

eccc



It's the Final Countdown

With the arrival of Ministers for the beginning of the high-level talks and just three days left, it is time to take stock of the issues that remain to be resolved. Central to CAN's concerns are maintenance of the environmental integrity of the Bonn Agreement and implementation of procedures that ensure transparency, accountability and participation. CAN's working groups have prioritised the following items as critical issues that need to be addressed:

Mechanisms

- Eligibility criteria for all three mechanisms must be subject to the relevant provisions on procedures and mechanisms on compliance for the Kyoto Protocol. It was agreed in Bonn that there must be a link from participation in the mechanisms to the compliance system. This is being questioned at COP7.

- Sinks must be reported annually before Parties can use the mechanisms (see the Article 5, 7 and 8 priorities).
- Parties must maintain their commitment period reserve above 90% in order to participate in the mechanisms (i.e. to sell credits). This is also a provision of the Bonn Agreement being questioned at COP7. The current text contains loopholes that must be closed.
- The CDM Executive Board (EB) must be mandated to put structures in place to take care of stakeholder information and comments, screen them and recommend review by the EB.
- Parties must document that the use of public funding for CDM project activity is additional and does not result in the diversion of ODA. This was agreed in Bonn and is crucial to the integrity of the CDM.

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The situation last week at COP7

The legacy issue

The Bonn Agreement, negotiated and finalised by Ministers arriving today, was a solid step forward for action on global warming and multilateralism.

The public around the world believes that these same Ministers will ensure that the Kyoto Protocol is on its way, ready for ratification and will soon enter into force. Ministers' here in Marrakesh must keep their word and ensure the public is not let down.

The legacy issue for Ministers that will be assessed 10 years from now is whether this Kyoto Protocol will stand the test of time. Will the compliance system be sound? Will sinks enter the system in a sound manner? Will the public be able to participate? Will the carbon market be transparent and credible? These are the questions against which today's Ministers will be judged tomorrow.

Ministers will find, unfortunately, that the final party in Bonn, that was so widely reported around the world, is being threatened by the tactics and positions of their delegations.

Ministers must step in, stick to the Bonn Agreement, and move the process forward rather than backwards.

There have been many claims over the last week that various issues are "ratification" issues. This rationale is being used to re-open the forest management cap, delete the agreement to the compliance regime as an eligibility criteria – two provisions directly from the Bonn

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- Sink credits must not be eligible for carry-over from one period to another.
- Early crediting for JI will help remove hot air from the system.
- Approval of new methodologies and guidelines must be left with the EB and not require approval of the COP/MOP.

Sinks

- Definitions and modalities for afforestation and reforestation projects in the CDM must be adopted before projects can be eligible for registration.
- Any SBSTA intersessional experts' workshop on discussing appropriate terms of reference for work to develop definitions and modalities must:
 - Be open-ended.
 - Include input and broad participation from ENGOs and Indigenous Peoples; and
 - Have balanced, cross-disciplinary participation, including strong representation from the social sciences.
- The IPCC must be mandated to assess and consider methodologies for addressing

wider socio-economic and biodiversity issues associated with afforestation and reforestation projects in the CDM.

- Addition of language referencing removals by anthropogenic sinks in the Annex on Modalities and Procedures for the Clean Development Mechanism, under draft decision CMP.1 (Article 12), should not proceed until SBSTA has adopted definitions and modalities for afforestation and reforestation in the CDM.

