

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 COP11 and COP/MOP1 in Montreal in November/December 2005. ECO email: ecopaper@hotmail.com - ECO website: <http://www.climateactionnetwork.org/eco> - Editorial/Production: Nithiyananthan Nesadurai/ Sander Wijsman

CDM: Reform Don't Deform

Year after year ECO submits constructive proposals to the COP on how the Clean Development Mechanism (CDM) can be improved. Unfortunately, the efforts of certain Annex I Parties wishing to dilute existing provisions of the CDM have always taken precedence over our efforts.

The same Parties also repeatedly complain that additionality testing under the CDM is too complicated and needs to be simplified to meet demand. Their positions are usually based upon the complaints of irresponsible project developers and service providers wishing to get recognition for projects that do not fulfil the additionality criteria.

At this meeting, some non-Annex I countries have also expressed dissatisfaction with the CDM. Their conclusion is that the additionality tool developed by CDM's Executive Board (EB) is to blame.

While the concept of additionality admittedly is complex and takes some time to understand, environmentally-minded project developers and certifiers assert that the EB's additionality tool is helpful and provides much-needed clarity. Those who are still not convinced by this can come up with alternative arguments to prove the additionality of their projects. Both the EB and COP 10 have clearly stated the tool has been designed to be of assistance and that its use is not mandatory.

The underlying rationale for projects to be additional is to ensure that they provide emissions reductions above the business-as-usual baseline. However, there are worrying indications that non-additional projects are getting through the process in spite of the efforts of the EB and its panels. To prevent this,

the EB's additionality tool must be the absolute minimum to maintain the CDM's environmental integrity. In fact ECO would like the EB to develop and implement a mechanism to impose sanctions on those who keep on submitting and resubmitting non-additional projects with bad project design documents (PDDs). This will cut down the backlog of projects waiting to be processed.

However, the real reason for the delays observed with the CDM process is not additionality but the inadequate resources Annex I countries have provided so far for the EB. While being flooded with an increasing number of projects, it has received less than a third of what experts deem necessary to get on top of this pile. The best contribution countries can provide at this conference, to eliminate the backlog, is to give the EB the funds it needs to get the job done.

In addition, scrapping additionality will not help achieve a more equitable geographical distribution of projects. The CDM is a market mechanism. And the market goes where emissions are high and can be reduced at low prices, and where there is a stable regulatory framework and sufficient capacity for speedy approval processes. Least developing countries (LDCs) have the least to gain from this situation. While nothing can be done about the way markets behave, there is a lot Annex I countries can do for the LDCs. ECO calls on industrialised countries in particular to expand their capacity-building activities and focus on host countries where they are needed most, including their civil society organisations that have to review and comment on the PDDs.

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Tech Transfer Impasse

Current discussions on technology transfer are at an impasse. They need to be reframed as an inclusive proposal for global technological collaboration based on local needs based assessment. This means the inclusion of the transfer of the technology itself, as well as development of the capacity to sustain and deploy the technology, design supportive policies and ensure the transfer happens from North to South, South to South and within nations.

Article 4.5 of the Convention addresses the transfer of technologies and know-how. However, current discussions have been broken up between the SBSTA and the SBI. While SBSTA examines the technological portions of the transfer, SBI examines how to build local capacity and financing. In keeping with the spirit of the Convention, these issues should be addressed in a single body, in order to overcome the impasse.

Furthermore, current COP discussions regarding the Expert Group on Technology Transfer (EGTT) must go beyond technology needs assessment and translate into practical solutions to enhance local capacity development, address intellectual property rights (IPR) and facilitate financing.

Capacity building must concentrate on bringing education and training opportunities to developing nations to ensure they have well-prepared recipients ready to integrate the technologies into their economies.

International, regional, bilateral and national financial institutions should be encouraged to set ambitious targets for the best

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EU Must Demonstrate Leadership

"General is wisdom, credibility, benevolence, courage and discipline." Sun Tzu

Sun Tzu states that these five traits are the strengths of a good leader. ECO wishes to tell the EU that to demonstrate leadership in these climate change negotiations you need to utilise these traits.

In the ECO issue on December 1, an article outlined that the EU have been sent to Montreal with a clear mission from their political leaders: **to initiate a robust process for a post-2012 agreement.**

The EU clearly prides itself on its environmental leadership role at home. Domestic policies are ambitious and they include:

- Calls for greenhouse gas reductions of up to 30 per cent by 2020 for industrialised countries;
- Implementation of the first international carbon market via the EU Emissions Trading Scheme;
- Renewable energy targets being discussed of up to 25 per cent by 2020;
- Energy efficiency legislation beyond 2010;
- A second phase of the European Climate Change Programme to look at ways to reduce emissions beyond 2012.

