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Editor's Note

MORE than 180 governments met recently in Durban, South Africa in the midst of escalating extreme weather events, massive social and economic damage suffered mainly by developing countries just over the past year alone, and new scientific warnings that the weak pledges by developed countries on greenhouse gas emission cuts will push global temperature rise beyond the critical 2 degrees Celsius.

The secretariat of the UN Framework Convention on Climate Change (UNFCCC) hailed the 'Durban package' outcome of the 28 November-11 December conference as a 'breakthrough'. Much of the euphoria centred on four decisions: the second commitment period for emission cuts by developed countries under the Kyoto Protocol; the outcome of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA); the Green Climate Fund; and the establishment of a new ad hoc working group on the Durban Platform for Enhanced Action.

The 'Durban Platform' is envisaged as a new 'protocol, another legal instrument or an agreed outcome with legal force' to be completed by 2015. But the terms of reference for this new round of talks will only be fought out in 2012, a first in international treaty negotiations where the mandate is always set out with great care.

The European Union in particular led the developed countries in insisting that the Durban conference adopt a roadmap for a new treaty on mitigation that pulls in the United States (which is not a Kyoto Protocol Party) and the large developing countries, especially India and China. This was the quid pro quo for the EU to accept a second commitment period under the Kyoto Protocol.

India, represented by its Minister of Environment and Forests Jayanthi Natarajan, was the most vocal on the centrality of equity and common but differentiated responsibilities (CBDR) to the climate regime. On the other hand, developed countries have been systematically reinterpreting CBDR and even rejecting their historical responsibility for climate change, both of which constitute a critical basis for the current climate treaties. The US was vehemently against any reference to equity in the Durban Platform decision. In the end, the pressure on the developing countries that will be most affected by the new treaty was so great that they compromised on the Durban Platform decision.

Developing countries had unanimously wanted a decision on a second commitment period of legally binding emission cuts by developed countries under the Kyoto Protocol to be the cornerstone of Durban. Not just any commitment, but one that would involve deep cuts as required by the climate crisis facing the planet.

What did the developing world get instead? A decision on the second commitment period from 1 January 2013 (to avoid a gap after the first commitment period expires next year), but with uncertainty as to whether it will run up to 2017 or 2020. To add to the uncertainty, Parties' quantified targets for reducing emissions will only be decided next year. Meanwhile Japan and the Russian Federation have opted out of the second commitment period, and Canada has officially

announced it will leave the Kyoto Protocol altogether.

Disagreement and frustration especially among developing countries also haunted the third major decision adopted – the outcome of the AWG-LCA, which is a separate and distinct legal track from the Kyoto Protocol work. This shifts more mitigation commitments to developing countries even as numerous studies confirm that they are now doing more than developed countries in terms of mitigation efforts.

In the absence of agreement on many key issues among the negotiating Parties, the chairs of the AWG-LCA and the Kyoto Protocol working group pushed their own draft decisions to the plenary sessions for adoption, despite strong protests by many developing countries.

The Green Climate Fund decision by comparison seemed less turbulent, but its final workings also remain to be seen. One thing was clear from Durban – the negotiations on actual capitalisation of the Fund failed to meet what is needed to tackle climate change.

In Durban the multilateral process suffered another blow. The 'management' of the conference was more sophisticated than in previous meetings in Cancun and Copenhagen, but in essence it remained unchanged.

South Africa's Foreign Minister Maite Nkoana-Mashabane, as the President of the Conference of the Parties, launched the 'Indaba' ministerial process in the first week – where a smaller group of ministers and senior negotiators got into closed-door sessions and the real bargaining and pressure on countries like India took place.

Tying the four main decisions into a package on a take-it-or-leave-it basis made it politically more difficult for countries to block a consensus. As a result, while there were objections and protests from many developing countries over the main drafts, as in previous conferences, few, if any, had a mandate to block at the end.

Durban has left the climate change talks in a state of uncertainty. Although the Kyoto Protocol has been resuscitated from what had seemed like certain death, it will remain on life support, with no firm commitments for emission reductions from rich countries for the limited second commitment period. It is open knowledge to anyone involved in the climate negotiations arena that developed countries, supported by some developing countries, will push for a realignment of burden-sharing in the new round of talks on the Durban Platform that will effectively replace the Kyoto Protocol and may even see a rewriting of the UNFCCC's basic principles.

Our cover story provides reports and analyses of the Durban conference. While summarising the complex technical issues raised, we have attempted to ensure that the larger picture remains in focus. Hopefully, this will enable readers to appreciate how critical the issue of climate change is for the future of our planet.

— The Editors

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The recent UN Climate Change Conference in Durban, South Africa (pic) ended on a note of uncertainty, with no firm commitments on a regime of binding greenhouse gas emission cuts by developed countries. 14

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Cause and effect

Thailand has endured a perfect storm of factors, both natural and man-made, that have starkly exposed the consequences of poor planning and management.

Bundit Kertbundit

WHEN all is said and done, the 2011 flood will certainly rank among the worst in modern Thai history.

The numbers are monumental. One-third of the country under water. Nearly 10 million people affected. Up to 1 million now unemployed, with economic losses estimated as high as 500 billion baht, or 5% of gross domestic product.

Why? Yes, there is no question that rainfall this year has been heavy, at 20-30% over seasonal averages. But this is a man-made disaster as much as it is a natural one, experts told the *Bangkok Post*.

The underlying factors of the crisis are many and complex.

Adis Israngkura, dean of development economics at the National Institute of Development Administration (NIDA), says poor drainage management and deforestation are key factors.

'Hong Kong and Singapore face immense levels of rainfall each year, but there are no floods in those countries,' he said.

'It's convenient for people to point fingers at nature. But even though rainfall this year has been heavy, it's actually manageable and shouldn't cause severe flooding. But here, the water levels have risen two- or three-fold.'

Deforestation, Adis said, has had a grievous effect on the ability of the country to absorb rainfall. As forests have given way to crop and animal farms, vulnerability to flooding has increased.

Mismanagement is another factor. Adis notes that waterways from northern Thailand converge at Nakhon Sawan and Ayutthaya, in turn flowing into the Chao Phraya River and ultimately to the Gulf of Thailand.

Instead, more paths are needed to



The Thai floods of 2011 were as much a man-made disaster as a natural one, say experts.

improve the efficiency of water drainage, he said.

Sasin Chalermklarp, secretary-general of the Seub Nakasathien Foundation, notes that Rangsit Canal should be used as a model in a rethink of water management strategy.

Rather than just storing water, the canal is used to gradually and systematically drain excess runoff into rivers. This prevents the canal from accumulating too much water if rainfall increases unpredictably, Sasin said.

Poor town planning

Thaweewong Sriburi, managing director of Chula Unisearch at Chulalongkorn University, argues that poor town planning is another contributing factor to the floods.

The past several decades have produced a buildup of infrastructure – roads, houses and industrial estates – that either impede natural waterways or take up space in low-level catchment areas that in the past helped mitigate flooding.

The seven industrial estates flooded in Ayutthaya and Pathum Thani, for instance, all are based in

low-lying land that is a major flood basin running into the Chao Phraya delta.

'Years ago, I recommended zoning these areas to be exclusively reserved for agriculture and irrigation purposes. But I was laughed at,' said Thaweewong.

'State officials said that times had changed, and we had to allow factories there, even though they knew that doing so would limit the area available for reservoirs.'

The industrial estates built embankments and installed water pumps, which in hindsight were inadequate to cope with the 12 billion cubic metres now spread across the central plains.

Sasin of the Seub Nakasathien Foundation agreed that town planning strategies must change. Low-lying areas such as Ayutthaya and Pathum Thani are simply unsuitable for industrial estates, he said.

But given the vast industrial development already in the area – Ayutthaya and Pathum Thani represent key clusters for the automotive, electronics and electrical goods sectors – the only option now is to invest

significantly in new infrastructure to guard against floods.

Sasin suggested that roads impeding natural waterways be raised to facilitate water drainage.

Housing in the area must also be redesigned with flooding in mind, either by raising the level of living quarters or by digging canals and floodways to channel waterflows.

Adis said water management needed to be examined from a national level, rather than on a provincial basis.

'I oppose having each province erect its own dykes,' he said. 'As one province builds flood walls, it only shifts the burden to other areas.'

Instead, Adis suggested that a new 'Ministry of Water' be created to oversee construction of flood management systems.

'Water dykes currently are under the control of each province. Those provinces with political weight have greater power at the expense of others,' he said.

Suphan Buri, for instance, the stronghold of former prime minister Banharn Silpa-archa, helps manage water flow away from the Chao Phraya River to the Tha Chin River to the west.

Adis said the inefficient drainage of flood water through the Tha Chin River was clearly politically motivated, putting greater stress on provinces to the south and the Chao Phraya River.

Dam mismanagement

Of course, this year's crisis also stemmed from mismanagement of northern dams, which were reporting water levels near full capacity before seasonal rains began in July and August.

Thailand's dams have three core functions – to mitigate flooding, store water for farm irrigation during droughts, and to generate electricity. Irrigation is the role of the Royal Irrigation Department, while power generation is controlled by the Electricity Generating Authority of Thailand (EGAT).

Smith Dharmasarojana, former



The seven industrial estates flooded in Ayutthaya and Pathum Thani, such as the Rojana Industrial Park (seen here inundated by flood waters), are all based in low-lying land that is a major flood basin.

director-general of the Thai Meteorological Department and currently the chairman of the National Disaster Warning Council Foundation, said the upper dams were simply mismanaged.

'The Irrigation Department and EGAT reserved too much water when the rains arrived, which were prolonged and heavy. It was simply irrational,' he said.

'These two agencies did not know the right amount of water that should be stored, how much was too much and when they should drain the water. Even now, with the country inundated with flooding, water continues to be discharged from the Bhumibol, Sirikit and Pasak Jolasid dams. Why?'

Smith insisted the discharges are unnecessary, as each dam is sufficiently overengineered against cracks even when running a surplus.

'The water should be allowed to overflow from these dams naturally. When the flood recedes, we must figure out why the responsible state agencies did what they did,' he said.

Another key lesson learned has been communications. The government's Flood Relief Operations Centre (FROC) and the Bangkok Metropolitan Administration (BMA) have both come under fire for their inaccurate, inconsistent and at times con-

tradictory messages sent out to the public.

Smith said local governments need to be more self-reliant on getting key information, and should not rely on the national government to act.

More public awareness programmes are needed to educate residents in flood-prone areas about how to protect themselves and their property. It should be incorporated into the official teaching curriculum.

And technology and lessons from the past need to be put to better use. After the 1983 flood, reams of studies were written about flood protection, leading to the development of numerous projects initiated by His Majesty the King. This includes telemetry systems to monitor water levels and the direction and speed of floods.

'[The technology] represents a massive investment that has never been fully exploited,' said Thaweewong from Chulalongkorn University.

'Not only are we not using it, even worse, we are now relying on our naked eyes to determine if the dams are going to crack. Few people realise that Thailand has everything a country needs to forestall floods.' ♦

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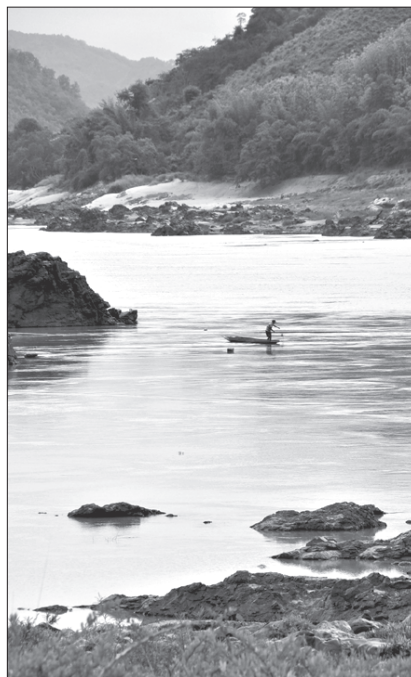
Mekong governments delay the Xayaburi Dam pending further study

The governments of Cambodia, Laos, Thailand and Vietnam have agreed to a halt in the construction of the controversial Xayaburi Dam on the Mekong River pending further study on its environmental impact. While activists have welcomed this move, the goal is to persuade the governments to permanently scrap all the 11 Mekong dams in the pipeline.

IN a crucial decision for the people and ecosystems of the Mekong River Basin, the governments of Cambodia, Laos, Thailand, and Vietnam agreed on 8 December to delay the Xayaburi Dam, the first of 11 dams proposed for the Mekong River, pending further study on the impacts of the proposed Mekong mainstream dams. Japan and other international donors will be asked to assist in conducting the studies. No timetable for the delay was announced.

The government representatives did not give a joint press conference, but rather spoke to journalists separately. Te Navuth, Secretary-General of the Cambodian National Mekong Committee, told reporters, 'When the four member countries agreed to conduct a further study, this meant the construction would not start until we have a clear result.'

'Today the Mekong governments responded to the will of the people of the region. We welcome the recognition that not nearly enough is known about the impacts of mainstream dams to be able to make a decision about the Xayaburi Dam,' said Ame Trandem, Southeast Asia Program Director for the non-governmental organisation (NGO) International Rivers. 'In line with today's important decision, we expect that construction on the Xayaburi Dam will immediately stop and equipment will be cleared from the site. We expect the governments will provide a clear timeline and consultation process for the studies, and that the prior consultation proc-



The site of the proposed Xayaburi Dam in Laos. Numerous studies have warned about the potentially harmful impacts of this and other dams planned along the Mekong River.

ess will remain open.'

'The Mekong governments made the right decision today, but it is only the beginning,' said Nguy Thi Khanh of Vietnam Rivers Network. 'The governments need to take further steps to make their joint commitment a reality. They should agree on a roadmap for conducting further scientific studies to understand the Mekong River, building on the recommendations of the Strategic Environmental Assessment. They should commit not to pursue any mainstream dams until these studies are complete

and meaningful public consultation occurs. We hope the Lao government will act in good faith and immediately halt all construction activities at the dam site and withdraw all construction equipment.'

The agreement to delay the Xayaburi Dam and conduct further studies was confirmed at a meeting of the Mekong River Commission (MRC) Council on 8 December in Siem Reap, Cambodia. The agreement was reportedly first made by the four Prime Ministers of the MRC member countries at the 3rd Mekong-Japan Summit held on the sideline of the 19th ASEAN Summit in Bali, Indonesia in November.

'Ultimately the only responsible solution is to cancel the Xayaburi Dam and other dams planned for the Mekong River. We are confident that scientific studies on the Xayaburi Dam's impacts, conducted in a transparent, participatory, and independent manner, will reach the same conclusion,' said Teerapong Pomun, Director of Living River Siam, a Thai NGO working to protect rivers and people.

The decision builds on the outcomes of a meeting of the four governments last April, when Cambodia, Thailand, and Vietnam called for further studies of the project's transboundary impacts and public consultations before deciding on the dam. At that time, Vietnam also called for a 10-year moratorium on all mainstream dams, in line with the recommendations of a 2010 Strategic Environmental Assessment prepared for

the Mekong River Commission.

‘While the governments have agreed to a delay, they will eventually need to make a final decision on whether to proceed with the dam,’ said Chhith Sam Ath, Executive Director of the NGO Forum on Cambodia. ‘We believe that scientific evidence and the voices of the people must be taken into account in any further decisions. Alternative energy options exist that are cheaper and cleaner than these dams. The Mekong governments have succeeded at this first test of regional cooperation, but we cannot stop and rest yet.’

A study released earlier in December demonstrated that power from Xayaburi and other mainstream dams was not needed to meet Thailand’s energy demand, and that cheaper and cleaner options exist that would lower electricity bills and reduce greenhouse gas emissions.

The Xayaburi Dam and the other dams proposed for the Mekong River have come under intense local and in-



If the Xayaburi Dam were built, the unique livelihoods and lifestyles of the communities living near the site would be forever changed.

ternational scrutiny in the past year. Numerous scientific studies have warned about the potentially harmful impacts of these projects on the region’s fisheries, farmers, and local communities (see box). Nevertheless, between April and December, Laos

proceeded with preliminary construction and Thailand pursued agreements to purchase 95% of the dam’s electricity. ◆

The above is reproduced from an International Rivers press release (8 December 2011).

Destructive dam

Threat to aquatic biodiversity and fisheries productivity

IF built, the Xayaburi Dam would permanently damage the habitat and ecosystem of the Mekong River, placing at risk the rich species diversity of the Mekong. At least 41 fish species are at risk of extinction due to a severe change in their habitat. The Xayaburi Dam would also block a vital fish migration route that allows at least 23 migratory fish species to travel to the upper reaches of the Mekong to Luang Prabang in Laos, and Chiang Khong and Chiang Saen in Thailand, disrupting the lifecycle necessary for these fish, including their spawning, breeding and growth. One such migratory species that could be driven to extinction is the critically endangered and iconic Mekong giant catfish.

The dam will adversely impact the Mekong River’s complex ecosystem, which has already been partially affected by the dams built on the river’s upper stretch in China. Local kai production, for example, would be destroyed by the dam’s reservoir. Kai is

a freshwater weed that serves both as an important food for fish, as well as a famous dish served in Luang Prabang. For Laotian women near the dam site, kai is one of their key sources of income during the dry season when the Mekong’s water is low and clear, which allows kai to grow.

Despite the enormous impacts on the region’s fisheries, the project’s developers have ignored scientific consensus and downplayed the severity of the threat by claiming that two fish ladders incorporated into the dam’s design will mitigate fisheries impacts. Yet since September 2008 and most recently in the MRC’s Strategic Environmental Assessment (SEA) report, a group of globally renowned fisheries experts have unequivocally stated that fish ladders will not work due to the Mekong River’s large biodiversity and its high number of fish. Even if the fish passages are designed for a few specific species, the SEA report warns that the Xayaburi Dam’s height of 32 metres is higher than the maximum height at which fish ladders will work.

People and livelihoods

Located approximately 150 kilometres downstream of Luang Prabang town, a UNESCO World Heritage Site, the Xayaburi Dam threatens to resettle over 2,100 people in 10 villages. The dam’s reservoir will stretch to only 48 km below this historic town. The dam will also indirectly affect the lives of at least 202,198 farmers and fishers located in four districts in Laos, as well as countless people more widely throughout the river basin.

The fishers and farmers living near the dam site are of a variety of ethnic groups, who meet their daily needs through fishing, cultivating rice, gold panning, collecting products from the forest and growing vegetables on the riverbanks. Through resettlement or indirect impacts such as loss of land and access to resources, the unique livelihoods and lifestyles of these communities would be forever changed by the impacts of the dam. ◆

This is extracted from an International Rivers factsheet, ‘The Xayaburi Dam: A looming threat to the Mekong River’ (January 2011).

US free trade pacts face opposition in Asia

Asian governments which seek to enter into free trade agreements with the US have to face strong resistance at home. *Chee Yoke Heong* explains the bases of the opposition.

US-LED free trade agreements (FTAs) continue to face stiff opposition even as they gain traction with some governments turning to such pacts in the hope of boosting their sagging economies.

The latest is the Trans-Pacific Partnership (TPP) Agreement that currently involves the US, Singapore, Brunei, Chile, New Zealand, Australia, Peru, Vietnam and Malaysia in an intensive series of talks.

Negotiators who were recently in Kuala Lumpur for the latest round of talks were confronted by protesters at the venue of their meeting on 5 December.

The activists expressed concern that the TPP could spell disaster to local farmers, especially rice producers, as they would be unable to compete with heavily subsidised US farmers who would deluge the market with their cheap rice.

They also said the push for stronger patent rights regimes will hamper access to medicines and that the TPP will erode the government's ability to regulate foreign corporations as well as put in place environmental and health regulations.

Japanese opposition

Japanese Prime Minister Yoshihiko Noda's announcement on 11 November during the recent Asia-Pacific Economic Cooperation (APEC) meeting in Hawaii to enter into the TPP talks, also came amidst strong opposition even from within his own ruling party, the Democratic Party of Japan.

The Party has engaged in a long and protracted debate over the merits of joining the pact, and its own TPP



Japanese farmers at a rally against the Trans-Pacific Partnership (TPP) Agreement. A major concern with the TPP is that participating countries will be required to liberalise sectors like agriculture if the US has its way.

panel, in the week before the APEC meeting, could not come to a conclusion and only agreed to 'suggest the government decide cautiously', according to a 14 November *Wall Street Journal* (WSJ) report.

In announcing the decision to US President Barack Obama, Noda vowed to 'protect what needs to be protected, and win what we need to gain', as he tried to allay public concerns about the TPP.

'Despite many voices of concern, I decided to participate in the talks in order to revitalise the nation's economy and help create a prospering and stable Asia,' Noda said.

The issue was so sensitive that the prime minister had delayed by a day before making the public announcement in Hawaii due to worries over a possible backlash especially from members of parliament who opposed the TPP, some of whom had threatened to defect from the Democratic Party if Noda goes ahead with plans to join the TPP.

To placate the anti-TPP lawmakers, Noda denied that Japan will join the TPP negotiations, saying it will only 'start talks with related countries toward participation in the TPP negotiations'.

Before the announcement, groups from various sectors which will be affected by the TPP had actively exercised their political clout to influence the process. The Central Union of Agricultural Cooperatives sponsored a petition in parliament which succeeded in garnering support from around half the 722 members in both houses of parliament to oppose the TPP. Almost all opposition parties – the Liberal Democratic Party (LDP), the Social Democratic Party as well as New Komeito – opposed the TPP. The LDP has even threatened a no-confidence motion against Noda.

A major concern with the TPP is that participating countries will be required to liberalise almost all sectors such as agriculture if the US has its way. This was indicated by US

Trade Representative Ron Kirk when he emphasised that Japan must be prepared to meet 'high standards' of liberalisation and to address US concerns regarding barriers to agriculture, services and manufacturing trade, including non-tariff measures.

Japan's agriculture sector is highly protected and heavily subsidised, especially rice farming. The farming community, though numbering only a few million farmer households, is nonetheless a key voting base. It has been estimated that about 90% of rice production would be replaced by imports under the TPP, together with almost all of Japan's sugar and wheat output, as well as beef, chicken and pork products worth 1.1 trillion yen (\$14 billion) per year.