Compliance

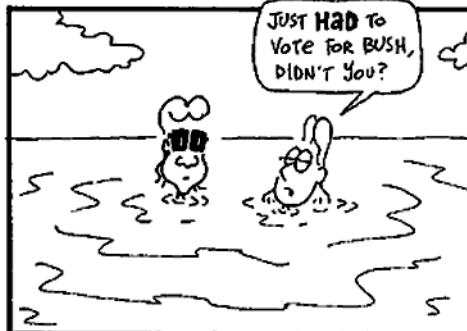
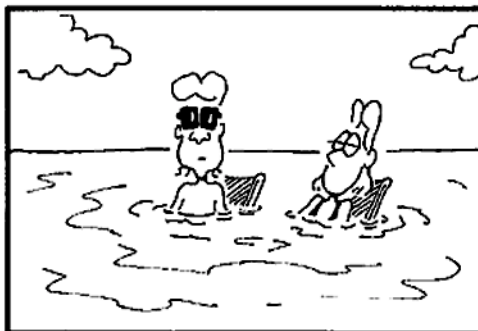
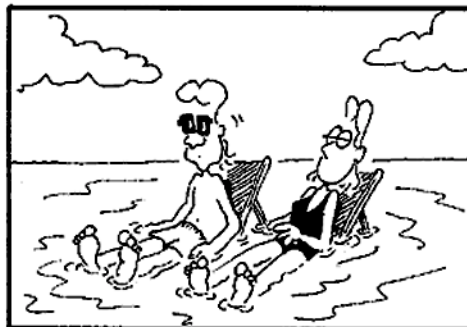
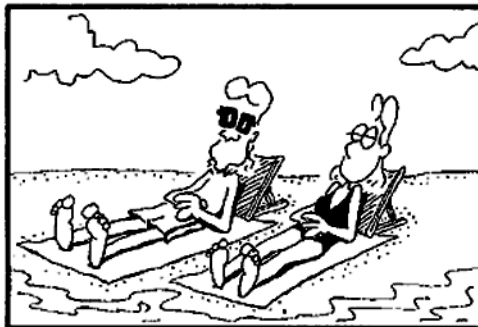
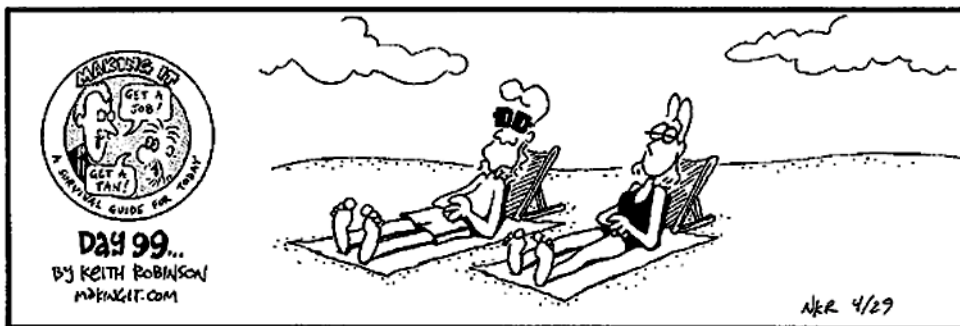
The compliance working group negotiated and accepted the draft text and forwarded it to the COP. We commend the working group for moving the process forward.

Articles 5, 7 & 8

- Annual reporting of Article 3.3 and 3.4 sinks in the national inventories is necessary to provide transparency. This would have the desired consequence of including sinks in the eligibility requirements.
- The start of accounting of Article 3.3 and 3.4 activities must occur collectively and at

the same time.

- The issuance and cancellation of Article 3.3 and 3.4 units must occur at the same point in time and for all activities collectively. Countries should not be able to pick and choose.
- Sink credits must not be carried into the next commitment period. Implementation must prevent parties circumventing the prohibition using recycling. This will prevent Parties prejudging the second commitment period targets which will be set prior to the beginning of the first.
- Questions of implementation relating to the annual inventories should be considered by the enforcement branch even where the Party has requested assistance from the facilitative branch and is receiving it. This is necessary to prevent parties circumventing the reporting eligibility requirements.
- Mandatory periodic reporting on national biodiversity laws to operationalise the LULUCF decisions in the Bonn Agreement.
- Text operationalising the commitment period reserve and the caps on LULUCF activities (Annex Z) and Article 12 must be retained.
- The national registry should make the serial numbers of units contained in its accounts publicly accessible via the Internet. Transparency of the national registries is essential to the integrity of the trading system.



Southern perspectives

CAN makes the following requests to Ministers:

- Ratify the Kyoto Protocol.
- Abide by Convention obligations such as adaptation, public education and awareness, technology transfer, capacity building, financing, etc.
- Establish the LDC Fund at Marrakesh with commitments on contributions from major Annex 1 countries such as the US, Japan and Australia. Funding sources and amount made available must be specified.
- Ensure public awareness and public participation remain meaningful under the Convention and Protocol.
- Provide access to energy and water for people in the South, mainly through renewable energy, technology transfer and South-South cooperation.
- Enable a wider and equitable representation of stakeholders to review and comment on Kyoto mechanisms' activities, especially the CDM.

Seize this opportunity

Letter to African Ministers

Your Excellencies,

You met in Nairobi to reiterate your dedication to the environmental integrity of the African continent and its sustainable development. This was in accordance with your commitments in Rio in 1992. The climate change convention has synergy with other multilateral environment agreements such as desertification and biodiversity in particular.

You would be fully aware of the negative impacts of climate change on the natural resources of the continent. The 3rd IPCC evaluation report is further testimony of the gravity and the magnitude of the situation. Climate variation in Mozambique, Sahelian Africa, Benin and Saloum in Senegal are indicative of a much bigger environmental catastrophe gradually unfolding.

