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Ever Heard of the Bonn Agreement?

We are now entering the fifth day of COP7, to which, let us remember, Parties supposedly came to in order to tidy up the technical details left over from the Bonn Agreement. The political pieces had already been agreed in July by Ministers, who will be arriving in a few days expecting to put their seal on the conscientious work of their technical experts in interpreting the spirit of their decisions.

Having spent three sleepless nights at COP6bis hammering out this deal, it is a good bet that Ministers – who unlike their civil servants are mostly elected and accountable public officials – will be disappointed, if not downright furious, at the slow rate of progress and attempts to unravel their decisions.

In this unraveling game, all fingers point at the remaining members of the ever-shrinking

Umbrella Group. However, the lack of an EU backbone is helping the unraveling in a substantial manner. In session after session and working group after working group, they seem to be deliberately obstructing progress and weakening components of the Bonn Agreement that we, and almost all other Parties, viewed as sacrosanct. In some cases they are clearly trying to demolish some of the most central elements of July's political compromise.

Take the compliance package, for example. In direct contravention to elements of the Bonn Agreement and its underlying text:

- Japan, Canada, Russia and Australia have called for the decision on the adoption of procedures and mechanisms on compliance to be deferred until COP/MOP1, instead of

–continued page 2, row 3

November 1, 2001: Compliance group creates the kyoto trade organization

Compliance negotiators indicated yesterday they are prepared to take a great leap backward in the quest to bring transparency and public accountability to international institutions. Sequestered behind closed doors, they preliminarily agreed that legal proceedings to enforce Annex I commitments will be conducted in secrecy at the request of the Party concerned. Hearings are to be closed to the public.

Public access to information about the proceedings, including the text of decisions by the compliance committee, is to be strictly curtailed until the Party has had an opportunity to appeal any decision to the COP/MOP and until that body has lumbered to conclusion of the matter – perhaps a year or two later.

In view of these developments, a secret poll among CAN members has confirmed that hereinafter, our beloved Protocol shall no longer be deemed an environmental or sustainable development treaty, but will instead join the pantheon of the opaque and be known as the Kyoto Trade Organization (KTO).

How did we descend to this? The distinguished delegate from Russia, between mean-

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COP7 delegates are urged to look at the right picture

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Capacity development required

Africa, particularly its least developed countries and poorest communities, will be most heavily impacted by the consequences of climate change, on the economic, social and environmental levels.

CDM will do nothing to address the plight and needs of least developed countries (which include 29 African states) unless there is urgent action to level the playing field for potential host countries. Substantial and systematic capacity building is necessary if CDM is to support reduction of social inequalities and thus meet sustainable development criteria.

Talk of “unilateral” CDM highlights the possibility of the bulk of CDM projects occurring in countries that are already advantaged over other developing countries.

Even if “unilateral” CDM is explicitly ruled out, there will be projects that are well advanced before an Annex 1 party becomes involved. This will be a particular risk with current weak provisions for public participation, occurring late in the project development process. It also points to the urgent need for capacity building specifically aimed at facilitating CDM projects in most deserving or needy countries.

Given that the tools and procedures for CDM are not well elaborated, most projects will and should involve learning by doing. For the CDM to have significant benefits for developing countries beyond simple increase in market activity, it is appropriate that they are part of a learning process. Capacity development is necessary for initiation of projects but should also be an inherent part of project development that draws in all stakeholders in meaningful

participation.

Lack of initial capital to plan or promote projects should not lead to least developing countries being left out from CDM activity. A regional approach would help to offset national competition and allow for maximum benefit from existing models and institutions. Regional initiatives and agencies would also enable a proactive role for Africa, incorporating climate mitigation and clean energy service provision into emerging plans and strategies for the continent.

An action programme for capacity building could incorporate potential project identification and development of existing institutions. Additional financial flows from Annex 1 countries must be available for development of information resources, regulatory frameworks and human resources.

An African Knowledge Network on Climate Change is required, not only to support and strengthen capacity building but to move towards greater equity within the continent and within countries. Such collaboration will also facilitate implementation of adaptation activities.

COP7 should provide the occasion for commitments, from Annex 1 parties and developing countries themselves, to provide resources and develop co-operative programmes to build the capacity of all stakeholders in a coordinated manner. This will facilitate the climate mitigation actions that rich countries are demanding of developing countries and help to keep the CDM – designed to promote such co-operation – aligned with the goal of sustainable development.

Environmental democracy

The Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters entered into force on October 30.