According to the Ministry of Agriculture, Forestry and Fisheries, the opening up of the agriculture sector to global competition will slash Japan's GDP by 7.9 trillion yen (\$102.8 billion) and cut some 3.4 million jobs.

Furthermore, opponents of the TPP maintain that the opening of the agriculture sector would not only be devastating on the livelihoods of millions but could also spell disaster for the culture, way of life and landscape of the countryside.

While past bilateral trade agreements which Japan had signed with other countries have shielded sensitive sectors such as rice from tariff removals, there are doubts that these exemptions could be achieved under the TPP, hence the opposition.



A Japanese rice farmer. It has been estimated that about 90% of rice production in Japan would be replaced by imports under the proposed Trans-Pacific Partnership Agreement.

Because of the comprehensive nature of the talks, where wide-ranging issues such as medical and financial services and government procurement are on the negotiating table, there are fears that the TPP would affect the country beyond the agricultural sector. Fierce resistance to the TPP has also come from professional groups such as doctors and pharmacists, who fear that the pact would result in the dismantling of Japan's universal healthcare system and replace it with a market-driven one with adverse impacts on access to health services.

Differences among lawmakers over the TPP have also centred on the dilemma over the quest to strengthen ties with the US on the one hand against, on the other, those who wish to see closer relations with China, which is not a party to the TPP talks.

In the meantime, proponents of the TPP have been drumming up support for the accord.

The Ministry of Economy, Trade and Industry has estimated that Japan will lose 10.5 trillion yen (\$136.1 billion) in exports in 2020 if it does not take part in the TPP, according to the *WSJ* report.

The business community believes that the TPP will help to open up export markets for auto and electrical machinery makers.

While Japan grapples with its decision to enter into talks over the US-backed TPP, opposition against FTAs continues unabated in neighbouring South Korea even after parliament approved the South Korea-US FTA on 22 November.

Protesters held rallies in Seoul to denounce the passing of the bill ratifying the agreement. Deep divisions remain among the various parties on whether the FTA will benefit South Korea. Opposition political leaders, looking ahead to National Assembly elections in April and the election of a new president in December 2012, vowed to fight to kill the agreement, which takes effect on 1 January, according to a *Christian Science Monitor* report of 23 November.

Critics voiced concerns over reduced revenue collection as a result of lower car tariffs set out in the FTA. They also worried that further opening up of the South Korean market to large US companies such as Walmart could crowd out small businesses. ♦



A rally in Seoul against the South Korea-US FTA. Opposition to the agreement has continued in South Korea even after it was approved by parliament.

Chee Yoke Heong is a researcher with the Third World Network.

Multinational retail firms in India

The Indian government's move to open up the country's retail market to foreign direct investment provoked widespread protests. *Jayati Ghosh* explains that the concerns raised by critics are serious and well-grounded.

THE Indian government's sudden decision to allow hitherto prohibited foreign direct investment in multi-brand retail as well as full ownership in single-brand retail generated huge public outcry, to the extent that the government was forced to pause. One important ally of the government, fearing for her own popularity in the state of West Bengal where she is currently Chief Minister, declared that the policy is temporarily 'on hold', to be greeted only with awkward silence from the government. Finally the government was forced to announce that the policy is to be kept on hold until 'consensus' is achieved, which certainly seems unlikely at present.

What this episode does show clearly is that this is a highly contentious and potentially very unpopular policy, and that politicians are now getting more aware of this. So despite the raucous support from corporatised media and more subtle but possibly more influential lobbying by big multinational business, this policy could not be easily forced down in the face of massive public outcry.

Dubious claims

The Indian debate provides an opportunity to consider the actual impact of large corporate retail, and especially multinational retail chains, in developing countries in general. Proponents of such corporate retailing make several claims: that they 'modernise' distribution by bringing in more efficient techniques that also reduce wastage and costs of storage and distribution; that they provide more choice to consumers; that they lower distribution margins and provide goods more cheaply; that they are better for direct producers, such as farmers, because they reduce the number of intermediaries in the distribution chain; that they provide more employ-



Members of the National Association of Street Vendors of India demonstrate against government plans to allow foreign direct investment in the retail sector. One estimate suggests that for every job Walmart creates in India, it would displace 17-18 local small traders and their employees.

ment opportunities.

In fact, all of these claims are suspect, and several are completely false. This is particularly so in the case of employment generation: experience across the world makes it incontrovertible that large retail companies displace many more jobs of petty traders than they create in the form of employees. This has been true of all countries that have opened up to such companies, from Turkey in the 1990s to South Africa. Large retail chains typically use much more capital-intensive techniques, and have much more floor space, goods and sales turnover per worker.

One estimate suggests that for every job Walmart (the largest global retail chain) creates in India, it would displace 17 to 18 local small traders and their employees. In a country like India, this is of major significance, since around 44 million people are now involved in retail trade (26 million in urban areas) and they are over-

whelmingly in small shops or self-employed. Since other organised activities in India create hardly any additional net employment, and overall there has been a severe slowdown in job growth in the past five years, this is obviously a matter that simply cannot be ignored.

The argument that such large retail benefits direct producers like farmers is also very problematic. Greater market power of these large intermediaries has been associated in many other countries with higher marketing margins and exploitation of small producers. This is even true of the developed world, with more organised and vocal farmers protesting against giant retailers squeezing the prices paid to the farmers for their products, in some instances forcing them to sell at below cost prices. The European Parliament actually adopted a declaration in February 2008 stating: 'Throughout the EU, retailing is increasingly dominated by a small

number of supermarket chains... evidence from across the EU suggests large supermarkets are abusing their buying power to force down prices paid to suppliers (based both within and outside the EU) to unsustainable levels and impose unfair conditions upon them.' In the United States, marketing margins for major food items increased rapidly in the 1990s, a period when there was significant concentration of food retail.

The idea that cold storage and other facilities can only be developed by large private corporates involved in retail food distribution is foolish: proactive public intervention can (and has, in several countries) ensured better cold storage and other facilities through various incentives and promotion of more farmers' cooperatives. The argument is also made that corporate retail will encourage more corporate production, which in turn supposedly involves more efficient and less 'wasteful' use of the production. But calculations of efficiency based only on marketed output really miss the mark, because they do not include the varied uses of by-products by farmers. Biomass is used extensively and very scrupulously by most small cultivators, but industrial-style farming tends to negate it and does not even measure it. Biodiversity, use of biomass and interdependence that create resilient and adaptive farming systems are all threatened by the shift to more corporate control of agriculture.

Food production and consumption

There is another crucial implication that is all too often ignored in discussions of corporate retail. Corporate involvement in the process of food distribution causes changes in eating habits and farming patterns, which create not just unsustainable forms of production that are ecologically devastating, but also unhealthy consumption choices. In the developed world, this has been effectively documented by books like Eric Schlosser's *Fast Food Nation* and Michael Pollan's *The Omnivore's Dilemma*.

In the Baltic countries, this has



A Walmart store in China. Many of the claimed benefits of bringing multinational retail chains into developing countries are suspect.

led to a striking breakdown of any real link between local production and the supply of food. The global supply chain has become the source of most food and the European market has become the destination of food production: all mediated by large chains that deal in buying from farmers (often in contract farming arrangements that specify inputs and crops beforehand) and in food distribution down to retail outlets. Anecdotal evidence suggests that farmers have not gained from this even in a period of rising food prices, as they are powerless relative to the large traders who now control the market. And consumers complain about the rising prices of food, which the supposedly more 'efficient' supermarkets have not prevented at all.

As affluent Western markets reach saturation point, global food and drink firms have been seeking entry into developing-country markets, often targeting poor families and changing food consumption habits. Such highly processed food and drink is also a major cause of increased incidence of lifestyle diseases such as obesity, diabetes, heart disease and alcoholism, all of which have been ris-

ing rapidly in the developing world. The recent experience of South Africa is especially telling: around one-fourth of schoolchildren are now obese or overweight, as are 60% of women and 31% of men. Diabetes rates are soaring. Yet, nearly 20% of children aged one to nine have stunted growth, having suffered the kind of long-term malnutrition that leaves irreversible damage. And it has been found that obesity and malnutrition often occur in the same household.



Around 44 million people in India are involved in retail trade, mostly in small shops or self-employed.

These considerations – which are at least being noticed in the fierce debate now raging in India around this issue – surely deserve greater public attention across the world. ♦

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Keeping markets happy

It's not public-sector deficits that are at fault for the euro crisis – it's the policies that have enabled the financial sector to wield so much power.

THE new fiscal pact agreed to by the majority of European Union (EU) countries (save Britain) on 9 December in Brussels will do little to avoid a pending catastrophe. It neither addresses the main causes of the current eurozone crisis nor calls for the economic policies urgently needed to restore stability and increase employment and growth.

The dominant discourse of the pact places the blame for the crisis squarely on public-sector profligacy, yet the crisis did not begin in the public sector. It began in the private finance sector, where it was triggered by risky overleveraging by the unregulated shadow banking system of non-bank financial institutions, many of which were exploiting a dangerous housing bubble in the United States and Europe that went neglected by authorities. It quickly became a public-sector deficit crisis, however, as lavish bank bailouts were put together and tax revenues fell because of the economic recession. Yet the initial problems of the unregulated nature of the financial sector and its reckless use of derivatives and commodity market speculation, not to mention the 'too big to fail' moral dilemma, have not been resolved at all, leaving the door open for the possibility of more financial crises in the future.

Another root cause of the eurozone crisis lies in the unwillingness of the European Central Bank (ECB) to modify its current rules so that it can act more like a proper central bank. Although the ECB's recent moves to cut interest rates for the second straight month and expand emergency financing for cash-starved banks are steps in the right direction, its continued unwillingness to buy the bonds of troubled eurozone countries will only deepen the crisis. True, there is a technical ECB rule prohibiting unlimited bond purchases, yet one

Rick Rowden



The European Central Bank building in Frankfurt, Germany. The ECB's monetary policy is narrowly focused on maintaining low inflation over other goals such as promoting higher employment and growth.

would think staring into the abyss of a global depression might be a good enough reason to break this rule.

This fundamental failure to act with bond purchases reflects the eurozone's neoliberal architecture, which overtly seeks to diminish the role of the state and enhance the power of the market. This thinking is also reflected in the ECB's monetary policy, which is narrowly focused on maintaining low inflation over other goals such as promoting higher employment and growth. Because eurozone governments do not control their own national currencies and thus cannot devalue their way out of the crisis, the only other option for increasing their export competitiveness is to drive wages down and further weaken labour rights, a process referred to as an 'internal devaluation' through the adoption of 'labour flex-

ibility' reforms.

In fact, the new EU plan to restrict deficit spending to 3% of GDP and have EU countries cut and starve their way out of this recession smacks of the misguided fiscal and monetary policy of 1937 and the same anti-growth, anti-worker, and anti-public-investment toxic cocktails that have long characterised the International Monetary Fund (IMF)'s approach in developing countries. These policies to drive wages lower and adopt budget austerity in the current context of a recession will surely fail as consumer demand falls further, unemployment worsens, tax receipts continue to decline, and public deficits rise anyway.

Also at fault in the crisis is Germany's longstanding beggar-thy-neighbour approach of using low inflation and low wages to out-compete its EU trading partners, which eventually created destabilising imbalances within the eurozone. The approach worked so well over the last decade that it earned Germany a massive trade surplus while saddling the country's less competitive EU partners with large trade deficits. In so doing, however, it wiped out the purchasing power in these markets, which can no longer afford to buy German goods, thus killing the goose that laid the golden eggs.

So if these are the problems at the heart of the debt crisis, what are the solutions? European leaders could avoid eurozone imbalances in the first place by adopting sanctions against *both* deficit and surplus countries. Surplus countries could be required to provide countercyclical long-term financing to deficit countries during crises through a system of regional transfers, and adopt stimulus or even mildly inflationary policies at home to help boost the exports of deficit countries. But such steps to avoid

imbalances in the future will require abandoning the current *laissez-faire* architecture of the eurozone.

Europe must also turn its attention to meaningful regulation. In the 1970s, the finance sector famously complained that too much regulation was constraining its animal spirits and amounted to ‘financial repression,’ prompting US President Ronald Reagan and British Prime Minister Margaret Thatcher to set finance free with financial liberalisation. But how free is too free, and at what point does a reckless and oversized finance sector become a problem? These are the questions that voices ranging from the Occupy Wall Street movement to Adair Turner, chairman of Britain’s Financial Services Authority, are now raising, yet they are questions policymakers are still ignoring.

Economic historians such as Hyman Minsky and Joan Robinson have noted that over the last 300 years, periodic financial crises have been preceded by exuberant speculative bubbles enabled by periods of financial liberalisation, triggered by a crescendo of risky overleveraging, and followed by a period of re-regulation. Notably, however, there was no period of re-regulation following either the collapse of the dot-com bubble in the late 1990s or the more recent housing bubble in 2008. Finance may have avoided re-regulation after these recent bubbles because of the political power it has amassed over the years, as suggested by former IMF chief economist Simon Johnson in his *Atlantic* article, ‘The Quiet Coup’.

The pathologies associated with the financial sector’s dominance over the rest of the economy were on full display in recent days as European policymakers found themselves in impossible positions to please financial markets. Investors seem to be happy when governments impose harsh austerity to shore up confidence that bond issues will be repaid in full, and then unhappy when that austerity produces worsening economic projections.

This whiplashing of elected officials and near-total surrender of economic policy to the whims of the fi-

nancial markets suggests that things have gone too far. It also suggests that any steps toward restoring both financial stability and higher economic growth will necessarily involve reinstituting some of the constraints that conservatives used to deride as financial repression. It is increasingly apparent that after 30 years of financial liberalisation, we are today in desperate need of restoring policies that can again incentivise investment capital to move away from the casino economy and back into the real economy that produces jobs and growth. But this, too, will require jettisoning neoliberal policies.

A matter of policy

Given the recent replacements of the Italian and Greek governments with others more to the market’s liking, it is easy to get swept up in the notion that the bond markets have somehow seized control. As Wall Street investment banker Roger Altman has stated, financial markets have become ‘a global supra-government. They oust entrenched regimes where normal political processes could not do so. They force austerity, banking bailouts and other major policy changes.... Leaving aside unusable nuclear weapons, they have become the most powerful force on earth’.

But citizens must resist this characterisation of financial markets as a mysterious, uncontrollable force of nature and the driving force in this drama. In fact, these developments are merely the result of a particular set of policy choices. The circumstances under which financial markets brought about a run first on the debt of Greece, Ireland, and Portugal, and more recently on the debt of Italy and Spain, were created by the ECB’s neoliberal policies.

Chief among these is the priority of keeping inflation at low levels at all costs. The ECB has also enshrined ‘central bank independence’ in its architecture, which in theory enables the bank to fight inflation without citizens, parliaments, or finance ministries seeking to increase deficits and

print money during economic recessions (thus jeopardising the priority of low inflation). While the bond markets very much like low inflation (it keeps the value of their bond issues from deteriorating before they get repaid), neoliberal policies have effectively subordinated fiscal policy – even in times of crisis – to the goal of keeping these markets happy.

Other monetary policy choices and ECB architectural designs exist, and these alternatives deserve consideration today more than ever. The ECB, for example, could have pursued a different policy that focused on promoting growth and employment, and it could have acted to buy troubled eurozone bonds to diffuse the immediate crisis. New thinking in macroeconomics, on display at a remarkable IMF conference this March, has increasingly questioned the single-minded focus on inflation-targeting in central bank policy. There is a growing appreciation for context and complexity and the use of more targets and instruments in monetary policy, but none of this seems to have been absorbed yet by eurozone policymakers. Sadly, the ECB has opted for a deliberate neoliberal policy of lessening the role of the state, and it appears to be using this crisis to underfund governments with a fiscal straitjacket and compel them to drive wages lower and weaken labour generally, thereby guaranteeing a deeper, longer, and harsher recession yet to come.

The policies that today give so much power to the whims of the bond markets are not etched in stone, and history shows that reasonable people can decide to make new arrangements at any time – if citizens would only mobilise to demand such policy changes. For now, under the current policies, it looks like everybody is going to lose. ♦

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Cameron's Euro triumph

British Prime Minister David Cameron's refusal to endorse the fiscal straitjacket proposed by the EU to resolve the Euro crisis may seem to be at odds with the Tory insistence on fiscal austerity, but it is intelligible in the context of his party's higher allegiance to London's financial markets.

PRIME Minister David Cameron's refusal to sign up to the European Union's fiscal stability pact in Brussels in December was viewed by a majority of people in Britain as a 'triumph.' Sixty-two percent thought he had indeed stood up for Britain and shown that 'bulldog spirit' which his backbenchers had urged him to exhibit. The popular press treated him like a public school playground hero confronting 'the bullies of Europe.' 'One Brave Man Faces Down 26 Deluded Nations' was the headline of the *Mail on Sunday*.

After the initial euphoria, recriminations soon set in. How could he have exercised a 'veto' over a fiscal compact which will go ahead anyway, whether supported by 26 or 27 of the countries in the EU? Deputy premier Nick Clegg, until now the ever-compliant arachnid of the ruling coalition, spinning clichés for every occasion, at first declared Cameron's 'red lines' at the Euro-summit modest and reasonable. The fury of his Liberal Democrat Party soon caused him to modify this reaction, and he swiftly adopted a pose of sorrow, saying he was 'bitterly disappointed' with Cameron's impetuosity.

Just below the surface in Britain still flows the toxic sludge of an imperialist, xenophobic past, always ready to surface where the ideological crust is thinnest. Before his visit to Brussels, the rhetoric of 'appeasement' was aired once more, and Cameron was warned by the Tory Right not to come back waving a piece of paper. Munich and Vichy were invoked. The spectre of German control of Europe, talk of the Fourth

Jeremy Seabrook

Reich, was followed by the story of Cameron standing alone, as Britain had done in the Blitz, showing we can take it. The elasticity of the memory of World War Two knows no limits: it can be evoked even after 70 years to inform contemporary debate, fresh as ever, a precious garment preserved in tissue paper in the wardrobe of history, to be put on by the remote de-



British Prime Minister David Cameron speaking to the media outside the venue of the EU summit in Brussels in December. His refusal at the summit to sign up to the EU's fiscal stability pact was attributed to a desire to protect London's financial services industry from a mooted financial transaction tax.

scendants of its original wearer.

Cameron, despite his presentational skills and his extensive experience in public relations (his only job prior to his political career), has something of an older Tory diletantism in the hands-off style of his premiership. He has not taken the trouble to establish personal relationships with the leaders of Europe. His frequent U-turns on policy suggest a temperament ill-suited to mature deliberation and reflection. Some sympathisers described the outcome of the meeting in Brussels as somehow 'accidental.'

Protecting the City

It is significant and highly symbolic that the ostensible sticking point was the 'safeguards' Cameron demanded for the City of London, the financial services industry, which is now said to earn for Britain between 8% and 10% of GDP, almost as much as manufacturing, towards which Cameron and Clegg had declared a determination to 're-balance' the economy in what they called 'the march of the makers.' That the City and the financial services sector were at the heart of the crisis which started four years ago, has not dented the Conservatives' love of Big Money, and their readiness, despite the much-advertised 'reforms' recommended by the Independent Commission on Banking (themselves more stringent, according to Treasury Secretary, the Liberal Democrat Danny Alexander, than anything threatened by Europe), to appease, not the ghost of Hitler which the popular press sees in the

steely Angela Merkel, but the financial markets, whose higher jurisdiction is now the ultimate global court of appeal for all human affairs.

Cameron's refusal was all the more puzzling since the fiscal straitjacket proposed by the EU mirrors UK government policy. This ought to have caused the Conservative Party to rejoice; so why did he reject it in order to 'protect' London's financial services sector? His real fear was the 'financial transaction tax' to which Europe is committed (sometimes called the Robin Hood tax, or Tobin tax, after its originator), which would

in reality have affected only a handful of hedge funds and overseas investment desks of banks, and amounts to a small fraction of such deals (0.1% in stock and bond trades, 0.01% on derivatives).

If such a modest contribution to the wellbeing of the states in which they operate is enough to drive financial services to jurisdictions in which such taxes do not apply, these should be permitted to retreat to those distant havens, together with their personnel, who will surely not repine for the derisory amenities of a forsaken London. The argument of the British government that it would agree to such a tax only if the rest of the world also accepts it, echoes older controversies over child labour or the slave trade, when it was believed that if we were to take a moral stand, everybody else would take advantage of our idealistic folly.

Deference to finance

Popular discontent with the bankers is widespread in Britain, but it is a largely symbolic and ritual anger, a passive, grumbling cynicism. There is good reason for this. The contemporary version of the politics of deference is no longer to birth or station, but to money. No one, in the words of the euphemistic phrase, wants to kill the goose that lays the golden eggs; this suggests that if you want the wealth, you shouldn't look too closely at how it is made.

The awe in which finance is held is real: the common wisdom is now that without the wealth creators nothing that we value in the world – not health services, education, the arts, the humanities, charity and philanthropy – can exist. Our very survival depends upon the manipulators of the arcane world of exotic 'financial products' and instruments. 'You can't do anything without money'; it is as though humanity had been laid under an enchantment, a paralysis, a sleep, from which awakening is possible only by the animating kiss of wealth. This is why the global Occupy movement, although numerically small, poses such a threat to the cumbersome ap-

paratus of globalism: it hints that the real wealth of the world lies as much in the energies of the people and their capacity to make and do things for themselves and each other, in the free gifts and acts of charity of daily life, as in opaque mysteries of financial transactions in the impenetrable fortresses of steel and glass.

Distrust of Europe, fear of Germany, an emulous contempt for France – these historical antecedents can always be mobilised in Britain. They remove the focus from the villainies of bankers, they obscure the curious transformation of the private debt of banking institutions into public liabilities, for which the people – especially the poor – will have to pay for the foreseeable future. This displacement of blame by ruling elites is a fine art in Western political, financial and social affairs. The disgracing of politicians over the MPs expenses scandal in 2009 was another example. Their truanancies were small compared with the epic gambling and malversation of bankers, but it was more acceptable to rock the foundations of democracy rather than those of the financial system. It was more convenient too – MPs are exposed to public wrath, while bankers live in an exalted empyrean into which few ordinary people stray, and are therefore untouchable in their remote hideaway.

