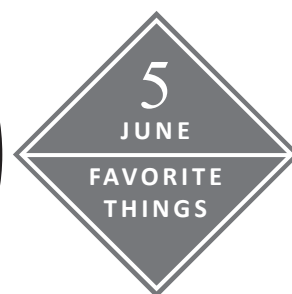


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The 4Qs of Adaptation

Stressed negotiators hurrying into today's adaptation-focused LCA contact group need not worry if they have arrived somewhat unprepared. ECO is pleased to provide the four answers that have the potential to make a difference.

On response measures (Q1), this question should be considered off-topic because the Bali Action Plan (adopted even by 'Friends of Response Measures') clearly gave the response measures a home under the pillar of mitigation. In any case, seeking compensation for reduced oil sales is holding the millions of people hostage who are suffering from climate change and in dire need of adequate support to cope with its adverse effects.

On institutional arrangements (Q2), here's a summary, really just a soundbite, on the adaptation framework. It should facilitate and ensure the provision of financial support by developed to developing countries. It would not organise funding disbursement; however, the adaptation committee would recommend further action to the COP if insufficient funding undermines the scale of support required under the adaptation framework. It would do so by linking up with the Kyoto Adaptation Fund Board as well as other proposed institutions tasked with finance disbursement such as the Copenhagen Green Climate Fund.

On loss and damage (Q3), Annex I Parties should answer this question: What would you do if your country, its

lands and the livelihoods of your people were becoming untenable or even starting to disappear under water or sand? How would you face damages so substantial they are beyond your ability to adapt?

Parties should set up the international mechanism to address unavoidable loss and damage from climate change, through risk reduction and management, insurance and rehabilitation – against internationally established baselines – when adaptation is no longer possible. In Cancún, Parties should establish this mechanism and operationalise at least the insurance component, and agree to launch the rehabilitation component at COP17, using 2011 to study and develop the modalities.

On matching adaptation with support (Q4), our longstanding view is that developing countries should receive regular flows of grant finance through the financial mechanism and its operating entities in support of adaptation efforts. Needs and priorities should be identified through in-country, transparent and participatory adaptation planning, implementation and evaluation. Adaptation strategies can be disseminated consistently at the international level to support the continuous influx of finance, but there is no need for an 'adaptation registry'.

CAN/UNFCCC Security Party!
with a very special presentation
Saturday, 5 June – 8 pm to ???
Maritim Bar
Please bring your badge for admission

Focusing on Sources: the AGF Workshop

Making progress on long-term finance is key to unlocking progress on an ambitious package in Cancún. The upcoming Advisory Group on Climate Finance (AGF) workshop is a chance to clarify questions about the role of the panel and how it connects with the UNFCCC negotiations.

Last September, UN Secretary-General Ban Ki-moon's first proposed a high level panel at the UN General Assembly. Early this year, the Secretary-General followed through on his commitment. In establishing the AGF, he set a path toward agreement on sources of scaled-up financing under the UNFCCC to meet the need for climate action in the developing world. The panel brings together high-level finance officials and Heads of State, who normally aren't closely engaged in the climate negotiations, to make recommendations on climate finance to the UNFCCC.

Nevertheless, ECO believes that we can't leave the discussion on sources entirely in the hands of the AGF until just before Cancún. In order to get a meaningful decision in Cancún on sources of scaled-up financing, the LCA must immediately resume the discussion of innovative sources and continue to be informed along the way by the analysis and recommendations of the AGF.

To jump-start this exchange, since

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While walking past the copy machine in the Maritim, ECO spotted a teacher's note intended for the 'Brollies' (Australian slang for the small tent-like devices called 'umbrellas' that are designed to shield oneself from the rain and other realities). It read as follows:

Dear Brollies . . . You're progressing in the 3 R's (reading, [w]riting and [a]rithmetic), although there could be some improvement on your maths.

But your marks are not adequate at all on avoiding dangerous climate change. So this term, it's time to focus on the 3 C's – a Common Position leading to Common Rules and Strong Compliance.

