

IMPLEMENTATION REPORT *of*
PROJECT *on*

**CAPACITY BUILDING FOR DEVELOPING COUNTRIES TO
PARTICIPATE IN NEGOTIATIONS ON THE POST 2012
MULTILATERAL CLIMATE CHANGE REGIME**

by

CLIMATE ACTION NETWORK INTERNATIONAL

with partner organizations

(Vitae Civilis, Brazil; Greenpeace-China; WWF-India; Earthlife Africa
Johannesburg, South Africa)

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CHAPTER 1: INCEPTION OF PROPOSAL

Status of International Negotiations and Need to Strengthen Southern NGOs

In November 2004, Russia's ratification of the Kyoto Protocol brought the treaty to cut greenhouse gas (GHG) emissions back on track. But after COP 10 answer to 'what collective action can be expected in the future to combat climate change?' was not clear. The conference agreed to carry out for first time an officially recognised discussion about future by launching a dialogue on current and future action. A Seminar of Government Experts (SOGE) was organised in May 2005 to "continue to develop effective and appropriate responses to climate change", as well as to review the policies and measures governments has already adopted. It was also noted that there is a growing openness on the part of the developing countries that make up the 'G77 and China' group to a debate on future action, which is attributed to the Kyoto Protocol coming into force in February 2005 and increased awareness of the negative impacts of climate change. This was first formal effort under Convention to start discussing Post 2012 and under Protocol expectations were more on first MOP to take place in Montreal.

Following that in 2005, after protocol came under action (on 16th February) and under UK Presidency of G8 made, addressing climate change became a priority with communiqué reiterating importance of climate change and need for an agreement to "act with resolve and urgency now, the meeting also agreed that greenhouse gas emissions need to slow, peak and reverse and that G8 countries need to make "substantial cuts" in emissions. This was a positive statement from group of countries with US one of the party to it. Part of the discussions at Gleneagles included a session with the Heads of Government of Brazil, Mexico, South Africa, China and India. After this meeting the outreach countries issued a joint statement looking to build a "new paradigm for international cooperation" in the future. This was particularly important as these countries are experiencing rapid economic growth and are therefore currently projected to increase their emissions of greenhouse gas emissions. Later in the year, the first meeting of the Kyoto Protocol and Eleventh of the UNFCCC hosted in Montreal made it clear that Kyoto Protocol would continue with carbon markets at the center of multi-lateral efforts for many years to come. The important outcomes of Montreal Action Plan (MAP) were to initiate post 2012 discussions under two key articles that require the process to discuss the post 2012 time period begins in 2005, Article 3.9 which requires that developed countries begin considerations of amending the targets for second commitment period, and Article 9 which requires that a full review of the Protocol occur at COPMOP2 in 2006. These two articles represent a deepening and a broadening of the Kyoto Protocol.

The international community has been discussing on how to effectively address the long-term threat of climate change after 2012, it was clear that industrialized countries must take the lead in reducing emissions but action by these parties alone is not enough to prevent dangerous climate change. In the coming years and decades, large and rapidly industrializing developing countries must adopt 'Green Path' by reducing the growth of their emissions and at some point stabilize and begin to reduce them. Though these countries are very reluctant to begin negotiations over commitments that many fear could limit their opportunities for economic growth and development, and until now have largely kept the issue out of the formal negotiations.

Considering the current status of international negotiations and in recent years two factors that have contributed to a growing recognition among Southern NGOs of the need for progress in this area, and to the opportunity for the emergence of consensus positions. First, advances in the implementation of

the Kyoto Protocol, and its entry into force, indicate that the first precondition for southern countries accepting some form of commitments – Annex 1 countries taking the lead in reducing their emissions – is much closer to being met. Second is the growing awareness of the potentially catastrophic impacts of climate change in the South, even at relatively low levels of warming, and that the window of opportunity to keep global average warming to below 2oC will close if total global emissions don't level off and start to decline sometime around 2020. These factors have created a situation where many southern NGOs are ready to tackle the difficult issue of what role their countries will have in an effective and realistic global regime in the post-2012 period. It was largely felt that building capacity of various stakeholders within countries can built a momentum in these countries in favour of activities to follow low emission carbon path while facilitating economic growth and sustainable development.

Inception - Proposal on 'Capacity Building for Developing Countries to Participate in Negotiations on the Post 2012 Multilateral Climate Change Regime'

Climate Action Network International in consortium with Vitae Civilis Institute in Brazil, Greenpeace in China, WWF in India and Earthlife Africa Jhb. in South Africa begin to explore an opportunity for the participants, representing the key developing countries of China, India, Brazil and South Africa, to develop the capacity to play a more proactive and effective role in the negotiations for the post-2012 period, both by advancing positions and disseminating knowledge within their own countries, and by creating the capacity within their countries to bring forward more informed, realistic and constructive positions to the international negotiating fora.

The proposal was developed with an understanding that through a combination of focused outreach and coordination activities and engagement on contentious issues, capacity would be strengthened within civil society and government. Supporting the participation of stakeholders in the key developing countries identified in this project will also deepen their understanding of their own and others' positions, strengths and weaknesses and will develop a common vision and strategy to move forward. Debate over national versus regional interests and strategies for highlighting and providing for the needs of the South will prepare stakeholders for overcoming any potential barriers in the international negotiations. The fostering of mutual learning and support will serve to allay distrust or insecurity, particularly between governments and public interest organisations, allowing for more effective participation in the forthcoming negotiations. Particularly important will be this program's link to the ongoing discussions within the G-77 and China group. Within these discussions, it is important that larger countries take the lead and develop the capacity to forward the agenda of the developing countries more effectively.

Initiating the Project Activities

The project was implemented following three phases i) Analyzing the existing policies and positions in each countries, ii) identifying common positions of all the four countries and iii) developing Common Minimum Agenda (Manifesto) that formulated the possible consensus positions on key issues and strategies between civil society actors in the countries involved. The project was implemented through a combination of initiatives that have strengthened capacity of developing countries to participate in negotiations on the post - 2012 multilateral climate change regime. The overall approach was to foster consensus decisions among participating countries based on common issues in the international

convention and protocol negotiations.

The project had following objectives:

- To strengthen the capacity of key actors in developing countries to analyse existing and develop new proposals for future actions under the UNFCCC and its Kyoto Protocol and understand their climate change and sustainable development impacts.
- To assist that southern participants in the international negotiations understand the history, groupings and dynamics of the negotiating process, to ensure effective and strategic participation in the development of the 'post - 2012' multilateral climate change regime.
- To build trust, dialogue and consensus positions on key issues, both between civil society participants from the countries involved, and between participants and their respective governments and other actors and by strengthening developing country contributions to existing processes.
- To bring consensus positions on the post-2012 regime forward into the broader negotiation process, and build understanding and support for them.

The approach outlined in the proposal was altered during the implementation as a result of initial discussions on envisaged outcomes and ongoing parallel international processes in 2006. Project partners discussed at length the possibility of having a "common minimum agenda" as mention in the proposal but after secondary review and at end of first phase it was agreed that each national project partner will focus on best possible ideas in respective countries and then at last phase, these ideas will be integrated as Common Understanding see document in Annex: "Common Position of the partners of the 'CAN post-2012 project'".

CHAPTER 2: IMPLEMENTATION OF PROJECT

The project could commence in February 2006; following finalisation of contractual arrangements, and agreement was secured to delay presentation of the Interim Report until after parties' submissions to the UNFCCC on the 'Global Dialogue'. A set of common milestones was agreed in February following that the project partners were engaged in discussions through e-mail, telephone conferences and discussions with organizations' representatives present at consultations of G8 in Moscow and UNFCCC Subsidiaries Bodies meeting on climate change held in Bonn in May.

The project partners also agreed to establish an internal process to receive external inputs from CAN Quality Assurance Group that consisted one representative from each partner organisation and few CANI Board members, who contributed to the design of the technical aspects of the project. It was formed in May and also agreed to terms of reference for group. Following the meeting, group provided inputs on interim report those were helpful for country partners in next phase of the project. The coordination with QuAC was through constant email exchange and sharing information on activities of the project. Through them the progress and outcome of each activity was reported to CANI Board and thereafter to General Assembly. The progress of the project was monitored during conference calls and the meeting of partners during SB and COP. This group also provided insights to the substance from each country in context with global discussions on Post 2012. The project was implemented following four phases:

Phase I – Project planning and review of secondary literature: This phase focussed on agreeing timeline of project activities and then national project partners conducted a review of secondary literature to gather information/relevant data on various parameters for assessing the intensity of engagement required from each country and also to get to know the existing positions of countries. Report of this phase was submitted as Interim Report in May.

Phase II – Consultations within project countries to formulate ideas for proposals: During this phase discussions were carried out between relevant stakeholders on possible post-2012 scenarios and based on the discussions ideas were formulated. This included informal meetings with government delegates, various ministries and departments along with Civil Society experts.

Phase III – Develop common understanding on ideas between all four project countries for post-2012 climate change regime: Some basic assumptions were shared among participants intended as a basis for agreeing on common positions (see in Annex document "Some basic propositions") Then project partners, drawing on discussions within their countries, worked together to assemble draft "Common Position" (Please see in Annex the document "Common Position of the partners of the 'CAN post-2012 project'") that was presented as at Side Event during COP12 in Nairobi. Manifesto reflected consensus position between project partners also agreed by stakeholders in respective countries. This exercise also identified barriers and differences while developing appropriate positions.

Phase IV – Building Consensus among partner countries and lobbying for new proposals in International fora: The new proposals were presented at a side event and also discussed with CAN to generate support. This initiative also included lobbying in favour of key positions by each member country.

The approach of the project was build the capacity of project partners, initiate discussions on issues, draft identified positions/ideas and spread the best possible options among the international community. This project initiative strengthened work being carried on post 2012 by highlighting the situation in each country, identifying priorities, efforts being made domestically and way forward for these countries. Also forming a well informed and active group of professionals from civil societies to facilitate these discussions in future while global post-2012 regime is being discussed.

Roles of Project Partners:

CAN International being the lead partner have the responsibility for all the deliverables. It co-ordinated project activities between project partners and built consensus among developing country NGOs using existing network while facilitating knowledge sharing through information on project on CAN list serves. It also provided support to facilitate online discussions and organised meetings with delegates during negotiating sessions. The side event at COP 12 with partner organisations was coordinated by CANI.

All four partner organisations carried out numerous activities in respective countries like Research and policy analysis through secondary literature review; Networking with local NGOs; Preparation of research paper for National Scenario identifying positions and points for proposals; preparation of common understanding with project partners in other countries; Preparation of Position Papers; Conducting informal consultations and small workshop in respective countries.

Internationally consortium partners followed processes like G8 consultations, CSD discussions; Inter-ministerial meeting in Brazil, SB in Bonn and COP in Nairobi, etc. to strengthen its understanding and participate in discussions on related issues like Energy & Climate Change. These platforms build capacity in terms of knowledge of partners on expectations from four project countries and also disseminate information about current scenario in these countries. The information of best practices from other countries and political dynamics were helpful for project partners to evolve ideas, while formulating ideas for post 2012 regime. CAN International assisted project partners to raise funds and facilitated to participate in discussions like G8 consultations under Russian Presidency, etc. It also acted as an interface between other project partners and Quality Assurance Group coordinating discussions on project activities and facilitating meetings. It maintained continuous communication with EC providing update on project activities and also communicate changes in project activities as and when it was noticed during project discussions. Lead Partner was also made responsible by all project partners to manage funds being received from EC and communicate for approval, any suggested changes in utilisation of funds to carry out activities. It supported project partners to raise additional resources from other donors for participation in COP. Side event during COP 12 was coordinated by CANI including forming a panel for experts and liaising with UNFCCC.

The side event of the project was organised during COP 12 on 10th November that reviewed the latest findings of science on climate change and its impacts in Africa along with identifying Adaptation needs. It also proposed/reviewed the negotiating framework and need for wider participation in addressing impacts of climate change during Post 2012 regime. The Panel consisted of following experts:

- Preventing Dangerous Climate Change (Bill Hare, Greenpeace International)
- Adaptation needs to address impacts in Africa (Eva Hart Na Goma, Malawi)
- Proposing Negotiating Framework (Richard Worthington, SACAN)
- Capacity Building in four Countries to engage in Post 2012 Regime (Shruti Shukla, WWF-India and Yu Jie, Greenpeace International)

The four project partners in China, India, South Africa and Brazil carried out activities at national level to engage other stakeholders in the discussions, follow similar processes to avoid any duplications and incorporate thinking in the outcomes, consult other civil societies and governments on outcomes of the project to build consensus at country level. The details of these activities can be referred at Country Chapters in this report.

CHAPTER 3: COUNTRY REPORTS

2.1 BRAZIL

2.1.1 Introduction and Overview

Participation in this project has enabled Vitae Civilis to expand its work on the future of the international climate regime, focussing on understanding and influencing the positions of the Brazilian government in the negotiations. Support provided through this project enabled Vitae Civilis to improve the quality of the analyses and proposals it introduced into the national debate, and strengthened its ability to bring them to the attention of a range of policy stakeholders in Brazil.

Vitae Civilis plays a key role in Brazil in strengthening, coordinating and informing the NGO community active on climate issues in Brazil. It coordinates the Climate Working Group (known in Brazil as GTClima) of the Brazilian Forum of NGOs and Social Movements for Environment and Development (FBOMS), the main Brazilian civil society umbrella network for a range of environment and development issues. The ideas discussed with project participants were brought to the Climate Working Group for discussion, and served to inform the positions adopted by the Brazilian NGOs. Conversely, ideas and positions from Brazil were brought into the discussion between project participants from the different countries.

Over the past couple of years, a consensus has been building among the Brazilian NGO community that the Brazilian government's positions in the negotiations over the post-2012 climate regime were not adequate, and that Brazil's insistence on merely voluntary contributions to the global effort was an obstacle to the negotiation of an effective global regime. During 2006, with support through this project, Vitae Civilis worked with other members of the Climate Working Group of FBOMS and other policy actors to develop more detailed and consistent positions regarding Brazil's involvement in the global regime.

2.1.1.1 Key interventions

Vitae Civilis played a key role in consensus building for and drafting of two key documents that received broad support from civil society in Brazil, and which were brought to the attention of decision-makers in Brazil and beyond. The first of these was the Brazilian civil society submission to the SBSTA on "Reducing emissions from Deforestation in Developing Countries", and the second was the GT Clima position paper for CoP-12/CoP-MoP 1 in Nairobi.

- **SBSTA submission on "Reducing Emissions from Deforestation"**

Until recently, the NGO community in Brazil, like that internationally, was deeply divided over the issue of how to include tropical deforestation in the climate regime. The key issue since 1997 was whether "avoided deforestation" would be included in the Clean Development Mechanism. After deforestation was excluded from the CDM in the Marrakech Accords, attention began to shift to how tropical deforestation could be included in the post-2012 regime. This discussion led to a convergence of views among NGOs in Brazil, who now agreed that it was no longer a matter of if tropical deforestation should be addressed in the climate regime, but how. This convergence began to take shape as early as 2003, in discussions around the proposal of IPAM and Environmental Defense for "Compensated

Reductions". While not all Brazilian environmental organizations involved were entirely comfortable with the details of this proposal, it was seen as an advance from previous proposals for avoided deforestation measures in the CDM.

The proposal by Papua New Guinea and other countries during CoP 11/CoP-MoP 1 in Montreal resulted in the creation of a process within the SBSTA to address options for reducing tropical deforestation, and the first step was a call for submissions from Parties and Observers by March 31st. Brazilian NGO members of GT Clima decided to make a joint submission to this process in the name of FBOMS. Vitae Civilis organized a workshop on March 6 in Brasilia with other members of GTClima to discuss the content of this proposal, and also played a lead role in drafting the submission. Mark Lutes from Vitae Civilis also participated in a meeting organized by WWF and IUCN in Gland, Switzerland on March 9-10 to draft the CAN International submission, and to ensure there were no conflicts between the Brazilian NGO submission and that of CAN. Mark Lutes and Carlos Rittl from Greenpeace Brazil drafted the first version of the Brazilian submission, and this version was discussed and revised at a subsequent meeting of participants in Curitiba on March 23rd, during the Conference of the Parties of the Biodiversity Convention being held in that city. The Climate Observatory, another overlapping network of NGOs working on climate change issues, also endorsed the submission.

This submission represented the first detailed consensus position of Brazilian NGOs who are part of FBOMS on the previously divisive issue of deforestation and climate change. It did not take a definitive position on the most controversial issue of whether an international system being considered should involve credits for reductions of emissions, but clearly stated that such a system should be examined, along with other alternatives. The submission also directly challenged some of the key arguments the Brazilian government had been advancing for keeping deforestation out of the climate regime, and especially out of the Kyoto Protocol, and for restricting Brazil's involvement in the post-2012 regime to voluntary measures. The submission was forwarded to the President of Brazil and other relevant Ministers, with a cover letter calling on the Brazilian government to adopt a national target for reduction of deforestation in Brazil. The submission and cover letter were widely distributed within Brazil to other stakeholders as well.

• **Brazilian NGO Position Paper for CoP 12 / CoP-MoP 2 in Nairobi**

The second major intervention made through this project was the GTClima/FBOMS position paper prepared for CoP 12 / CoP-MoP 2 in Nairobi in November of 2006. Vitae Civilis organized a meeting of members of GTClima on October 16-17, 2006, in Brasilia to discuss various climate change related issues, including the content of the GTClima/FBOMS position paper. During this meeting, Vitae Civilis presented the results to date of its collaboration with the other project partners in China, India and South Africa, and reported on relevant work carried out or under way that the project had found promising, including that of the South North Dialogue on Equity in the Greenhouse, and the São Paulo Proposal of the BASIC Project, which involves the same countries.

Vitae Civilis was asked to prepare a draft of this position paper based on input from GT Clima, and the discussions it had been involved with through this project. The document argues strongly for Brazil to abandon its opposition to any new commitments for developing countries that are not strictly voluntary, and calls on the country to contribute to a global agreement capable of keeping global warming to below 2°C. The document was distributed widely both within and outside Brazil, both in Portuguese and English, and clearly caught the attention of Brazilian negotiators. Although all the

positions contained in the document had been expressed in one form or another to government officials and in previous documents submitted to government, they had not been expressed so strongly in one concise document, and combined with a strong critique of the arguments Brazilian officials used to justify their positions in the negotiations.

2.1.1.2 Other Consultations, presentations and meetings

In addition to the interventions above, Vitae Civilis has participated in a number of other processes relevant to the aims of this project.

Meetings of Brazilian Climate Change Forum (FBMC): Vitae Civilis is an active participant in this quasi-governmental body, chaired by the President of Brazil, aimed at providing a channel between government and the broader Brazilian society. The issue of deforestation has been a focus of the FBMC's work this year. Vitae Civilis also participates in the São Paulo Forum on Climate Change and Biodiversity, a sister body at the state level in São Paulo.

Meetings of Subsidiary Bodies, Dialogue and AWG in Bonn: Mark Lutes from Vitae Civilis participated in the two weeks of negotiations in Bonn in May.

Meeting on São Paulo Proposal of BASIC Project: Mark Lutes participated in the three days of meetings in São Paulo, on August 7-9, when the São Paulo Proposal was presented and discussed. Vitae Civilis is in regular contact with the Brazilian partners of the BASIC project, and has included supportive references to the São Paulo proposal in its materials.

Participation in KyotoPlus meeting in Berlin; preparation of report on Brazil for HBF: Mark Lutes from Vitae Civilis participated in the "KyotoPlus: Escaping the Climate Trap" conference in Berlin on September 28-29, on the invitation of the Heinrich Boell Foundation, which supports some climate and energy related activities in Brazil, in particular meetings of the GTCLima network. Vitae Civilis is also preparing a report on Brazil and climate change for the foundation, to inform their future work in the area.

Ethical Dimensions of Climate Change (EDCC): Mark Lutes and Rubens Born from Vitae Civilis participated in a meeting of this initiative on August 30-31 in Rio de Janeiro, which discussed their draft report, which was subsequently finalized and presented at a side event during the Nairobi CoP. The suggestions made by Vitae Civilis included a consideration of the responsibilities of all countries, based on equity and their respective historical responsibilities and capacities, rather than just Annex 1 countries.

Civil Society Forum of G8 Meeting, Moscow, July 3-4.: Mark Lutes from Vitae Civilis participated in this meeting, which addressed issues related to the post-2012 regime, and provided an opportunity for most project participants to meet.

Engagement with Petrobras; Participation in CCS Workshop: Vitae has been engaged in ongoing discussion with Petrobras, Brazil's largest oil company, around issues related to climate change and the post-2012 regime. Discussions are currently under way about creating a forum for discussing options for Brazil's participation in the post-2012 regime. Petrobras invited Mark Lutes to make a presentation at the meeting they hosted of the Carbon Sequestration Leadership Forum, held in Rio de Janeiro, on October 24-27. They also invited Vitae Civilis to submit a chapter to a book on carbon markets they were sponsoring, which was published in one volume in English and Portuguese. The

chapter published drew heavily on the ideas being discussed through this project with India, China and South Africa:

Mark Lutes & Rubens Born, "Climate Change Mitigation and Post 2012 Global Climate Regime: Carbon Markets and Developing Countries," Chapter 11, pp. 149-154 in Carlos Roberto Sanquetta, Marco Aurélio Busch Ziliotto & Ana Paula Dalla Corte, eds., Carbon: Technological Development, Application and Global Market.

Federal University of Paraná (UFPR) and Instituto Ecoplan, Curitiba, 2006.

Portuguese version:

Mark Lutes & Rubens Born, "Mitigação de Mudança de Clima e o Regime Global Após 2012: Mercados de Carbono e Países em Desenvolvimento," Capítulo 20, pp. 294-300 in Carlos Roberto Sanquetta, Marco Aurélio Busch Ziliotto e Ana Paula Dalla Corte, coords., "Carbono: Desenvolvimento Tecnológico, Aplicação e Mercado Global". Universidade Federal do Paraná (UFPR) e Instituto Ecoplan, Curitiba, 2006.

2.1.1.3 Publications

The ideas discussed through this project have informed several publications, position papers and other documents to which Vitae Civilis has contributed over the past year. These documents, many of them referenced elsewhere in this report, are collected in the Appendix to this report.

2.1.1.4 Participation in CoP 12 / CoP-MoP 2 /

Brazilian Project partner Vitae Civilis was represented at CoP 12 / CoP-MoP 2 by Mark Lutes, for the two weeks of negotiations. Activities included:

Participation in CAN activities:

- Participation in CAN daily meetings, strategy meetings and coordination meetings, as well as working group meetings, particularly Post-2012 and deforestation;
- Providing input to discussions on positions and views of Brazilian government, and along with other Brazilian NGO representatives present, representing Brazilian civil society;
- Played lead role in organizing CAN Side Event, focusing on the Post-2012 regime, and featuring presentations of the present Project;
- Main speaker for event organized for CAN members on Brazil, to provide a more in-depth understanding of Brazil's positions and approaches to climate negotiations;
- As member of CAN International Board, participated in Board meeting and related activities, as well as in General Assembly

Interaction with Brazilian and other delegations:

- Distributing and discussing Brazilian NGO position paper on Nairobi negotiations;
- Ongoing contact with members of Brazilian delegation, exchanging views on a range of issues and

presenting and explaining positions of Brazilian and international NGOs, and particularly the rationale for the Fossil of the Day award given to Brazil at the end of the first week;

- Participation in meeting of Brazilian Climate Change Forum on Thursday, Feb. 16th;
- Arranging and participating in meetings of key members of Brazilian delegation with CAN members to discuss issues in negotiations;
- Participation in meetings of Canadian delegation with Canadian NGO representatives;
- Participation in CAN meetings with Ministers, heads of delegations and other key negotiators, including the UK Minister of Environment, Mexican Chair of Contact Group on Article 9, etc.

Writing and editing articles for ECO: Regular participation in writing and editing articles for ECO newsletter, distributed daily during the negotiations. Played lead role in suggesting and writing two lead articles of particular relevance for the post-2012 regime: "Taking the Lead?", from November 8th, and "Pathways Towards Climate Protection" from November 11th (see full articles in Appendix)

Reporting back to Brazil and Latin America NGOs on Nairobi negotiations: Maintained contact with NGO community in Brazil, through participation in preparing press releases through Vitae Civilis, and through distributing updates and articles on email discussion lists for Brazil and Latin America.

Media interviews and articles: Several Brazilian interviews and articles following the CoP, of which two are including in the Appendix:

- Interview with RITS news service
- Article for AmbienteBrasil environmental news website

2.1.2 Country Position developments in 2006

There are some indications that Brazil's positions on key issues in the post-2012 negotiations have advanced somewhat during the Nairobi CoP. Prior to the CoP, Brazilian negotiators had repeatedly insisted that Brazil would accept no substantial review under Article 9 until after the Article 3.9 negotiations were completed, no linkages between the various negotiating tracks, and no discussion of any commitments for Brazil beyond voluntary measures under the Convention in the post-2012 period. The Brazilian NGO position paper (see Appendix) strongly challenged all these positions, and this criticism was reinforced by the awarding of CAN's lead Fossil of the Day Award to Brazil on Friday, Nov. 10, in response to Brazil's intervention on the Article 9 review on the previous day. The Fossil was awarded on the same day as the Brazilian President and Environment Minister were meeting in Brasilia as part of the Brazilian Climate Change Forum to publicly announce Brazil's initiative on deforestation, to be presented in Nairobi in the Dialogue in the following week. On this occasion, President Lula said that Brazil must do more to contribute to preventing climate change.

