

The challenge now facing IPCC

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As the Kyoto Protocol staggers into existence Bill Hare, Climate Policy Director, Greenpeace International asks where the IPCC and climate protection policies should be heading?

The international community shares an objective to prevent dangerous climate change. In 1997 the EU adopted a goal to keep the mean global warming increase to below 2°C above pre-industrial temperatures. The Kyoto Protocol was meant to help deliver this objective, but with the US opting out and heading in the there is an increasing danger that this objective may become unreachable. Unfortunately, the current uncertainty in climate politics is mirrored in the international scientific assessment process. At the Intergovernmental Panel on Climate Change (IPCC) - the main driver behind and almost universal scientific consensus for action - a recent change in the chairmanship was tainted by fossil fuel industry politics and the desire of the Bush administration to rid itself of an articulate and effective critic.

Since it was created in 1988 IPCC has set the internationally agreed benchmark for scientific understanding of climate change - which much of US industry has deliberately sought to muddy, by fair means or foul. IPCC's First Assessment Report (1990) gave the policy impetus to negotiate UNFCCC. The second (1995) provided the scientific urgency for negotiation of the Kyoto Protocol. Last year the Third Assessment Report concluded the bulk of warming since 1950 is most likely due to human activities. It also raised the range of projected warming over the next century and suggested the likely rate of future warming "is much larger than the observed changes during the 20th century and very likely without precedent during at least the last 10,000 years". Adopted under the chairmanship of Dr Bob Watson, these strong scientific findings were crucial to the political momentum that concluded business at Marrakech and underpins the current push by many to ratify and bring the Kyoto Protocol into force.

For the fossil fuel industry the arrival of George W Bush in the White House presented the best opportunity in a decade to gut IPCC. Exxon began lobbying the new administration as early as the first quarter of 2001 that it move to unseat Dr Bob Watson as chairman of IPCC. During the course of 2001 India began arguing, rightly in many ways, that it's time for a developing country to chair IPCC. India proposed that Dr R K Pachauri (Director-General of TERI in India and well known in the climate world for his expertise in the socio-economic aspects of climate change) as a replacement for Bob Watson.

At the IPCC Plenary in Geneva in April the aggressive aims of the fossil fuel lobby and the US administration were blatant. Alongside the OPEC countries India also wanted IPCC's Fourth Assessment Report delayed beyond 2008. It has been speculated that the reason for this is to minimise pressure on India that may flow from the Fourth Assessment report for it to reduce its own emissions growth. With India's backing, Pachauri won the election with the support of many developing countries and promised to enhance the area of sustainable development, where IPCC's lack of emphasis has been criticised in the past by a number of non industrialised nations.

Despite many bad feelings surrounding the circumstances of Dr Pachauri's election, the overwhelming feeling of those involved is now for IPCC to move on and get back to business. In the end Dr Pachauri's tenure will be judged, like his predecessors, by what he achieves and by his ability to motivate the world's best scientists to be involved with IPCC while defending their work against fossil fuel and other political interests. It is Dr Pachauri's fortune to be elected head of IPCC for what looks like being the most crucial decade in global efforts to prevent

Approaching a point of no return

IPCC's Third Assessment Report (TAR) has provided policy makers with a wealth of information about what level of climate change will lead to dangerous impacts.

For example, the meltdown of the Greenland Ice Sheet is "likely" to occur with a sustained global warming of 1-3°C. This would raise sea levels over a number of centuries by several metres. For a global warming of 2-3°C global there is a "medium to high confidence" that 300 million more people would be placed at risk of malaria. Significant damages to crop production and increased hunger in tropical and subtropical countries, along with reversals of progress towards agricultural self-sufficiency in many developing nations is predicted with "medium confidence" for 1-2°C warming. Losses of, or substantial damage to, unique ecosystems such as coral reefs are predicted with "medium to high confidence" for a 2-3°C global mean warming.

If one finds any of these impacts unacceptable then it is clear that global policy must be aimed at reducing emissions quickly enough to avoid a 2°C global warming (above pre-industrial temperatures. This means global emissions must peak within a decade or so and then begin an irreversible decline.

Vive le truck !

