



## **IFOAM UNFCCC CoP16 / CMP6 Background Briefing Paper**

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**This briefing paper sets out the status of the overall UN climate negotiations and that of agriculture at the commencement of the UN Climate Conference in Cancun.**

It is a follow-up to briefing papers prepared for the UNFCCC CoP16 preparatory conferences in Bonn, Germany in [June](#) and [August](#).

### **CURRENT STATUS OF THE UNFCCC CLIMATE NEGOTIATIONS**

One year on from Copenhagen and the status of the climate negotiations is very different. Much has changed. Although a wide range of developing countries have rejected the use of the Accord as a basis for negotiation it is now signed on to by 140 of the 194 signatories to the UNFCCC. Since Copenhagen the Accord has been increasingly integrated into the text of the long term cooperative action (LCA) negotiating track to the extent that any agreement in Cancun is likely to look like a UNFCCC endorsed Accord.

**A serious consequence of an international climate agreement based primarily on the positions of the developed world and those of the Accord is the huge risk that in the pursuit of mitigating global warming the UNFCCC will be turned into a huge UN endorsed carbon technology and finance market mechanism that enables the developed world to turn the climate crisis into a financial bonanza at the expense of the developing world.**

The Accord is based on emission reduction pledges rather than legally binding commitments, has seriously weakened the other track negotiating the future of the Kyoto Protocol (KP) post 2012 when the first legally binding commitment period expires. The ‘popularity’ of the Accord amongst developed nations is that it lets them ‘off the hook’ in terms of facing their historical responsibility for causing climate change – they no longer need to make legally binding commitments. In-fact it even rewards them by opening-up a whole raft of new opportunities to not only offset their emissions but to potentially make a lot of money in doing so by transferring their technologies (products & services) to developing nations on a massive scale facilitated and endorsed by the UN.

The popularity of the Accord amongst developing nations is that they realize, whether it is enshrined within the UNFCCC or not, it is currently the only international agreement that promises significant ongoing climate funds. Therefore so many Parties are understandably hedging their bets. The UNFCCC is probably doing the same – using the Accord as a means to avoid complete failure of the talks. Therefore many see that a UN process that incorporates the Accord and retains many of the principles and mechanisms of the UN framework as being more favorable than no UN agreement at all. However what was promised in the Accord in Copenhagen maybe different to what is on the table now – it may not be the pot of gold that some developing countries anticipated.

The future of the KP is therefore now very much in doubt. So much so that many of the provisions provided for in the KP are being written into the LCA text so that in the event of the collapse or failure to extend the KP the UN Convention still has the policy architecture and mechanisms in place to coordinate and further develop a multi-lateral response to climate change. What is effectively happening, rightly or wrongly, is the merging of the Accord, the KP into the LCA and therefore potentially into one single negotiating track. An agreement in Cancun could be the first step towards such a scenario. If the UN facilitated climate talks fail altogether the Accord will no doubt become the default international policy and finance mechanism for combating climate change. Therefore any agreement that is achieved in Cancun will look much more like an elaborated Accord than the type of legally binding, ambitious and fair agreement that was so eagerly anticipated in Copenhagen. Whatever agreement is reached it is expected to favor the post Copenhagen positions of the developed nations in that they will:

- not commit to ambitious and legally binding emission cuts – particularly ones that are dependent upon domestic emission cuts
- look to emission captures or offsets both domestically and in developing countries where mitigation is more cost effective
- use offsets to meet their emission reduction pledges
- rely on markets to drive and fund mitigation actions and look for synergies in actions that deliver adaptation outcomes - effectively positioning adaptation as a nice to have co-benefit rather than an equal objective
- look to markets to create new market opportunities for mitigation technologies, products and systems as well as for new carbon market based financial services
- push for carbon capture and storage technologies
- push for the World Bank rather than the UNFCCC to control any funding mechanism set-up under a UNFCCC agreement
- use the Accord as a fall back mechanism should the UN process fail to meet their needs

### **The impact of the Copenhagen Accord on the UNFCCC process**

The Copenhagen Accord which was developed at the last minute by a small group of key world leaders in an unofficial parallel process to the UN negotiations appears to have shifted a potential climate agreement much more towards the US position and in favor of the developed countries. Unsure whether it could secure a cap on emissions domestically the US entered Copenhagen in a weak position to commit to ambitious international emission reduction targets. The Copenhagen Accord pushed to one side the UNFCCC principles of historical responsibility and climate debt and introduced the notion of ‘we are all in this together’ and ‘lets do what we can’ and ‘here is some cash to get things moving’. In doing so it called for compulsory pledges rather than compulsory commitments from developed countries and sought voluntary emission reduction pledges from developing countries for the first time.

