

eccc



Credibility Check: Executive Board v. the Rest

Yesterday's negotiations on the CDM project cycle issues glossed over key issues concerning the lack of a coherent approach to public participation. Unless this text is revisited, the UNFCCC will succeed in creating a project-based investment mechanism which at its inception is already 20 years out of date.

Up and coming discussions will address the politically contentious issue of the Executive Board (EB). Rather than engaging in political cat-fights over the make-up of the CDM EB, Parties should concentrate on ensuring that the EB is transparent, accessible and accountable. Currently, observers are allowed access to EB meetings unless otherwise decided by the members of the EB. And that's about it. The credibility of the EB is essential if the CDM is to be accepted by both civil society and the private sector alike – credibility cannot be obtained by hiding behind closed doors.

Without going into gruesome details, there are a number of methods deployed by international financial institutions to improve the quality of their projects and credibility of the institutions themselves. Currently, the EB possesses few of these. Here are two examples:

a) The EB is responsible for quality assurance of CDM projects and therefore an appeals process needs to be put in place which can draw their attention quickly to those projects or operational entities which failed to follow the rules. Appeals procedures are standard practice in international financial institutions. The World Bank has an inspection committee, the Asian Development Bank an Inspection Panel and the International Finance Corporation and Multilateral Investment Guarantee Agreement have an Ombudsman. The Executive Board has nothing.

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Nothing to worry about - the computer says it's
just one of those seasonal storms...

But we're a thousand miles from the coast...!



Public participation: Going, going . . . gone?

While CAN is notably reluctant to criticise Parties and their behaviour, Wednesday's performance during the compliance group session made a few of us wonder what we have been working for over the last few years. We arrived at the session cautiously optimistic that the rules for transparency and public participation in enforcement branch proceedings, as contained in the Co-Chair's text, might be spared the attacks that many other parts of the text have been subject to. We left feeling as if we had become a statistic in an IPCC report on impacts.

The Co-Chair's text contains (at least it *did* contain) provisions requiring any information considered in an enforcement branch proceeding to be made available to the public. It allows for public hearings, unless the enforcement branch decides that circumstances require the hearing to be held in private. These provisions, along with the right of NGOs to submit relevant information to the enforcement branch, are the absolute minimum essential for ensuring the legitimacy and acceptance of the

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Has geo-referencing in sinks been sunk?

CAN was shocked to discover an unusual suspect willing to sabotage reporting on sinks activities. Yesterday, in the negotiations on Articles 5, 7 and 8, the EU joined the dastardly ranks of Australia, Canada, Russia and Japan when it requested removal of the provisions for reporting geo-referencing information as part of the annual inventories. Corridor gossip reports that this u-turn was the result of pressure from member countries Germany and Sweden. But at what cost?

Sinks are intrinsically hard to report on and verify. However, it seems that after the political agreement in Bonn we have to live with them as part of the Protocol. However, if they are not to completely undermine the integrity of the deal, it is essential that Parties implement effective reporting and verification of these activities.

Geo-referencing is an integral part of this system. Accurate location information is key to tracking these activities, modelling their contribution to emissions' reductions, and transparency. Review teams will also need this information to ensure that sinks projects are contributing to the conservation of biodiversity and the sustainable use of natural resources as required by the Bonn text.

The Bonn Agreement clearly states that LULUCF activities should be "identifiable". Without geo-referencing, CAN is left wondering how the EU plans to indicate where their projects are. Could it be a case of follow the river for 100 metres and turn left at the cow pat? Such an important issue deserves a more sober approach. If parties are not prepared to invest in safeguards for sinks activities, then these projects should not be undertaken.

CDM sale at COP7

A portfolio of CDM projects proposed by the three governments of Maghreb (Morocco, Algeria, Tunisia) will be presented on Thursday to interested parties. So take your carts (and credit cards) and go shopping at the special event between 1pm and 3 pm at the Palais des Congres. As an incentive, sandwiches and full translation will be provided.