That Cameron chose to conciliate the Tory Right – at the risk of terminal damage to the coalition – shows that this was indeed a political preference. It was not forced upon him. In any case, the whole summit, advertised as 'the last chance to save the euro', was hyperbole. The agreement of 26 countries to proceed without Britain on their quixotic rescue mission, contributes nothing towards the actually existing problem. The fiscal compact is designed to make sure that 'never again' (those fateful words) will such a crisis arise. It is for the future; a prophylactic against the next time, and a hope that the decisions taken will calm the bond markets, assuage the turmoil, satisfy the unbiddable appetites and caprices of

money. In any case, it destines the economies of the European Union to a long period of deflation and possible recession. It would be an irony if the next few years show that Cameron has, despite himself and his instincts, had a narrow political and economic escape.

The drama in Brussels was essentially a piece of theatre to convince the markets that European financial governance is sound, that the supranational currency is intact and the eurozone a functioning entity. So important is this task that even democracy – the great prize which the West offers as the surest guarantor of peace and prosperity to the whole world – can be suspended in the appointment of 'technocratic' governments in Greece and Italy, technocrats usually being 'non-political' appointees, retirees from the very banks and financial institutions which caused the crisis in the first place.

Business as usual must be restored; this involves honouring the most dishonourable debts, a return to economic growth, austerity stretching into an indefinite future for the majority and the conservation of wealth where this is already concentrated. As long as the City is protected, like some feudal citadel or sanctuary, standing against the wreckers of Europe, behind the glittering and unfordable moat of money which financiers and bankers award themselves in their heroic resistance against a ghost army that would assault the stronghold and expose Britain to a real world obscured for so long by the fantasies of a defunct imperialism.

It has been suggested by Eurosceptics that a Britain outside of the European Union, with its flourishing financial sector, might become 'like Switzerland'; a country described by French writer Andre Gide as 'a hardy rose-bush without either thorns or flowers'. Perhaps a more fitting parallel would be Britain as another Norway, but with neither oil nor midnight sun. ♦

Jeremy Seabrook is a freelance journalist based in the UK.

Durban ushers in new UN climate talks without an equitable framework

The latest UN negotiations on climate change in Durban have further undermined the prospects of realising an international treaty to tackle global warming which is truly equitable and just to the developing countries. *Martin Khor* reports.

THE United Nations Climate Change Conference in Durban, South Africa ended early morning of 11 December with the launch of negotiations for a new global climate deal to be completed in 2015.

The new deal aims to ensure 'the highest possible mitigation efforts by all Parties', meaning that the countries should undertake deep greenhouse gas emissions cuts, or lower the growth rates of their emissions.

It will take the form of either 'a protocol, another legal instrument or an agreed outcome with legal force'.

In a night of high drama, the European Union tried to pressurise India and China to agree to commit to a legally binding treaty such as a protocol, and to agree to cancel the term 'legal outcome' from the list of three possible results, as they said this was too weak an option.

The EU and the United States



The 2011 United Nations Climate Change Conference was held in Durban, South Africa from 28 November to 11 December.

have said they want major developing countries to undertake emissions-cutting obligations similar to them. This is a departure from the UN Framework Convention on Climate Change which distinguishes between the binding climate change mitigation commitments that developed countries have to undertake and the voluntary mitigation actions that developing countries should do.

At the closing plenary on 11 December, Indian environment minister Jayanthi Natarajan gave a passionate defence on why India was against committing to a legally binding protocol, and the need to base the new talks on equity.

Why, she asked, should India give a blank cheque by agreeing upfront to

joining a protocol when the content of that protocol was not yet known?

'We are not talking about changing lifestyles but about effects on the livelihoods of millions of poor farmers,' she said. 'Why should I sign away the rights of 1.2 billion people (to development)? Is that equity?'

Jayanthi said that the resolution on the new round of talks did not even contain the words 'equity' or 'common but differentiated responsibilities', a term in the Convention meaning that rich countries should contribute more than poor ones in the fight against climate change. (This principle is based on the industrial countries' historical responsibility for causing the accumulated greenhouse gases in the atmosphere and consequent climate change.)

If such a protocol is developed, in which poor countries had to cut their emissions as much as rich countries, 'we will be giving up the equity principle. It is goodbye to common and differentiated responsibility. It would be the greatest tragedy.'

Several countries, including China, the Philippines, Pakistan and Egypt, supported India's position. Eventually, it was agreed that the term 'legal outcome' be changed to 'agreed outcome with legal force', and the conference approved the launching of the new talks.

At the same time, the Durban conference also took steps to wind down the current framework of cli-



The Durban conference agreed to launch talks on a new deal to tackle climate change, but conspicuously absent from the terms of reference of this new regime was the equity principle.

mate talks, comprising the Kyoto Protocol and the Bali Road Map (a mandate adopted in 2007 at the annual climate talks in Bali, Indonesia).

The Kyoto Protocol was saved from extinction by a decision by mainly European countries (the EU and Norway) to enter a second period of emissions reduction commitments to start in 2013. The first commitment period of cuts under the Protocol ends in December 2012.

However, the Kyoto Protocol implementation has been significantly and perhaps fatally weakened. Japan, Russia and Canada have pulled out of a second commitment period, while Australia and New Zealand notified that they may or may not join in.

With only the European countries left, the Kyoto Protocol may live on till 2017 or 2020, but by then it may already be overshadowed by the new deal.

The sketchy terms of reference of this new deal were remarkable for being so one-sided in favour of developed countries, as the equity principle was conspicuously absent, and the implied principle was that all countries had to take part, and take on a high ambition for total emission cuts.

The Durban conference also finalised details for a new Green Climate Fund, which will start operating with a Board and interim secretariat by early 2012.

At times the Durban talks looked as if they were going off-track, with disagreements on many issues. Even at the last session after the two-week talks were extended by another day, there were grumbles about how the South Africans, who chaired and managed the meeting, were trying to push through resolutions and texts without allowing for changes.

In the end, Durban may be remembered for phasing out climate change frameworks based on equity and launching talks for a new treaty whose contours are yet to be defined. ♦

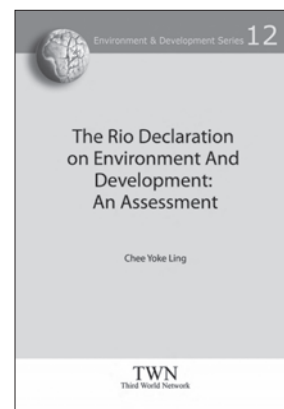
Martin Khor is Executive Director of the South Centre, an intergovernmental policy think-tank of developing countries, and former Director of the Third World Network.

The Rio Declaration on Environment and Development: An Assessment

By Chee Yoke Ling

In 1992 the historic UN Conference on Environment and Development (UNCED, popularly known as the Earth Summit) held in Rio de Janeiro, Brazil witnessed unprecedented political will and commitment among governments to make a paradigm shift to sustainable development. Acknowledging the twin crises of poverty and the environment UNCED concluded that the prevailing economic model was unsustainable. The Rio Declaration on Environment and Development that emerged from intense discussion, debate and negotiations was thus the framework of principles adopted by Heads of States and Governments for that paradigm shift.

Almost 20 years later, as governments, civil society organisations and international institutions prepare for the UN Conference on Sustainable Development in June 2012 to be held again in Rio, there is growing questioning by the North, and even rejection by some governments of the North, of some of the most fundamental of the Rio principles. The spirit of Rio 1992 was generally one of multilateralism, cooperation and solidarity based on the fundamental principle of common but differentiated responsibilities even though the North had shown reluctance in crucial issues such as reforms in global economic systems and taking the lead in changing consumption and production patterns. Today, that spirit is ebbing as competition and inequities dominate international relations. The objectives of Rio+20 is "to secure renewed political commitment for sustainable development". We hope that this booklet that provides a summary of the negotiation history of the Rio Declaration can contribute to that objective.



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The clash of paradigms in Durban

The UN climate negotiations in Durban proved to be painfully protracted because parties had different paradigms on the substance and shape of a fair and effective climate change regime. *Meena Raman* delineates the deep differences which emerged during the debate before they were papered over with an ambiguous compromise.

THE main outcome of the two-week Durban climate change conference was the launching of a new round of negotiations known as the Durban Platform aimed at a new regime (whether a protocol or other legal instrument or an agreed outcome with legal force) under the UN Framework Convention on Climate Change (UNFCCC) and involving all countries.

The draft decision on this was provided at an informal plenary late on the night of 10 December, long after the conference was scheduled to end and when many ministers and senior officials had already left Durban.

It was given to participants as part of a package of four decisions on a take-it-or-leave-it basis, with little time for the members to consider or discuss among themselves, in an unusual and unprecedented set of procedures.

The decision on the Durban Platform and how it was reached will be debated for a long time to come. It was also unusual how a decision to launch such an important negotiation was made with very little terms of reference to frame the talks or the outcome that will emerge from them.

The details of the terms of reference are now scheduled to be worked out in the coming year. Given the circumstances in which the Durban Platform was launched, these talks on the framework to underpin the new regime can be expected to be tough and lengthy.

This is especially because different Parties to the UNFCCC have different paradigms on the substance and shape of a fair and effective climate change regime.

Many of the differences were pa-



Conference President Maite Nkoana-Mashabane (centre) being applauded at the conclusion of the Durban talks. The main outcome of the conference was the launching of a new round of negotiations known as the Durban Platform.

pered over in the take-it-or-leave-it decision-making mode of the final plenary meetings at Durban. The objections of developing countries, especially to many parts of the reports and decisions from the Ad Hoc Working Groups on Long-term Cooperative Action under the Convention (AWGLCA) and on Further Commitments for Annex I Parties under the Kyoto Protocol (AWGKP) were simply brushed aside by the working group chairpersons (officials from the US and New Zealand respectively) and by the conference president herself.

However, the basic differences were most evident in the discussions on the reports of the working groups, and on the draft decision on the Durban Platform during the plenary meetings on 10 December night and 11 December morning that preceded their adoption.

At the informal plenary discussion on the Durban Platform, the highlight was a lengthy and eloquent plea

by the Indian Environment Minister for equity to underpin any future regime, following a call by the European Union's chief climate official to alter the draft decision to ensure that the outcome of the new talks would be legally binding.

It was a long, intense and dramatic ending at the Durban climate conference, which concluded only around 7 am on 11 December when it was scheduled to finish on the evening of 9 December.

Negotiations were particularly intense over the push mainly by developed countries, led by the European Union, for a launch of a new process to develop a legally binding instrument aimed at mitigation efforts by all Parties, but without the usual reference (so prominent in previous such resolutions) to the principles of equity or common but differentiated responsibilities (CBDR). According to diplomatic sources, the United States was especially adamant that there be no references to these prin-

Photo courtesy of IISD/Earth Negotiations Bulletin

ciples in the decision.

The draft decision proposed to the plenary by the South African Foreign Minister Maite Nkoana-Mashabane, in her capacity as President of the 17th session of the Conference of the Parties (COP) to the UNFCCC, was to 'launch a process to develop a protocol, another legal instrument or a legal outcome under the Convention applicable to all Parties, through a subsidiary body under the Convention hereby established and to be known as the Ad Hoc Working Group on the Durban Platform for Enhanced Action'.

This draft had been the outcome of a series of closed-door talks over the last few days and nights among 20 to 30 Parties. The EU and other European countries and several developing countries, including the Alliance of Small Island States, were insistent on a legally binding regime (thus the terms 'protocol' or 'another legal instrument') whereas India and China wanted to add the third option of 'legal outcome'.

The third option was included in the final draft put forward by the COP 17 Presidency to the plenary. Although an appeal was made to accept the texts of the four decisions as a whole, the EU's chief climate official Connie Hedegaard asked for reopening the Durban Platform decision in order to cancel the third option of 'legal outcome'.

India's Environment Minister Jayanthi Natarajan then made a strong plea for all options in terms of the legal form of the new process to remain on the table, including a 'legal outcome' (instead of only a protocol or legal instrument as possible options), stressing the need for equity and the principle of CBDR to be the centre-piece of the climate change debate.

The Indian Minister appealed to Parties not to push aside equity in the Durban outcome, as this would be the greatest tragedy. The Minister was not prepared to give a blank cheque and sign away the livelihoods of the poor when she did not know what the docu-



India's Environment Minister Jayanthi Natarajan (*pic*) made a strong plea at Durban for equity to underpin any future climate change regime.

ment (from the new process) would contain.

India's position was supported by several developing countries including China, Pakistan, Bolivia, Egypt, the Philippines and El Salvador.

In the draft given to the final plenary, the new process of negotiations was to commence work in the first half of 2012 and was to be completed no later than 2015 in order for the adoption of a protocol, legal instrument or legal outcome under the Convention, applicable to all Parties, at the 21st session (in 2015) of the COP, and for it to come into effect and be implemented from 2020. The option of 'legal outcome' was the bone of contention.

At the plenary, following the plea by the Indian Minister to retain the 'legal outcome' option, the EU's Climate Change Commissioner Hedegaard proposed discussions with India on how to accommodate the latter's concerns over the issue of equity.

The COP 17 President Nkoana-Mashabane then proposed a suspension of the session (at around 3.30 am on 11 December morning) for an 'informal huddle' between the EU and India to discuss this issue. This huddle soon saw many other Parties joining the discussions, including the United States, China, and Brazil.

According to one source who witnessed what took place, India was willing to take out the words 'legal outcome' if the principles of equity and CBDR were incorporated in the

document. According to the source, the EU was willing to accept this but US chief negotiator Todd Stern opposed this and said that equity and CBDR 'will never fly' for the US and thus blocked an agreement between the EU and India.

Following further wrangling, in the final compromise, the words 'legal outcome' were replaced with 'agreed outcome with legal force', which was suggested by Brazil's chief negotiator, Ambassador Luis Figueiredo Machado.

This left many wondering what the difference, if any, was between 'legal outcome' and 'outcome with legal force.'

What was most worrying for ministers and senior officials from several developing countries who were interviewed was that the Durban climate talks were marked by an attempt by developed countries to push aside the principles of equity and CBDR, especially on the issue of launching the negotiations for a new regime. The US in particular was opposed to any reference to equity and CBDR in the decision to launch the new process.

Despite the explicit absence of the words 'equity' and 'CBDR' in the text, several lawyers and senior negotiators were of the view that a protocol, legal instrument or agreed outcome with legal force under the Convention must be consistent with the existing principles and provisions of the Convention and therefore the principles of equity and CBDR can be implied to apply. However, this view can be expected to be challenged, especially by the United States, when the negotiations start.

The EU's strong push for a new mitigation treaty came as a quid pro quo for it to undertake a second commitment period under the Kyoto Protocol (KP) for emissions reductions. A decision was also adopted on the Kyoto Protocol on 11 December morning. It however fell short of confirming a second commitment period of the Protocol.

According to one expert observer, the language of the Kyoto Protocol

decision was only of the nature of 'taking note' of the 'intention' of Parties to convert targets to real commitments 'with a view' to adopting them at the next climate conference in December 2012. It thus remains to be seen if the commitments will be made, and, if so, what the numbers and substance will be.

In return, developed countries succeeded in securing a new process of climate talks on mitigation efforts by all Parties, without explicit reference to equity and CBDR.

Heated exchange

The often heated exchange on the Durban Platform took place at a joint informal meeting of COP 17 and the 7th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) which was convened by COP/CMP President Nkoana-Mashabane late on 10 December, following the closing sessions of the AWGKP and AWGLCA.

Nkoana-Mashabane outlined the elements of what she called the 'Durban package', which were (i) the second commitment period (2CP) for emissions reductions by Annex I Parties under the KP; (ii) a decision on the work of the AWGLCA; (iii) a decision on the Green Climate Fund (GCF); and (iv) an agreement on the Durban Platform for enhanced action.

Nkoana-Mashabane asked Parties to adopt each of the decisions without further debate and amendments when they were presented during the formal sessions of the COP and the CMP respectively, saying that Parties required 'assurances from each other to agree to all the draft decisions', clearly suggesting a 'take-it-or-leave-it' approach. She said that this was needed to 'make history and strengthen multilateralism'.

Several delegations expressed frustration that their concerns were not heard when they were first raised during the closing sessions of the AWGKP and the AWGLCA prior to the joint informal meeting of the COP and CMP.

Hedegaard said the EU had a

'Equity has to be the centrepiece'

The following is the text of remarks by Indian Minister for Environment and Forests Jayanthi Natarajan at a closed-door ministerial session at the Durban conference on 10 December, following strong statements by several developed-country ministers and a particularly accusatory one by Canadian Environment Minister Peter Kent. The Indian Minister's remarks met with applause in the room.

I DO not know how to start. I have heard people across the room carefully. I am from India and I represent 1.2 billion people. My country has a tiny per capita carbon footprint of 1.7 ton and our per capita GDP is even lower.

I was astonished and disturbed by the comments of my colleague from Canada who was pointing at us as to why we are against the roadmap. I am disturbed to find that a legally binding protocol to the Convention, negotiated just 14 years ago, is now being junked in a cavalier manner. Countries which had signed and ratified it are walking away without even a polite goodbye. And yet, pointing at others.

I was also deeply moved listening to the comments of my colleagues and friends from the small island states. Our positions may be different, but their sentiments resonate with me very strongly. India has 600 islands which may be submerged, we have deltaic region in which millions of people live. We are absolutely at the forefront of the vulnerability of climate change. When I talk here, I have in front of my eyes, the face of the last Indian who is affected by the effects of climate change.

It would be helpful if we do not talk at each other and do not prejudge each other.

As a developing country, the principles of equity and CBDR are central for us. India is asking for space for basic development for its people and poverty eradication. Is this an unreasonable demand? Former Prime Minister of India Indira Gandhi said that poverty is the greatest polluter and development is the greatest healer. Equity has to be the centrepiece of the climate discussion and our negotiations should be built on it. We cannot accept the principle of CBDR to be diluted. The firewall of CBDR must not be broken. Equity in the debate must be secured.

I too raise my voice for urgency. Climate change is the most pressing and urgent problem for us. I too have a grandson, the son of my son. Climate change affects us too. What is important is what action we are taking to address it. We are not saying nothing should be done now, or no action should be taken. On the contrary. We are asking that the actions of the developed-country Parties must be reviewed.

We have taken ambitious steps in India to address climate change. My Prime Minister has announced that our per capita emissions would never exceed that of developed countries. Has any other country done this? We have ambitious energy efficiency targets. We have pledged to lower the emissions intensity of our GDP by 20-25% by 2020. A recent report from the Stockholm Institute has noted that the mitigation pledges of developing countries amount to more mitigation than that of developed countries.

What we demand is for existing commitments to be met. What we demand is comparability of actions. We demand that the emissions gap must be bridged.

Coming to the text you have presented, Madam Chair, I have three comments.

First of all, there is an imbalance in the two texts. The KP is weak. It does not have:

- The numbers for KP Parties, not till next years
- A timeline for ratification
- An indication of how the gap in the implementation will be avoided.

My biggest concern with reference to the texts is that there is no reference to the fundamental principle of equity and CBDR in the bigger picture text.

We should have clear timelines that advance the actions and ambition of Parties. We in the developing world are taking very ambitious domestic actions. It is because we need urgent actions that we should urgently implement the Bali Action Plan and operationalise the Cancun Agreements.

We should have an ambitious implementation phase till 2013 and then go to the Review in 2013-15 to make an assessment based on science and commitments.

We should then begin work on the arrangements that can enhance our ambition further. We should not confuse legally binding arrangements with ambition. We need commitments, not mere hollow promises. ♦



Indian Environment Minister Jayanthi Natarajan (seated far left) and EU Climate Change Commissioner Connie Hedegaard (seated far right) meeting in an 'informal huddle' in the early morning of 11 December to debate the nature and form of the Durban Platform climate regime.

point of utmost concern on the Durban package. What was within reach was a legally binding deal or a prospect for such a deal. For the EU, there was a need for a legally binding deal as voluntary means (in relation to emissions reductions) were not enough and international legislation was needed. She said the KP did manage to reduce emissions. The EU wanted further progress through another protocol or legal instrument but was concerned about the words 'legal outcome' as this put in doubt whether Parties were ready to commit (to emission cuts). She said that the EU was ready to commit to a 2CP for another five years and was almost alone in the KP. It was not too much for it to ask that after the 2CP, all Parties (including the US and developing countries) would be legally bound to take emission cuts under a single legal instrument or protocol by 2018.

Colombia supported the call by the EU and wanted a legal instrument under the Convention by 2018. Switzerland also expressed similar views, saying that this was a new page in history.

India's Minister of Environment and Forests, Jayanthi Natarajan, in a passionate and strong response to the EU, said equity was a centrepiece in

the debate on climate change not only for India but also for the entire world. She said many Parties came to her in different tones and voices and told her that unless she dropped the option of a 'legal outcome' (in relation to the Durban Platform) India would be blamed (for blocking the negotiations). She asked what the problem was in adding one more option.

The Indian Minister said that she would not be threatened by intimidation. Referring to calls for a legal instrument, she asked how she could give a blank cheque and sign away the livelihoods of the poor (and not lifestyles of the rich) when she did not know what the document would contain. She asked where the principle of CBDR was reflected and had no doubt that efforts were being made to shift the entire burden of climate change onto countries that did not contribute to the problem.

Referring to the Durban Platform document, she said it was weak on CBDR as it referred to 'launching a process to develop a protocol or another legal instrument or a legal outcome under the Convention applicable to all Parties.' Natarajan emphasised that she represented 1.2 billion people and that India had a tiny per capita carbon footprint of 1.7 tons and

its per capita GDP was also low.

She said that India must not be made a scapegoat of the multilateral process. Referring to the Durban Platform document, she said that it was a product of six days of talking and all ideas were put forward and what was captured in the document was the sense of the Chair.

She reminded Parties that India had placed the issue of equity on the agenda of the COP but this was pushed somewhere else and was not in the main text (of the AWGLCA outcome document). She made a plea for the issue of equity not to be held hostage and said that it would be a grave tragedy if equity was put aside in Durban.

She appealed to Parties to allow the word 'outcome' to remain in the Durban Platform document as a further option. She asked how this could be a crime and how India could be accused of collapsing the talks.