When the long-suffering Monti proposal for harmonised energy taxation was debated again by the Council in April, two things were crystal clear: Member States were increasingly ready to trade favours in return for scope to weaken the proposal further. European ministers also still live in abject fear of the road haulage industry, a position confirmed during a row over state aid to this sector in early May.

Tax breaks for truckers were introduced by France, Italy and the Netherlands in 2000 following widespread protests against high fuel prices during a spike in world oil prices. At the Barcelona summit a compromise was reached that allows these subsidies to continue but phase out over the next two years.

A furious Transport Commissioner Loyola de Palacio then sought to declare the diesel subsidies an illegal form of state aid. But in an unprecedented move that required unanimity, EU governments joined forces on 3 May to block that step.

The alleged quid pro quo for German agreement of this roadster's bonanza was support from other countries, notably France, for continuing generous subsidies to its coal sector.

It is more than worrying that such manoeuvring by Member States to block the commission should be used solely for environmentally destructive purposes. Worse, the proposed Energy Tax Directive is now full of holes. Exemptions for households, lower rates for business, exemptions for energy intensive industry, lower rates for commercial transport... In short, the Monti proposal gets watered down to the point of meaninglessness while fossil fuel subsidies get stronger.

EU governments now ratifying the Kyoto Protocol should show more seriousness about implementing it.

EU Policy Focus

Ratification of the Kyoto Protocol by the EU was scheduled for the 31st of May. At the time of going to press, the two Member States that still needed to complete their domestic ratification process, Greece and Italy, were on track to enable joint hand-over of all 16 official documents to the UN in New York. The EU ratification will add over 24 percentage points to the 55% share of Annex-I 1990 CO₂ emissions needed for entry into force of the Protocol. For more information see <<http://www.climnet.org>>.

The Council seems to be shying away from debate on **emissions trading**. The Spanish presidency has not been pushing this topic up the agenda, and few now hope for major progress before the end of the year. Some are also holding on until after the German elections in September. On the plus side, German chancellor Gerhard Schroeder has not opposed the system outright as many of his industry groups were hoping.

The proposal for harmonising minimum levels of **EU energy taxation** has been debated again, but to no real effect. Although the heads of state meeting in Barcelona called for the Council to make progress, no country has changed its position. Any eventual agreement seems likely to be so full of holes as to be almost worthless, as every country demands its own derogations. Perhaps its time for the more progressive countries to go it alone?

EU emissions data show that the bloc is broadly on track to meet its Kyoto target, but a closer look demonstrates that more policies and measures are required. According to data from the European Environment Agency, EU GHG emissions declined by 3.5 % against 1990 levels by the year 2000. However, they rose slightly from 1999-2000. In addition, some of the reduction has come from one-off benefits in economic restructuring. Making the further cuts will require tougher policies. However, if the will is there these policies will deliver other benefits and low costs.

Looking Forward...

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dangerous climate change. His main formal task is to see the Fourth Assessment Report completed in a manner and within a timeframe sufficient to help drive the next stage of climate policy – and that means extension of the Kyoto Protocol, re-integration of the US into the climate protection system and the globalisation of efforts to reduce emissions. Coming from India he should know well enough that the next steps in climate policy may leave no second chances if major impacts affecting hundreds of millions, if not billions, of people are to be prevented. Climate policy is inexorably approaching a point of no return beyond which massive damages may be committed to irreversibly and their prevention rendered beyond the reach of normal policy measures.

F-gases - wake up!

Emissions from fluorinated greenhouse gases (HFCs, PFCs, and SF₆) - gases some hundreds to tens of thousands times more potent than CO₂ in global warming potential (GWP) - are growing quickly enough to be 15% or more of all greenhouse gas (GHG) emissions by 2050. More surprisingly, these gases are portrayed as 'benign' and 'environmentally friendly' by UNEP and US EPA and both agencies have co-operation agreements with the makers of these compounds.

In F for Forgotten? Chris Rose long-time campaigner and co-ordinator of the Multi-sectoral Initiative on Potent Industrial Greenhouse Gases (MIPIGGs) suggests the problem is "a fine example of what communications' analysts called 'framing'. Agencies have their mandate to eliminate CFCs and HCFCs for ozone reasons, but have convinced themselves that this imperative justifies use of HFCs. The awkward fact that HFCs are powerful GHGs gets rejected from their thinking. It's irrational and must stop."

