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QUESTIONS ISSUE

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Deja vu? Or a renewed focus . . .

And now that we're all here once more, what needs to be accomplished?

Clearly, on the KP track, lamentably little progress has bee made over the past four years. ECO suggests that the following issues must be agreed this year, as a priority:

LULUCF accounting rules – Annex I countries must stop trying to hide emissions from forest management and commit to reduce them instead.

CDM/JI/emissions trading modalities – These must be revamped to avoid double counting of mitigation and financial support obligations, and to keep inappropriate sectors, such as nuclear and CCS, out of the CDM.

New sources and sectors and other accounting rules around them (the "other issues") should include new gases to the extent that is technically possible, and use the new IPCC AR4 global warming potential (GWP) measures over the 100 year timescale.

The commitment period length, base year and the other modalities that will define the calculation of the quantified emission reduction obligation (QERO) and assigned amounts from country pledges (here's a free hint! correct answers for the first two are: 5 years, 1990).

When the KP was first negotiated, Parties agreed targets first, and the following years turned into excruciating negotiation exercises that ended up agreeing a series of loopholes. ECO has long maintained that the rules should be negotiated first, so that the science-indicated reduction target of at least 40% on 1990 levels by 2020 can be fairly shared between the Annex B Parties.

For this reason, negotiating time in Bonn and for the intersessionals should be concentrated on clearing these issues, so that the targets and then the discussion on QEROs can be resolved rationally and equitably, based on a clear and common understanding of the underlying scope and rules of accounting. In the short term, then, negotiating time should be concentrated on resolving the issues listed above.

On the LCA track, a balanced agreement is needed by Cancún, with each of the Bali Action Plan building blocks being addressed. In Copenhagen, the LCA negotiating texts on adaptation, technology and REDD+ were well advanced, and agreement should be possible on these issues this year. Additionally, finance, MRV and low carbon development plans should be among the agreements reached this year.

Adaptation

Most Parties seem to agree that progress

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LULUCF: *good* rules before targets?

ECO has always called for "rules before targets" when it comes to land use, land use change and forestry (LULUCF). We certainly don't want to repeat the mistakes of Kyoto, when LULUCF rules were negotiated specifically to allow countries to meet their emissions reduction targets, rather than to aid in climate change mitigation or adaptation. In that light, it makes sense for the Chair of the AWG-KP to call for rules to be finalized.

While ECO applauds the push to finalize text here in Bonn, agreeing the current LULUCF proposal would be even worse than the status quo. The proposal currently tabled would frame rules that actually allow countries to increase emissions and not account for them. This will seriously undermine targets for Annex I countries before they are even finalised. We assume this isn't what the Chair of the Kyoto Protocol really wants to see. In fact, it contrasts rather dramatically with the approach being proposed for REDD, which starts from the assumption of emissions reductions from non-Annex I countries.

Instead, the accounting rules on the table from Copenhagen allow countries to hide or ignore substantial increased emissions from forest management in their baselines. Around 400 MT annually could be released without being accounted for, equivalent to 5% of the total 1990 emissions of all Annex I parties, and a significant fraction of their proposed reductions post-2012.

Instead, what we need is a strong and unambiguous commitment to deliver emissions reductions and increases in removals in this sector, in the form of a goal in the LULUCF framework. We also need to see protection for existing forest carbon stocks. We urge all parties to consider the consequences of enshrining hidden emissions increases into a climate deal – and instead move rapidly to reduce emissions from land use, land use change and forestry.

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can be made in Bonn on the design of an adaptation framework for implementation. However, developed countries should stop resisting a firm institutional link that ensures the provision of regular, reliable and truly additional grant-based finance needed to make this framework a real implementation action tool.

Bonn II could also achieve greater clarity on the enhancement, establishment, composition and role of regional centres and initiatives as well as the proposed establishment of an adaptation committee. Another issue that must advance is how to address unavoidable loss and damage from climate change impacts when adaptation is not longer a viable option, e.g., when water resources disappear due to shrinking glaciers and livelihoods become untenable. Progress in Bonn would be achieved if Parties clearly recognise the need for an international mechanism to address loss and damage, and identify key substantive issues to be addressed in subsequent sessions.

