

OUTREACH

a multi-stakeholder magazine on environment and sustainable development.



IN THE FOOTSTEPS OF THE GLOBAL FUND:

HOW TO STABLISH THE NEW
CLIMATE FUND

WHICH WAY FOR CANCUN?

FROM THE COPENHAGEN
DISCORD TO THE
COCHABAMBA ACCORD

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OUTREACH

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In the Footsteps of the Global Fund:

How to establish the new climate fund

By Benito Müller and Sven Harmeling
Oxford Institute for Energy Studies and
Germanwatch



PHOTO: Stock.Xchng

While consensus on establishing a new multilateral Global Climate Fund is emerging, there are a number of as yet unresolved issues concerning how this should be done.

AT the heart of the debate in Cancun is the question: who should draft the documents required for operationalising such a fund? Any answer to this has to address a number of issues, including the required technical expertise and the appropriate input by the COP to ensure sufficient support for the outcome.

Drafting the governing documents for a multilateral fund is not 'rocket science', it is not something that has never been done before. On the contrary, there are many examples of such documents from existing funds inside and outside the climate regime, and the relevant key expertise has to be a knowledge not only of what is there, but of what has proven to work well, and what may need to be improved or avoided.

This sort of knowledge is unlikely to be confined to governments and their agencies and ministries, let alone to a single ministry, which is why it is important that the drafting group in question be multidisciplinary and multi-sectoral. It is, in other words, essential that any drafting process be able to attract the relevant expertise from all sectors and disciplines – as happened in the process

of establishing the Global Fund (GF) to fight AIDS, Tuberculosis and Malaria. That process was indeed remarkable, not least as it took a mere six months to complete its task.

The high-level decision to set up the GF was taken in the UN General Assembly Special Session on HIV/AIDS in June 2001 – without however tasking anyone to take action. In order not to lose the momentum, the then UN Secretary General Kofi Annan and staff in the European Commission convinced some key countries to take the GF idea forward.

This resulted in the commitment by the G8 in July 2001 to pledge a significant amount of start-up funding for the fund and push for its rapid operationalisation. Two consultation meetings of this group of 'partners' led to the establishment of a 40 member Transitional Working Group (TWG) to develop basic guidelines for the fund's operation, including its legal status, management structure, financial systems and general eligibility criteria. The timeline was ambitious: the group was to finish operationalisation by December 2001, only six months later after the UN GA Special Session.

The success of the TWG was in no small measure due to the following elements:

- **A multidisciplinary composition** with members not only from different government bodies, but also from international organisations, civil society, private sector and foundations engaged in the health debate.
- Support by a **Technical Support Secretariat**, working exclusively for the TWG and responsible for drafting/commissioning discussion papers, for coordination of TWG comments on papers and for providing administrative support for consultations.
- Broad and early **stakeholder consultations**, including regional meetings with governments as well as consultation meetings with specific stakeholder constituencies (such as civil society, private sector, academia).
- Establishment of specific **drafting groups**, such as on fiduciary management, governance, which carried on the work of the TWG between its meetings.



Dr Benito Müller

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Sven Harmeling

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Would the TWG model work for establishing a new climate fund? Some of its aspects, such as the ones listed above are clearly worth emulating. Others, however, are unlikely to work.

sitional Expert Panel (TEP) that include the positive elements of the TWG model, but also specify the TEP composition and rules for convening. More specifically, we believe such a TEP should include a balanced and equitable representation from

More specifically, we believe such a TEP should include a balanced and equitable representation from the COP, expanded by representatives of non-government sectors.

The crucial difference between the GF and the new Global Climate Fund, as debated in Cancun, lies in the fact that the latter is to implement the UNFCCC and, as such, to be guided by, and accountable to its Conference of Parties (COP). Given this, it is highly unlikely that the lack of transparency in the formation of the TWG and the general dominance of contributors on it would lead to the buy-in by the COP required for an acceptance of the outcome (be that as regards to approving the documents, or establishing an MOU). In short, the TWG model could only work in establishing the new Global Climate Fund if it is set up in a transparent and representative manner, not determined by any Party or individual, no matter how well intended.

