

ECO



Finish the Job

Just three months after reaching the Bonn Agreement at COP6bis we have arrived in Marrakech. Why are we here so soon? While ministers reached a political agreement in Bonn, paving the way for ratification and entry into force of the Kyoto Protocol, many important details critical to the effectiveness and integrity of the Protocol were left to be finalised at COP7.

Parties must leave Marrakech having resolved all outstanding issues to the architecture of the Protocol, so that there can be no further obstacles, real or imagined, to all Parties ratifying the Protocol to meet the Rio +10 deadline for entry into force. We cannot afford to waste more time. Backsliding cannot be tolerated from any party. As we reached the end of COP6 bis, some Parties lost the plot and regressed to their usual bag of tricks in trying to sow confusion and uncertainty into what the Ministers had agreed. They looked to (re)create personalised loopholes to fit their national circumstance. Lest we forget, with the conclusion of the Buenos Aires Plan of Action, Parties will be finalising the essential architecture of the Protocol at the least for its first commitment period, and probably for longer. In this context Parties should err on the side of caution to ensure that all decisions taken protect the atmosphere—not the pockets of special interests back home.

Issues to be addressed at COP7 are:

Compliance

CAN's most important message to delegates on compliance is simple: We need a final decision on the text here and now at COP7. And it must faithfully reflect the terms of the Bonn Agreement. CAN's second-most important

message is that Parties must continue the momentum to resolve the legal technicalities that will finalise adoption of binding consequences. It is known that binding consequences will be essential for the proper working of the Protocol, especially emissions trading and the other mechanisms. Let's not pretend otherwise.

The text on Compliance must:

- Provide that the COP will adopt the text on procedures and mechanisms relating to compliance under the Kyoto Protocol. This is crucial because (1) the Bonn Agreement specifically requires it, and (2) it will create the possibility that the Parties can begin the necessary preparatory work to allow the COP/MOP to bring the procedures and mechanisms into operation.
- Reflect the mandatory nature of the consequences of non-compliance contained in the Bonn Agreement. No negotiator should waste precious time by arguing that the mandatory tone of the present text be weakened. If Parties require any clarification on the relative powers of the COP and COP/MOP, they should address that by fine-tuning the decision text, not the annex.
- Preserve the provisions for transparency and public participation, especially those establishing the right of NGOs to submit relevant information to the enforcement branch, and the public's right to obtain all non-confidential information in an enforcement proceeding. These rights must never be subject to the approval of the Party concerned. The Kyoto Protocol must be stronger on public participation than international trade agreements. Anything less would set a shameful precedent.

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From first step to giant leap

The Bonn agreement was hailed by Ministers as the first step in the fight against dangerous climate change. But first step to where? The review of the adequacy of commitments and the World Summit on Sustainable Development (WSSD) offer an opportunity to finally answer this question by taking in the longer term perspective. Making use of the latest science from the IPCC, governments should begin to look at how far we have come since Rio and where we should be going. While they are not part of the core business of this COP – finishing the Bonn rules – addressing adequacy and providing input to the WSSD are on the agenda and are no less important. Don't let them slip away.

The President of the COP should conduct consultations with Parties in order to enable the adoption of a Decision at COP7 on establishing a process for the long-awaited review of adequacy. It should:

- Begin no later than COP8.
- Guide the process of setting targets to ensure that future commitments are both equitable and consistent with an emissions trajectory that will prevent dangerous climate change.
- Ensure the acceleration of target setting for the Second Commitment Period so that the next round of targets are adopted well before the beginning of the First Commitment Period, in accordance with the Bonn agreement on compliance.
- Assess both the adequacy of the implementation of existing commitments and the adequacy of commitments themselves.

COP7 should adopt a Decision as input to the

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Articles 5, 7 and 8

Key issues remain to be finalised at COP7 under Articles 5, 7 and 8 although much of the text on methodologies, reporting and review is well advanced. Many of these issues are cross cutting and will require a consistent approach across the working groups, particularly those relating to the mechanisms, compliance and sinks.

In negotiating the final aspects of the Articles 5, 7 and 8 texts, parties must respect the spirit of decisions made in Bonn and not try to undermine it via backdoor or underhand tactics. Delegates should take care to examine the motivations behind interventions by Australia, Canada, Japan and Russia on this set of issues.