Xie Zhenhua, Vice Chairman/Vice-Minister of the National Development and Reform Commission of China, in a very strong response, supported India. He said that the existing Convention and Protocol are legally binding but questioned if Parties were implementing them. The existing legal instruments spell out the principles of CBDR, respective capabilities and equity. To deal with climate change, all countries need to collaborate towards common goals, in accordance with respective capabilities, strengthen cooperation, and respond collectively. Till now, some countries have made promises, but have not fulfilled them. They have not taken real actions. Xie said developing countries need to develop, protect the environment, mitigate climate change and eradicate poverty. Developed countries have to fulfil their promises, take concrete actions, and truly achieve the objectives in coping with climate change. Developing countries do not care what they are saying but need to see what is being done. Many developed countries have not fulfilled their promises. 'We have done what we are supposed to do, whereas they have not done their part. What position are they in to judge us?'

Grenada, speaking for the Alliance of Small Island States, said that they wanted a 2CP with meaningful numbers under the KP but did not get that in Durban. Hence, the effort was to bring up the ambition level through the legal form. Referring to the options in the Durban Platform document, it said that it was difficult to accept the option of 'legal outcome' as it appeared to be an option for climbing down the ladder in terms of mitigation ambition by allowing countries to continue on the track that brought climate change. If there was no legal instrument, Parties would be relegating vulnerable economies to death, with beautiful words such as 'access to development'. It said that if 'they develop we die'. It could not accept terms with no limits on emissions.

Bolivia, in supporting India, said there is a need to think of commitments to emission reductions but also to address the right to development, right to food, right to eradicate poverty etc. The work of the new working group for the Durban Platform must address this. There is also the right of countries to equitable access to the atmosphere which has been used by a small group of countries. In an apparent reference to the US, Bolivia said that it is a paradox that a country with a large share of the emissions is not in the KP. When a legal regime is being built, Parties must be careful as to how the atmospheric space is distributed as those who are rich do not want to cut emissions while they want others to do this. The notion of a legal instrument applying to all must take into account poverty and the right to development. Behind the issues of emissions, there is wealth, misery and poverty and vested interests.

The Philippines was concerned that the Convention and the KP were in danger of being a relic of the past. It expressed deep concern that after over five years of negotiations on the



Xie Zhenhua (pic), Vice Chairman of China's National Development and Reform Commission, said that developed countries have to fulfil their promises and take concrete actions to deal with climate change.

further commitments for Annex I Parties under the KP, Parties had again fallen short of arriving at a ratifiable amendment to the KP's Annex B that would have ultimately gotten the Protocol out of intensive care and back into life. It was deeply concerned that Parties had come short of this and had once again procrastinated. Parties were expected to send a strong political signal to the world in the form of adopting fully ratifiable amendments for the establishment of the second commitment period of the Protocol. It was heart-broken to see Parties divided and made a plea for not pitting one against another. It said they were against one real cruel enemy – climate change.

The Philippines was for environmental integrity as well as for sustainable and equitable growth. It stressed that equity is a fundamental concept whose reflection in the processes will ensure a fair and just outcome that achieves the objective of the Convention. It was open to a legally binding instrument, as it agreed that a legal regime was important, but it should have been with a view to saving the KP which had not gotten out of intensive care.

Pakistan also said that it stood behind equity and CBDR. No matter how much the world has changed, CBDR is still applicable. It said that it was strange that there was no reflection in the document on equity and CBDR. It said that real consensus was when everyone was on board and that

no single view should force others to submit. True multilateralism should have everyone on board.

El Salvador stressed the need to raise the level of ambition and address the finance gap, the mitigation gap and the equity gap. It hoped that the process launched in Durban would take Parties in the direction needed.

Brazil said that climate change is a huge challenge, as is fighting poverty, and no country has done more to reduce emissions than

Brazil. On a legally binding deal, it said Parties were on the verge of approving potentially what was more than the Berlin mandate (where the process towards the KP was launched) and the adoption of the 2CP under the KP. It was open to a new era of cooperation.

Egypt, in response to the EU on the need for clarity (in relation to mitigation), said there was a need also for clarity on the issue of financial support with predictability, additionality and transparency. It said that developed-country Parties, who were calling for a new legally binding instrument, did not show the same passion for the KP. It also stressed the importance of equity and CBDR. It said that the form of the legal outcome should follow the function. There was a need for flexibility in the Durban Platform to allow for the form of agreement needed according to what agreements are reached.

Senegal supported Egypt and the need for CBDR. It said that the Durban package was weak.

Gambia, speaking for the least developed countries (LDCs), reiterated the need for a legally binding instrument that must provide for strong and binding enforcement to address all the pillars of the Bali Action Plan.

Bangladesh supported the Durban package and a legally binding deal, in addition to the 2CP. Although the texts (in relation to the decisions) had been watered down, it was prepared to accept them.

Norway shared the view of India that equity is important but wanted a legal instrument in 2015 and did not support a mere 'legal outcome'.

The US said it embraced the full Durban package, including the need for a new legal instrument.

The Democratic Republic of Congo, speaking for the African Group, said that in Durban, the KP did not die; there were outcomes on adaptation, financing, technology transfer and capacity building and the operationalising of the institutions of the Convention. It regretted the lack of ambition and balance but could support the move for further progress on increasing the mitigation ambition so that Africa was secure.

Malaysia said that it was not clear on how the outcome from the AWGLCA was going to be addressed when several Parties had pointed to a serious lack of balance and the need for further work before it could be adopted. It was looking for a good package that allowed the AWGLCA sufficient time to restore the balance needed next year.

The COP President did not address Malaysia's concerns.

The formal sessions of the CMP and the COP were then convened one after the other. At the CMP, several concerns were raised over the outcome of work from the AWGKP but these concerns were not addressed by Nkoana-Mashabane, who proceeded to gavel the adoption of the outcomes.

At the closing sessions of the AWGKP and AWGLCA held before the COP/CMP joint informal session on 10 December, many Parties had raised several concerns they had on the respective reports by the Chairs of the two working groups, which reflected the outcomes of the work. In the case of the AWGKP session, several developing countries wanted amendments to be made to the outcome document but none were entertained by the Chair, Adrian Macey from New Zealand, except for an amendment suggested by the EU on the duration of the 2CP from a five-year period (2013-2017) to an eight-year period (2013-2020). Both these options are now on the table. The re-

port and the outcome of the work of the AWGKP was presented 'under the authority and responsibility of the Chair', which was unprecedented.

Likewise, in the case of the outcome of the work of the AWGLCA, the Chair of the working group, Daniel Reifsnyder from the US, ignored calls by several developing countries not to adopt the report and to allow for further work to be done next year on the outcome document to rectify the existing imbalances, especially when the document was only presented to Parties late in the morning of 10 December. The Chair did not agree with the proposal and proceeded to transmit the document to the COP President under his own responsibility although it did not receive consensus, which was also an unusual move.

Decision-making

During and after the Durban meeting, negotiators of many developing countries expressed deep concern about the procedures for adopting decisions at COP 17. The conference had been extended for almost two days, and ministers and officials of many countries had already left. The closed-door meeting of 20-30

Parties left many others that were not invited in the dark.

The documents for the decisions in the final plenary meetings were distributed late, and some Parties complained they did not have the papers. There was no time for the Parties to study the papers. The Chairs of the AWGKP and AWGLCA did not take into account the disagreements that most Parties registered on the draft decisions but decided to transmit their reports almost unchanged (the only changes were to accommodate the EU on the Kyoto Protocol) to the COP and CMP. When the COP and CMP meetings were convened, there was little opportunity to reopen the reports and some attempts made by developing countries were ignored, while the only opportunity to reopen was provided to the EU over the 'legal outcome' issue.

While COP 17 and CMP 7 did not fall apart as many had predicted in the last day of the conference, the manner in which the decisions were achieved may be debated, including what it means for the future of decision-making in a UN multilateral setting for years to come. ♦

Meena Raman is a legal adviser and senior researcher with the Third World Network.

Is China still a developing country?

In the climate change talks, pressure has been exerted on the likes of China to undertake emissions cuts similar to those of the industrial countries. *Martin Khor* considers whether it is fair to demand that China take on the responsibilities of a developed country, in the context of the US president's recent assertion that China has 'grown up'.

IS China still a developing country, or has it joined the ranks of the advanced developed countries?

This has become a topical question, especially after US President Barack Obama said at the recent APEC summit in Hawaii that China had to act more responsibly, now that it has 'grown up'.

By telling China that it has become a grown-up adult, Obama meant

that China should now be treated just like the US or Europe in terms of international obligations. Like taking on binding commitments to reduce greenhouse gas emissions, cutting its tariffs to near zero and giving up its subsidies under the World Trade Organisation (WTO), giving aid to poor countries and letting its currency float.

This is what the US has been pressurising China to do in the recent

negotiations on climate change, in the WTO's Doha talks, at various meetings of the United Nations and at the APEC summit. In fact, most of the important multilateral negotiations are stalled because the US (with Europe and Japan standing behind it) insists that China give up its developing-country status and take on the obligations of a developed country.

It's not only China, of course. They also want India and Brazil to do likewise. And often also mentioned are South Africa and the wealthier or bigger South-East Asian countries.

The main focus, however, is China. There has been a growing respect for or rather fear of China, that it is growing so fast and has become so big and powerful it might swallow up the Western world in a decade or two.

Developed or developing?

So, the question is pertinent. Is China a developed country?

The answer depends on what criteria are used. In absolute terms, China is indeed a big economy. Its gross national product (GNP) is second only to that of the United States. It has become the biggest emitter of greenhouse gases, having overtaken the US.

But this is mainly because China is a big country in terms of population. With 1.3 billion people, it's the world's most populous country. India is not far behind with 1.2 billion people and is on track to overtake China in two decades.

However, despite the mighty image it has been given by the world media, China looks like a very ordinary developing country once we consider per capita indicators.

Whether one is a developed or developing country is defined by the UN and by the International Monetary Fund (IMF) and World Bank, and the most important criterion is income per capita.

By that yardstick, China is very much a developing country.

The IMF, in its latest *World Economic Outlook*, classifies China as a developing country, with a per capita

gross domestic product (GDP) in 2010 of \$4,382, ranked a lowly 91 of 184 countries in the world.

Six African countries (Equatorial Guinea, Gabon, Botswana, Mauritius, South Africa and Namibia) had GDP per capita levels higher than China. China's GDP per capita was less than a tenth that of the United States, which had \$46,860. Luxembourg had the highest ranking, with \$108,952.

The World Bank classifies countries into four income groups. In its latest report, economies were divided according to 2008 gross national income per capita according to the following ranges of income:

- low-income countries with GNI per capita below \$1,006
- lower-middle-income countries with GNI per capita between \$1,006 and \$3,975
- upper-middle-income countries with GNI per capita between \$3,976 and \$12,275
- high-income countries with GNI per capita above \$12,276.

The World Bank classifies all low- and middle-income countries as developing. According to the Bank's figures, China's GNP per capita was \$2,050 in 2006, \$2,490 in 2007, \$3,050 in 2008, \$3,650 in 2009 and \$4,260 in 2010. In fact, China has in recent years been in the category of lower-middle-income countries until it crossed over to the upper-middle-income group in 2010.

Economists also use the measure of GNP per capita in 'gross purchasing power' (or GPP). This is to take into account differences in the cost of living in different countries. People living in countries with a lower cost of living could enjoy a higher living standard than their country's GNP implies.

In 2010, in GDP (at GPP) per capita terms, China was lower still at No. 95 with \$7,544, just below Ecuador and Bosnia and Herzegovina, and just above Albania, El Salvador, Tonga and Guyana.

The UN Development Programme (UNDP) has a Human Development Index (HDI) that measures quality of life in terms of income, schooling, life expectancy and so on.

UNDP's *Human Development Report 2011* shows China at No. 101 of 187 countries with an HDI of 0.687 and in a category of 'medium human development'. It is below many other developing countries in the very high or high human development categories, such as Chile, Argentina, Barbados, Uruguay, Cuba, Bahamas, Panama, Malaysia, Libya, Grenada, Lebanon, Venezuela, Mauritius, Jamaica, Ecuador, Brazil, Iran, Togo and Tunisia.

What about climate change? China, again mainly because of its huge population, is the top greenhouse-gas-emitting country, with a total of 7,232 megatonnes of CO₂ equivalent in 2005. The US is second with 6,914 Mtonnes, and India fifth with 1,859 Mtonnes.

But in per capita terms, China's emissions level was 5.5 CO₂ equivalent per person, ranked 84 in the world. By contrast, the US's per capita emission was 23.4 CO₂ equivalent, Australia 27.3, Canada 22.9, Russia 13.7, Germany 11.9, Singapore 11.4, Japan 10.5, Malaysia 9.2, South Africa 9.0, Brazil 5.4, Indonesia 2.7, India 1.7, Tanzania 1.5 and Rwanda 0.4.

Thus, as No. 91 in the world in GDP per capita, No. 101 in the Human Development Index and No. 84 in per capita emissions, China is looking like, and is, a middle-level or even lower-middle-level developing country, with not only all the developed countries but also many developing countries ahead of it.

China also shares the same characteristics of many developing countries. More than 700 million of its 1.3 billion people live in rural areas, and in 2008 there was a large imbalance, with the urban disposable household income 3.3 times bigger on average than in rural areas.

According to China's own standard, 43 million Chinese are low-income (below \$160 a year). By the higher UN standard, 150 million people are poor, living on less than \$1 a day.

Each year, 12 million people are newly added to the job market, outnumbering the population of Greece,

and it is quite a task to find them jobs.

This does not deny the fact that there are high points in China's development: its big GNP in absolute terms, its high rate of economic growth and foreign reserves of above \$3 trillion.

But the fact remains that while China has become a big economic power in absolute terms, it is still a middle-level developing country, with the socioeconomic problems that most developing countries have.

And if China is pressurised to take on the duties of a developed country and to forgo the status and benefits of a developing country, then many other developing countries that are ahead of China (at least in per capita terms) may soon be also asked to do the same.

Thus China's fight to retain its developing-country status is of interest to other developing countries, for if China loses that fight, they will be next. ♦

India was targeted by developed countries and the mainstream media as an obstacle to forging a new climate change mitigation treaty, and expected to (with other developing countries) take on heavier obligations than least developed countries and small island states. Below are two sets of data on the reality of India.

Reality check on India and climate politics

Dale Jiajun Wen

IN his article above, Martin Khor, the Executive Director of the South Centre, lays out all the facts and numbers in per capita terms of indicators including GDP, the Human Development Index, and carbon emissions, all of which unequivocally show that China is still a developing country. He finishes the article with the following sentence: 'China's fight to retain its developing-country status is of interest to other developing countries, for if China loses that fight, they will be next.' The politics of the Durban climate negotiations confirmed his prediction.

As the Durban negotiations intensified, media reports started to portray India as the stumbling block. There were headlines like 'Durban climate talks "roadmap" held up by India', 'China readies big climate offer, India mulls support'. And some NGOs started to call for leadership from India. It is time for a reality

check.

In 2010, India was ranked a lowly 132 out of 184 countries in per capita GDP. Its level was \$1,370, compared to \$46,860 for the US, according to IMF data.

In 2008, India was ranked 138 in per capita carbon dioxide emission; its level of 1.48 tons compares with 17.52 tons for the US, according to UN data. Its high total emission is largely due to its huge population of 1.2 billion, for which it can hardly be blamed. A similar thing can be said about India's emerging-economy status. In terms of per capita GDP, countries like Tonga and Congo are doing better than India.

Some 400 million people in India do not have access to electricity.

According to a 2005 World Bank estimate, 41.6% of the total Indian population fall below the international poverty line of \$1.25 a day (in purchasing power parity terms).

The 2011 Global Hunger Index (GHI) Report ranks India 15th

amongst leading countries with a hunger situation. It also places India amongst the three countries where the GHI went up between 1996 and 2011, while 78 out of the 81 developing countries studied, including Pakistan, Nepal, Bangladesh, Vietnam, Kenya, Nigeria, Myanmar, Uganda, Zimbabwe and Malawi, succeeded in improving hunger condition.

India is also one of the countries most vulnerable to climate change. During the 2010 Cancun climate negotiations, the World Food Programme released a 'Food insecurity and climate change' map. In terms of the 'hunger and climate vulnerability index', mostly together with African countries, India gets the highest rating, meaning it has a very high chance of facing even worse food insecurity because of climate change.

For hundreds of millions of poor Indians, the right to development is the right to survival. Some narratives which pitch the right to survival (mostly in relation to the small island states and African countries) against big developing countries' (including India's) right to development are nothing but a false dichotomy. India has very good reasons to insist on historical responsibility and equity, to insist that developed countries implement what they have already agreed under the UN Framework Convention on Climate Change, under the Bali Action Plan and under the Cancun agreement, while it itself is on track to implementing its nationally appropriate mitigation actions. (India has announced a domestic goal of reducing the emissions intensity of its output by 20-25% by 2020 based on 2005 levels. It has a National Action Plan on Climate Change to meet this objective, and further steps to implement a strategy that will meet this domestic goal are being taken as part of implementation of the 12th Five Year Plan.)

India embodies the double challenge of climate change to developing countries: to avoid the high-carbon development pathway of the West, and to lift its people out of poverty. As a country with such heart-wrenching poverty, it undoubtedly

needs help in the form of financial support, technology transfer and capacity-building assistance from the North.

Global emissions need to peak as soon as possible, thus it is urgent to have an honest look at how much atmospheric space is still available and how we can share it in an equitable manner. On 3 December in Durban, experts from Brazil, China, India and South Africa jointly launched an equity paper, which is an example of ongoing efforts on this front. However, instead of engaging in such discussion, the West has largely avoided the topic and is using the emission growth of countries like India and China as a smokescreen.

For example, it is widely reported that India's emissions grew by 9% between 2009-2010, but little known is the fact that US emissions also grew by 4%. In absolute terms, the US increase of 0.2 billion tons is actually larger than India's 0.15 billion tons. It is not only the US. The EU-15 emissions also grew by 2.8%, with those of Germany and the UK up by 4%.

But somehow, these countries are still considered forerunners of the supposedly progressive EU – let's not forget that all these developed countries have a legal obligation to reduce emissions. Instead of showing real leadership, it seems that the EU is now hiding behind the US and even India. How can global emissions peak under such circumstances?

We are here to fight for the future, especially for the future of children. Indian children are already in a dire situation. Of Indian children under 5, 43.5% are underweight due to malnutrition, the highest rate in the world, even worse than that of any least developed country. By insisting on equity in the climate negotiations, India is already showing leadership. The Indian government and people have much to do at home but in terms of international negotiations, it is simply unfair to ask India for more. Calling India a stumbling block in the climate talks is almost tantamount to calling Chad or Lesotho a stumbling block. ♦

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greenhouse gas emissions are only one-sixth of an American's. And India? Well ... only a tenth of an American's, actually. And, if you don't like per capita comparisons (you don't think India should get a break for being populous?), India's 'total' emissions are only two-thirds of Africa's.

And as for vulnerability? Where does India's water come from? From the Himalayan glaciers and from the monsoons. My guess is climate change will be no kinder to India than to Africa.

Of course, the point of this is not to compare Africa and India so we can figure out who is poorer, who is suffering more, and who is less responsible for climate change. The point is to ask why so many people have gotten sucked in by the India scapegoating, which is so obviously a diversion. The whole 'survival versus development' false dichotomy has always been dangerous, but never more so than when applied to Africa and India. It is no surprise that India appears to some to have gone on the defensive, dug in its heels, and started looking for allies wherever it can possibly find them.

In these negotiations, we've got to turn our attention back to the Parties who are the real blockers: the greedy Parties that are demanding every loophole; the free-riders who are putting forward paltry pledges that are completely at odds with their capacity and responsibility; the tight-fisted countries that are still refusing to put real money on the table to help stop climate catastrophe, ostensibly because of their self-inflicted financial woes.

Shall we get back to work? ♦

Dr Sivan Kartha is a Senior Scientist at the Stockholm Environment Institute (US Office).

Let's get back to work

Sivan Kartha

THE common wisdom is that we've come here to save Africa. Africa, we hear every day, is a continent populated with poor people on the frontlines of climate change, where immediate adaptation is a priority and climate delay means death. India, we hear, is the grim reaper.¹ And the purpose of COP 17 is, in large part, to compel India to step back from the brink and help save Africa. India should stop being an obstructionist and should come to the rescue of Africa.

Well ... some comparisons are in order.

Africa is poor. VERY poor. Seventeen Africans live on the income of

one American. And India? Turns out the number of Indians who live on the income of one American is ... 16. Yes, India is a bit closer to Africa than it is to the US on this score.

But, even though India's 'average' income is just about the same as Africa's, it's still crawling with millionaires like Mukesh Ambani, right? Actually, 1.1% of Africans have made it into the top global wealth decile, whereas 0.9% of Indians have. Rather even, I'd say. And again, India stands a bit closer to Africa than to the US (with 21% of Americans in the top global decile).

But, anyway, Africa is a low emitter which is suffering from the rest of the world's emissions, whereas India is on a planet-incinerating coal binge, right? After all, an African's per capita

Endnote

1. Editor's note: This is a reference to an advertisement in the 10 December edition of the *Financial Times* portraying India as one of four countries depicted as 'grim reapers' bringing climate death and destruction to Africa.

Future of Kyoto Protocol still shrouded in uncertainty

Official claims that the Durban conference registered a success in securing a second round of emission cuts under the Kyoto Protocol are exaggerated, says *Chee Yoke Ling*. The countries concerned have merely indicated their intention to undertake emission cuts which have yet to be quantified for a second commitment period yet to be determined.

IN Cancun last year the climate talks ended with the Kyoto Protocol relegated to intensive care. As the Durban climate conference was extended officially by an extra day, and finally closed after 6 am on 11 December after another all-nighter, pressures mounted and an injection was given that allowed an official announcement of 'success' in adopting a decision on the next round of greenhouse gas emissions cuts by developed countries.

But what did Durban actually deliver?

