

ECO



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Industry Should Stop Predicting Doom and Gloom

During the history of the international climate negotiations, ECO continuously has exposed ridiculous attempts and attacks of certain governments to dilute and even undermine the credibility and substance of climate protection targets and agreements within both the UNFCCC and the Kyoto Protocol.

The acceptance of hot air and sinks are probably the most striking examples of industrialised countries watering down climate protection commitments. But were it actually governments who delayed actions? Or were it the civil servants who promoted loopholes in the treaty? While they certainly were responsible, it is important to highlight most negotiators were and still are under immense pressure from a large constituency operating transnationally and impacting substantially on the economy and welfare of countries. The business and industry sector and their concerns are a powerful force during the negotiations that has a great impact, but which no one fully notices.

Today's side event of the International Chamber of Commerce (ICC) "10 Years of Business Achievements" carries the subtitle "An opportunity for a number of businesses...to demonstrate their climate change achievements and successes of the past 10 years." ECO congratulates the ICC for its precise statement.

Indeed, business has had a great tradition of achieving "climate change" and delaying action. The strategy of most of ICC's members locked into the fossil fuel industry such as coal and oil companies, large electric

utilities and energy-intensive companies, has become smarter over time. In the early to mid 1990s, absolute denial of climate science was the rule at one end of the scale, while the promotion of "voluntary agreements" with governments was the most progressive policy.

What followed, and still prevails, is "junk economics." Only hard core US-based and mainly Exxon-funded industry "think tanks" such as the International Policy Network (IPN) question climate change facts and science. But they create the space for the more "moderate" trade associations, which do not deny the findings of the Intergovernmental Panel on Climate Change (IPCC) any more, to use other tactics to delay action.

ECO observes currently a growing avalanche of flawed economic studies targeting mainly the EU to review its perceived climate leadership. Articles providing inflated numbers of gross domestic product losses resulting from compliance with Kyoto Protocol targets top the list of publications. The next approach is a more subtle call for a "comprehensive" regime with the inclusion of "all global actors." The issue of economic "competitiveness" is being used extensively by many ICC members to question early action. In fact, not so long ago, conventional industry associations questioned the need for a strong European Emissions Trading Scheme and other "unilateral" policy measures in the EU because the absence of Russia's ratification prevented the Kyoto Protocol's entry into force. Now that Russia has ratified, the argument has switched to the Bush

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Australia Misrepresents the Facts

The Australian government's latest projections released on December 6 show it is on track towards meeting its Kyoto target. This development is being trumpeted as its so called success at constraining growth in emissions.

While this would be commendable if it were true, a careful look behind the figures reveals a different picture; one that shows emissions spiralling out of control. In fact, Australia's target is only in reach because of recent moves by its state governments to halt large-scale land clearing. However, these efforts were in response to other policy challenges of salinity, biodiversity loss and declining water quality, and had little to do with controlling greenhouse emissions.

The dramatic reduction in land clearing emissions has hidden unrestrained growth in other sectors. Stationary energy emissions are projected to grow 46 percent over 1990 levels by 2010 and 66 percent by 2020. Similarly, transport emissions will grow by 42 percent and 61 percent by 2010 and 2020 respectively.

Furthermore, the Australian government's projections show a blow out from last year's report, with an upward revision in emissions growth from energy, agriculture and industrial processes. The effectiveness of its flagship programme – the Greenhouse Gas Abatement Programme – has been revised downwards and the only energy reform measure – the Fuel Excise Reform – is expected to increase emissions. This could help explain why the Australian government is hesitant to be part of the Kyoto Club.

Don't be Fooled by US "Actions" to Address Climate Change

Attempts by the US to convince the world it is taking climate change shifts into full gear today with its first side event, "US Actions to Address Climate Change." Before delegates rush to the event to see what might have changed since Bush's attempted (and failed) destruction of the Kyoto Protocol, ECO would like to share the real story. The bottom line is that no matter how many catchy programme titles they list or glossy reports they hand out, the Bush Administration has no intention of reducing US emissions. And therefore, the world's largest emitter cannot honestly claim to be addressing climate change. The series of initiatives the US will list today are part of the portfolio of misleading programmes it uses to distract from their continual promotion of fossil fuel heavy energy policies and opposition to real action.