For whatever reason, during the second week of the negotiations, there appeared to be a marked change in Brazil's approach to the negotiations (Read more in article in Appendix: "The Day After the Nairobi Climate Negotiations"). Brazil no longer insisted on its hard-line positions, and ended up accepting a second review under Article 9 in 2008, with input starting next year. Even on the key issue of commitments in the post-2012 regime, there is some signs of flexibility. Brazil's largest-

circulation newspaper, the Folha de São Paulo, published an article on Nov. 17th, the last day of the negotiations, titled: "Brasil revê posição e aceita discutir metas pós-Kyoto" (Brazil reconsiders position and accepts discussion of post-Kyoto targets).

<http://www1.folha.uol.com.br/fsp/ciencia/fe1711200601.htm>. It's not clear yet if this is an accurate reflection of the Brazilian government's current position, but no correction has been printed, and some movement in this direction is consistent with the views of many key policy stakeholders.

But whatever the current positions of the Brazilian government, there appears to be a new openness to meaningful dialogue with key negotiators as a result of recent developments, as well as a more prominent role and influence on the part of other government departments in the issue of climate change, and especially for the Department of the Environment, who have assumed a more proactive role in the climate change negotiations.

2.2 CHINA

Introduction and Overview

2.2 CHINA

Introduction and Overview

Greenpeace China is the Chinese partner in this project. To understand the possibilities and space for our participation in this activity as one of the partners, as well as the particular role we played, one must understand the development of civil society in China. Currently, there are only a very few legally registered civil society organizations in China because the current legal framework governing this area makes registration almost impossible, even for international organizations. While there is some legislation in preparation, it is understood that it will be some years still until this is realized.

It has been just over 10 years since the first appearance and development of civil society in China. In addition, civil society organizations are frequently frustrated in the promotion of public campaigns and activities, especially when they intend to have the government involved. In China, the issue of climate change is regarded as closely related to national energy sources and development, so that the government, especially those who represent the government in negotiations, seems reluctant to talk about it outside of government circles, and it is very difficult to start a conversation between civil society and the government publicly on the topic of climate change.

Greenpeace set up its Beijing office in 2002, yet even in 2006 it is still registered as a commercial and industrial enterprise. In the three years since the climate change and renewable energy program was established, Greenpeace China staff attended the Conference of Parties (COP) three times (COP 10, 11 & 12) and has established extensive relations with the renewable energy industry. In spite of the restrictions mentioned in previous paragraphs, the project managed to acquire the financial support and impetus needed to be able to communicate with governmental officials, negotiation representatives, and other civil organizations in different ways. The communication effectively improves our understanding of the positions of developing countries and future trends so that we can play a better role as a civil organization both domestically and internationally.

In China, almost all the civil society organizations engaged in climate change are international, among which only Greenpeace and WWF have a strong focus on the international climate negotiations and on the positions that China takes in the negotiations. Greenpeace and WWF have also managed to build relations with relevant government agencies and officials. Other organizations such as the Nature Conservancy and Conservation International focus primarily on carbon capture and storage and carbon sinks while exploring the patterns of nature conservation. They have very little involvement in the negotiations. There are some local civil society organizations promoting certain energy saving programs, which focus more on resource conservation than on climate change. Particularly in the past two decades, serious environmental issues have emerged in China along with its rapid economic growth. Air pollution and water pollution are environmental issues of the first priority which worry not only the government but the civil society as well.

For the reasons above, we find it very difficult to have workshops or similar plans implemented in the project. More frequently, we have to find time during breaks in conferences or use personal interviews

in order to draw a complete picture of China's positions.

Furthermore, the change of the head of delegation affected the channels we have previously built with the delegation. Last year, Su Wei became the head of the delegation as a successor to Gao Feng, and the new head is rather conventional compared with his predecessor. Civil organizations have tried to arrange meetings with him, but were refused all the time. His behavior also affects the attitude of other delegation members towards civil society.

However, the Chinese government has been paying more attention to climate change recently, which is reflected in the size of the delegation sent to the negotiations. China has sent people to follow almost every topic. They are quite capable in negotiations about mitigation. On the other hand, more delegation members come from the weather bureau. This is another reflection of China's focus on scientific studies of the impacts of climate change.

Meanwhile, the fast growth of energy consumption, which, after some years of decreasing energy intensity, has recently once again started to exceed the increase in GDP. This trend has drawn attention from other countries. Just prior to the negotiations in Nairobi, the International Energy Agency released a report on energy forecasts, which predicts that China will pass the United States to become the largest emitting country by 2009 if the current growth continues. As a result, China is aware that negotiations for the 2nd commitment period will be even tougher for developing countries, especially large ones like itself. Consequently, policies and measures are being developed domestically to save energy resources, and special climate change policies are being implemented in particular areas.

Because of the uncertainty of its economic forecasts, and the unsatisfactory execution of central policies by local governments that has been revealed in recent years, China is quite tardy in releasing its economic study about climate changes. For example, the National Response Strategy to Climate Change, which is one of the responsibilities of the Parties, was prepared and should have been released in the summer of 2005. In this document, China should have provided a forecast of what are expected to become the most important emissions trends in the future. However, it has not yet been released. It is clear that the government is taking a more cautious attitude to information disclosure concerning its domestic climate change policy.

It is also worth noting as additional background information that China has created the diplomatic concept of 'Peace & Development' and 'A Great Responsible Power' in order to alleviate international concerns about its growing economic power, its potential as a military threat, and its huge energy consumption in the future. China is trying hard to eliminate such negative images while seeking and exploring resources overseas through active diplomatic approaches. These concepts will definitely be applied to climate issues closely related to energy consumption. Therefore, China must be able to come up with rational justifications for its position in the negotiations. Also, China is very clear about the leading role it is playing among developing countries in the case of critical issues.

Climate negotiations obtain much less media attention and recognition in China than in other countries. Almost no Chinese media is willing to financially support reporting of the negotiations. Even if there is financial support, the journalists are very unlikely to follow all the meetings. As a result, the public knows very little about the focuses of the key international issues: the 2nd commitment period negotiations; the pressure that China is facing; and the role that it is expected to play.

Government and Stakeholders

The National Development and Reform Commission (NDRC) currently coordinates the government's work concerning climate change. The NDRC is responsible for creating energy policy and other significant economic policies in China. Within the NDRC, the Climate Change Coordination Office controls China's negotiating positions, and creates regulations to monitor and control CDM (Clean Development Mechanism) activities in China. It also plays an information dissemination role. Contrastingly, the State Environmental Protection Administration seems to be playing a very minor role in climate change. As is the case in many developing countries, climate policies are energy policies. The national objectives for renewable energy previously released, and the energy efficiency objective in the next 5-year plan (through 2010), were both created by the NDRC.

In China, there is no national commission or forum for climate change that involves all stakeholders. Each year, the delegation members make a few routine presentations at conferences to discuss new developments, forecast negotiation trends, and determine negotiation strategies.

The Ministry of Science & Technology (MOST) also plays an important role in the negotiations and in the delegation, and is closely involved in CDM and technology transfer issues. MOST has been participating in the negotiations for quite a long time, and its representatives used to be standing committee members in CDM. They work on cooperation and development of climate change technologies in China. In the delegation, MOST, the Climate Change Office, and some other institutes in this relation are responsible for the topic of technology transfer.

In China there are no well-established communication channels between the government and the civil society. Normally, the civil society is not invited for policy discussions while information has to be delivered to the civil society through conference held by some research institutes, where they can meet governmental officials, and find communication opportunities.

Apart from the government, some research institutes also participate in the discussion of the post-2012 negotiation architecture. The Research Center of Sustainable Development of China Academy of Social Sciences is a leader among these institutes. Their studies include the solutions for future-framework negotiations, such as the 'Basic Needs Solution'¹ or the 'Carbon Standard Solution'. However, they do not have any direct participation in the determination of the negotiation position, although they have been playing an active role in the promotion of the knowledge in this issue area.

It is clear that the influence of civil society needs to be increased on this topic. Since climate change receives attention only from very few organizations, it is difficult to make the conversation possible between the voice of the civil society and the government. There is much to be improved in civil society in terms of both capability and size. The two organizations engaged in this project are both of international backgrounds. On the one hand they are able to create some influence through the power of international civil society; on the other hand they are much more likely to be regarded by the government as representatives of the northern governments, or at least representing the stand of a civil society in the northern countries. How to make the government trust us is a most frustrating issue in the interactions with the government. We believe that how to break this barrier is one of the objectives of this program.

¹ Presented at a side event at COP 12 in Nairobi

Interactions with the Government

In this context, we try to arrange interviews before the negotiation starts to understand what the government representatives attending the negotiations are thinking. On the other hand, we take every possible opportunity in the negotiations to talk with the representatives to increase mutual understanding and eliminate doubts.

Last year, like other developing countries, China also stressed in the Montreal negotiations that Annex B countries should complete negotiations on Article 3.9 before 2008 and then start with negotiations on Article 9. In our previous interviews with delegation members, they expressed the point of view that China would be willing to talk about its participation in the future if there was an agreement and a mechanism available for technology transfer. Therefore, we decided to use the subject of technology transfer to open the gates to the understanding of government thoughts. By doing so, we will also establish a good relationship with the delegation.

We had conversations with governmental officials in charge of technology transfer in the negotiations. They hold the view that the negotiations won't achieve substantial results if they go on in the current way and with the current level of political will. However, infrastructure built by backward technologies in those developing countries would show a lock-in effect for several decades. The investment locked in would have a negative effect on the environment which would be very difficult to remove. If the situation continues, low carbon development would be quite frustrated in developing countries. Consequently, to seek a solution on the technology transfer issue is in fact to pursue a more effective way through international negotiations for developed countries to fulfill their current potential future commitments under the Kyoto Protocol. Establishing a Multi-lateral fund is one of the ways, by which governments of developed countries can buy patent technologies from commercial organizations and transfer the patents to developing countries. In the technology transfer negotiations at the SB session in May of this year, we exchanged ideas with NGOs, officials and some other figures on this issue. In the Nairobi negotiations at the end of this year, those ideas were turned into physical words. We followed the complete negotiation and exchanged ideas with the government representatives. As a result, the few Annex I countries that succeeded in blocking these negotiations on technology transfer were awarded 'Fossil of the Day' sponsored by CAN.

More has been discussed internationally about developing CDM which can involve wider participation, such as Policy CDM and Sectoral CDM. In China, domestic research institutes have conducted some studies in collaboration with foreign counterparts. To Chinese participants, the research will help them obtain a real emission inventory of the Chinese industrial sector, and know about the potential of emission reduction as well. On the other hand, this presents a platform for the world to understand China's domestic reduction policy and approaches.

As the Chinese government really worries that other countries want to force it to accept undeservedly the same absolute emission reduction targets as Annex B countries, the Differentiation Paper recommended by the North-South Dialogue would be a very good document to explain to other developing countries how they might be treated differently for differentiated domestic situations. However, we have discovered through this program that the Chinese government holds quite a rosy outlook for the country's economic development. This economic growth cycle is already much more than what they have expected. Therefore,

2 Winkler, H, Brouns, B, Kartha, S, "Future mitigation commitments: differentiating among non-Annex I countries", Climate Policy 5 (2006) 469-486

even if China joins in the post-2012 agreement and continues to be treated in consideration of its domestic situation, the negotiation at each stage would very likely push China to a stricter reduction mechanism because the absolute emissions in China continues to grow.

In this context, measures taken domestically have been stressed in particular, including targets of renewable energy, objectives of energy efficiency, and closing small coal power plants. The explanations above should be helpful when China is asked/persuaded to bring those measures to international climate negotiations. The key point doesn't lie on Phase I, but on the increasing pressure and stricter requirements.

The government discloses that China is doing research on mitigation technologies. For example, China is investing millions of Euros in the study of carbon capture and storage. Such technology is a pure reduction technology, which indicates that China is psychologically ready to fulfill its commitment to the future, and it is also preparing for the commitment technically.

Researchers from the Research Center for Sustainable Development of the Chinese Academy of Social Sciences believe that sustainable development policies and approaches would be most acceptable to the government, among all the measures under consideration. However, these are less convincing, because the methodology is not yet clearly defined and in any case will be very difficult to quantify.

On the other hand, the Chinese delegation reflects the common psychology of the Chinese government. So, confirmation and encouragement would spur them forward while pressure, especially unreasonable pressure, almost inevitably leads to the reverse and affects the negotiations negatively.

Communication with the Civil Society

As we have said so far, Greenpeace and WWF are the only CAN members in China. People from WWF came into the negotiations very recently, so their stand is still under development.

Apart from the common stand to technical transfer, WWF is anxious to know whether the emission growth in China is really caused by the facts that European countries send energy-intensive industries of high emission to China, and China exports a large number of carbon-intensive products abroad. However, we find just the reverse after talking with research institutes. Migration of energy-intensive industries to China is because of the huge domestic demand and most products are sold in domestic markets. Therefore, it is primarily not carbon leakage. It indicates that most of the emissions are produced by the development in China.

This discovery makes both organizations aware that China is facing a real challenge, and the demand of development is in conflict with the crisis of climate changes. In the long run, China has to consider the sustainable development of energy for the sake of energy security. So a variety of measures will need to be considered.

In the negotiations, both organizations had many contacts with the delegation. We finally won the trust of the delegation during the discussions on Article 9, which creates more possibilities for communication between the delegation and the civil society.

Input into the Media

In China, the media remains cold to negotiations about climate change. The few points that they are interested in are nothing more than the question if the United States will return to Kyoto Protocol. In past negotiations, normally China would send local Xinhua journalists to do some simple interviews because western news agencies usually covered all the significant reporting while the Chinese delegation managed to remain low key.

Xinhua Africa was a major source of Chinese journalists appearing at the Nairobi negotiations. Apart from them, journalists from China Daily were also invited by German Federation of Journalists, and they were another important component of Chinese journalists in Nairobi. We worked very closely with them, introduced the background of the conference, and provided them with documents about Greenpeace policies and position. As a result, their reporting was influenced by the information we had offered.

In addition, I was interviewed by some media from Europe, including ZDF, Radio Finland, Radio France, and the Danish newspaper Politiken. In the interviews, I appealed to Europe to take up the responsibility as a leading player.

Next year, the COP will be held in Bali, Indonesia. So, it's urgent to improve the understanding of Chinese media about this topic.

Activities during International Negotiations

Financed by this program, Yu Jie from Greenpeace was able to participate in the two-week session of the Subsidiary Bodies held in Bonn, Germany, in May of this year. In Bonn, Yu had a special focus on technology transfer and arranged meetings between negotiation representatives and experts from the civil society so that they could exchange ideas and seek common understandings. Yu is a co-author of an article published in the publication of CAN to call for a new mechanism for technology transfer. Yu Jie also participated in the publication editorial work as a member of ECO Editorial Board.

Yu attended the Beijing seminar organized by CASS to share ideas on national reduction mechanisms, as well as the conference held by BASIC in Beijing.

In Nairobi Negotiation, Yu:

- Participated in CAN daily meeting, sometimes strategy meeting, particularly Post-2012;
- Gave presentation jointly with colleagues at CAN side event, introducing the objective and progress of this project;
- Addressed the CAN coordination meeting about China's position and explained the reasons to build up the understanding between NGO community and China to come up a suitable proposal to promote;
- Nominated US/ Australia/ Canada as "Fossil of the Day" for blocking the new proposal on technology transfer negotiation;
- Wrote blogs on Greenpeace China's website to tell the stories at the negotiation for the public here to access;

Interaction with Chinese Delegation and Other Delegations:

- Ongoing contact with members of Chinese delegation, exchanging views about various issues of the negotiation, presenting NGO's view of moving the process forward and conveying the message to the delegations.
- Present at the meeting of Danish delegation with international NGO representatives;
- Meeting the head of Chinese delegation with Greenpeace team leader about China's position on Article 9 negotiation
- Participation in CAN press conference at the end of the negotiation as a speaker from developing countries.

Change of Chinese Stand

Before setting off to the negotiations in Nairobi, China held the following positions on some major issues:

Article 3.9 - there should be an end date from Annex B, and the date should no later than 2008;
Article 3.9 negotiations should be completed before Article 9 starts.

Article 9: There should be no bridge mentioned between article 9 and article 3.9 in the final negotiation decision; article 9 review should take up its own work which does not link to developing country's participation; the submission should wait for the IPCC's fourth assessment report to come out.

In the event, Article 3.9 was completed first, with no schedule for the exact time when the negotiations would end. Article 9 thus became the final show. As the largest emission producer among developing countries, China was under the toughest pressure. The rumor once spread in the conference that China would be even tougher and cling to its position. The rumor led to a blockage of the negotiation and delayed the schedule. So, it's not hard to imagine the pressure from the world consensus if the rumor proved real. Out of this consideration, we immediately contacted the Chinese delegation. It turned out that Chinese delegation actually had made some concession. Our consideration won friendliness from the Chinese delegation. Being aware that the pressure that China is facing needs to be understood by the civil society, they asked us to clarify this in the contact with the media. I won't bother the reader with details how this clarification was done. But the fact is the communication between the civil society and the delegation would be much better now that a mutual understanding has been established between the delegation and partners of this program.

2.3 INDIA

2.3.1 Introduction and Overview

Over the past couple of years, a consensus has been building amongst Civil Society that the participation of Indian partners was not adequate in the negotiations related to the United Nations Framework Convention on Climate Change (UNFCCC).

Participation in this project has enabled WWF India to develop its work on the future of the international climate regime, focussing on understanding and informing the positions of the Indian government in the UNFCCC negotiations. Support provided under this project allowed WWF India to improve the quality of the analyses and proposals it introduced into the national debate, and supported its capability to bring these to the attention of policy stakeholders in India.

WWF has played a key role in strengthening, coordinating and informing the Civil Society and Governments active on climate issues over the years at the UNFCCC negotiations. Under this project the ideas discussed with project participants were brought to the attention of that Indian delegation as well as the international team of colleagues from within the CAN and WWF network for discussion, and served to inform the positions adopted by them. Conversely, ideas and positions from India were brought into the discussion between project participants and other CAN members from the different countries.

During 2006, with support through this project, WWF India worked with project partners and other policy actors to develop more detailed and consistent positions regarding India's involvement in the global regime and specifically within the Convention process.

2.3.2 Country Position developments

Prior to the CoP, Indian negotiators had repeatedly insisted that India would accept no substantial review under Article 9 until after the Article 3.9 negotiations were completed, no linkages between the various negotiating tracks, and no discussion of any form of commitments for India beyond its current involvement under either the Kyoto Protocol and the Convention (namely the Clean Development Mechanism) in the post-2012 period. The per capita emissions and the expected trajectory of its emissions would still keep India way below the world average for per capita emission till much beyond the second commitment period.

There are some indications that India's positions on key issues in the post-2012 negotiations have advanced somewhat during the Nairobi CoP. We held several bilateral meetings with the EU as well as Individual member countries in the two weeks at Nairobi. Towards the end of second week after several bilateral meetings between Indian negotiators and the Annex 1 countries (notably the EU Presidency and UK) there appeared to be a marked change in India's approach to the negotiations. India was showing signs of moving beyond its earlier position, and did in the end accept a second review under Article 9 by 2008, with input starting next year.

On the issue of commitments in the post-2012 regime, there are some signs of flexibility. The brainstorming session held under Chatham House rules was a very satisfactory meeting with the Indian negotiators. The option of undertaking domestic Sustainable Development Policies and Measures (SDPAMs) instead of other options like voluntary commitments etc in the next commitment

period by India was looked upon favourably by them.

The issue of Graduation of countries to Annex B from within the Non-Annex 1 countries was considered and some of the criteria that could be considered for such an action could be per capita GDP and per capita emissions.

But whatever the subsequent positions of the Indian government, there appears to be a new openness to meaningful dialogue with key negotiators as a result of recent developments, as well as a more prominent role and influence on the part of other government departments in the issue of climate change, and especially for the Ministry of Environment and Forests (the nodal agency in India), who have assumed a more proactive role in the domestic arena on this issue.

There is clear articulation from within larger developing countries including India that to meet development needs they will have no choice but to grow responsibly. The rising fuel prices, need for energy supply security and the threat from global warming together reinforce this need. "The 'fuelish' path of growth is not for us!", as was stated by an Indian negotiator.

At Nairobi, Germanwatch and CAN-Europe released the 2007 Climate Change Performance Index report, which compares the climate protection efforts of 56 industrialised and rapidly industrialising countries that together make up more than 90% of global carbon dioxide emissions. Out of these the Top 10 positions have three Non-Annex 1 countries Argentina, Brazil, and India. What it essentially indicates is that the opportunity to engage with India in ensuring that it has a benign growth path is there.

The concerns that could potentially prevent a much deeper and wider involvement by India in the future negotiations will be:

1. A Lack of inspirational leadership both from within the European Union and other Annex 1 countries on the issue of deeper commitments in the second commitment period
2. Unclear signals for the continuity and deepening of the Carbon Markets and also newer avenues for engagement for Developing countries beyond the first commitment period.
3. Recognition of the urgent need for an assessment of the funds required for Adaptation needs of the poorer and developing states and a positive approach towards exploring options for meeting these costs.

Achieving this will require a clear and meaningful engagement from the Annex 1 countries on several fronts – namely technology transfer, FDI inflows, bilateral agreements, easier availability of best available technology and support in R&D projects. Further capacity building is critical in varying degree within the South Asian countries to be able to absorb flows of this nature and to be able to undertake activities related to both the adaptation and mitigation fronts.

There is a strong need for a political decision in the developed countries which will be a key driver. For example the letter on the need for stronger recognition of the threat of global warming and subsequent impacts of climate change , released at the same time as the COPMOP2 session by several US Senators was a positive push in this direction.

• **South Asia Consultations on International Climate Regime Beyond 2012 (9-10 August 2006, Delhi)³**

Asia's dependence on Oil is projected to double (from 43% to 78%) by 2030. A carbon free solution is still far away. Energy Security and Poverty alleviation are the two most important items on the States' agenda. Though concerns about the impacts of Climate Change are getting stronger.

Existing electrification rates across the country are abysmal. Current economic growth is creating a resurgent middle class but this does not provide adequate cover for the marginalised poor in the country. Approximately 580 million people have no access to basic electricity supplies. More than 300 million live on less than a dollar a day.

These are marginalised and poor people for whom the impacts of climate change could prove to be catastrophic. The thought of mitigating the impacts of Climate Change with scarce and competing resources, required by adaptation as well, is not likely to be given much credence. Hence this process needs to bring much more creative and stronger means of providing financial and technological support to tackle these concerns.

Three core aspects of Post 2012 Proposals

Mitigation

Adaptation

CDM Financing and Technology Transfer

After this round of talks with the Indian policy makers, NGOs and Businesses some key issues emerged. Energy Security (ES) and Poverty Alleviation (PA) are critical to the Indian Administration. In any future talks these concerns will need to be understood and incorporated within the negotiation processes. If these two areas are not adequately addressed under future Kyoto negotiations then chances of India's full engagement in this process could be reduced.

Here the need for simplifying CDM and ensuring the stability of carbon markets is a must. As it is one of the things that have worked well in case of India and has strong Business as well as Government support. Also a marked show of effort and seriousness in implementing KP from Annex 1 countries will help in moderating increasing emissions from originating in developing countries.

The developed countries need to show honest efforts in this regard. Technology Transfer till date has been a strong case of disappointment for Non-Annex 1 countries. If the Protocol cannot ensure this – then chances of India looking at less efficient but cheaper energy sources/ technology will be higher – hence increasing the risk of technological lock in with sub-optimal technology available domestically. If some efforts promoting Energy Security (as focussed upon at G8 meetings) for developing nations can be brought into both the Kyoto Protocol and the United Nations Framework Convention on Climate Change as a credible concern they will create the space for a proactive engagement by India.

Funding for Adaptation is critical. However before this is decided upon, Capacity building within the

³ Consultation Co-organised by: Institute for Global Environmental Strategies (IGES) and The Energy and Resources Institute (TERI) ; Participating Countries: Bangladesh, Bhutan, Maldives, Pakistan, India and Sri Lanka [Governments, NGOs, RINGOs and Business] WWF India represented by Shruti Shukla was a partner in the discussion process.

country would be required for undertaking such an exercise domestically. CDM is overburdened already and too narrow to generate the kind of funds required for meeting the needs for Adaptation. Annex 1 countries will have to show in concrete terms that they will be willing to share the burden of adapting to Climate Change in case of India. Also up scaling the CDM further will provide much needed funds for Adaptation. Hence again the need for simplifying the CDM Process was strongly stressed upon in this meeting.

