The “Shall” in Article 3.9

In case some have forgotten, ECO wanted to remind delegates that there is a very important article of the Kyoto Protocol that must be addressed at this COP/MOP. Short, but packed with implications, Article 3.9 states very clearly that “Commitments for subsequent periods for Parties included in Annex I shall be established in amendments to Annex B to this Protocol, which shall be adopted in accordance with the provisions of Article 21, paragraph 7. The COP/MOP shall initiate the consideration of such commitments at least seven years before the end of the first commitment period.” That means now, in 2005.

“Shall” is a strong word and demands a strong response.

ECO will be listening very closely in the plenary today to hear what robust and exciting plans Parties have for fulfilling their obligations under Article 3.9. In case Parties are lacking words for their interventions, ECO has a few suggestions. In order to be serious, Article 3.9 deserves its own process to move forward. In fact, a separate open ended working group should be set up under the Kyoto Protocol (KP) to discuss these Annex B issues. In order to understand more where various Parties are coming from, the decision should request submissions on key questions such as:

- what information is needed to ensure the “consideration of such commitments”?
- what sort of process should be created to consider the adequacy of the Article 3.1 commitments?
- how should the process move forward after 2012?

Non-Parties could be invited to submit their views on this subject. Parties may also wish to make submissions on experience gained with the CDM to assess its current effectiveness and its potential role in the post-2012 time period. Why not, seeing that the CDM is an essential tool to assist in meeting their emissions reduction targets?

It would also be useful to put the Secretariat to work, asking it to gather the needed scientific and technical information to assist in the “consideration of such commitments” including:

- synthesis report of the reviews underway (inventories, demonstrable progress, national communications);
- compilation of interventions at the SOGE and COP/MOP1;
- schedule for the organisation of the review of the KP as mandated by Article 9 of the KP.

Establish a Formal Work Programme

Today’s agenda addresses the issue of deforestation in developing countries, which contributes about 20-25 per cent of all greenhouse gas emissions. It is currently not being addressed in the Kyoto Protocol. ECO believes that negotiations for a post-2012 climate regime should seek to include an acceptable approach to the issue of tropical deforestation.

Papua New Guinea (PNG) and eight other countries have submitted a proposal for a national-level approach to reducing deforestation. ECO suggests that here in Montreal, the COP prepare clear Terms of Reference (TOR) for SBSTA to solicit submissions from Parties and observers on key issues. A series of suitable workshops beginning in 2006 could further this process. The TOR should not be limited to the PNG proposal, but should be open to all approaches.

The TOR should clearly list the range of issues to be considered without restricting the scope of submissions. ECO believes this list should include the following questions as priorities and is eager to hear Parties’ preferences:

- How to set the baselines or targets for deforestation to be set: What metric (tonnes of carbon or hectares), what level and what data will inform the process?
- Which lands are included within the system boundary? For forested land alone, for a future scenario without a post-2012 mandate
Unreal US Action

US senior negotiator Harlan Watson and head of delegation Paula Dobriansky have both taken a hard line in the run-up to Montreal and publicly opposed even starting discussions on the post-2012 framework for climate action. For those still holding out hope for US engagement, this was bluntly repeated at Tuesday’s US press briefing. While the US delegation cannot be helped from being out of touch from American public opinion, it should not get to determine its own facts. The US delegation would have you believe that it is making “real progress” in controlling emissions, and that this shows the success of its “alternative approach” based on voluntary goals alone. They will repeat these claims at a side event today at 1 pm. Assertions by the US are misleading!

Are US Emissions Being Reduced?
The Bottom Line: No. US emissions are rising and show little sign of slowing.


The Real Deal:
• The US administration’s citation of the 2000-2003 trend “coincidentally” chooses a 2000 baseline when US emissions reached a historical high, followed by a mini-crisis in the US economy. The 2000-2003 data is a blip in a decades-long upward trend.
• UNFCCC reports show US net emissions in 2003 were 20.3 per cent higher than in 1990.
• Preliminary US government data shows an expected increase in 2004 emissions, a continuation of historical trends.