We believe that this can be done by the COP adopting Terms of Reference (TOR) for a multi-sectoral, multidisciplinary **Tran-**

the COP, expanded by representatives of non-government sectors (e.g. from private sector, multilateral development banks, civil society, academia).

Of course, all panellists should have the necessary skills and experience as laid down in the TOR.

As to the contentious issue of who should be leading such an operationalisation, we believe the best way to proceed would be for the COP to request the UN Secretary General to convene such a TEP (in accordance to the procedures set out in the TOR!) and that the role of TEP Chair be given to a prominent, politically independent person such as Kofi Annan, who through his engagement in establishing the GF would be eminently suited for such this task.

The task of this TEP would be to prepare a governing instrument and other documents

needed to establish the fund, including rules on procedure, strategic priorities, policies and guidelines, direct access, legal arrangements and a process to elect the fund board. With the approval of these documents, the new Global Climate Fund could be established at the next Session of the COP in Durban, South Africa in December 2011, provided the full lesson of the GF is taken on board: **the urgency to establish a fund is proportional to the funds committed!**

In other words, the process of establishing the founding documents of the new Global Climate Fund is unlikely to lead to an acceptable outcome at Durban in the absence of identified sources of funding for it. There is very little appetite in the developing world for establishing yet another placebo fund.” •

Forget Cancun:

What we need are Unreasonable CEOs



PHOTO: Shutterstock

By Geoff Lye

As I left last year's failed Climate Change Conference in Copenhagen, it dawned on me that the search for a new global agreement on climate change under the auspices of the UN is providing perfect cover for inaction by business leaders.

Take BP's then CEO, Tony Hayward who, to paraphrase his words from the Copenhagen World Business Summit a few months prior to COP 15, assured us that climate change is not a problem for business. Let the world decide what it wants; put in place the policies and regulations to deliver it – and we will comply. In other words, it is down to governments to set the rules and we in industry will follow.

Whatever happened to leadership and climate responsibility which reflects a company's values and principles? What happens if and when governments fail to deliver adequate regulation – is business as usual an option?

Taking a lead

The one thing we can be sure of – and informed business leaders know this too – is that even the best outcome in Cancun over the coming weeks will not be enough to reduce the risk of dangerous climate

change to an acceptable level. A report recently released in London, prepared by climate scientists under the auspices of the UN, has calculated that if the signatory countries sign up to the Copenhagen Accord (and then actually deliver – not likely on past experience with the Kyoto Protocol), we would still not be cutting emissions enough to avoid breaching the 2°C global warming threshold – with the potentially catastrophic consequences that would entail.

A successful outcome in Cancun is of vital importance, of course. Even if the targets agreed are inadequate, a refined protocol will establish new rules of the game. This will, hopefully, include the critical steps towards a global price for carbon; a substantially improved Clean Development Mechanism; and integration of a scheme to reward protection of forests. Establishing global frameworks and rules on these and other issues will be massively powerful in driving down the carbon intensity of the global economy.

But the new rules of the game are the starting whistle rather than the end game itself. The revised rules for Formula One motor racing unleashed completely new strategies for winning and – in the process – completely re-ordered the winners and losers. Similarly, businesses can and should be developing winning strategies based on low carbon solutions.

Unreasonable CEOs

To borrow the title of John Elkington and Pamela Hartigan's 2008 book *The Power of Unreasonable People*, perhaps the time has come to call on Unreasonable CEOs to step up to the challenge. Unlike democratic governments, CEOs can lead and inspire rapid and massive actions to reduce emissions. Just consider how quickly WalMart has moved from a slow follower to global business leader in squeezing carbon out of its supply chain; no government could move as quickly or as efficiently. And Unilever's Paul Polman's recent pledge to double their business

**ExxonMobil,
Shell and BP's
products
account for
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global energy-
related
emissions
over their full
lifecycle.**



while halving their environmental footprint is nothing less than a paradigm shift in their underlying business model.