US delegation representatives will say they have pledged to reduce US emissions' intensity 18 percent by 2012, but the truth is, under the president's plan, US emissions in 2012 will be 32 percent above 1990 levels and still rising. They will claim this is a reduction of 500 million tonnes CO₂ equivalent from business as usual, but in fact it is an increase from just continuing the emissions intensity trend of the last five years. They will list numerous voluntary partnerships with businesses and farmers to achieve that goal, but will not mention that a suite of voluntary programmes, which failed to produce reductions, actually allowed emissions to increase 16 per cent in the last decade, and that some of the commitments under the current voluntary programmes are actually above administration projections for business as usual.

The representatives will highlight the various technology research initiatives the US is funding, but even a cursory look at these programmes reveals they concentrate on fossil fuel technologies and anticipate no near term

reductions. At the US press briefing yesterday, responding to a question about when results might be anticipated from these technology programmes, US delegation head Harlan Watson said the hydrogen research could be expected to begin having an effect in 2035 and the fusion programme in 2050. These are clearly unacceptable timetables for those developing countries that listed already occurring and devastating impacts in the plenary session. In addition, funding for these long-term research programmes is being shifted away from existing renewables and efficiency programmes that would achieve emission reductions now. The Bush Administration has also actively opposed policies required to bring these technologies to the market once they are ready.

Attention will also be drawn to the large amount of money the US spends on funding climate change science. But, the truth is, the Bush Administration has directed much of that research to focus on what they see as uncertainties, while it undermines the established scientific consensus through censorship, suppression of research findings, and a refusal to consider the impact of new scientific information on policy until 2012. No matter how much is spent on research, that information will clearly fall on deaf, or more appropriately, plugged ears.

With this dismal record of faking action on climate change, the Bush Administration clearly has no intention of taking meaningful action on climate change. ECO feels very strongly that the world must not make adjustments in the current system to suit the US. The world's largest emitter must be expected to implement a binding absolute cap on emissions and cannot be allowed to get away with anything less.

"Fossil of the Day" Award

Australia won top prize at yesterday's fossil awards ceremony for trying to mislead the world about its abysmal record of rising greenhouse gas (GHG) emissions (see article on page one).

Canada won second place on behalf of all countries which think carbon capture and storage (CCS) is the main option to reduce GHG emissions. Canada showed in the SBSTA

plenary yesterday morning that for them, technology transfer primarily means the transfer of CCS to developing countries.

Finally, fossil award leader, the USA, only managed to secure third place for intervening in SBSTA that discussion on allocation of emissions from international aviation is not appropriate at this time, even though emissions have risen by 40 percent from 1990 to 2000.

– Industry Should Stop, from front page – Administration's lack of political will to fight climate change. Meanwhile, other voices already say that even if the US ratifies, China must be dealt with, while some others are fast to add that India and Asia's newly industrialising economies (NICs) must also be part of the agreements in order not to undermine industry's competitiveness. This is a never ending story.

ECO is convinced that even in a case scenario where the US, China, India and all the Asian NICs were to take up climate commitments, key polluting fossil fuel-based industries and electric utility companies in industrialised countries will still make a fuss on "distortion of economic competitiveness" because economic powerhouses such as Mali, Bangladesh, Madagascar and Tuvalu have no emission caps.

Key polluting industries have a history of predicting doom and gloom as a consequence of various environmental legislation, be it the Montreal Protocol to reduce emissions of ozone-depleting substances in the 1980s, or the current debate on chemical legislation (REACH) in the EU.

The fact is that while many companies raised a hue and cry prior to the implementation of the Montreal Protocol and said they could go bankrupt, they did not, despite costs of US\$135 billion being imposed on industry. All of these companies survived and now do better than ever before without CFCs, despite all their prior predictions of doom and gloom.

NGO Party

The NGO Party during COP10 will be held on Saturday, December 11 at Hotel Baven from 21.30 hours. More details will be provided in forthcoming issues of ECO. Invitations this year are only extended to representatives of Parties that have ratified the Kyoto Protocol – the Kyoto Club.

THANKS

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