**No Time to Lose**

Dearest delegates, we gather you’ve been working hard behind those mostly closed doors. But let’s face it, following the failure of Copenhagen to deliver a fair, ambitious and binding agreement, the refusal all this year to set aside differences and focus on areas of convergence may yet scupper the UNFCCC talks. At Cancun, you will bear a heavy responsibility.

If one were to believe the international media, the story of Tianjin has been a high stakes standoff between the US and China, ‘I won’t do till you do’ stalling, and negotiating paralysis. So let’s unpack that a bit.

On the one side there is the United States, the emissions superpower that so far has not submitted itself to internationally binding carbon reduction commitments, and really has to do far more than a measly 4% reduction target on 1990 levels. A commitment on long-term finance would suit the Americans much better than a tone of righteous indignation. And though it pains us to say it, as in Bali, the US should step aside if it is not able to make real commitments, and let the world conclude an ambitious deal.

On the other side, China has been working hard at home to implement a commendable low carbon vision. China could propel the negotiations forward by agreeing to international consultation and analysis of its low carbon actions.

There are, however, more than two countries in the world and every country has something to offer in the negotiations. Whilst things have not gone smoothly this week, we gather that Parties made some incremental progress. However, incremental progress does not cut it with the planet, nor will it be sufficient at Cancun.

Creating momentum requires commitment. At Cancun we need to refuel and take aim at the most ambitious level of agreement possible across all elements. Crucially, we need to map out the next important step of our journey to a fair, ambitious and binding deal in South Africa. A failure to plan our route – with a timeline, workplans and format for negotiations – will have us meandering along the dirt tracks as if we had all the time in the world, whilst climate destruction takes the fast road.

A positive development at this meeting is that negotiators have begun to grapple with the package for Cancun. The fact that a vast majority of Parties are seeking a legally binding outcome in the LCA track is self-evident. But we are also pleased that so many Parties have expressed willingness to recommit to the Kyoto Protocol with a second commitment period. That must be crystal clear in the Cancun package.

It is essential that the stand-off in the legal matters group ends, otherwise there may be unintended consequences to the future of the Kyoto Protocol. Parties gave assurance in Bali that there would be no gap between commitment periods. But that’s not what is happening, and carbon markets, already soft since Copenhagen, will likely weaken further. Here are essential elements of the package to contemplate between Tianjin and Cancun:

**FINANCE**

Discussions on finance have focused on the establishment of a new fund under the Convention. The COP should also establish an oversight body to perform crucial function.

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**The EU Chooses**

Next Thursday, European environment ministers will discuss whether the EU should upgrade its 2020 target to 30% unilaterally. ECO says yes! And while you are at it, make sure to meet it domestically, so that any offsetting comes on top of 30%.

While several environment ministers have already indicated their support, others are holding back. But let’s face it, almost everybody expects the EU is going to move to 30% anyway. The more time they waste discussing the matter, the more time they lose reaping the economic advantages.

For two years now, the EU has not budged from its conditional pledge to increase to 30% if comparable efforts are made by other major economies. But this position has diminishing relevance. Several studies, including from the European Commission, clearly show that EU has good reason to increase ambition right now. The most obvious is that they have already nearly reached the 20% target, a full 10 years before 2020!

According to the European Environment Agency, the EU’s 2009 emissions stood at approximately 17.3% below 1990 levels. Although the economic crisis is part of the reason, there is no doubt that most of the effort has already happened. Second, consider the low-carbon race. China became the biggest wind market in the world last year. If EU leaders want their green industry to remain at the forefront, they need to give their economies clear direction.

Third, a more ambitious emissions target would generate billions of euros of addi-
– No Time to Lose, continued from page 1

tions such as ensuring coherence of the fi-
nancial mechanism, coordination, and as-
suring a balance of funding.

We know that some countries have been
working hard to bridge the divisions on
these issues. At Cancun we expect that Par-
ties will establish a Fund with democratic
governance, providing direct access for de-
veloping countries, and functioning under
the guidance and authority of the COP.

TECHNOLOGY

Technology often tops the lists of po-
tential outcomes in Cancun, yet the details
have remained elusive in Tianjin. The key
question is the institutional arrangements
of a multilateral mechanism, with the aim
to scale up and speed up the use of climate
friendly technologies. Here again, govern-
ance should be placed under the authority
of an entity whose mission is focused on limit-
ing warming to 1.5°C.

MITIGATION

Mitigation clearly is a most essential ele-
ment of the package. Despite this, negotia-
tors chose to dive into contention rather than
seeking convergence. A focus on developed
country pledges, the NAMA mechanism, as
well as NAMA design, preparation and im-
plementation took form only on Thursday.

