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ZEALOUS ISSUE

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Progress . . . but not speed

At this session in Bonn, the negotiating process has seen some movement. We have advanced to line-by-line negotiations, which is exactly where things needed to be at the end of the week. Parties are meeting to draft text based on topical areas and [spin-off] [drafting] groups have been formed where subjects need additional attention. However, while some of this movement is good and helps the text advance technically, ECO wonders how much willingness Parties have to really move the negotiations forward.

Sadly, the spirit of compromise has been sorely lacking here in Bonn. After months of reduction to a more manageable size, essential elements of the text have inflated again. For example, developing country mitigation exploded from 3 to 9 pages.

As more and more brackets go in, recalcitrant Parties are demanding things they know will never go forward. This has the usual effect of creating an 'equal but opposite' reaction, igniting conflict, slowing the negotiations down and diminishing the [chance] [opportunity] [likelihood] of a [positive] [required] [any] outcome at Cancún.

Quality rather than quantity is what we need now. The text needs to bridge substantive issues rather than simply polarize positions. Whilst offering clear options on unresolved issues in the text is a good thing, allowing political decisions to be made in the run-up to Cancún, retreating to the pre-Copenhagen text with a grab bag of claims is not. This is a recipe for re-creating the Copenhagen [collapse] [circus] [ill will] [rancor] [mess] [catastrophe] [debacle]. Governments will be within their rights to ask what you good negotiators have been doing with your time. And make no mistake, ECO will be giving negotiators a failing mark on the report cards going home to your Ministers and Heads of State.

This Bonn meeting has not been entirely misspent. In some areas, Parties have made progress. On fast start finance there are positive and simple approaches to improving transparency. Further, it is encouraging to see that discussions on technology institutions are resulting in a serious elaboration of the structural relationships within the technology mechanism, which earlier sessions were not able to achieve.

There has been a pleasing level of agreement that a new finance fund is required, and discussions on how the COP will exert its authority. The workshop on targets in the KP clarified the size of the gap between what has been offered and what is needed. Parties are finally coming to grips with a potential gap between commitment periods, and are considering ways to overcome it.

And so, ECO encourages Parties to get concise and clear negotiation text on all areas on the books by the end of this meeting, so that we are all well placed in Tianjin.

Delegates, when you next get home, brief your Ministers and Heads of State on the positive moves that are possible in Cancún, and the high expectations of the citizens of the world.

And ensure that you leave the megaphone at home for the Tianjin meeting. Instead of shouting at each other, making unrealistic textual demands, let's remember that we all need to be on the same team. Make offers, not demands. The opposition is not each other, but the devastating cost of inaction, business as usual and complacency. The goal here is not to create fouls or own goals, but to use teamwork to create a safe climate. You, dear negotiators, are the only team we have that can save the planet.

Apples are not Oranges!

ECO would like to remind delegates again that fast-start finance is not about calling apples what we used to call oranges. More than 130 countries have signed the Copenhagen Accord, which clearly states that fast start financing will be new and additional. But obviously the collective memory on this point has reset after Copenhagen.

Even if industrialized countries are good at coloring existing oranges as new and additional red apples, developing countries should peer more closely at the contents of the fruit basket and demand source-and-origin labeling and organic certification.

It is fully understandable that developing countries want proof of donors' good faith through the rapid implementation of concrete actions in their countries. But even more than that, developing countries should be more insistent about clear specification of where the money comes from and the priorities driving donor choices in allocating these funds. Annex I countries may call countries with such demands "zealous" – but let's remember that good decisions made on fast start finance will build the case for long term finance governance, integrity and transparency.

Meanwhile, here's one bright spot: the finance institutions discussion continues to move forward. With general agreement that a new fund is needed, the conversation has moved on to architecture. In this rarified atmosphere of flowcharts and acronyms, ECO would like to remind negotiators of the individuals who need and must receive financial support. How will they access these funds, and what does the financial architecture mean for them?

Consider the world's peasant farmers, trying to adjust age-old agricultural practices

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Carroll Muffett

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to brand-new climate patterns. Will climate finance help keep them on their land, or will it underwrite the further growth of industrial agriculture that displaces them and their knowledge of the local environment? Will mitigation funds help urban wastepickers increase recycling and keep methane-generating organics out of landfills? Or further subsidize the CDM-backed incinerators and privatized landfills that compete with them? Will indigenous peoples' control over their land be strengthened by access to finance, or will it be used to divide them?