According to the Indian policy makers and negotiators the most optimal structure would be to have the Kyoto Protocol complemented by Plurilateral agreements between Annex B and Non-Annex 1 countries. These will, as was strongly stressed upon, supplement KP and not be a substitute at any cost. The Role of Developing Countries should be to implement cost-efficient methods for achieving Sustainable Development and to provide ancillary benefits to the main efforts of the Annex 1 group.

• **Participation in CoP 12 / COPMOP 2 /**

Indian Project partner WWF India was represented at CoP 12 / COPMOP 2 by Shruti Shukla, for the two weeks of negotiations. Activities included:

Participation in CAN activities:

- Participation in CAN daily meetings, strategy meetings and coordination meetings, as well as working group meetings, particularly Post-2012 and deforestation;
- Providing input to discussions on positions and views of Indian government, and representing Indian civil society
- Presented the present project details at the CAN Side Event, focusing on the Post-2012 regime,
- Made the Intervention in the Dialogue at COPMOP2 on behalf of civil society on the issue of Market Based Opportunities (Transcript attached in the Annexure)

Interaction with Indian and other delegations:

- Arranging for a brainstorming session with the Indian delegation and project partners at COPMOP2 – the results of this session helped in further formulating our positions on India in the post 2012 period
- Ongoing contact with members of Indian delegation, exchanging views on a range of issues and presenting and explaining positions of Civil Society
- Arranging and participating in meetings of key members of Indian delegation with CAN members to discuss issues in negotiations;
- Participation in meetings of Finnish delegation with Finnish NGO representatives and articulation of Indian and developing country positions;
- Participation and articulation of Indian and developing country positions in bilateral meetings with Ministers, heads of delegations and other key negotiators, including the European Union.

Media interviews and articles: Provided support to Indian Media in covering the issues at COPMOP2 and helped in answering queries on India at the daily press briefings

• **Other Consultations, presentations and meetings**

In addition to the interventions above, WWF India has participated in a number of other processes relevant to the aims of this project.

Meetings with the Ministry of Environment and Forests, Government of India: Shruti Shukla from WWF India was involved in several one-to-one meetings with the Head of Delegation, Dr. Prodipto Ghosh (Secretary, Environment) in September 2006. Other Officials like Mr. RK Sethi (Member of the CDM Executive Board) were apprised of the project activities and their understanding and support was sought. These meetings were very useful in creating awareness on both sides about the positions and concerns that were being taken into the next round of negotiations. These meetings created the base on which the later informal meetings between the Indian delegation and WWF / CAN at Nairobi were held.

Meetings with the Planning Commission, Government of India and other RINGOs: Shruti Shukla from WWF India had a very interesting and fruitful meeting with Mr. Surya Sethi from the Planning Commission about the key concerns for India in the context of Climate Change issues and what kind of domestic measures were being considered to handle the probable threats arising from its impacts. What is of deep concern is the fact that India has hundreds of millions of people living off the land (like subsistence farmers, fishermen, tribal populations), and these sections of the population will be the ones to be affected acutely and before the city dwellers. The ambit of the discussion was to see how the key planning authority of India was hoping to bring within its future recommendations the impacts and the solutions sets required to handle them. The key requirement from the external agencies and supporting processes (like the UNFCCC) is to provide support and mechanisms for meeting the ensuing incremental costs for implementation of adaptive or mitigating measures.

Besides WWF India the other prominent civil society representative at the UNFCCC negotiations is The Energy and Resources Institute (Delhi). We had a small meeting to discuss India's concerns and what were issues that needed to be raised with the policy makers and the Developed country representatives at COPMOP2 for a smoother movement towards working on the issue of the second commitment period.

Meetings of Subsidiary Bodies, Dialogue and AWG in Bonn: WWF India was represented by Samrat Sengupta in the two weeks of negotiations in Bonn in May.

Civil Society Forum of G8 Meeting, Moscow - July 3-4: Samrat Sengupta from WWF India participated in this meeting, which addressed issues related to the post-2012 regime, and provided an opportunity for most project participants to meet.

• **Proceedings from the Brainstorming Session with the Indian Delegation at Nairobi :**

Under the issue of Article 9, some the areas that could be constructively reviewed are the issues of Clean Development Mechanism, Technology Transfer and Adaptation. These will be in the interest of the developing countries. Regarding the Bunker Fuels- the issue is best left to the UN Agencies to figure out.

Regarding the Carbon Markets the general agreement was that they work. There was a clear convergence of views that the CDM needed to be developed further. One of the ways to get better traction for this Mechanism in developing countries would be to lower the transaction costs.

The members of the Indian delegation pointed out that they were domestically taking action which went much beyond India's commitment to the global community under either the Convention or the Protocol. The issue of several European Union countries not meeting their Kyoto targets was also raised.

Some the examples quoted were the growth the Renewables market in India, which is close to a Billion dollars without the CDM. In addition there is a strong Energy Conservation legislation in place. Some traditionally energy intensive sectors like the Cement Industry are today at par with the best practices followed internationally.

It was expressed that the issue of new types of commitments, beyond the traditionally accepted understanding of the term, was an area worth exploring. Also the issue of Graduation within Non-Annex 1 countries to the Annex B status was discussed and some positive comments were made. This could be done perhaps on the basis of per capita income of these nations.

In the context of Annex 1 parties it was stressed that QELROs are what make GHG emissions reductions possible. Other things like Energy Efficiency were important but they are merely instruments to achieve these QELROs. They are the basis of Annex 1 commitments to the Protocol and hence the talk about alternative types of commitments for Annex 1 parties should not be encouraged. This would destroy the very fabric of the Kyoto Protocol.

On the need for a smooth transition to the second commitment period or the Post 2012 structure, it was stressed that Carbon Markets were the key to ensuring a deeper involvement by the Non-Annex 1 countries, especially India. As this will help in promoting a market for abatement technologies and would enhance the ability to deliver a much more responsible economic growth. The one other concern was that all the future efforts and work under the Protocol should be as equitable as possible.

2.4 SOUTH AFRICA

Project implementation and overview of context

The South African component of the project was carried out by the Sustainable Energy and Climate Change Project (SECCP) of Earthlife Africa Johannesburg during a period of transition that did not involve the anticipated level of related activity. This project constituted the only financial support for climate change work through the SECCP from March to October 2006. The project design assumed continuity of the funded secretariat of the South African Climate Action Network (SACAN) and as this did not materialise, Elin Lorimer was not available to participate in the project and activities and the role of representing this project were undertaken by Richard Worthington. However, the continuity of climate change work in SECCP supported through this project did facilitate work to secure resources that has allowed for the resumption of the SACAN Secretariat. This project has thus, inter alia, been instrumental in delivering an MOU between SACAN and the government lead agency - Department of Environmental Affairs and Tourism (DEAT) - securing support to "enable effective public participation in environmental governance related to climate change".

Implementation has involved both formal and informal interaction with government at national and local level, engagement with civil society stakeholders, amongst which labour has been important but particularly challenging, ad hoc inputs to events organised by others (including journalists training) and interaction with project partners and the global CAN. Capacity has been developed within the

SECCP as well as amongst other stakeholders, including through a series of meetings and a dedicated one-day workshop prior to the Nairobi negotiations. While ELA Jhb has been the implementing agency, SACAN has provided input as well as beneficiaries, particularly that of Lester Malgas of southsouthnorth and, on a voluntary basis, Dr Harald Winkler of the Energy Research Centre at the University of Cape Town.

The government lead agency (DEAT) has over the past few years taken increasingly progressive positions on climate change, including embracing the need for future commitments on the part of rapidly industrialising developing countries. DEAT officials have exerted leadership and become more responsive to civil society input. With new leadership of national delegations, from late 2004, they have been easily accessible, welcoming frank engagement with CAN as a whole and acknowledging the important role of civil society in advocating far greater ambition and urgency in international negotiations. However, there are countervailing interests within both government and the private sector that are currently kept to a low profile, but will certainly serve as a significant restraint to progress when the time comes to translate negotiating positions into effective actions.

With official government positions gaining significant congruence with much of SACAN advocacy, the project has not given rise to innovative new proposals, but rather explored areas where official positions can be strengthened and how they may instigate implementation at the domestic level, which lags significantly behind stated intentions. The DEAT has limited influence and most departments have failed to deliver implementation plans promised in terms of the National Climate Change Response Strategy or the Midrand Plan of Action adopted at the National Conference of 2005. The initiatives of the Department of Minerals and Energy lack ambition, the Designated National Authority on the CDM has yet to develop an effective sustainable development screening process and the Department of Public Enterprises stands firmly behind Eskom's drive for massive expansion of coal-fired electricity generation and on-going marginalisation of renewable energy and energy efficiency. In this context, engagement with media was embraced as an important component of the project.

Amongst South African civil society there is an improved understanding of the challenges of taking the multilateral response to climate change forward, including of the rationale for flexible mechanisms and the need to expand market mechanisms, as well as for the cautiousness of emerging developing country initiatives for future action. This does not mean complacency regarding inadequate domestic action or the generally defensive stance of G77 & China. The level of knowledge and interest in South Africa regarding negotiation of a post-2012 regime has increased, particularly amongst labour and faith groups, providing a foundation for advocacy to become increasingly focused and strategic.

Fora for interaction with government and other stakeholders

The National Climate Change Committee (NCCC) is a multi-stakeholder structure, convened by DEAT, which meets quarterly and can set up working groups, although no resources have to date been made available for such groups. All initiatives on climate change can be brought up for discussion, from departmental strategies and bilateral agreements to national negotiating positions. Discussions at the NCCC theoretically inform the proceedings of the Government Committee on Climate Change which, as of early 2005, reports to and takes direction from an Inter-Ministerial Committee, currently involving five ministries, which has so far met about twice annually.

SACAN has nineteen organisational members and eight individual members (see 'Voices') and usually meets quarterly, although resource constraints only allowed for two full meetings in 2007. Membership ranges from Community-based organisations, whose interest in climate change is secondary to local pollution problems, to southsouthnorth, a professional project development facility, and includes the Southern African Faith Communities Environmental Institute (SAFCEI). Proceedings of NCCC are communicated to SACAN membership and SACAN positions are developed for input to the NCCC. The broad-based civil society Energy Caucus, which includes labour, is starting to pay greater attention to climate change.

The National Economic, Development and Labour Council (NEDLAC) is a consultative and negotiating forum that has little effective participation beyond government and labour. Previous attempts to access working committees, such as one convened to consider sustainable development screening for CDM projects, have proved ineffective. The structure and procedures of NEDLAC are to be reviewed, so there is some hope that the institution will become more transparent and accessible.

Other institutions may also offer opportunities for engagement on climate change as they mature. The NEPAD Secretariat has recently established an office on civil society and gender. The African Union has established an Economic and Social Council (ECOSOC) to facilitate civil society input and constituent structures have been agreed, but procedures are still under development. Sufficient countries have ratified the articles for establishment of an Africa Energy Commission (AFREC) for them to become binding, but the institution so far only exists on paper. Elements of the NEPAD Short Term Action Plan relating to renewable energy and energy efficiency have been on hold pending appointment of an Energy Officer, which has been considered contingent to the implementation of AFREC. The African Monitor is a new institution that should have potential to champion climate change.

Activities: Interaction with government

The NCCC of 26 January involved assessment of Montreal outcomes, in terms of which the performance of the national delegation and specifically of the civil society representative were highly praised. A review of submissions invited by the UNFCCC Secretariat identified the key issues for South Africa; consensus could not be reached on the issue of CCS in the CDM, with DME in favour and SACAN opposed, so it was agreed that a submission was not necessary; an SACAN position paper was subsequently submitted (attached). It became apparent that there would be a tension between the need to serve collective group interests as chair of the relevant chapter of the G77 & China and playing a leadership role in promoting future commitments for developing countries.

The 10 March NCCC meeting provided further opportunities for both formal and informal consultations on existing and evolving positions to inform the Interim Report of this project. It was noted that a cabinet mandate would be secured for the multi-stakeholder Long Term Mitigation Scenarios (LTMS) process that will inform future climate policy and negotiating positions, with substantial output due in advance of COP 13 COP/MOP 3 in 2007 – this should ensure substantial interdepartmental participation as well as serious consideration of the outputs.

The 22 June NCCC meeting initiated a reporting process for commitments of government, business and civil society (SACAN) contained in the Midrand Plan of Action adopted in October 2005. It also provided for input to the Technology Needs Assessment and an initial draft of the climate change

Research and Development Strategy, both led by the Department of Science and Technology, and discussion of a national submission regarding the Kyoto Protocol Article 9 Review. A report-back on the Kampapa Inter-ministerial Meeting noted progress reflected in the Chair's Report, highlighting interest in the Review as a way of bridging between the two Montreal-mandated processes.

The African position paper for Nairobi – the first time a detailed set of positions have been agreed by African negotiators well in advance – was tabled at the NCCC of 27 September and various issues debated. The two-step approach to the Article 9 Review was challenged by SACAN, arguing that it should be a fallback rather than an opening position, but the delegation leader noted that it was already an ambitious position to bring to the G77 & China, given the views expressed in submissions to the UNFCCC. SACAN cautioned against a proposal to launch the South Africa–Australia bilateral agreement ahead of Nairobi negotiations.

The project representative participated in a one-day workshop regarding the potential of a bilateral initiative being developed between South Africa and Australia. Learning from the Australian emissions information management systems and programmes on adaptation in agriculture were initially put forward by DEAT as the main substance of an agreement, but it was clear from the composition of the Australian delegation and focus of their inputs that they would like cooperation for development of 'clean coal technologies' to be a major component. We have subsequently heard that the former areas of interest will be covered in the DEAT-led bilateral agreement, while collaboration regarding CCTs will be taken up through participation (through DME) in initiatives such as the Carbon Sequestration Leadership Forum and Bringing Methane to Markets. Civil society has welcomed the principled commitment that South Africa will not participate in the Asia-Pacific Partnership, nor enter into bilateral agreement relating to climate change with the USA, as long as it remains outside multilateral initiatives.

The on-going process to develop a National Strategy for Sustainable Development (NSSD) has also provided opportunity to critique and make suggestions to strengthen government's response to climate change, including participation in a one-day workshop. This also feeds into work not supported by this project, including questioning the use of industrial waste as an 'alternative' fuel in cement kilns and the presentation of demand-side management as contributing to the Eskom commitment to reduce dependence on coal. ELA Jhb has also been tracking the CSD 14/15 process, but has not identified this as a promising opportunity for intervention in 2006.

The project has also supported input at local government level, including participation in the technical team providing input to development of the Ekurhuleni Metropolitan Municipality Climate and Energy Strategy. Presentations at two openings of the Zero Carbon Cities exhibition (funded by the British Council) highlighted the importance of effective implementation at this level the credibility of national policy and for maintaining momentum in international negotiations.

The project representative has so far participated in two meetings of the 'Scenarios Building Team' of the LTMS, two working group teleconferences and provided e-mail comments on working papers. This work informs participation in the national Integrated Energy planning process, supported through a different project. Personal interaction with the national delegation in Nairobi allowed for informal briefing of other SACAN participants, while more formal engagement is covered under the section on Common Activities at COP.

Civil society interaction

ELA Jhb was represented at a two-day meeting of climate change and other NGOs in Woltersdorf in April to discuss the needs and options for mass-based mobilisation in support of post-2012 negotiations (costs covered by another donor). The meeting identified South Africa as one of various countries where a popular campaign is necessary, possible and highly desirable, given a large and growing national carbon footprint, the presence of progressive elements within government and the threat of vested fossil fuel interests blocking effective future commitments. It was recognised that the potential is subject to resources being available, given serious constraints currently being faced by NGOs within South Africa (e.g. failure to disburse funds raised through the National Lottery and the National development Agency). A board was established during the Nairobi negotiations to oversee fund-raising for a global campaigning initiative.

Labour has been identified as an important constituency to engage on climate change, with resolutions at the international level, e.g. by the ICFTU, nor being reflected by action at the national level. ELA Jhb held two meetings with COSATU that included presentations on post-2012 negotiations, which were also the subject of interventions at the African Conference on Labour and the Environment in July. Presentations were also made at meetings of the National Executive Committees of the National Union of Mineworkers and the South African communist Party. Two senior COSATU representatives participated in the capacity building workshop on post-2012 negotiations held on 25 October.

Faith groups have started to take on climate change as a leading issue, specifically through SAFCEI and interaction with the WCC. The project representative recently briefed a meeting of the SAFCEI board on the need build popular demand for an effective post-2012 regime, to entrench positions taken up by the DEAT and to challenge other departments the lack of response strategies. The October workshop (attendance register attached) included a South African representative to the African Youth Initiative on Climate Change that met in advance of the Nairobi negotiations and plans ongoing engagement with international developments.

The project representative participated in a two-day meeting of African stakeholders working on climate and/or development, which generated a declaration (attached) focusing on adaptation, as input to the Gleneagles Dialogue and other relevant processes. This also provided an opportunity for CAN Africa members to meet and plans for the Nairobi Negotiations included an 'African Voices' publication. Two articles focusing in general terms on post-2012 issues were circulated for comment to CAN Africa members, but unfortunately lack of input resulted in this becoming another 'South African Voices' issue (attached). Preparation for Nairobi included

Direct interaction with project partners included internal discussion of the draft components of the Interim Report and development of a Common Positions document that provided a basis for interaction with delegations in Nairobi. This was complimented by interaction with the broader CAN through the e-mail list-serve, including input to the submission on the Article 9 Review and participation in CANI Board preparations for Nairobi. There is ongoing debate of details of CAN positions and strategy for post-2012 negotiations, including advocating sensitivity to developing country concerns that their interests are side-lined by efforts to accommodate the engagement of the USA with the post-2012 regime and putting forward targets for Annex 1 parties that specify a minimum level of emissions reductions to be achieved through domestic action.

The project representative participated in the Civil G8 meeting in Moscow on 4 and 5 July, working with the climate change and energy commissions. This provided an opportunity to network with members of African NGOs not encountered in other fora and an African position was developed that was presented to President Putin by the representative of Civicus at a closed meeting. A meeting was also held with three of the project partners that included forward planning and discussion of a document tabled by Vitae Civilis.

Engagement with business and industry generally consisted of providing contextualising information or alternative views in response to their inputs to government processes. A presentation of civil society perspectives was made at a Coal and Climate Change convened by the Fossil Fuel Foundation. An appeal to government to provide for public consultation on concessionary electricity tariffs for energy-intensive industries was not successful.

Input to media

South African print media continued to provide significant coverage of climate 'sceptics' in 2006, but finally seem to be moving away from the depiction of a polarised debate and providing more detailed consideration of negotiations. The project representative has participated in several radio talk shows and two television news broadcasts, as well as providing extensive background information and commentary to journalists. Activities included two lectures at journalist training courses at Wits University and a 2-hour session at the Reuters Foundation after Nairobi.

Plans to submit a press release and article analysing Nairobi outcomes were set aside in light of the DEAT statement focusing on the positive achievements, particularly regarding Adaptation, but also acknowledging the inadequacy of general progress. Post-Nairobi interviews have focused on the importance of achieving a strong negotiating mandate in 2007 that initiates a rigorous process to conclude in 2008 and on the need for South Africa's generally progressive negotiating positions to be matched by far more effective domestic action.

Common activities during international negotiations

The ELA Jhb project representative participated in the first week of the Subsidiary Bodies meetings in Bonn and the accompanying meetings of project partners, including the meeting of the Quality Assurance Committee. Other activities included input to ECO, meetings of the CANI board and further discussions amongst participants in the Woltersdorf meeting.

A meeting of all project partners with the South African delegation was set up in advance as a dinner on the second day of the Nairobi negotiations and included the three most senior and experienced delegates as well as leading figures in CAN. Following a presentation of the project and the Common Positions document, discussion of the status of the encounter led to a decision that rather than working to Chatham House rules, it would be regarded as a brainstorming session not indicative of formal national positions. The frank and detailed interaction set a positive example of the potential for interaction with civil society and highlighted the challenges of developing advocacy positions responsive to the technical details and nuances of negotiations. The positions put forward by the partners was largely accepted as common ground and subjects of discussion included the EU presentation noting the fact that even 100% emission reductions by Annex 1 parties would fail to

achieve the objective of the UNFCCC, ideas for giving effect to Technology Transfer ...

CHECK NOTES FOR FURTHER OBSERVATIONS

ELA Jhb also participated in the meeting with leaders of the Indian delegation and facilitated a meeting of key members of the CAN post-2012 group with the South African Minister and senior SA delegates in the second week. The project partners

The ELA Jhb project representative participated in all CAN strategy meetings, the working group on the post-2012 issues and the political co-ordination team; convened two meetings of CAN Africa members and interacted with several representatives affiliated, or at least registered, through Climate Network Africa...

served on the ECO editorial board or 'graveyard shift' on five days and contributed to article ... (edition of 17th) ...

made a presentation at the CAN side event regarding the draft non-paper being used by the post-2012 working group

Development of national and regional positions

The South African delegation to Montreal negotiations demonstrated a commitment to leadership on broadening participation in implementation of the UNFCCC that was slightly tempered in Nairobi by serving as the chair of the G77 & China. There seems to be an improved resolve to achieve coherence amongst the several negotiating processes and ensure sufficient inter-sessional activities to move these forward. Of concern is a willingness to consider, under the Article 9 Review, the duration of commitment periods. Direct consideration of when South Africa should join Annex 1 is regarded as premature and the below 2 degrees warming target has not been specifically endorsed, although the need to achieve emissions peak before 2020 – implicit in this target - has not been contested.

South Africa has promoted SD-PAMs approach – proposing formulation and recognition of Policies and Measures prioritising Sustainable Development, but also serving to mitigate climate change – as an option for future commitments. Initial consideration of quantifying mitigation targets with a view to generating tradable credits has given way to seeking other forms of incentives, at least partly in recognition that extending the range of carbon market commodities could serve to undermine the market. Sectoral approaches remain vague and were identified in the project 'brainstorming' session in Nairobi as an area that merits detailed civil society proposals.

The Minister's response to the side event on the San Paolo Proposal clearly rejected a "pick-and-choose" option for Annex 1 countries, but suggested support for the differentiation of developing country parties. South Africa has traditionally resisted discussion of any system of graduation from developing country status⁴, but there is apparent support for the methodology for differentiation proposed under the South North Dialogue on Equity in the Greenhouse. A useful component of the

⁴ This has been presented at the NCCC as a common position of G77 & China, but the leader of the Indian delegation in Nairobi indicated that discussion of graduation was far more acceptable than the systematic differentiation of developing countries, suggesting this is not just true for India. Given the clear correlation of such positions to national circumstances, including preference for restricting criteria to per capita and per GDP emissions, it would be useful for civil society to develop a principled position - consistent with the 'per capita plus' approach proposed in the Future Framework discussion document of CAN – that addresses when a party should join Annex B of the Protocol.

position for Nairobi calls for explicit consideration of, inter alia, the 2005 Exeter Conference Report on "Avoiding Dangerous Climate Change", the Stern Review of the Economic of Climate Change, the 2003 Vulnerability and Resource Group's report on "Poverty and Climate Change" and research by academic institutions such as TERI and the ERC.

There has been a marked improvement in the preparation of African positions in advance of negotiations and South Africa has been careful to champion the need for capacity building, including avoiding its own domination of discussions in the Africa Group. The position that parties agree principles and modalities for administration of the Adaptation Fund in advance of a decision on the institutional home was championed by South Africa and the decision to this effect was seen as an important outcome for Africa, as was agreement and activation of the SBSTA Work Programme on Adaptation through 2008. However, despite Africa's high vulnerability, negotiators seem to harbour sensitivities and respond to intra-regional competitiveness as much as any other delegation.

South Africa has proposed a dedicated programme of work on response measures, partly to ensure the further de-linking of this area from adaptation to the adverse impacts of climate change, but also to engage OPEC members and seek to focus attention on the unintended cross-border consequences of mitigation actions. South Africa has also indicated that the second review of the adequacy of Article 4, paragraph 2 (a) and (b), of the Convention should not be held in abeyance indefinitely and is important to bring a sense of urgency to the process. On the CDM the position is not to oppose CCS inclusion, but not promote it; any new HCFC 22 production or facilities are opposed, as is inclusion of avoided deforestation, although the need to address this issue and urgency to provide incentives is recognised.

Attachments

SACAN position on CCS in the CDM

Nairobi Declaration...

Workshop attendance register

'South African Voices'

Chapter 4: Conclusions and Lessons Learned

This project has provided a practical demonstration of the value of building capacity of Southern NGO actors to participate more effectively in the climate change negotiations, both within their own countries and as part of the work of the Climate Action Network (CAN). CAN has long recognized that the network was over-represented by the North, where there are many more participants, with better-funded organizations with full-time specialized staff focusing on the wide range of issues addressed by the climate change negotiations. This imbalance has long been reflected in the contribution of southern representatives to the work of CAN during negotiation sessions, and between sessions, where discussions, preparation of submissions, ECO articles, etc., have been largely dominated by Northern representatives, despite ongoing efforts to expand the role of Southern participants.