Having analysed the draft list of projects in advance of the event, it looks promising even if their descriptions are still sketchy. One thing for sure: lots of renewable energy projects as well as energy efficiency in industry projects have been proposed.

One possible benefit of the CDM is the ability to table projects in these fields. Several projects suggested illustrate the double dividend coming from saving money instantly through energy efficiency, and bringing collective benefits to the environment. It also highlights the difficult task for those who will cal-

culate the gains both in money and CO₂. Executive Board members will have to justify their stipends.

A major drawback of the shopping list is that only energy sector-related projects have been proposed. There is nothing yet on transport systems and recycling of waste schemes (with the exception of biogas schemes in Tunisia's proposals).

This shows the difficulty in dealing with spatial planning and urban problems in the CDM despite their increasing influence on climate change.

We also do not know whether the computations take into account the subsidies and tax bias remaining in the energy sector.

In addition to the CDM projects presentation extravaganza, the three countries will present their first National Communications and introduce some initiatives on capacity building.

Climate change a value judgement

Dangerous climate change is a value judgement. That was the conclusion of the IPCC yesterday when it presented the final part of its Third Assessment Report entitled the Synthesis Report.

The report had drawn insight from all three working groups in answering nine policy-relevant questions.

SBSTA will hold a workshop on the implications of the TAR for its work, and consequently begin a process to start discussing dan-

gerous climate change.

Other comments clearly show that climate change is happening and that things will get much worse if nothing is done about it. On a positive note, one of the IPCC scientists noted that known technological options could achieve CO₂ concentration levels of 450 to 500ppm.

Based on this finding by IPCC, a driving force behind the Climate Convention, delegates should commence the process of starting to transfer technology.

– *Public Participation, from front page*
Protocol's compliance institutions by the public. They are similar to (though not as broad as) rights enjoyed and expected under other international regimes.

Of course we realised that Russia, not exactly a beacon of transparency, might like to void or seriously undermine some of these provisions. Perhaps we were naive when we thought the EU would not consider allowing a Party to a compliance proceeding to restrict these rights unilaterally, as transparency and public scrutiny of each Party's performance will be among the most important factors in achieving compliance with the Protocol. But then Brazil claimed the problem with public release of information is that a government will not know what use the public might make of the information. And after Russia – challenged only by lonely Indonesia – succeeded in eliminating the requirement to release information in an enforcement proceeding until the proceeding is over, we began worrying that delegates' ideas of meaningful public participation were rooted more in the closed culture of the WTO than in an agreement premised on sustainable development.

It is time for all governments to understand that broad, meaningful involvement of the public is an asset, not a liability. A treaty premised on sustainable development will not succeed without full transparency and public participation. CAN would hope Parties have learned the lessons of Seattle and Genoa, and understand that the best way to win support of the people is to involve them closely in all Convention and Protocol processes. That includes compliance proceedings. We expect better.

Australians emit a lot of gas

When pointing out that the average Australian is responsible for 27.6 tonnes of greenhouse gas emissions each year, some people ask: "How much is that?"

So let us try to visualise our greenhouse gas emissions. If we froze the 27.6 tonnes of carbon dioxide we each emit every year, then we'd be left with 17 cubic metres of dry ice. That much dry ice would occupy around 43 refrigerators. Or it would fill a smallish room. If we allowed the 17 cubic metres of dry ice to evaporate, then (at standard temperature and pressure) the gas would expand to fill 500 offices. In other words, every year each Australian generates enough greenhouse gas to fill a fair-sized office building.

The same analogy can be applied to the emissions of Americans, Germans or Japanese, with a simple proportional adjustment.

(Provided by The Australia Institute)

Power to tackle poverty and climate change

The latest climate science shows clearly that global climate change is accelerating, and that the worst impacts will fall on those least responsible for greenhouse gas emissions and least able to cope. At the same time, the struggle to rise out of poverty continues for millions of people and worldwide aspirations for sustainable development remain unfulfilled.