In preparation for Cancun, Parties should
replace their ‘dog ate my homework’ excuse
with a willingness to agree rules that will
ensure the environmental integrity of their
emissions reductions.

Before Cancun, we recommend catching
up on the science. Preventing dangerous
climate change clearly requires more sub-
stantial emissions reductions. A balanced
Cancun package will require Annex I parties
to show how they are going to meet their
moral obligations and to act in line with the
science. We recommend acknowledging
the gigatonne gap between current pledges
and science based targets, and agreeing a
pre-allocation scheme.

CANCUN: the Second Agenda

You’ve heard about all the trouble with the
logging loophole in LULUCF. But there’s
another important agenda on emissions from
non-forest lands under the Kyoto Protocol.

Several ideas such as mandatory account-
ing for cropland management and grazing
land management, and the introduction of
a new activity category of wetland manage-
ment, have languished with very little dis-
cussion. Yet Parties seem to think they are
on the downhill run wrapping up LULUCF.

Emission from biofuels (processing crops
and burning them as transport fuels) also
risks being mostly ignored at a time when
they are expected to grow rapidly as an al-
ternative to fossil fuels.

There are issues with data availability
and accuracy in accounting for these activi-
ies. But that is no excuse for deferring ac-
tion in the second commitment period. One
thing that can be done is to use a hotspots
approach, concentrate MRV efforts on iden-
tifying the lands with the most significant
sources of emissions, and estimate these
activities in the most accurate and practi-
cable way whilst commencing on a SBSTA
program to introduce more comprehensive
accounting.

The new rules could well make a huge
amount of forest management emissions
vanish through a loophole, but even worse,
also fail to capture significant emissions arising from the other land use activities.

There is still time to construct a complete
agenda for LULUCF rules with integrity for
the next commitment period, but there is not
a moment more to lose.

Fossil of the Day:

New Zealand

A fossil is awarded to New Zealand, as
an ambassador for all Annex I Parties, for
 bluntly declaring that if they don’t get the
rules they want on forest management, they’ll have to change their overall emis-
sion reduction target. Does this mean that the LULUCF sector is just a slush fund
and Copenhagen pledges are open for re-
negotiation if the slush fund disappears?

EU Choices, continued from page 1

To move forward, Cancun must clarify
the functions of the adaptation committee,
enable a tangible solution on loss and dam-
gage, finally put response measures back in
the ground.

To adapt, Cancun must clarify
the functions of the adaptation committee,
enable a tangible solution on loss and dam-
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the ground.

Because so much time was spent on de-
vising these accounting tricks, minimal
attention got paid to emissions from land-
use change beyond forests – another poten-
tial loophole. The only proposal for man-
aging forests that has any environmental
integrity was given short shrift.

Furthermore, the damage this proposed
decision can do to REDD accounting is not
to be underestimated. To prevent another
Marrakesh, the damaging impact of forest
accounting on the targets will have to be ad-
dressed in the broader KP numbers discus-
sion.

REDD

From time to time this week, the curtain
has lifted on the Debate-que world of the
REDD+ Partnership. We have been mes-
merised by the heroic, if misguided, strug-
gle between the co-chairs and the rest of
the world. However, we are also saddened
that what could be a valuable institution has
become a farce. We can only hope that things
will get better.

ADAPTATION

A focused atmosphere prevailed in the
adaptation talks, which are progressing on
content and may eventually deliver a com-
promise agreement. ECO reminds parties
that the adaptation framework must include
operational elements and result in action on
the ground.

To adapt, Cancun must clarify
the functions of the adaptation committee,
enable a tangible solution on loss and dam-
gage, finally put response measures back in
the ground.

To move forward, Cancun must clarify
the functions of the adaptation committee,
enable a tangible solution on loss and dam-
gage, finally put response measures back in
its box, and search for balance between ad-
aptation and mitigation funding, including a
pre-allocation scheme.

EU Choices, continued from page 1

national income for governments, as the ma-
Jority of industries will have to buy emis-
sions permits under the emissions trading
scheme. Funneling this money to climate
measures will accelerate EU’s low-carbon
development and trigger much needed long-
term financing for developing countries.

And independent research shows that more
ambitious climate policies won’t result in
mass relocation of industries outside of the
EU.

With smart policies, increasing the EU’s
target will be cost neutral and reduce its for-
eyland dependence, cut energy bills in the
longer run and reduce public health costs.
So, all in all, the perfect moment for going
to 30% is now!