Technology

Technology negotiations have progressed enough that areas of clear convergence can be identified, especially regarding the establishment of a technology mechanism. More clarity is required to ensure that it operates within UNFCCC authority and principles. Other areas to be further clarified are the role of regional innovation centres, as well as criteria for MRV for technology support and actions that may take place outside the UNFCCC mechanism. Negotiators should be willing to show more flexibility regarding intellectual property issues, acknowledging the valid concerns of all parties, while focusing on a solution that will preserve incentives for innovation and ensure and expand production of, and access to, climate technologies for mitigation and adaptation.

REDD+

While ECO understands and agrees that reliable and adequate long-term funding is top priority, goals for REDD and the conservation and enhancement of carbon stocks remain essential. There should also be a finance goal for support, either a specific range – a number of studies have indicated that halving emissions by 2020 would cost $15-35 billion in 2020 – or simply an agreement to finance achievement of the carbon-related goals. It is crucial to move on this now given the speed of REDD negotiations and the launch of the REDD+ partnership for fast-start financing last week.

Successful mitigation outcomes from REDD+ activities by developing countries, supported by developed countries, depends on using improved methodological guidance for estimating emissions by sources and removals by sinks. SBSTA needs to progress this issue.

Climate integrity is not the only concern for REDD+ activities; safeguards not only need to be agreed, but the LCA text needs to operationalize them.

Finance

Climate finance can be a valuable opportunity to build some momentum in a process that needs a shot in the arm. Here in Bonn, parties should set ambitious goals for finance outcomes in Cancún, whether or not a comprehensive deal is agreed by then. To be more precise, by Cancún parties can finalize decisions covering finance MRV, governance and institution, and make substantial progress on operationalizing sources of finance to mobilize funding at the scale needed.

But it must be decided here in Bonn to achieve this by Cancún, and that means a negotiating text must be developed that will result in this outcome. ECO gives fair warning: for any parties thinking of blocking progress on finance because they didn't get what they want in other areas, it's time to open eyes to the bright light of negotiating reality.

MRV

ECO recognizes the crucial role of gathering, in a consistent and comparable way, accurate information relating to emission reduction activities undertaken by Parties, as well as the support provided. Indeed, this is central to the integrity of the climate regime. Thus, it is vital to continue discussions on the nature of MRV, in particular its scope and architecture, that is tailored to Parties' differentiated obligations. In so doing, Parties should agree a process at this meeting to elaborate the main issues associated with MRV. Additionally, Parties should give the Chair a mandate to develop text on MRV for this and future negotiations. Parties should also consider how to provide capacity building and support to construct

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Positive plans, relevant agenda items

Developed countries should produce Zero Carbon Action Plans (ZCAPs) to map out the institutions and policies needed for them to achieve their targets under a five-year commitment period, with the longer-term aim of near-total decarbonization by 2050. ZCAPs would also serve to document how each country proposes to achieve their support obligations to developing countries. Both parts of the ZCAP would be subject to MRV procedures to help ensure the environmental integrity of the deal and also to give all countries increased confidence that others will not free-ride. The long-term component allows countries to begin to develop a long-term vision for their economies and to plan for related socioeconomic transition. The reporting, review and compliance components of the ZCAP proposal are therefore essential to the integrity of the overall deal and giving confidence that targets will be met.

Developing countries should produce visionary low-carbon action plans (LCAPs) – over the short to medium run and depending on capacity – that provide a road map and outline a trajectory for their pathway to a low-carbon and climate-resilient economy, clearly linking development and climate goals to achieve sustainable development. These plans should be developed through a bottom-up, country-driven process and should build upon national plans for adaptation and mitigation, recognizing the linkages already in place in many countries between these issues. They should provide an integrated framework where a country's NAMAs can form a coherent package. These NAMAs would then form essential building blocks of a LCAP, and together their cumulative impact should result in the long-term objective of a low-carbon economy as well as stay within atmospheric limitations. Mitigation efforts together with adaptation all contribute towards the overall LCAP.

ZCAPs and LCAPs link to a number of existing agenda items. They are in the LCA text and are also relevant in the MRV discussions (MRV mitigation on non-Annex I, Annex I, the "firewall" between them, and MRV finance). Because ECO sees them relating to national communications, but forward- rather than backward-looking, SBI agenda items 3 and 4 (national communications for developed and developing countries) are also relevant.