It is intended to lift the veil of environmental secrecy and strengthen citizens’ environmental rights. The Convention gives ordinary citizens a voice in any decision-making that affects their environment, and is intended to ensure public authorities and polluters that break the rules can be challenged in court either by individuals or by non-governmental organisations.

Secretary to the Convention, Jeremy Wates, noted the particular importance of the Convention to countries with economies in transition: “The Convention is not only a powerful weapon in the struggle to protect the environment but also a tool for democracy. Especially in countries which have recently introduced democratic systems, it is of crucial importance to establish principles of transparency, accountability and involvement of civil society to ensure stability and security.”

The convention has been ratified by 17 non EU nations while the EU will soon be applying the agreements to all its institutions.

The Convention’s entry into force should be an important input to the WSSD Conference in Johannesburg in 2002. The UN Secretary-General, Kofi Annan, has suggested that the WSSD would be “a timely occasion to examine the relevance of the Aarhus Convention as a possible model for strengthening the application of principle 10 [of the Rio Declaration] in other regions of the world”.

COP7 should emulate this Convention.

– *Ever Heard of the Bonn, from front page* at COP7 as decided by their Ministers.

- Japan has asked for the reference to the Articles 5 and 7 Compliance Action Plan (which requires Parties to show how they will reach their Articles 5 and 7 commitments after previously failing to do so) to be deleted.
- Australia has demanded that no other Party be able to raise questions over a Party’s non-compliance, despite the fact that this appeared to have been agreed in previous meetings and is essential to the credibility of the system; and
- Russia has attempted to remove every aspect of access to information and public participation, by not allowing information to be published until after the compliance committee has reached its conclusions and demanding that all hearings be closed to the public – again running directly counter to

earlier agreements.

The same can be seen in the mechanisms negotiations where the Umbrella Group has tried to overturn eligibility criteria, regarding acceptance of the compliance agreement that form an integral part of the Bonn package. Likewise in LULUCF discussions, where as reported on many previous occasions, Russia has demanded an increased forest management allowance under Article 3.4 to complement its already hefty hot air freebie.

This is not just bad faith – it is a direct challenge to the authority of their Ministers and the political decisions in Bonn. At one point last night the Japanese delegation even began to refer to the “so-called Bonn Agreement”. These demands have been so outlandish that even the traditional OPEC obstructers have not felt the need to raise their flags. Clearly they should not even be considered, let alone dis-

cussed. Laughed out of court would be the appropriate response.

To the rest of Parties, CAN’s demands remain the same: finish the job, respect your Minister’s decisions and get on with ratification and implementation.

You all talk about certainty for investors. The best way to achieve this is by agreeing on a binding compliance regime, ensuring the mechanisms are transparent and based on sound accounting and reporting, and that sinks activities do not damage the climate, biodiversity and livelihoods of local communities.

And finally to the EU – a special message – do not let Russia determine your positions. Listen to your public who demand much more than what you agreed to in Bonn. And once again, ignore Canada. And Russia. And Japan. And Australia.

No, to prompt start for sinks in CDM

Governments recognised in Bonn the unique risks of CDM sink projects. They identified key issues related to additionality, leakage, permanence, uncertainties and socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems, for which definitions and methodologies are needed.

The risks to ecosystems, communities and the climate are real but will political decisions on safeguards be effective? The newly instituted "TreeTanic" award for badly conceived sinks projects already has no shortage of competitors.

As work to assess, much less develop and approve, methodologies to address these risks has not even started, parties must be very clear there can be no prompt start for sinks projects in the CDM.

Some governments seem to believe the next step to address these outstanding CDM sink issues is to move directly to political decisions on definitions and methodologies. They argue that the technical issues have already been adequately assessed by the IPCC in its Special Report on Land Use, Land-Use Change and Forestry.

We could not disagree more. When it comes to CDM sinks projects, the IPCC report raised more questions than answers. This was reinforced by Dr Bob Watson's response to questions on this issue at IPCC's side event on their work on LULUCF issues on Wednesday. Issues of project based leakage, additionality and non-permanence were touched upon in the Special Report, but not in a methodological sense. Further scientific advice and technical work is needed that can lead to a methodological handbook that parties and project developers can use.

Governments must give a mandate at this SBSTA for the IPCC to take up this work.

Those of us who have worked for decades supporting indigenous peoples and local communities and seen their lands and livelihoods destroyed by ever-growing large-scale tree plantations know all too well it is these impacts that are often the most devastating.

Reports from members of the Indigenous Peoples Caucus during yesterday's CAN press conference and a side-event hosted by the Indigenous Peoples Caucus, profiled serious negative impacts on peoples' livelihoods and

indigenous peoples' land and tenure rights, as an all too familiar result of large-scale afforestation and reforestation projects.

