CLIMATE NEGOTIATIONS BARCELONA NOVEMBER 2009 NGO NEWSLETTER

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The Grand Rehearsal for Copenhagen

What a difference only three weeks has made. Delegates, before checking up on your homework assignments from Bangkok, let's take a step back and look at the wider political picture.

Several governments previously not seen or heard from are frantically preparing for Copenhagen. Their heads of government and state want to make a strong statement when the big show premieres in 34 days... and counting. These leaders want to do the right thing for their people and the planet. They are asking the hard question: What has prevented negotiators from implementing the Bali consensus?

Two things are standing in the way of an equitable agreement that limits or prevents dangerous global warming: too much fear and not enough ambition.

First, there is unsubstantiated fear of a legally binding agreement. ECO has written before about the commitment-phobes wandering these hallways. Responsibility and trust are what´s needed here!

Without trust - and the transparency and accountability that underpin it - no real deal can be had. But just as important, without those that have the greatest historical responsibility coming forward, Copenhagen will go down in history as the largest, most expensive party in the restaurant at the end of the universe.

Secondly, there is insufficient ambition, and here is what we mean: enough ambition to have a future ... to enable people to enjoy the fruits of their labour without the constant fear of looming environmental disaster ... the ambition to leave to the next generation a greener planet.

Transition to low carbon development must be brought about within the next decade. The foundations for this urgently needed shift must be contained in the Copenhagen agreement. And what do we mean by a fundamental shift? Only good things: investment in green technology worldwide, drastic cuts in emissions, and support for sustainable development and adaptation that really works. Real ambition leads to a real transition.

Moving forward this week, Parties need to produce the manageable strong negotiating text that somehow eluded them in Bangkok. The important questions can be answered. ECO knows you can do it.

The temptation to declare success along the road to Copenhagen, no matter what the outcome, will of course be great. So, to help sort the high road from the other roads, this week ECO will highlight attempts to greenwash and continue to award Fossils to those Parties who have earned them. Remember, however, proposals that banish fear and build ambition will get praise just as swiftly and surely.

The negotiations this week offer delegates an opportunity to give strength to vulnerable communities and make our ecosystems stronger. Decisions and discussions to date have yet to fully embrace that opportunity. It's time to pick up the pace from Bangkok, focus on the essential elements of a Copenhagen agreement, and prioritise the remaining time on negotiating those key points.

So for those who have misplaced the homework assignment from Bangkok: What do we want out of Barcelona? Progress, including but not limited to elements in the highlighted box.

The rising tide of local climate action is capturing the hearts and minds of people

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EU's Finance Figures Start Race to the Top

After delaying the decision all year, last week's summit of EU heads of state and government finally agreed on concrete numbers for the scale of public financing needed for adaptation and mitigation in developing countries.

ECO of course recognises that the EU is the first Annex I Party to do so, but observes that much more will be needed to seal the fair, ambitious and binding deal we need in Copenhagen. And now is the time for other developed countries to come forward with more ambitious proposals, to push the EU further in the right direction and propel the world towards success at COP 15.

By now, nobody should doubt that the scale of new and additional public money provided by developed countries for climate action in developing countries is one of a handful of top issues that will make or break the Copenhagen deal. In our assessment, at least 110 billion in new and additional public finance is required.

The EU starts by heralding a figure of 100 billion which they say will be devoted to the total investments needed for climate action in developing countries. But looking more closely, this is not entirely public money or even largely so; it includes a public finance estimate of 22-50 billion, plus money that will flow through carbon markets for the purchase of offset credits, and even beyond that, contributions to be made by developing countries themselves.

A public finance share of €22-50 billion must be considered inadequate for three reasons.

1. The public share is simply not enough. There are serious concerns on the ability

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LULUCF Follies

Right now in Barcelona is the time for Annex I Parties to change their LULUCF strategy and stop looking for cheap and easy credits from this sector. Continuing on this path will undermine the integrity of the Copenhagen climate agreement instead of creating a fair and transparent accounting framework through which industrialized countries take full responsibility for emissions from logging and bioenergy production.

It has already become clear that seriously flawed rules will be challenged by non-Annex I Parties and observers alike. Moreover, continued advocacy for such rules by some Annex I Parties risks a setback in the overall negotiations and raises the necessity for further modifications such as caps or discounting.

Fair and effective forest management accounting rules will provide an incentive to make structural changes in forest management that benefit the climate, and discourage forest management practices that yield little value. Yet the options in the current working text are flagrantly asymmetric.

