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The Benefits of Public Participation

There isn't much reason to praise the United States these days, so ECO is pleased to report that the US got it right in yesterday's SBI contact group. Echoed by supportive interventions from Mexico, the EU and Bangladesh, the United States highlighted that enhancing observer participation is not for the benefit of the observers, but rather is to benefit the Parties and the entire UNFCCC process.

Today, the SBI Chair is continuing contact group discussions on observer participation. We appreciate the emphasis he has placed on this matter as demonstrated by his willingness to chair the contact group himself.

Moreover, the Chair's management of the contact group was a model for the implementation of one of the most important measures necessary to make civil society participation more meaningful. Observers were given not just the opportunity to make one intervention, but were able to participate in the give-and-take of the discussion on an equal basis with Parties. This kind of opportunity to provide input directly and in real time is vital to ensuring relevant, useful public participation.

It is important to build on this progress. The SBI should call on the Secretariat to implement new practices that ensure real-time access to negotiations and negotiators. For example, open contact groups and other negotiating sessions should be the rule, not the exception. Civil society

should have immediate access to proposals and other documents that are necessary to make relevant input. Observers should have substantially enhanced opportunities for oral interventions and written submissions should be included in MISC documents along with Party submissions. And civil society must be able to use varied tools, including non-violent demonstrations and stunts, to put the spotlight on inadequate or inequitable developments in the negotiations.

These kinds of new rules and practices should be developed through a process that involves stakeholders as equals. This means not only soliciting input at the outset, but also giving civil society the opportunity to review and comment on proposed new rules and practices before they are implemented.

Finally, the SBI should avoid creating mechanisms that look like enhanced participation but really aren't. Some have proposed creating a few high-level panels through which NGO input would be directed to the COP or other UNFCCC bodies. This would be an unwieldy process at best resulting in watered down input that would almost certainly come too late to be useful. Similarly, while a pre-COP NGO dialogue might result in some interesting general input, it cannot be a substitute for real-time direct input into the negotiations. That is the heart of real public participation benefits.

Brazil Sets Another Record for Emissions Reduction

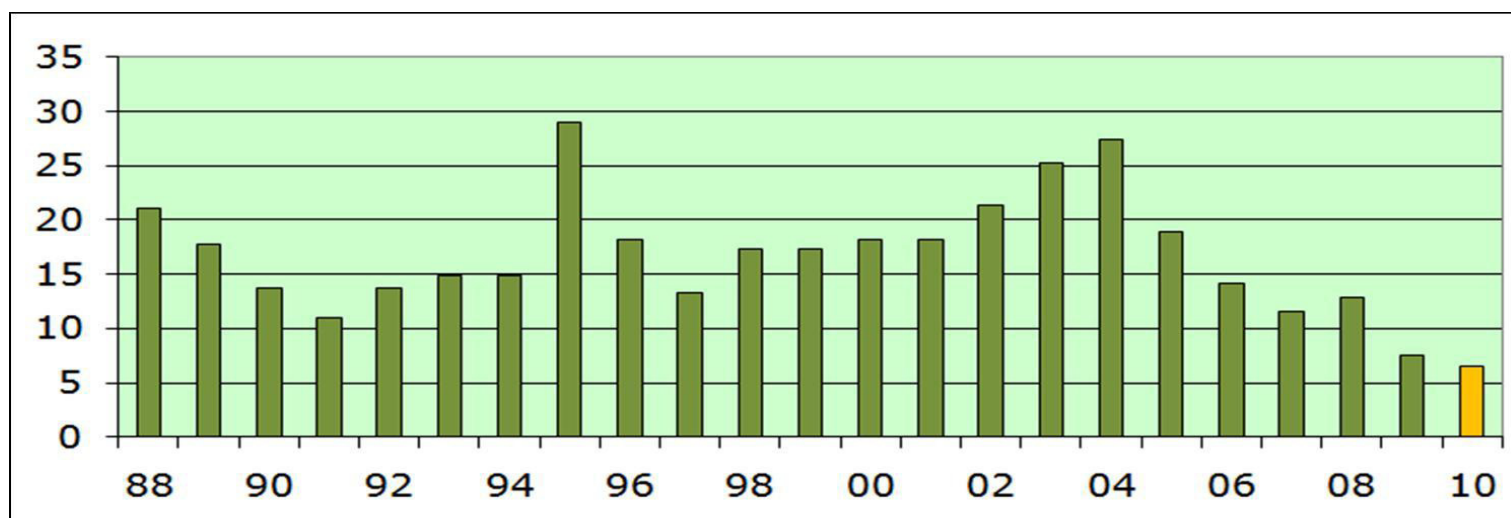
ECO has noticed that there's a lot of talk in the UNFCCC meetings about what countries will promise, pledge, commit to, and otherwise say that they're really, really going to do.

