

**UN climate negotiations – 8 June**

# **BONN II – AN ASSESSMENT**

**A civil society analysis of the climate negotiations**

**Current negotiations are dismantling the global climate regime and risk a 4 degree C rise in global temperatures. We need a course correction in Bonn to get the negotiations back on track and aligned with the Bali Roadmap.**

Negotiations during the last week confirm fears that many developed countries have begun the process of dismantling the current global climate regime, to replace it with a weaker system of voluntary pledges.

Such a voluntary system offers no guarantee that the collective global effort will be sufficient to curb climate change, or that the contributions of individual countries will be adequate and fair.

The climate negotiations are being led astray. We lost our way in Copenhagen. We urgently need to get back to the Bali Roadmap here in Bonn.

## **Honoring the Bali bargain?**

Under the Bali Roadmap (comprising the AWG-LCA Bali Action Plan and the AWG-KP) the current system including the Kyoto Protocol would be maintained as the foundation of the global climate regime.

Under the Bali Roadmap it was understood that:

- The negotiations under the Kyoto Protocol would continue and Annex I Parties to the Kyoto Protocol would adopt a second period of commitments commencing in 2013;
- The US, which is not a Kyoto party, would undertake comparable commitments under the AWG-LCA; and
- Developing countries would undertake nationally appropriate mitigation actions,

enabled and supported by financing and technology that would be measurable, reportable and verifiable.

The bargain was to maintain the existing rules – including strong provisions on transparency and compliance in the Kyoto Protocol – and to lift up the standard of other countries (including the United States) through new negotiations under the AWG-LCA track.

Instead of honoring this plan, it now seems that many developed countries intend to sink the Kyoto Protocol and “jump ship” to a much leakier vessel created under the AWG-LCA. Led by the United States (which proposes a “new paradigm for climate diplomacy”) this would replace the basic bargain of the climate regime with one that “defers to countries in terms of deriving their respective mitigation undertakings” and that relies on the “sunshine” of transparency to compel compliance.

## **Dismantling the Kyoto Protocol**

A number of Annex I Parties have said they will not commit to a second commitment period under the Kyoto Protocol – suggesting they intend to violate their legally binding obligations in order to do so. Rather than honor the Bali bargain, they are now seeking to migrate favored elements of the Protocol (e.g. market mechanisms) into a new agreement under the AWG-LCA, and to establish a system of voluntary pledges.

## **”Developed countries intend to sink the Kyoto Protocol and ‘jump ship’ to a much leakier vessel”**

**”Indeed, the system advanced by many developed countries offers the worst of both worlds”**

After more than four years of negotiations under the Kyoto Protocol (which are supposed to yield a “top down” aggregate target for Annex I Parties) some countries now propose a “bottom-up” approach, in which current pledges could result in a cut of only 17–25% by 2020 from 1990 levels according to the preliminary assessment by the UNFCCC secretariat. Further, according to a recent article in *Nature*, developed countries’ pledges under the Copenhagen Accord could **increase** emissions by 6.5% by 2020 from 1990 levels, far lower than the 40%–50% cuts demanded by science and developing countries.

### **The disappearing aggregate target**

In negotiations to implement the Convention under the AWG–LCA, many developed countries are opposing a science- and equity-based aggregate target. Some developed countries favor an option based on the Copenhagen Accord that includes no aggregate target whatsoever.

If agreed, this means there would be no aggregate target for developed countries, no requirement for legally binding national targets, and no comparability of efforts, thus letting the US off the hook. The US is also asking for no compliance mechanism and no requirement that reductions are done primarily at the domestic level (rather than through offsets).

### **Expanding loopholes**

In addition to inadequate pledges, developed countries also intend to benefit from “loopholes”. These include the use of “surplus allowances” (earned by some countries, especially Russia, for emitting less than their allocated share in recent years) and land-use accounting rules.

So while foot-dragging on their targets, Annex I Parties are pushing aggressively in the AWG–KP to finalize weak rules on land-use, land-use change and forestry (LULUCF). This would be achieved, in part, by allowing countries to set their own baselines (reference levels). Annex I Parties are also proposing that accounting for forest management remains voluntary, thereby allowing them to simply not account for any emissions increases.

These loopholes together with their paltry pledges and surplus allowances could allow Annex I Parties to **increase** their emissions by around 10% according to figures produced by the European Union.

Developing countries have called for greater transparency by developed countries on the proportion of emissions that they will reduce domestically, and without recourse to loopholes, markets or creative accounting. This information has not been forthcoming.

### **Migrating market mechanisms**

Rich countries are engaged in a systematic effort to “migrate” the elements of the Kyoto Protocol into negotiations under the AWG–LCA, with the objective of superceding and laying the ground for the Protocol’s demise. One particular example is the attempt to export “carbon market” mechanisms from the Kyoto Protocol into the AWG–LCA.

A number of developing countries and civil society groups have expressed major concerns about carbon markets, including the risk that carbon markets will mirror the failures of the recent financial crisis by creating “subprime carbon”-risky carbon credits that fail to deliver promised

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emissions reductions – much like subprime mortgages.