Compare, on the other hand, the actions of the world's largest public oil companies. Between them, ExxonMobil, Shell and BP's products account for about 15% of global energy-related emissions over their full lifecycle. Their strategies have massive implications for succeeding or failing the 2°C imperative. If we judge them by their actions rather than by their words, we can track a growing commitment to energy security at the expense of climate security. Investments of all three show how BP and Shell have followed ExxonMobil into 'difficult' (for which, read 'risky') and 'unconventional' (for which read 'dirty') sources of energy. ExxonMobil has at least been consistent and honest in its future pathways; whereas both BP and Shell have – far from decarbonising their portfolios as promised at the turn of the century –aggressively re-carbonised them, particularly by investing in oil sands. Unreasonable CEOs can act unreasonably in breaking the status quo

or, as in the oil industry in recent years, shifting the problem and the solutions to regulators.

At various times in recent years I have asked senior oil industry executives what they would do if we lived in a world of no regulation. Other than rejecting hypothetical questions (politicians take that line too), they clearly have no idea. Surely, I press, this is when your company values and business principles kick in? In other words, given that climate risks are at least as great as safety risks (e.g. "Every employee has the right to return home to their families with all their fingers and toes intact"), should companies not set their own standards of responsible behaviour and measureable goals to guide their strategies, investments and business models? And, if they did, would this not require voluntary targets for absolute emissions reductions and for squeezing carbon out of the supply chain (à la WalMart)?

Geoff Lye is Chairman of SustainAbility – a hybrid think tank and strategy consultancy.

He has worked extensively with a wide range of multinationals in over 30 years of consulting. Geoff holds a Research Fellowship at Green College, Oxford and teaches postgraduates at the Environmental Change Institute. Contact: lye@sustainability.com.



Network of Regional Governments for
Sustainable Development

THE °CLIMATE GROUP

Plans and pilots: an international axis for low carbon development strategies at subnational level

50% to 80% of the decisions impacting upon carbon emissions are implemented at a regional or local level, according to UNDP

Subnational governments from the North and the South are addressing climate change and turning the global economic difficulties into an opportunity to move towards a green economy by putting in place concrete innovative actions and cooperating together to build more inclusive, sustainable, and less resource intensive communities.

We have the pleasure of inviting you to this side event co-organised by nrg4SD and T°C G on

Thursday 9 Dec 2010

18:30-20:00

Cancun Messe

Room: Sandia

www.nrg4sd.org

www.theclimategroup.org

Speakers include:

Mr Alfredo Boné

Minister for Environment, Aragón, Spain

Mrs Jane Davidson

Minister for Environment, Sustainability and Housing, Welsh Assembly Government, UK

Mr Philippe Henry

Minister for Environment, Spatial Planning and Mobility, Wallonia, Belgium

Mrs Nieves Terán

Deputy Minister for Environment, Basque Country, Spain

Mr Tim O'loughlin (tbc)

Commissioner for Renewable Energies, South Australia

Mr Andrew Mawejje

Chief Administrative Officer, Mbale, Uganda

Mr Salvador Samitier

Director of the Climate Change Office of Catalonia, Spain

A dismantled train cannot carry us towards Climate Sustainability

By Uchita de Zoysa
Convenor – Climate Sustainability PLATFORM



PHOTO: Stock.Xchng

The whole United Nations effort on sustainability is like a disjointed train ride. It is as if the train's engines and compartments has been dismantled and set to run on different tracks to find the same destination and at differing speeds.

This has left us, the passengers, befuddled and bewildered as to which path leads to sustainability, or which train can take us on that journey. The stations too have changed and different road maps have been delineated. Amid this confusion, the train company has not only survived, but continues to profit by having multiple maps, stations, trains, and destination points directed towards sustainability.

