

# ECO



*Eco has been published by Non-Governmental Environmental Groups at major international conferences since the Stockholm Environment Conference in 1972. This issue is produced co-operatively by CAN groups attending the climate negotiations in Bangkok, September-October 2009.*

## Climate Weak?

Arriving here in Bangkok after a week and a half on the summit track, ECO is feeling a little worn down. Four separate meetings, all on US soil, would sap the strength of a marathon runner.

There was plenty of time to train for the four-stage course. And as "Climate Week" approached, excitement began building that the meetings of the UNGA and the G20 might finally see world leaders taking the bold steps needed to break the current standstill in the climate negotiations.

Two of the meetings, the next installment of the Major Economies Forum held in Washington, DC, and the Greenland Dialogue in New York, were primarily behind-the-scenes "exchanges of views." The global stage was given over to the UN climate summit in New York and the G-20 in Pittsburgh. Here it seemed at least possible for a major breakthrough to emerge.

UN Secretary-General Ban Ki Moon worked steadily through the year to bring over 100 heads of state and government to his special summit at the start of the week and make substantial progress to "seal the deal" in Copenhagen. These leaders had plenty of fine words, and ECO does not underestimate the importance of setting a positive tone. In a speech at the UN climate summit that sounded more like a campaign promise than a clear path forward, President Obama pledged US leadership on climate change, as long as others follow. On a more constructive note, the new Japanese prime minister, Yukio Hatoyama, took a big step in the right direction with a revised pledge on both emissions reduction and financing, and Mr. Hu Jintao, President of China stirred the pot of hope with an announcement of enhanced emissions intensity goals.

These and other global leaders elevated their sights toward an effective global effort. But it was the speech of President Mohamed Nasheed of the Maldives that highlighted the gap between good rhetoric and the substance needed to make real progress to reduce greenhouse emissions and protect those most at risk to climate change, not just in coming decades but today.

At the Major Economies Forum (MEF) in Italy just four months ago, US President Barack Obama challenged finance ministers to bring ideas forward for financing global adaptation and technology transfer to the G-20 in Pittsburgh, following on the heels of the UN climate summit.

Progress at the G20 in Pittsburgh was also quite disappointing, with one exception. President Obama pushed for an end to fossil fuel subsidies globally, and gained the provisional support of other leaders. This could be a valuable step in clearing the way to reduce greenhouse gases, but the timeline initially suggested was stripped from the final text. And in a kind of group memory lapse, President Obama's July request for concrete ideas on global climate financing was pushed out to a future date. With only 70 days until Copenhagen, ECO inquires, how many more times can leaders put off critical decisions?

In these four back-to-back stages of the summit track, we needed major strides on the building blocks that will be central to the Copenhagen agreement. But instead there was mostly old news, with a few bright spots. Delegates here in Bangkok may take note of the missed opportunities during Climate Week and realize that the best rhetoric in the world won't by itself build a single wind turbine, save a single acre of rainforest, or help a single village respond to the impacts of climate change.

## To Text or Not To Text...

We have heard it all before, time after time. President Obama said it at the UN Climate Summit in New York. Yvo de Boer, UNFCCC Executive Secretary has said it. Ban Ki Moon, Secretary General of the United Nations has said it. Presidents and Ministers have said it. Civil society around the world has said it. Least Developed Countries have said it. CAN has said it. In fact, anyone with good common sense has said it.

"There have been too many years of inaction and denial."

"We are going too slow, we must be more effective and productive."

"At this speed we will not have a viable agreement at Copenhagen."

So once again, ECO's question to the delegates assembled in Bangkok is: "If not now, when are you going to get serious about this?"

We have 16 days of climate negotiations before we get to Copenhagen. Are they going to be white hot, all out, soul searching, move ahead, brick laying, serious negotiations? Or are they going to be lukewarm, middle of the road, uninspiring and phlegmatic position-taking? Or will they lean toward totally off the board, out of sight, backroom, unacceptable, counterproductive and risky deal-making?

Delegates, you have 11 days here in Bangkok and only five in Barcelona about a month from today to make real choices, meet and exceed the minimum requirements, and leave your mark on history. You can be remembered as the select group that led us into the new world of low carbon and sustainable development.

Success in Bangkok must be measured by unambiguous and simple criteria to let the whole world know that you are moving. And then even ECO will not be tempted to say you're going too slow.

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## Welcome the new Japan!

ECO applauds the new reduction target pledged by Japan last week at the Secretary-General's special meeting on climate change at the UN in New York. Mr. Yukio Hatoyama, elected Prime Minister only days earlier, moved rapidly to increase Japan's reduction target for 2020 to 25% below 1990 levels.