Much less frequently do we hear that countries are actually achieving emissions reductions. That adds to the pleasure of seeing the announcement yesterday that Brazil's deforestation rate has fallen to another record low level. The reduction in Amazon deforestation, from over 27,000 km² in 2004 to below 6,500 km² this year, is in fact the largest reduction in emissions made by any country anywhere on the planet. And so Brazil, a tropical developing country, has already done what the biggest industrial powers in the world have simply promised to as long as a decade from now.

According to calculations by the Union of Concerned Scientists, Brazil's reduction deforestation emissions in the past five years, from the 1996-2005 average that serves as its baseline, amounts to 870 million tonnes of CO₂ annually. How big is that? Well, the EU's pledge of a 20% reduction by 2020 corresponds to just below 850 million tonnes, and the US pledge of a 17% reduction (below 2005, not 1990) is about 1,200 million tonnes.

Brazil originally set a goal of reducing deforestation 80% by 2020. But since it has already achieved 67%, outgoing President Luis Inacio Lula da Silva recently moved that date up to 2016.

– *Brazil, continued on page 2*



Brazil's Amazon deforestation rate from 1988 to 2010, in thousands of square kilometers per year. Source: Presentation by INPE/PRODES, Brazilian Ministry of Science and Technology, 1 December 2010.

– *Brazil, continued from page 1*

Brazilian NGOs have shown that their country can and should do better than that. A broad coalition of civil society groups is pushing for a reduction to zero and by 2015. The new data prove that this goal is clearly feasible. The incoming administration of President-elect Dilma Rousseff should adopt it so as to continue Brazil's global leadership on climate.

The struggle to eliminate deforestation has not been easy, and by no means is it over. In fact, there's now a backlash led by agricultural interests in the Brazilian Congress against the Forest Code, whose enforcement has been an important tool to reduce deforestation.

A recent study by the Observatorio do Clima coalition has shown how the proposed amendments to the Forest Code would create loopholes that could increase emissions very substantially. If they are not rejected, the Brazilian government's climate leadership will be called into question.

Brazil's progress, not only because of government policies but also strong and continuing pressure from Brazilian civil society, emphasizes the need to adopt a strong REDD+ decision as part of a balanced package here in Cancun. But more than that, it demonstrates the importance of countries taking action now, rather than using the inaction of neighbors as an excuse. It's time for the Annex 1 countries to go beyond promises and start acting to reduce emissions dramatically and rapidly, they sure can too.

Bem feita, Brasil!

Rocking the Boat, Flying to the Moon Palace

Delegates arrive by plane and eat food that's been shipped by boat – international transport has been part of the COP since the beginning. And while there are 100% biodiesel buses bringing delegates from the Messe to the Moon Palace, we are a long way (whether by plane or boat) from having international transport running on clean fuel.

Even if the weak voluntary measures proposed by the International Civil Aviation Organization (ICAO) are implemented, emissions from transport, if kept unregulated, would amount to 30% of the annual global emissions budget by 2050 to be compatible with a 2° C objective. In the 1.5° C scenario the figure is even worse, it's above 60%!