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and maintain domestic reporting and verification systems in non-Annex I countries.

Zero- and Low-Carbon Action Plans

As part of the essential process to build trust among Parties through transparency of action, ECO would like to highlight the need to agree by Cancún that both developed and developing countries (with optional participation by LDCs and SIDS) will produce national plans showing how developed countries can get their emissions to near-zero by 2050, and how developing countries can reduce their emissions – with support from developed countries in accord with the Convention and the Bali Action Plan – in line with the required overall global carbon budget.

There is no time to lose. Actions are needed now in line with the scientific imperative.

In Bonn, Parties can build upon progress in the LCA and KP tracks to date and define the expectations for a balanced and ambitious outcome in Cancún.

Finance: Flashback or Fast Forward?

While seriously short of the mark, some limited progress was made on climate finance in Copenhagen. Developed countries promised to mobilise $100 billion per year and resolved to establish a new fund to deliver it. All that opens the door to fast-forward, not slow-walk, this building block in 2010. Cancún must offer more than just a flashback, a rehash of weak pledges. To unlock wider progress in the negotiations, at Cancún a robust agreement must deliver:

* Financing institutions, including establishment of a new fund under the UNFCCC and provisions for its governance.

* Scaling up new, additional and predictable climate finance through innovative sources, using the finance targets agreed in Copenhagen as a milestone for progress.

* Institutions, guidelines and procedures for measuring, reporting and verifying support for climate actions as well as the actions themselves, including a registry for both actions and support.

The task here in Bonn is to define clearly and lock in the loose pledges of Copenhagen, and provide a road map towards ambitious, binding finance commitments in Cancún. This will mean continuing the discussion of sources in the AWG-LCA so that negotiators can take the appropriate recommendations of the Advisory Group on Climate Finance (AGF), build on them, and agree a package of new sources that can meet the scale of needs. It will also mean clarifying the minimum scale of public finance required, to turn big numbers into meaningful commitments. Finally, it will mean taking a practical, no-nonsense approach to texts on architecture and governance to deliver finance that works for the developing countries it is meant to assist.

Real progress on climate finance at this session here in Bonn offers the best chance to shake off the cold, damp fog of Copenhagen and reveal the path to sunny success in Cancún.

EU study says -30% within reach . . . but how much will it grasp?

Go Europe! It's been a while since the EU came up with anything new on the climate front, so ECO is delighted to reveal that the Commission published a paper just last week, demonstrating unequivocally that a -30% target (from 1990 levels) is not only possible, but easily possible for Europe.

All the same, the paper doesn't go anywhere as far as is achievable. The -40% target, which would finally push the agenda toward real ambition, has not even been analyzed (for shame!). And the -30% target is based on the assumption that a mere 50-50 chance of staying below a rather uncomfortably balmy 2º C increase is adequate -- but let's not quibble too much.

At least the EU, unlike, say, Canada, is looking at the option of increasing its pledge, and that is progress. Even though the Commission's economic analysis does not take into account all additional benefits, it is still very clear that there is no reason at all why the EU cannot increase its pledge. Even better, it should agree that the -30% should be done completely through domestic action, so that it is on its way to becoming a near-zero carbon society by 2050.

The Commission's paper provides the facts on which Member States will base their decisions on whether or not to unilaterally take on the higher target. This should happen at the EU Heads of State summit in September.

If you, like us, want to see the EU break away from business as usual at -20%, here are a couple items to mention to any EU delegate you pass in the hallway here in Bonn.

* First, ask them to ensure that every European Head of State reads the Commission analysis. The figures in the paper show that there is no real impediment, financial or otherwise, to a unilateral EU move to -30%.

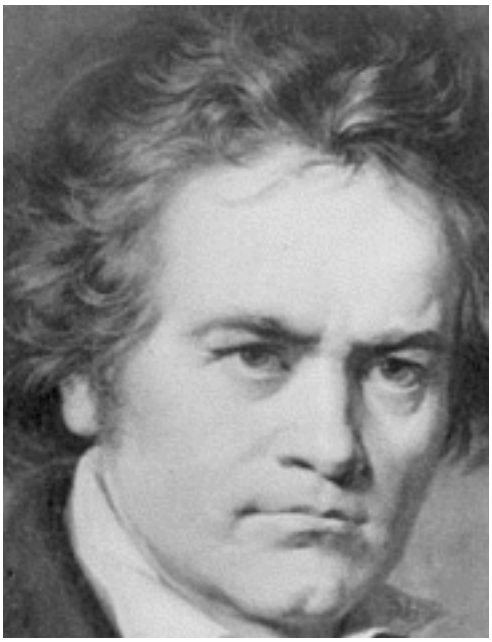
* Second, since the most recent data show current emissions already at 14% below 1990 levels, the EU is already halfway to reaching -30%.