The Copenhagen Accord has openly challenged the centre-piece of the UNFCCC – the KP. Countries formally supportive of the KP such as Japan are now openly stating that the establishment of a framework which imposes emission reductions obligations only on Annex I Parties to the KP will not lead to a fair and effective global emission reductions. In other words developed nations whose economies are stagnating and which are facing increased competition from the powerful economies of the BRIC countries (Brazil, Russia, India and China) do not wish to agree to emission cuts that will decrease their competitiveness further. Developing countries view the legally binding nature of emission reductions under the KP as part compensation of the developed world’s climate debt. Developed nations however now point out that the worlds

biggest emitter is no longer a developed nation but a developing one (China eclipsed the US in 2010) and that almost all growth in emissions in coming years will be from developing nations.

A number of developing countries, led by Bolivia, who held the [Peoples Climate Conference](#) earlier this year in response to the failures of Copenhagen, are fighting the sidelining of democracy and justice in the climate debate by the developed countries and their undermining of the UN. [The Bolivian Ambassador to the UN](#) just ahead of the Cancun Conference stated that the actions of the developed countries will be viewed as 'reckless and immoral' by future generations. Their fight however is not just a war of words but a very intense engagement in the negotiations where they are adding much leadership in bringing a scientific and equitable balance to the negotiations.

### **How ambitious are the targets being discussed at Cancun?**

Analysts have shown that the emission cut pledges made under the Accord are insufficient to give even a 50% chance of keeping warming to within the Accord's target of 2C global temperature rise above pre-industrial levels. Leading climate experts warn that the world risks catastrophic levels of climate change if the currently expected global average temperature increase of 3C to 4C by the end of the century is reached. Those developing countries who are most environmentally and economically vulnerable to the impacts of climate change are pushing for aggregate developed country emission targets to be set on a scientific and equitable basis. Targets that meet the global temperature required to stabilize the climate and while allowing access to sufficient atmospheric carbon space for developing countries to develop out of poverty without breaching safe temperature limits. They are calling for emission targets that limit the average global temperature rise to 1.5°C or 1°C above pre-industrial levels, and that enable GHG concentrations in the atmosphere to return to 350 or 300ppm CO<sub>2</sub>eq. The developing nations clearly understand that the smaller the action taken directly by developed countries the greater the adaptation and mitigation burden will be for them.

### **Finance – is it additional and if so is it public or market based funds?**

Another major point of contention is finance. The financial pledges that were used as a carrot to get countries to sign-on to the Copenhagen Accord are now seen by many as woefully inadequate given the scale of the problem and the increasing frequency of climatic disasters. Furthermore one year on as developed economies shrink and the bail out of the financial services sector, especially in Europe, continues the developed world has even less cash than before to provide climate finance. Developed countries who made pledges under the Accord (US, Japan the EU etc) are now being accused of re-labeling existing development aid funds as climate funds ('climate-washing'). In other words whether the promised cash is really new cash is being seriously questioned and one would think that this would seriously question the attractiveness of the Accord to developing countries.

The future of climate actions under the UNFCCC seems to be very much reliant upon the utilization of markets to provide both the finance and the 'solutions' for climate change. As a consequence a framework that is so dominated by markets will result in the push of technologies and finance schemes onto developing countries under the guise of international climate policy.

There are also major legitimate concerns about the governance of climate finance under any UN agreement. The LCA text which intends to set up a financial mechanism includes the controversial proposal for the World Bank (WB) to be the initial trustee of any fund. The WB is favored as it moves control away from the multi-lateral UN process potentially enabling more control or influence by rich nations.

There are also major concerns about access to the funds for communities and civil society organizations (CSOs) and even Parties to the Convention. A [discussion paper by Caritas Internationalis and CIDSE](#) raises important issues which policy makers need to consider in the negotiations to ensure that the needs and concerns of poor and marginalized communities are not overridden. They argue that ‘Direct Access’ to funds is not only a more just financial arrangement, but it can provide more efficient and effective delivery of financial support. The effect of finance – in particular markets – will have on agriculture – especially on the rural poor, smallholders, indigenous peoples and others with weak or non-existent land rights in terms of poverty and food security. This is of major concern to IFOAM and other CSOs.