### **Small change for finance**

So-called “fast start” finance under the Copenhagen Accord is being used for political purposes. And the scale of finance being discussed at the negotiations is grossly inadequate to meet the needs of developing countries.

Trillions of dollars will be required to compensate developing countries for the costs of adapting to the impacts of climate change and for the transition to clean and sustainable economies. The goal of mobilizing \$100 billion per year – pledged under the Copenhagen Accord for 2020 – is non-binding and is profoundly inadequate to meet this need.

We are waiting to see meaningful discussions around a new global climate fund that is entirely separate in management from the World Bank and regional development banks.

### **Democracy matters**

There is a disturbing trend to limit the number of negotiating days within the UNFCCC this year (in stark contrast to last year).

At the same time, discussions are being shifted outside the UNFCCC. Discussions on forests are taking place under Paris–Oslo REDD process. Sources of finance are being addressed in the UN Secretary General’s High Level Advisory Group on Climate Finance. In the negotiations, the United States has said it “does not envision textual provisions” on key aspects of a new global climate

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fund. Instead, the text should simply “invite the World Bank to serve as trustee”.

While downgrading UN negotiations, some countries are also proposing for high-level meetings before the Cancun climate conference – risking a repeat of the Copenhagen debacle in which a few countries attempted to determine the fate of many, and the majority of delegations and civil society were sidelined. This is unacceptable.

### **Unraveling the science- and rules-based climate regime**

We are gravely concerned that if Annex I Parties in the Kyoto Protocol are unwilling to accept a second commitment period, and opt for a non-binding system of voluntary pledges, with no aggregate target, then they are proposing for themselves a major climb-down from a binding regime. This will unravel decades of work to build a science-based and rules-based climate regime.

If they demand enhanced mitigation actions for developing countries along with new requirements for “measurement, reporting and verification” and “international consultation and analysis” that are above and beyond existing Convention requirements, then a major imbalance will emerge.

Indeed, the system advanced by many developed countries offers the worst of both worlds: a system with no binding science- and equity-based aggregate target for developed countries, and with inadequate pledges, expansive loopholes and carbon markets allowing them to shift the burden further to developing countries.

# The Way Forward

The climb down proposed by developed countries threatens a serious deadlock in the negotiations, and an outcome that threatens the lives and livelihoods of millions of people. We therefore call for a return to the approach under the Bali Roadmap.

- Negotiations under the Bali Action Plan must “stick to the plan”. We call for a balanced outcome on all elements, including mitigation, adaptation, technology and finance under the AWG-LCA. We oppose an “early harvest” of some issues favoring the developed countries in Cancun. Negotiations must maintain balance between the various elements, and ensure that the distinction between the two negotiation tracks is maintained.
- Negotiations under the Kyoto Protocol must close the “mitigation gap” between developed countries’ pledges and what science and equity require. Developed countries must recommit to a second commitment period. We call on Europe, architects of Kyoto, to lead this effort, and not use delaying tactics.
- Greater transparency is required from the developed countries. They must state clearly how much they will cut emissions at home, without shifting the burden to developing countries through offsetting, or through using loopholes such as creative land-use accounting and surplus allowances.
- Developed countries must provide adequate, predictable, sustainable, new and additional public finance for developing countries’ adaptation and mitigation needs. A new global climate fund must be established (without any management role for the World Bank or regional development banks) based on principles including environmental integrity, representative governance, participation of affected

communities, no policy conditionalities, and direct access.

- The world is waiting for President Obama to earn his Nobel Prize. If the United States cannot join the Kyoto Protocol it must at least refrain from undermining it. It must accept science-based, legally binding, comparable efforts under the Bali Action Plan, as a contribution to a science-based aggregate target for developed countries.
- Developed countries must lead by honoring their obligations rather than shifting the goalposts. We remain unconvinced by the rhetoric of a “new paradigm of climate diplomacy”. Without real efforts, developed countries will lack the credibility to call for mitigation actions by developing countries, and there will be no assurance their efforts will be comparable or consistent with what the science requires.

All countries must remain committed to the Bali bargain, which builds on the strengths of the current system. It retains the Kyoto Protocol. It provides an appropriate “home” for efforts by the United States under the Convention. And it ensures that all countries will undertake efforts that are “nationally appropriate” including developing countries, supported and enabled by financing and technology. It provides a stepping-stone to the stronger system the world needs and demands.

It is not too late to avoid the catastrophic impacts implied by 3 or 4 degrees C of warming. We believe that with a concerted effort by all Parties, and an effort to honor the Bali Roadmap, an outcome that preserves our fragile planet remains possible and can be agreed in Cancun.

**Action Aid**

**Campagna per la Riforma  
della Banca Mondiale**

**Friends of the Earth International**

**International Forum on Globalization**

**Jubilee South**

**Pan African Climate Justice Alliance**

**Tebtebba**

**Solon Foundation**

**Sustainable Energy & Economy Network,  
Institute for Policy Studies**

**Swedish Society for Nature Conservation**

**Third World Network**