* Finally, EU international climate leadership has always had the most impact when leading from the front, as demonstrated with EU-led initiatives like the 2º C limit and fast-start finance.

ECO expects EU delegates will be delighted to express their commitment to EU leadership on climate change, so tell them not to be shy!

LUDWIG

Ludwig has questions too. It seems he was cleaning out his refrigerator and something didn't smell right at all. On closer inspection, he discovered that there was a meal of fast-track financing that was supposed to be fresh, but instead it was clearly marked ODA and should have been used months ago.



Where's the bill?

As delegates return to the Maritim today for another round of climate talks, the Gulf Coast is busy coping with the biggest environmental catastrophe in the history of the United States. This catastrophe was caused by oil, which likewise is a leading cause of the climate catastrophe all at the Maritim are working so diligently to avoid.

What started as an explosion in an offshore rig that killed 11 people, has now turned into over a month of oil gushing into a fragile yet highly productive marine environment housing important fisheries that employ and feed thousands of people, attract tourists to its beaches, serve as a spawning ground for the endangered Bluefin tuna, just to name one of hundreds of notable fish, birds and invertebrate species that have heretofore been mostly oil-free. Now, sadly, the spill is swirling around in one big oily mess. Only time, the Gulf currents and the unpredictable course of a very active tropical storm season will tell the final tale, but the financial impacts are already calculated in the billions, as well as uncountable losses to already overstressed ecosystems.

So ECO is left wondering at this point: will the US learn from this catastrophe and finally pass its climate bill to reduce emissions and provide finance for climate action? Will this be a wake up call for the US that helps realize the benefit of strengthening their 2020 target?

It has been nearly a year since the US House of Representatives passed its version of a climate-energy bill. And since that time, ECO has eagerly searched for signs that the US administration is making progress in prioritizing climate change on the Senate's agenda. Some were even naive enough to believe that a bill would be done in time for Copenhagen last year.

But as we all know, it wasn't. The Senate had other fish to fry and could not be bothered with climate change legislation. But now that seafood from the Gulf, which provides 30% of the national total, may be coming with more than enough oil to fry itself, will the picture change?

On one hand, the news is good: Americans are waking up to the costs of their dangerous addiction to dirty fuels and looking for a new way forward. The President is finally feeling the public pressure to pass a bill that will promote clean energy and reduce emissions.

The crisis of the old order

But in other ways, the news does not look good. Some is primarily domestic in scope. The most recent version of the Senate bill allows revenue sharing of oil royalties with the states, which will increase pressure for even more dangerous and expensive offshore drilling. ECO guesses that particular compromise to gain Senate votes will be less popular now.

But also very disturbingly, as we warned in April during the previous UNFCCC session, this version of the bill also strips most of the provisions for developing country climate finance that were in last year's House bill. Let us say that again: the recent version of the Senate bill has much less funding for developing countries to cope with climate change than even the modest contributions of the bill passed last year by the US House of Representatives. Adaptation funding is now only provided from 2019 to 2034, and is only allotted about $1 to $6 billion a year in total to be split between domestic US adaptation and the entire rest of the world. And there is no funding at all for REDD and clean technologies for mitigation.

It seems to ECO that if the President and his administration are truly concerned about global climate change, they will insist that the Senate bill include more substantial amounts of funding for adaptation and reinstate the funding for clean technology and REDD. If the adminstration does not support more funding in the bill, ECO is wondering how on earth they will meet their commitments to long-term finance? One billion dollars is more than an order of magnitude less than what President Obama was talking about in Copenhagen.

So, here's a couple questions for the delegation to be forwarded to the US administration: Where's the bill? Have you learned anything already from this oil spill? And where is your plan for securing that finance you've been talking about? Can you, in fact, show us the money?