The United Nations Framework Convention on Climate Change (UNFCCC) was one of those compartments founded at the UNCED in 1992, and therefore became the mandated organization to save humanity from climate change. For the past fifteen years the UNFCCC have spent billions of dollars and burned thousands of tons of fossil fuel in the process of negotiations. Meanwhile, the overall situation for us, the ordinary people, continues to deteriorate, and a new destination called 'a liveable environment' is being proposed. The UNFCCC is lost in a journey without a clear destination.

Environmental Governance

One of the biggest discussions emerging within the UN agenda is on Environmental Governance. Put simply, what they mean is a means to clean up the mess they have created by fragmenting the sustainable development functions to different agencies with different approaches. They now have realised that it is important to find a way to centrally coordinate all the

multilateral environmental agreements (MEA). However, bringing together environmental concerns into one single coordination initiative would also isolate it from the social and economic concerns of sustainable development. Sustainability at the end of the day is what all these negotiations are trying to achieve.

This fragmented approach to governance of global sustainability is why half of the world remains in poverty while the climate is changing. Poverty is a result of the prevailing hypocritical global governance systems that lacks holistic approach and care for all. If people are trapped in poverty and cannot find adequate food and other needs to fulfil their basic livelihood requirements, then the success of facing the climate challenge will be beyond human ability. Also, this would increase the frequency of wars on earth and humanity may finally perish in a combination of climate and poverty related violence.

'Business as usual'

Even though the earth's surface, atmosphere and the oceans have started warming, it appears that it is not hot enough for the establishment to get away from 'business as usual'. It is not that all on earth are blind to the truth and that we are living in an 'age of the stupid'. It is more that we live in times of the greedy wanting to be in power.

A small group of rich and powerful countries, companies and people continue to drag the rest of us through great grief and a dangerous destiny that would have devastating long term consequences for all. But, the establishment is still convinced that growth, capital accumulation and development could provide answers

for the survival of the people who really matter on earth. People who matter are a very few and they control the earth. They consume most of the resources, control the trade and capital, and decide what is best for all of us on earth. The rest of us, especially the half of the world that lives in poverty, is insignificant in the global decision making.

What we need is to we need to get the train back on track towards sustainability. The Southern country compartments are firmly stationed, and demand that the negotiations should consider a route through poverty eradication and climate justice. But, the developed countries do not want to pay anything extra and have held back their due commitments wishing to extend their profits of the current world order. It is a stalemate, and no journey seems possible.

The UN may well need to rethink their role and responsibilities before the climate negotiations can agree upon sustainability as the logical destination that was found many decades ago. With this destination in mind, getting the train back together to run on a single track may be more important than finding new engines, placing new tracks, setting up new stations and designing new road maps. Once the destination is clear, the train is assembled, and the tracks are laid on the mapped pathway, getting to climate sustainability will be better understood. Bon Voyage!

Send your comments to:

uchita@sltnet.lk and for more information visit: <http://www.climatesustainabilityplatform.blogspot.com> and <http://climatesustainability.blogspot.com/>

The Impacts of Rising Sea Levels in El Castaño

By Maggie von Vogt with Daniel Hale



PHOTO: Stock.Xchng

Victor Urbina dips the bucket, tied to a thin rope, down into the well. It clatters down, banging against the cement walls of the well until we hear a splash as it hits the water below. He jerks the bucket back and forth, pulling the rope up in sections to show us the water.

“The water smells bad and is yellow, and we know we can’t drink it. We will get sick if we do. Sometimes even trash comes up in the well. No one has good water here. We all have the same problem with the wells.”

Victor, a fisherman, lives in El Castaño, one of many coastal communities in the southwestern border of El Salvador. He and other local community members describe a common problem. When they drill a new well, fresh water can only be taken for a short period of time. Then it turns salty and makes them sick.