However, technical assessments of methodologies to address these issues have not been considered in existing IPCC reports. Drawing up rules and safeguards without solid consideration of the lessons from existing afforestation and reforestation projects, or without adequate input from indigenous peoples and other interested stakeholders, would only pave the way for CDM carbon sink credits that neither contribute to sustainable development for local needs nor to the conservation of biological diversity. SBSTA 15 here in Marrakesh needs to give a clear mandate to the IPCC to plan further technical work on the definitions and modalities for afforestation and reforestation.

As sinks projects move from political mandate to reality on the ground, civil society worldwide will be closely monitoring developments. Parties must ensure effective safeguards to avoid discrediting the Kyoto Protocol through further expansion of ill-conceived environmentally and socially destructive industrial tree plantation sink projects.

Phase out public funding for fossil fuel projects

International financial institutions (IFIs) such as the World Bank and all export credit agencies (ECAs) in the most developed countries were told last week to phase out of all public funding for fossil fuel projects.

The demand was presented in a letter to their respective presidents from Central and Eastern European (CEE) Bankwatch Network and 70 civil societies in 32 countries.

In light of the Bonn Agreement to finalise the Kyoto Protocol rules, and the scientific evidence presented by the IPCC, the civil society organisations argued that these public funds should be spent on promoting renewables and energy conservation projects that serve to mitigate climate change.

Every year since the Rio Earth Summit when the Climate Change Convention was signed, these IFIs and ECAs have poured huge sums of public funds into fossil fuel projects in developing countries and economies in transition. For example, ECAs invested about \$40 billion from 1994-99 in fossil fuel energy projects. And presently, they account for about 20 per cent of all investments in fossil fuel technologies around the world.

From 1995-99 more than \$13 billion has been invested by IFIs in fossil fuel and mining

projects. The climate impacts of these investments are large, and over their lifetimes will add billions of extra tonnes of carbon dioxide.

The civil society's letter supports the recommendations of the G8 Renewable Energy Task Force released earlier this year. It called for all fossil fuel subsidies to be ended, and for investments by all public agencies to be focused on providing clean energy services to the world's poorest two billion people – most of whom have no access to modern energy services. Regrettably, that report was ignored by the G8 at its meeting in July. But its message cannot be ignored by the world community.

The civil society's letter was sent to coincide with the first session of the World Bank's (WB) new Extractive Industries Review (EIR) in Brussels on October 29-30, and with COP 7 here in Marrakesh. Civil society insists that one option must be to phase out all WB Group financing for extractive industries. They also are proposing that "no-go" zones be established around the world in which such investments would be off-limits for both environmental and social reasons, to protect biodiversity and homelands of indigenous people.

Friends of the Earth International prepared a detailed position paper for the EIR that sup-

ports these demands. This is posted on the EIR website at www.eireview.org.

Dr. Emil Salim from Indonesia has been named by the World Bank to head the EIR. Regional hearings will be held over the next year to bring forward witnesses and case studies concerning the impacts of extractive projects. Based on these inputs, recommendations will be presented to the WB Board of Directors next year. The final report and recommendations will be presented to the WSSD.

Meanwhile, WWF and the Institute for Policy Studies have just released a joint report showing the potential role of ECAs in supporting renewable energy. "Credit where it's due" outlines the full potential, and provides a list of key recommendations to make it happen.

CAN hopes delegates to this COP will return home ready to urge the other parts of their governments to act on the basis of these reports and policy letters. Public funds are too precious to be poured into supporting a dinosaur technology that imperils the whole planet's future.

The full letter to IFIs/ECAs is at: www.bankwatch.org/publications/policy_letters/2001/fossilfuel-invest.html

The full WWF-IPS report is at: www.panda.org/epo/initiatives/climate.cfm

– *Compliance group, from front page*
dering metaphors about birthday cakes and high explosives, has justified every demand – from the most weighty to the most banal – in the same manner: “Mr. Chairman, I hope all my colleagues here will really, really believe me when I tell them that for Russia, I really must insist very strongly that this issue is a cornerstone of the utmost importance to our ability to ratify the Protocol.” One of those cornerstones, he claimed, was Russia’s wish to delete nearly all of the provisions for public participation from the compliance procedures. Though he eventually admitted that he had no instructions to that effect and was actually making it all up, some Parties were swayed by the threat, while others, such as Japan, Brazil, and Canada, found it to be a convenient camouflage for their own intentions.