Unfortunately, what emerged were still pledges by developed countries that have indicated their *intention* to take on a second commitment period under the Kyoto Protocol (KP) to reduce greenhouse gas emissions. Even these are conditional on the domestic processes of some developed-country Parties or a new legally binding agreement on greenhouse gas emissions reduction that would effectively replace the KP in the future.

Those under a legal obligation to take on cuts are developed countries and countries with economies in transition listed in Annex I of the UN Framework Convention on Climate Change (UNFCCC). Of the Annex I countries, the United States is notably absent from the list of Parties to the KP.

But the US agreed in 2007 at the Bali climate conference that it would take 'comparable efforts' to KP Parties in reducing its own huge emissions. The quid pro quo was that developing countries would take nationally appropriate mitigation actions (with financial and technology sup-



Civil society delegates at a session of the Kyoto Protocol ad hoc working group (AWGKP) in Durban. More than five years of negotiations in the AWGKP had failed to yield an agreement on developed countries' emission reduction targets in the second commitment period of the Protocol.

port from developed countries including the US) as a trade-off to pull the US into the global mitigation effort. This set of actions under the UNFCCC would complement the KP second commitment period of emissions cuts so that we move more quickly to slow down global temperature increase.

Meanwhile the KP legal regime was designed to avoid a gap between the first and second commitment periods. The first commitment period runs from 2008 up to 31 December 2012. Consequently, in December 2005 the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWGKP) was mandated to 'to consider further commitments for Parties included in Annex I for the period beyond 2012 in accordance with Ar-

ticle 3, paragraph 9, of the Protocol'. The specific mandate is to agree on the reduction targets in aggregate and individually or jointly of Annex I Parties.

As thousands of participants arrived in Durban, more than five years of negotiations in the AWGKP failed to yield an agreement, with only very low pledges made by mainly European countries. Since 2007 Annex I Parties had also increased their demands and conditions on developing countries such as China and India to take on mitigation commitments in a new legally binding treaty, in the mistaken hope that this would also pull the US into taking action. As many observers and developing-country delegates remarked again and again, if the US administration cannot even

Photo courtesy of IISD/Earth Negotiations Bulletin

get a domestic climate law passed in the US Congress, how can it be part of any new international treaty?

However, before Durban, the European Union already made it clear that it wanted its 'roadmap' adopted in Durban: it would accept a 'political' second commitment period (not a finalised legal amendment to the KP to be adopted in Durban to incorporate a second commitment period) on the condition that a new treaty process be launched. This new treaty would replace the KP.

On the other hand, developing countries were of one voice in strongly insisting that the level of mitigation ambition in the second commitment period must be in accordance with the requirements of science and there must be no gap after 2012 (as agreed by all KP Parties). The KP must be kept alive and its implementation strengthened – the fact that the KP covers only Annex I Parties is because of their historical responsibility for global warming, and equity requires them to take the lead to do more.

Besides, since 2010 with the Cancun decisions, developing countries (except for least developed countries and small island states) have already committed to taking mitigation actions that will be subject to international transparency requirements, beyond their UNFCCC obligations.

So the pressure was intense in Durban as to who will be responsible for 'killing' the KP if no second commitment period was accepted.

The South African government that hosted the 17th and 7th meetings of the Conference of the Parties (COP 17) to the UNFCCC, and the COP serving as the Meeting of the Parties to the KP (CMP 7), respectively, was determined to have a success under its watch. Foreign Minister Maite Nkoana-Mashabane, in her capacity as President of the COP 17/CMP 7, was a key player. It was hard over the 15 days to not conclude that the EU agenda was at the forefront of the Presidency's preoccupations.

At an informal joint plenary of the COP and CMP on the night of 10 December, the 'Durban package' was

presented to Parties comprising (i) the second commitment period for emissions reductions by Annex I Parties under the Kyoto Protocol; (ii) a decision on the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWGLCA); (iii) a decision on the Green Climate Fund; and (iv) an agreement on the establishment of a new ad hoc working group on the Durban Platform for Enhanced Action (to develop 'a protocol, another legal instrument or an agreed outcome with legal force'). The 'Durban Platform' document triggered strong statements, disagreements among developed and developing countries, and considerable frustration and confusion.

Nkoana-Mashabane asked Parties to adopt each of the decisions without further debate and amendments when they were presented during the formal sessions of the COP and the CMP respectively, saying that Parties required 'assurances from each other to agree to all the draft decisions', clearly suggesting a 'take-it-or-leave-it' approach.

Up until the last hours of the conference, when the AWGKP met after the informal joint plenary, there was still no consensus on the draft decision on the second commitment period prepared by the AWGKP Chair, Adrian Macey of New Zealand. Proposals by several developing countries to strengthen the decision were not accepted, and the only change that entered the document was from the EU to include an option of an eight-year commitment period as opposed to five years (this was in the Chair's draft and reflects the position of almost all developing countries because low pledges over a longer period means even less real emissions reduction).

After a heated debate, with several developing-country Parties expressing frustration and disappointment, Macey decided to transmit the draft decision under his own responsibility for approval by the CMP 7.

As the dust settles in the aftermath of the Durban conference, many developing-country Parties are concerned that there is still no legally

binding second commitment period as envisaged under the KP; the ambition level is too low compared to what is required by science; there is no aggregate number for the overall greenhouse gas reduction with each Party free to set its own level; and the length of the commitment period is uncertain (it can be five or eight years, to be decided in 2012). Some expert observers are of the view that the essentially voluntary nature of the Durban decision, with no political support for any more commitment periods, will mark the effective end of the KP.

This weak decision was nevertheless adopted in a manner that poses a serious threat to the multilateral, open, inclusive and transparent decision-making processes that we expect of the UN. The South African Presidency, the Chairs of the AWGKP and the AWGLCA (Daniel Reifsnyder of the US) and some who would never be officially named wielded considerable influence by ultimately shaping draft decisions that they considered were 'balanced' and 'politically achievable'. (See the articles 'The clash of paradigms in Durban' and 'A flagrant violation of practice and procedure' in this issue.)

Debate in AWGKP

During the AWGKP plenary from about 6.30 pm to 8.15 pm, Nicaragua, on behalf of the Bolivarian Alliance of the Peoples of Our America (ALBA), Bolivia and Kenya proposed specific amendments to strengthen the draft decision, expressing deep concerns over the weak operative paragraphs through the use of terms such as 'takes note' (rather than 'acknowledges') and 'invites' (rather than 'mandates').

The paragraphs concerned and later adopted by the CMP 7 without any change are as follows:

Para 3: '*Takes note* of the proposed amendments to the Kyoto Protocol' developed by the AWGKP contained in the Annexes of the Decision;

Para 4: '*Further takes note* of the quantified economy-wide emission reduction targets to be implemented by Parties included in Annex I as com-

municated by them ... and of the intention of these Parties to convert these targets to quantified emission limitation or reduction objectives (QELROs) for the second commitment period under the Kyoto Protocol’;

Para 5: ‘Invites Parties included in Annex I listed in Annex 1 to this decision to submit information on their QELROs for the second commitment period under the Kyoto Protocol by 1 May 2012 for consideration by’ the AWGKP in its 17th session in 2012.

Other Parties including Venezuela and Saudi Arabia also spoke strongly on the weakness of these paragraphs as a way forward for the KP.

Bolivia also pointed out the weakness of preambular paragraph 9 that states, ‘*Aiming to ensure* that aggregate emissions of greenhouse gases by Parties included in Annex I are reduced by at least 25-40% below 1990 levels by 2020 ...’

It expressed concern that this range (25-40%) is too big; it does not give a clear answer of how much of the greenhouse gases should be reduced for the next years. What is needed are single numbers of intention of how much reduction will be made, Bolivia said.

Kenya proposed the insertion in preambular paragraph 8 of the words: ‘to ensure no gap between the first and second commitment periods of the KP’. It asked for replacement of preambular paragraph 9 with ‘Reaffirming that immediate action shall be taken by Annex I Parties to ensure that the emissions reduction commitments are science-based and sufficient to contribute in an equitable manner towards limiting the global average temperature increase to well below 1.5 degrees Centigrade above industrial levels in a time frame that protects the ecosystem, food production and sustainable development’.

It concurred with those who found the language in paragraphs 3, 4, 5 and 6 to be weak. It also proposed paragraph 6bis: ‘Decides that the second commitment period shall apply to all Parties immediately upon the

conclusion of the first commitment period ... and shall apply on a provisional basis until entry into force of the amendment of each Party’.

Nicaragua made several proposals that it repeated at the CMP 7 final plenary (see below).

The European Union made three amendment proposals. The first was to include the option of ending the second commitment period in 2020 (Macey’s text stated 2017) and this was accepted even though several countries including Grenada, Bolivia, Gambia, Kenya and Colombia had spoken against the change.

Connie Hedegaard, the EU’s Climate Change Commissioner, said it had been raised in the ministerial consultations and that there is a general understanding that there has to be a symmetry between what is done in the KP and the LCA (long-term cooperative action under the UNFCCC that is addressed by a separate ad hoc working group), and so it must be 2020.

(The year 2020 relates to the decision subsequently adopted by the UNFCCC COP on a new process of negotiations to commence work in the first half of 2012 and to be completed no later than 2015 in order for the adoption of a protocol, another legal instrument or agreed outcome with legal force under the Convention, applicable to all Parties, in 2015 and for it to come into effect and be implemented from 2020.)

The EU’s other proposed amendments were to delete part of a paragraph relating to units acquired from emissions trading under Article 17 of the KP and to include a paragraph on land use, land-use change and forestry.

Japan and the Russian Federation also had proposals for amendments.

Saudi Arabia had some proposals but the Chair did not allow the delegate to proceed, stating that ‘we have passed the time for amendments. Any amendments that Parties really want to propose will have to be done in the plenary’.

When Saudi Arabia retorted that the Chair had accepted from other Parties proposals that went into brack-

ets (referring to the EU), the Chair responded by saying that he had not accepted proposals from other Parties. ‘They were read out quickly. I listen to other proposals. It is unlikely that any of the proposals can achieve consensus and that remains my view. We are past the stage to listen to long lists of amendments,’ Macey said.

‘Can you explain please what stage of democracy in this process we are in?’ – Venezuelan delegate Claudia Salerno Caldera

Venezuela’s climate envoy, Claudia Salerno Caldera, intervened at this stage and asked for some clarity on the procedures. ‘I have been very patient in this room listening to developed countries putting ideas forward, on bracket ideas put forward, and actually anchoring their low levels of ambition, and then developing-country Parties are not allowed to talk about what they think about this future we are heading to. I have seen you give [time for consideration of their positions] to developed-country Parties. So can you explain please what stage of democracy in this process we are in?’ she asked, to applause in the hall.

The EU’s Hedegaard responded that everybody will know the EU will not give empty pledges. ‘I think that it will be hard to find anyone here with all their pledges as ambitious as our national leg. We are very much ready, and that is also in the text, still to have a 30% proposal on the table. It is not that the commitment period is empty because of the EU. We are actually one of the few ones who will be in the second commitment period. It is fair to state that.’

To that, Venezuela said, ‘To be very frank, the only thing that we are having from the EU is actually what they already have in their national legislation, so they are not offering any-

thing to this body. Let us just be clear about that. They already have a legal system that is based on that number (20% reduction from 1990 levels) that they are generously offering to us.

‘But now I will underline this. The only thing that we are going to have here tonight is the continuation and the insurance that we are going to protect the only legal regime we have until, I don’t know, 2017 or 2020, and the having that as the only thing actually is what the EU is offering.

‘We are actually in a legally binding agreement where we “take note of a proposed amendment” – is that language that you honestly think we can reach consensus on? “Further takes note of an intention...” – what kind of language is that to a legally binding regime? Can you tell me where the consensus lies? Because I don’t understand.’

The only change that was allowed finally was the proposal by the EU to include the option of 2020 as the end of the second commitment period.

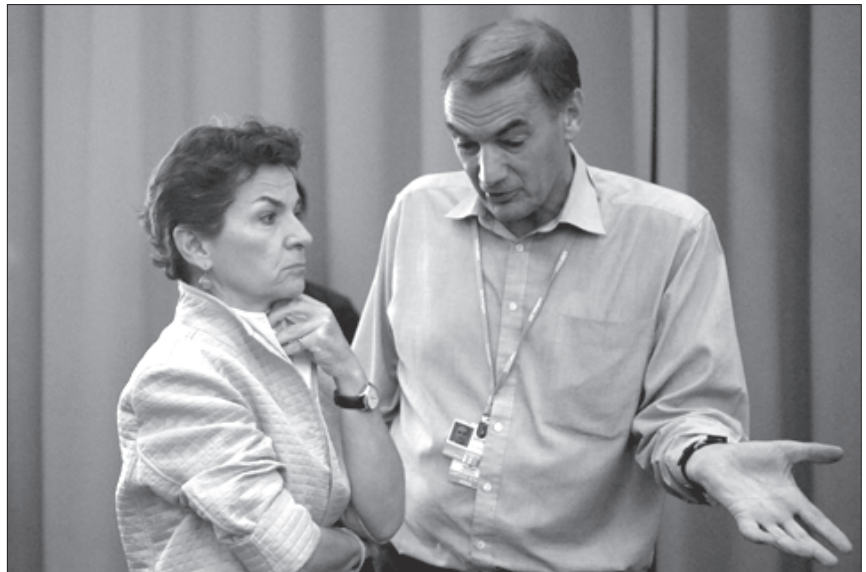
The adopted decision now reads: ‘Decides that the second commitment period under the Kyoto Protocol shall begin on 1 January 2013 and end either on 31 December 2017 or 31 December 2020, to be decided by the AWGKP at its 17th session [in 2012].’

Only pledges, with QELROs deferred to 2012

In addition to the weak nature of the operational paragraphs 3 to 5 of the decision that developing countries had raised, what currently exist are only pledges and even then, not all Annex I Parties have submitted those.

Annex 1 to the CMP 7 decision contains a table that is to be the new Annex B to the Kyoto Protocol setting out the greenhouse gas emissions reduction targets of developed countries and countries with economies in transition that are Parties to the Protocol. Annex B is designed to contain the quantified emission limitation or reduction objectives (QELROs) of each Party concerned.

[The QELRO, expressed as a percentage in relation to a base year



AWGKP Chair Adrian Macey speaking with UNFCCC Executive Secretary Christiana Figueres in Durban. After a heated debate in the AWGKP, Macey decided to transmit the draft decision on the Kyoto Protocol second commitment period under his own responsibility for approval by the main plenary.

(1990 for the first commitment period), denotes the average level of emissions that an Annex B Party could emit on an annual basis during a given commitment period. Pledges represent the end point of a trajectory of emissions that a Party sets itself to achieve. The transformation of pledges into QELROs situates the pledges in the context of a commitment period and related accounting of emissions and removals under the KP. In practical terms, it involves calculating the average annual emissions relative to a base year that would fit the emissions trajectory leading to the pledged target. Source: UNFCCC Secretariat.]

The EU has inscribed its 20% emissions reduction pledge in Annex 1 of the CMP decision, which is already legislated as its own internally agreed emissions reduction target. ‘As part of a global and comprehensive agreement for the period beyond 2012’, the EU makes ‘a conditional offer to move to a 30% reduction by 2020 compared to 1990 levels, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities’ [footnote (g) in Annex 1 of the decision].

Australia and New Zealand have not inscribed any numbers and indicate they are ‘prepared to consider’ submitting information on their QELROs pursuant to the CMP decision ‘following the necessary domestic processes and taking into account’ the rest of the Durban package and the new decisions on the accounting and other rules under the KP [footnotes (a) and (l) in Annex 1 of the decision].

Whether there will be QELROs from all Annex I Parties by 1 May 2012 (the deadline for submission) remains to be seen.

Meanwhile on 8 June 2011, Canada had notified the UNFCCC Secretariat that it did not intend to participate in a second commitment period of the Kyoto Protocol. This was followed by an announcement on 12 December (the day after the Durban conference ended) by Environment Minister Peter Kent that Canada is invoking its legal right to withdraw from the Protocol. Kent was in Durban.

(Canada is not able to meet its first commitment period reduction target by 2012 when the period ends.)

In December 2010 the Russian Federation and Japan were the first to inform the UNFCCC Secretariat that they did not intend to take on a second commitment period.

Weak decision adopted

Despite the continued efforts by some developing countries to strengthen the decision during the final formal CMP 7 plenary, the take-it-or-leave-it approach to the adoption of all the key decisions in Durban also played out for this one.

In her opening remarks when the plenary convened in the early hours of 11 December, COP/CMP President Nkoana-Mashabane reminded Parties of the undertaking that was made on the work of the AWGKP (referring to the informal joint plenary of the COP 17 and CMP 7 a few hours earlier where she urged Parties to adopt the 'Durban package' without further debate and amendments at the formal sessions of the COP and the CMP respectively).

Macey as Chair of the AWGKP reported on the work during the past year on other issues and said that unfortunately the working group was not able to agree on the text (on the second commitment period) which he had presented under his own responsibility and based on his best assessment of what is a balanced and achievable outcome. He then said he was forwarding that text to the CMP for its consideration.

He said further that during the closing plenary of the AWGKP Parties indicated a number of areas where they would like changes made. He reviewed these carefully, aiming to assess which changes could be agreed and whether these could impact on the delicate political balance needed to be achieved.

Macey said that a primary issue of concern to Parties was the length of the commitment period, pointing to the options of five or eight years – 2017 or 2020 – in the text. This would be decided at the next session of the AWGKP in 2012.

Bolivia said that in the AWGKP plenary it had supported a Party (Gambia, speaking on behalf of the least developed countries) that suggested the deletion or bracketing of paragraph 12bis (to be added to Article 3 of the KP). This had not been done and Bolivia asked for an explanation.

(Paragraph 12bis reads: 'Any units generated from market-based mechanisms to be established under the Convention or its instruments may be used by Parties included in Annex I to assist them in achieving compliance with their quantified emission limitation and reduction commitments under Article 3. Any such units which a Party acquires from another Party to the Convention shall be added to the assigned amount for the acquiring Party and subtracted from the quantity of units held by the transferring Party.')

Bolivia was not given any response to its query.

Papua New Guinea said that it would be very comfortable working with Bolivia on non-market options and it would expect that they work with it on market options. It was not about vetoing one country's ideas against another's. It did not accept deletion.

Bolivia replied that its observation on paragraph 12bis was not because it is linked with market mechanisms of the KP but because it makes a linkage with future market-based mechanisms under the Convention. It implies the possibility – that is a question – to have those mechanisms in the context of the AWGLCA work. They still have to consider those documents in the context of the AWGLCA; it is written in future terms, market-based mechanisms that have not been designed yet. They have not approved it yet. Bolivia suggested putting that paragraph in brackets.

Its request was ignored.

Nicaragua (on behalf of ALBA) said the group had proposed amendments in both the ministerial meeting and on the floor in the AWGKP. To have a truly binding second commitment period paragraph 4 should read 'acknowledges commitments' rather than 'takes note of intention'. Furthermore if there are amendments to the KP, paragraph 3 that states 'takes note of the proposed amendments' should be 'approves the proposed amendments'.

On paragraph 1 that decides that the second commitment period shall begin on 1 January 2013 and end on

31 December 2017 and paragraph 5 where QELROs will be decided by 2012, Nicaragua said ratification would not be available for all Parties between May 2012 and 1 January 2013. This would open up the issue of a gap. So it had requested an amendment to eliminate the gap because there was a consensus of all concerned to avoid a gap.

It was also concerned over the preambular paragraph about noting the importance of developing a comprehensive global response to climate change – it saw this as contradictory to Article 10 (of the KP, on common but differentiated responsibilities). It added that language needs to be introduced to reinforce that CBDR is not being abandoned under any circumstances nor should this be interpreted as leading to merging both tracks (KP and LCA) or erasing everything from the blackboard and starting again. So instead of 'global response', there should be language to reflect CBDR.

Nicaragua stressed it was disappointed that after the two presentations (at the ministerial meeting and AWGKP) not one of ALBA's proposed changes had been introduced into the text. Nor was it given any explanation why they were not. So it raised once again, for the third time, the serious concerns it had. The purpose was to get to an agreement, but under conditions that could be accepted by all.

The EU said it was a little bit surprised by this discussion because in the light of the package that had been adopted why were they spending so much time on this? It said it could also make a little change 'dear to our heart' on paragraph 12ter to delete 'If these units are acquired under Art 17'. It was happy to take that back if they all stuck to the package that had just been approved a few moments ago.

At this point the COP President said she thought questions were asked for clarity which she was going to give to the AWGKP Chair to quickly respond to. 'We've spent hours on this in the joint informal plenary on the package. If you are to open one side of the package we are inviting other



The venue of the 1997 talks in Kyoto, Japan which resulted in the eponymously titled Protocol. After Durban, many developing countries are concerned that there is still no legally binding second commitment period as envisaged under the Protocol.

delegations to go back to open – and we start tit for tat and then back to chicken and egg and then we will get ourselves back to where we started, which will not be correct,’ she said.

Macey said that in the course of the last few days and most recently at the plenary of the AWGKP, Parties would be very well aware of the major concerns of Parties on parts of the text. It is a difficult process to reach consensus here. He reiterated that he did review very carefully all proposals and suggestions heard at the (AWGKP) plenary and he needed to assess if any of the changes could be agreed and whether this could disturb the very delicate political balance that had been achieved. He reiterated that the text before the CMP was his assessment of where consensus could be found.

The President then continued to read the other elements of the decision (on matters related to emissions trading, greenhouse gas inventories etc) and proposed that these decisions be a part of the comprehensive Durban outcome.

She gavelled, and in the midst of applause Bolivia asked to speak.

Bolivia said it asked for the floor and waited respectfully for the President to finish. It was referring to the

document to make observations and suddenly it was approved. As Parties they had the right to make observations. It did not want to be an obstacle to that but it had the right to present observations. It wanted an outcome. It asked for registration of the fact that it did not agree with paragraphs 3 and 12bis of the document that had been approved. ‘We are a Party and we ask you please to respect our opinion.’

Nkoana-Mashabane told Bolivia its request would be noted and immediately proceeded to resume the COP 17 session to adopt COP decisions. (The COP was convened right after the CMP but done in such a hurried fashion, without first acknowledging those who still wanted to speak, that there was confusion over the formalities of the two legally distinct plenaries.)

