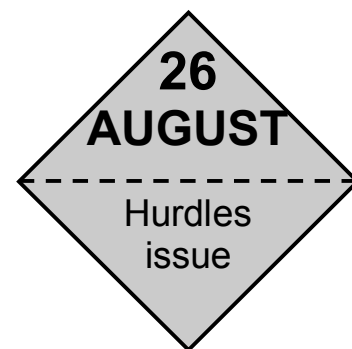


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It Pays to be a Leader

After losing three valuable negotiating days getting agreement on its creation, with the Brollies blocking it in Saturday's plenary, the AWG LCA "Contact Group on Delivering on Technology and Finance, including Consideration of Institutional Arrangements" finally got under way Monday, and soon proved its worth.

The first intervention was by G77 and China, with a new proposal for a financial mechanism, followed rapidly by Norway, Mexico, and Switzerland with their proposals for financing the Convention.

This contact group shows that the EU's status as a leader in the negotiation is currently not showing in the form of substantive contributions

to important parts of the negotiations. The new, concrete, and creative ideas are coming from other parties, with the G77 and China laying out their expectations, and Norway nearly stealing the show with a cogent and convincing presentation on the advantages of their proposal for financing for mitigation and adaptation to climate change.

The proposals presented yesterday give an initial picture of the public finance pillar of the financial architecture. The sources of funding could be either a carbon tax, the auctioning of AAUs, or a differentiated contribution by the countries. ECO notes that a system that keeps the revenue out of the treasurer's hand, such as the auctioning of AAUs is much more predictable.

ECO accepts the apologies on behalf of the climate community of the European Union for not being able to present their own ideas. We did have some sympathy with the EU though. Getting old and new Europe to agree on a common proposal must be a nightmare. But did we not hear the EU saying sorry for their lack of proposals in Bonn already?!

For Poznan, we propose that the EU matches the ambition of other Parties by presenting a set of principles and criteria for a financial architecture, and an objective evaluation of current proposals for sources of funding. This, together with other inputs, should allow the Parties to make an informed decision on the first element of financial architecture in Poznan.

Peatlands should become UNFCCC turf

Despite the enormous amount of greenhouse gas emissions from peatlands, it is a fairly new issue to the climate talks and relatively few people are aware of the problem and its scale. CO₂ emissions from peatland drainage, fires, and exploitation are currently estimated to be at least 3 GT annually - equivalent to over 10% of global fossil fuel emissions.

Here in Accra, the talks have not explicitly addressed peatlands. This

is of great concern, as emissions from peatlands are almost equal in magnitude to emissions from deforestation. So, ECO feels it's time to draw your attention to this problem in order to accelerate discussions on how the Convention and the Protocol can address the issue of emissions from loss and degradation of these important wetland ecosystems.

Peatlands cover only 3% of the planet's land area but store 528,000

MT of carbon.

They are found in boreal, sub arctic and tropical zones in mountainous areas, for example in the permafrost areas of Russia and Canada and the highlands of the Andes and the Himalaya. Other areas endowed with extensive peatlands are the lowlands of humid tropical forests in South East Asia.

Poor management of peatlands leads to major greenhouse gas emissions, with *(continued on page 2)*

Africa-EU tandem leading the adaptation race to Copenhagen?

ECO is delighted to see overlap between the EU submission on adaptation and the views expressed by Africa in the respective contact group. ECO wonders if this may be the beginning of a 15-month tandem bicycle ride, involving the submission of specific textual proposals (STPs), leading the adaptation race from Accra to Poznan to Copenhagen. The key objective of this journey is to deliver a framework for effective implementation of adaptation to those most in need, starting now and going beyond 2012.

Both Africa and the EU seem to give the UNFCCC a leading role in mobilising adaptation action, and both groups stress the urgent need for greater coherence. ECO celebrates their move towards implementation – and there is no reason to wait until 2012. Substantial progress on 1/CP.10 in Poznan would prove how serious the EU is about adaptation. The EU, keen as they claim to be on tailored responses on the regional and national level, should not object to the consideration of a regional adaptation implementation initiative for Africa. ECO also welcomes the more outspoken support by the EU to improve, or establish, regional centers and networks for adaptation. ECO would find it logical if the two groupings would now begin to champion the inclusion of regional centres or networks in the future adaptation framework.

Both groupings highlight the importance of capacity building for adaptation at various levels, as well as the need for adaptation technologies. ECO concludes that the future framework needs some kind of a

dedicated adaptation technology mechanism for research, development, diffusion, and transfer of adaptation technology, taking into account the context, site, and problem specifics of adaptation technologies.

There is a common call for adaptation to be integrated with national development planning and development aid. The EU should, however, take up the African view that there is a need for both the integrated as well as stand-alone adaptation measures. Both involve additional costs – which could result in disagreement between the two groupings. African delegates may wish to clarify with their EU colleagues if adaptation finance would draw from existing ODA commitments, placing the burden on the poor. EU and Africa seem to agree that developed countries have the responsibility to deliver on resources needed for adaptation, and that there is the need for improved assessments of the costs. ECO wonders, nevertheless, if both groupings agree on the scale of funding required from developed countries. The EU suggests that adaptation in developing countries should be “complemented” by international support. ECO kindly asks the EU to clarify what is meant by “complemented”, as Africa rightly asks for funding to be increased by over a hundred-fold. Africa should seriously ask if the EU intends to base their contributions to meeting the costs of adaptation on objective criteria for responsibility and capability – and how much they intend to cough up. In case of continued disagreement on the matter, ECO would suggest inviting Norway to the ride, given their progressive proposal on auctioning AAUs. And other countries may then just also be wanting to get on their bikes...

(continued from page 1) most emissions (2 GT per year) currently being concentrated in South East Asia, in particular Indonesia. Nevertheless, most of the world's peatlands are actually located in Annex I countries. The main human activities impacting peatlands include drainage for agriculture and forestry, land clearing and burning, grazing, peat extraction, infrastructure and urban development, and reservoir construction and pollution.

Degraded peatlands are a source of emissions until action to restore them is undertaken. Optimising water management is a top priority to combat CO2 emissions from peatland degradation. Encouraging the wise use of peatlands and ensuring the wellbeing of traditional local communities is also crucial for the long-term sustainability and benefits of peatlands for people and biodiversity. Incentives to halt peatland degradation are not only cost-effective in terms of climate mitigation, they are also of major importance in reducing the impacts from climate change. Peatlands play a key role in water resource management, storing a significant proportion of freshwater resources. Peatland degradation can disrupt water supplies and decrease flood control effectiveness. In addition to the emissions associated with peatlands degradation, damage to peatlands also leads to significant loss of biodiversity and ecosystem services.

The UNFCCC has an important responsibility to address specific degrading activities that are substantial sources of emissions and can be confidentially measured.

MISSING: An obligation to reduce LULUCF emissions!

Missing from the list of LULUCF options negotiators are considering are any ideas on how to ensure that the sector is subject to emission reduction obligations post-2012... translation into the language of LULUCF: "Options for net-net accounting should include ideas for incorporating emission reduction targets into base year or baseline emissions."