Access to water is a growing problem here. Rising sea levels slowly tip the delicate balance out of kilter, turning the water-bearing aquifers salty. It’s also getting harder to get decent water from

elsewhere: rivers are drying up for longer, over-extraction from wells lowers the water table, and deforestation has an impact too. Large-scale agriculture and cattle farming are using very large amounts of water. Little is left for local subsistence farming and household consumption.

Maggie von Vogt and Daniel Hale are with development charity Progressio. Progressio partner UNES is attending COP16, bringing voices from the Global South into the UN Process.

Profile



PHOTO: iied.org

Saleemul Huq

Senior Fellow, Climate Change Group

Nationality: British and Bangladeshi

Country of residence: United Kingdom

Organisation: International Institute for Environment and Development

Current Position: Senior Fellow

How long have you been in this position? 2 years

What prompted your early interest in environment? From my student days and experiences in Bangladesh on the degradation of environment there.

Describe your first attempt to ‘save the planet’: setting up a new research and action think tank called Bangladesh Centre for Advanced Studies (see : www.bcas.net) which I set up in the mid eighties in Bangladesh

Favourite quote: There is enough for everyone’s needs but not enough for everyone’s greed, Mahatma Gandhi

What jobs have you held that have led to the role you are in today?

My first job was as an Assistant Professor in the University of Dhaka in Bangladesh immediately after I finished my PhD studies in the United Kingdom, but soon after that I left the university to set up my own think tank, with some like minded friends, called the Bangladesh Centre for Advanced Studies (BCAS) in the mid eighties which has grown over the last two and more decades to become the leading environmental think tank in the country. In 2000 I moved to the United Kingdom

initially as a Visiting Academic at Imperial College where I teach and then in 2001 I joined the International Institute for Environment and Development (IIED) to set up their Climate Change Programme there and ran it for the next ten years.

What do you believe should be achieved at COP16?

Not very much. However some incremental gains may be achieved on adaptation, REDD and technology transfer negotiating tracks.

What do you consider the most significant hurdle to achieving an international agreement to succeed the Kyoto Protocol?

The unwillingness of the richer polluting countries to take their commitments to reduce their polluting emission seriously.

What timeline is reasonable for an international agreement to be achieved? And what should this look like?

The major post-Kyoto agreement is unlikely to be achieved in the next few years,. Possibly in 2015?

Rejecting False Solution:

Indigenous People on REDD



PHOTO: What Gives 365

By Tom B.K. Goldtooth
Executive Director, Indigenous Environmental Network

On Saturday morning, I met with Mayan elders this region called Zona Maya [Maya territories] who expressed their concerns about their indigenous rights. This circle of Mayan elders sent by their communities worked very hard to finalize their own vision statement. That included the rejection of REDD.

The Mayan elders expressed that it is unethical and not in accordance to their traditions and ancestral ways to participate in the REDD program that would pay them

Market-based mitigation strategies such as the Clean Development Mechanism and the carbon forest offsets of REDD/ REDD plus, further threaten our human rights, including our right to free prior and informed consent among many others. Our land and territories, food sovereignty, biodiversity, cultural practices and traditional life ways are being placed in further jeopardy, and we reject these false solutions.

Our indigenous organization, the Indigenous Environmental Network is very concerned with the Chairman's negotiating

respected, upheld and recognized in all final texts and agreements, consistent with the UN Declaration on the Rights of Indigenous Peoples and other international human rights norms and standards.

In closing, we call upon the Parties of this COP to adopt strong and concrete agreements here to produce real solutions that reduce emissions to 300 PPM while also making a firm commitment to protect our human rights. Our survival is in the balance. Our responsibility to our Peoples, our future generations, our Sacred Mother the Earth and to each other as brothers and sisters of the human family, requires and demands immediate and decisive action.

