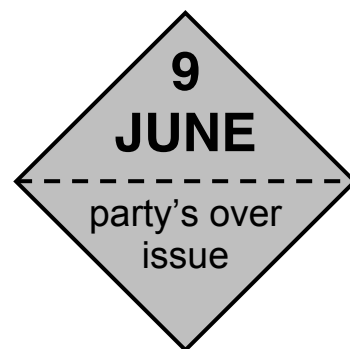


eco



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As the Earth Burns...Fiddling with Finance

ECO is impressed with the energy of developing countries in introducing a range of solid proposals for new institutions to scale-up financing for the transfer of Earth-saving technologies. However, we also feel a new level of seriousness is needed. Despite positive actions by many Parties (and negative moves by a few), governments overall are still failing to grapple with the fundamental need to swiftly shift both public and private financial flows out of fossil fuels and into clean energy.

The US and Japan have announced notions for public finance that fall woefully short of the scale needed to effect a just transition to low carbon development. The USD 2 billion Clean Technology Fund proposed to be implemented through the World Bank falls an order of magnitude below virtually

all credible estimates for effectively altering developing country energy production trajectories and the transformation needed to stay below 2 degrees. Ironically it would appear that the big ideas are coming from emerging economies while the Umbrella Group hoards its pennies.

Implementation of a key component of the Bali Action Plan has been seriously delayed by non-responsiveness of the Global Environmental Facility to the decision of COP13. Delegates can now choose between two paragraphs, only one of which rightfully expresses disappointment and gives the GEF explicit directions to "bring back bread." Indeed, a background story alleges that a key US official instructed the GEF author to NOT consult developing nations in fulfilling Bali decision

4/CP/13 to "elaborate a strategic programme" to scale up investment for technology transfer.

Conventional wisdom says that US negotiators are now lame ducks only to be endured for another seven months and eleven days. Unfortunately this has not stopped the US from seeking to undermine implementation of the Convention. Cynical laughter was heard during Friday's Contact Group when the US asserted it was in full compliance with its financial obligations under the Convention. It was only out of undeserved politeness that US NGOs did not laugh out loud when their government delegation asserted that \$2 billion for a Clean Technology Fund is good for trust-building.

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Ideas here?

ECO has noticed the EU enthusiastically calling on Parties for concrete proposals. ECO shares this appetite for good ideas. To facilitate Member States' internal communications, terminology with which we'd like to encourage their familiarity include: "auctioning AAUs", "earmarking of revenues", "urgency", "responsibility" and "order of magnitude". Reluctant to be held breath-

lessly in suspense until the Accra sessions, ECO hopes to stimulate EU leadership, including on the part of France as future EU president, by providing a totally unthreatening space for exercising the imagination and sense of ambition. Don't be nervous now, we'll even deliver the message for you, just pop your ideas into this box:

Accounting for real emissions from forestry

Welcome back to the sinks debate where we have Parties setting out their lists of preferred options of LULUCF activities that they can use to meet their second commitment period targets. ECO would like to draw attention to a rarely discussed phenomenon in the climate negotiations: forest degradation in Annex 1 countries.

Forest degradation is any anthropogenic activity that decreases the natural carbon carrying capacity of a natural forest and / or depletes its long-term carbon stocks.

In Canada and Australia largely undisturbed forest ecosystems are being converted to short rotation managed forests and in Australia's case, converted to very short rotation mono-culture plantations. These activities generate significant emissions, which are not accounted by either country and often considered as "Sustainable Forest Management". ECO has already advised Parties that an approach, presented by Canada in Bonn, to "factor out" business-as-usual forest management would allow Annex 1 countries to gain credits from improved forest management, but not account for the baseline emissions from logging.

Some parties have proposed a solution to the problem of forest degradation in Annex 1 countries: require mandatory accounting of these emissions under a revised article 3.3. Sounds good to ECO.

Does Newly Discovered Amazon Tribe Know About REDD?

