Copenhagen.

The first observation on last week's sessions is that after many weeks of "negotiations" this process can move forward. But movement is not enough. We need speed, focus and intention. And needless to say, the texts are still way too long and the steps so far are way too small.

Second, we need to see the political commitment and ambition expressed by national leaders in New York last month flowing into the text, rather than marking time and holding off the necessary steps to consolidate, clarify and consolidate yet again. ECO urges delegates to keep in mind that each step sorting through the different options steers the process either towards a fair, ambitious and legally binding agreement, or towards a weak and empty deal which will get us nowhere. Every choice counts.

There is something else that needs to happen this week outside the UN Conference Centre. Heads of state and government should be clearing their calendars to attend the climate summit in Copenhagen. Their personal presence will signal that countries and leaders are willing to deliver the commitments required for a fair and effective global climate deal.

The current sad state of the discussions around finance and developed country mitigation action illustrate the very wide gap between low ambition of the offers on the table and the necessity of a high ambition outcome in Copenhagen.

This coming week is the time for negotiators to focus on accelerating their work significantly, sharpening the text and moving into full negotiations mode. To begin with, facilitators should be given latitude to con-

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Another extreme weather event : India suffers the ravages of flooding due to abnormal rainfall. Death toll at 187 at October 4, 2009. Will it have any effect on our negotiators?
Photo courtesy of: www.hindu.com

All Aboard?

The industrialised countries are pushing forward a model for a Copenhagen agreement based firmly around carbon markets coupled with weak targets. By and large, developing countries are not boarding any train headed to weak targets. Ever stopped to wonder why?

Industrialised countries talk about carbon markets and offset mechanisms in particular as if they are doing developing countries a favour, by providing financial flows from North to South. In fact, at least under the Clean Development Mechanism, it is more accurate to say that developing countries are the ones doing the favour – by giving Annex I countries a way of meeting their targets on the cheap.

The carbon markets question is emerging as one of the key fault lines in the negotiations. It cuts across discussions on Annex I targets, finance and Nationally Appropriate Mitigation Actions. Until the discussion is reframed, it will be hard to make the progress we urgently need to see.

Part of the problem is that Annex I negotiators may be too busy to read the analysis by their own technical experts. Take the European Commission's recent Communication on climate finance. Put aside for the moment the fact that the Commission's model would give high probability of exceeding 2ºC warming. The Commission says that developing countries will need around Euros 100 billion per year by 2020 for adaptation and mitigation. Carbon markets would provide around 40% of this total – and public finance from international sources would be some Euros 22-50 billion per year.

However, the Commission's headline figures are based on an assumption that cumulative Annex I targets are 31% below 1990 levels by 2020. Has anyone seen that sort of ambition actually on the table here in Bangkok?

The EU has been less keen to draw attention to perhaps the most important line in the

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Build on Kyoto's Strengths

The Kyoto Protocol is the first small step in industrialised countries taking the lead to fight climate change. While there have been some growing pains along the way and there is definitely room for improvement in some areas, the Kyoto Protocol forms a strong basis upon which to expand industrialised country commitments. ECO would like to take a moment to remind Parties what is good and what needs to be improved in Kyoto.

At its core, Kyoto is an internationally binding multilateral framework that requires that all play by the same rules: from how they account for their own emissions, which credits they can use towards their targets and what the consequences of non-compliance are. This cannot change. To ensure a level playing field, we must continue to compare apples with apples and not let Parties pick and choose their own rules domestically.

In other words, the legal nature of the obligation (quantified emission limitation and reduction objectives (QELROs)); the base year (1990); the gases and their global warming potentials (GWP); the sectors; the land use, land-use change and forestry (LULUCF) rules; and the accounting (assigned amount units (AAUs)) or the concept by another name; and reporting, review and compliance must be the same for all industrialised country Parties. They must not be subject to any loopholes that their domestic laws may provide. When industrialised countries' Parties finally step up to the plate and recognise their financial obligations to support action in developing countries, the financial reporting rules will also need to be the same.