F for Forgotten also shows proven low-GWP alternatives like ammonia and hydrocarbons are sidelined, because their manufacturers lack lobbying clout. "UNEP's advice is supposed to be objective but it's consistently biased," adds Rose. "The Montreal Protocol and its 'policy community' need a total shake-up to become genuinely atmosphere friendly rather than ozone friendly at the expense of global climate."

In *Ozone and Climate at the Crossroads* Jason Anderson and Matthias Duwe from CAN Europe analyse potential future F-gas emissions and usage. They find use of HFC-134a as a CFC replacement in refrigeration and air conditioning already skyrocketing. "The real danger is that HFCs will continue to expand world-wide just as greater GHG emission reductions become essential," says Anderson. "Unless there's a serious effort to curtail them now, the 15% by 2050 figure will rise through the century. Policy makers have to ask themselves if they can sustain more massive cuts in other GHGs just so that F-gas manufacturers can sustain their profits."

Policy efforts to reduce F-gas emissions are advancing in some EU countries like Denmark and Austria, but faltering steps at limited EU regulation remain on the drawing board. UNFCCC Parties will discuss this issue at SB16 in Bonn. Any decisions in favour of alternatives may however come to nothing, adds Rose. "The fluorocarbon industry has an iron grip on the international process for setting product standards and is currently seeking to write environment-friendly competitors out of the relevant standards. Even if legislators want to curb HFCs the chemical industry will thwart them unless politicians reign in the unaccountable and industry-run standard setting bodies."

F For Forgotten is available from <www.mipiggs.org>. *Ozone and Climate at the Crossroads* from <www.climnet.org>.

CDM 'sinks' - getting down to detail

Jeff Fiedler, Climate Policy Specialist, Natural Resources Defense Council

As ratification battles and the recalcitrance of the United States occupy public attention, climate negotiations have at the same time moved to a new level of detail as Parties begin to work out the implementation rules for a host of Protocol elements. Mind-numbing at times, these rules will in large part determine the effectiveness of the climate treaty.

Rules for forest projects ("sinks") in the CDM are one of the most controversial issues on the agenda when the subsidiary bodies meet in June (at SB16) and one where a large amount of technical work needs to be done. The Bonn/Marrakech decisions defined the general operations of the CDM and determined that afforestation and reforestation (A/R) are the only land use, land use change, and forestry activities eligible under Article 12. The actual evaluation rules for sinks CDM projects are still to be developed by SBSTA to be appended in a new annex to the existing Article 12 text.

The stakes are large. Whatever one's perspective on sinks in the CDM, it is clear that weak rules could lead to very poor projects that fail to provide climate, environmental, or sustainable development benefits. At their worst, A/R projects might include already-planned, large, unsustainable, monoculture plantations growing non-native species on land cleared of natural forest. Alternatively, the CDM could help fund new forest restoration projects or community-based agroforestry.

The first step in developing "definitions and modalities" - the specific task delegated

to SBSTA - was taken in April at a SBSTA workshop held in Orvieto, Italy. This event successfully drafted a three-page Terms of Reference (TOR) and an agenda for work that will culminate in the forwarding of proposed rules to COP9 in the fall of 2003. The draft TOR adequately identify the full range of issues that must be addressed in sinks rules: non-permanence, additionality, leakage, uncertainties, and socio-economic and environmental impacts. The agenda lays out a timeline for Parties and other organisations to submit views (in August 2002) before the secretariat work out a series of 'option papers' later this year. A workshop and two SBSTA sessions follow in 2003 to develop a draft annex.

It is the draft TOR and this agenda that SBSTA will consider for adoption at SB16 this June. They should be adopted "as is". There is no legitimate reason to limit the range of issues covered by the TOR, as these were specifically delegated to SBSTA by decisions at COP7 and are universally recognised as the areas that must be addressed. Even if some of the issues do not require modalities specific to sinks, such a conclusion should be reached in the course of SBSTA's work, not by decree before that discussion has started.