Sources of debits are variously removed from the accounting altogether, defined away in the reference levels, explained as natural disturbances, or delayed for decades by favorable wood product accounting. Erasing debits is like deciding that nobody will ever fail in a pass/fail system – and will provide about the same amount of motivation for the effort to get forest management right.

It's a little hard to believe, but the positions taken by many Annex I negotiators effectively define their preferred management choices as carbon-neutral, regardless of what emissions actually are. In this fantasy world, you incur no debits for a 'business-as-usual' policy of cutting forests at age 50 even if most of the national forest estate is now 49 years old and you're about to cut it all down! Nor do you receive debits for stepping up forest harvest to produce bioenergy. But the atmosphere sees the debits as emissions that should not have increased.

Annex I LULUCF negotiators need to remember - or be reminded by their ministers and civil society - that the planet is at stake here and, yes, we actually need to reduce emissions. Good intentions are welcome, but we are not here to engineer rules to avoid changing how forests are managed.

ECO is pondering what would happen if other sectors played the LULUCF game. How about assigning zero emissions to the power sector if they ramp up production using a business-as-usual practice of burning oil? In the LULUCF world they would only count the emissions if the sector switched to a dirtier fuel like coal. But that's not what we meant by 'ambition' in a good Copenhagen deal.

– EU's Finance Figures Start Race to the Top

of the carbon markets to finance reductions beyond the tonnes sold for offsets. So much reliance on non-public sources will reduce assurance for delivery of the overall finance required. And further, even the underlying European Commission calculations noted that low Annex I targets would mean dramatically higher public financing needs. A quick look at the current aggregate Annex I mitigation targets suggests a rapid upward reappraisal of these financing estimates is needed.

2. It is not clear the EU thinks this money must be "new." All public financing contributions under a Copenhagen agreement must be additional to the 0.7% of GDP that developed countries promised long ago to developing countries for development assistance. In addition, we know that the EU by itself will get new and additional annual revenue of around 30 billion by 2013 within the EU Emission Trading Scheme, a perfect opportunity to allocate some of these new public revenues to meet international adaptation and mitigation needs.

3. This money needs to come from developed countries. The EU is clear that it prefers that developing countries (except LDCs) also contribute alongside developed countries, on the basis of their GDP and - most importantly - their emissions. ECO would like to remind the EU that under the Convention it is the rich countries who have financing obligations. Developing countries are already paying the costs of climate change daily in the impacts on the lives and livelihoods of their citizens.

So the EU has broken away from other developed countries and raised the flag on concrete financing discussions - with real numbers attached, numbers that these international talks have been starved for all year. But this is an opening bid, a starting point for constructive discussions on financing this week.

The spotlight will now unavoidably shift to the US and other rich countries, and they should start talking real numbers too. The race that the EU has started must be continued towards the top. 110 billion in new and additional public finance from developed countries marks the finishing line for a fair and safe outcome in Copenhagen.

– The Grand Rehearsal for Copenhagen

around the world. As we get to work in Barcelona, many of them are working just as hard to raise awareness and strengthen the resolve of their political leaders from Delhi to Washington, from Warsaw to Tokyo, and say, just do it in Copenhagen. Will you?

Key Points

- Annex 1 aggregate emission reduction target of at least 40% below 1990 levels for 2020.
- Neutralize the impact that LULUCF will have on Annex 1 targets.
- Define the scale and commitments to new additional public financing.
- Rule out double counting in finance and mitigation, including offsetting.
- Determine the AWG process to define clearly the steps to move the discussions forward in Copenhagen.
- Determine a source of financing for bunkers.
- Remove all politically unfeasible options from the text.
- Consider who is leading in the technical process on these issues, such as the new mandate on finance from the EU.
- …and of course all of that in a legally binding version.

Scotland breaks the 40% barrier

What's the first thing that comes to mind when you think of Scotland? Tartan? Golf? Scotch whisky? Now here's something new – legally binding emissions cuts of 42% by 2020. Scotland has committed to reduce its emissions by that level and 80% by 2050, all relative to 1990 levels. Scotland has also pledged to make at least 80% of these cuts within Scotland and, an important innovation that should be emulated by Parties, to report annually on all its consumption based emissions as well.

How is Scotland planning to achieve such heroic feats, despite being almost as cold as Canada or Russia, and having nearly as many sheep as New Zealand? You can find out directly from the source: the Scottish Minister for Climate Change, NGO and business leaders will explain how they plan to do it on Tuesday at 9 am in Room 5. ECO doesn't want to steal the Minister's thunder, but we can reveal some clues involving renewable energy, improving the energy efficiency of buildings and better public transport. And another hint for delegates in Annex I: take note, it's not rocket science!