It is unacceptable that two billion people – one in three of us – have no access to reliable sources of energy to meet basic needs of cooking, clean water, lighting for education and information, and power for health centres and schools. The World Summit for Sustainable Development (WSSD) next year will only be a success if it can address both imperatives: tackling poverty and tackling climate change.

The G8 Renewable Energy Task Force report points out that “providing clean, affordable and reliable energy is a key element towards sustainable development.” It also states that “harnessing energy to serve human needs can free people from the limits of muscle power and contribute towards achieving the agreed international development targets.” This is particularly true for the women and children who so often, in impoverished situations, bear the brunt of this “muscle work”.

Conclusions from the Task Force’s report stated:

- Future energy demand cannot be met by fossil fuels and nuclear power without serious impacts on environment and human health.
- The only barriers to massive uptake and expansion of renewable energy are financial and political – not technological.
- In many cases the life-cycle costs of renewable energy technologies are already competitive with conventional energy technologies.
- Successful promotion of renewables over the next 30 years will prove less expensive than a “business as usual approach” to the global energy supply.
- Renewable technologies provide many benefits, including reliance on indigenous sources, removing the need for poor countries to depend on expensive imported fuels.

The Task Force’s report contains recommendations which, if implemented, would significantly assist in generating the global renewable energy revolution needed to combat climate change and fight poverty worldwide.

The Task Force’s other plans involve bringing renewables, by 2010, to 200 million people in OECD countries and 800 million in developing countries – fewer than half of the two billion people in the world currently without access to modern energy.



They could have been even more ambitious. A study commissioned recently by Greenpeace and The Body Shop showed that it was feasible to provide renewable energy to the full two billion people within 10 years.

The report recommends that G8 countries should remove subsidies for environmentally harmful energy technologies such as fossil fuels and nuclear power, and that G8 Export Credit Agencies (ECAs) should implement common environmental guidelines which include minimum standards of energy-efficiency or carbon intensity and increased funding for renewables.

Unfortunately, the Task Force fell short of advocating the much-needed reform and reorientation of international financial institutions and a wholesale shift in investment away from fossil fuels to renewables.

Renewable energy is truly sustainable, can alleviate poverty and generates more jobs per unit of energy produced than conventional technologies. The deployment of renewable energy technologies must be accelerated in the North and South in order create the economies of scale needed to drive prices down.

Government incentives, as well as targets and timetables, will be essential to advance both the development and use of clean and affordable energy. By taking action on renewable energy now, world leaders can help put in place a cornerstone for a truly sustainable economy that will support all the world’s people and their legitimate energy and development needs.

If no clean energy solution is provided, rural people in poorer countries will spend about \$480 billion on dirty and expensive energy sources between now and 2020 as a changing climate wreaks ever greater havoc on innocent lives.

World leaders must mobilise the resources necessary to improve the lives of the world’s poorest people, reduce the risk of climate catastrophe and move us all toward a fairer, more sustainable world. If this bold step is not taken at WSSD, the world will be cheated of its future. If COP7 does not request it, input to the summit will be meaningless.



– *Public Participation, from front page*

b) On environmental and social issues the World Bank, IFC, US Overseas Private Investment Corporation and MIGA all provide detailed guidelines for environmental standards covering, for example, air and water emissions. Furthermore the WB and MIGA require an indigenous peoples development plan for all projects which affect in-

igenous communities. The Executive Board, despite the explicit mandate of the CDM to help deliver sustainable development, has nothing.

Issues of this nature can be addressed by instructing the EB to draw up rules of procedure, which at least place it on par with other investment institutions that have already learned their lessons the hard way.

30 days in the life of the CDM...

Yesterday's drafting group signed off on public participation rules and procedures for the Closed Development Mechanism that... well, ensure that the public will not be partici-

pating.

The way things are now, local people will find out about CDM projects when they are woken up by the bulldozers.

What follows is a glimpse of the CDM we can all look forward to:

7pm Friday night: Operational entity posts project design document (PDD) on web, excluding all controversial aspects which are deemed commercially confidential: 30 day public comment period begins.