This project has resulted in real progress towards correcting this imbalance, in the following ways:

- Project participants from key developing countries have played a more active role in CAN processes and discussions, bringing their special insights and knowledge to the center of CAN's strategy and policy debates;
- Project participants have played a lead role in creating channels for discussion between CAN and the delegations of key developing countries, resulting in a better understanding of the real concerns of negotiators from these countries, and the opportunities for advances in their negotiating positions;
- More consistent positions and informed discussions within the NGO communities of the participating countries, and greater confidence that concerns of developing country NGOs are being incorporated into CAN positions and deliberations;
- A higher profile of some Southern participants and proposals within CAN has the effect of encouraging other Southern participants to also have greater engagement within CAN, thus strengthening the role of the south as a whole in this process;
- Awareness of the higher profile of Southern participants within CAN helps to build trust within the organization, and to lower resistance to proposals for greater engagement of Southern countries in the post-2012 regime, thereby creating greater support for an effective global effort to prevent dangerous climate change.

The advance achieved through this project is expected to have a lasting impact on CAN dynamics, but it is only a start. There remains a strong North-South imbalance within CAN, that can only be truly addressed through much greater capacity-building among Southern members, resulting in a better balance of participants, expertise and "ownership" in all aspects of CAN's work. It would be of great value to rapidly access further financial support to build on this initiative and amplify the impact of donor support received to date.

Lessons learned regarding negotiations

Developing countries are beginning to react positively to the need for engaging within the UNFCCC framework in creative and proactive ways to mitigate Climate Change (including discussion of possible sequestration credits and talk by the Indian delegation of conservation measures as action that is additional to business as usual and hence warrants some monetary support). The idea of SD PAMs has been positively received and there is much scope for further dialogue with and within developing countries on this issue.

However, there are still strong perceptions of the North trying to set traps and a trend of increasing defensiveness in response to pressure. Movement on the part of Non-Annex 1 parties needs to be strengthened and sustained through efforts by the North to build trust. We have come to understand just how deeply entrenched, for many parties, is the Non-Annex 1 position requiring demonstrable progress and concrete actions by Annex 1 parties. This is underpinned by moral indignation at suggestions that developing countries are currently not taking action, nor required to take action, and attempts to ignore cumulative emissions and the principle of differentiated responsibilities.

While discussion of 'Graduation' to KP Annex B (or UNFCCC Annex 1) is highly contentious and resisted by a number of G77&China parties, it is not anathema for all e.g. India is far more comfortable contemplating graduation than discussing differentiation amongst all non-Annex 1 parties. It is not clear which parties, apart from South Africa, would actively support developing a methodology for differentiation of non-Annex 1 parties. The Chinese proposal to develop a working characterisation of basic or 'survival' energy needs suggests a willingness to discuss the issue, however South Africans expressed doubts that this could form part of a methodology for differentiation of parties or setting a graduation trigger (suggesting that it could be used to within the SD PAMs approach).

There is not a position being put forward on whether SD PAMs should be used to generate tradable credits/CERs; this was often a common assumption, but there is growing recognition that this could undermine both the carbon market (a new class of 'commodity' leading to over-supply) and actual mitigation ambitions. Similar concerns inform differences over whether tradable credits are appropriate to support avoidance of deforestation.

Gaining affordable access to best available technologies is a high priority for developing countries, to the point that for some it is effectively a pre-condition for consideration of future commitments. While mitigation has been the primary focus of discussions to date, there is also need and potential for facilitating the transfer of adaptation technologies. However, there is no working definition of what 'Technology Transfer' as part of climate change response actually means and the EGTT have failed to develop coherent proposals for making it happen. In particular there are no formal proposals on how to address intellectual property rights and no initiatives for collaborative technology development. There is general agreement that financial support is needed to give effect to technology transfer, but a voluntary fund would be a panacea without significant impact. Substantive progress on measures to promote technology development and dissemination would provide a powerful boost to political will amongst developing countries.

It seems that for new proposals or positions to be taken up in negotiations they would need to address the details of components of the post-2012 regime. Civil society and particularly advocacy initiatives need to develop detailed positions regarding sectoral approaches and the elaboration or proliferation

of market mechanisms. Currently there is insufficient political critique of the academic work being done on such approaches and a lack of advocacy of options considered robust by a broad range of NGOs.

Many NGOs, generally 'Northern-based', work on the assumption that the USA will only ever join a multilateral climate regime after finalising provisions for a market-based approach to mitigation at a national level and then through a two-way negotiation between the USA and parties to the Protocol (allowing them to present a take-it-or-leave-it position); they may not appreciate the strength of feeling provoked by a strategy (seen as) premised on an American perspective, rather than premised on the rights and needs of developing countries, particularly given other challenges resulting from the entrenched power of and over-consumption / appropriation of the global commons by industrialised countries. A clear message that the USA does not merit preferential treatment, regardless of what compromise may ultimately be accepted, would help to address deep distrust in the South.

If there is a specific area where the project can credibly claim discernable impact on negotiations, it is the shift in positions reflected in the compromise reached on the Article 9 Review, which surprised some seasoned negotiators. Relations between developing country delegations and NGOs are improving substantially in the countries of the project partners and respect for the work of CAN in general has been increased amongst a wider range of parties.

There is a tendency for parties, such as China for example, to become more defensive as pressure increases on them to shift their position. Effective communication is needed to minimize developing country's concern that a trap is being set for them. They are worried that the mouth of the sack will be tightening with every period of negotiation.

Chapter 4: Annexes

Project-Wide:

1. Some Basic Propositions
2. Common Position of the partners of the 'CAN post-2012 project'

Brazil:

1. Submission to SBSTA on Reducing Emissions from Deforestation in Developing Countries.
2. Position Paper on CoP 12/CoP-MoP2 negotiations in Nairobi
3. Toronto Star: "Canada is at crossroads over climate policy"
4. Chapter in Book Carbon: Technological Development, Application and Global Market - Chapter 11: Climate Change Mitigation and Post 2012 Global Climate Regime: Carbon Markets and Developing Countries. Mark Lutes and Rubens Born, pp. 149-154.
5. Magazine Pagina 22: "O Brasil no Centro da Fogueira"
6. ECO Newsletter: "Taking the Lead?"
7. ECO Newsletter: "Pathways Towards Climate Protection"
8. Article for environment website AmbienteBrasil: "The Day After the Nairobi Climate Negotiations" (in Portuguese and English)
9. Interview for Rits: "Sem Retrocesso"
10. News article from Folha de São Paulo: "Brasil revê posição e aceita discutir metas pós-Kyoto"

Some basic propositions for Post-2012 developing country involvement in climate regime

September 2006

1. Preventing dangerous climate change, as defined by keeping global average warming to less than 2°C above pre-industrial levels, will require significant global reductions in emissions; with Northern reductions starting in CP1 and sharper reductions thereafter, and Southern emissions will have to peak and start declining by around 2020.
2. Sustainable development is an inalienable right of all countries, and an effective climate policy will not prevent achievement of development goals, nor merely be "development neutral", but will have development benefits while meeting climate/emissions objectives.
 - a. This development requires appropriate financial, market, social, political and cultural conditions, and explicit recognition of the need for progress towards greater equity in terms of incomes and per capita equity, and must take into account historical responsibility and differential capacities to reduce and provide resources for reductions in other countries.
3. Industrialized, wealthy countries have an obligation to assist developing countries meet emissions and sustainable development objectives.
 - a. This assistance could take a variety of forms – including direct financial and technology transfers, emissions trading systems (such as the CDM), trade and tariff policies, etc.

4. Business as usual emissions growth in Southern countries is not acceptable, because reproducing the unsustainable development path of industrialized countries will rapidly fill any atmospheric space left, even with industrialized countries rapidly reducing their emissions, and will lock developing countries into an unsustainable capital stock, infrastructure and development path.
 - a. Caveat: BAU in some sectors of some developing countries is already better in terms of GHG emissions than most industrialized countries – i.e. solar water heating in China and biofuels in Brazil.
 - b. Leapfrogging is the preferred option, where developing countries can adopt the cleanest low-emission options, and focus on efficiency and renewables which creating their basic energy, industrial and other infrastructure.
5. Developing countries have a wide range of national situations, and these differences must be taken into account in designing their contributions to global emissions reductions. Thus it is crucial to establish criteria for differentiating between countries in terms of their role in reducing emissions.
 - a. Such a differentiation should suggest which countries are in a position to take on stronger commitments with more onus to pay, and which ones will assume less burdensome contributions and should receive full support for their emissions limitation and reduction efforts.
 - b. One useful effort to do this is the project South-North Equity in the Greenhouse.
6. Given the above described differentiation between countries, those with relatively high incomes, per capita emissions, etc., can be expected to take on some kinds of commitments, with arrangements in most cases (perhaps except for those who meet criteria for “graduation” to Annex 1 status) for obtaining support in meeting those commitments. These commitments could:
 - a. Address sectors with high and/or fast-growing emissions, to channel resources incentives to limit and reduce those emissions.
 - b. Recognize, reward and support sectors which are performing well in reducing/avoiding emissions, to maximize strengths and as an incentive to reduce resistance by countries to adopting commitments.
 - c. Be linked to (or not) carbon market and crediting systems.
 - d. Be integrated with, but not subordinated to, other geo-political, developmental and trade/economic policy strategies and priorities.
7. Types of commitments could include:
 - a. Sectoral commitments – i.e. deforestation/LULUCF, transportation, iron and steel, electrical generation, rice cultivation, etc.
 - b. Intensity targets (sectoral or country-wide), in terms of output or GDP
 - c. Sustainable Development Policies and Measures (SDPAMS)
 - d. Sectoral or absolute no-lose targets
 - e. Sectoral CDM
 - f. Etc...
8. Such commitments could be adopted under the Kyoto Protocol or under the Convention, with a preference for the former, since that is where the carbon markets are currently located, and any new commitments under the KP will serve to strengthen the overall approach of absolute caps for industrialized countries to start with, then becoming more inclusive.

Common Position of the partners of the ‘CAN post-2012 project’

FINAL DRAFT – 1 November 2006

For the past year, a group of NGOs from some key developing countries – China, India, Brazil and South Africa – have been researching, discussing and consulting on the issue of the role of developing countries in the post-2012 global climate change regime. This builds, inter alia, on the multi-track future framework already put forward by CAN.

We realize that to prevent climatic catastrophe, climate change negotiations must produce an agreement that can stabilize and start to reduce global greenhouse gas emissions as soon as possible before 2020. The best current estimates indicate that peaking of global emissions by 2015, followed by rapid decline, provide the best prospects of keeping global warming below 2°C, while any delays will reduce the chances of keeping below this essential threshold.

We conclude that this will require all countries with significant emissions to reassess and move forward from their established positions over crucial coming years, to reach a comprehensive global agreement for the period 2013 – 2018, by 2009 at the latest. This will require dramatic advances in the international negotiations. To achieve this all countries must strive to create a virtuous circle where advances on both sides of the Annex 1/non-Annex 1 divide mutually reinforce each other, allowing all parties to make the maximum effort possible, rather than a stalemate that results in minimum efforts.

This group understands that to make this possible:

Industrialized countries listed in Annex 1 must:

- Make rapid progress to reducing their domestic emissions, demonstrating quickly that they will meet and exceed their CP1 commitments;
- Agree to much more ambitious reduction targets for the second commitment period (CP2), that will put them on a path to reducing their collective emissions by at least 30% by 2020, (with correspondingly deeper cuts in line with opportunities provided by new market-based crediting systems, in order to ensure additionality of such mechanisms for financing emissions reductions in non-Annex 1 countries), and by 60-75% by 2050;
- Provide substantial and sustained transfers of resources and technologies to support developing countries in their emissions limitation and reduction efforts, while meeting their sustainable development and poverty reduction goals (see 1 below);
- Provide dramatically increased resources and support for adaptation to the impacts of climate change, especially in the least developed and most vulnerable countries (see 2 below).

Developing countries must:

- Move beyond the outdated negotiating framework set out in the Berlin Mandate more than a decade ago, and be prepared to advance substantially in their contributions to efforts to reduce global emissions through the multilateral climate change regime;

- Abandon once and for all the construct of “environment vs. development”, by taking seriously the imperative to fundamentally change development paths and adopt available means to meet development needs while achieving low-carbon pathways.
- Recognize the wide range of national circumstances and emission levels among developing countries and develop a system for differentiation of parties within the Non-Annex 1 group – based on criteria such as equity, responsibility for causing the problem, and capacity to reduce emissions and to pay for reductions (the work of the South-North Dialogue on Equity in the Greenhouse provides a good foundation);
- Open up a formal discussion about differentiated types of commitments and other contributions for developing countries with substantial and growing emissions - this should include assessment by rapidly industrializing countries of mitigation potential within the most carbon-intensive activities and sectors and what level of external support can be justified to achieve the potential (e.g. by pledging SD-PAMs or decarbonisation measures);
- Some Non-Annex 1 parties, newly industrialized countries such as Qatar, Singapore and South Korea, should voluntarily step up to Annex 1 (& KP Annex B) without requiring or waiting for adoption of a mechanism or ‘graduation’ system; (see 3 below)

We also encourage all civil society committed to avoiding a climatic catastrophe to proceed rapidly with a frank and constructive interrogation of the role and contribution of all countries – North and South - in the global effort to this end. This appraisal must address the following topics:

- Implications of the 2oC warming ceiling for global and regional emissions pathways, and what a fair and just distribution of the limited atmospheric space and the required scale of emissions reductions would look like over time, in the transition to a future where total global emissions are much lower and are no longer determined by a highly unequal distribution of incomes, social development and access to scarce resources;
- What contribution each of our countries can make to the global effort, and what is necessary in terms of international cooperation to enable that contribution;
- How we can work to ensure that all countries and societies maximise their contribution to the effort to reduce global emissions, while also pursuing and integrating this into agendas related to combating inequalities, poverty, discrimination, climatic injustice and other struggles;
- How international cooperation, trade, aid and transfers of resources and technologies (including S?S and S?N) can contribute to the shift to a low carbon and more equitable future;

Detailed recommendations / considerations:

1. One option that merits rapid formal investigation, amongst others, is to mobilize resources linked to the pledging of Sustainable Development Policies and Measures (SD-PAMs) – to recognize and support actions by developing countries without waiting for exact or verifiable quantification of their contribution to mitigation. [This could include expedited access to funds or underwriting the capital costs – paying the risk premium – of investments to deploy best available technologies not yet considered commercially proven.] A Technology Dissemination Fund (including S?S and S?N) is

also desirable and should be linked to a market mechanism.

2. To generate funds for adaptation at a scale commensurate with the challenges, the 2% levy on the CDM should be applied to all three flexible mechanisms, i.e. extended to JI and emissions trading; if these mechanisms are utilized at the high end of expectations, the revenue should be sufficient for some to be utilized to support technology transfer, but additional mechanism(s) will be needed to support technology transfer at least in the short term. Options for additional and complementary economic instruments, such as a carbon tax imposed at the point of the end-consumer (e.g. on luxury goods with a significant carbon footprint), should be investigated as a matter of urgency.
3. The imperative to get newly industrialized countries to progressively join the 'Kyoto track' of absolute emissions caps is one reason for preserving the five-year commitment period cycle – some such countries would be eligible in CP2, while others would await subsequent commitment periods. However, a more compelling reason is the need to achieve emissions peak as soon as possible – an agreement that provides high confidence of initiating global emissions reduction will require more countries to have absolute caps than is reasonable or equitable to require within CP2, making it essential that CP3 is not deferred into an uncertain future. Proposals to extend CP2 may increase confidence in the carbon market in the short term, but they may delay expanding the market to the required scale and defer the broadening of participation in the 'Kyoto Track'.
4. Several useful collaborative exercises have been undertaken to develop proposals for the post-2012 period. Particularly useful are those advanced by the South North Dialogue on Equity in the Greenhouse, and the São Paulo Proposal of the BASIC project.⁵ While we don't agree with all their recommendations, they have recognized the scale of the advances that must be achieved in the global climate regime, and have made useful recommendations for key elements of this regime.

³ See, e.g., <http://www.erc.uct.ac.za/publications/South-North-Dialogue.pdf> and www.basic-project.net.

Brazil Documents

1: Submission to SBSTA on Reducing Emissions from Deforestation in Developing Countries.

(Portuguese version at: http://www.fboms.org.br/gtclima/FBOMS_SBSTA3103_Port.doc)

**SUBMISSION TO UNFCCC/SBSTA
ON
REDUCING EMISSIONS FROM DEFORESTATION
IN DEVELOPING COUNTRIES
(Pursuant to document FCCC/CP/2005/L.2)**

Submitted by

Vitae Civilis Institute for Development, Environment and Peace

On behalf of

**The Brazilian Forum of NGOs and Social Movements
for Environment and Development (FBOMS)**

And

The Climate Observatory

MARCH 2006

ORGANIZATIONAL BACKGROUND

Vitae Civilis Institute for Development, Environment and Peace, is a not-for-profit non-governmental organization that, since its creation in 1989 in São Paulo, Brazil, has been working to contribute to the construction of sustainable societies – an expression that covers at least five basic pillars: social justice, environmental conservation and integrity, diversity (cultural, ethnic, religious, etc.), democracy and economic viability. It has been actively engaged in the emerging global climate change regime since negotiations began in 1990.

The Brazilian Forum of NGOs and Social Movements for Environment and Development (FBOMS) is a coalition founded in 1990 to facilitate the participation of Brazilian civil society groups throughout the Rio-92 (UNCED) process. Since then, FBOMS is the umbrella network of around 500 member groups, including NGOs, networks and federations of environmentalists, labour unions, grass-roots associations, rubber-tappers, and women's, youth and consumer groups dedicated to engaging with global, national and local policies and actions for sustainability and the environment. Within FBOMS, the Climate Change Working Group has since 1992 facilitated and organized its members for participation, monitoring and analysis of national and international climate change policies. It also serves as the national node of the international Climate Action Network (CAN).

The members of the Climate Working Group of Brazilian Forum of NGOs and Social Movements for Sustainable Development and the Environment (**FBOMS**)⁶, as members of the international Climate Action Network (CAN), fully support the submission of CAN to this UNFCCC/SBSTA process. However, as civil society representatives from the country with the world's largest intact rainforest, we wished to put our own particular views and concerns on the record. The submission from CAN provides additional details on several of the issues raised here.

This document is also supported by the Climate Observatory (Brazilian Network of NGOs and Social Movements in Climate Change), created in 2002. The Climate Observatory is made up of 33 non-profit organizations, including NGOs, foundations, research centers and social movements, working in the area of sustainable development and socio-environmental rights, with the goal of organizing around the issue of global climate change, as well as developing initiatives that contribute to the environmental equilibrium of the Planet, and to the construction of a sustainable society in all its dimensions.⁷

⁶ FBOMS contact information: SCS, Quadra 08, Bloco B-50, Edifício Venâncio 2000, Salas 133/135, CEP 70333-900, Brasília, DF – Brazil, CEP 70333-900. Phone (55 61) 3033-5535 and 3033-5545 coordenacao@fboms.org.br - www.fboms.org.br

⁷ Additional information can be obtained from the site www.clima.org.br, or through contacting the Executive Secretary by email at biderman@uol.com.br.

INTRODUCTION

Stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system is the ultimate objective of UNFCCC .

Considering historical and present rates of greenhouse gases emissions, the rise of temperature to about 1.3° Celsius above pre-industrial levels can be considered inevitable. Thus, to limit global warming to less than 2°C above pre-industrial levels, which is considered vital to preventing the worst effects of climate change, it is crucial that global greenhouse gases emissions peak by around the year 2020 and soon after start decreasing substantially .

This means that the current Annex B countries must reduce their emissions in the range of 60% to 80% by 2050 . Thus, for a second period of commitment of Kyoto Protocol, developed nations need to commit to much deeper cuts in emissions than for the first period. This is absolutely necessary to prevent catastrophic effects of climate change worldwide. Yet this is not enough. Developing countries must also increase their contributions to the global efforts to prevent dangerous climate change, in accordance with the principal of common but differentiated responsibilities.

This opportunity to contribute to the discussion of how to include tropical deforestation in the climate regime is welcome, and comes at a very opportune time. The current context of the negotiations under the UNFCCC and the Kyoto Protocol provide the opportunity to take a fresh look at the issue of tropical deforestation, and to move beyond some of the most contentious debates that have plagued this issue in the past. We strongly urge Parties to the Convention and Protocol to take full advantage of this opportunity, and support SBSTA in examining the widest possible range of options for creating mechanisms and measures that can substantially reduce emissions from tropical deforestation. We cannot afford to miss this chance to ensure that reducing emissions from tropical deforestation contributes to meeting the ultimate objective of the climate convention, and to preventing the kinds of climatic disruptions that pose a serious threat over the medium and long term to some of the very forest biomes that are the object of this discussion.

THE CONTRIBUTION OF DEFORESTATION TO CLIMATE CHANGE

The major historical source of global greenhouse gases emissions and the main driver of anthropogenic impacts on the climate system is the use of fossil fuels in developed nations. However, deforestation is becoming a very important source of greenhouse gases emissions. It already accounts for somewhere between 10% and 35% of annual global emissions, with some estimates even higher¹¹. Tropical forests are the principal source of emissions from deforestation worldwide.

Tropical deforestation is occurring at an increasing rate. In its State of the World's Forests, FAO indicates that 7 countries alone (Brazil, Indonesia, Sudan, Zambia, Mexico, Democratic Republic of Congo, and Myanmar) lost more than 71 million hectares of forests from 1990 to 2000¹². According to the report, each of these countries lost an average of at least 500,000 ha of forests per year. Brazil (average 2.3 million ha deforested per year) and Indonesia (average 1.3 million ha deforested per year) lead the list of forest destruction over that period¹³.

Tropical deforestation and degradation of forests are the main source of biodiversity loss, and are contributing to a mass extinction of species¹⁴, in a rate 100 to 1000 times greater than is considered normal in evolutionary time.

Climate change is expected to affect ecosystems and species in a variety of different ways and has been recognized as an additional threat to biodiversity¹⁵. Tropical forests can be very susceptible to the effects of climate change¹⁶. Key environmental services in tropical forests ecosystems are at risk due to climate change, such as maintenance of the water cycle and carbon balance. This represents a huge additional risk to tropical forest biodiversity. Altering the dynamics of tropical forest ecosystems can impact the earth's carbon, energy and water cycles and therefore affect climate. The interaction between deforestation and climate change can lead the tropical forests into a very dangerous vicious cycle, where deforestation is an important source of greenhouse gas emissions, and climate change increases the susceptibility of tropical forests to fires and deforestation, thereby accelerating the conversion of forests into much drier and poorer ecosystems, resulting in massive emissions of greenhouse gases in the process.

But not only climate and biodiversity are affected by forest losses. Forest peoples' lives are also dramatically threatened. Deforestation in developing countries is frequently associated with violence and threats against indigenous people and local communities, which are expelled from their lands. Slavery and degrading work are also usually linked with forest destruction in many countries.

Deforestation is, thus, a huge problem threatening the climate, biodiversity and people. Urgent action is necessary to minimize the damage. To help preventing dangerous climate change, it is absolutely necessary to address effective solutions to the problem. This will be not only important to the climate, but also for the maintenance of biodiversity and for the livelihoods of millions of people depending on those forests.

¹¹ See Achard, F., Eva, H. D., Stibig, H. J., Mayaux, P., Gallego, J., Richards, T., and Malingreau, J. P.: 2002, 'Determination of deforestation rates of the world's humid tropical forests', *Science* 297, 999–1002 and Houghton, R. 2005. Tropical deforestation as a source of greenhouse gas emissions. In P. Moutinho & S. Schwartzman (eds.). *Tropical deforestation and climate change*, Instituto de Pesquisa Ambiental da Amazônia (IPAM), Belém, Pará, Brazil, pp. 13-22. See also Houghton, R.A., and J.L. Hackler, 2002. Carbon Flux to the Atmosphere from Land-Use Changes. In *Trends: A Compendium of Data on Global Change*. Carbon Dioxide Information Analysis Center, Oak Ridge National Laboratory, U.S. Department of Energy, Oak Ridge, Tenn., U.S.A.

¹² Food and Agriculture Organization – FAO. 2005. *State of the World's Forests 2005*. Rome, Italy.

¹³ Deforestation rates refer to the net change in forests and include expansion of forest plantations and losses and gains in the area of natural forests. This means that the loss of natural pristine forests is even bigger in many countries, with the consequent higher loss of biodiversity.

¹⁴ Myers, M., Mittermeier, R. A., Mittermeier, C. G., Fonseca, G. A. B. and Kent, J. 2000. Biodiversity Hotspots for Conservation Priorities. *Nature* 403: pps. 853-858

¹⁵ Hare, W. L. 2003. *Assessment of Knowledge on Impacts of Climate Change – Contribution to the Specification of Art. 2 of the UNFCCC*. http://www.wbgu.de/wbgu_sn2003_ex01.pdf.