Market driven projects that increase the production of export commodities over the needs and rights of local people can lead to loss of local food production capacity and loss of earnings to purchase food. Increased price volatility in international food markets due to speculation is already a major issue and this could be made even worse if agriculture is included in carbon markets and soil and other forms of agricultural carbon are traded and speculated on. IATP are leaders in [analyzing carbon market speculation](#) and will be presenting at [IFOAM’s joint side event in Cancun](#). [The United Nations Special Rapporteur on the Right to Food](#) also has grave concerns about the effect of ‘business as usual’ agriculture policies, including those within the UNFCCC, will have on the livelihoods of poor communities and has called for agriculture policies built on participatory and ecological systems.

### **CURRENT STATUS OF AGRICULTURE IN THE UNFCCC NEGOTIATIONS**

Agriculture has been included in both the Convention and its legally binding protocol (The Kyoto Protocol) from their inception. It is only recently that it has been activated due to agriculture’s prominence in international policy discussions and interest from the ‘struggling’ financial services sector. Agriculture was placed in the ‘too hard basket’ especially in terms of how to ensure permanence of carbon sequestration. Many felt that such issues of measurement and permanence in the forest sector should first be resolved before tackling the more difficult agriculture sector. Forestry is now well developed within the negotiations, with REDD+ being fast-tracked for approval in Cancun. Agriculture features in both the negotiating tracks (long term cooperation action (LCA) track and the KP) looking at the future of the framework post 2012.

#### **Agriculture in the UNFCCC negotiations – KP track**

In the KP track the key area for agriculture is Chapter 2 - Land use, land-use change and forestry (LULUCF). Paragraph 8 of the current negotiating text requests the Subsidiary Body for Scientific and Technological Advice (SBSTA) to initiate a work program to consider cropland management, grazing land management, and soil carbon management in agriculture amongst others under the clean development mechanism (CDM). Paragraph 9 also calls for a SBSTA work program to address the risk of non-permanence under the CDM. If the work program are approved in Cancun the two groups would conclude their work in time for CoP18 (Dec 2012) and CoP17 (Dec 2011) respectively. There is also the possibility of the KP introducing new additional market-based mechanisms which might include agriculture. However given the uncertain future of the KP land use, land-use change and forestry has now entered the LCA under Nationally Appropriate Mitigation Commitments or Actions for developed countries which were previously just for developing countries (see LCA info below).

#### **Agriculture in the UNFCCC negotiations – LCA track**

In the LCA track agriculture enters the text under the ‘cooperative sectoral approaches and sector-specific actions’ section. The key paragraphs from the one page section are as follows:

*1. [Decides that all Parties, with respect to the agriculture sector and taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, should promote and cooperate in the research, development, including transfer, of technologies, practices and processes that control, reduce [or prevent] anthropogenic emissions of greenhouse gases, particularly those that improve the efficiency and productivity of agricultural systems [and management of emissions from livestock] in a sustainable manner and those that could support adaptation to the adverse effects of climate change, thereby contributing to safeguarding food security and livelihoods]; 3. Requests the SBSTA to establish, at its thirty-fourth session, a program of work on agriculture to enhance the implementation of Article 4, paragraph 1(c), of the Convention<sup>1</sup>, taking into account paragraph 1 above; 4. Invites Parties to submit to the secretariat, by 22 March 2011, their views on the content and scope of the work program.*

According to the LCA Chair's scenario note for the Cancun meeting, agriculture is one area of the LCA track that in her opinion could be part of a package approved by the CoP. To this end the Chair has integrated the agricultural section into a document for use by Parties outlining the possible elements of an outcome for the LCA track in Cancun. Given that the work program proposed above is aimed at enhancing the implementation of Article 4, paragraph 1 (c) of the Convention it is not surprising that she has integrated it under the Chapter on 'enhanced action on mitigation'. It is clear that based on the text in the LCA the focus on agriculture is much more on mitigation than adaptation – with adaptation regulated to only a potential co-benefit.