The Secretariat at this point drew her attention to Nicaragua that had also asked to speak.

Nicaragua said it also had asked for the floor previously. It clarified that the ALBA group had made its proposal twice, once in the ministerial meeting and the second time in the AWGKP meeting. Therefore it would expect that if the (Chair of the working group) had his observation, (Parties) could receive an explanation

for why the Chair was not in agreement rather than having a wholesale elimination of all the proposals. This was essential so that the approval by the (Parties) could be done with full information and queries, preoccupations and concerns could be addressed in a spirit of frank, open and fraternal dialogue looking at producing a real consensus and not an apparent consensus.

It said that when its concerns here had not been clarified – it had had no dialogue on them – this even became a matter of whether the consultation processes were real when something was presented two times but was ignored. ‘It does not mean every recommendation is going to be approved. Quite obviously, you win some and you lose some. But to lose them all, and you do not get any explanation, really does not seem to be appropriate.’

As for the package that the EU mentioned, Nicaragua said that not all of them were in on the package. ‘There are not two classes of sovereign states here – those in the package and those outside. Our opinions are just as worthy in international law and just as worthy in reaching these decisions as those inside the package.’

Nicaragua said that the AWGKP Chair did not have to waste time and could dialogue with it on its proposals. They could do so in the spirit of improving and fortifying the document as well as addressing concerns.

Nkoana-Mashabane said she would allow the AWGKP Chair to dialogue with Nicaragua and went on to say, ‘With your permission I ask that we continue, and I thank you for your contribution and your understanding.’

Japan then said that it is in a position to follow the consensus but wanted to make sure it is not in a position to submit its QELRO and will send a letter to the Secretary to make sure its position is respected (i.e. it will not take part in the second commitment period).

With that the CMP 7 plenary was ended. ♦

Chee Yoke Ling is Director of Programmes at the Third World Network.

A flagrant violation of practice and procedure

At Durban, the Chair of the working group tasked with the 'effective and sustained implementation of the [UN Climate Change] Convention through long-term cooperative action' blatantly disregarded proper procedures and the strong concerns of many developing countries in presenting his report of his group's

Meena Raman

deliberations.

DESPITE strong concerns raised by many developing countries over the lack of balance in the report of the outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action (AWGLCA) under the UNFCCC, the Chair of the working group, in an unprecedented move, transmitted the report to the Conference of the Parties (COP) under his own authority.

Late in the morning of 10 December (as the Durban climate talks were extended beyond 9 December), the Chair of the AWGLCA, Daniel Reifsnyder of the United States, made available to Parties his draft conclusions on the outcome of the work of the Working Group, which comprised 56 pages including annexes.

When the AWGLCA met for its final plenary session late evening the same day, Reifsnyder formally presented the document to the Parties (referred to as document L4). He also presented another document reflecting the work undertaken in the informal groups as a note by him (referred to as Conference Room Paper – CRP 39), which he said was to carry forward ideas and proposals in areas in which continued discussions are envisaged next year.

Many concerns raised especially by developing countries during the final session of the AWGLCA were brushed aside with the unusual procedure of transmitting the outcome document to the COP under the authority of the Chair despite it not enjoying any consensus from the



Chair Daniel Reifsnyder (centre) presides over a meeting of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWGLCA) in Durban. Reifsnyder forwarded the draft report on the outcome of the AWGLCA's work to the Conference of the Parties under his own authority, despite strong concerns raised by many developing countries.

UNFCCC Parties.

Several developing countries raised concerns over many specific issues and the lack of balance in the text, especially in relation to mitigation actions of developed and developing countries, with the breaking down of the firewall between them, and the absence of the recognition of historical responsibility and the principle of common but differentiated responsibilities (CBDR).

Many countries were unhappy that there was no expression of the level of mitigation ambition needed by developed countries and there was no provision for the comparability of efforts between the Kyoto Protocol (KP) Parties and the non-KP Parties (the US in particular). Some expressed deep concern that a flexible mitigation regime for developed countries was being set up in place of the KP, and that it did not have any compliance regime or common accounting framework.

The US was opposed to any attempt in Durban to have any process to review its pledge or on how to raise the ambition level of greenhouse gas emissions reduction. It also did not

want a common accounting framework or a compliance regime, which was called for by many developing countries and the European Union.

There were concerns also over long-term finance, where there was no clarity on how the \$100 billion per year by 2020 as agreed to in Cancun was going to be mobilised or on a roadmap for that to be put in place to ensure predictable and sustainable financial resources to developing countries.

Some developing countries wanted the AWGLCA document to be worked on further to 'restore the balance' and proposed that this be done next year. They were not ready to support the adoption of the outcome document in Durban.

The life of the AWGLCA was extended for another year through a decision by Parties in the 'Durban Platform' document which reads as follows:

'Decides to extend the Ad Hoc Working Group on Long-term Cooperative Action under the Convention for one year in order for it to continue its work and reach the agreed outcome pursuant to decision 1/CP.13 (Bali

Photo courtesy of IISD/Earth Negotiations Bulletin

Action Plan) through decisions adopted by the sixteenth, seventeenth and eighteenth sessions of the Conference of the Parties, at which time the Ad Hoc Working Group on Long-term Cooperative Action under the Convention shall be terminated.'

The request to carry on further work on the L4 document next year was, however, ignored by the Chair, who proceeded to transmit the document to the COP under his own authority.

There was deep frustration among many delegations. The Ven-

ezuelan climate envoy Claudia Salerno had to stand on the chair with her country's name plate to draw the attention of the AWGLCA Chair after he had gavelled the adoption of the report of the meeting.

Salerno said that the AWGLCA document had serious deficiencies. Yet, it was being transmitted to the COP. She disclosed that there had been threats that if Venezuela did not agree to the adoption of the text, there would be no second commitment period under the Kyoto Protocol and the multilateral system would not be pre-

served.

The Chair just ignored Venezuela's protest and adjourned the meeting.

At the formal session of the COP plenary, Reifsnyder informed the COP that Parties were not able to reach consensus. The text, he said, was rich and comprehensive and harvested important progress. He hoped that it could be adopted by the COP as part of the comprehensive Durban package. The document was eventually adopted as part of the Durban package.

Institutional boost for climate change adaptation actions

Chee Yoke Ling

ALTHOUGH more political and media attention has been given to the mitigation debate in the UN climate negotiations, adaptation to the adverse effects of climate change is equally, if not even more, crucial for countries that are already suffering from the impacts of climate change. This is particularly so for developing countries – from small island states and least developed countries to countries with huge populations living in low-lying coastal areas and landlocked mountain states. No one is immune, with the poor and vulnerable suffering disproportionately.

In the past few years, adaptation has risen in priority in the implementation of the UN Framework Convention on Climate Change. There is recognition that adaptation is vital in order to reduce the impacts of climate change which are happening now and increase resilience to future impacts, and that there is an urgent need for an integrated policy response to the climate change and development challenge. Under the Convention developing countries are promised funding, insurance and technology transfer, and scientific/technical support to undertake adaptation actions.

The 2010 Cancun decision 1/CP.16 on the Outcome of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWGLCA), in Part I on 'A

shared vision for long-term cooperative action', affirmed that 'Adaptation must be addressed with the same priority as mitigation and requires appropriate institutional arrangements to enhance adaptation action and support'.

The Cancun Adaptation Framework and the Adaptation Committee were established in 2010. The Framework is to enable sharing of knowledge and lessons learned from adaptation, and for developing countries to develop and implement adaptation measures supported through scaled-up financial support, technology and capacity-building. The details of the Framework continue to be worked out through the AWGLCA negotiations. The Committee is to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention, as provided for by the Framework.

The discussion on adaptation in Durban concluded with some important steps towards increasing the profile of the work on adaptation, including through the implementation of elements agreed under the Adaptation Framework. Developing countries pushed for a focus on implementation of adaptation under the Convention, moving away from research and assessment of vulnerabilities and impacts. Four decisions were adopted by the COP as outcomes of the AWGLCA, the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA), as well as the operationalisation of the least developed country process for the formulation and implementation of national adaptation

plans.

The decision on 'Enhanced action on adaptation' in Part III of the AWGLCA outcome document, which largely focused on the operationalisation of **the Adaptation Committee**, was significant.

It affirms the Committee as the overall advisory body to the Conference of the Parties (COP) on adaptation to the adverse effects of climate change, and decided that it shall operate under the authority of, and be accountable to, the Conference of the Parties, which should decide on its policies in line with relevant decisions.

It decided that the Committee should make use of the following modalities in exercising its functions: workshops and meetings; expert groups; compilation, review, synthesis, analysis reports of information, knowledge, experience and good practice; channels for sharing information, knowledge and expertise; coordination and linkages with all relevant bodies, programmes, institutions and networks, within and outside the Convention.

The Committee during its first year shall develop a three-year work plan, which should include milestones, activities, deliverables and resource requirements, as well as initiate some of the indicative activities listed in Annex V to the Durban decision.

The Committee is requested to engage and develop linkages through the COP with all adaptation-related work programmes, bodies and institutions

(The package comprises four decisions on: (i) the second commitment period for emissions reductions by Annex I Parties under the KP; (ii) the work of the AWGLCA; (iii) the Green Climate Fund; and (iv) a new ad hoc working group on the Durban Platform for Enhanced Action.)

When the AWGLCA document was first presented to Parties, many concerns were raised.

Saudi Arabia expressed its concerns in a number of areas. The text puts more emphasis on the mitigation elements for developing countries and

weakens those for developed countries. For example, on the modalities on international assessment and review (IAR) of developed countries, the need for unified accounting rules is no longer in the text. (Several countries, both developed and developing, had called for common accounting rules for developed-country mitigation but the US was opposed to this.)

In the case of biennial update reports (BURs) for developing countries, the mandate from the (2010) Cancun decision was for such reports to be submitted consistent with their

capabilities and the level of support provided for reporting [paragraph 60(c) of the Cancun decision] but the language in paragraph 41(f) of the AWGLCA document (L4) does not reflect that.

[Paragraph 41(f) states: 'That non-Annex I (developing country) Parties shall submit a biennial update report every two years, either as a summary of parts of their national communications...']

Saudi Arabia said that there is no link to the capabilities and national circumstances (of developing coun-

under the Convention, including the Least Developed Countries Expert Group, the Consultative Group of Experts on National Communications from developing-country Parties, the Technology Executive Committee, the Nairobi work programme on impacts, vulnerability and adaptation to climate change, the work programme on loss and damage and the operating entities of the financial mechanism of the Convention, as appropriate.

It is also requested to engage with, and draw on the expertise of, relevant institutions, organisations, frameworks, networks and centres outside of the Convention, including those at the intergovernmental, regional, national and, through them, sub-national levels, where appropriate.

The Committee shall comprise 16 members, who shall serve in their personal capacity, and will be nominated by Parties in their respective groups or constituencies and elected by the COP, with the aim of achieving a fair, equitable and balanced representation as follows:

- (a) Two members from each of the five United Nations regional groups;
- (b) One member from a small island developing state;
- (c) One member from a least developed country Party;
- (d) Two members from Parties included in Annex I to the Convention (developed countries and countries with economies in transition);
- (e) Two members from Parties not included in Annex I to the Convention (developing countries).

They shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms of

office subject to prescribed rules.

Parties are encouraged to nominate experts to the Adaptation Committee with a diversity of experience and knowledge relevant to adaptation to climate change, while also taking into account the need to achieve gender balance.

The Committee can seek input from intergovernmental, international, regional, national and sub-national organisations, centres and networks, the private sector and civil society, in undertaking its work, and invite advisers drawn from them to participate in its meetings as expert advisers on specific issues as they arise.

The meetings of the Committee shall be open to attendance by accredited observer organisations, except where otherwise decided by the Committee, with a view to encouraging a balanced representation of observers from developed- and developing-country Parties.

The first meeting of the Committee will be in 2012, expected to be in the earlier part of the year. The COP will review the progress and performance of the Committee in 2016.

The work programme on **approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change** was mandated in Cancun. In Durban the SBI concentrated the work on developing the substance under each of the agreed themes and provided questions to help frame the workshops that will provide substance to the discussions for a decision for the future of the work

programme. Recommendations from the SBI will be submitted for the 2012 COP to adopt.

The Cancun conference established a **process to enable least developed country Parties to formulate and implement national adaptation plans** as a means to identify medium- and long-term adaptation needs and develop and implement strategies and programmes to address those needs. Work on this also continued in Durban.

Discussion on the **Nairobi work programme on impacts, vulnerability and adaptation to climate change** had been mandated to conclude in Cancun, and this was extended for a year. In Durban developing countries made strong calls for improvements. The SBI and SBSTA also held an in-session workshop to consider the outcomes of the work programme, to highlight the scientific, technical and socio-economic aspects of impacts, vulnerability and adaptation to climate change. Under the Durban COP decision, the SBSTA will reconsider the work areas concerned and make recommendations to the COP in 2013 on how to best support the objectives of the work programme. Parties to the Convention and relevant organisations are invited to submit to the Secretariat, by 17 September 2012, their views on potential future areas of work of the Nairobi work programme.

Other decisions in Durban related to technology, finance and capacity-building also cover some aspects of adaptation activities. ♦

tries), nor is there any reference to the level of financial support.

It did not see the Chair giving the same treatment on issues in trying to become more ambitious, referring to the issue of 'economic and social consequences of response measures'. In the Cancun decision, Parties agreed to strive to implement policies and measures to respond to climate change in such a way as to avoid negative social and economic consequences. The language in the document now urges Parties to give full consideration to the positive and negative impacts of the implementation of response measures, which is a downgrading of the Cancun decision. It also attempts to put together some considerations of other issues which go beyond the scope of the AWGLCA.

On finance, Saudi Arabia asked how the Standing Committee under the COP could be just an advisory group. On long-term finance, in relation to mobilising climate finance, the AWGLCA document (in paragraph 125) refers to assessment criteria in 'the report on mobilising climate finance for the G20'. This (referring to the UNFCCC) is not a G20 forum.

Saudi Arabia said there were many examples apart from these concerns that showed that more work was needed on the document as it was presented for the first time in the morning (of 10 December). It reiterated the need for further work on the document before it could be adopted and was flexible on the process on how to deal with concerns raised.

Malaysia said that the approach advanced by the Chair was to defer all issues in the CRP 39 document to next year as these issues were controversial with divergent views, which developed countries and some developing countries were opposed to. These related to issues such as intellectual property rights, unilateral trade measures and equity in the shared vision document. However, in the



Venezuelan climate envoy Claudia Salerno (pic) protested that the AWGLCA outcome document had serious deficiencies, yet was being transmitted to the COP.

AWGLCA L4 document, in cases where developing countries had strong views, their proposals had been ignored especially in relation to the mitigation of developed countries, co-operative sectoral approaches, various approaches including opportunities for using markets, and economic and social consequences of response measures.

The texts in relation to these aspects reflected the proposals of developed countries and did not reflect the positions of several developing countries. In the case of mitigation by developed countries, there are no numbers on the need for the aggregate emission reductions target for Annex I (developed country) Parties as called for by some developing countries. This is a problem as the ambition level of the Annex I Parties is completely missing. There is only a reference in the preambular section 'acknowledging that there is a gap between the aggregate level of reduction to be achieved through global mitigation efforts and the reduction needed.' Hence, the attempt here is to avoid any Annex I aggregate number but to make it a responsibility of all Parties (including developing countries) to meet the mitigation gap.

The issue of comparability of efforts needed among developed countries, between those which are KP Parties and those which are not, which was in paragraph 1(b)(i) of the Bali Action Plan (mandate for the AWGLCA), is really missing, with

only a weak mention in the preamble about recalling in relation to the comparability of mitigation efforts. With regard to the compliance of developed countries, there is reference in the IAR section but it is very weak as it says that '... any revision of the modalities and procedures for IAR and review should take into account any future agreement on a compliance regime for mitigation targets...' This really undermines the existing KP compliance system and puts in place a much weaker regime

which is to be negotiated in a future agreement. This is completely unacceptable and allows for a weak mitigation regime for Annex I Parties and provides for the 'great escape' from the KP.

Malaysia said that to make matters worse, the text has in effect made a decision for new market-based mechanisms under 'various approaches' when this was an issue of controversy. Instead of this issue being deferred for consideration to next year in the absence of agreement in the informal group, the text calls for new market mechanisms.

Further, on the issue of cooperative sectoral approaches, Malaysia was concerned that the proposals of developed countries have been taken on board while concerns of developing countries have not been reflected.

In the circumstances, Malaysia could not accept the L4 document as a balanced text and wanted the document not to be adopted but to be transmitted for further work under the AWGLCA next year, along with CRP 39.

The Democratic Republic of Congo, speaking for the African Group, was concerned that on mitigation of developed countries, Parties were merely noting and clarifying pledges, with no clear process for raising ambition or ensuring comparability of efforts. The decision should go beyond merely urging countries to do more. This view is held by many including for those Annex I Parties un-

der the Kyoto Protocol. There was an apparent lack of balanced text on the mitigation of developed countries and that of developing countries. When reading the text, one wonders if it is for developed countries or developing countries and it does not reflect the principle of CBDR.

On long-term finance, there is no clear level of commitment for financing when the so-called fast start finance ends (in 2012). The text had strong obligations for developing countries without similar appropriate provisions for developed-country mitigation. The text does not reflect that balance as contained in the Convention.

Thailand also raised concerns over the mitigation chapter and said that there was no number for the aggregate emission reductions by developed countries and the ambition level was missing. There was no strong text on the need for comparability of efforts among developed countries which were Parties to the KP and those which were not. It was unhappy that a strong compliance regime was absent and found the document unacceptable and called for further work at the next session of the AWGLCA.

The Philippines said it had difficulties with the output of work. There was grave imbalance in the text in relation to adaptation. Adaptation has been regarded a poor cousin of mitigation. Securing resources for adaptation appeared to be a distant reality. It said there was opposition to linking adaptation to finance. This was a process of give and take but developing countries have been giving and giving. On the issue of long-term finance, the language is very weak in relation to the scaling up of resources.

India said it shared the concerns raised by developing countries. Two issues of concern for India were on agricultural emissions and trade. It said that detailed discussions took place on views within the scope of mitigation in agriculture as this sector involved the livelihood of millions of people in terms of employment and was not merely an issue of CBDR. The agriculture sector still depended on monsoons and was vulnerable to

climate change and was excluded from India's mitigation targets. The agriculture issue in the document was not mature enough to receive a direction for a decision at COP 18 (in 2012). It wanted this excluded from the text.

On the issue of trade, India said that this was left out of the section on 'economic and social consequences of response measures' when there were three options from developing countries, with one option having the support of about 80 countries. This issue was fundamental and further work needs to take place next year as contained in the CRP 39 document for elaboration.

The AWGLCA Chair confirmed that this issue was still on the table and will be forwarded for further work next year.

Pakistan said while there was good work done, progress had not been made to complete the work (of the AWGLCA). As regards the Adaptation Committee, it said that the Committee should have been given the right status as a subsidiary body of the Convention with more prominence. It expressed sadness that there was no consensus in this regard.

On the Standing Committee on finance, it said the Committee should have had a strong oversight mandate. On long-term finance, it was sad that Parties were not able to achieve anything as there was a need for a common understanding on how to scale up adequate and predictable resources.

On mitigation, the document was definitely skewed heavily against developing countries and blurred the distinction between developed- and developing-country obligations. There was a need to insert the notion of national circumstances in relation to the submission of BURs and there was no link to finance. Pakistan said that it was at a loss on how the process was going to unfold and would like to see a way to work further.

Venezuela said that the process had downgraded the level of ambition in relation to mitigation and the text was seriously imbalanced. It did not see how the clarification and under-

standing of the emission reduction pledges of developed countries will serve to improve the trust and confidence in Parties when there is no real ambition in the mitigation targets. The delicate balance between the mitigation of developed and developing countries was crossed when the principle of CBDR was taken out of the text. There has been a redistribution of responsibilities and the commitments of developing countries are higher than those asked of developed countries. The world appeared upside-down and this was not acceptable.

On 'market mechanisms', there was reference in the text to 'building upon the existing flexibility mechanisms established under the KP' and Venezuela was concerned if there would indeed be a second commitment period under the KP. It did not want a link between the use of markets and the undertaking of mitigation actions.

Venezuela was concerned that once again, Parties were in a take-it-or-leave-it situation as regards the text, which was given in the morning. There was frustration and fatigue and Parties did not have to accept anything just because it was late and people were tired. This (L4) document was not ambitious enough and there was a need to address what the planet needs. It could not accept a document that suits just one country (in an apparent reference to the US for not wanting the level of ambition in mitigation for developed countries to be in the text).

Referring to the Durban package, where Parties could potentially lose the KP due to a lack of ambition, it did not believe that the document could be taken seriously as the basis of a future legally binding regime with pledges, flexibilities and market mechanisms to serve a few. It wanted the Chair to tell Parties how to move responsibly to resolve the issues.

Egypt also had concerns over long-term finance as there was a need for predictable and sustainable support to enable developing countries to undertake mitigation and adaptation actions. The deal was not done in terms of long-term finance and there

was a need for further elaboration on the needs of developing countries and on the sources of finance. The Bali Action Plan work was not complete.

Gambia, speaking for the least developed countries (LDCs), said a decision on long-term finance was not reflected in the text. However, it was prepared for the Durban package to be adopted.

China shared the concerns raised by other developing countries. It said that the work of the AWGLCA was not expressed in a balanced manner, especially on the mitigation commitments of developed countries as compared to developing countries. There is no reflection of historical responsibility and the level of mitigation targets needed. On long-term finance, it

was also concerned that there is no clear vision and provision for how the \$100 billion per year by 2020 is going to be achieved as agreed to in Cancun. No means have been provided in the text to do this. This question needs further discussion.

Saying that this was not the last meeting of the AWGLCA, China added that Parties will need to continue to make efforts to reach the outcome of expectations under the Bali Roadmap (the Bali Action Plan and the determination of the second commitment period under the KP). The important questions concern the next steps and how to make the arrangements.