There are many areas in which the Kyoto Protocol could be improved. This is not surprising as Kyoto was a first foray into uncharted waters. However improving is different from fundamentally changing the architecture. The most obvious section of Kyoto that needs to be improved in the next commitment period, but one that seems to be lost on most industrialised countries is the targets inscribed in Annex B and the aggregate in Article 3.1. ECO expects Parties to reach an agreement on a -40% below 1990 aggregate target for 2020 here in Bangkok as conclusion on this agenda item is well overdue. ECO also hopes to see development of the review and compliance regime of Kyoto.

Finally, let us not forget all of the good work the expert review teams have been doing behind the scenes to help Parties improve the quality of their inventories and national registries and systems, and resolve disputes related to data submissions. The international review process keeps Parties "on their toes" as they never know which issues might be raised. The power of expert review teams to adjust emissions data serves as a further incentive for Parties to produce high quality emissions data.

As the review of initial reports demonstrates, these adjustments are not insignificant amounts. A total of 124 potential problems were identified; 117 of these issues were resolved through a dialogue between the reviewers and the Party. This demonstrates the cooperative and problem-solving nature of the review process. The remaining problems related to two Parties where adjustments were made. While the work of the ERTs is largely facilitative, it does help to have "the stick" of referral to the Compliance Committee to ensure access to data and the full cooperation of Parties. Adopting a peer review mechanism with no referral function or dispute resolution procedure would lose these crucial elements and undercut the effectiveness of the regime.

ECO finds it rather ironic that some Parties are now using Canada's recalcitrance as an example for why Kyoto Protocol compliance has not worked. All this goes to show is that automatic early-warning triggers are required to bring Parties before the Committee (and not that the Committee itself does not work). ECO would be more than happy to refer recalcitrant Parties to the Compliance Committee, if Parties would only give us such an opportunity.

With only 10 negotiating days left until Copenhagen, let us focus on sewing up a deal that builds on Kyoto's strengths rather than unravelling this multilateral structure in favour of domestic flexibilities.

March for Climate Justice

Around noon today, 2,000 people from the Asian Peoples Solidarity for Climate Justice will march from Peace Park to the United Nations ESCAP building. Their intention is to raise awareness within Thailand and globally of the need for a fair and safe agreement on climate change in Copenhagen. They will be joined by the Urban Poor Coalition which is highlighting the impact of climate change on urban poor communities. ECO understands that a paper-mache world and an hourglass, representing time for action is slipping away, will accompany their powerful message. They will arrive here around midday.

– The Week Ahead

solidate text further. But there is one caution: shortening text by cutting out the ambitious options does not count as improvement at all.

Turning to the Long-term Cooperative Action (LCA) text in particular, ECO finds the following fresh footprints amidst the humdrum repetition of longstanding positions.

- Improvement and shortening of the technology text
- New clarity and progression in the adaptation text
- Commencement of shortening of 1(b)(ii) text
- Submission of the finance text for a round of consolidation after a positive political discussion
- Shortening and significant improvement of the REDD text

However, these are still the actions of a kitten's hesitant forays into the bright new world. Delegates this week should start building up speed and sprinting like the cheetah with no delay.

– All Aboard?

Communication. This concludes that if cumulative Annex I reductions end up at around 10% below 1990 levels, this "would require an increase in the transfer of international public finance to developing countries of around Euros 120 billion per year in 2020."

Such "radical" voices as McKinsey, in its recent analysis for Project Catalyst, give the same simple message – weak targets require much, much higher levels of public finance from Annex I countries for mitigation in developing countries. There is no free lunch.

Unfortunately a lot of industrialised countries' negotiators can't get their heads round the simple maths, and are trying to have it both ways. ECO is clear – if markets are to play a role, enabling conditions must first be in place. Low Annex I targets do not enabling conditions make.

At Bonn III, developing countries called for a fundamental debate on the role of carbon markets in the Copenhagen agreement, and have strongly repeated the call here in Bangkok. An honest discussion of the conditions under which carbon markets could contribute to keeping warming well below 2ºC is long overdue. Let's strip out double, triple and quadruple counting and concentrate on what the atmosphere sees. And address the concern that the rich world is picking all of developing countries' "low hanging fruit."

The EU and other industrialised countries are sitting in the carbon market train wanting to discuss the colour of the seats, and wondering why developing countries won't jump on board. The developing countries are on the platform waiting for the engine to turn up.