

# eco

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## Ministers to the rescue?

Eco welcomes Ministers arriving at the Maritim today. The surroundings might seem familiar but the politics have changed.

As in The Hague, Ministers will be huddling in rooms discussing issues far too broad and complicated to be contained in the usual briefs. But they now have a much better understanding of what their negotiating partners want and there is one less destructive force at the table. In contrast to the final nights in The Hague, they also have sufficient time provided they get down to business today.

### Global public opinion

Above all, mounting concern about climate change has resulted in overwhelming public support for the Protocol around the world. Here are a few examples picked entirely at random: 80% of Australians, 72% of Canadians and 82% of Japanese citizens want the Kyoto Protocol ratified.

None of the Ministers here can afford to go home empty handed and champions will not pass unnoticed. There can be no more ex-



cuses, no more *deja vu*, no more delays. A deal must be struck in Bonn to reassure the people of the world that the governments representing them have taken a bold step towards real climate protection.

### Setting a precedent

The Bonn deal has to set a good precedent for the future: a strong compliance regime, strictly limited use of sinks to ensure an acceleration in the deployment of clean technologies, no perverse incentives creating new environmental and social conflicts, the highest standards of public participation and credible mechanisms to ensure that developing countries' adaptation needs are met and mitigation opportunities realised now.

### Lessons from The Hague

So where do we begin? Experience from The Hague provides the necessary insight:

- First, issues must be grouped together and discussed in one room by a small but representative group. However, this group can only provide ownership if transparency is ensured.
- Second, progressive Parties have a responsibility to support each other in order to safeguard the integrity of the Protocol. Yes, the EU and the G77 and China must join forces.
- Third, countries that are not negotiating in good faith must be ignored.
- Finally, the Heads of Government meeting in Genoa should not be used as an excuse to wait.

So get to work. A face-saving procedural agreement will not fool anyone. It's time for the real thing. The world is watching you.

## Binding Consequences Revisited

As negotiators return to how to enforce Annex I targets, they can follow the advice a prominent delegate gave last year at The Hague. "Good intentions are not enough." Now, of course, President Bush has forced his delegation to change its tune. But the truth of last year's message remains the same: There are two key features that distinguish the Framework Convention from the Kyoto Protocol. First, the Protocol establishes quantified emissions targets and timetables. Second, it authorizes the means for ensuring Parties comply with those targets. Regardless of all the attention showered upon sinks and the mechanisms, without the targets and a means for enforcing them, the Protocol becomes little more than a glorified version of the Convention, and would likely be no more effective in curtailing our appetite for fossil fuels.

By the close of COP6.1, the question of whether Parties would agree to binding consequences for non-compliance had seemingly been resolved. Now, in the wake of the confusion spawned by President Bush, Russia and Japan (supported by the environmental outlier, Australia) Parties are having second thoughts.

Our message to these Parties is straightforward: quantified emissions targets backed up by strong, fair enforcement measures form the backbone of this Protocol. You may join the community of nations in crafting an agreement that actually does something about global warming, or you may follow the lead of those who service their oil-baron underwriters with calls for "voluntary commitments." The choice and the responsibility are yours. Good intentions are not enough.

## Going the Full Monty...

After three days of drumrolls the EU's much announced different caps option was released. Delegates desperate for clarity would have had to retreat to the reception at the Maritim to drown their disappointment. As promised, the proposal has two caps: one on Article 3.4 and the other on "project based mechanisms". Eco, desperately seeking clarity, looked to find out who gets what in the Article 3.4 cap, and was stunned to find it referred to a maximum amount x% of base year emissions but with the real amount per Party remaining a mystery. Perhaps it was given out in Salon Koenig to only one Party which was under strict instructions not to copy it.

The cap on project based mechanisms turns out to be a cap on Article 6 transfers of another mysterious y% of base year emissions with no mention of the CDM. The EU position on sinks

in the CDM is nowhere explained in the proposal: the last time we heard, it was opposed to the inclusion of sinks in the CDM. We hope it stays that way.

