

eco



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Ideas flowing on Financial Flows

A breath of fresh air is sweeping through the Maritim this week.

During all those years of finger pointing and denial whenever the discussion turned to seriously ramping up financing and tech transfer, any creative, constructive ideas had to remain bottled up. But this week the lid came off and a decade's worth of pent-up ideas were unleashed on the delegates.

Following on the heels of the successful AWG-LCA workshop on development and transfer of technologies, Thursday saw a repeat performance in the workshop on investments and financial flows. Constructive ideas were presented by China, Argentina, Mexico, Norway, Switzerland and many others, covering thorny issues like how large-scale financial resources can be generated and managed.

Eco is pleased to see that the parties are finally giving serious treatment to the need for massively scaled up financing for mitigation and adaptation. Negotiators now have a wide range of interesting ideas as a basis to start substantive negotiations.

Eco notes that the Convention stipulates that any financial mechanism shall function under the guidance and authority of the Conference of the Parties which shall decide on eligibility criteria for funding. And

that the governance body of the mechanism shall have equitable and balanced representation of all parties.

We also believe that Parties should take a hard look at GEF's suitability as the operating entity for any new and scaled up funds.

In addition, Eco believes any funds must:

- provide predictable, adequate and accessible funding;
- for mitigation, use objective criteria to prioritize maximum emission reduction and contribution to sustainable development;
- for adaptation, prioritize support for the most vulnerable communities that are affected most by climate change
- deliver results that are measurable, reportable, and verifiable;
- be linked to responsibility and ability to pay.

Any contributions to funds outside of the framework of the UNFCCC should not be counted as delivering reportable, measurable and verifiable measures by developed countries, unless they meet the specified criteria and that the UNFCCC has agreed their eligibility.

Ultimately, in the lead-up to Poznan and Copenhagen we must ask our-

selves: are the measures and instruments proposed up to the task of creating a systemic change of course in financial flows? Can they realize a shift towards low carbon development and climate resilience based upon the real and objective needs identified? Parties will need to work hard to make sure that their decisions live up to this challenge.

SBI Snafus

The discussion in the SBI contact group on the Article 4.5 review and the GEF's Strategic Program work wasn't quite as elevated as in the Investment and Financial Flows workshop in the AWG-LCA.

Discussion of the review of the framework for technology transfer quickly bogged down when the US and Canada began insisting that the review be based on the "performance indicators" being prepared by the EGTT. This might be a reasonable suggestion, except that the final report on the performance indicators is not scheduled for approval until CoP 15 in Copenhagen. Thus, arguments that the review should await delivery of the indicators strongly suggest a delaying tactic. Add to that Japan's suggestion that lack of action on tech transfer under the Convention is mere "perceptions" makes it clear *Continues on page 2...*

A sub-prime solution

Throughout Thursday's AWG-LCA Workshop on Investment and Financial Flows, country delegations repeatedly called for any technology funding mechanism to be fully accountable to the UNFCCC. However, the World Bank's recently proposed Climate Investment Funds (CIFs) lie squarely outside of that framework.

Eco wants to remind the delegates that the CIF's were formed in a rapidly designed, undemocratic process, which is thus lacking meaningful consultation.

Formally announced around its spring meetings, the Bank plans to launch the CIFs at the upcoming G8 Summit.

The Bank claims the proposed Clean Technology Fund and Strategic Climate Fund would address climate change mitigation and adaptation in developing countries.

However, as of yet the World Bank was unable to give a sound, or in fact any clarification on how it actually defines "clean".

Given the Bank's record as the world's largest multilateral fossil

financier the Bank could massively fund greenhouse gas-emitting technologies under the justification that they are incrementally less dirty.

Moreover, through the provision of concessional loans, the CIFs would force developing countries to pay for climate change impacts caused by industrialized countries.

The CIFs also represent a conflict of interest for the Bank, as it is put in a position of both controller and beneficiary of funds.

Some unanswered questions haunting the Maritim:

From China: Why didn't Japan bring their G8 funds into the UNFCCC system?

From Papua New Guinea: What sort of criteria does Japan have for selecting partners in their Cool Earth Club?

From Ghana: What does a good parent do when you give a child money and send him off for bread, and he plays around, gets lost and comes back without the bread?

SBI Snafus (*Continued from page 1*) that these countries will not easily concede the obvious.

Turning to the next item on the contact group's agenda, G-77 and China's misgivings about the GEF were reinforced by its failure to deliver a paper prepared on the "Strategic Programme" which the GEF was mandated by the SBI in Bali to "elaborate". Ghana, representing the G77 and China, pointedly asked GEF for an explanation for why the paper was not forthcoming. The response was somewhat less than enlightening, but it appeared to point to some combination of dysfunctional governance and the tail's desire to wag the dog.

LUDWIG

Ludwig enjoys life in Bonn, but with so many UN negotiations here in May and June, Ludwig has had to spend far too much time in the Maritim.

Take last week for example when the Canadian Prime Minister, Stephen Harper, was touring Europe to announce his latest climate change policies. Everybody was expecting a big announcement, especially Ludwig. Unfortunately, the Canadian Prime Minister took the podium in front of the CBD and announced... nothing! But then Chancellor Merkel followed him on stage and declared her government would spend 500 million Euros on biodiversity protection. Faced with the unfamiliar spectacle of someone actually announcing serious money, Harper apparently panicked and with his most competent Environment Minister John Baird by his side, soon announced a donation of \$ 50,000 for ... the creation of a working group!

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Yesterday, between meetings of the Contact Group on Reducing Emissions in Somebody Else's Country, Ludwig noted an announcement in the Daily Programme (at the bottom of page 12). For ten years Ludwig has labored under the misapprehension that ICAO was doing nothing about aviation emissions – but he now had to admit he was wrong. It turns out that ICAO, in a secret bunker below the sewers in Montreal, has been developing a carbon calculator, with the aviation industry, which was launched in the foyer of the Maritim yesterday. ICAO may have done nothing to reduce aviation emissions but, at least, now we have a way of keeping track of our ever increasing aviation footprint. Ludwig was in awe: Well done ICAO!

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Ludwig had just settled into a comfortable seat in the bar of the Maritim for a night cap after another long day at the SB, when four delegates settled in for a game of poker at the next table. Ludwig snapped to attention when he saw the stakes in the game. In the pot was a temperature rise of 0.74 degrees compared to pre-industrial levels. „Mate“, said the first delegate, „I'll see your temperature increase and raise the sea level by 0.8m by 2100“. Celine Dion, sweet as maple syrup, was playing from the bar speakers as the next player added: „I like this song; reminds me of home: I'll see your sea level rise and raise a run-away melting of the Greenland ice sheet“. „Mmm“, said the third delegate, „I vill putin 100 million climate refugees by 2060 in zi pot“. The last delegate, chomping on a wet cigar, said with finality „I'll see your refugees and raise an unstable climate, crossing multiple, disastrous climate tipping points.“ All in, thought Ludwig.