Agriculture is mentioned under Chapter 2 of the LCA (Enhanced action on adaptation) but it only mentions the development by Parties of adaptation plans – including for agriculture and food security. In Chapter 4 (Finance, technology and capacity-building) the significance for agriculture is the funding (USD 100 billion per annum by 2020), the finance mechanism (The Copenhagen (Green) Climate (Fund)) and the establishment of a technology mechanism consisting of a Technology Executive Committee and a Climate Technology Centre and Network all of which were promised under the Copenhagen Accord. The funding mechanism and the technology mechanism are to be linked including for the provision of technical and policy advice and recommendations on matters related to technology development and transfer. It should be noted that the funding pledged under the Accord is not just for agriculture – far from it! In Chapter 1 of the LCA text under 'Enhanced action on adaptation and its associated means of implementation' a new 'Adaptation Framework' is proposed that includes an adaptation body and a process for least developed country (LDCs) Parties to formulate and implement national adaptation plans.

More significantly in Chapter 1 under 'Enhanced action on mitigation and its associated means of implementation' NAMAs have been introduced for developed nations that cover cropland management and grazing land management – this would basically enable emission reductions in the agriculture sectors of developed countries to count against national targets. Although the negotiating text in Chapter 1 of the LCA track doesn't specifically mention LULUCF, agriculture or specific components such as cropland management and grazing land management under developing country NAMAs, they already exist in practice. A number of NAMAs were submitted by developing countries to the UNFCCC in response to the Copenhagen Accord many of which included agriculture related actions.

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<sup>1</sup> Promote and cooperate in the development, application and diffusion, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases not controlled by the Montreal Protocol in all relevant sectors, including **agriculture**

At the [IFOAM side event at the UNFCCC conference in Bonn](#)<sup>2</sup> in August, the Agriculture and Adaptation Negotiator for Bolivia explained how, during LCA negotiations in Copenhagen on ‘cooperative sectoral approaches and sector-specific actions in agriculture’, they fought to protect; smallholders, the rights of indigenous peoples and of traditional knowledge and practices, to food security, food sovereignty and livelihoods by including provisions in the text:

*“It is troublesome for us (Bolivia) to talk about cooperative sectoral approaches in agriculture through technology transfer from developed to developing countries as this represents a threat to the models of agriculture that we are trying to protect and a threat to the right to food and food sovereignty. These concerns formed the basis of our negotiations in Copenhagen; and as consequence a prerequisite for negotiation was that none of the work to come out of the cooperative sectoral approaches on agriculture could in anyway be linked to the carbon market. We tried to include all possible safeguards in the text (which is now awaiting approval at Cancun) to ensure that it is not a threat to smallholders, the rights of indigenous peoples and to traditional knowledge and practices, to food security, food sovereignty and livelihoods. Developing countries negotiating the text in Copenhagen also wanted to make sure that cooperative sectoral approaches on agriculture were not brought in as a source of mitigation but as something much broader that includes adaptation.”*

Negotiators have stated that they don’t expect the cooperative sectoral approaches on agriculture text to change at Cancun as they don’t want it to distract from a potential climate agreement. Should the agriculture text get approved in Cancun they do expect however a big battle to ensue within the SBSTA work program especially with regard to which technologies, practices and processes are deemed to control, reduce or prevent GHG emissions – and hence be recommended for financing and technology transfer.

## not just CARBON

**Organic Agriculture** can significantly cool the planet due to its **high sequestration and low emission** farming practices that are readily accessible and **affordable to billions** of small holder farmers and which prohibit the clearance of primary ecosystems such as carbon and species rich forests and savannahs.

The priority however is to urgently raise awareness of the dangers of adopting climate policies, mechanisms and finance that **focus** on carbon and not **on the alleviation of hunger, poverty and biodiversity loss and ecosystem destruction**. Industrial agriculture is failing to feed the poor (1 billion hungry and starving) and is the major driver of global warming (up to 32% of all GHG emissions) – incentivizing ‘business as usual agriculture’ is madness.

The UNFCCC can **reverse rather than accelerate the impacts of industrial agriculture** on people and ecosystems by putting the needs of the world’s smallholder farmers ahead of those of carbon markets and commodities through **capacity building** in resilient **participatory** based **agro-ecological** farming systems. IFOAM is calling on the UNFCCC to use the findings of the **IAASTD report** approved by 58 governments and endorsed by multiple UN agencies including the **Committee on Food Security** as the key **reference point** for evaluating **ALL** its activities **related to agriculture**.

<sup>2</sup> Click on the link and view from 3.28 minutes to 6.00 minutes of the side event video on You Tube