End of week 1: Volunteer in northern NGO accidentally notices PDD on website (www.howdidyoufindus.org).

Week two: Northern NGO locates affected people and informs them that a project design document in a language they do not speak is available on a website to which they do not have access.

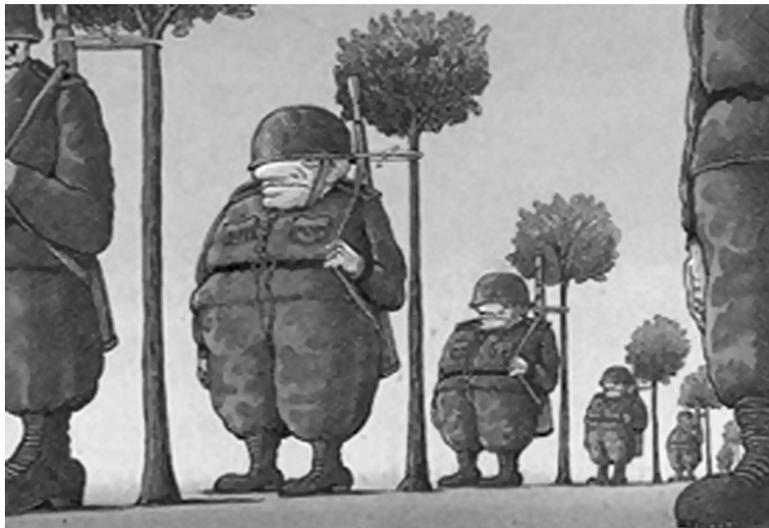
Week three: Local people receive 500 copies of "A villagers guide to helping Annex I energy hogs meet their targets on the cheap", on interactive CDM compact disc (requires RealTime Player 6).

Week four: Operational entity declares absence of opposition and signs off on project. Executive Board approves project over light working lunch (closed).

Monday morning: Project developer arrives with photographer to take glossy photos of happy local children in traditional dress for annual report.

If only this were a joke. Welcome to sustainable development and climate mitigation UNFCCC style.

Based on yesterday's negotiations, the CDM is at the bottom of the pile relative to precedents set by international financial institutions. Governments have completely failed to represent the interests of their people.



Sign of the future: Sinks security brigade

“Fossil of the Day” Award

Australia, Canada, Japan and Russia were the joint recipients of yesterday's fossil of the day award. They won the distinction for their proposal in the compliance working group which challenged the mandatory nature of the Bonn Agreement. The proposal would make a substantive change to the language their ministers adopted in Bonn. In stark contrast to the original text which quoted the ministers' agreement calling for the COP to adopt procedures and mechanisms relating to compliance, the new proposal by these countries would have the COP do nothing and instead, simply make the recommendation to the COP/MOP.

Bush administration's position to follow ExxonMobil?

The Bush administration, preoccupied with its war on terrorism, has so far failed to produce its promised alternative to Kyoto. But in an interview in London, Mr Dahan (senior VP of ExxonMobil) predicted that the US government position “will not be very different from what you are hearing from us”.

(Extract from Financial Times on October 30.)

Ibrahim

As Ibrahim has been extremely busy, he will not be sharing any intelligence today. Instead he would like to share an e-mail from a supporter in Queensland, Australia:

“Hello Eco, I am thoroughly enjoying reading the accounts of the climate change negotiations in Marrakesh everyday, however I am having a little trouble understanding all the acronyms – could you please help explain. What is MOP, SUBSTA and who is Ibrahim – I think I've missed a few editions.”

THANKS

The Climate Action Network would like to thank Climate Network Europe, David Suzuki Foundation, Environmental Defense, FoE International, Greenpeace International, RAC-France, Swedish NGO Secretariat on Acid Rain, WWF/EPO and WWF International. ECO can be contacted at ecopaper@hotmail.com ECO website : <http://www.climatenetwork.org/eco>