

# ECO



*ECO has been published by Non-Governmental Environmental Organisations at major international conferences since the Stockholm Environment Conference in 1972.*

*This issue is published cooperatively by Climate Action Network (CAN) groups attending COP13 and COP/MOP3 in Bali in December 2007.*

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## EU threatens MEM boycott

One by one, EU ministers hammered the nails into the major economies meeting (MEM) coffin. Led by France, Germany and Portugal (the EU President), the EU made it clear a non-deal in Bali would lead them to boycott the MEM, a forum for major emitters organised by the Bush Administration.

Despite Paris being scheduled to host the third MEM next February, French Environment Minister Borloo in his speech in the plenary said any discussions under the MEM was pointless if they did not include quantified emissions reduction targets.

Germany's Environment Minister Gabriel then followed this up with a similarly forthright statement in the informals. He said that if Bali did not culminate in "substantial progress," then the EU would boycott the Hawaii MEM in January 2008. He was echoed by EU lead negotiator and Portugal's Secretary of State for the Environment, Mr Humberto Rosa. "If we would have a failure in Bali it would be meaningless to have a major economies meeting," he said.

*ECO* welcomes the EU's change of stance. It shows leadership and takes the EU away from its traditional role of mediator. Based on the EU's united stand, it is obvious that the MEM process, created by the Bush Administration as yet another

attempt to sabotage the UNFCCC process, it is at death's door. It has been in play here in Bali as a means to stall progress on key issues. However, unless the MEM reinforces the multilateral UN process and accelerates progress towards establishing quantified emissions reductions for industrialised

countries, it should be rejected. Discussions to be held outside the UNFCCC are not an option.

The US was further chastised by former US Vice President and Nobel Peace Prize and Academy Award winner, Al Gore.

In his speech to

the UNFCCC yesterday, Mr Gore told delegates to go around the US. He accused the US of obstructing progress here in Bali. His comments were similar to those appearing in *ECO* over the last two weeks – not least that the US was out to block progress in Bali.

Optimistic a breakthrough was possible in the final days of the conference, Mr Gore said: "I know from experience ... that when breakthroughs do occur, they usually happen in the last 48 hours. I hope there will be a change on the part of some countries, including most importantly my own, the United States."

*ECO* hopes that the visit from Mr Gore will put pressure on certain countries to begin to distance themselves from the US's "lose-lose" position.

## Late Breaking News!

### US fails to wreck Bali

The US made a last ditch attempt this morning to block progress on the Bali roadmap by submitting a proposal to ditch the Kyoto Protocol and replace it with a non-binding bottom up, voluntary framework. This outrageous behaviour was met with stunned silence by the delegates.

However, immediately after that frantic negotiations began. The meeting broke up at 3am and will resume at 10am today. The scope of progress will be focused on paragraphs b1 and b2 as well as the question of ambition. The rest of the text (paragraphs c, d and e) seems to have been agreed. It appears one matter was pending.

The Bush Administration has abandoned its moral and legal obligations and must be held to account for its irresponsible and shameless efforts at attempting to wreck

### The Bush Administration has abandoned its moral and legal obligations...

the talks. Its proposal is aimed at allowing countries to pick and choose whichever approach they wish for their country.

As the current text is a disincentive for countries to do more, the key to moving forward will be on how to deal with countries graduating to Annex B. There is currently no text on fair share for others and no wording on comparable effort. Further, loopholes exist that enable countries to get out of meeting their obligations.

## REDD – The way forward

REDD policies and mechanisms must be part of the post-2012 framework on climate change and deliver sufficient resources to combat the drivers of deforestation. Substantial resources for capacity building including effective monitoring and measurement must come from developed countries. Provision must be made for countries with high forest cover and low deforestation rates such as the Congo Basin countries, to ensure destruction does not simply move from areas with high clearing rates.