Today, the key question for Africa is heavily hinged on issues relating to equity and sustainable development. As representatives of the African continent, you should use your participation at COP7 to send a clear and strong message in favour of compliance to the Bonn Agreement, and proceed with prompt ratification and implementation of the Convention and Kyoto Protocol.

The African population is suffering from poverty, food insecurity, ethnic conflicts and many other ills. Today, it is incumbent on you to make decisions that will not stray away from the real needs and development aspirations of our people.

In this regard, the LDC fund and the Adaptation fund as prescribed in the Kyoto Protocol can be perceived as key entry points to ensure adaptation to climate change and the survival of our people do not remain an elusive dream. Current negotiations show these funds only exist on paper. Commitments to mobilise such funds remain weak. It is undeniable that these "delaying tactics" on the part of Annex I countries is simply an attempt to fudge the key issue of resource mobilisation and dilute its essence in matters relating to procedure and organisational structure.

It is within the realms of developing countries to request that Annex I countries, by virtue of their commitments, allocate additional and sufficient resources. This is to take into account the specific needs of developing countries grappling with the negative impacts of environmental degradation and ultimately climate change. The implementation of adaptation projects should not be subject to the ratification of the Kyoto Protocol and should remain an integral part of our development objectives. These projects should be translated into capacity building and transfer of technology that are in tune with our socio-economic context.

On capacity building, it goes without saying that for equity considerations our participation and contribution in the fight against climate change is heavily dependent on the efficiency of our institutions, the competence of skilled workers and participation of relevant social and economic stakeholders. Even if agreement is reached, effective implementation of capacity building that takes cognisance of our needs and seeks to strengthen and enhance existing capacity is not a foregone conclusion. Coordinating and exploiting local synergies is an essential part of the sustainable development trajectory.

Adaptation projects should be seen as an apprenticeship and be incorporated within the overall framework of a more participatory process.

Adaptation should lead to environmentally friendly technologies. Most specifically, adaptation should be synonymous with technologies adapted to soil regeneration, coastal protection, early warning signs and development of less vulnerable crops.

Providing and fostering an enabling environment in which the mastery of technology transfer is given full weight remains fundamental to the continuity of climate policy.

Sincerely yours,

CAN (Africa)



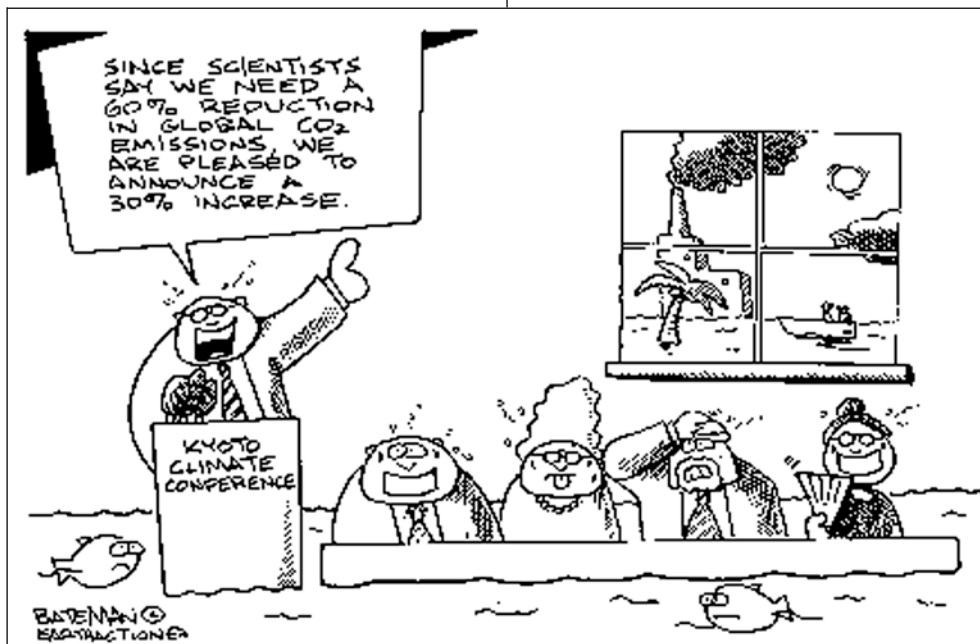
The need for an Adaptation fund is urgent

– The legacy issue, from front page Agreement – and weaken the reporting system (just to mention a few).

For example, countries that have claimed for years that sinks are verifiable and equal to the six gases in integrity, are now opposing equal treatment for sinks in the reporting and review requirements.

Ministers must stop this nonsense and ensure that the Kyoto Protocol stands the test of time.