A second issue discussed in Orvieto, and possibly on the table at SB16, is that of "definitions." What, technically, is a forest, afforestation, and reforestation for the purposes of the CDM? Although the Marrakech text states clearly that the Article 3 definitions also apply to Article 12, such legal quibbling may not be enough to prevent further tinkering. Veteran experts of the sinks agenda fear these supremely flexible definitions could be weakened even further without fixing any of their shortcomings and do not welcome this prospect.

Agreeing on the TOR is the easy part. Looking ahead, the next year and a half will require much difficult work to develop credible modalities for sinks in the CDM. This will be followed by actual methodology development - the fun never stops. Assuming the TOR and sinks agenda are adopted in June then the first step requiring close attention will be the August 2002 submissions.

Stay tuned.

View from the South

Nasimul Haque, Senior Fellow, Bangladesh Centre for Advanced Studies and Coordinator of CAN S. Asia looks at what's required to translate commitments made in Marrakech into action to address the impacts of climate change in the context of development cooperation.

Scientific forecasts about the adverse impacts of human induced climate change suggest some countries face an increased vulnerability sufficient to endanger their pursuit of sustainable development. To minimise such impacts these countries require the capacity to assess their own adaptation needs and develop country-driven strategies to address those needs. Likewise, any strategy for co-operation between the EU and developing countries for curbing climate change impacts must include a systematic review of actual technology needs, the most adequate technology available and existing mechanisms for technology transfer.

As part of that process it would seem a rational step forward to share relevant knowledge, experience and practice both North-South as well as South-South. Strong new knowledge sharing and transfer mechanisms at an international, national and local level are essential to secure the effective selection of the most adequate solutions - including indigenous know-how and technologies. This process will also help link successful adaptation practices or technologies and user markets. To support adaptation and mitigation efforts and capacity development for both tasks the EU and G8 should :

- Raise public awareness about adverse impacts of climate change on livelihood and survival strategies amongst the world's most vulnerable communities.
- Regard the commitment of \$450m per year as an initial contribution rather than a ceiling for funding. (In return the South should not cite arbitrary numbers when discussing funding of adaptation needs).
- Incorporate adaptation issues and concerns into policies related to technology transfer and application.
- Support and enable the flow of knowledge on adaptation practices and options between all countries.
- Develop a screening system, with the help of relevant experts, for adaptation technologies and practices so developing countries can appreciate the options available and set clear priorities so that their own technology service portfolio can reflect availability, accessibility, relevance and scale of intervention.

Hot Documents

UNEP fact sheets on renewable energy, cogeneration and fuel cells <<http://www.uneptie.org/energy/act/re/fs/index.htm>>

Climate Change in Focus: the IPCC Third Assessment Report. RIIA Briefing Paper, Joanna Depledge, Feb 2002. Copies available via <<http://www.riia.org>>

Hot links

www.rio-plus-10.org

FoE international website on the summit, leave your message for WSSD Johannesburg

<http://www.climatechange.tv/>

climate change video material, open discussion forum etc.

<http://www.euractiv.com/cgi-bin/cgint.exe?1&1000=1&tmpl=index> EURACTIV - News and policy from the European Union.

Hotspot

Published by Climate Action Network Europe, the European office of CAN (Climate Action Network) - a global coalition of 332 environmental NGOs. CAN Europe promotes action to limit human-induced climate change to ecologically sustainable levels. It represents 85 organisations in 19 Western European countries including all EU Member States.

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Hot Gossip

Some things you can't parody. Two years ago as the Californian energy crisis fleeced consumers and caused rolling blackouts, many people suspected that the rapacious energy trading companies, led by Enron, were deliberately creating these "shortages" to justify astronomical prices. These fears were dismissed by industry and conservative commentators as weird paranoid fantasy – sooner believe in UFOs at Roswell or the CIA assassination of Kennedy. The real villain here, learned commentators opined, was a strong environmental regulatory regime that was preventing right-thinking companies from building enough huge power plants. Strangely, as internal Enron papers are now turned over to public scrutiny, they reveal the cutely-named "Death Star" strategy. This shows that Enron was, er... deliberately creating these "shortages" to justify astronomical prices. Astounding – maybe environmental protection was innocent all along! Watch out for those probing aliens in New Mexico...

