

# eco



## Welcome Message to Ministers

Dear Ministers,

Welcome to New Delhi, and the first major international meeting since the World Summit on Sustainable Development (WSSD) in Johannesburg. Although WSSD held great promise, it largely failed to deliver. One of the few rays of hope was the opening and closing speeches of the world leaders.

One after the other, prime ministers and presidents gave voice to the need to address climate change as the number one threat to our planet. They urged each other to bring the Kyoto Protocol into force. And most pegged a big part of the solution on a transformation of the global energy system away from fossil fuels and towards a renewable, sustainable energy path. But these speeches were delivered after it

was clear that the WSSD was not going to deliver concrete results on these issues.

Now it is your turn. Let us give those inspiring words some new life.

At COP8, progress has been frustratingly slow on the substantive issues because of the usual sabotage from the usual suspects and a lack of political will from the rest. The US-Saudi machine has been clearly at work with its well-honed combination of bullying tactics and bad faith negotiation. So what is left for you is a purely political task – shaping the Delhi Declaration.

Will COP8 be remembered as yet another victim of US unilateralism and Saudi self-interested intransigence? Or will it be remembered as the COP that was saved by

Ministers who responded to the growing global call for multilateral collaboration on a sustainable, clean-energy future?

Will we look back at COP8 as an opportunity seized to move forward towards a more equitable world, seeking to ease the plight of impacted communities among the poorest of the poor, and committed to avoiding dangerous climate change? Or will we look back at this meeting as the moment where the US, Australian and Saudi efforts to unravel Kyoto and the UNFCCC got their first foothold, undoing the heroic coalition that saved the Kyoto Protocol last year?

Will the rallying cry for "Climate Justice Now" heard on the streets of Delhi this week find a faint echo inside the Vigyan Bhawan? Or will yet another gaggle of the global elite huddle inside the comfy confines of the conference centre, blithely ignoring the global climate crisis which is already upon us while playing procedural games with our future?

It is your choice.

If you can summon the political will and the courage to put aside your differences and commit yourselves to working together to meet the challenge of global warming, you will have our total support.

Do not let the transparent US-Saudi efforts to stalemate these negotiations, by inflaming North-South tensions, drive you apart. It is not their Protocol, nor that of the fossil fuel companies whose bidding they do. It belongs to you – and the global citizenry whom you represent.

We have confidence you can move this process forward. You have done it before. We have made some specific suggestions in the last two ECOS. You know what needs to be done.

We will be watching.



# Perverse incentives for deforestation in Indonesia

Indonesia appears to believe that pushing forward the date for the definition of reforestation from 1990 to 2000 will increase its potential to reap substantial benefit from sinks in the CDM. Not only is the assumption false, this move takes Indonesia – the world's third-largest forested country – and the rest of the world down the wrong path.

Let us not forget history. Due to various inherent problems, many countries – and most NGOs – rejected sinks in the CDM. The world needs a change in the emissions path, not temporary storage. The agreement to include sinks in the CDM to offset one per cent of Annex I 1990 emissions was a compromise to allow for a package deal at COP6bis in Bonn. Definitions of forests, afforestation and reforestation were to be agreed by COP9.

Increasing supply will not increase the market, as the international demand is set only at one per cent of Annex I emissions in 1990, or about 140 million tonnes of CO<sub>2</sub>. Increased supply without increased demand will actually drive the price down and offset the increased

supply, as in a buyer's market at present. With a deforestation rate of about 10 million ha per year, the supply will increase by about 100 million ha.

Domestically, Indonesia will triple its potential to host CDM sinks projects. But where would this increased potential come from? Apart from legitimate logging and land-use change, other factors contribute to forest degradation.

The first is illegal logging. It is widely known that at least half of Indonesia's logging activities are illegal. At the domestic level, it feeds the over-capacity plywood, pulp and paper, and other downstream forest industries. Or logs are smuggled out to Malaysia and other neighbouring countries.

The second is forest fires. About 10 million ha of forests were burned in 1997/1998. Satellite imaging and field verification showed that most of the hotspots were found to be in plantation, especially oil palm plantation, areas – some of them owned by Malaysian companies. While it is easy to pinpoint these

companies, prosecuting them is a much more difficult matter due to powerful and vested interests.

Numerous reports show that the underlying causes of forest degradation in Indonesia are the combination of over-demand; land use, tenurial and regulatory conflicts; and bad governance and corruption. These very same factors increase the likelihood of greater forest degeneration. Putting all these newly deforested areas into CDM sinks projects will only give perverse incentives for destructive activities. Moreover, if Indonesia chooses to include plantations as CDM sinks projects, it will actually subsidise those who caused the forest fires, instead of holding them accountable.

Does Indonesia understand that it is going against the flow? Unless it is willing to humiliate itself in the G77, with all of its Annex I partners (with the notable exception of Canada and possibly the US), and the 400 NGOs affiliated with CAN, Indonesia must change its course. Otherwise, it risks being awarded its first fossil of the day soon.

## SBSTAnc-free

Last night's closing SBSTA plenary illustrates what happens when a major block of countries allows itself to be hijacked by a Party whose main objective is to frustrate progress.

On issue after issue, the Saudis, speaking for the G-77 and China, forced minimalist decisions. "SBSTA did not complete its consideration of (X) issue," the documents read. "It agreed to continue the consideration of these issues at its eighteenth session."

On policies and measures, the Chair's text merely noted submissions by Parties and his own report on the pre-sessional PAMs workshop. Even this proved too much for the Saudis, who forced deletion of his entire text and substitution of the now-familiar pledge to "continue consideration" of the issue at the next session.

There were a few areas where at least some progress was made: technology transfer, public education (Article 6), and the Brazilian proposal. But on the first two, last-minute contact groups were needed to settle funding issues.

ECO suggests that in future, if negotiators are to labour so long to produce so little, they at least do it by e-mail, so as to save the carbon emissions associated with their air travel.

## Climate change threatens Himalayan birdlife

The environment of the Himalayas, the world's tallest mountain range, is already being significantly impacted by the steady rise in global temperature.

It is estimated that the range's 15,000 glaciers are retreating at between 15 and 30 metres per year.

Increased flows during the summer in some river systems have been forecast for the next few decades, followed by a reduction in flow as the glaciers disappear. Currently, lakes within the banks of some glaciers are already rising with increased run-off.

As the mountain range has the greatest diversity of river birds in the world, their future is at risk. Among them is the Ibisbill, a wading bird that breeds in the glacial valleys of Langtang in central Nepal. It is particularly threatened because it depends on a unique and fragile habitat.

The Ibisbill nests on shingle banks in slow-flowing rivers. Its ecosystem will move upwards as the climate changes but the river valleys will not. The question remains: where will the Ibisbill go?

## Fossil Awards

All three winners yesterday received their awards for their interventions during the contact group on afforestation and reforestation projects in the CDM on Monday.

Chile won top prize for its enlightening comment that "small scale" projects would need to be a size of 5,000 hectares – the size of Trinidad – to 10,000 hectares.

Australia won second prize for trying to push sinks in the CDM into future commitment periods after 2012. This is outrageous, especially from a country that seems unwilling to ratify the Kyoto Protocol.

Canada won third prize for proposing that the Secretariat refuse to consider submissions from non-Parties in preparing the options papers that would form the basis of final rules.

## THANKS

*The Climate Action Network would like to thank the Swedish NGO Secretariat on Acid Rain, individual contributors, RAC France, Kiko Network, WWF International, David Suzuki Foundation, NRDC, UCS, Greenpeace International, NET, VERTIC, BBL and CAN Europe.*

*ECO website : <http://www.climate-network.org/eco>*