Among the gullible – or perhaps the merely weak-kneed – were our fair weather friends, the EU. We had thought that the Aarhus Convention on Public Participation in Environmental Decision Making, which just entered into force, requires the EU to ensure that the public has an effective role in decision making through timely access to information. Moreover, we had understood that Aarhus requires its contracting parties to apply its principles to any

international agreements into which they enter. Yet, at the mention of Russia’s bogus “ratification issue” claim, the EU presidency surrendered its ideals with apparent enthusiasm, agreeing that the pesky public need not know anything about an Annex I Party’s compliance until all is safely resolved and (presumably) forgotten. One might wish to ask why the EU would look for guidance on this to a country that attempted to hide Chernobyl. But such questions are not permitted under the new procedures and mechanisms of the Kyoto Trade Organization.

This might all be humorous if the stakes were not so high. Compliance delegates, when will you understand that a treaty premised on sustainable development will not succeed without full transparency and public participation. Your Kyoto Trade Organization, which could affect the lives of millions while operating behind a conspiratorial cloak of secrecy, could invite the same resentment that the WTO has seen in Seattle and Genoa. Civil society has an essential role to play in every aspect of the struggle against climate change, including the procedures and mechanisms for enforcing the rules. Restore the provisions for public participation and access to information in the enforcement proceedings. Give us back the Protocol.

EU approves subsidy to destroy sinks

The Commission of the European Union has approved a subsidy proposed by the Irish government to fund construction and operation of two new peat-fired power plants, despite complaints from Irish civil society.

Peat extraction destroys terrestrial carbon sinks and is a highly carbon intensive fossil fuel. The use of peat for electricity generation is done primarily in Ireland, Finland and Russia. The Irish government will impose a surcharge on all electricity bills, to a total of €568 million between 2001 and 2019.

Irish civil society had complained to the Commission, in advance of the EU formal announcement, that the application contravened Article 4 of the Framework Convention where Parties committed to the protection of sinks.

Commission vice president, Loyola de Palacio, stated in response that “the Commission is not responsible for enforcing other agreements that the Irish government may have entered into outside the EU treaty.” It was a shock to see one part of the Commission washing its hands off the UNFCCC a week after another part had committed to ratify Kyoto and set out plans to control emissions.

Meaningful participation

The presentations of their National Communications by Morocco, Algeria and Tunisia yesterday indicated serious resolve to reduce greenhouse gas emissions.

Morocco presented a mitigation scenario aimed at decreasing emissions from eight per cent, compared to the reference scenario, primarily in the energy sector. Tunisia’s mitigation scenario was even more ambitious, aimed at cutting emissions from 25 per cent.

While unable to ascertain the credibility of these scenarios, their very existence should shame US and Australian officials, whose action on climate change solely seems to be competing for the world’s worst per-capita polluter status.

The Algerian government’s revegetation mitigation project it intends to lead within the CDM framework raised some eyebrows, as the only CDM sinks projects accepted by the Bonn Agreement are afforestation and reforestation. Had some forest specialists north of the Mediterranean Sea relied on wishful thinking?

“Fossil of the Day” Award

The Russian Federation was the outright winner of the Fossil of the Day awards yesterday for its undemocratic interventions in the Compliance group. It tried to gut all measures calling for public participation and completely shut the public out of enforcement mechanisms to the Kyoto Protocol. It attempted to change text to prevent the public from being informed of enforcement proceedings until a final decision had been taken.

Second place went to the US for its SBSTA intervention suggesting science not be used to evaluate its future sinks projects.

The EU took third spot for unexpectedly supporting inadequate reporting of Article 3.3 and 3.4 sinks activities, and specifically for not requiring that annual inventories include sufficient information on where sinks activities occur. This “geo-referencing” of sinks activities is critical for verifying emissions estimates, ensuring transparency and evaluating the biodiversity conservation criteria of the Bonn Agreement.

Abraham

Mex group co-chairman Chow has reportedly been offered a three-picture deal with MGM of Hollywood, California, USA. This unexpected turn of events took the normally camera-shy meteorologist by surprise after a chance public statement about his long-standing desire to be the “next Jackie Chan.” Ibrahim wonders if a buddy picture with co-chairman Estrada may be on the cards, having spotted the pair getting into shape with a round of vigorous gavel-pounding during last night’s sessions.

THANKS

The Climate Action Network would like to thank Climate Network Europe, David Suzuki Foundation, Environmental Defense, FoE International, Greenpeace International, RAC-France, Swedish NGO Secretariat on Acid Rain, WWF/EPO and WWF International. ECO can be contacted at ecopaper@hotmail.com ECO website : <http://www.climatenetwork.org/eco>