When negotiating the articles, Parties must:

- Finalise the rules for elaborating the assigned amount. This will be contingent on parties agreeing on the nature of the assigned amount, i.e. whether it will include units from Article 3.3 and 3.4 sinks activities and the mechanisms.
- Be aware of the rules for the operation of the transaction log. It currently lacks a procedure for dealing with discrepancies.
- Operationalise the sinks decisions agreed in Bonn in the texts of Articles 5, 7 and 8. Parties must decide on annual reporting of sinks activities under Articles 3.3 and 3.4 and ensure they are consistent with other reporting of sources.
- Make annual reporting for sinks activities under Articles 3.3 and 3.4 to be an eligibility requirement for parties wishing to use flexibility mechanisms.
- Ensure that the Article 7 COP/MOP decision recommends a decision be taken by COP10 on the rules required for reporting under activities under 3.3 and 3.4. This will ensure the quality of all aspects of the annual inventory and serve as the basis for the sinks eligibility requirement.

CDM

Decisions in Bonn closed the CDM to nuclear power and prioritised renewables and energy efficiency projects. However quality control of the CDM has not been guaranteed. Quality control can be assured through a decision in Marrakech which includes:

- Maximisation of stakeholder involvement in the CDM project cycle including a formal procedure for managing complaints and objections. This must include a formal process

governing NGO access to Executive Board decision-making. It should also be extended to the Joint Implementation Supervisory Committee.

- Development and application of accurate and objective baseline principles combined with a separate process for determining additionality.
- Delivery of a process, with the involvement of the IPCC, that creates definitions and modalities for high quality sinks projects in the CDM. The decision must ensure that crediting for sinks projects does not commence until such rules have been agreed at COP9.

Rather than encouraging lowest common denominator environmental practice, environmental impact assessment for JI and the CDM should at least meet current minimum international standard practice as prescribed by organisations such as UNEP and the World Bank.

Emissions trading

While continuing to agree that the use of the mechanisms is supplemental to domestic action, Parties in Bonn recognised that, if properly regulated, they may have a role to play in enabling Annex 1 Parties to meet their commitments. In terms of ensuring the environmental integrity of these mechanisms, it is essential that their use be conditional on the accurate trading of emissions, and that such trading does not further undermine the Kyoto targets. Therefore, to participate in the mechanisms (i.e. to use, transfer or acquire emission credits) Parties must meet all the eligibility requirements listed in the Annex to the Decision on Emission Trading. In particular these must include:

- Having ratified the Kyoto Protocol
- Agreeing to be bound by the compliance regime.
- Fulfilling all the requirements under Articles 5.1, 5.2, 7.1 and 7.4 for all sources and sinks.

These criteria must be applied equally to all three flexible mechanisms.

“Fossil of the Day” Award

The Fossil of the Day award presentation ceremony will be held daily at 6.00pm at the space between the UN Press Office and the Al Saha Press room (in tents).

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WSSD which includes at least the following elements:

- Recognition that climate change will have devastating impacts on the world's poor and will aggravate global inequalities.
- Recognition that mitigation instruments should not prevent the world's poor from meeting their basic needs and that renewable energy should be made available to the two billion people in developing countries currently without access to basic energy services.
- Commitment of the COP to undertaking a review of adequacy and accelerating emissions' reductions.
- Commitment of the COP to the highest standards of transparency and public participation.
- Need for WSSD to ensure consistency across multilateral environmental agreements.
- Need for WSSD to adopt a programme of reorienting international energy finance away from fossil fuels and nuclear power towards renewable energy. This must include the phasing out of international and domestic fossil fuel and nuclear subsidies.

COP7 creates new node

North Africa-based RAC-Maghreb was formed as a direct result of Morocco hosting COP7.

It was conceived in June this year when 18 Algerian, Tunisian and Moroccan (Maghrebian) NGOs interested in climate change met in Rabat, Morocco.

RAC-Maghreb was formed to facilitate the greater participation of north African and Southern NGOs at COP7.

It has become the Climate Action Network's latest regional node. RAC-Maghreb's regional focal point will be located in Rabat for two years.

Details on the node can be obtained at its website, www.racmaghreb.com

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