Can Voluntary Action Work in Place of Emissions Limits?
The Bottom Line: No. After 15 years of voluntary programmes, US emissions continue to rise.

The US Spin: A voluntary national goal, and voluntary partnerships with emitting sectors, is spurring real action domestically on climate change.

The Real Deal:
• The independent Congressional oversight body GAO described the US domestic programme as achieving little more than business as usual.
• US carbon dioxide emissions from fossil fuel combustion by the two largest sources, the power sector and cars, continue to rise.
• Methane emissions from landfills is one sector to show significant emissions decreases in recent years; interestingly the result of a mandated policy signed by the father of Pres. Bush to reduce air pollutants escaping from landfills.

Isn’t the US improvement in “emissions intensity” a good thing?
The Bottom Line: Not if actual emissions continue to rise, and not if the emissions intensity improvement is no better than ongoing productivity trends.

The US Spin: Emissions intensity is a sensible measure of progress, regardless of actual emissions.

The Real Deal:
• In 2001, the US adopted a voluntary national goal to reduce emissions intensity (emissions per unit of gross domestic product) by 18 per cent by 2012. But in a growing economy, actual emissions can increase significantly even as emissions intensity decreases.
• Emissions intensity improves over time as a result of productivity improvements and normal capital stock turnover; the US non-binding goal is virtually the same as historic trends.
• Even if the US administration’s (non-binding) 2012 national emissions intensity goal is met, US real emissions will be 30 per cent or more above 1990 levels, as shown in the graph on this page.

Get the picture? Under the Bush approach, US emissions will continue to rise, despite the recent two-year small blip. The Bush administration stresses long-term technology development, which is clearly an important part of the picture. But the key to success in the fight against global warming is rapid deployment of clean technologies — many of them available right now — in both developed and developing countries. Without targets or other policies that put a monetary value on reducing carbon emissions, deployment of these clean technologies will not occur rapidly enough to head off truly devastating climate change impacts.

The Bush administration’s voluntary policies are a fig leaf for their failure to take meaningful action to reduce US emissions. The administration opposes not only binding emissions limits (an approach recently supported by a bipartisan majority of US Senators), but also national renewable energy standards (passed twice by the US Senate) and passenger vehicle emission standards (now being implemented by California, and expected to be adopted by at least 10 additional states).

The world should not fall for the US spin. Far from a real alternative to the emerging market-based treaty regime, the Bush administration’s voluntary-only approach is a recipe for climate catastrophe.
Cheap F-gas Credits Threaten CDM Integrity

At Tuesday’s SBSTA the heated debate began on issues relating to the treatment of Clean Development Mechanism (CDM) credits generated by destroying HFC-23, a by-product of HCFC-22 production. HCFC-22 is an ozone-depleting refrigerant which is being phased out in industrialised countries under the Montreal Protocol, but whose production in developing countries will only be capped in 2015. HFC-23 is a highly potent greenhouse gas controlled by the Kyoto Protocol, having almost 14,000 times the global warming potential of carbon dioxide. Since the cost of destroying HFC-23 is so low, the Kyoto system will face a potential glut of cheap credits. This threatens to both undermine the effectiveness of the CDM as a driver for disseminating clean, low-carbon technologies, and to crowd out projects that meet real sustainable development needs, such as renewable energy and energy efficiency projects.

This will also lead to an unnecessary increase of HCFC-22 production, undermining the efficacy of the Montreal Protocol by delaying the substitution of HCFCs. In fact, revenue from the sales of credits could outweigh the cost of building any new HCFC-22 production facilities, providing a perverse incentive and creating artificially high baselines before the 2015 deadline.

The technology used to destroy HFC-23 (thermal oxidation) is a standard technology that offers nothing in the way of real technology transfer, sustainable development benefits such as improved energy supply, reduced local air pollutants, job creation or any of the other goals of CDM projects.