But there is some good news too. There are now ways for global regulation of emissions from international transport to cause no net incidence on developing countries. This guarantees consistency with the principle of common but differentiated responsibilities without affecting economic efficiency – something that has been blocking a decision in this arena.

Even better, there are many options available to generate climate finance, some of which could yield upwards of \$10 billion USD per year, while also generating funds for technology innovation in the international transport sectors. That's another point that has been blocking progress. And better yet, you guessed it, some of these options can also achieve significant emissions reductions.

If given a clear signal at this COP, regulations under the International Maritime Or-

ganization (IMO) could be operationalized as early as 2013. Remember, the closure of the fast-start financing period will be upon us in two short years. A decision here at Cancun would allow FSF, much of it actually non-additional, to be replaced with real, new and additional finance. That would be something for delegates to be proud of as they taxi down the runway leaving the Cancun International Airport for well-deserved time off at the end of the year.

As the High-Level Advisory Group on Climate Change Financing (AGF) points out, no single source is going to reach the promised \$100 billion USD level by 2020. ECO therefore reminds developed countries that substantial public financing from you will also be required. And it is easy to see that financing from international transport should be part of any package.

Sending a clear signal to IMO and ICAO at COP 16 will not only help prevent a finance gap but also take a big step to ensure environmental consistency and climate stabilization.



Protection for Peatlands

Forest management is surely as important as everyone knows, but peatlands that have been drained for agriculture and other purposes are also important emissions hotspots globally.

Yet incentives for Annex I countries to reduce these emissions under the Kyoto Protocol were minimal in the first commitment period. In fact, accounting for land use activities associated with the drainage of peatlands (forest management, grazing land management and cropland management) is voluntary and therefore rarely selected.

The second commitment period of the KP offers a new opportunity to address this mega-gap. Parties will have higher reduction targets, and LULUCF can and should make a significant contribution to reducing emissions.

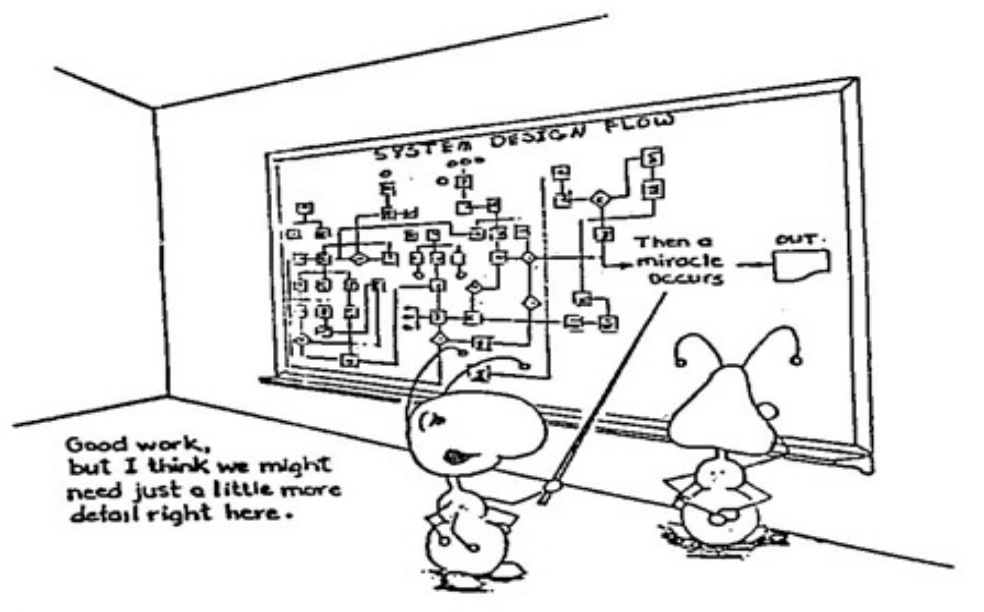
Further peatland drainage can be discouraged by making accounting for Article 3.4 activities mandatory, provided sufficient data quality is ensured.