You have often lamented in class that any consolidation of commitments cannot be based on a 1992 world. To be clear, Brollies, it cuts both ways. The regime cannot afford to be based on a pre-1997 version of industrialized country commitments, yet your Umbrella Group submission in the LCA contact group on the MRV of Non-Annex I mitigation actions seems to suggest just that.

Developed countries undertake commitments and they must be complied with. That is what leadership looks like. Merely reviewing progress

toward a target isn't sufficient. Perhaps you should review the study plan for this term: Transparency in the developed country context isn't just about building trust amongst Parties, but also to detect when they aren't fulfilling their commitments. It is clear that the current regime lacks a robust early warning system for non-compliance (Canada, please stop hiding behind the umbrella).

A policy review process could assist in enhancing the regime, but it can't be the end of the story. Strong compliance with legally binding commitments is crucial to building a regime for avoiding dangerous climate change. The question must be put: What happens if expert reviewers detect a problem? (And the answer can't be 'nothing'!)

To assess compliance, common accounting and reporting standards are needed. This applies just as much to calculating emissions reductions as it does to the support provided by industrialized countries. It's encouraging that you Brollies can come to a common position, so it shouldn't be a big step to agree common rules. There is plenty of material to draw from and improve upon – for examples, look in your Kyoto lesson plan!

If you are questioning the need for common accounting and reporting rules, please refer to the fast start financing reports published by the US (at the April MEF session) and the EU (both at and before this session). While the depth and quality of those reports are welcome, other Brollies must follow suit and report on the state of your fast-start financing. This includes defining the terms and revising the relevant National Communication guidelines for reporting on financial, technological and capacity building support.

Remember, progress on MRV rules will be key to ensuring a successful outcome in Cancun. However, this means detailed progress on all fronts: Annex I emission reduction commitments, Non-Annex I nationally appropriate mitigation actions and support for them provided by you and the non-Brollie Annex I countries.

You're making progress in a few areas, but to pass this term, remember that your grade depends on all 3 Cs: a Common Position leading to Common Rules and Strong Compliance. The final exam is in Cancun, so don't fall behind in your class work going forward!

*/signed/
Professor M.R.V.*

– AGF, from page 1 –

time is very short, Parties should put the best ideas on innovative sources of public finance into the LCA text now. These include bunkers mechanisms and/or levies, Special Drawing Rights (SDRs), a Financial Transaction Tax (FTT), and international auctioning of AAUs, all backed up through national commitments to assessed contributions.

And here's a special note to developed countries: For those who might be a little reluctant to press for new and additional funding from your Treasuries each year, remember that innovative sources could provide a substantial boost to reach the annual \$100 billion milestone by the end of the decade that you pledged in Copenhagen. The extra effort now will yield big benefits in coming years.

Bangladesh Launches Climate Change Resilient Fund

Bangladesh has signed an agreement in Dhaka on 31 May to set up the Climate Change Resilient Fund with the UK, Sweden, Denmark and the EU at a ceremony featuring Dr. Hasan Mahmud, state minister, Ministry of Environment and Forest, and ambassadors from the contributing countries, along with Connie Hedegaard, EU Commissioner for Climate Action.

The total amounts initially pledged are over \$100 million which will be used to implement the Bangladesh Climate Change Strategy and Action Plan (which includes both adaptation and mitigation programs).

'This is a pathbreaking example for an innovative new approach in national climate action,' said Dr. Saleemul Huq,

senior fellow of the International Institute for Environment and Development. 'It is important to consider that this is a developing country taking the lead on national climate action with coordinated support from other countries. This showcases a new paradigm based on transparency for both donor countries and citizens'.

The Climate Change Resilient Fund will consist of contributions from developed countries and supplement the funds already allocated in Bangladesh's national budget for implementing its Climate Change Strategy. While the strategy was launched by the previous administration, the recently elected government upgraded Bangladesh's own support level from \$50 to \$100 million.