¹⁶ Hutyra, L. Munger, J. W., Nobre, C. A. Saleska, S. R., Vieira, S. A., Wofsy, S. C. 2005. Climatic variability and vegetation vulnerability in Amazônia. *Geophysical Research Letters*, VOL. 32(24). See also Cox, P.M., Betts, R.A., Collins, M., Harris, P.P., Huntingford, C. and Jones, C.D. 2004. Amazonian forest dieback under climate-carbon cycle projections for the 21st century. *Theor. Appl. Climatol.*, 78: pps. 137-156

OPPORTUNITIES AND CHALLENGES

There has recently been a convergence of views among Brazilian civil society and the member organizations of FBOMS around the urgent need for measures under the international climate regime, to encourage and support reduction of deforestation rates in Brazil and elsewhere. This convergence resulted from a variety of factors:

- In 2005 the Kyoto Protocol entered into force and in at CoP 11 and CoP-MoP 1 decisions were adopted to fully implement its various instruments and mechanisms. This means that most industrialized countries in Annex 1 of the Convention now have binding emissions reductions targets, and are thus on their way to fulfilling their commitments under the Convention and its Protocol. This helps pave the way to consideration of how key developing countries can start to contribute more to meeting the ultimate objective of the Convention.
- Negotiations have now started that will define the shape of the global climate regime in the post-2012 period, when, in our understanding, deeper cuts in industrialized country commitments should be matched by greater contributions by many developing countries to controlling and reducing global emissions. In these negotiations, there is ample space for consideration of a wide range of options for contributions by developing countries, both under the Convention and the Kyoto Protocol, and through entirely new instruments.
- The adoption of the Marrakech Accords and the implementation of the Clean Development Mechanism has brought closure to the issue of whether deforestation can be addressed through this mechanism. Deforestation was excluded from the CDM for a range of technical and political reasons, many of which were specific to the nature and limitations of that mechanism. There is an opportunity now to design a completely new mechanism that can overcome many of these limitations, especially by establishing country-wide, rather than project-based, baselines for reducing emissions, which goes a long way to resolving the key problem of leakage identified in past discussions in the context of the CDM.
- Finally, we are rapidly running out of time to stop the growth of global emissions and then reduce them in time to avoid a climate catastrophe. There is a growing consensus that we need to prevent global average temperature to substantially below 2°C above pre-industrial levels in order to prevent unacceptable climatic impacts¹⁸. This will be a significant challenge to the global climate regime¹⁹, even with the rapid inclusion of measures and mechanisms to address all global sources and sinks, but if any major global source, such as tropical deforestation which accounts for more than 20% of total global emissions, were excluded from such measures and mechanisms, it would become virtually impossible.

¹⁸ Climate Action Network. "Preventing dangerous climate change: Position Paper on the Adequacy of Commitments." Released at COP-8, New Delhi, India, 2002. See also Brian C. O'Neill and Michael Oppenheimer 2002. Dangerous Climate Impacts and the Kyoto Protocol. *Science*, 296 (5575): 1971 – 1972.

¹⁹ Hare, W. L., and M. Meinshausen (2005). "How much warming are we committed to and how much can be avoided?" *Climatic Change*, accepted;

However, there are also some remaining concerns in regards to opening up the discussion of tropical deforestation again at this point, and we call on parties to address these concerns and thereby prevent them from becoming obstacles to effectively addressing tropical deforestation. The first concern is that the parties involved could fail to realize that we are in a substantially new situation, and simply revert to their earlier positions and arguments, and reproduce the same debates that occurred in the 1990s. Second, parties could view this as an opportunity for a merely commercial transaction, with developed countries interested in low-cost credits and developing countries in a revenue flow, with little emphasis on developing rigorous procedures designed to preserve the environmental integrity of the climate regime. Third, any carbon credits transferred could merely serve to help industrialized countries meet the commitments they would have negotiated for the post-2012 period in any case, thus resulting in no additional contribution to meeting the ultimate objective of the UNFCCC. And fourth, this entire process could result in merely the establishment of a voluntary fund with little motivation on the part of donor countries to contribute, and little commitment from developing countries to undertaking efforts to significantly reduce emissions. However, with the good will of the key parties involved, and the appropriate design of the mechanisms, we are convinced that these pitfalls can be avoided.

TROPICAL DEFORESTATION IN THE CLIMATE REGIME

The text of the UNFCCC and its Kyoto Protocol takes a “comprehensive approach”, which treats emissions from fossil fuels, industrial activities and LULUCF as broadly equally relevant to achieving the objectives of the Convention. Article 3.3 of the Convention, dealing with principals, states that policies and measures to prevent climate change should “be comprehensive, (and) cover all relevant sources, sinks and reservoirs of greenhouse gases”. Thus it provides no justification for excluding or marginalizing measures to address deforestation per se, in favor of efforts to address emissions from the energy and industry sectors.

However, Article 3.1 of the Convention clearly recognizes that parties have “common but differentiated responsibilities”, and states that “developed country parties should take the lead in combating climate change and the adverse effects thereof”. This is why the Berlin Mandate that led to the Kyoto Protocol focused on new commitments for Annex 1 developed country parties, and ruled out new commitments for developing countries in that process. Now, more than a decade later, the Kyoto protocol has come into force and most Annex 1 parties have binding emissions reduction targets they must meet for the period of 2008-2012. Thus, in the discussions and negotiations that are beginning to

take shape for the post-2012 period, one of the key prerequisites has been met for developing countries to expand their contribution to climate change mitigation efforts, through making progress in implementing their existing commitments in the Convention and its Protocol, and through opening up a discussion of what shape new contributions from these countries will take in the future.

Article 4.1 (b,c,d) of the Climate Convention spells out the commitments to reducing their emissions and protecting their reservoirs and sinks for greenhouse gases that all Parties, including developing country Parties, have adopted. These parties have a commitment to implement measures to reduce their emissions of greenhouse gases and protect sinks, and to conserve sinks and reservoirs of greenhouse gases "including biomass, forests and oceans, as well as other terrestrial, coastal and marine ecosystems" (Article 4.1 d). Although rarely acknowledged, these commitments are in force now, with the obligation to implement these commitments being to some extent dependent on the provision of financial resources and transfer of technology from developed country parties, as set out in paragraphs 3, 5 and 7 of Article 4. Further detail about a financial mechanism to provide these resources is given in Article 11 of the Convention.

In the Berlin Mandate which set out the scope of the negotiations for the Kyoto Protocol, it was agreed that there would be no new commitments for developing countries. However, it was agreed that the Kyoto Protocol would contribute to implementation of the developing country party commitments in Article 4.1. The preamble of the CoP Decision that adopted the Kyoto Protocol stated:

"Recalling also that, according to the Berlin Mandate, the process will not introduce any new commitments for Parties not included in Annex I, but reaffirm existing commitments in Article 4, paragraph 1, and continue to advance the implementation of these commitments in order to achieve sustainable development, taking into account Article 4, paragraphs 3, 5 and 7" (Decision 1/CP.3, CoP 3, 1997).

The commitments and provisions described above in Articles 4 and 11 of the Convention are repeated, with somewhat different wording, in Articles 10 and 11 of the Kyoto Protocol. Thus, for the purposes of financial mechanisms that can be used to finance activities that reduce emissions in developing countries, the Kyoto Protocol and the UNFCCC can serve equally well as the legal basis.

However, the Kyoto Protocol provided a new mechanism for financing activities that result in emissions reductions and removals by sinks that did not exist under the Convention – the carbon market. Article 12 of the Kyoto Protocol created the Clean Development Mechanism (CDM), which provided a new financial mechanism through which projects in developing countries could receive financing by selling Certified Emission Reductions (CERs) on the carbon market. This same carbon market established under the Kyoto Protocol also offers a potential alternative for financing activities that reduce deforestation, although any such arrangement would differ from the CDM in some fundamental respects. Although there are many crucial aspects, including those described below, that need to be examined in terms of how emissions trading can play a role in protecting tropical forests and reducing emissions from deforestation, we feel strongly that this is a potentially very useful mechanism that deserves a careful and fair examination by SBSTA, as an approach to stimulating action to reduce emissions from deforestation.

¹⁸ Climate Action Network. "Preventing dangerous climate change: Position Paper on the Adequacy of Commitments." Released at COP-8, New Delhi, India, 2002. See also Brian C. O'Neill and Michael Oppenheimer 2002. Dangerous Climate Impacts and the Kyoto Protocol. *Science*, 296 (5575): 1971 – 1972.

¹⁹ Hare, W. L., and M. Meinshausen (2005). "How much warming are we committed to and how much can be avoided?" *Climatic Change*, accepted;

A variety of proposals for addressing deforestation have been discussed in the scientific literature and side events during negotiating sessions²⁰, but as yet there has been little progress in addressing and implementing them through the international negotiations. The submission by the Governments of Papua New Guinea and Costa Rica on reducing emissions from deforestation in developing countries presented, at the 11th session of UNFCCC Conference of Parties in Montreal²¹ in 2005, provided the opportunity to re-start negotiations on this issue.

OPPORTUNITIES TO ENHANCE COOPERATION BETWEEN UNFCCC AND OTHER PROCESSES AND AGREEMENTS

The need for enhanced collaboration between conventions was underlined by Conferences of the Parties of both the UNFCCC, the UNEP/CBD as well as the UNCCD²². At its fifth meeting in 2000, the UNEP/CBD made references to the possible interactions between climate change and the conservation and sustainable use of biological diversity in forests²³. The Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) of the UNEP/CBD was requested to develop an assessment study in collaboration with the appropriate bodies of the UNFCCC and the Intergovernmental Panel on Climate Change (IPCC), bearing in mind the mutually supportive objectives of both conventions. This initiative led to the development of an assessment study on interactions between climate change and biodiversity²⁴, which identified opportunities for cooperation among conventions to enhance, such as capacity building, technology transfer and financial resources²⁵.

The funding necessity is a key question regarding protection of biodiversity. In 2003, the Fifth World Parks Congress, in Durban, South Africa, concluded that there is a shortfall of approximately US\$ 25 billion annually in the amount of funding required to secure both the effective management of existing protected areas and the establishment and management of critically needed new protected areas worldwide. Without significant new sources of funding, the world's protected areas will not be able to protect the world's biodiversity. This is absolutely critical for the conservation of tropical forests.

The climate regime negotiations on deforestation is an important opportunity to both UNFCCC and UNEP/CBD mutually reinforce each other, with common and efforts seeking to achieve overall objectives of both conventions. Other agreements and processes should also be considered, such as the Desertification Convention.

²⁰ One useful example is Santilli, M., P. Moutinho, S. Schwartzman, D. Nepstad, L. Curran & C. Nobre. Tropical Deforestation and the Kyoto Protocol: an editorial essay. *Climatic Change* 71: 267-276.

²¹ UNFCCC. 2005. Reducing emissions from deforestation in developing countries: approaches to stimulate action - Submissions from Parties. Doc. FCCC/CP/2005/MISC.1

²² UNEP/CBD decisions VII/26, para. 1, VI/20, para. 9, V/21, para. 3, IV/15, para. 13 and III/21, para. 1; UNFCCC decision 1/CP.7, para. 3, and decision 13/CP.8, para. 1.; UNCCD decision 12/COP.6.

²³ UNEP/CBD. 2000. Decision V/4, para. 11, and paras. 16-20

²⁴ UNEP/CBD. 2003. Climate Change - Review of the interlinkages between biological diversity and climate change, and advice on the integration of biodiversity considerations into the implementation of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. Report of the Ad Hoc Technical Expert Group on Biological Diversity and Climate Change. Doc. UNEP/CBD/SBSTTA/9/INF/12. September 30, 2003.

²⁵ UNFCCC. 2004. Options for enhanced cooperation among the three Rio Conventions. Note by the Secretariat. Doc. FCCC/SBSTA/2004/INF.19. November 2, 2004.

²⁶ Recommendations of the International Workshop on Protected Forest Areas. UNEP/CBD. Doc. UNEP/CBD/SBSTTA/9/6/Add.2.

OPTIONS AND OTHER CONSIDERATIONS FOR SBSTA's WORK

A key question to be addressed by SBSTA in regards to the mechanism through which international resources and incentives will be provided for activities in developing countries to reduce deforestation is whether there will be a role for the carbon market and some kind of emissions trading system. There are, of course, advantages and disadvantages to using carbon markets and crediting systems to address deforestation. An approach based on simple transfers of resources or facilitated credit has the advantage of being simpler to design and implement, and such arrangements offer extreme flexibility in terms of scale and application of resources and also in terms of the risk or obligations assumed by the developing countries involved. However, the great drawback of such arrangements is that there is little incentive for developed countries to contribute substantial resources, and there is a great risk that any such fund or other arrangement would receive insufficient funds to make any real difference in the problem. There is also the risk that the developing countries receiving the funds would not use such funds effectively and efficiently, in the absence of any robust monitoring and compliance mechanism.

Independently of whether a mechanism can be created to use carbon markets to support activities to reduce tropical deforestation, other types of financial arrangements will still be useful to support related activities in developing countries, including:

- capacity building in developing countries for measuring and monitoring deforestation, where this capacity does not yet exist;
- transfer of technology to enable developing countries to develop, improve and/or replicate deforestation monitoring and controlling systems;
- development and improvement of law enforcement and governance;
- promotion of community and indigenous people based sustainable development;
- forests conservation, through creation of new protected areas as well as effective implementation of those already created, and development and improvement of forest management practices in those countries that don't have the minimum capacities necessary to participate in a carbon crediting system.

However, based on past experiences of this nature, the proposal of a voluntary fund as the primary mechanism to support reduced deforestation has little chance of making a significant impact.

The use of carbon markets to as part of efforts to protect tropical forests poses greater challenges to negotiators in designing the system, but the potential payoffs in terms of benefits to climate, biodiversity and ecosystems are also much greater. The threshold for a carbon credit system is much higher than for other types of financing arrangements, in terms of the minimum essential components and capacities needed for the system to operate. However, carbon markets are beginning to demonstrate their enormous potential for channeling resources to activities that reduce greenhouse gas emissions and enhance sinks. Carbon markets provide a clear incentive to both buyers and sellers of carbon credits to maximize the scale of emissions reduction activities, while using the resources provided by the market in the most efficient manner possible.

We feel that it is essential for SBSTA to undertake a full assessment of the potential of carbon markets and crediting systems to address tropical deforestation, identifying the risks, pitfalls and opportunities such arrangements pose, and suggesting options for addressing the risks and pitfalls, and maximizing the opportunities. In particular, we suggest that special attention be paid to some key issues identified below. Given the planetary tragedy represented by the scale of the loss of tropical forests, the contribution of deforestation to global greenhouse emissions, the vulnerability of tropical forests to climate change, and the opportunities opened up in the current phase of international climate negotiations, the failure to conduct a fair and dispassionate assessment of the potential contribution of carbon credit systems to reducing tropical deforestation could contribute to the perpetuation of current destructive management practices in tropical forests.

However, any system of carbon credits for reducing emissions from tropical deforestation would have to address some key concerns in order to be minimally acceptable, and to maintain the environmental effectiveness, integrity and credibility of the architecture of the global climate regime.

- **EMISSIONS REDUCTIONS MUST CONTRIBUTE TO ULTIMATE OBJECTIVE OF CONVENTION**

Preventing dangerous climate change, which we understand as keeping global average temperature rise to substantially below 2°C, will require dramatic changes to energy use and industrial process, improvement of energy efficiency AND reduction in greenhouse gas emissions from deforestation. Thus, progress in reducing emissions from deforestation must contribute directly to the ultimate objective of the UNFCCC, and not merely provide a low-cost way for Annex 1 parties to meet the future commitments they would have in any case. This means that, broadly speaking, any credits from reduced deforestation must be matched by correspondingly deeper reduction commitments for developed countries. Of course, there are significant challenges involved in estimating the total quantity of such credits likely to enter the system, and in ensuring that this factor is taken into account in the negotiations over future targets. It may be possible to design mechanisms that automatically adjust Annex 1 country commitments in accordance with a pre-established formula, in response to the entry of new credits from reduced deforestation emissions into the system. There could be restrictions on the fungibility of credits from deforestation emission reductions with emissions from the energy and industry sectors, through creating completely separate systems, or through discounting or quantitative limits. C credits could be accepted in a given period up to a certain limit, and beyond that they would be “banked” to count towards commitments in a future commitment period, where such credits will be reflected in the reduction commitments. In any case, this will be one of the key hurdles in creating a credible climate regime.

- **BASELINES/TARGETS MUST BE SET AT A LEVEL THAT AVOIDS “TROPICAL HOT AIR”**

A key component of any crediting system will be a national baseline or target²⁷ for deforestation emissions in a given developing country which establishes the reference point for accruing credits – serving the same purpose as the project baselines for CDM projects or national reduction targets for Annex 1 countries. Such baselines/targets would be established in reference to some historical “base period”, and/or recent trends in deforestation emission levels. Because deforestation rates in a given

²⁷ There is room for confusion regarding this terminology, but whatever term is used, this internationally negotiated reference should not be confused with a domestically set target that countries may adopt as part of their national deforestation policy, which would be lower than the internationally negotiated baseline/target, allowing the country to obtain and sell credits corresponding to the difference, if they meet their domestic target. Revenue from sale of such credits should provide resources to be used in programs to reduce deforestation.

country often vary from year to year in response to a range of factors, with varying degrees of predictability, a key challenge will be to select a target or baseline which reflects an appropriate level of effort by that country to reduce its own emissions under the climate regime, and which, most importantly, does not permit credits to enter the system for “business as usual” emission reductions. Avoiding the creation of such “tropical hot air” requires a conservative approach to establishing the country-specific baselines/targets below which emissions credits are issued – they must be set at a level equal to or lower than what would have taken place in the absence of this international crediting system. This level must be reassessed for each commitment period to reflect the new realities of business as usual trends, and the responsibilities of particular countries to reduce their own emissions according to the principle of common but differentiated responsibilities.

- **LEAKAGE, PERMANENCE AND MONITORING MUST BE ADDRESSED**

While the shift to national baselines resolves many of the problems of leakage that plagued the previous discussion of “avoided deforestation” projects, there are some remaining problems that need to be addressed. Depending on what part of the national territory is included in the national baseline, there may be leakage to other biomes or regions within the country. There could also be leakage across international boundaries, especially in response to the dynamics of commodity markets for products such as soybean and beef, or shifting settlement patterns where such patterns cross national boundaries. The potential for such leakage would be greatly reduced if contiguous countries, such as those in the Amazon basin, were to join the deforestation reduction system.

The issue of permanence – ensuring reductions in emissions are not reversed at a later date - largely remains and must be carefully addressed. An important component of addressing this issue will be to require that developing countries that adopt a baseline/target and sell credits continue to have such a target into the future, and that it is adjusted periodically to reflect any reduction in deforestation emissions that would have happened in any case because of a reduction in forested area available for deforestation, as well as the increasing responsibility of that country to reduce its own emissions as the global climate regime evolves. There will also need to be a requirement that countries that exceed their baseline/target must buy back credits or use up credits that have been “banked” or set aside for that purpose, rather than sold on the market. Another potential mechanism might be temporary deforestation credits, comparable to tCERs for LULUCF credits under the CDM. If a country has deforestation emissions above its internationally set baseline or target for a given commitment period, such emissions could be added to its target in the subsequent period (See Santilli et al, op. cit.). Also, any country that wishes to withdraw from the crediting system after having already sold credits on the carbon market must be subject to appropriate sanctions or requirements that ensure the environmental integrity of the system, such as being required to replace the credits it has already sold.

In terms of monitoring and measurement of emissions, various technologies are available, which can be used in conjunction with ground-based research programs to generate data on deforestation and the resulting emissions. By using very conservative approaches to estimating emissions, researchers can reduce the risk of overestimating emissions and their reduction, for the purpose of emitting credits.

•WAYS TO MAXIMIZE THE REDUCTION OF FOREST DEGRADATION AS PART OF MECHANISMS TO REDUCE DEFORESTATION SHOULD BE EXAMINED

Along with the emissions that result from deforestation, corresponding to crossing the threshold of crown cover of between 10 and 30%, and other factors, as established for each country under existing rules, there also significant emissions from management practices that result in forest degradation from logging and other activities that doesn't cross this threshold. In the Brazilian Amazon, emissions from degradation are estimated to be of the same order of magnitude as deforestation – around 0.2 PgC²⁸. Also, forest fires that are a direct or indirect result of degradation and deforestation also contribute huge emissions, especially during droughts and El Niño years. However, reducing deforestation would also eliminate many of the causal factors in forest fires.²⁹ Consideration should be given to how such emissions can be incorporated, either by appropriate selection of the threshold for deforestation, or some other mechanism. To this end, biome-specific thresholds could be a great improvement over the existing single national threshold, especially in Brazil, with its wide range of forest types, ranging from dense Amazon rainforest to the open savannah in the Cerrado region.

• CAREFUL CONSIDERATION SHOULD BE GIVEN TO HOW DEVELOPING COUNTRIES CAN ENTER THE SYSTEM

Developing countries with high deforestation emissions vary widely in terms of their technological and forest monitoring capacity, and their capacity for governance of forested areas. Also, the adoption of an internationally agreed baseline/target implies some degree of risk of exceeding them in the future, and mechanisms must be considered to reduce this risk, and to allow countries to make informed and realistic decisions about such commitments.

Forms of support, including financial and technological, should be considered for those countries which currently lack the basic technological, monitoring and research capacities required to enter such a system, to bring them up to an appropriate level in the shortest time possible. For those countries which currently have such capacities, different options should be considered for how and when they would need to make the commitment to adopt a target/baseline and enter the crediting system, including perhaps a mechanism for “opting-in” at some point after the national capacities are in place and international baselines/targets are negotiated, at the point when the country has confidence in its ability to control deforestation levels.

For those countries with the national capacities in place, and which are committed to getting an early start in reducing emissions before the start of the second commitment period, some sort of pre-crediting could be considered, but only if the basic rules for the system are already agreed upon and in place, and that country's baseline/target has been negotiated.

• THE NEEDS AND CONCERNS OF TRADITIONAL POPULATIONS OF FOREST AREAS MUST BE TAKEN INTO ACCOUNT

In any options or mechanisms considered by SBSTA, the issue of sustainable livelihoods for traditional forest dwellers, and the impacts on them of such mechanisms, must be addressed. Forest peoples have

²⁸ Mendonça M.J.C., M. C.V. Diaz, D. Nepstad, R.Seroa da Motta, A.Alencar, J.C.Gomes, R.A.Ortiza. 2004. The economic cost of the use of fire in the Amazon. *Ecological Economics* 49: 89– 105.

²⁹ Alencar, A.; Solorzano, L.; Nepstad, D. 2004. Modeling Forest Understory Fires in an Eastern Amazonian Landscape. *Ecological Applications*, 14(4): 139–149; see also Ray, D., D. Nepstad, P. Moutinho. 2005. Micrometeorological and canopy controls of fire susceptibility in mature and disturbed forests of an east-central Amazon landscape. *Ecological Applications*. 15(5): 1664–1678.

accumulated traditional knowledge and practices that can benefit efforts to protect forests. Options should be considered for safeguards to ensure that carbon credit systems do not result in the expulsion of such populations from their land, or disruptions to their lifestyles and livelihoods. Such populations must be consulted in national and international processes to design policies, programs and mechanisms that can have an impact on their lands and lives.

CONCLUSIONS

We are convinced that it is possible and urgently necessary to reduce tropical deforestation and the resulting greenhouse gas emissions. We also believe that the international climate change regime has a key role to play in this effort. While there are still some unresolved technical and policy-related issues to be addressed, they do not appear to us to be insurmountable. Recent experience in Brazil has demonstrated that carefully considered policies and strategies on the part of government, backed up by decisive demonstrations of political will, can have a significant impact on the dynamics and rates of deforestation. But developing countries require financial and in many cases technical support to implement the kinds of policies and measures that can effectively control deforestation. Given what is at stake here, both in terms of the value of intact forests and the need to stabilize the global climate, we cannot afford to close the door prematurely on any practical mechanisms that can help meet our objectives of reducing deforestation.

Forum of Brazilian NGOs and Social Movements for Environment and Development³⁰

Working Group on Climate Change (GT Clima)

Position Paper

on CoP 12/CoP-MoP2 negotiations in Nairobi

November, 2006

Introduction

Preventing catastrophic climate impacts requires a significant breakthrough in the current round of negotiations, aimed at strengthening the international climate regime in the post-2012 period. The current round of climate change negotiations must produce an agreement that can stabilize and start to reduce global greenhouse gas emissions by around 2015, and cut global emissions in half by 2050. This will require all countries with significant emissions to advance substantially in their positions over crucial coming years, to reach a comprehensive global agreement by 2008 or 2009 at the latest. Along with much deeper cuts for industrialized countries, many developing countries, including Brazil, must advance beyond strictly voluntary measures, and assume differentiated commitments that ensure a fair, equitable and effective division of responsibilities and emissions limitations and reductions.