In particular, further drainage for biofuel production should be decreased to prevent the development of a giant new emissions accounting loophole in the energy sector combined with unaccounted increased emissions in the land use sector.

In addition, rewetting of drained wetlands as an effective measure to decrease emissions should be encouraged by adopting the new activity 'wetland management'. If countries fail to agree mandatory accounting of existing Article 3.4 activities, mandatory wetland management is the only way to close the emerging accounting loophole for peatlands under LULUCF.

Reporting and accounting for peatland drainage is already facilitated with IPCC 2006 guidance, but a number of gaps still remain. An IPCC expert meeting in October concluded that science has developed recently to such an extent that most gaps (e.g. rewetting of drained peatlands, wetland restoration) can now be filled. As well, the emissions associated with land use on peat (cropland, grassland, forestry, peat extraction) should be reassessed.

Here in Cancun, the SBSTA can request the IPCC to undertake this work and define a way forward to finalize improved guidance in time for the second commitment period. It's all to protect one of our most important land sequestration resources . . . for peat's sake!



Time to Get Rid of All That Hot Air

ECO did some maths and was astounded to find that surplus Assigned Amount Units (AAUs) under the Kyoto Protocol range between 7 to 11 GT CO₂ for the first commitment period. That's well more than one-third of all 2020 emissions reduction targets currently pledged by Annex I countries! ECO thinks that is the definition of a wake-up call.

If all of those surplus AAUs are carried over to the second commitment period, the carbon trading game will be fixed in favor of higher pollution levels. That kind of magical accounting will look great on the books, but the planet will still be boiling. This is why the overflow of surplus AAUs is called 'hot air.'

It's no secret that hot air is due to an erroneous calculation of future expected emissions for Russia and eastern European countries such as Ukraine and not because of the implementation of effective climate change mitigation policies.

A minor rewrite of Paragraph 13 of Article 3 can easily get us out of this quagmire. ECO advocates setting a stringent discount factor so that the annual average amount of emissions carried over is capped. For compliance in the next commitment period, a limited number of banked AAUs should only be used domestically in countries holding surpluses.

Furthermore, legal provisions should be agreed that prevent the 'laundering' of first commitment period AAUs via the sale of second period AAUs. If hot air is not fully

addressed, ECO questions the viability of international emissions trading as a mechanism after 2012.

What it comes down to is this: you cannot cheat the atmosphere. Instead of using magic accounting tricks with AAUs, Parties should concentrate on innovative approaches that reduce emissions in the real atmosphere.

UNEP Assesses the Gigatonne Gap

Remember the Gigatonne Gap? It's the gap of 9 gigatonnes of CO₂-equivalent between country pledges in the Copenhagen Accord and the emission reductions needed to avoid a temperature increase above 2° C.

A new UNEP report shows that many potential measures already exist to help close the gap, some of which are at stake at this COP. The report demonstrates the feasibility of emission reductions and the importance of cooperation among governments and countries to raise their level of ambition. For a technical presentation and discussion of the political implications of the report's findings, attend UNEP's side event today in the Mexican Pavilion (Messe) from 18:30-20:30. The report can be downloaded at www.unep.org/publications/ebooks/emissionsgapreport.

Gender, Equitable Representation, Transparency

Negotiations have started off strong this week on the establishment of a global climate fund and associated governance arrangements.

There are high hopes for text to be agreed here in Cancun, but a fair and equitable fund must have principles of gender equality at its core.

Women are on the front-lines of the climate crisis. When natural disasters strike, they hit poor communities first and worst. Since women make up an estimated 70% of those living below the poverty line, they are most likely to bear the heaviest burdens.

They who regularly do the household work, cultivate the crops, collect the water and gather the fuel, are the most affected by climate change.

But it should also be understood that women are vital to building resilience in poor communities. As Bangladesh noted in Tianjin, smallholder women farmers know more about adaptation than those negotiating their very future.