The newly discovered tribe, whose pictures went around the world trying to fight an airplane with bow and arrow, were probably unaware of international negotiators deciding their future these days. Just like other forest dependent people throughout the world, the indigenous people in the picture have not been participating in the UNFCCC negotiations on REDD and have therefore not been able to give their views on what the implications of REDD might be for indigenous and local communities. Unlike in the CBD, indigenous peoples do not have a voice on forest related issues in the UNFCCC.

It is notable that representatives of these communities have not been asked for their

opinions on how REDD should be addressed. It would be worth having their views, if only for the fact that REDD can be implemented most effectively with the full involvement of these people. This concern has not yet reached the agenda of SBSTA or the Tokyo REDD workshop on methodological issues in which matters of effectiveness of REDD will actually be discussed.

ECO urges Parties to take action to ensure appropriate participation of indigenous peoples within the UNFCCC processes as was recently affirmed by the CBD CoP and in line with the UN Declaration on Indigenous Peoples' Rights.

FOSSIL OF THE WEEK

The Fossil of the Week for the first week of the Bonn Climate Change Talks 2008 will be awarded

today 2.45pm

at the CAN International table
on the ground floor of the Maritim

As the Earth Burns...

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If we are to ever agree on an ecologically appropriate role for private investors, the planet will need some of its climate negotiators to think as creatively on Monday morning as they danced on Saturday night. Japan must be joking when it asserts that the modest public financing currently on offer will actually leverage systemic change toward an energy revolution. True, it can facilitate, though it cannot substitute, for a policy regime of clear rewards and penalties. Last week saw several openings to address the subject of regulating international investment in energy, yet no government seized the moment. Parties need to govern international private investment, particularly in energy to ensure a rapid move that peaks emissions by 2015.

This week requires serious thinking on the means to scale up dependable MRV financing. We need bold actions from delegates, in whose hands the fate of our warming planet rests.

Long March

Last Friday, the U.S. Senate took a step forward in the long march to domestic climate action. Forty-eight Senators voted to proceed with the Climate Security Act and 6 absent senators issued statements indicating their support. ECO was pleased to see more U.S. Senators than ever before voting to consider serious climate legislation.

ECO sees this as evidence of growing momentum in the U.S. with a majority of senators supporting the advancement of legislation, including many that had voted the wrong way before. And the battle has just begun. The vote elevated the importance of this issue for the upcoming national elections.

This debate forged new allies, including labor leaders, mayors and Fortune 500 executives. This vote sets the stage for a new president and Congress to work together to prevent the worst consequences of global warming and invest in a clean energy economy. Strong U.S. legislation to reduce emissions,

support adaptation and technology transfer, and support efforts to reduce deforestation in developing countries would send an important signal that the U.S. will play a constructive role in forging a global climate agreement.

America's next President on climate:

Barack Obama: *"Every credible scientist and expert believes action is necessary. This is critical and long overdue legislation that represents a good first step in addressing one of the most serious problems facing our generation."*

John McCain: *"Global climate change is the most important environmental challenge facing not only our nation, but the entire world. I am confident that given the will, the federal government can be a lead advocate for ensuring that America is doing its part to reduce global warming, and join in the global effort that is needed to address this world-wide environmental issue."*

LUDWIG

"Quack, quack, quack." - familiar sounds in the LCA recently? Luckily Ludwig had a special interpreter at the ready: "It is a different world since the 1990's," translated the interpreter. Ludwig was intrigued, was the United States about to actually propose some meaningful domestic reductions?

"Instability, interventions in domestic markets, corruption"...for a moment Ludwig thought he had stumbled into a debrief of the current US financial woes, but no, this was meant as a swipe at some other Parties.

Luckily those Parties knew better than to take the bait. Instead, they put productive ideas on the table. Perhaps they've learned an old American adage, if it talks like a duck and walks like a duck then... well, nobody has time to negotiate with a lame duck.

Over in the IPCC workshop, the inquisitive squawking was from a different source. "What's the difference between greenhouse gas emissions and greenhouse gas concentrations?" Silly Goose, Ludwig thought the whole flock knew the answer to that! But there was also confusion within the NZ delegation about basic arithmetic, given their contention that while you can add to a sum, such as a sink, you can't subtract from it, to count as a source.

Ludwig's head was spinning, and it wasn't just due to the NGO party.