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Crunch time in Copenhagen

As delegates return to the Bella Center today, they are joined by ministers and subsequently by heads of state/government. What issues should they focus on to achieve a fair, ambitious, binding and timely deal? *ECO* is glad you asked, because we have some very clear suggestions.

Mitigation: On Saturday AOSIS again drew attention to the threat to survival for many small island states and LDCs. They are not playing negotiating games. When they push for 45% cuts by developed countries on 1990 levels by 2020 they are defining their right to survive above water.

And yet as we enter the second week of negotiations, developed country pledges for 2020 emission cuts in aggregate remain desperately low. Ecofys and Climate Analytics put the total cuts at a dismal 8-12% on 1990 levels. Once loopholes such as dodgy LULUCF accounting and hot air are taken into account, this could end up as a 4% increase on 1990 emissions.

This low ambition has not been helped by the EU. It could have sent a positive signal to the talks by raising their target at their leaders summit, potentially starting a chain reaction of raised ambition among other developed countries. But no, the EU dodged its opportunity to lead at this key moment.

Not only are targets a problem. Countries continue to bicker over the widely accepted baseline of 1990, there is still no clarity on the straightforward issue of a five-year commitment period, nor on a scientific review clause by 2015 at the latest, to be informed by

the IPCC's fifth assessment report.

So *ECO* draws the attention of all developed country ministers and heads of state/government to the real challenge before them. They must raise their targets, close the loopholes, agree on a 1990 base year and five-year commitment periods, and impose an early scientific review. For small island states and other poor and vulnerable countries this is non-negotiable as it is surely a matter of survival.

Adaptation: The unavoidable loss and damage from climate change must be adequately addressed, since it is a result of developed countries failure to mitigate in the past. Greenwashing must not sacrifice the most vulnerable.

Hence, adaptation is a crucial element of the Copenhagen agreement. Recalling in-depth studies by the World Bank, UNFCCC and others, *ECO* wants to see at least US\$50 billion annually for adaptation in developing countries in the next commitment period, increasing to US\$100 billion by 2020. The delivery of this finance must be measured, reported and verified. It must be additional to development aid commitments and not current commitments repudiated over and over again. The existing Adaptation Fund should play an important role in the delivery of this finance and also as part of fast-track action.

As developing countries implement adaptation, *ECO* expects they will give priority to the people and communities most at risk from climate change.

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Start funding the solution

ECO is pleased to report that after years of searching, long term funding for climate finance has been found! But first we must pry it out of the hands of big oil and coal companies. G20 nations in Pittsburgh, at the urging of the US, pledged to phase out fossil fuel subsidies. This could create a huge new source of funds that can and should be shifted to helping, rather than harming the climate. Leaders have already agreed that we must phase these subsidies out. They simply need to commit to do this urgently and decide where the money goes.

How much money will be freed up by eliminating developed country fossil fuel subsidies? While no definitive study exists, *ECO* notes that Jonathan Pershing, Head of the US delegation, authored a 2004 study that cited \$57 billion annually in OECD subsidies. The same paper notes that per-capita subsidies in the OECD are more than twice as high as those in the developing world. Other studies put the figure as high as \$150 billion in developed countries' fossil fuel subsidies. However you count it, it's a huge dent in the need for long term climate finance.

G20 leaders agreed to phase out fossil fuel subsidies over the "medium term." One way to advance both financing and emission reduction goals would be to set a firm date for Annex I subsidy phaseout.

Shifting fossil fuel subsidies to investments in a global clean energy economy is an elegant and urgently needed solution. It provides a simple and compelling argument for politicians to explain long term finance to its citizens: Stop funding the problem,

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Don't bracket "Mother Earth"

As the hallways of the Bella Center emptied on Saturday night, Shared Vision draft text negotiators and the Chair worked through the late hours. After three days of closed meetings, they finally managed to get through their first reading of the 32-paragraph text. (A surprising amount of debate time was spent on a proposal to bracket a reference to protecting "Mother Earth," which led a Brazilian negotiator to say: "You can't bracket Mother Earth." *ECO* could not agree more.)