Decades of donor aid flows and humanitarian programming provide substantial evidence of the need to address gender-differentiated realities and priorities in the management and disbursement of funds. The new

global climate fund must learn from this experience. The new fund must be informed by principles of gender equality.

The composition of the fund's executive board must be gender-balanced, and women should be at the heart of its funding priorities. While including women on the board will not guarantee that the fund responds to the needs of both poor women and men, achieving greater gender parity within the decision-making structure is a first step.

ECO also believes the fund's governance principles should call on countries to prioritize the most vulnerable populations, including women, in their proposals and to demonstrate a genuinely inclusive and participatory process for planning as well as future implementation and monitoring. These elements are important not only for gender equality but also for overall transparency and accountability to those most vulnerable.

No existing global climate fund has yet ensured equitable gender representation in its governance structures. This trend must be reversed to ensure women benefit from, and are not harmed by, future climate finance. It's time for negotiators to bring gender to the fund's agenda.

oped countries still need to agree an aggregate reduction target of more than 40% below 1990 levels by 2020, with emissions peaking in 2015. The Gigatonne Gap should still be acknowledged and measures to bridge this gap addressed within the text.

Meanwhile, developing countries must define their nationally appropriate mitigation actions (NAMAs) that contribute to sustainable development, with technical support provided to help design and implement them.

Each country must agree to develop a low carbon climate-resilient development strategy – in the case of developed countries, a zero carbon approach, and in the case of developing countries, contingent on support with NAMAs providing the building blocks. These should be long term strategic plans to decarbonize a country's economy by 2050.

Monitoring, reporting and verification (MRV) and international consultation and Analysis (ICA) must be developed in a way that adheres to the principles of equity and common but differentiated responsibilities, whilst ensuring environmental integrity. Agreeing MRV rules for developed countries under the Convention that are comparable to the Kyoto Protocol must be as important as

Cancun Personals

Dear Annex I Country,

I read your ad with much interest - I am currently on holiday in Cancun and would be open to a no-strings attached romance.

But you should also know that for a few years now I have been looking for a long term commitment. I am at a (tipping) point in my life where I have a strong desire for a reliable companion to fill a (gigatonne) gap in my heart.

Likes: beaches, forests, humanitarian work, science, strong ambition.

Dislikes: all-inclusive hotels (such a model of overconsumption – ugh!), long plane rides, oil lobbyists, hot air, carbon markets.

Yours truly,
Terra Treaty

PS Your email address scared_of_commitment@awg.kp does not work – go figure!

Looking Ahead: LCA Mitigation

As we eagerly anticipate the release of an actual LCA mitigation text, ECO is confident that it is realistic to expect substantial progress here in Cancun.

The new text will need to tackle some very controversial issues. One of the biggest debates currently underway is the inscription of emission pledges by parties. Not only does the magnitude of the pledges determine the size of the Gigatonne Gap, the question of where they are placed reaches right into the heart of these negotiations. Should pledges be placed in the KP, the LCA or both, or should there be an independent decision on these pledges and how to go about monitoring them?

It is isn't surprising that a lot of time is being spent on discussing this structural issue, but the concerns need to be guided by the willingness to move forward.

No balanced climate package can be achieved without resolution on ambitious mitigation targets by developed countries within the text. The bottom line is that devel-

ICA for developing countries.

Meaningful progress on all of these issues is eminently within reach in Cancun. A strong mitigation text is necessary as a first step to ensure progress on all other fronts. Let's ensure this balanced package leads to a fair, ambitious, and legally binding deal in Durban next year.

Fossil of the Day

#1 - Saudi Arabia, Norway, Kuwait, Algeria, UAE, Egypt, Iraq, Qatar & Jordan

For continuing to propose the inclusion of Carbon Capture and Storage (CCS) in the CDM.

#2: Ukraine, Russia, New Zealand & Australia

For blocking the discussion of solutions to the problem of surplus AAUs (hot air)