With such a clear vision domestically – has their foresight gone in these negotiations? And how will European citizens view the EU's actions when they find out the EU are not

showing leadership overseas? At the start of the final week of negotiations the EU should be representing their citizens and clearly stating their commitment to the Kyoto Protocol – which they have after all worked so hard to establish. The people of Europe are worried about climate change – they want Kyoto, they want strengthened targets and they want their national governments to take action.

There are plenty of countries waiting for leadership to emerge, particularly from the EU, and there are many examples from developing countries that want to take action – the Papua New Guinea and Costa Rica proposal to reduce emissions from deforestation is only one.

With regard to the main priority for a COP/MOP decision, the commonly encountered view of EU negotiators "we would not support it, but also we would not block it" is not sufficient – in fact it contributes to deadlocking progress. ECO wants to remind the EU that they should be proactively engaging in this process. They can do this by calling for a discussion for a COP/MOP decision, with an open-ended Working Group with Terms of Reference and a 2008 end date. Also, leadership is required on maintaining the integrity of additionality in the CDM: not allowing the inclusion of HFC-23 abatement technologies in the CDM and proactively supporting the technical, scientific and political implications of reducing deforestation under the COP/MOP.

COP11 and the Climate of Faith

By Rabbi Daniel Swartz

Amidst BINGOs and RINGOs and ENGOS, you may have noticed a few folk belonging to less familiar sectors – the World Council of Churches, Interfaith Power and Light, the Coalition on the Environment and Jewish Life, the National Association of Evangelicals and others representing diverse faith communities. They come from India and Fiji, Sweden and Argentina, from Jewish, Christian, Muslim and Buddhist traditions, and include youth groups, lay leaders and ordained clergy. Just what are they doing at COP11?

Actually, faith communities have participated in international climate discussions from the beginning. While the faith contingent may be larger this year than in the past, climate change has long been a top priority for groups such as the World Council of Churches. For, despite their diversity, these faith leaders share

a number of basic principles.

Most fundamentally, they believe that God's earth is good. As theologians of the National Council of Churches wrote, in reference to climate change, "we rejoice in the splendor and mystery of countless species, our common creaturehood, and the interdependence of all that God makes." To demonstrate love for God, people should show love toward God's earth.

These leaders also share a profound concern for justice – and for the injustices arising through climate change. Faith leaders have emphasised that wealthy nations have in large part caused the problem, but it is the poor who will disproportionately bear the impact. Thinking long term, people of faith also argue for the need for intergenerational justice – taking steps today to ensure we are not ruining the world for generations to come.

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It would also be helpful if the buyer countries got over their current fixation on securing as many credits for as little money as possible. Instead, they should follow the example of countries such as Finland which has set up a CDM programme exclusively dedicated to small-scale projects. In a demand-driven market mechanism it is the buyers who call the shots. ECO urgently calls on buyers to source at least part but preferably all of their purchases from high-quality projects. All their delegates need to do to learn how to best identify those projects is visit the booth set up by CDM Gold Standard.

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mitigation technologies, including renewable energy and energy efficiency, into their investment portfolios and move towards a rapid phase out of subsidies for unsustainable energy forms such as fossil fuel and nuclear energy, as recommended by the Extractive Industries Review of the World Bank.

Technical collaboration discussions should be relevant to the second commitment period and should be initiated under the provisions of the Protocol as well as that of the Convention. Article 11.2 of the Protocol allows for the development of agreements between a financial mechanism and a developing country party to promote and cooperate in the development and diffusion of technologies, practices and processes. This article must be used to initiate new discussions on technological collaboration under the Protocol.

If developing nations are ever to consider any new commitments they must be assured of access to the technology necessary to meet those commitments.

This implies, a reliable, effective, needs-based technology transfer mechanism, which addresses barriers to capacity building and financing technologies. These issues should be included as part of the discussions around a post-2012 regime.

Time is of the essence.

And all of us working for climate justice could also learn from a third shared principle – that of hope. Not the hope of blind optimism or convenient denial, but the hope of facing incredible odds and still reaching the promised land. After all, whether leaders sit on golden thrones or in White Houses, prophets speaking truth to power have managed to take more than one Pharaoh down a notch or two and bring healing to our world.