China asked the Chair to make clear recommendations to the COP on

the need for clear arrangements for the work of the AWGLCA since this has not been made clear and many issues under the Bali Roadmap need solutions. On the (L4) document, China said that concerns had been expressed and there was a need to decide how to handle this. It asked how the document was going to be submitted to the COP when it did not fulfil the expectations of Parties and was far from being comprehensive and balanced.

Bolivia also expressed concerns over the lack of balance in the text, as the responsibility of undertaking mitigation efforts was falling on the shoulders of developing countries. As some countries were withdrawing from their commitments under the second commitment period of the KP, a weak

‘REDD-plus’ decision further shapes actions on forests

Chee Yoke Ling

‘REDUCING emissions from deforestation in developing countries and approaches to stimulate action’ was first introduced into the agenda of the Conference of the Parties (COP) to the UNFCCC in 2005. There was increased interest in this as an area for mitigation actions when the Intergovernmental Panel on Climate Change alerted the world in 2007 to the huge emissions from deforestation.

After two years of negotiations, the COP adopted a decision on ‘Reducing emissions from deforestation in developing countries: approaches to stimulate action’ in 2007 in Bali, Indonesia. In 2008, a work programme was initiated on methodological issues related to a range of policy approaches and positive incentives that reduce emissions from deforestation and forest degradation (REDD) in developing countries. In 2008 and 2009, this topic was expanded to include the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries (REDD-plus) and included in the negotiations of the Ad Hoc Working Group on Long-term Cooperative Action under the UNFCCC (AWGLCA) mandated to work on the Bali Action Plan (adopted under a separate COP decision in 2007).

Ever since forests and their link to emissions/mitigation actions entered the climate negotiations and pilot projects were implemented in some developing countries, there has been controversy and debate. There are concerns that this could open up another channel for ‘commodification’ of forests and further violate the rights of indigenous peoples and local communities over those forests. There are also others who see merit in addressing the forest-climate linkages, and say this must be done with environmental integrity and implementation of safeguards that guarantee the rights of indigenous peoples and local communities.

While debate took place outside the negotiation process, there were also divisions and debate inside. Bolivia stood out as a country with the most reservations about commodification of forests. A group of developing and developed countries, with active advocacy from the International Indigenous Peoples’ Forum on Climate Change (IIPFCC), worked to ensure that there are safeguards integrated in any REDD-plus decision. All agree that there must be environmental integrity in implementing any action.

In Cancun in 2010, a REDD-plus decision was adopted (1/CP.16) that sets out the principles and provisions for actions. The decision affirms that adequate and predictable support should be given to developing countries so that all Parties can ‘collectively aim to slow, halt and reverse

forest cover and carbon loss, in accordance with national circumstances’. Paragraph 70 ‘encourages developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances: (a) Reducing emissions from deforestation; (b) Reducing emissions from forest degradation; (c) Conservation of forest carbon stocks; (d) Sustainable management of forests; (e) Enhancement of forest carbon stocks’.

Appendix 1 para. 2 contains the list of agreed safeguards when the above activities are undertaken:

‘(a) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;

(b) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;

(c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;

(d) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70

and flexible regime was being put in place with no compliance regime. The pledges of Parties were not yet commitments and were unfair to those Annex I Parties which remained in the KP and which were upholding the instruments and the KP systems.

It expressed regret that the obligations of developing countries to do their national communications (reporting every four years), the BURs and participation in the registry were all expected with their own resources.

Bolivia said the principle of CBDR was not expressed in the text. It was also concerned that the text was opening the door to market mechanisms when further analysis was required on the impacts of such mechanisms. It said that the document was

not balanced and could not be adopted as it was but could be part of the discussions next year. Bolivia wanted its concerns recorded.

Nicaragua said that the AWGLCA document on long-term finance was all about undertaking further studies on options for the mobilisation of resources. There was no roadmap for the mobilisation of the \$100 billion per year by 2020. It said that some Parties were proposing no resources during this decade. The Green Climate Fund had been created but it was a Fund with no funds. There was no definition on the sources of finance and Nicaragua was concerned about references to the G20 report on mobilising finance when that was an ad hoc forum.

Nicaragua advanced the idea of the use of Special Drawing Rights (SDRs) for climate finance. It said that in 2009, the G20 proposed the issuance of \$250 billion in SDRs of which \$100 billion was for developed countries. The International Monetary Fund was responsible for the issuance and this was done at great speed. If such resources could be used to save the banking system, it asked why this was not possible to save Mother Earth.

Ecuador said that on long-term finance, it had made a proposal on the issuance of Special Drawing Rights. It also had proposed financial transaction taxes as well as taxes on imports of oil which could provide the sources for financing. It expressed re-

and 72 of this decision;

(e) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivise the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits; [A footnote to this provision reads: 'Taking into account the need for sustainable livelihoods of indigenous peoples and local communities and their interdependence on forests in most countries, reflected in the United Nations Declaration on the Rights of Indigenous Peoples, as well as the International Mother Earth Day.']

(f) Actions to address the risks of reversals;

(g) Actions to reduce displacement of emissions.'

Follow-up work was assigned to the Subsidiary Body for Scientific and Technological Advice (SBSTA) that serves the UNFCCC and Kyoto Protocol.

Two REDD-plus decisions were adopted in Durban. The first was on 'guidance on systems for providing information on how safeguards are addressed and respected and modalities relating to forest reference emission levels and forest reference levels as referred to in decision 1/CP.16, appendix I'. This was the result of the work of the SBSTA.

The second was contained in the COP decision on the Outcome of the AWGLCA, under Part II on 'Enhanced action on mitigation'.

In the run-up to Durban the key points debated had been: (1) diversity of sources for REDD-plus finance, (2) the definition and scope of results-based activities and actions, and (3) the linkage with the Green Climate Fund.

In the October 2011 session of the AWGLCA in Panama, the last before the Durban conference, Parties agreed that there should be a diversity of sources of funding for REDD-plus activities, including public and private finance, with most developing countries stressing public sector funding to be the major source of funding and private sector funding being complementary. Several developed countries such as Japan saw the private sector and the market as the main source of funding for the full implementation of REDD-plus activities.

It was agreed in Durban that 'results-based finance provided to developing country Parties that is new, additional and predictable may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources' (para. 65 of the AWGLCA decision).

In para. 66 the COP 'considers that, in the light of the experience gained from current and future demonstration activities, appropriate market-based approaches could be developed by the Conference of the Parties to support results-based actions by developing country Parties ... ensuring that environmental integrity is preserved', and the guidance and safeguards in the Cancun decision are fully respected and should be consistent with relevant provisions of relevant COP decisions.

The decision also 'notes that non-market-based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in [the Cancun decision] and the multiple functions of forests, could be developed'.

There is no reference to the Green Climate Fund and the decision only encourages the operating entities of the financial mechanism of the Convention to provide results-based finance for the actions concerned (the Global Environment Facility is the current operating entity).

The decision does not have the specific term 'indigenous peoples'. However, there are clear references to the paragraphs on safeguards contained in Appendix 1 of the Cancun decision that concern indigenous peoples, including the UN Declaration on the Rights of Indigenous Peoples.

The AWGLCA and the SBSTA of the UNFCCC will continue to work on the details of the decisions from Cancun and Durban. Parties and accredited observers can submit to the UNFCCC secretariat, by 5 March 2012, their views on modalities and procedures for financing results-based actions and considering activities related to the Cancun decision 1/CP.16, paragraphs 68-70 and 72. The secretariat is to prepare a technical paper based on these submissions and these will be inputs to a workshop to be held in 2012. ♦

Moving forward half-clearly on the Technology Mechanism

Elpidio V Peria

THE technology transfer discussions in the United Nations Framework Convention on Climate Change (UNFCCC) in Durban under the Ad Hoc Working Group on Long-term Cooperative Action (AWGLCA) may have been the least reported of all the topics and may not have gotten the attention of international media and activists. However, government negotiators slogged through the entire two-week duration of the Conference of the Parties (COP) to come up with a clear decision on the various pending issues about technology development and transfer, all aimed at making the Technology Mechanism fully operational in 2012.

The Technology Mechanism is the institutional entity created by last year's climate talks in Cancun, Mexico, meant to address the lack of compliance by developed-country Parties with their obligations to undertake technology development and transfer of environmentally-sound technologies under the Convention. This was the result of years of persistent demands with various proposals by developing countries to implement a crucial part of the Convention.

The Mechanism is composed of two entities, a policy-making body called the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTC&N), which, though it exists only on paper until it is hosted by a pre-existing organisation, will get to implement actual transfer of technologies, but to be carried out by such host organisation that will perform its functions as mandated by the COP.

Paragraph 128 of Decision 1/CP.16 from Cancun had mandated that the COP in Durban resolve the following:

a) the relationship between the TEC and the CTC&N and their reporting lines;

b) the governance structure and terms of reference for the CTC&N and how the Centre will relate to the Network, drawing upon the results of a workshop authorised by the Cancun decision;

c) the procedure for calls for proposals and the criteria to be used to evaluate and select the host of the CTC&N;

d) the potential links between the Technology Mechanism and the financial mechanism of the Convention; and

e) consideration of additional functions for the TEC and CTC&N.

Durban outcomes

The technology negotiation group of the AWGLCA in Durban did not come up with a clear articulation of the relationship between the TEC and the CTC&N.

The governance structure agreed upon for the CTC&N is an advisory body, the details of which are to be decided in the next meeting of the Subsidiary Body for Implementation, one of two permanent bodies of the UNFCCC and its Kyoto Protocol.

The selection process for the host of the CTC&N is that the TEC will nominate from within itself the six-person panel who will do the initial technical evaluation of the proposals and ranking of the bidders who want to be the host. The shortlist ranking of the bids will be submitted to the Subsidiary Body for Implementation who in turn will agree on a ranked list of up to three proponents based on the outcome of the assessment conducted by the evaluation panel and recommend the host of the CTC&N for approval by the COP at its 18th session in Doha, Qatar in 2012.

The Durban meeting sketched out the link between the Technology Mechanism and the financial mechanism, though not to the satisfaction of the developing countries negotiating under the umbrellas of the Group of 77 and China and the least developed countries (LDCs).

The consideration of additional functions of the TEC and the CTC&N, approved during the informal session of the technology group, was not adopted, presumably deleted by the Chair of the AWGLCA, especially on the giving of advice and support, including capacity-building on the conduct of assessments of new and emerging technologies by the CTC&N. The consideration of issues relating to intellectual property rights as

part of a new set of functions for the TEC was also not in the final text presented for adoption by the COP.

To answer the question of who won and who lost, the Durban duel between developed and developing countries on the matter of technology transfer resulted in the following:

- The G77 and China originally wanted the TEC to be the entity that will exercise oversight and provide guidance to the CTC&N. At the start of the negotiations in Durban, they modified their stance to a kind of a board which is an intermediate body between the COP, the TEC and the CTC&N, leaving some items for the TEC, such as the giving of strategic guidance on some key issues like prioritisation and selection of network members, among others. The advisory body created by the Durban COP appears to be something similar in a general sense to what the G77 and China wanted, though the role of the TEC over this advisory body is not clearly spelled out as the TEC will remain exercising its own mandate on its own concerns, not that of the CTC&N.

- The US, supported by Canada, Australia, Japan and, to a certain extent, the EU, wanted the TEC out of the way in the running of the affairs of the CTC&N. They didn't quite get to that, as it was agreed that how this relationship will evolve or how they will relate to each other, to 'promote coherence and synergy' as called for by para. 127 of Decision 1/CP.16 of Cancun, is a matter that will be seen through time; the test of such relationship is in how the two will agree on the modalities of their reporting to the COP.

The selection process for the host organisation is a partial achievement for the G77 and China, as the TEC got to play a role in doing the technical evaluation of the bids for hosting of the CTC&N, though the US prevailed in having the Subsidiary Body for Implementation do a ranking of the list of who may be recommended as the host of the CTC&N.

The final form, shape and functions of the Technology Mechanism will continue to be fought out in 2012. ♦

Elpidio Peria was a member of the Philippine delegation to the Durban Climate Change Conference. The views presented here are his own and do not necessarily represent the views of the Philippine delegation.



Industrial emissions need to be cut as part of climate change mitigation efforts. In Durban, many developing countries were unhappy that the AWGLCA outcome text contained no expression of the level of mitigation ambition for developed countries.

gret that these proposals were not reflected in the document and there was a lack of consistency in the approach. It asked the Chair to find solutions that did not cross redlines.

Paraguay stressed that the principles of historical responsibility and CBDR should not be diluted. It called for the completion of the Bali Roadmap.

Kenya said that the text fell short for Africa and was weak on adaptation and low on ambition on mitigation. It also stressed the importance of comparability of efforts among developed-country Parties and the need to reflect a common accounting framework. The submissions of BURs by developing countries needed support and flexibility in reporting. It called for further improvement to the document before its adoption.

Bangladesh said that the text was watered down and crossed some redlines of the LDCs but it was prepared to accept the text with reservations. It said that the Adaptation Committee was a good way forward.

The European Union said it was disappointed with the AWGLCA document as it had weak language on the (emissions reduction) ambition gap and wanted a process to address this but this was not reflected in the document. The BUR guidelines for developing countries were not strong enough. Nevertheless, it did not want to run the risk of reopening the balance reached in the document and

supported its adoption.

Switzerland said that the document was insufficient in a number of chapters. On 'shared vision', it was blind. The paragraphs on ambition level and guidelines for reporting were insufficient. The text on international consultations and analysis (ICA) in relation to developing countries was weak. However, it was prepared to accept the document. The text was something Parties must continue with and develop further.

The United States said that the negotiations were difficult and Parties needed to move forward on what was achieved and supported the adoption of the text. It said that the guidelines on transparency for the targets and actions were not perfect but if there was a delay, Parties would be reneging on the Cancun decision and would unravel the Durban package which was significant.

Japan said that the document was not perfect but was a compromise that it could agree to and called for its adoption in its entirety.

Following the reactions of Parties, the Chair of the AWGLCA said that his sense was that there was a great deal of disappointment with the text. A number of Parties were against the adoption of the document and wanted it forwarded for further work next year. Despite this, he was going to forward the document to the COP with a recommendation for its adoption under his own authority.

He asked Parties to consider the report of the meeting of the AWGLCA for adoption and quickly gavelled, not recognising Venezuela who had asked for the floor before the gavel.

Venezuela's Salerno had to stand on her chair to get the attention of the Chair when her repeated waving of her country plaque was to no avail. She said that she had asked for the floor before the gavel came down. Salerno said that the AWGLCA document had serious deficiencies, yet it was being transmitted to the COP. She disclosed that there were threats that if Venezuela did not agree to the adoption of the text, there would be no second commitment period under the KP and the multilateral system would not be preserved.

The climate envoy said that such threats were supporting a weak regime which threatens the world through a flexible system with no rules for mitigation and where developed countries can make pledges as they want and do as they want when they want.

Referring to the goal of mobilising \$100 billion for climate finance and (developed countries) using this as a bargaining chip, the Venezuelan envoy said that there could be no price for our future and that of our children. She said that the farce has to stop and there must be an end to a bad agreement.

Despite the strong reaction from Venezuela, the Chair of the AWGLCA simply adjourned the meeting.

When the final formal plenary session of the COP convened in the early morning of 11 December, the Chair of the AWGLCA reported that during the AWGLCA session held earlier, Parties exchanged views and many expressed support for the outcome of the work of the AWGLCA as contained in the L4 document, while others said that the document did not have balance. Parties were not able to reach consensus. The text, he said, was rich and comprehensive and harvested important progress. He hoped that it could be adopted by the COP as part of the comprehensive Durban package.

The AWGLCA outcome was adopted as part of the Durban package. ♦

Decision on Green Climate Fund adopted

A major issue at Durban was the Green Climate Fund – the fund established at last year's Cancun Conference to raise and disburse the targeted sum of \$100 billion a year by 2020 to protect poor nations against climate impacts and assist them with low-carbon development. *Meena Raman* reports on the debate and decisions on the Fund.

ONE significant outcome of the Durban climate talks was the adoption on 11 December of a decision by the UNFCCC Conference of the Parties (COP) on the Green Climate Fund (GCF), thus clearing the way for fur-

ther development of the fund that had been established at the Cancun conference a year ago.

The COP decision agreed to approve the governing instrument for the GCF as transmitted to it (although

without consensus) by the Transitional Committee (TC) to design the Fund, without any changes to the instrument. However, the accompanying decision that agreed to the instrument contained several important

The Green Climate Fund decision

THE decision adopted by the COP at Durban as regards the GCF is as follows:

'The Conference of Parties

1. Welcomes the report of the Transitional Committee (FCCC/CP/2011/6 and Add.1), taking note with appreciation of the work of the Transitional Committee in responding to its mandate given in decision 1/CP.16, paragraph 109;

2. Approves the governing instrument for the Green Climate Fund annexed to this decision;

3. Decides to designate the Green Climate Fund as an operating entity of the Financial Mechanism of the Convention, in accordance with Article 11 of the Convention, with arrangements to be concluded between the Conference of the Parties and the Fund at the eighteenth session of the Conference of the Parties to ensure that it is accountable to and functions under the guidance of the Conference of the Parties to support projects, programmes, policies and other activities in developing country Parties;

4. Notes that the Green Climate Fund will be guided by the principles and provisions of the Convention;

5. Decides to provide guidance to the Board of the Green Climate Fund, including on matters related to policies, programme priorities and eligibility criteria and matters related thereto, taking into account the Board's annual reports to the Conference of the Parties on its activities;

6. Requests the Board to operationalise the Fund in an expe-

ditied manner;

7. Also requests the Board to develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the governing instrument, in order to ensure consistency with national climate strategies and plans and a country driven approach and to provide for effective direct and indirect public and private sector financing by the Green Climate Fund. Further requests the Board to determine this procedure prior to approval of funding proposals by the Fund;

8. Further requests the Board to balance the allocation of the Green Climate Fund resources between adaptation and mitigation activities;

9. Stresses the need to secure funding for the Green Climate Fund, taking into account paragraphs 29 and 30 of the governing instrument, to facilitate its expeditious operationalisation, and requests the Board to establish necessary policies and procedures, which will enable an early and adequate replenishment process;

[Paragraphs 29 and 30 of the governing instrument relate to 'financial inputs' and provide as follows:

'29. The Fund will receive financial inputs from developed country Parties to the Convention.

30. The Fund may also receive financial inputs from a variety of other sources, public and private, including alternative sources.')

10. Invites Parties, through their regional groupings and constituencies, to submit their nominations for the mem-

bers of the Board to the interim secretariat by 31 March 2012, in accordance with paragraph 11 of the governing instrument;

[Paragraph 11 reads: 'The members of the Board and their alternates will be selected by their respective constituency or regional group within a constituency. Members of the Board will have the necessary experience and skills, notably in the areas of climate change and development finance, with due consideration given to gender balance.')

11. Decides that the Green Climate Fund be conferred juridical personality and legal capacity and shall enjoy such privileges and immunities related to the discharge and fulfilment of its functions, in accordance with paragraphs 7 and 8 of the governing instrument;

[Paragraphs 7 and 8 on the 'Legal status' of the Fund read as follows:

'7. In order to operate effectively internationally, the Fund will possess juridical personality and will have such legal capacity as is necessary for the exercise of its functions and the protection of its interests.

8. The Fund will enjoy such privileges and immunities as are necessary for the fulfilment of its purposes. The officials of the Fund will similarly enjoy such privileges and immunities as are necessary for the independent exercise of their official functions in connection with the Fund.'

This was one of the most controversial issues in the Durban negotiations. The issue was how the GCF is to have juridical personality and legal capacity and whether such legal status was sufficient to be conferred by a decision of the COP or whether there was a



A view of the dais during the presentation of the report of the Transitional Committee to design the Green Climate Fund. The Durban conference approved the GCF governing instrument transmitted by the Committee.

points that clarified or elaborated further on the instrument as well as on

transitional arrangements for the initial work and operation of the Fund.

need for other legal arrangements.]

12. Invites Parties, in line with the objectives set forth in paragraph 11 above, to submit to the Board expressions of interest for hosting the Green Climate Fund by 15 April 2012, based on the following criteria:

(a) The ability to confer and/or recognise juridical personality and legal capacity to the Fund for the protection of its interests and the exercise of its functions, to give effect to paragraphs 7 and 8 of the governing instrument, including but not limited to the ability to contract, acquire and dispose of immovable and movable property, and institute legal proceedings;

(b) The ability to provide privileges and immunities to the Fund as are necessary for the fulfilment of its purposes, and to the officials of the Fund as are necessary for the independent exercise of their official functions in connection with the Fund;

(c) Financial arrangements, administrative and logistical support to the Fund;

(d) Any other information that the host country wishes to provide;

13. Requests the Board, following the receipt of expressions of interest, to conduct an open and transparent process for the selection of the host country, and decide on a host country for endorsement by the Conference of the Parties at its eighteenth session, in accordance with paragraph 22 of the governing instrument;

[Paragraph 22 reads: 'The selection of the host country of the Fund will be an open and transparent process. The selection of the host country will be endorsed by the COP.']

14. Requests the Board and the host country of the Green Climate Fund

to develop, in accordance with paragraphs 7 and 8 of the governing instrument, the legal and administrative arrangements for hosting the Fund and to ensure that juridical personality and legal capacity are conferred to the Fund, and privileges and immunities as are necessary are granted to the Fund and its officials in an expedited manner;

15. Also requests the Board to establish the independent secretariat of the Green Climate Fund in the host country in an expedited manner as soon as possible, in accordance with paragraph 19 of the governing instrument;

[Paragraph 19 provides as follows: 'The Fund will establish a secretariat, which will be fully independent. The secretariat will service and be accountable to the Board. It will have effective management capabilities to execute the day-to-day operations of the Fund.']

16. Invites the Board to select the trustee of the Green Climate Fund through an open, transparent and competitive bidding process in a timely manner to ensure there is no discontinuity in trustee services;

17. Requests the Board to initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate;

18. Recognising the need to facilitate the immediate functioning of the Green Climate Fund and ensure its independence, requests the UNFCCC secretariat jointly with the Global Environment Facility secretariat to take the necessary administrative steps to set up the interim secretariat of the Green Climate Fund as an autonomous unit within the UNFCCC secretariat premises with-

Through its decision, the COP welcomed the report of the Transitional Committee (tasked to develop the instrument by the Cancun decision) and approved the governing instrument for the GCF, which was annexed to the decision.