Canada's clean energy scam

Rob Bradley, Energy Specialist, CAN-Europe

As the dust settled on negotiations in Bonn and Marrakech, no country was completely happy. All had made concessions and hard choices, but all agreed that the deal was one they could stick to. The USA had withdrawn, but climate change wouldn't disappear for that reason, and the more responsible nations simply had to press ahead. Canada, self-respecting world citizen, was one of those countries. Quite apart from its global sense of responsibility, Canada could comfort itself that it had negotiated quantities of sinks credits substantial enough to make its own target significantly easier to meet.

Now however, as the other participants start the ratification process, Canada has fallen back. In a blatant demonstration of extreme bad faith, Canada claims it needs a further massive concession. Further to US withdrawal from the Protocol, Canada argues it will be uniquely exposed to competitive disadvantage. Its solution to this? To virtually get out of making emission reductions at all.

To this end Canada held a workshop in early May to propose an unique rule for Canada. Citing fact to sustain invention it explained that through the export of natural gas and hydro electricity to the US, Canada helps curb American emissions. Moreover, if the US were Party to the Protocol Canada would earn huge sums selling transferred emission rights. Thus, reasons Canada, it should be credited for all those "avoided" emissions by raising its allowance of Assigned Amount Units (AAUs).

The Canadian government is not trying to demonstrate that any of this energy export would be additional, as one would have to for example in a CDM project. By Canada's calculations, such a 'credit' should amount to 70 Mt CO₂ equivalent per year throughout the first commitment period. This amount is roughly 15% of all Canada's present CO₂ emissions from fossil fuel combustion. In other words, awarding this quantity of new AAUs would remove any need for Canada to reduce domestic emissions beyond its recently published Climate Action Plan (which estimates a cut in emissions 65 Mt below BAU forecasts). In effect Canada is asking to continue to participate in the Kyoto Protocol but without having to meet its agreed target.

It is difficult to stress enough how laughable this proposal is. The world economy is absolutely full of countries that, in the normal scheme of things, export technologies that reduce carbon emissions when compared to some hypothetical alternative technology. It then became

apparent that the only country to support this argument was Qatar - a nation that exports natural gas around the world and would love the chance to get free credits for doing so. Russia also exports natural gas, including to countries such as China. Of course, if Russia wished to claim credits for this it could try (in vain) to demonstrate that this was additional to what would occur anyway and claim it as a CDM project. Canada does not even propose to jump this hurdle: it just wants free AAUs, thank you very much, for energy that it already exports at a sizable profit. The notion that the US (were it a Kyoto Party) would be ready to transfer emission rights for nothing is the next element of the fantasy. And what of countries that export energy efficient light bulbs? All those Danish wind turbines? German cogeneration units? Japanese solar panels? There is no conceivable reason to deny credit to all of these if the Canadians can claim AAUs for exporting gas and electricity to the US. But Canada claims that the bonus should accrue to it alone. How thoughtful.

That Canada should be making such a ridiculous argument for special treatment is an embarrassment to its government. It is thoroughly unworthy of a country claiming to take its responsibilities as a global good citizen seriously. Canada should withdraw this proposal, and countries supporting the Kyoto process should clearly say that they will have nothing to do with it.

Diary

Councils

6-7 June	Industry & Energy, Luxembourg
17-18 June	Transport & Telecoms Luxembourg
21-22 June	European Council, Seville
24-25 June	Environment, Luxembourg
19-21 July	Informal Environment, Sonderborg
3-4 Oct	Transport/Telecoms, venue to be confirmed (VTBC)
17 Oct	Environment, VTBC
24-25 Oct	Summit, Danish Presidency, Brussels

Events

3-14 June	UNFCCC (SBSTA, SBI), Bonn
3-6 July	HIDROENERGIA, Mulhouse, Fr Biennial conference on small hydro. For details see < www.esha.be >
26 Aug – 4 Sep	WSSD, Johannesburg
23 Oct – 1 Nov	COP 8, New Delhi