“Our land and territories, food sovereignty, biodiversity, cultural practices and traditional life ways are being placed in further jeopardy, and we reject these false solutions.”

money in an offset program that allows polluters to continue to pollute, resulting in a program that would cause the warming of the Mother Earth and not for their stewardship of their forests.

Indigenous Peoples are on the front lines of the impacts of climate change around the world. Sea ice in Greenland and the Arctic region are melting faster than what previous scientists had predicted. Our traditional foods are diminishing, our waterways and sea ice habitats are disappearing, the rains that sustain us are drying up, and our homelands are falling into the rising seas. The situation is dire and urgent.

Indigenous Peoples demand a change in the models of production and consumption that produce climate change, as well as decisive action for real solutions by State Parties at this session. The threats to our survival and the violations of our internationally-recognized human rights as a result of climate change are increasing on a daily basis.

text of the LCA. We are extremely alarmed by the unilateral removal of the elements of the Cochabamba People's Agreement and deletion of language that had been submitted in previous negotiating text by the Plurinational State of Bolivia for governments of the world to recognize the rights of Mother Earth. Cochabamba emphasized the recognition of human rights. Its removal from the negotiating text sends an unfortunate signal about what we can expect from this COP.

Equally alarming are signals within the Chairman's text reflecting the bias to move forward with the Copenhagen Accord as a legitimate path for parties of this UN conference. The global indigenous caucus within the COP16 oppose the Copenhagen Accord.

For all these reasons, a central concern of Indigenous Peoples in all aspects of the work to be carried out at COP 16 is the obligation to ensure that the rights of Indigenous Peoples in all countries are



Tom Goldtooth is the Executive Director of the Indigenous Environmental Network, representing an international organization working on the rights of indigenous peoples and environmental and climate justice. He is also a member of the International Indigenous Peoples Forum on Climate Change, which is the global indigenous caucus within the UNFCCC.

Monday 6 December

13.00 – 15.00

Please join the Government of Ireland, UNEP and the World Resources Institute (WRI) for a side event on policy frameworks to address climate change.

Panelists include:

Owen Ryan,
Government of Ireland

Jennifer Morgan and Jake Werksman,
World Resources Institute

Dan Bodansky,
Arizona State University (TBC)

T. Jayaraman,
Tata Institute of Social Sciences (TBC)

Kaveh Zahedi,
UNEP

This new project aims to highlight global proposals that have been developed outside the UNFCCC process, along with innovative proposals generated by governments, to address some of the most pressing issues in the climate negotiations. The side event will provide an overview of the project and an opportunity for interested parties to share their views on innovative proposals. As an illustration, panelists will present their views for moving forward on the question of the legal form of the international agreement.

The event will be held in the EU Pavilion at CancúnMesse. All registered participants at COP 16/CMP 6 are most welcome to attend.



Comhairle Oidhreachta agus Rialtas Áitiúil
Environment Heritage and Local Government



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The critical role of women in climate responses

By Feri Lumampao, *Approtech Asia*, *ENERGIA* member



As government leaders meet again in Cancun, expectations are low in terms of progress on a comprehensive international climate agreement. Yet there are important topics being discussed, especially relating to technology and financing for climate change mitigation and adaptation in developing countries.

For example, in the Philippines, the Renewable Energy Act could be strengthened

by provisions that would support community and household level off-grid energy project and innovations using hydro, wind, solar and biomass resources.

Members of the Global Gender and Climate Alliance are highlighting the critical role of women in climate responses - as inventors, distributors and users of low-emission technologies.

As governments make plans at the inter-

national level for technology transfer and climate-related investments, they need to also focus on ways to mobilize men and women in their own countries in designing and adopting new technologies that will lead to sustainable livelihoods - including through national and local regulations, economic incentives and financing arrangements.

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Comhshaoil, Oidhreacht agus Rialtas Áitiúil
Environment, Heritage and Local Government



REPUBLIC OF SLOVENIA
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