This will require dramatic advances in the international negotiations, and to achieve this all countries must strive to create a virtuous circle where advances by both developed and developing countries mutually reinforce each other and allow both sides make their maximum effort possible, and avoiding a stalemate that results in minimal efforts. FBOMS calls on all parties in the negotiations to contribute to this effort, including by taking the steps described below:

³⁰ The Brazilian Forum of NGOs and Social Movements for Environment and Development (FBOMS) is a coalition founded in 1990 to facilitate the participation of Brazilian civil society groups throughout the Rio-92 (UNCED) process. Since then, FBOMS is the umbrella network of around 500 member groups, including NGOs, networks and federations of environmentalists, labour unions, grass-roots associations, rubber-tappers, and women's, youth and consumer groups dedicated to engaging with global, national and local policies and actions for sustainability and the environment. Within FBOMS, the Climate Change Working Group has since 1992 facilitated and organized its members for participation, monitoring and analysis of national and international climate change policies. It also serves as the national node of the international Climate Action Network (CAN).

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The wealthy industrialized countries listed in Annex 1 of the Convention:

These countries must make rapid progress to reducing their domestic emissions, demonstrating quickly that they will meet and even exceed their CP1 commitments. Also, as part of the current round of negotiations, they must agree to much more ambitious reduction targets for the second commitment period (CP2), that will put them on a path to reducing their collective emissions by at least 30% by 2020, and by 60-80% by 2050. They must also provide substantial and sustained transfers of resources and technologies to support developing countries in their emissions limitation and reduction efforts, and provide dramatically increased resources and support for adaptation to the impacts of climate change, especially in the least developed and most vulnerable countries.

Developing countries (Non-Annex 1):

Now is the right time for developing countries to be prepared to advance substantially in their contributions to efforts to reduce global emissions through the post-2012 multilateral climate change regime. Developing countries cannot expect that this current round of negotiations will take place under the outdated negotiating framework set out in the Berlin Mandate more than a decade ago, which was restricted to discussing new commitments for Annex 1 countries. The first step in this is to recognize the wide range of national circumstances and emission levels among developing countries, and accept that Non-Annex 1 countries can no longer be treated as one undifferentiated group in terms of mitigation efforts. It is also necessary to open up a discussion about differentiated types of commitments and other contributions for developing countries with substantial and growing emissions – including entry into Annex 1/B for some newly industrialized countries with high emissions and income (such as South Korea, Singapore and Kuwait, for example) – based on criteria such as equity, responsibility for causing the problem, and capacity to reduce emissions and to pay for reductions.

A great obstacle to protecting the climate would be removed by abandoning once and for all the paradigm of “environment vs. development”, and by taking seriously the imperative to fundamentally change development paths and find ways to meet sustainable development needs while maintaining low-carbon pathways.

Brazil:

Brazil’s current positions in the negotiations – especially its insistence that there be no discussion of new commitments beyond voluntary measures – are far from helpful, and if Brazil persists with its rigid position, it will be a significant obstacle to progress towards an effective global agreement.

Brazil could contribute greatly to climate protection by returning to its vanguard role in the negotiations that it at times occupied during the 1990s, where it served a constructive facilitative and consensus-building role, both within the G77 and between North and South.

Currently Brazil restricts itself to calling on developed countries to adopt stricter targets in the post-2012 period, while refusing to accept any new commitment for itself – as if the rules of the Berlin Mandate still applied to this round of negotiations.

Brazil is, in a sense, in a “privileged” position in that most of its emissions come from a source – deforestation – caused by activities that are largely illegal, contrary to the interests of the country and the world, and which the country has a stated policy of control and prevention. Thus dramatically

reducing this emissions source will not result in economic hardship for Brazil, but on the contrary, would create a host of other environmental and social benefits, and would allow Brazil to take its rightful place in the vanguard of climate protection. But making a strong and unambiguous commitment to doing this under the auspices of the Climate Convention and/or its Protocol, Brazil would significantly strengthen the global regime, and help create the context in which both Annex 1 countries and other developing countries could make the commitments necessary to limit and reduce global emissions before it is too late.

Given Brazil's previous reluctance to discuss serious measures to reduce deforestation under any multilateral process, its proposal for an international fund to reward developing countries that reduce their emissions tropical deforestation is indeed a step forward. The proposal contains some useful elements, including a mechanism with rewards and penalties in the case of reductions and increases in emissions from this source. However, the fact that financing relies of voluntary contributions from other countries to the fund, and the fact that it doesn't involve either a crediting mechanism within the Kyoto Protocol, or any other type of commitment under the Convention or Protocol, reduces its likelihood of making a significant impact on deforestation rates, or contributing to advances in the international negotiations.

FBOMS makes the following recommendations for Brazil's positions in the negotiations:

- Develop the existing proposal for deforestation into a robust mechanism under the Convention or Protocol, based on a firm commitment or crediting mechanism that can result in the significant transfer of resources to support efforts to further reduce deforestation;
- Support a negotiating process, whether under Article 9 of the Protocol or some other process, that can produce a comprehensive "package" of commitments and contributions of all countries with significant emissions, based on the principle of common but differentiated responsibilities, capable of halting the growth of global emissions and starting to reduce them by 2015 or soon thereafter.
- Start a national discussion involving scientists, political and policy actors, and the broader society, about adoption of an upper limit on global average warming and associated impacts that would be acceptable to Brazil;
- Take the lead in immediately starting a discussion among developing countries on what a fair and equitable division of the global emissions reduction efforts would look like. In this process, Brazil could draw on existing efforts like the South North Dialogue on Equity in the Greenhouse, and the São Paulo Proposal of the BASIC Project, both of which involved leading Brazilian experts and have made valuable contributions to developing fair and practical criteria and processes for sharing the global effort to protect the world's climate in the post-2012 period.

Backgrounder: Arguments and Responses

Brazilian government officials and others have presented a number of arguments to support their current position of denying or downplaying existing commitments and refusing any discussion of new commitments under the multilateral climate change regime. But on closer inspection, many of these arguments prove to be incomplete, questionable or just plain wrong. Here are a few

Argument 1: Brazil currently has no binding obligations in the international climate regime except to produce its national communication.

Response: The UNFCCC and its Kyoto Protocol, once ratified, have the status of law in Brazil. Thus any commitments they contain are necessarily binding. The fact that these commitments do not contain quantitative targets and timetables, and that Annex 1 countries also have commitments related to transferring resources and technologies to help developing countries comply with these commitments, are relevant to determining the level of effort developing countries should make, but do not negate these commitments. Article 4.1 of the Convention and Article 10 of the Protocol list various other commitments that all countries, including Brazil, have assumed, for example:

UNFCCC Article 4, Paragraph 1. All Parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, shall:

- (b) Formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, and measures to facilitate adequate adaptation to climate change;
- (c) Promote and cooperate in the development, application and diffusion, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases not controlled by the Montreal Protocol in all relevant sectors, including the energy, transport, industry, agriculture, forestry and waste management sectors;
- (d) Promote sustainable management, and promote and cooperate in the conservation and enhancement, as appropriate, of sinks and reservoirs of all greenhouse gases not controlled by the Montreal Protocol, including biomass, forests and oceans as well as other terrestrial, coastal and marine ecosystems;

Argument 2: The focus of the Climate Convention is emissions from fossil fuels in industrialized countries, and not deforestation, which in any case is not a significant contributor to global climate change.

Response: The objective of the Convention is "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system", and Article 3 states that "Parties should take precautionary measures to anticipate, prevent or minimize the causes of climate change and mitigate its adverse effects". To this end, Article 4.1, states that all countries shall "promote and cooperate in the conservation and enhancement, as appropriate, of sinks and reservoirs of all greenhouse gases not controlled by the Montreal Protocol,

including biomass, forests and oceans”.

Estimates of emissions from deforestation vary widely, but median estimates suggest that this source accounts for around 20-25% of global greenhouse emissions –similar to the contribution of the worlds largest polluter, the USA, which is not commonly considered insignificant. Furthermore Article 3 (Principles) of the UNFCCC also states:

The Parties should take precautionary measures to anticipate, prevent or minimize the causes of climate change and mitigate its adverse effects. ... such policies and measures should take into account different socio- economic contexts, be comprehensive, cover all relevant sources, sinks and reservoirs of greenhouse gases and adaptation, and comprise all economic sectors.

Argument 3: When discussing the contribution of each country to global climate change, the proper focus is not annual emission levels, but historical responsibility for the warming that is taking place, because this reflects the greater role that the rich industrialized countries have played in causing the problem.

Response: In fact, historical responsibility for warming of the earth should be taken into account, and Brazil made an important contribution to the international negotiations by introducing a methodology for calculating this into the international debate. But it doesn't tell the whole story. We cannot design future climate policies, either nationally or internationally, only by looking backwards at past emissions. We must also look at present emission levels and trends and future trajectories, and ensure they become compatible with a future without dangerous climate change. Even if we only focus on historical responsibility, recent estimates are that Brazil is responsible for around 2.9% of the global warming taking place now, and this number will rise over time if Brazil's emissions remain high. In comparison, Brazil has around 2.8% of the global population, which means that Brazil's responsibility for current climate change is slightly higher than the global average. Thus one could conclude that since current global emission levels are unacceptably high, Brazil has an obligation to reduce its own emissions. But it is also significant that Brazil currently has around the fourth highest emissions of any country in the world, and the average emissions of each Brazilian much higher than the average European, and even higher than the average German, largely due to high emissions from deforestation.

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Canada is at crossroads over climate policy

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MARK LUTES

Canada is at a crossroads in its climate-change policy. After 15 years of working to build a viable global climate change regime, while doing embarrassingly little to implement its domestic responsibilities, the current Conservative government faces a choice: take effective action to comply with Canada's international commitments, or abandon the collective efforts of the international community in favour of some alternative strategy.

The controversy over Kyoto and Canada's climate policy boils down to two key questions: Is the science of climate change strong enough to provide a foundation for action and, if yes, what is the best path to a strong global regime?

The answer to the first question, from any objective perspective, has to be an unequivocal, yes.

All significant attempts to assess the scientific literature, such as the massive Intergovernment Panel on Climate Change synthesis reports and the recent British government study titled *Avoiding dangerous climate change*, have found a solid consensus that human activities are causing global warming, and that the consequences are likely to be dangerous and at some point irreversible.

Yet there are a few marginal yet strident voices claiming climate change is a hoax, a product of "junk science," or some sort of anti-capitalist or anti-West conspiracy.

It is understandable that such marginal voices would find support in a political movement that itself felt marginalized. But these are hardly the kind of voices that should be informing the decisions of the government of Canada. There is no place for ideological blinkers when it comes to a fair assessment of what science is telling us.

So, given the need for action to prevent dangerous climate change, what is the best way to proceed? The best estimates now available show that global emissions must level off and start to decline by some time around 2020, if we are to keep the rise in global average temperature to below 2 degrees Celsius, which is the point where the global impacts on key ecosystems, food production, health and other areas become unacceptable.

Can we achieve this with a voluntary approach, as touted by the Bush administration and some elements of the Conservative party? It is hard to imagine how.

The great advantage of fixed targets is that they provide an incentive to implement existing technologies as well as develop new ones, and they can place the onus on the private sector to choose the approaches and technologies best suited to their needs and opportunities. It is hard to imagine anyone believes Washington abandoned the Kyoto Protocol because it, in fact, wanted a more effective way to control global greenhouse gas emissions — it simply wanted to avoid doing anything for as long as possible.

A major criticism of Kyoto is that it doesn't include other large polluting countries like China, India and Brazil. In fact, these countries have all signed the protocol, and it is designed to ensure they follow the lead of the rich industrialized countries in adopting commitments in the future.

A fundamental element of the Framework Convention on Climate Change, under which the Kyoto Protocol was negotiated, is the principal of "common but differentiated responsibilities."

This means that industrialized countries, because they have historically contributed more to the problem, and currently have higher per capita and absolute emissions than developing countries, have to take the lead in reducing their emissions. This same approach was used in the successful Montreal Protocol on ozone depleting substances.

If Canada abandons its responsibilities under Kyoto, it will be more difficult to convince developing countries to strengthen their own contributions in future commitment periods, and especially in this year's crucial talks where Canada holds the presidency under the convention and protocol negotiations.

Such a decision would also call into question Canada's commitment to the principal and objectives of the entire climate convention, and risk throwing away 15 years of difficult and slow progress in building a global partnership. It would truly be a tragedy if Canada's international reputation and its place in the global community were held hostage to narrow economic interests and ideological positions.

However, there is an opportunity for the Conservative party to take a fresh look at Canada's course of action, in light of the best science available, and the best interests of the country and the world.

It is in an excellent position to bridge some of the longstanding divisions that have prevented Canadians from acting together on controlling greenhouse gas emissions.

It could win the respect of many people inside and outside of Canada if it put its energies and creativity into moving forward, rather than backward, on this issue.

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Petrobras Chapter

Climate Change Mitigation and Post-2012 Global Climate Regime:

Carbon Markets and Developing Countries

Authors:

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Abstract/Resumo

The ability to prevent catastrophic climate impacts and to nurture and expand the emerging carbon market will depend critically on the outcomes of the current round of negotiations, aimed at strengthening the international climate regime in the post-2012 period. This paper argues that along with deeper cuts for industrialized countries, a crucial issue that must be addressed is an expanded role for developing countries beyond strictly voluntary measures, and a differentiation between developing countries to ensure a fair, equitable and effective division of responsibilities and commitments.

The international climate change regime established by the UN Framework Convention on Climate Change and its Kyoto Protocol is facing its toughest test yet in this current round of negotiations, aimed at strengthening and expanding efforts to limit and eventually reduce the amount of greenhouse gas emissions emitted into the atmosphere throughout the world. The challenge of this current round of negotiations is to put the world on a path to stabilization of total emissions within a decade of the start of the next commitment period, and subsequent reductions, our only chance to keep global average temperature rise to below 2°C, and avoid the most catastrophic climatic disruptions. A successful outcome will involve much deeper emission cuts in rich industrialized countries, and also provide for resources, incentives and differentiated commitments that will enable those developing countries with relatively high or fast-growing emissions to reduce the growth of their emissions, without sacrificing their sustainable development and poverty-reduction goals, and put them on a lower emissions pathway towards eventual stabilization. Failure to do this will result in the stagnation or even collapse of the international climate change regime, including the embryonic carbon markets being created under the Kyoto Protocol. More importantly, such a failure would condemn the world and our children and future generations to catastrophic climatic impacts, felt disproportionately by the world's poor, and further undermine efforts by developing countries to meet the needs and ambitions of their populations and lift their poorest citizens out of poverty.

There will certainly be a role in this for dramatically expanded carbon markets, but they cannot exist in a vacuum. Carbon markets have become established as an integral part of the international climate regime, with their promise to shift huge resources into lower-emissions technologies and sectors, cushion the impacts of substantial emissions reductions commitments, and attract the interest and investments from the private sector in emissions reductions activities. But for them to fulfill that promise, they need effective rules that ensure the environmental integrity and sustainability of these markets, and most importantly, deep reductions commitments to ensure demand for carbon credits,

maintain reasonably high and stable prices and guarantee that rich countries place priority on reducing their own emissions, rather than simply buying their way out of their commitments with low-cost credits from developing countries.

The single biggest threat to the emerging carbon markets created under the Kyoto Protocol – and more broadly, to the collective effort to protect the global climate - is the collapse of international negotiations. One of the key stumbling blocks in the current negotiations is the issue of the future role of developing countries. Throughout the 1990s, and indeed up to the long-awaited entry into force of the Kyoto Protocol on February 16, 2005, the issue of new commitments for developing countries was off the table. This question is now back on the table in the current negotiations, and urgently needs to be addressed, in spite of the resistance of some developing countries, including Brazil. It is understandable that Brazil wants to maintain their current comfortable position of merely calling on other countries to adopt more stringent targets, without discussing their own responsibilities in any meaningful way. While this position may be attractive and comfortable, it doesn't appear to be the best way to protect the global climate, or to ensure the continuing development of the carbon markets. The current negotiations are an ideal time to open up this question.

Current status of negotiations

Following the example of the Montreal Protocol on protection of the ozone layer, signed in 1987, the 1992 Climate Convention stated that developed countries have to take the lead in reducing their own emissions, before developing countries are required to adopt commitments to reduce their own commitments. Developing country commitments were explicitly ruled out in the 1995 Berlin Mandate that provided the framework for negotiating the Kyoto Protocol, which contains quantitative commitments for industrialized countries listed in Annex 1 of the Convention.

But now the Kyoto Protocol is in force, and most industrialized countries have adopted reduction commitments for the period of 2008-2012, and claim to be on track to meeting their commitments. However, the United States, the world's largest emitter with more than 20% of global emissions, has refused to ratify the Protocol, along with Australia, and this year Canada, after a change of government, has announced it will not meet its commitments. This leaves the negotiations in a somewhat precarious state, with the largest polluter on the sidelines, and Europe and Japan carrying the weight of reductions commitments largely alone. In Montreal last December at the CoP 11/ CoP-MoP1, Parties to the Protocol and the Convention agreed to a new round of negotiations that will decide the shape of the future climate regime, including the nature of commitments after the expiry of the first commitment period that is set to expire in 2012. The continuation of such commitments beyond 2012 are absolutely essential to the success of the carbon markets, as well as for domestic programmes and public policies, and indeed it was agreed in Montreal that the negotiations under Article 3.9 would be completed in time to ensure there was no gap between the first and subsequent commitment periods.

This round of negotiations will have to address three key sets of questions, none of which will be easy or straightforward:

Future U.S. engagement with the global regime:

Having effectively withdrawn the U.S. from the Kyoto Protocol in 2001 and shown little interest in addressing the issue since, few expect substantial changes in U.S. policy before a new president takes office in 2009. After that many expect the U.S. situation to shift dramatically, given the support for action at the municipal and state level, in the private sector, and in public opinion. A domestic cap and trade system at the national level is certainly possible over the following years, but much less certain is whether and how the U.S. would re-engage with the global regime under the Kyoto Protocol. Much will depend on how viable and robust this regime will appear to key actors within the U.S. If it is seen to be robust and dynamic, and truly engaging key developing countries and producing real reductions at the global level, it will be difficult for the U.S. to dismiss it as relevant for its own policies and the proper international context to negotiate its own commitments. The worst strategy would be to delay negotiations until 2009 in the hopes that a new President would be more reasonable, effectively giving the U.S. a veto over actions by the global community, or to weaken future Annex 1 commitments with emissions intensity targets or some other alternative to national absolute emissions cuts.

EU, Japan targets:

With the U.S. and Australia absent from the Article 3.9 negotiations, and questions about the commitment of Canada's new Conservative government to the process, it is absolutely essential that the European Union and Japan adopt much deeper cuts in the second commitment period, compatible with reducing their domestic emissions by at least 15% by 2020, with proportionally deeper commitments depending on the nature of future market mechanisms and the amount of credits that will be entering the market. However, Japan and some European countries face great difficulties in committing to much deeper cuts in the face of the twin problem of the absence of the United States, and the lack of definition of the role of developing countries over the medium and long term. During the first session of the Ad Hoc Working Group on Article 3.9 in Bonn in May 2006, the lead negotiator from Japan insisted that his country was willing to assume its full responsibilities in preventing dangerous climate change, but it needed to know how that burden would be shared among all countries, and especially what role developing countries will play in the future.

Role of developing countries:

The question of progress towards clarifying and expanding the role of developing countries in the future international regime is perhaps the key unresolved issue in the current round of negotiations. There appears to be a range of views and positions among developing countries. China and South Africa, for example, have shown increasing flexibility and openness in terms of discussing new kinds of mechanisms and commitments under the international regime. The members of the Coalition of Rainforest Nations have proposed discussion of a range of options for reducing emissions from deforestation in developing countries, including credit-based approaches and national targets. Other developing countries, with Brazil often leading the charge, are insisting that this round of negotiations take place under the same restrictions as those for the Kyoto Protocol, as set out in the 1995 Berlin Mandate. That is, excluding any kind of new commitments or targets for developing countries, with any contributions being strictly voluntary. Brazil is also almost alone in strongly opposing any mechanism for deforestation that involves tradable credits or compliance mechanisms. But the Berlin

Mandate was adopted more than a decade ago to apply to the last round of negotiations, and there is no convincing reason why we should be held back by it in the current round. In fact, an insistence on clinging to such an outdated framework in the negotiations for the post-2012 period is a recipe for deadlock, stalemate and climatic disaster.

Breaking the deadlock

Among those who take the issue of climate change seriously, virtually no one argues that the same rules and commitments should be applied to all countries, rich and poor. The principal of “common but differentiated responsibilities” is spelled out in the Climate Convention, and is the essential basis for any future climate regime. But until now the only yardstick used in the climate regime for distinguishing between rich and poor is the list of countries in Annex I of the Convention (and the almost identical list in Annex B of the Kyoto Protocol), which is a crude and increasingly unrealistic division. A number of non-Annex I countries are wealthier, more highly industrialized, and have higher greenhouse gas emissions than many of their counterparts listed in Annex I. For example, Qatar, United Arab Emirates and Kuwait have the highest per capita emission in the world, higher than any Annex I country. Israel, South Korea, and Singapore have per capita incomes higher than almost all the Eastern European countries listed in Annex I, and almost identical to Southern European countries like Greece and Portugal. Yet this list remains the only criteria for defining which countries have quantified reduction targets and which are exempt from any targets or compliance mechanism.

The category of non-Annex I countries includes countries with widely contrasting national circumstances, including those relatively industrialized, high emitting and wealthy countries named above, large countries with rapidly rising emissions like China and India, countries with extremely high emissions from deforestation like Brazil, Indonesia and Papua New Guinea, along with the world's most impoverished countries, and those most vulnerable to the impacts of climate change, who do not need to play any significant role in mitigation efforts in the foreseeable future. With the exception of the latter category, future emissions from developing countries will be absolutely crucial in determining whether we can avoid a climatic disaster or not. Even if industrialized drastically reduce their own emissions, rising emissions in developing countries, if unchecked, can easily offset those reductions and continue to push atmospheric concentrations up to unacceptably dangerous levels.

Brazil currently takes the position that developing country emissions can be addressed through voluntary measures, with funding and other types of support provided by Annex I countries. However, voluntary efforts have proven a highly unreliable means of controlling greenhouse gas emissions in developed countries, and there is no reason to expect the situation will be any different in developing countries. Of course, there are some success stories, like the relative efficiency of Japan's energy use, Brazil's biofuels programs, and China's recent adoption of ambitious voluntary targets for renewable energy and energy intensity improvements. But it is unreasonable to expect strictly voluntary measures to play a significant part in an effective international climate change regime that will require shifts of billions and trillions of dollars in investments away from polluting technologies and into those consistent with low-emissions pathways, difficult political decisions that involve challenging powerful vested interests, and significant changes in patterns of consumption and individual behavior. Nor is it realistic to expect developed countries to contribute significant funding towards “voluntary” programs, with no binding obligations or compliance mechanism under the international climate regime.

But nor can there be any “one size fits all” type of commitment – Kyoto-style absolute emissions limits are appropriate for only some currently non-Annex 1 countries, those with national circumstances and per capita emission levels comparable to existing Annex 1 countries, such as some of those with relatively high incomes and emissions named above. The largest emitting countries, like China, Brazil, South Africa and India, would not be expected to adopt absolute reductions commitments in this current round. The European Union has explicitly ruled out Kyoto-style reduction targets for such countries, yet, whether out of ignorance or as a deliberate scare tactic, any attempt to discuss expanded commitments for developing countries is often presented as an attempt to impose such targets.

In fact, many kinds of potential commitments can exist under the international regime, which could contribute to both global mitigation efforts and national sustainable development and poverty reduction targets. These range on a continuum from, for example, commitments to implement specific “Policies and Measures” or PAMs (whose impacts on emissions may or may not be quantified), to targets for particular economic sectors or emissions intensity per unit of energy or GDP. When part of the international climate regime, there will be greater potential for funding and other kinds of support, because such measures and commitments will be part of an explicit sharing of the global effort to prevent dangerous change. There will also be opportunities to use a greatly expanded carbon market to channel resources to activities that reduce emissions in developing countries.

The first step towards moving beyond the current impasse is to create more sophisticated criteria for allocating responsibilities and roles to different countries than the current simplistic Annex 1 – non-Annex 1 divide. Considerable discussion and analytical work has already been done that can provide a basis for this. Brazil itself has provided one potentially important element in this allocation, with the methodology it first proposed in 1997 for identifying the relative responsibility of each region and country for the rise in average global temperature, based on historical emissions of greenhouse gases. The Climate Action Network of NGOs has proposed that the level of effort and commitments of different countries should be based on the principles of equity and responsibility, and the capacity to reduce and to pay for reductions³¹. The South-North Dialogue on Equity in the Greenhouse has used similar principles – responsibility, capability and potential to reduce – as the basis for grouping of non-Annex 1 countries into different groupings, where “newly industrialized countries” (NICs) would qualify for absolute emission caps, “rapidly industrializing developing countries (RIDCs), such as China, Brazil and Mexico, could have reduction targets, but with full incremental costs paid for by Annex II countries, etc”³². More recently, the BASIC project, involving prominent experts from China, India, South Africa and Brazil, presented a proposal³³ for the post-2012 climate regime, calling for among other things, voluntary but quantified commitments to sustainable development policies, including for deforestation, and a process for graduation to membership in Annex 1/B, with absolute reduction commitments, based on per capita emissions and GDP.