This represents a substantial step forward compared to former Prime Minister Aso's pledge, as recently as June 2009, of 8% by 2020. This is a very encouraging move - especially at this moment - and ECO enthusiastically suggests that other developed countries follow the same path forward. Japan has shown that a steady stride forward is the first step in this important journey.

In his remarks last week, Mr. Hatoyama

also noted Japan's revised approach to a financing package, which is crucial to get the major developing countries on track for sufficient mitigation actions. "The developed countries, including Japan, must contribute through substantial, new and additional public and private financing," he stated. "An international (finance) system should be established under the auspices of the UN climate change regime."

The Bangkok meetings offer Japan an extended opportunity to start filling in both the details of its 25% emissions reduction objective and the elements of a complete finance proposal.

New Japan is standing up - now is the time to move ahead!

*- To Text or Not to Text from page 1*

Every hour of the next 11 days is vital. We do not have the right to waste a single minute. Each opportunity to move forward that is not taken is lost for all time . . . and goes on your scorecard.

As always, ECO is on hand to observe, to help, to prod; to say when you are off track, wasting time, or behaving badly. But we are also here to give praise and support for positive steps as you take them.

The first important outcome from these meetings in Bangkok is a text that can be consolidated, converged and cut. That text will be clearer, less repetitious and contradictory, and ready for negotiations. Second, there must be no ambiguity whatsoever in mapping the path from Bangkok to Barcelona to Copenhagen. And finally, in Bangkok, once and for all, Annex 1 Parties have to decide upon an aggregate target that keeps the world as far below 2° C of warming as possible. After all, in July the G-8 countries acknowledged that 2° C is the threshold that must not be breached. To keep that commitment within reach, developed countries must agree to emission targets that, collectively, are at least 40% below 1990 levels by 2020. A 5-year commitment period and a 1990 baseline are also essential.

So there it is. Delegates, your actions in the next days determine how these two weeks will go. If the same old opening statements appear again, if the focus is once again on process instead of substance, the world will see it and know.



*G20 meet to discuss Financing*

## EU Financing Recipe Needs Work

The European Commission communication of September 10 on climate finance stated that developing countries would need at least €100 billion a year for reducing their greenhouse gas emissions and adapting to the impacts of climate change. This may seem like a good starting point, given that up to now the industrialized countries avoided putting any number on the table at all, citing in part how quickly public deficits have grown in the aftermath of the financial crisis.

But after you take the cake out of the box, the EU only wants to pay for a small portion: somewhere between €2 and €15 billion a year.

Before going into the details, let's start by considering whether the cake is big enough or not. Recent assessments conclude that at least €200 to €300 billion from both public and private sources will be needed annually by 2020 to cover the mitigation and adaptation needs of developing countries.

The next thing we ask is: how many layers will there be in this cake?

The EU says it is three layers: developing country domestic private and public finance

(something between 20% and 40% of the total); financial flows from the carbon markets (40%); and the remainder from international public finance (again around 20% to 40%).

In the EU's recipe book, that brings the ingredients for financial support from rich to poor countries down to just €22 to €50 billion a year by 2020. Basically this sends the bill back to the developing countries, asking them to pay for the damages caused by others over many years.

The EU then estimates its own share of the international effort at between 10% and 30% of the total, based on indicators such as current emissions and ability to pay. In the end, the EU suggests it is willing to pay €5 to €7 billion a year for a fast start during 2010-2012, and then €2 to €15 billion a year thereafter.

ECO is concerned that perhaps the bakers in the EU finance kitchen are holding back on the ingredients. Yes, given the current atmosphere, acknowledging that at least €100 billion per annum in public money is needed for climate response in the South is surely a step

forward - this figure is almost within reach of the needed range.

Now we urgently need to hear more detail on constructive proposals for securing sufficient, predictable and additional public funding from developed countries, among them the variations proposed for a levy on bunkers.

The Ethiopian Prime Minister, Mr. Zenawi, leading the negotiations for the African countries, has already warned that Africa would simply leave the negotiations if developed countries don't make a decent offer in Copenhagen. The point is simple: prevention is much more effective and cheaper than damage repair.

And so the EU should pay attention to its own head chef. As Mr. Barroso said last week in New York, addressing the Council of Foreign Relations, "No money, no deal; no action, no money." Time to rewrite the cookbook.

Finally, ECO recalls that the total size of the G-20 stimulus package agreed in London this past April is over €700 billion. Setting aside the finer details, compared to that, saving the climate should be a piece of cake.