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No Time to Lose

Dearest delegates, we gather you've been working hard behind those mostly closed doors. But let's face it, following the failure of Copenhagen to deliver a fair, ambitious and binding agreement, the refusal all this year to set aside differences and focus on areas of convergence may yet scupper the UNFCCC talks. At Cancun, you will bear a heavy responsibility.

If one were to believe the international media, the story of Tianjin has been a high stakes standoff between the US and China, 'I won't do till you do' stalling, and negotiating paralysis. So let's unpack that a bit.

On the one side there is the United States, the emissions superpower that so far has not submitted itself to internationally binding carbon reduction commitments, and really has to do far more than a measly 4% reduction target on 1990 levels. A commitment on long-term finance would suit the Americans much better than a tone of righteous indignation. And though it pains us to say it, as in Bali, the US should step aside if it is not able to make real commitments, and let the world conclude an ambitious deal.

On the other side, China has been working hard at home to implement a commendable low carbon vision. China could propel the negotiations forward by agreeing to international consultation and analysis of its low carbon actions.

There are, however, more than two countries in the world and every country has something to offer in the negotiations. Whilst things have not gone smoothly this week, we gather that Parties made some incremental progress. However, incremental progress does not cut it with the planet, nor

will it be sufficient at Cancun.

Creating momentum requires commitment. At Cancun we need to refuel and take aim at the most ambitious level of agreement possible across all elements. Crucially, we need to map out the next important step of our journey to a fair, ambitious and binding deal in South Africa. A failure to plan our route – with a timeline, workplans and format for negotiations – will have us meandering along the dirt tracks as if we had all the time in the world, whilst climate destruction takes the fast road.

A positive development at this meeting is that negotiators have begun to grapple with the package for Cancun. The fact that a vast majority of Parties are seeking a legally binding outcome in the LCA track is self-evident.

But we are also pleased that so many Parties have expressed willingness to recommit to the Kyoto Protocol with a second commitment period. That must be crystal clear in the Cancun package.

It is essential that the stand-off in the legal matters group ends, otherwise there may be unintended consequences to the future of the Kyoto Protocol.

Parties gave assurance in Bali that there would be no gap between commitment periods. But that's not what is happening, and carbon markets, already soft since Copenhagen, will likely weaken further.

Here are essential elements of the package to contemplate between Tianjin and Cancun:

FINANCE

Discussions on finance have focused on the establishment of a new fund under the Convention. The COP should also establish an oversight body to perform crucial func-

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The EU Chooses

Next Thursday, European environment ministers will discuss whether the EU should upgrade its 2020 target to 30% unilaterally. ECO says yes! And while you are at it, make sure to meet it domestically, so that any offsetting comes on top of 30%.

While several environment ministers have already indicated their support, others are holding back. But let's face it, almost everybody expects the EU is going to move to 30% anyway. The more time they waste discussing the matter, the more time they lose reaping the economic advantages.

For two years now, the EU has not budged from its conditional pledge to increase to 30% if comparable efforts are made by other major economies. But this position has diminishing relevance.

Several studies, including from the European Commission, clearly show that EU has good reason to increase ambition right now. The most obvious is that they have already nearly reached the 20% target, a full 10 years before 2020!

According to the European Environment Agency, the EU's 2009 emissions stood at approximately 17.3% below 1990 levels. Although the economic crisis is part of the reason, there is no doubt that most of the effort has already happened.

Second, consider the low-carbon race. China became the biggest wind market in the world last year. If EU leaders want their green industry to remain at the forefront, they need to give their economies clear direction.

Third, a more ambitious emissions target would generate billions of euros of addi-

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tions such as ensuring coherence of the financial mechanism, coordination, and assuring a balance of funding.

We know that some countries have been working hard to bridge the divisions on these issues. At Cancun we expect that Parties will establish a Fund with democratic governance, providing direct access for developing countries, and functioning under the guidance and authority of the COP.

TECHNOLOGY

Technology often tops the lists of potential outcomes in Cancun, yet the details have remained elusive in Tianjin. The key question is the institutional arrangements of a multilateral mechanism, with the aim to scale up and speed up the use of climate friendly technologies. Here again, governance should be placed under the authority of an entity whose mission is focused on limiting warming to 1.5° C.