Thus, it seems clear that the next step in creating an effective and equitable global climate regime will be to open up the discussion of what a fair and just division of the global effort will look like over the

³¹ Climate Action Network A Viable Global Framework for Preventing Dangerous Climate Change: CAN Discussion Paper, COP9, Milan, Italy. http://www.climatenetwork.org/docs/CAN-DP_Framework.pdf

³² See, e.g., Harald Winkler, Bernd Brouns, Sivan Kartha, “Future mitigation commitments: differentiating among non-Annex I countries.” *Climate Policy*, 5 (2006) 469–486

³³ São Paulo Proposal for an Agreement on Future International Climate Policy. Presented at the BASIC Workshop on Future International Climate Policy, São Paulo, August 7-9, 2006. http://www.basic-project.net/data/Brazil_%20Sao%20Paulo/sao%20paulo%20proposal%20engl%20summary.PDF

short, medium and long term among all countries, and part of this will be a differentiation within the group of developing countries. Opening up this discussion in no way implies "leveling" responsibilities between rich and poor countries, or caving in to industrialized country interests – on the contrary, it will provide a context for clearly articulating what a fair and just long term climate regime will look like.

Developing countries have some justification, of course, in insisting on their right to the same level of emissions as rich industrialized countries. But using this "right" as the basis for increasing emissions largely unabated until they reach parity with industrialized countries, and only then reducing them, will be a Pyrrhic victory, and will condemn humanity to a world of climatic impacts and disruptions in which there can be no "development" worthy of the name. Rather, industrialized countries must reduce their own emissions steeply, and at the same time channel resources and technologies to ensure reduced growth of emissions in developing countries, allowing installation of energy, industrial and agricultural infrastructures that can ensure a low emission development pathway. That way, emissions of all countries can converge towards lower levels, ensuring that atmospheric concentrations are kept to 450 parts per million or lower, as required to keep global average temperature rise to below 2oC.

END

O BRASIL NO CENTRO DA FOGUEIRA

Por Mark Lutes, Rubens Born e Esther Neuhaus*

"Artigo publicado na Revista Página 22 (nº 2, outubro 2006)".

O último encontro anual da ONU sobre mudanças climáticas, em Montreal, no final de 2005, marcou o início de uma nova rodada de negociações sobre o futuro do regime internacional de clima, destinada à adoção de novas metas mais ambiciosas e outros tipos de compromissos para redução de gases de efeito estufa emitidos para a atmosfera em todas as partes do mundo.

No âmbito de tal encontro, conhecido como 11ª. Conferência das Partes (CoP-11) da Convenção Quadro sobre Mudanças Climáticas, que desde o ano passado funciona também como Encontro das Partes (MoP-1) do Protocolo de Quioto, ficaram estabelecidos vários processos paralelos de negociações, focados nas países industrializados, em desenvolvimento, e naqueles com florestas tropicais.

O desafio desta rodada de negociações – da qual a próxima etapa – a CoP-12 e MoP-2, se dará entre 6 e 17 de novembro, em Nairobi, no Quênia – é encontrar caminhos para que o mundo estabilize o nível total de emissões ao longo de uma década a partir do início do próximo período do Protocolo, começando em 2013, e obtenha reduções significativas nos períodos subseqüentes.

Se o parâmetro de limitar o aumento da temperatura a 2 °C for de fato assumido, os países incluídos no Anexo 1 do Protocolo de Quioto deveriam reduzir suas emissões em 60% a 80% por volta de 2050, e os países em desenvolvimento precisam estabilizar e começar reduzir suas emissões na década de 2020.

Durante o primeiro período de compromisso do Protocolo (2008-2012) e baseado no Princípio das Responsabilidades Comuns, porém Diferenciados, os países em desenvolvimento não tiveram obrigações em limitar ou reduzir as suas emissões a determinado nível.

Mas, diante do crescimento das emissões por conta do desmatamento e aumento da demanda energética nestes países, organizações ambientalistas defendem que compromissos (de vários tipos – não necessariamente em emissões absolutas como os atualmente existentes para países ricos) devem ser claramente assumidos após 2012 também por aquelas nações em desenvolvimento com emissões significativas e crescentes. Esses compromissos podem ser de natureza variada, e não necessariamente em emissões absolutas como as que existem hoje para os países ricos.

O governo brasileiro, entretanto, insiste que qualquer iniciativa nesse sentido deva ser estritamente de caráter voluntário e se opõe à adoção de qualquer compromisso obrigatório no âmbito da Convenção ou do Protocolo. Durante um workshop realizado em setembro em Roma, o Ministério do Meio Ambiente brasileiro propôs um mecanismo compatível com a posição do governo – a criação de um fundo – mas não ficou claro de onde virá a contribuição financeira, uma vez que não há incentivos governamentais para isso.

A questão das contribuições dos países em desenvolvimento, seja pela expansão ou pelo detalhamento de seus compromissos no regime internacional, é talvez o maior problema sem solução até o momento nas negociações.

A maior fonte histórica de emissões globais de gases de efeito estufa e a principal causa dos impactos de atividades humanas no sistema de clima é o uso de combustíveis fósseis nos países desenvolvidos, disponibilizando energia barata como motor para o crescimento industrial e econômico. Para estes

países, há um processo em curso para negociar cortes mais profundos nas suas emissões no período pós-2012.

Em alguns países em desenvolvimento, parcela considerável das emissões de gases de efeito estufa está associada ao desmatamento, mudança de uso do solo e expansão da agricultura. Estima-se que o desmatamento já seja responsável por 10% a 35% das emissões globais anuais.

O Brasil, com desmatamento anual médio de 2,3 milhões de hectares, e Indonésia, com 1,3 milhões de hectares, lideram o ranking de destruição florestal. No país, quase 75% das emissões vêm do desmatamento, concentrado na Amazônia. Além disso as emissões oriundas do uso de combustíveis fósseis estão aumentando rapidamente em muitos países em desenvolvimento, até mesmo no Brasil. Segunda a Agência Internacional de Energia, dois terços do crescimento da demanda global de energia nos próximos 25 anos ocorrerá nos países em desenvolvimento devido ao crescimento industrial e populacional, e em 2030 estes países representarão 48% da demanda global, comparado com 38% em 2002.

Na discussão sobre os compromissos para o novo período, há uma variedade ampla de posições entre os países em desenvolvimento. China e África do Sul, por exemplo, têm demonstrado crescente flexibilidade e abertura para discutir novas formas de mecanismos e metas no âmbito do regime.

Membros da Coalizão de Países de Florestas Tropicais, liderada por Papua-Nova Guiné e Costa Rica, e da qual o Brasil não é membro, apresentaram um leque de opções para reduzir as emissões associadas ao desmatamento, incluindo uso de metas nacionais e abordagens baseadas em créditos de carbono.

Outros países, tendo o Brasil como expoente mais duro, insistem que a atual rodada de negociações ocorra com as mesmas restrições definidas em 1995 pelo Mandato de Berlim, ou seja, excluindo-se qualquer tipo de compromisso ou meta nova para nações em desenvolvimento, sendo que qualquer contribuição deve ser encarada meramente como voluntária.

O Brasil está praticamente sozinho na oposição a mecanismos que envolvam créditos de carbono ou cumprimento obrigatório associado à diminuição do desmatamento.

Propostas da sociedade civil

Para organizações ambientalistas, uma alternativa seria uma divisão dos países em desenvolvimento em blocos, com a avaliação das necessidades e capacidades dos diversos grupos, tendo como base o princípio de responsabilidades comuns, mas diferenciadas e levaria em conta o grau de desenvolvimento, renda per capita, níveis de poluição e responsabilidades diretas associadas às emissões e possibilidades tecnológicas de cada país.

O Brasil já proporcionou uma importante contribuição sobre como alocar responsabilidades ao ter apresentado, em 1997, uma metodologia para identificar o "papel" de cada país no aquecimento global baseado nas emissões históricas de gases de efeito estufa.

A Rede de ONGs para Ações Climáticas (CAN – Climate Action Network) propôs que o nível de esforços e de compromissos diferenciados dos países deveria estar baseado em princípios de equidade, responsabilidade e capacidade para implementar e custear atividades de redução de emissões.

Há muitas formas de compromissos potencialmente benéficos ao regime internacional, que poderiam contribuir tanto para os esforços globais de mitigação como para objetivos nacionais de desenvolvimento sustentável e redução da pobreza.

Recentemente, o projeto Basic, envolvendo especialistas notórios do Brasil, África do Sul, Índia e China, apresentou uma proposta para o regime além de 2012, que inclui iniciativas voluntárias, mas quantificáveis, de políticas de desenvolvimento sustentável e critérios (como emissões e PIB per capita) para países em desenvolvimento assumir metas absolutas de emissões quando atingir um certo nível de desenvolvimento.

Hoje, no Brasil, as discussões sobre o futuro do clima estão voltadas para o Mecanismo de Desenvolvimento Limpo (MDL), instrumento de mercado que possibilitou a formulação de mais de 100 projetos distintos no País para receber apoio financeiro mediante a cessão de créditos de carbono. Entretanto, o MDL apresenta limitações e dificilmente pode contribuir para as mudanças sistêmicas de políticas, de padrões de produção e consumo, de eficiência energética e de tecnologias mais limpas, uma vez que sua operacionalização se dá em torno de projetos específicos.

Entendemos que o Brasil e demais países em desenvolvimento deveriam utilizar também outros instrumentos, também econômicos, para promover um conjunto de esforços e mudança no modelo de desenvolvimento, de economia de energia, de uso da terra e de proteção de florestas, sem negar o direito desses países ao desenvolvimento sustentável.

Só o MDL não basta

Para tanto, será importante que os países ricos possam dar prioridade à redução de suas próprias emissões e não se valer do MDL somente como forma de "compensar" seu fracasso ou falta de vontade política em reduzir domesticamente suas próprias emissões.

Existem iniciativas de MDL que contribuem para a redução de emissões de gases de efeito estufa, mas ao mesmo tempo geram outros impactos socioambientais negativos, como grandes plantações de eucalipto e pinus.

Já foram apresentados projetos de MDL para monoculturas que ainda contam com o grande apoio dos bancos nacionais e regionais de desenvolvimento e das instituições financeiras multilaterais.

Mas o Fórum Brasileiro de ONGs e Movimentos Sociais para o Meio Ambiente e o Desenvolvimento (FBOMS) lembra que alguns desses projetos podem ser questionados pois devem necessariamente seguir critérios de desenvolvimento sustentável.

No mundo desenvolvido, o impasse também é grande. A posição dos EUA e do Canadá em não cumprir as metas de redução das emissões no Protocolo deixa as negociações sobre o regime de clima em uma situação frágil.

É absolutamente essencial que o Japão e a União Européia adotem cortes muito maiores nas emissões durante o segundo período de compromisso do Protocolo (2013-2017), que deveriam ser compatíveis com uma redução doméstica de pelo menos 15% até 2020.

Entretanto, o Japão e países da União Européia enfrentam grandes dificuldades em comprometer-se com maiores reduções de emissões em função da ausência dos EUA e da falta de definição de papéis dos países em desenvolvimento no médio e longo prazo.

Durante a reunião em Bonn, em maio de 2006, o negociador-chefe do Japão insistiu que seu país está disposto a assumir plenamente suas responsabilidades para prevenir perigosas mudanças climáticas, mas precisaria saber como esse esforço será compartilhado e levado adiante por todos os países e, especialmente, como os países em desenvolvimento atuarão no regime global no futuro próximo.

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Eco Articles:

Nairobi Eco Issue 3

<http://www.climatenetwork.org/eco/nairobi-ecos/nairobi-eco-issue-3/taking-the-lead/>

Taking the Lead?

It is increasingly clear that the only way to avoid a climatic catastrophe is to move quickly to negotiate an ambitious global agreement that can bring the rise in global emissions to a halt and start reducing them sometime in the next decade. This will be impossible without substantial advances in the commitments by industrialised countries and other contributions of many developing countries to this effort.

It is increasingly clear that the only way to avoid a climatic catastrophe is to move quickly to negotiate an ambitious global agreement that can bring the rise in global emissions to a halt and start reducing them sometime in the next decade. This will be impossible without substantial advances in the commitments by industrialised countries and other contributions of many developing countries to this effort.

Indeed there is growing recognition within developing countries of the need for greatly expanded efforts to shift their development to a low-emissions pathway, including a chorus of voices calling for an immediate start to negotiations of new mechanisms and new responsibilities for curbing rising emissions from developing countries. However, the poor performance of Annex I countries in fulfilling their responsibilities under the Climate Convention to "take the lead in combating climate change" has placed a major obstacle in the path of progress by developing countries. Recent reports of rising



emissions in industrialised countries, over-allocation of allowances in the EU Emissions Trading Scheme, and a lack of enthusiasm about discussing ambitious post-2012 pathways and targets in anything other than the most general terms, all serve to undermine the voices in developing countries who want their countries to step up to the plate. While there have been proposals for a 30 per cent reductions target for the EU by 2020, when are they going to put these cards on the table?

Even worse is when the US, Australia and Canada shamelessly call on countries like China, India and Brazil to take on commitments, while they themselves have spurned their own responsibilities. Nothing could more discredit the idea of developing countries taking on new contributions than, for example, ex-COP President Rona Ambrose's announcement that Canada will not even try to meet its Kyoto targets, suggesting that much poorer countries must take on commitments before Canada moves one hair-breadth forward.

ECO is left to wonder: What part of "taking the lead" do they not understand?

But we cannot despair and throw up our hands while a few irresponsible Parties would like to lead a retreat on climate protection, keeping the world hurtling towards catastrophe. Common sense must and will prevail, and all indications are that the Ambroses, Harpers and Bushes will soon be replaced by politicians who recognise the need for urgent action on climate change. Their constituents will seek real leaders who are willing to put forward bold proposals that will lead to the type of reductions that will actually be steps toward solving the climate problem.

But in the meantime, responsible political leaders and negotiators must move forward without their irresponsible counterparts to put the world on a pathway to global emissions reduction in a necessary time frame, knowing that if they lead, others will follow. And developing countries must move forward as part of this effort despite, not because of, what a few bad apples are telling them to do.

Nairobi ECO Issue 6

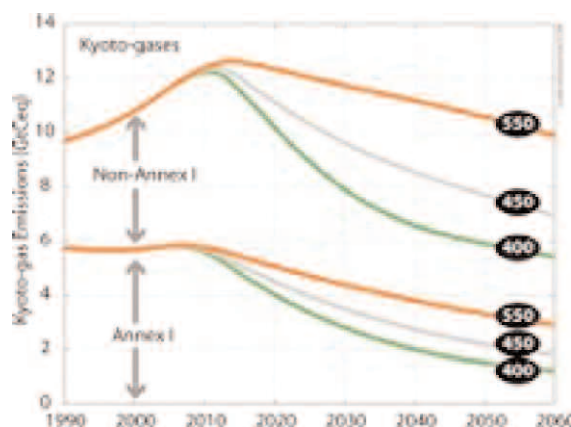
Pathways Towards Climate Protection

ECO welcomes the fact Parties are finally starting to examine the implications of future emission pathways that will allow them to meet the ultimate objective of the Convention as defined in Article 2. This came up in the Ad-Hoc Working Group (AWG) workshop on Tuesday, and seems to have penetrated the discussions here in Nairobi more generally.

An examination of the limits on global emissions over the long term necessary to keep global warming to below 2°C is an essential parameter for negotiating emission reductions requirements for Annex 1 countries, as well as for understanding the scale of the efforts needed in developing countries.

It is possible to estimate the atmospheric greenhouse gas (GHG) concentration levels, and from there annual emission levels, that will have a good chance of keeping global warming to less than 2°C above pre-industrial levels. Timing is also key. There are remaining uncertainties in precisely quantifying the climate sensitivity, so the best the world can do at this stage is to define a range of probabilities for meeting the long term target. This is a very good reason to keep the system of five-year commitment periods in the future iterations of the Protocol, but that is another story.

The figure below shows one scenario for the division of the annual emissions 'pie' between different groups of countries within an overall cap that will put the world on a pathway towards stabilisation at a given concentration level. The stabilisation level will determine the likelihood of keeping warming to below the desired target. Using the Intergovernmental Panel on Climate Change language, a 550 ppm concentration level is 'likely' (65-90 per cent chance) to overshoot 2°C, and a 450 ppm concentration level has a 'medium likelihood' (35-65 per cent chance) to overshoot 2°C. To make it 'likely' to stay below the 2°C target, concentration targets then must be for 400 ppm or lower.



Meeting the ultimate objective of the climate convention – to avoid dangerous climate change – is going to require significant action on a global basis. The politics of that will of course be complicated, but the science is certainly clear.

The world has to act even faster and take more dramatic action if it is to avoid damage associated with a 2°C global average temperature rise. This means that for now, the aim has to be stabilising GHGs in the atmosphere and then seeking to bring them down as rapidly as possible if there is to be a reasonable chance of keeping global temperature rise below 2°C.

To meet these goals dramatic reductions in GHG emissions are needed, and they are needed soon. From a moral, legal and practical perspective, the initial burden of emissions reductions has to fall on industrialised countries. Domestic reductions of at least 30 per cent on 1990 levels (the 'baseline' year for the Kyoto Protocol) by 2020 from industrialised countries are required, with a target of at least 75 per cent reductions by mid-century.

Globally, there is a need to ensure emissions peak as soon as possible, and no later than 2015-2020, and then reduce them by 50 per cent by mid-century. This means not only that industrialised countries must make dramatic reductions in the next decade but a fair means must be found for engaging rapidly industrialising countries in reduction efforts in the near future.

Consequences of delay in the process of reducing emissions means the world will face a dire global emergency in the 2020s which will require rates of emission reductions in the past only associated with massive economic collapse such as the collapse of the Soviet Union. The world must not be forced to choose between economic catastrophe and climate catastrophe. The most likely outcome in that case would be both, and we have a good chance of avoiding this if we Act Now.

<http://www.ambientebrasil.com.br/composer.php3?base=./carbono/index.php3&conteudo=./carbono/artigo8.html>

O Dia seguinte da Conferência da ONU em Nairobi sobre Mudanças de Clima

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Quando, no início de novembro, mais de 7000 delegados e observadores começaram a chegar em Nairobi, Quênia, para a 12ª Conferência das Partes (CoP 12) para a Convenção Climática e para a 2º Encontro das Partes do Protocolo de Quioto (CoP-MoP 2), haviam poucas expectativas de substanciais avanços nesse regime multilateral.

Mas apesar do agonizante e lento andamento das negociações internacionais sob a Convenção de Clima das Nações Unidas e seu Protocolo de Quioto, e algumas das armadilhas resultantes do palavreado obtuso utilizado em decisões chaves para as ações futuras emergentes dos encontros em Nairobi, sob a superfície das reuniões surgiram alguns sinais de mudanças estratégicas, deixando mais do que uma pequena razão para a esperança em um progresso substancial do regime nos próximos dois anos.

Nos encontros pode ser observado algum sucesso moderado relacionado à questão de adaptação às mudanças de clima, tema de importância particular também ao país hospedeiro, Quênia e outros países africanos. No regime, as ações de adaptação aos impactos já irreversíveis de mudança de clima são fundamentais para países mais vulneráveis e países pobres, que esperam a ajuda dos países industrializados. Mas o foco chave para a maioria dos delegados e observadores foi a necessidade urgente de um acordo que limitasse e talvez ainda, parasse o crescimento das emissões globais para o Segundo Período de Compromisso do Protocolo de Quioto, esperado para acontecer entre 2013-2017. De acordo com especialistas, as emissões globais devem chegar a um pico máximo e começar a declinar em entre 2015 e 2020, a fim de que exista uma chance razoável de limitar o aumento da temperatura média do planeta abaixo dos 2°C e evitar a maioria dos impactos climáticos catastróficos.

Para que isto aconteça, as emissões de gases de efeito estufa nos países industrializados devem decair dramaticamente – por volta de 30% até 2020 e de 60 a 80% até 2050. O crescimento das emissões em muitos países em desenvolvimento deve declinar substancialmente no período pós 2012, apesar de que as regras atuais não impor limites em crescimento das emissões destes países. As emissões totais dos países em desenvolvimento devem para de crescer e começar a declinar por volta de 2020. Tudo isso faz com que as negociações nos próximos dois anos sejam absolutamente cruciais para o sucesso ou fracasso na prevenção das mudanças climáticas.

Depois que o Protocolo de Quioto entrou em vigor em fevereiro de 2005 com seus compromissos para países industrializados reduzirem suas emissões de gases de efeito estufa entre os anos de 2008 a 2012, a atenção foi direcionada para o formato do regime climático para o período pós-2012, e as negociações – ou mais precisamente, as preparações para as negociações – enfrentaram dois desafios chaves.

Primeiro, como lidar com os Estados Unidos, que conta com quase 25% das emissões globais de gases de efeito estufa, mas que se recusa a ratificar o Protocolo de Quioto, e deste modo permanece fora do regime multilateral de limitação das emissões. E, pior, os EUA não estão totalmente sozinhos – Austrália também se recusou a ratificar, enquanto Canadá, que chegou a ratificar o Protocolo, anunciou no início de 2006 que não iria cumprir suas metas, depois da eleição em janeiro do partido Conservador ao Governo defendendo uma proposta anti-Quito. A falta destes países no regime faz com que seja mais difícil a Europa e ao Japão seguirem adiante com cortes mais profundos nas suas respectivas emissões.

O segundo desafio é como assegurar que países em desenvolvimento participem mais efetivamente dos esforços globais para a prevenção do clima. Quando o Protocolo de Quioto foi negociado entre 1995 e 1997, o mandato para as negociações claramente estipulou que não haveria novos compromissos ou metas para os países em desenvolvimento. Muitos países em desenvolvimento, incluindo Brasil, argumentaram que as mesmas regras deveriam ser aplicadas a esta nova rodada de negociações. Mas sem algum tipo de compromisso mais robusto dos países em desenvolvimento, é politicamente mais difícil para Europa e Japão adotar mais adiante cortes maiores nas suas emissões, e sem algum critério ou limite, as emissões de países em desenvolvimento logo ultrapassariam qualquer redução que países industrializados poderiam obter.

Embora a conferência em Nairobi tenha iniciado com esta atmosfera um pouco desfavorável, e na primeira vista as decisões adotadas representam muito pouco para o avanço da discussão, quando o presidente queniano Kivutha Kibwana bateu o martelo sobre a decisão final na sexta a tarde, ao aplauso entusiástico dos delegados no centro da conferência em Gigiri, percebemos, no cenário do regime mundial de mudanças de clima, profundas alterações nas posições e dinâmicas de alguns países-chaves.

O primeiro sinal de mudança veio com as eleições do congresso americano no segundo dia da Conferência, quando o partido do presidente Bush dos EUA perdeu o controle de ambas as casas do Congresso daquele país. Isto foi seguido na segunda semana por uma carta dos líderes Democráticos no Congresso ao Presidente Bush anunciando suas intenções de limites obrigatórios nas emissões de gases de efeito estufa dos Estados Unidos. Isto renovou a confiança de muitos delegados de que os EUA estavam mais uma vez evoluindo em uma direção compatível com as metas para emissões estipuladas no Protocolo de Quioto.

Outra alteração de postura veio do próprio Brasil. Desde a CoP anterior, em 2005, os negociadores brasileiros vinham insistindo em repetir que o Brasil não aceitará nenhum novo compromisso na atual rodada de negociações, além de compromissos completamente voluntários adotados pelo país. Brasil também fortemente se opôs a qualquer revisão substancial do protocolo de Quioto, conforme determina o seu artigo 9 – um item chave necessário a estas negociações – e recusou aceitar qualquer ligação entre esta revisão e outras negociações até que países industrializados adotem suas novas metas para o período pós-2012. Quando o Brasil apresentou suas objeções prolongadas e vigorosas a uma forte revisão durante as negociações, a rede mundial de ONGs Climate Action Network (CAN), na qual o Vitae Civilis é membro, respondeu premiando-o com o prêmio Fóssil do Dia, concedido aos países que mais criam obstáculos ao avanço nas negociações. O prêmio foi recebido pelo Brasil apenas duas vezes desde que se iniciaram, em 1991, as negociações mundiais sobre mudança de clima. O prêmio foi dado ao Brasil no mesmo dia em que o Presidente Lula e a ministra do Meio Ambiente Marina Silva anunciaram, durante um encontro do Fórum de Mudança Climática Brasileiro, no

Palácio do Planalto (Brasília) uma iniciativa brasileira para o desmatamento em Brasília e afirmando ainda que o país irá cumprir com suas responsabilidades no âmbito do regime global de mudanças climáticas.

Na segunda semana da reunião de Nairobi, com a chegada da Ministra Marina Silva e outros oficiais seniores dos Ministérios de Meio Ambiente, de Ciência e Tecnologia e de Relações Exteriores em Nairobi, a rígida posição brasileira começou a mudar. Outras delegações de países começaram a comentar que Brasil estava sendo muito mais útil e flexível em construir consensos em torno de um processo para uma futura revisão do Protocolo com base no artigo 9, e estava propenso a aceitar revisões substanciais mesmo antes de países industrializados terem assinado seus compromissos para o Segundo Período.