It appears that the Shared Vision negotiators had been asked to incorporate four pre-ambular paragraphs and seven operational paragraphs from their draft text into the LCA Chair's proposed draft text. Given that this process is not likely to result in a Shared Vision COP decision or Annex, it is important that the concept of a shared vision outcome is not lost.

To be sure, the critical elements of the shared vision such as the right to survival, early and urgent action, human rights, protection of biodiversity and ecosystems, gender responsibilities of developed and developing countries, just transition and public participation remain. The missing reference to the necessary emissions stabilisation level of 350 ppm carbon dioxide-equivalent in

the draft LCA text sends an important signal to negotiators and civil society. It warns that important elements of the necessary requirements for a fair, ambitious and binding outcome are under threat.

The Shared Vision sets the frame and the direction for these globally critical negotiations that will set the path for our children and all future generations for whom we hold this planet as trustees. Parties must negotiate responsibly and with deep appreciation for what is at stake.

– Start funding, from front page –

start funding the solution. Long term finance has to come from somewhere. Instead of giving US\$3 billion to Exxon as the Obama Administration did just last week, shouldn't part of the solution be to use the money for cleaner energy and adaptation?

If developed countries simply took advantage of the range of innovative finance sources out there, *ECO*'s math suggests that the 2020 finance gap would quickly disappear. Annex I leaders should be emboldened by the solutions at their fingertips and propose bold actions that could add up to meaningful long term finance.

– Crunch time, from front page –

Finance: Last week saw the unveiling of a variety of proposals from both developed and developing countries. This is a welcome display of initiative at a time when that is sorely needed, but *ECO* would like to emphasise two important points.

First, kick-start finance must come as a part of a long term, legally binding agreement to reach the figure of US\$195 billion per year by 2020. This amount must be additional to ODA commitments if it is to contribute effectively to sustainable development.

Second, this funding should flow through a consolidated fund under the authority of and fully accountable to the COP. Direct access to funding and accountability to those most affected by climate change are also essential. Once again clarity is needed on accountability to the COP and the role that affected communities will play in the suggested proposals.

Last week also saw renewed enthusiasm for innovative sources of finance, with the spotlight focusing on fossil fuel subsidy shift, special drawing rights and financial transactions taxes. This shows a useful concentration of minds; but these ideas still need to be transformed from policy concepts

into workable text.

And speaking of text, *ECO* reminds Parties that bunkers are already in the negotiating text with US\$25-37 billion per year of reliable and sustainable financing waiting to be picked up by 2020. It's a good moment for this to gain further momentum among the Parties. While we are at it, why not include some provisions for AAUs auctioning?

Legal Matters:

In the first week, legal form issues have taken center stage with Tuvalu taking the lead, and new drafts provided by both Chairs. *ECO* welcomes the emerging consensus that both AWG tracks are moving towards legally binding text. Time is tight, so Parties must be willing to work seriously with the text that they have. Ministers and

J rgen

From his hostel window Jorgen can see a giant LED clock that also registers temperature. The first thing he does after groaning awake at 6am is to draw the curtain and check the temperature. It was +6°C on Monday. Bad omen. For the rest of the week it was +5°C. But Sunday morning, after Jorgen had stayed up late the previous night, first marching with NGOs from around the world and then brainstorming ideas to move these talks forward, the clock registered +2°C! Good omen? Jorgen certainly hopes so.

FOSSIL OF THE DAY AWARD

First Place – Japan. On Saturday, Japan won the top fossil award for strongly opposing setting a second commitment period for the Kyoto Protocol, blocking progress by refusing the chair's text as a basis for negotiation. **Second Place – Papua New Guinea.** It received the second-place fossil award for openly opposing the AOSIS proposal for two legally binding protocols.

A new development occurred on Thursday. France was awarded **Ray of the Day**—the second in history—for its leadership in fighting the EU's shameful position on LULUCF

heads of state/government must then step in to resolve contentious issues. Early progress this week must occur to raise the prospects of reaching a full agreement on substance and legal form here in Copenhagen.

It is crunch time and these are the core issues that should occupy your minds this week. Success or failure on these questions will not only determine whether an agreement can be reached, it may determine your legacy.



Climate rally on December 12 in Copenhagen. An estimated 100,000 joined the rally. Source: <http://www.flickr.com/photos/adoptanegotiator/4178467203/>