The contact group will meet on Thursday to discuss this issue and ECO believes that credits from new HCFC-22 facilities must be excluded, a sentiment supported in yesterday’s SBSTA by the EU and Colombia and supported (surprisingly) by Kyoto Protocol observers US and Australia. Do we really want perverse incentives built into the CDM that undermine the carbon market and make no contribution to sustainable development? ECO believes the answer is simple enough.

US Cities Say Yes to Kyoto

From Honolulu, Hawaii to Nashua, New Hampshire and 186 US cities in between, local governments are waking up to the growing threat of climate change and are taking action to reduce the greenhouse gases (GHGs) for which they are responsible.

Frustrated by the US Bush administration’s intransigence on global warming and seeing the growing regional and global impacts of climate change, US cities are making commitments to reduce their reduction of their GHG emissions consistent with the Kyoto Protocol targets for the US. These commitments are being manifested in their endorsement of Seattle Mayor Greg Nickels’ Climate Protection Agreement, a framework for action that acknowledges the significance of the problem, the lack of US leadership and the obligation of US cities to do what they can to reduce their emissions.

Cities across the country are feeling the impacts of climate change. Seattle, Washington, for example, is experiencing significant reductions in snow packs on which it relies for hydroelectric power and drinking water. With hurricanes like Katrina and Rita having devastated the Gulf coast, Americans are increasingly aware of the likely relationship between extreme weather events and global warming. Salt-water intrusion into American estuaries is affecting ecological systems and fresh water drinking supplies. Enduring droughts in the southwest are ravaging pine forests. Increasing sea levels, when combined with high tides and storm events, are eroding significant portions of US coastlines and are leading to the evacuation of coastal villages in Alaska.

Americans have awakened and are turning to action. Cities are passing building codes which reduce energy consumption, floating bonds to purchase photovoltaic systems for public buildings, producing electricity from dumps and sewage treatment plants, pioneering hybrid cars and using bio-diesel fuel, offering free or reduced-cost public transportation to city employees and residents and saving and increasing urban forests. These are just some of the measures that cities are implementing.

States in the west, northeast, and southwest are also taking climate change seriously and making big steps to reduce emissions. In California, for example, legislation has been passed to require automobile manufacturers to reduce automobile emissions by 30 per cent by 2016. Similar legislation has been passed or is pending in a number of western and northeastern states, which, if enacted, will represent approximately one third of the US auto market. Twenty-one states have also implemented renewable electricity standards that by 2017 will result in enough clean, renewable electricity to power more than 20 million homes.

While the Bush administration is determined to undermine the Kyoto Protocol at the Montreal negotiations, US cities and states are moving forward. As a consequence, the administration’s position is becoming increasingly unpopular among the people it represents. Opinion polls show that a majority of Americans support the Kyoto process and state and local efforts are multiplying in spite of the Bush administration’s refusal to join the world community.
Global Youth Call on Parties to Fight Climate Change

More than 100 youth delegates from over 26 nations launched “Our Climate, Our Challenge, Our Future – International Youth Declaration, Montréal 2005” yesterday after five days of discussion. Ten principles of climate justice were outlined at the launch ranging from the call to stop cooking the planet to protecting future generations. The youth also reaffirmed their commitment to protecting the climate and demanded that governments follow their lead. The declaration will formally be presented to the Ministerial Segment of the Conference; its full text is available at: www.beyondkyoto.org/declaration.en.html

“Fossil of the Day” Award

For the second consecutive day, the US and Saudi Arabia were awarded first and second place for the daily fossil awards held yesterday. The US won first place for the outrageous statements of its chief negotiator, Mr Harlan Watson, who said the US did not want to see any progress on issues related to post-2012 under the Convention.

Saudi Arabia won second place for threatening to block the creation of any contact groups, and hence to block any substantive discussions, if their rather selfish demand to be compensated for an alleged loss of oil revenues was not discussed in a SBSTA contact group.

The US also won joint second place for blocking the side-event and the release of the already published IPCC Special Report on Carbon Capture and Storage. Not because it has suddenly become critical of this questionable approach, but because it wants to prevent any of its cherished technology approaches from ending up in the domain of the climate negotiations process.