Finally, Ministers should arrive with their ratification plans in hand, ready to demonstrate to the world they are serious about climate change and working diligently at home to reduce emissions.



Adopt a decision as input to WSSD

COP7 must adopt a Decision as input to the World Summit on Sustainable Development (WSSD). The outcomes of WSSD will be of great importance to determine future pathways to sustainable development in the North and South.

It is essential COP7 provide strong guidance to the WSSD.

The WSSD Decision must recognise that:

- Climate change will have devastating impacts on the world's poor and aggravate global inequalities. It also poses a grave threat to sustainable development.
- Mitigation instruments must not prevent the world's poor from meeting their energy needs for cooking, lighting and heating/cooling. This should facilitate the fulfilment of their aspirations for economically, socially and environmentally sustainable development.
- Meeting energy and development needs will require large-scale investments in energy infrastructure, as well as demand-side, end-use interventions and decentralised, cost-effective options.
- The obstacles to preventing dangerous cli-

mate change are political, not technological or economic.

The Decision must provide evidence that COP7 is committed to:

- Establishing a process that will define dangerous climate change and how to prevent it through accelerated emissions reductions.
- Integrating the social imperatives of sustainable development at all levels of the climate regime by maintaining the highest standards of transparency and public participation from negotiations to project implementation. This must ensure that poor and vulnerable people who bear a disproportionate share of the impact are better represented in the climate process.
- Assessing the situation of indigenous peoples as a priority criteria for the evaluation of the achievement of sustainable development, and including indigenous peoples and local communities in the agenda of the COPs and its subsidiary body meetings.
- Increasing the funding available to support adaptation measures in developing countries.

COP7 should request that WSSD:

- Provides sufficient funding, technology transfer and capacity building so that energy can be made available and affordable to the two billion people in developing countries, particularly women, currently without access to adequate energy services. Any use of non-renewable resources in the next 30 years should be part of clearly defined transition programmes to achieve more sustainable energy systems.
- Commits to implementing a programme of reorienting investment away from fossil fuels and nuclear power towards renewable energy, particularly in the North, implementing the G8 Renewable Energy Task Force recommendations as a minimum, and phasing out international and domestic fossil fuel and nuclear subsidies. This programme should be supported by a range of instruments, including targets and time-tables, and focus on reducing the cost of renewable energy.
- Assess and ensure consistency across multi-lateral environmental agreements, including the social dimensions of Agenda 21 such as public participation and poverty eradication.

“Fossil of the Day” Award

Japan and Russia were the outright winners of yesterday's fossil awards for a variety of reasons.

One, their behaviour at a joint press conference held yesterday. They denied the real reason for their presence at these negotiations – to strip the compliance text of transparency and public participation. Two, they tried to remove two key eligibility requirements for use of the mechanisms – submission of sinks inventories and adoption of the compliance regime.

Russia was further singled out for repeatedly trying to reopen the Annex Z number, and for arguing that their new 33 megatonnes figure was based on science. In actual fact this figure was not based on valid carbon inventories but is derived from questionable estimates.

Japan, in addition, was criticised for forging an alliance with Russia – the most obstructive country at these negotiations. As Russia was trying to undermine the spirit of the Bonn Agreement, this called into question Japan's commitment to achieve an agreement here in Marrakesh, and to prepare for ratification and entry into force next year.

Canada won the other fossil for proposing a voluntary commitment period reserve (CPR).

Pronk and Ricoh win Climate is Business awards

COP6 and COP6bis president, Jan Pronk, and Ricoh Corporation on Monday evening received this year's "Climate is Business" awards for their efforts in protecting global climate, from two leading European and US business organisations.

The European and US Business Councils for Sustainable Energy, which promote technologies to solve global warming, present their awards annually to the political figure and corporation respectively that have been judged to play the most constructive role in the climate protection process.

Dutch Environment Minister, Jan Pronk, received the award for his untiring efforts to secure July's landmark Bonn Agreement on the Kyoto Protocol.

Ricoh Corporation of Japan president, Masamitsu Sakurai, a leading global manufacturer of office automation equipment, received this year's award for the company's role in improving energy efficiency and energy management.

Ricoh was one of the first companies in Japan to support the call by the business initiative, e-mission 55, for the Kyoto Protocol to

enter into force in 2002. Ricoh's response encouraged other companies in Japan to follow suit.

The business councils hope this will pave the way for positive engagement by the Japanese government during this week's crucial final round of the Kyoto Protocol negotiating process.

e-mission 55, an initiative of more than 150 companies aims to get 555 corporate signatures to support of the ratification of the Kyoto Protocol in time for the World Summit on Sustainable Development in Johannesburg next year.

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>