The design of the financial mechanism can help answer these questions. Direct access can streamline procedures and help ensure consistency with country priorities. An independent finance board can help guide resources to where they are needed, and ensure implementation of COP policies. Civil society representation, as pioneered by the Global Fund to Fight AIDS, TB and Malaria, can help ensure effectiveness and accountability to the grassroots. And a policy of making grants, not loans, will ensure that resources stay where they are needed and do not re-create sovereign debt problems.

Of course, financial architecture is not enough. The Secretary-General's High-level Advisory Group on Climate Change Financing (AGF) can pave the way for the scale of innovative public finance needed. This requires not only a good report, but also needs the willingness of Parties to take helpful recommendations and run with them.

Since the AGF report will come out after the Tianjin session, and discussion of sources in the LCA has largely been put off until it is delivered, parties should think carefully about how to re-start this discussion and ensure rapid progress next year.

Meanwhile, as the old saying goes, 'how about them apples'?

2º is too, too much

While the target of limiting global warming to below 2° C above pre-industrial levels has been floating around for years, it was only after the Fourth Assessment Report of the International Panel on Climate Change (IPCC AR4) that a 2° target was finally widely acknowledged by governments.

But remember, AR4 emphasized that there would be problems at 2°, which is not a safe zone. And more recent science shows an increasing likelihood of intolerable impacts at 2° for many countries, regions and resources.

All this makes ECO wonder why extreme weather events over the past years and recent weeks, as well as advancing scientific assessments, have not led to serious concern and immediate action.

Parties must acknowledge that a collective decision during these meetings towards a post-2012 climate agreement will directly affect the fate of people and life in risk-exposed regions. While Parties put their own issues and needs on the table, ECO reminds that the preamble of the Convention itself anticipates the need for continual re-evaluation of steps taken to address climate change in the light of new scientific findings.

A global goal of keeping warming below 1.5° C against pre-industrial levels would show true seriousness about addressing climate change. This level should be achieved through real mitigation (without loopholes), enhanced sinks (e.g., expansion of natural forests), and not methods such as geo-engineering, which is drawing wide concern due to the risks of collateral damage. The time to change course and take action is now.

Will the EU Upgrade...?

A reduction of 30% from 1990 levels by 2020 for the EU would represent a real incentive for innovation and action in the international context. It would be a genuine step to restrict the rise in global temperatures . . . stiffening the resolve of those already proposing ambitious action and encouraging those waiting in the wings. It would also make good business sense.

Now you may wonder – is ECO recycling articles from the Bonn session in June? Not at all! In fact, these exact words in support of increased EU climate ambition actually appeared in a *Financial Times* article on 15 July. Best of all, they were written by British, French and German environment ministers.

We are most encouraged by this statement and hope that these three ministers did as ECO recommended in June to pick up and read the European Commission's -30% analysis – which, it is pleasing to mention, will be presented at an EU side event today.

Here are some highlights from the EU's own analysis. The anticipated move to -30% is easy – the EU is currently at -14% below 1990 levels – and a lot cheaper than previously estimated. It would bring clear economic benefits and a lot of new and additional auctioning revenue to pay for the EU's fair share of climate finance, among other things.

The upgrade to a -30% target would help the EU overcome some of the current emissions trading system (EU ETS) problems, such as a depressed carbon price and excessive surplus allowances, which have already resulted in windfall profits for energy-intensive industries. Then again, if the EU decides to stick with its -20% target, it will be very difficult to achieve its own long term 2050 emissions reduction targets and a 2° C climate goal, much less 1.5°.

The EU's study, and the recommendations of the three environment ministers quoted above, give an unmistakable message. Please tell them you also think it's the right thing to do.

LUDWIG

Ludwig was disappointed the other night after being turned away from the EU reception. They had allocated assigned units for the evening, with only a few coveted entry permits for civil society and serious looking 'expert review teams' at the gates. Trading permits was OK but not borrowing from future parties, they said.

Why after all these years of happy partying did the EU suddenly turn its back on a friend? But then he got it! The EU has found a better use for its funds than free drinks and little dry bits of sandwiches for attendees. Taking the 30% target is a small additional investment compared to the 20% cut, but has big returns for jobs, health and energy bills. So then Ludwig didn't feel so bad.

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Ludwig is wondering what is in the Maritim water coolers at the moment. In the KP, Parties debated two identical options for Ministers to consider before losing track of what clauses they were reading. Then the Umbrella Group made demands in 1(b)(2) without anything in return on compliance in 1(b)1. D'oh! No wonder they're finding life a bit difficult. Ludwig encourages all Parties to think about what they can offer in Tianjin, rather than just pouting like spoilt children.