Na quarta-feira da segunda semana, o secretário executivo do Ministério de Ciência e Tecnologia, Manuel Rebelo Fernandes, ao falar em nome do Brasil na Sessão de Alto Nível da CoP, enviou um sinal muito proveitoso no contexto de divisão do Norte-Sul quando ele se referiu a uma palavra da língua local ki-Swahili – harambee – significando “todos juntos”. Seu discurso não continha nenhuma oposição explícita a algum novo compromisso dos países em desenvolvimento, posição distinta daquela que vinha sendo caracterizada nas recentes declarações dos negociadores brasileiros.

No dia anterior, a Ministra Marina Silva e seu Secretário de Biodiversidade e Florestas, João Paulo Capobianco, apresentaram a proposta brasileira para um mecanismo voluntário de incentivo para redução de emissões de gases de efeito estufa associadas à redução do desmatamento em países em desenvolvimento, apontando pela primeira vez que tal instrumento deveria estar vinculado na Convenção (as declarações oficiais apontaram sempre uma recusa de vincular um mecanismo desse a sistemas de créditos de carbono do Protocolo de Quioto).

Embora muitos ambientalistas prefeririam um mecanismo robusto para conter o desmatamento tropical sob o Protocolo de Quioto, a aceitação do Brasil de inserir um sistema sob a Convenção, e não como arranjo limitada fora do regime multilateral, empresta credibilidade à proposta e reforça o compromisso tradicional brasileiro de construir um regime climático global sério e efetivo.

Esta nova flexibilidade na posição do Brasil serviu para isolar a China, que ficou isolada junto com a Arábia Saudita na resistência a um processo de revisão forte e em tempo do Artigo 9. Como resultado, a revisão do artigo 9 está agendada para daqui dois anos, em 2008, com trabalho iniciado na preparação da revisão para o próximo ano. Este cronograma torna possível fazer desta revisão um instrumento para informar negociadores em direção a um acordo global mais abrangente contendo diferentes compromissos e contribuições para países desenvolvidos e em desenvolvimento, que poderia entrar em vigência no início do segundo período em 2013. Isto é essencial para evitar qualquer descontinuidade entre os períodos de compromissos, fato que poderia corroer a confiança nos compromissos que os países tem no Protocolo de Quioto, e levar a um colapso nos mercados de carbono.

Mas para que essas negociações produzam resultados nesse cronograma, um mandato para estas negociações devem ser acordadas na próxima CoP, que será realizada em Bali, Indonésia, de 04 a 14 de dezembro de 2007. A adoção deste mandato (ou seja, objetivos, critérios, regras e papéis dos negociadores) requerirá esforço significativo no próximo ano de todos os países interessados em fortalecer o regime climático global, e como sempre, a contribuição brasileira será crucial em determinar a consequência.

As negociações passaram por tempos difíceis nos últimos anos, mas as circunstâncias estão se tornando mais favoráveis, baseada nas perspectivas eleitorais americanas e do Canadá, e com uma abertura dos países em desenvolvimento para fortalecer seus envolvimento no regime climático multilateral. Os líderes mundiais, incluindo o do Brasil, devem estar preparados para tomar vantagem completa desta nova conjuntura, e vir às negociações de 2007 com um aguçado senso de urgência e responsabilidade para o estabelecimento de mandato que permita termos um novo acordo internacional que nos ajude a evitar uma catástrofe global. O mundo não pode suportar novos atrasos.

The Day After the Nairobi Climate Negotiations

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When the more than 7000 delegates and observers started to arrive in Nairobi, Kenya, in early November for the 12th Conference of the Parties (CoP 12) to the Climate Convention and the 2nd Meeting of the Parties to the Kyoto Protocol (CoP-MoP 2), there were few expectations of substantial breakthroughs in negotiations at this meeting.

Yet, despite the agonizingly slow pace of the international climate negotiations under the UN Climate Convention and its Kyoto Protocol, and the sometimes obtuse wording of the key decisions on future actions emerging from the Nairobi meetings, beneath the surface there were some substantial shifts, leaving more than a little reason for hope for substantial progress over the coming two years.

The meetings saw some modest success related to adaptation, of particular importance to the host country of Kenya and other African countries. In the climate regime, adaptation to the unavoidable impacts of climate change are fundamental for the poorest and most vulnerable countries, who expect assistance from the rich countries that have contributed the most to causing climate change. However, the key focus for most delegates and observers was the urgent need for an agreement to limit and perhaps even halt the growth of global emissions in the Second Commitment Period under the Kyoto Protocol, widely expected to run from 2013-2017. According to experts, global emissions must peak and begin to decline sometime between 2015 and 2020, in order to have a reasonable chance of keeping global average warming to below 2oC and avoiding the most catastrophic climatic impacts.

In order for this to happen, emissions in industrialized countries must decline dramatically – by around 30% by 2020 and by 60-80% by 2050, and growth in emissions in many developing countries must decline substantially in the post-2012 period, and total developing country emissions must level off and start to decline by around 2020. All this makes the negotiations over the next 2 years absolutely crucial to the success or failure in preventing climate change.

After the Kyoto Protocol entered into force in February of 2005 with its commitments for industrialized countries in the years 2008-2012, and attention shifted to the shape of the climate regime in the post-2012 period, the negotiations – or more accurately, preparations for negotiations - have faced two key challenges.

First, how to deal with the United States, which accounts for almost 25% of global greenhouse gas emissions, but which has refused to ratify the Kyoto protocol, and thus remains outside the multilateral regime of emissions limits. And the US is not entirely alone - Australia has also refused to ratify, while Canada, which actually did ratify the Protocol, announced in early 2006 that it would not meet its targets, after the January election of the anti-Kyoto Conservative party to power. The absence of these countries from the regime made it more difficult for Europe and Japan to move forward with much deeper reduction commitments.

The second challenge is how to ensure that developing countries participate more effectively in global efforts to prevent climate change. When the Kyoto protocol was negotiated between 1995 and 1997, the mandate for the negotiations clearly stipulated that there would be no new commitments or targets for developing countries. Many developing countries, including Brazil, argued strongly that the same rules should apply to this current round of negotiations. But without some kind of more robust engagement from developing countries, it is politically more difficult for Europe and Japan to adopt further emission cuts, and at any rate rising developing country emissions would soon overwhelm any reductions that industrialized countries could achieve.

Although the Nairobi talks opened in this rather inauspicious climate, and on the surface the decisions reached there did little to advance the discussion, by the time the Kenyan CoP President Kivutha Kibwana gave the final decision to the enthusiastic applause of delegates in the Gigiri conference center, the underlying forces had shifted profoundly.

The first sign of change came with the U.S. congressional elections on the second day of the Conference, when the party of U.S. President Bush lost control of both houses of Congress. This was followed in the second week by a letter from key Democratic congressional leaders to President Bush announcing their intention to pass mandatory limits on greenhouse gas emissions in the U.S. This gave delegates renewed confidence that the U.S. was once again evolving in a direction compatible with the emissions caps embodied in the Kyoto Protocol.

The second shift came from Brazil itself. For the past year, Brazilian negotiators have been insisting repeatedly that Brazil will not accept any new commitments in the current round of negotiations that are not completely voluntary. Brazil was also strongly opposed to any substantial review of the Kyoto Protocol under its Article 9 – a key item at these negotiations – and refused to accept any linkages between this review and other negotiations until after industrialized countries had adopted their new targets for the post-2012 period. When Brazil presented its lengthy and strenuous objections to a strong review during the negotiations, the Climate Action Network responded by awarding its “Fossil of the Day” award to Brazil, only the second time in the history of the climate negotiations that Brazil received this award. The award was given to Brazil on the same day that President Lula and Environment Minister Marina Silva were announcing Brazil’s deforestation initiative in Brasilia during a meeting of the Brazilian Climate Change Forum, and saying that Brazil must do more to combat climate change.

The following week, with the arrival of Minister Marina Silva and other senior officials from the Environment and Science and Technology departments in Nairobi, Brazil’s hardline position began to change. Other country delegations began to comment that Brazil was being much more helpful and flexible in building consensus around a process for a future Article 9 review, and was willing to accept a substantive review even before industrialized countries has signed off on their CP2 commitments.

On Wednesday of the second week, when Deputy Minister of Science and Technology Luis Manuel Rebelo Fernandes spoke in the High Level Segment, he sent a very useful signal in the context of North-South divisions when he referred to a word from the local ki-Swahili language – “harambee” – meaning “pulling together”. His speech contained none of the strident opposition to any new commitments by developing countries that had been characteristic of recent statements by Brazilian negotiators.

The previous day, Minister Marina Silva and her Secretary of Biodiversity and Forests, João Paulo Capobianco, presented Brazil's proposal for a mechanism for incentives to reduce deforestation in developing countries, which spelled out for the first time that this arrangement would be located within the Climate Convention.

Although many environmentalists would prefer a robust mechanism under the Kyoto Protocol for addressing tropical deforestation, Brazil's acceptance of this arrangement under the Convention, rather than some ad-hoc arrangement outside the multilateral regime, lends credibility to it and reinforces Brazil's traditional commitment to building a strong global climate regime.

This new flexibility in Brazil's positions served to isolate China, which was left alone with Saudi Arabia in resisting a strong and timely Article 9 review process. As a result, the Article 9 review is now scheduled for two years from now in 2008, with work starting on preparing for the review over the coming year. This time frame makes it possible for this review to inform negotiations for a comprehensive global agreement containing differentiated commitments and contributions by developed and developing countries that can come into force in time for second commitment period starting in 2013. It is essential to avoid any gap between commitment periods, because that would undermine confidence in the commitment countries have in the Kyoto Protocol, and lead to a collapse in the carbon markets created under it.

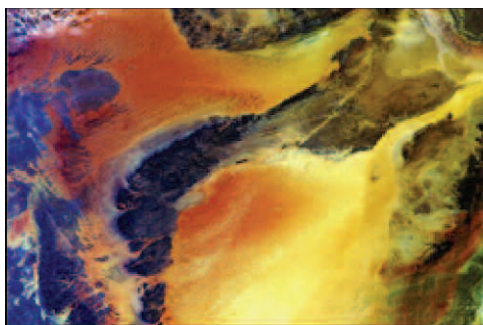
But in order to negotiate this agreement in time, a mandate for these negotiations must be agreed in the next CoP, which will be held in Bali, Indonesia, on December 3-14, 2007. The adoption of this mandate will require significant efforts over the coming year by all countries interested in strengthening the global climate regime, and as always, Brazil's contribution will be crucial in determining the outcome.

The negotiations have passed through difficult times over the past few years, but circumstances are now becoming more favorable, based on electoral prospects in the U.S. and Canada, and openness by developing countries to strengthening their involvement in the multilateral climate regime. The world's leaders, including Brazil's, must be prepared to take full advantage of this new conjuncture, and come to the negotiations in 2007 with a sense of urgency and commitment to creating a mandate to start negotiations for an agreement on a truly global effort in the post 2012 period to control the emissions that are leading the world towards a global catastrophe. The world cannot afford further delays.

Entrevista

Uma entrevista semanal sobre temas relevantes para o Terceiro Setor

Sem retrocesso



Terra: foto gerada por satélite

Nenhum resultado concreto parece ter saído da 12ª Conferência das Partes da Convenção sobre Mudanças Climáticas da ONU (COP-12), realizada no início de novembro, em Nairóbi, no Quênia. Representantes de ONGs e governos, no entanto, saíram otimistas. O ambientalista canadense Mark Lutes, representante da ONG Vitae Civilis e integrante da rede Climate Action Network (CAN), explica: "A grande conquista foi o fato de não ter havido retrocesso".

Para Mark, do jeito que as negociações caminhavam, era bem provável que avanços anteriores fossem substituídos por posições mais conservadoras. As eleições legislativas americanas que deram vitória ao Partido Democrata e enfraqueceram o presidente norte-americano George W. Bush, a virada de posição do Brasil e a pressão dos eleitores canadenses por uma posição mais favorável do governo ao Protocolo de Quioto são ganhos que não podem ser vistos na simples análise dos documentos do encontro.

Duas questões fundamentais foram as vedetes do encontro: a fixação de metas mais ambiciosas para os países industrializados e o debate sobre como seria a participação dos países em desenvolvimento no Protocolo de Quioto. No primeiro caso, a sinalização positiva da União Européia para o corte de 20% das emissões de gás carbônico até 2020 garantiu o otimismo de ambientalistas.

Em relação à contribuição dos países em desenvolvimento, que passariam a integrar a segunda fase do Protocolo, o Brasil foi o responsável pelo balanço otimista da Convenção de Nairóbi. A aguardada proposta brasileira não foi recebida com tanto entusiasmo, segundo Lutes. Mas a posição anterior do Brasil, de não aceitar qualquer meta fixada dentro do Protocolo que não fosse voluntária, começou a se flexibilizar.

"O Brasil é importante para que um caminho para essas negociações envolvendo outros países seja criado. Quando o Brasil aceita dialogar, ajuda a criar um clima de que pode haver acordo", observa Lutes. Ele acredita que o país pode retomar o papel de protagonista que tinha década de 1990 nas negociações sobre o clima e acha que a conferência que será realizada no ano que vem, na Indonésia, terá avanços muito mais concretos.

Rets – Você acha que o balanço da Conferência foi positivo ou negativo?

Mark Lutes - Nem os governos e nem as ONGs esperavam que fosse possível sair de lá com um grande acordo, mas, considerando a fase muito difícil em que as negociações estão, a grande conquista foi o fato de não ter havido retrocesso. Agora, acredito, estamos entrando numa fase mais otimista, em que temos expectativas maiores para o próximo ano.

Rets – Como foi a apresentação da proposta brasileira?

Mark Lutes - Pelo que ouvimos, não houve muito interesse, não teve perguntas depois, nem comentários. Foi bem recebida, mas sem muito entusiasmo. A proposta apresentada era aquela que estávamos esperando, só que com alguns avanços. Foi apresentada em Roma, no workshop preparatório para a Conferência [realizado em setembro], e o governo fez várias apresentações aqui no Brasil, explicando. Mas tinha alguns elementos novos.

Antes não tinha ficado claro qual tipo de mecanismo o Brasil estava propondo, principalmente onde seria gerenciado esse mecanismo. O governo brasileiro não queria alimentar uma discussão dentro do Protocolo ou dentro da Convenção, então escolheu apresentar essa proposta num outro contexto, dentro do encontro chamado "Diálogos para medidas de longo prazo". E os termos em que esses diálogos foram criados elimina a possibilidade de negociações de novos compromissos.

Só a escolha desse fórum para apresentar indica que o governo quer restringir o escopo de discussão e dar uma abordagem conservadora. Mas quando o governo distribuiu o documento com a proposta, foi especificado que esse mecanismo será criado dentro da Convenção, o que é um avanço, porque nas discussões anteriores parecia que queriam criar esse mecanismo fora de tudo. O Brasil falava numa espécie de clube de países. Quando o governo diz que quer criar um mecanismo dentro da Convenção, para mim, isso já é um avanço.

Rets – Antes da convenção de Nairóbi, havia uma grande expectativa para duas questões: a fixação de metas mais ambiciosas para os países industrializados e o debate sobre como seria a participação dos países em desenvolvimento. Em qual das duas questões houve mais avanços?

Mark Lutes – Houve um pouco de progresso nos dois assuntos. A grande questão que se coloca é como vai ser a conexão entre esses dois processos. Em termos de compromisso para os países industrializados, são necessários cortes muito mais profundos para o próximo período do Protocolo.

Rets – E como foi a participação dos Estados Unidos?

Mark Lutes – Os Estados Unidos não opinaram em muitos assuntos. E em alguns deles repetiram o discurso anterior. A grande notícia foi o resultado das eleições americanas, que aconteceram no meio da conferência e enfraqueceram o presidente Bush. A eleição foi um sinal de que essa posição contra Quioto ia terminar logo.

Logo depois do pleito, três membros do Congresso americano, que vão assumir posições importantes em comissões de meio ambiente, escreveram uma carta para Bush, dizendo que iam enviar ao Congresso uma proposta com algumas metas para os Estados Unidos.

Rets – O que você destacaria de mais positivo na Conferência?

Mark Lutes – Destacaria o discurso do ministro da Dinamarca. Foi muito bom e o mais aplaudido. Outro avanço foi a proposta apresentada pela União Européia, que prevê um corte de 30% nas emissões até 2020.

Além disso, destacaria a virada na posição brasileira durante as negociações. Antes o Brasil só reproduzia aquele discurso do Itamaraty, de não aceitar nenhuma meta que não fosse voluntária. Se o Brasil tem uma posição forte como essa, é sinal que as negociações não vão avançar muito.

É claro que há países, como a Nova Guiné, que defendem o sistema de créditos de carbono dentro do Protocolo. Mas o Brasil diz, e eu concordo, que não podemos deixar os países industrializados

cumprirem suas metas pagando muito pouco por cada tonelada de carbono. Vai ter uma grande briga entre o Brasil e os países que defendem o mercado de créditos.

Rets – Como foi abordada a questão do desmatamento no encontro?

Mark Lutes – A proposta contra o desmatamento é importante, mas não tanto como um sistema de restrição de emissões. A China e a Índia estão crescendo mais rápido que todos os lugares do mundo. O Brasil é importante para que um caminho para essas negociações, envolvendo outros países, seja criado. Quando o Brasil aceita dialogar, ajuda a criar um clima de que pode haver acordo. A importância do papel brasileiro não está só ligada a florestas.

Rets – Você acredita, então, que o Brasil tem um papel de protagonista nessas discussões?

Mark Lutes – Vimos indicativos de que o Brasil pode reassumir o papel de protagonista que tinha nos anos 90. Não dá para perceber os avanços só analisando os documentos. É preciso olhar no contexto em que Japão, Canadá e Brasil estão cooperando. Acredito que ano que vem podemos ter avanços concretos.

Luísa Gockel

Brasil revê posição e aceita discutir metas pós-Kyoto

Delegados em Nairóbi dizem, no entanto, que países ricos precisam fazer mais

Governo afirma que posição brasileira "está evoluindo" nos últimos três anos e que país não recusaria redução de emissões depois de 2012

ANA FLOR

COLABORAÇÃO PARA A FOLHA, EM NAIRÓBI

Representantes do governo brasileiro na COP-12 (12ª Conferência das Partes) da Convenção do Clima da ONU, que se encerra hoje em Nairóbi (Quênia), disseram que o país flexibilizou sua posição e poderá assumir metas em uma segunda fase do Protocolo de Kyoto, a partir de 2012.

A afirmação quebra a tradicional dureza do país nas negociações da ONU sobre mudanças climáticas -que lhe renderam, na semana passada, o título de "fóssil do dia", antipremiação na qual ONGs ambientalistas escolhem o país que mais atravancou o debate.

O Brasil sempre defendeu que não iria negociar obrigações futuras antes que nações ricas cumprissem metas de reduções de gases-estufa a que se comprometeram. A discussão brasileira se concentrava no artigo 9º da convenção, que fala de avaliações a serem feitas periodicamente no protocolo.

Nas discussões, os países divergem sobre fazer uma avaliação para reajustar Kyoto a partir de 2012 ("review") ou uma revisão ("revision"), que poderia modificar as regras já a partir de 2008 -quando a primeira fase do protocolo entra oficialmente em vigor.

Em uma reunião do Fórum Brasileiro de Mudanças Climáticas realizada ontem, durante a conferência, o diretor do Departamento de Meio Ambiente do Ministério das Relações Exteriores, Luiz Alberto Figueiredo Machado, disse que o Brasil não se opõe a uma proposta da África do Sul de marcar uma data para a avaliação do Protocolo. Segundo ele, há países radicalmente contra a proposta. Figueiredo deixou claro, entretanto, que o Brasil não quer que a avaliação seja uma "brecha" para que países que "não gostam de Kyoto" inviabilizem uma segunda fase do protocolo.

Segundo o protocolo, os países industrializados (o chamado Anexo 1), por terem emitido uma quantidade muito maior de gases-estufa durante os últimos 150 anos, têm metas de redução até 2012, enquanto os países em desenvolvimento não as têm. A idéia é conhecida como "responsabilidades comuns mas diferenciadas".

O secretário de Biodiversidade e Florestas do Ministério do Meio Ambiente, João Paulo Capobianco, disse ontem acreditar que se os países desenvolvidos reduzirem suas emissões, e se ficar comprovado que é preciso que países em desenvolvimento reduzam também para conter mudanças climáticas, o Brasil teria uma "postura semelhante". Capobianco reforçou, entretanto, a necessidade de "não se tratar os diferentes de maneira igual", e que os países ricos deverão ter metas muito mais rigorosas que nações em desenvolvimento.

Bem mais direto, outro integrante da delegação brasileira disse que existe, no governo, o entendimento de que o Brasil precisa assumir algum compromisso. Caso contrário, China e Índia também não

aceitariam obrigações -ameaçando o futuro das negociações.

Um dos negociadores disse que a flexibilização da posição brasileira é um processo que vem ocorrendo nos últimos dois a três anos. "A posição do Brasil evoluiu, assim como evoluiu a de outros países."

Barganha

Durante a reunião, a tradicional posição brasileira foi bastante criticada. O governador do Acre, Jorge Viana -cotado como um possível substituto de Marina Silva na pasta do Meio Ambiente-, disse que é hora de o Brasil sair do "corner" e rever sua posição, trabalhando uma postura de "vanguarda" com Índia e China.

O biólogo Paulo Moutinho, do Ipam (Instituto de Pesquisa Ambiental da Amazônia), afirmou que o Brasil, por ter reduzido o desmatamento e evitado emissões de carbono, tem um "poder de barganha grande" e poderia ajudar a pressionar países ricos a assumirem metas mais ambiciosas. Referindo-se à proposta brasileira apresentada antecorrendo de criar um fundo voluntário para compensar países que evitaram emissões por desmatamento, Moutinho disse que o Brasil "não está pedindo esmola" mas querendo uma recompensa por um serviço que presta ao mundo.

Para a ministra Marina Silva, o Brasil está sendo bastante proativo (por combater o desmatamento), mesmo sem ter obrigações em Kyoto. "O Brasil é uma potência ambiental e tem de fazer jus [a isso]", disse. Sobre as emissões que o país evitou, Marina disse que "o Brasil é o limpador do futuro", em uma analogia ao governador da Califórnia, Arnold Schwarzenegger, o "Exterminador do Futuro" do cinema -que tem se destacado por sua defesa do ambiente.

CAN Intervention on Market Based Opportunities in Dialogue for long term cooperation

Mr. Chairman: thank you for this opportunity

My name is Shruti Shukla, and I am from India. As we are aware, my country is undergoing rapid economic growth at present, and that we are just beginning to develop the resources needed to help the tens and hundreds of millions of our people out of the trap of grinding poverty; and we will need to continue that rapid economic growth for the foreseeable future.

At the same time, we are amongst the countries most vulnerable to the impacts of climate change. We must try to meet the needs and aspirations of billions of under-privileged and innocent victims of the devastating impacts of Global Warming. Melting glaciers, droughts, extreme weather and sea-level rise will destroy the livelihoods of hundreds of millions of Indians and billions around the world. Think of the tragedy of 100,000 refugees. And then think of a hundred million.

So what does this have to do with the market based opportunities?

Market based opportunities provide a critical support in terms of financial resources for managing these very impacts. The existing flexible mechanisms under the Kyoto Protocol are a good start but they are no where near enough. They should not be the only points of engagement for developing countries.

Carbon markets will help generate the funds to help our industrial development be as clean as it can be. For example, taxing the Carbon markets is one of the ways to generate at least a large portion of the 10s or 100s of billions of dollars that will be needed for adaptation.

Continued targets and timetables with deeper reductions in emissions for developed countries will provide necessary certainty to the carbon markets. These markets need to be expanded in order to provide opportunities for vulnerable countries to both gain access to the financing required for meeting the immediate needs for adaptation and for supporting the implementation of domestic measures in developing countries to increase their focus on efficiency and renewable .

At the same time the investing countries must ensure that the projects will contribute to the sustainable development and environmental integrity of the host countries. These investments need long term certainty which will require a joint effort from all parties.

The magnitude of resources required for meeting the needs of vulnerable countries to manage the impacts of climate change and develop sustainably requires dedicated and creative methods of funding. For instance – a share of proceeds from increased auctioning of carbon emission allowances in the European Emissions Trading scheme.

Therefore there is a clear case for sending unambiguous signals - to both the markets and global community on the support of Annex 1 parties for creating the space for Non-Annex 1 countries to engage in these market based opportunity.

In closing, I would like to point out to those from already developed countries who are blaming us for climate change, that if everyone on this planet consumed as much energy per capita as the average Indian, then we wouldn't be here. There wouldn't be a climate change convention because we wouldn't have a climate change problem. Perhaps there is a need of looking at our wasteful and unsustainable consumption patterns first.

And to my own government, and other poor but rapidly industrializing countries: be firm in defending our interests, but do not stand in the way of expanding the market mechanisms which can help us achieve our undeniable right to an equitable and just existence on this planet.

Thank you!