MITIGATION

Mitigation clearly is a most essential element of the package. Despite this, negotiators chose to dive into contention rather than seeking convergence. A focus on developed country pledges, the NAMA mechanism, as well as NAMA design, preparation and implementation took form only on Thursday.

In preparation for Cancun, Parties should replace their ‘dog ate my homework’ excuse with a willingness to agree rules that will ensure the environmental integrity of their emissions reductions.

Before Cancun, we recommend catching up on the science. Preventing dangerous climate change clearly requires more substantial emissions reductions. A balanced Cancun package will require Annex I parties to show how they are going to meet their moral obligations and to act in line with the science. We recommend acknowledging the gigatonne gap between current pledges and science based targets, and agreeing a route to South Africa that addresses ways to close the gap.

CAPACITY BUILDING

Everybody appears to agree that capacity building is both vital to success and key to movement in Cancun. The principles were well-established as early as COP 7, and developing countries (particularly LDCs, SIDs and Africa) have been clamouring for years for a dedicated capacity building framework with real resources and a genuine desire to succeed. And yet still nothing happens. How long will it take at this rate?

LULUCF

The logging industry must be thrilled

at how forest negotiators mangled the LULUCF accounting rules this week. The proposal forwarded to Cancun undermines the environmental integrity of Kyoto by hiding increases in emissions and awarding false credits to loggers.

Because so much time was spent on devising these accounting tricks, minimal attention got paid to emissions from land-use change beyond forests – another potential loophole. The only proposal for managing forests that has any environmental integrity was given short shrift.

Furthermore, the damage this proposed decision can do to REDD accounting is not to be underestimated. To prevent another Marrakesh, the damaging impact of forest accounting on the targets will have to be addressed in the broader KP numbers discussion.

REDD

From time to time this week, the curtain has lifted on the Dante-esque world of the REDD+ Partnership. We have been mesmerised by the heroic, if misguided, struggle between the co-chairs and the rest of the world. However, we are also saddened that what could be a valuable institution has become a farce. We can only hope that things will get better.

ADAPTATION

A focused atmosphere prevailed in the adaptation talks, which are progressing on content and may eventually deliver a compromise agreement. ECO reminds parties that the adaptation framework must include operational elements and result in action on the ground.

To move forward, Cancun must clarify the functions of the adaptation committee, enable a tangible solution on loss and damage, finally put response measures back in its box, and search for balance between adaptation and mitigation funding, including a pre-allocation scheme.

Fossil of the Day: New Zealand

A fossil is awarded to New Zealand, as an ambassador for all Annex I Parties, for bluntly declaring that if they don't get the rules they want on forest management, they'll have to change their overall emission reduction target. Does this mean that the LULUCF sector is just a slush fund and Copenhagen pledges are open for re-negotiation if the slush fund disappears?

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tional income for governments, as the majority of industries will have to buy emissions permits under the emissions trading scheme. Funneling this money to climate measures will accelerate EU's low-carbon development and trigger much needed long-term financing for developing countries. And independent research shows that more ambitious climate policies won't result in mass relocation of industries outside of the EU.

With smart policies, increasing the EU's target will be cost neutral and reduce its foreign fuel dependence, cut energy bills in the longer run and reduce public health costs. So, all in all, the perfect moment for going to 30% is now!

LULUCF: the Second Agenda

You've heard about all the trouble with the logging loophole in LULUCF. But there's another important agenda on emissions from non-forest lands under the Kyoto Protocol.

Several ideas such as mandatory accounting for cropland management and grazing land management, and the introduction of a new activity category of wetland management, have languished with very little discussion. Yet Parties seem to think they are on the downhill run wrapping up LULUCF.

Emission from biofuels (processing crops and burning them as transport fuels) also risks being mostly ignored at a time when they are expected to grow rapidly as an alternative to fossil fuels.

There are issues with data availability and accuracy in accounting for these activities. But that is no excuse for deferring action in the second commitment period. One thing that can be done is to use a hotspots approach, concentrate MRV efforts on identifying the lands with the most significant sources of emissions, and estimate these activities in the most accurate and practicable way whilst commencing on a SBSTA program to introduce more comprehensive accounting.

The new rules could well make a huge amount of forest management emissions vanish through a loophole, but even worse, also fail to capture significant emissions arising from the other land use activities.

There is still time to construct a complete agenda for LULUCF rules with integrity for the next commitment period, but there is not a moment more to lose.