To date *ECO* has seen strong signs from most developing countries that they want to contribute to protecting forests and the climate. However there is still a long and complex process ahead before deforestation is effectively addressed. While industrialised countries must account for all land

use activities including forests under the Kyoto Protocol rules, this should be kept separate from measures for developing countries, which should stay focused on reducing deforestation emissions.

In the latest discussions, concern focuses on the US for trying to undermine REDD by linking it to broader land use issues in the Dialogue under the Convention. Land use should not be included in the deforestation conclusions or in the operative text of the Dialogue conclusions. The primary focus of a new REDD mechanism must be on reducing the massive amounts of emissions arising from the destruction of forests. The inclusion of so-called “forest conservation” and the enhancement of forest carbon stocks (i.e. plantations) which do not reduce emissions in deforestation, may risk bogging down discussions for years.

## Beware of sectoral agreements

There is a new kid on the block. Sectoral agreements are popping up in political, scientific, official and other non-papers. And they seem to be the new gimmick of many OECD industries and governments.

What are sectoral agreements? They are based on specific targets for carbon-intensive industries such as carbon dioxide per tonne of cement, steel or kilowatt-hour produced. *ECO* urges all governments to strongly reject proposals to let sectoral agreements enter the Bali mandate as a substitute for strong national caps for industrialised countries. Such proposals are essentially intensity targets, a recipe, as is the case with the US, that can easily allow for full compliance while absolute emissions continue to rise.

However, carefully designed, independently monitored and verified, and sufficiently tight sectoral agreements could play an innovative role for carbon-intensive industrial sectors in rapidly growing developing countries. Such approaches must also be careful to minimise leakage that may occur as a result of the approach.

How would it work? For instance, the coal-based power sector in an emerging economy would agree on an ambitious target for carbon dioxide emissions per each kilowatt-hour generated by 2020. This specific target

would lead to substantively lower emissions than the business-as-usual emissions trajectory. Should this country overachieve its target, it could sell the difference to the international carbon market. If it does not reach its target, there is no penalty in this particular commitment period.

Ideally, the country would commit to achieving this sector specific intensity target in addition to an overall aspirational emissions target. It goes without saying that emissions trajectories and target setting must be based on sound science and be independently verified. After all, given that many rapidly growing developing countries are already modernising their power and industrial infrastructure, a loosely set performance standard could easily lead to an emissions rise at or near business as usual.

The demand for credits from sectoral agreements will need to come from tighter caps set for industrialised countries. The

## “Fossil of the Day” Awards

The US, Canada, Japan and Russia yesterday shared top dishonour for relentlessly blocking any reference to the 25-40 per cent cuts by 2020 in the Bali roadmap.

The United States seized second place for using its slot at this morning’s high-level roundtable on technology transfer to talk on everything except transfer of technology.

Canada took third place for walking out of a high-level negotiation meeting long before the end of a crucial discussion.

Australia won a rare “dishonourable mention” for claiming leadership on climate change and yet staying silent as the US, Canada, Japan, and Russia strip the Bali road map of the emissions cut range of 25-40 per cent by 2020 urged by IPCC.

## Thank you very much

The Climate Action Network (CAN) expresses its deepest appreciation to all individuals who contributed to *ECO* at COP13 and COP/MOP3 in Bali by writing articles and serving on the Editorial Board. CAN also thanks all organisations that provided financial support towards the publication of *ECO* in Bali.

tougher the cap, the higher the demand, and the greater the investment transferred to developing countries for low-carbon development. Sectoral agreements will need to be accompanied by substantive technology funding for developing countries by the rich countries. This could cover marginal cost differences between conventional coal and sustainable low-carbon power technologies.

However, more important than anything is the need for this new approach to contribute towards a pathway consistent with avoiding 2°C degrees. To do that, any sectoral agreement must be sufficiently stringent to effectively contribute towards a peaking of global emissions.

SHOE by Jeff Macnelly



THE STAR: Nov. 21, 2007