Compared to the proposal of Japan, Canada and Australia (JCA), the EU proposal has some virtues. The EU's Article 3.4 cap covers all of the additional activities that might be included and retains the large discount on forest management. By contrast the JCA proposal caps only forest management and permits no cap on other activities. It requires further political horse-trading to work out individual caps. So it seems the louder and more obnoxious your claims are, the more you will get.

The JCA proposal does not place a cap on sinks in the CDM or JI and seems designed to end up with a total sinks allowance far in excess of the 165 MtC/year implied in the Pronk

text. The full effect of the EU proposal in terms of whether it allows more or less sinks than the Pronk text cannot be judged until there are numbers on the table. Neither of the three proposals emphasises the need to ensure environmental and social integrity of any sinks activities.

It might also have been interesting for the EU to have looked at that part of the New Zealand proposal which talked of allowing only the crediting of truly additional sink increases as seen by the atmosphere. This key issue of principle needs to be built into the sinks decisions here in Bonn as it will help protect the integrity of the system in the long term against whatever expedient means are used at COP6 bis to resolve the sinks issue. Such a move might attract common ground with the G77 and China in the search for a deal on sinks.

### “Fossil of the Day” award

There was another decisive winner of yesterday's fossil of the day award, this time a joint award to Japan, Canada and Australia in recognition of their proposal to allow individual national sink allowances for forest management, the effect of which would be to alter the overall emissions reduction targets of the Protocol. The first runner-up spot went to Russia and India for supporting the inclusion of nuclear power in the mechanisms. The second runner-up spot went to Australia for their PAMs proposal which seeks to replace the Kyoto Protocol (for more on this, see “More Bastardry from the Bush” in Eco No 3).

## Ludwig

It is a long, long time since Ludwig was young, as his aching feet will testify. But he seems to recall his youth as a time of innocence and idealism, before the world broke his fragile spirit. Strangely disturbing then to see the corridors full of youngsters spouting slogans for the Toxic Texan. These clean-cut fanatics have been prowling the Maritim distributing arcane pamphlets showing brylcream-laquered gurus. The stuff of Ludwig's more unpleasant dreams. Where will it all end? “Students for Petrodollars”? “Youth for Arms Deals”? “Short-Pant-Wearing Advocates of Slavery”? Oh brave new world that hath such people in it.

## Finance deal in the pipeline

G77 and China and EU Ministers arriving today will find some progress has been made on the issue of financing. As increased co-operation between the G77 and China and the EU is an essential pre-requisite for a deal on adoption of rules in Bonn and ratification of the Protocol, rapid movement on financing issues will set a useful precedent for progress in other areas. However, some crunch issues still remain - negotiators need to wrap these up and present options to Ministers as soon as possible.

The G77 and China need to access funding well before the entry into force date of the Protocol. The EU apparently has no problem with this timing, but needs success on the Protocol to raise extra funds with finance and development ministries back at home. One solution could be an upfront political commitment on funding with a clear timetable, combined with linking some extra funding to the Protocol (e.g. parts of the adaptation fund).

The question of whether the G77 and China requires an overall dollar financing target is not clear and needs to be clarified if Northern countries are to respond. A financing target is regarded as useful from a Northern perspective because it can be used as a basis for burden sharing rules. On the other hand there are clear problems with making such a target legally binding. Any solution will have to convince G77 and China countries that additional and predictable financing will not go the way of some of the Convention commitments to date.

There seems to be broad agreement that the GEF could form a core body for the manage-

ment of the additional monies. This is a clear concession from the G77 and China and has to be recognised. However, it remains unclear exactly how the proposed funds from the President's paper will be related to current GEF Trust Fund operations. Final decisions must ensure financial mechanisms deliver on key needs like Stage III adaptation. Parties also need to consider whether the principle of agreed incremental costs should remain the basis for financing. Given the difficulty of measuring incremental costs, some activities such as disaster preparedness and adaptation activities in particularly vulnerable countries might have to operate under different assumptions.

Given declarations by the world's largest GHG emitter (all financial commitments under the Convention fulfilled) and Australia (extra funding linked to mitigation and sequestration activities), it seems the EU is closer to the G77 and China on outstanding crunch issues. These two groups need to intensify contacts now.

## THANKS

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