In Durban, while some countries did not want a renegotiation of the governing instrument of the Fund, others wanted their concerns to be addressed. These concerns were addressed via the decision of the COP. Among the key points negotiated at Durban were the legal personality of the Fund, the role of national authorities in agreeing to activities financed by the Fund (including via the private

out undue delay after the seventeenth session of the Conference of the Parties so that the interim secretariat can provide technical, administrative and logistical support to the Board until the independent secretariat of the Green Climate Fund is established;

19. Decides that the interim arrangements should terminate no later than the nineteenth session of the Conference of the Parties;

20. Decides that the interim secretariat shall be fully accountable to the Board and shall function under its guidance and authority, and that its head shall report to the Board;

21. Urges the Board to move promptly to appoint the head of the interim secretariat;

22. Decides that the criteria for the selection of the head of the interim secretariat shall include, inter alia, expertise in the design or management of funds, relevant administrative and management experience, experience in or working with developing countries, and policy expertise;

23. Requests the interim secretariat to make arrangements for convening the first Board meeting by 30 April 2012;

24. Welcomes the offers of Switzerland and the Republic of Korea to host the first and second meetings of the Board respectively, and invites Parties to host subsequent meetings;

25. Invites Parties to make financial contributions for the start-up of the Green Climate Fund, including administrative costs of the Board and its interim secretariat;

26. Welcomes the generous offer of the Republic of Korea to contribute to the start-up cost of the Green Climate Fund.' ♦

Photo courtesy of UNFCCC/Earth Negotiations Bulletin

sector), and the location of the transitional secretariat of the Fund.

The decision concerning the GCF was one of the outcomes of the so-called 'Durban package' and was the subject of intense negotiations, given that the report of the Transitional Committee, which included the governing instrument, was transmitted to the COP without consensus by the Chairs of the TC.

The United States and Saudi Arabia, as members of the TC, had withheld consensus on the adoption of the report in the final meeting of the TC in October, while several developing-country TC members had also expressed concerns over many parts of the GCF instrument.

At the plenary session of the COP on 30 November, the developing-country Group of 77 and China called for an open, transparent and inclusive process through a contact group to draft the decision necessary for the COP in relation to the GCF.

South African COP President, Maite Nkoana-Mashabane, proposed conducting informal consultations based on the report of the TC, which led to negotiations over the draft decision.

Parties through intense negotia-



The Green Climate Fund was established at the Cancun climate change conference in 2010 (pic).

tions arrived at a near-consensus over the draft decision on 8 December, except over a key issue as to who is to host the interim secretariat of the GCF.

The options on the table were: (i) the UNFCCC secretariat, (ii) the Global Environment Facility secretariat (GEF), or (iii) the UN Office in Geneva.

The G77 and China rejected the GEF secretariat as an option, while developed countries were insisting otherwise.

Following intense wrangling, a compromise was reached at ministerial-level informal consultations on 10 December for the UNFCCC secretariat jointly with the GEF secretariat to take the necessary administrative

steps to set up the interim secretariat of the GCF as an autonomous unit within the UNFCCC secretariat premises in Bonn.

Another issue that became the subject of much squabbling was the issue of how the GCF is to have legal personality and legal capacity. Parties managed to arrive at an agreement over this, which is reflected in paragraphs 11 and 12 of the decision (see box for the text of the decision).

A further issue of concern for many developing countries was the provision in the governing instrument in paragraph 46 that allowed the private sector to directly access the GCF funds without the need for their funding proposals to be approved by the national designated authorities.

Paragraph 46 of the governing instrument reads: 'Recipient countries may designate a national authority. This national designated authority will recommend to the Board [of the GCF] funding proposals in the context of national climate strategies and plans, including through consultation processes. The national designated authorities will be consulted on other funding proposals for consideration prior to submission to the Fund to ensure consistency with national climate strategies and plans.'

Following negotiations in Durban, this concern was addressed with the following compromise in paragraph 7 of the decision which reads: '[The COP] requests the Board to develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the governing instrument, in order to ensure consistency with national climate strategies and plans and a country driven approach and to provide for effective direct and indirect public and private sector financing by the Green Climate Fund. Further requests the Board to determine this procedure prior to approval of funding proposals by the Fund.'



Following intense negotiations, the Durban meeting agreed to set up the interim secretariat of the Green Climate Fund as an autonomous unit within the UNFCCC secretariat premises in Bonn (pic).

Lessons learned from the financial crisis: A cautionary tale for the Green Climate Fund

As the design, purpose and modalities of the Green Climate Fund were debated in Durban and its final shape is worked out in the coming year, there are some key lessons to learn from the financial crisis.

THE Green Climate Fund (GCF) that was established in the Cancun climate talks in 2010 was further developed at the Durban meeting, and will continue to be shaped by its newly established Board. In the coming year when the operational details are worked out, much can be learned from the financial crisis for climate financing.

Since the financial crisis, it has become clear that capital markets have become extremely complex, interconnected and financialised. In the past, a home mortgage was a matter between a local bank and a homeowner. Not anymore. In 2008, the world saw how a housing bubble in the US had massive effects, triggering a banking meltdown, a global recession, and fiscal calamity in many countries. According to many scholars, even the current euro zone crisis is not so much a problem of sovereign over-borrowing as it is a continuation of the 2008 financial crisis, which is now laying bare the structural weaknesses of the European monetary union and its fragile banks.

A short story of the financial crisis

Conventional wisdom holds that the financial crisis was the fault of irresponsible consumers in the US who borrowed more than they could afford. Although that undoubtedly was

Friends of the Earth US

one aspect of the problem, there was a deeper driver: after the US lowered interest rates after 11 September, 2001, it not only made borrowing very cheap, it reduced bond yields, which caused institutional investors, such as pension funds, hedge funds, insurance companies and sovereign wealth funds, in the capital markets to seek

Street played an enormous role in inflating the housing bubble; as too much investment money chased too few good assets, homes became dangerously overvalued and it spurred the buildup of bad assets.

This buildup of bad assets was made possible by a misalignment of incentives, which led to recklessness throughout the value chain. Mortgage brokers falsified loan applications, banks ignored lending standards, underwriters created risky securities that no one could understand, credit rating agencies provided faulty advice, and insurance companies overpromised on credit default swaps. The allure of short-term profits – especially when someone else had to take the risk – made it easy for everyone involved to turn a blind eye.

Of course, poor financial regulation – in no small part due to Wall Street's influence over the US Congress – was

a critical factor as well. Financial regulators failed to supervise the massive growth of the shadow banking sector. Financial entities such as hedge funds, special purpose investment vehicles, private equity firms, and others operated under very little regulation. Many employed very risky strategies, for example, using short-term borrowing to invest in longer-term investments, or speculating in the unregulated over-the-counter derivatives markets.



A climate fund of some \$100 billion a year could attract Wall Street firms seeking to access or manage these resources.

new investments.

To meet this demand, Wall Street bankers – through ‘financial innovation’ – produced mortgage-backed securities (MBS). This new financial instrument bundled together thousands of home loans and sold them to investors around the world. These became so popular that financial intermediaries started underwriting more and more of these securities to satisfy what seemed like an unending appetite for these products. Wall

Lessons from the financial crisis – and its application to climate finance

Many analysts and financial regulators understand that the US housing market did not cause the financial crisis, but simply sparked it. Instead, drivers such as financialisation, misaligned incentives, and poor regulation were the real culprits, and unless regulators address these underlying problems, policymakers will face similar crises in the future.

In this sense, it is important for the GCF to closely consider how similar dynamics may impact the integrity and efficacy of climate finance, which should be treated as a global public good.

The tyranny of the markets

Globally, institutional investors manage some \$90 trillion in assets. Underwriting, asset management, and other services for institutional investors are a lucrative Wall Street business, and this ‘giant pool of money’ is seen as the source of capital to fund everything from home mortgages, to corporate expansion, to government borrowing.

Institutional investors are also being viewed as the source to ‘leverage’ climate finance. For example, the GCF could raise money from institutional investors by issuing bonds. Or the GCF could transfer money to fund managers, and require them to find matching funds. Whether institutional investors help capitalise the GCF or disburse GCF funding, their involvement will likely require a commercial rate of return at the very least. Some investors, such as certain hedge funds, seek much more than commercial rates, they seek profit maximisation.

Allowing commercial interests to guide GCF financing decisions would likely mean that non- or low-revenue generating activities, such as most adaptation efforts, would get short shrift. It would also mean that the very poorest countries, which currently do not attract private finance, would continue to be bypassed. After all, it is likely that a pension fund would put money into an Emerging Asia power fund, but



Trading floor at a financial institution. Outsourcing GCF funding decisions to the financial markets produces the risk that financial engineers may create inappropriate and ineffective financing structures to ‘deliver’ climate finance.

not very likely that it will fund a programme to resettle climate refugees.

‘Financial innovation’ – and the dangers

Financial innovation can be a good thing, but as Lord Taylor of the UK Financial Services Authority has pointed out, it also ‘has produced some products of very dubious social value.’¹ In the run-up to the financial crisis, financial innovation ‘became over-complicated, we had securitisation and re-securitisation, we had the over-development of the credit-derivatives swaps market – somehow we just created this empire of activity.’²

A climate fund of some \$100 billion per year could very well attract an empire of activity as Wall Street firms seek to access or manage GCF funds. But outsourcing GCF funding decisions to the financial markets creates the risk that financial engineers may create inappropriate and ultimately ineffective financing structures to ‘deliver’ climate finance. Perhaps the best example of this in current practice can be found in the international carbon markets.

The Clean Development Mechanism (CDM) should be viewed as a prime example of how inefficient carbon markets can be for funding projects in developing countries. One study found that only about 31% of

total funds received for CDM credits capitalise mitigation projects, with the rest going to carbon traders and middlemen.² In forest offset projects, intermediaries often capture even more, over 50% of REDD financing.³ (Moreover, in any case, since carbon credits are used to offset developed-country emissions, they should not be considered as climate finance.)

Misalignment of incentives

The 2008 financial crisis was characterised by a massive misalignment of incentives and, in many cases, pure conflicts of interest. But there are countless other examples of how the motivations of short-term capital have clashed with the interests of those in the real economy, particularly with those looking to protect or promote the public interest. In the 1990s, speculators’ rent-seeking behaviour crashed Asian economies with hot money flows, and undermined governments. Ten years later, derivatives traders flooded agricultural commodities markets, pushing up food prices and introducing volatility for farmers and buyers. Shareholders’ pursuit of short-term profit has long prevented responsibly-minded corporations from considering long-term sustainability.

If the Green Climate Fund allows too many decisions and priorities to be set by capital markets, this would

create a gross misalignment of interests and undercut key UNFCCC policy goals, such as providing developing countries with adaptation funds, and ensuring that ‘particularly vulnerable’ areas receive priority.

A Green Climate Fund bent on ‘leveraging’ private capital, as some negotiators are advocating, is certain to attract financial engineers with more experience in intermediation than in ensuring climate effectiveness in developing countries. In the worst cases, this can result in the creation of risky products and services that are not only irresponsible from a fiduciary perspective, but also may take away resources from worthy and effective adaptation and mitigation efforts.

Over-excitement about leveraging the private sector has pervaded the discourse on climate finance. Many questions remain as to what extent public money has actually leveraged private finance and whether such investment would have happened anyway. As the Overseas Development Institute notes, ‘Increased transparency in the use of international public finance would elucidate the current and potential role of public finance in leveraging private finance, and would increase understanding of the effectiveness and success rates of such efforts. Metrics to measure leverage and to count the impact of public sector finance in leveraging private capital need to be developed and agreed (AGF, 2010).’⁴

One key strategy used to leverage private capital is the development of risk sharing or risk reduction instruments, such as loan guarantees or political risk insurance (in some countries). While risk sharing products can be valuable and legitimate in some cases, they always carry the danger of misaligning incentives and creating moral hazard. They may have the perverse effect of weakening due diligence processes and stimulating investment in unsuccessful projects that fail to mitigate greenhouse gas emissions or provide genuine adaptation benefits. Certain risk sharing instruments could also give rise to accusations that climate funds serve to pri-

vatise profits, while letting the public shoulder financial losses, making communities bear the brunt of any environmental or social harms.

Weak regulations

Finally, a massive failure in financial regulation played a major role in the financial crisis. Unfortunately, in the last few years, efforts to reform the financial sector and bring more of it under regulatory scrutiny have been lacking, particularly at the international level.

Therefore, the GCF should strive to uphold the highest standards in good financial governance, and, at the very least, refrain from practices that frustrate financial regulation. Areas of particular concern include the unregulated over-the-counter derivatives market, the proliferation of offshore tax and secrecy jurisdictions, and the persistent lack of transparency that characterises much of the financial sector, particularly non-bank financial institutions.

For example, asset managers such as hedge funds and private equity funds still operate as part of the ‘shadow banking sector’. Unless they are willing to be subject to financial regulation; subordinated to developing-country government priorities, strategies and requirements; and willing and able to implement environmental and social safeguard standards, these shadow banking institutions should not be involved in GCF financing. Similarly, the GCF fund should not be involved in risky, unregulated derivatives.

Recommendations

In light of these lessons learned, the GCF should approach the private sector with a high degree of caution. In particular, the GCF:

- Should not establish a private sector facility that would allow corporations and financiers to have direct access to GCF funds. Rather, the role of the private sector in the GCF must be decided, managed, regulated and incentivised at the national and sub-national level in line with countries’ preferences and needs and in

accordance with robust safeguards.⁵

- The GCF should only engage private finance to the extent that private financiers can guarantee the implementation of robust due diligence processes designed to address financial, social, and environmental risks, and produce effective mitigation and adaptation outcomes.

- Since the purpose of climate finance is *not* to help Annex I countries meet their own mitigation obligations, no GCF funds should be used to finance carbon offset projects.

- The GCF should uphold best practices in financial oversight and governance practices, including, but not limited to, prohibiting the use of tax havens for all GCF-related investments and financing. ♦

The above analysis was circulated as a Third World Network Briefing Paper in Durban.

Endnotes

1. Interview with Adair Turner, 27 August 2009, in *The Prospect*, at <http://www.prospectmagazine.co.uk/2009/08/how-to-tame-global-finance/>
2. ‘The cost efficiency of offsetting through the Clean Development Mechanism’, Carbon Retirement, 2009.
3. Corbera et al., 2009; as quoted in Hajek, F. et al. (2011): ‘Regime-building for REDD+: Evidence from a cluster of local initiatives in south-eastern Peru’. *Environ. Sci. Policy* doi:10.1016/j.envsci.2010.12.007
4. Brown, J. and Jacobs, M., Overseas Development Institute, ‘Leveraging private investment: The role of public sector climate finance,’ April 2011, at <http://www.odi.org.uk/resources/download/5701.pdf>.
5. Editor’s note: In Durban developing countries objected to the private sector being given direct access to the GCF funds without the need for their funding proposals to be approved by the national designated authorities. The final compromise was that the GCF Board would first establish a procedure for some degree of oversight by the national designated authorities.

Annex I targets: A disappearing act

Although the emission cut pledges under the Kyoto Protocol by the developed countries and countries with economies in transition (Annex I Parties) seem significant, there are potential loopholes which negate these pledges.

Payal Parekh explains.

EACH new report that is released on climate change paints an even more dire picture than its predecessor in terms of the extent to which climate change is already underway and the associated impacts. The recently published *Bridging the Emissions Gap* report from the United Nations Environment Programme (UNEP) (2011) shows that the gap between what is necessary to have a likely (greater than 66%) chance of limiting global temperature rise to 2°C and what countries have pledged is growing. The window for addressing climate change is effectively closing with each passing day of inaction.

Yet, there is little talk of increasing the ambition of mitigation targets by developed countries so that they are in agreement with science and principles of equity. Even worse, weak accounting rules mean that pledged emission reductions actually disappear through loopholes.

This article summarises the emission reductions pledged by developed countries and potential loopholes that would actually allow emissions to rise.

Annex I emission reductions

The aggregate pledge of Annex I Parties (developed countries and countries with economies in transition) that are Parties to the Kyoto Protocol is in the range of 13-18% below 1990 levels, much less than the emission cuts that are needed to stay below 2°C or 1.5°C and to be in line with the principles of equity and historical responsibility. The Annex I pledges are further weakened by a series of accounting rules, methodologies, and other technical means, of-



Developed countries' emission reduction pledges are weakened by a series of loopholes in the climate change rules. Picture shows a protest against such loopholes taking place on the sidelines of the Durban conference.

ten referred to as 'loopholes'. The collective effect of these loopholes is to provide a way by which Annex I Parties can comply with their reduction targets without actually undertaking mitigation.

We present results from a recent analysis prepared by the Stockholm Environment Institute and published by the South Centre (Karthi 2011) with updates on the magnitude of certain loopholes from the *Bridging the Emissions Gap* report (UNEP 2011). Under the rules of the Kyoto Protocol, developed countries are free to use these loopholes strategically over the second commitment period. The analysis shows that the loopholes could be larger than the pledges of Annex I countries. If a weak pledge-based approach riddled with loopholes is adopted, we risk a 4°C rise in global temperatures or higher, which will lead to much higher regional temperature rise in areas such as Africa

and South Asia.

Below the loopholes are described in further detail.

Surplus allowances

During the first commitment period of the Kyoto Protocol many countries received surplus 'hot air' allowances based on inflated estimates of greenhouse gases they expected to release. Some countries' Kyoto targets were thus so weak that 'large amounts of surplus allowances have been and will be generated over the 2008-2012 period, even without any environmental policy effort' (Rogelj et al. 2010). This surplus is estimated to be between 9 and 13 Gt CO₂ equivalent (UNEP 2011, den Elzen et al. 2010), more than half a year's worth of emissions by all the developed countries put together. There is also a risk that surplus allowances could be generated post-2012,

Yvonne Miller

which could result in another loophole of 0.7 to 1 Gt CO₂ e in 2020 (den Elzen et al. 2010).

Land use, land-use change and forestry accounting rules

Annex I Parties are pushing to include weak land use, land-use change and forestry (LULUCF) accounting rules that would allow them to increase their emissions. This could be achieved partly by allowing countries to set their own reference levels ('baselines') for their emissions. Some countries are also proposing that accounting for forest management remains voluntary, thereby allowing Annex I Parties to simply not account for any emissions increases. The size of this loophole could be between 0-0.6 Gt CO₂ e/year subject to the final agreement on accounting rules (UNEP 2011). The cumulative (2013-2020) magnitude of the loophole could be as large as 4.8 Gt CO₂ e.

Non-additionality under the CDM

Through the Clean Development Mechanism (CDM), developed countries can obtain carbon credits from projects in developing countries to 'offset' their emissions, so that developed countries can continue to pollute. Projects have to prove that they are 'additional' – that they could not be built without the extra financing through the sale of carbon credits. If this is not the case, the emission reductions are not real and there is actually an increase in emissions.

The number of emission reduction credits to award a project is calculated against a hypothetical baseline of what emissions would have been if a dirty alternative had been built. Setting the baseline too weak results in the over-crediting of emission reductions.

It has been estimated that 20% to over 50% (Schneider 2007, Haya 2009) of CDM projects are non-additional. Projected certified emission reduction credits (CERs) to be generated between 2013-2020 range from



One loophole in the current climate change framework is the fact that emissions from international aviation and shipping are not accounted for under the Kyoto Protocol even though they are substantial.

3.5 to 7 billion (IGES Aug 2011, UNEP RISOE Sept 2011). Assuming that the percentage of non-additional projects is equivalent to the number of non-additional CERs, the loophole could be between 0.1-0.4 Gt CO₂ e in 2020 and 0.7-3.5 Gt CO₂ e cumulatively.

Double-counting of offsets

Due to the enormity of the climate crisis, developing countries will also have to contribute to mitigation efforts. It is expected that developed countries will provide the full incremental costs for these emissions reductions through National Appropriate Mitigation Actions (NAMAs), but unlike offsets, the effort will be attributed to the developing countries themselves.

Since emissions reductions from both offsets and NAMAs will take place in developing countries, the accounting of these reductions is extremely important. In the case of NAMAs it is clear that the effort will be attributed to developing countries. In the case of offsets, it is essential that only one party claim the emissions reductions due to the offsets. If both the buyer (developed country) and the seller (developing party) count these emissions reductions toward their goals, then this is a clear case of

double-counting. Unfortunately there is little clarity in the negotiations as to whether and how double-counting can be avoided.

A recent study by the Stockholm Environment Institute estimates that double-counting would increase emissions by 0.6-1.6 Gt CO₂ e in 2020 based on assumptions on demand and supply of offsets (Erickson and Lazarus 2011).

International aviation and shipping

Currently emissions from international aviation and shipping are not accounted for under the Kyoto Protocol, even though they are substantial. As such, Annex I Parties' emissions from this sector can continue to increase without affecting compliance with their emission reduction commitments. Based on projections from the international aviation and shipping authorities, growth in emissions from Annex I Parties is estimated to amount to a loophole of 0.4-0.9 Gt CO₂ e in 2020 (Terry 2010).

Aggregate loopholes

These accounting loopholes, taken together, could more than negate the pledges of Annex I countries. Taking the estimates of the 'condi-



'If a weak pledge-based approach riddled with loopholes is adopted, we risk a 4°C rise in global temperatures or higher...'

tional' (high) Annex I pledges, emission reductions amount to roughly 3.8 Gt CO₂ e in 2020 (UNEP 2010). The loopholes together add up to approximately 3.3-7.4 Gt CO₂ e in 2020. If we assume that Annex I pledges are at the high end of the spectrum, we

find that pledged emission reductions are significantly lower even when applying the lower end of the loophole estimates and actually disappear when applying the higher end (see figure below).

Conclusion

If developed countries are serious about fulfilling their responsibility to lead in the fight against climate change, they need to put ambitious targets on the table that are in line with the science and do away with loopholes. There is no plan(et) B. Every passing day of inaction closes the door further on preventing catastrophic climate change. Unfortunately those countries failed to do their part in Durban – the pledges remain low and uncertain. ◆

Dr Payal Parekh is a climate and energy expert who was in Durban.

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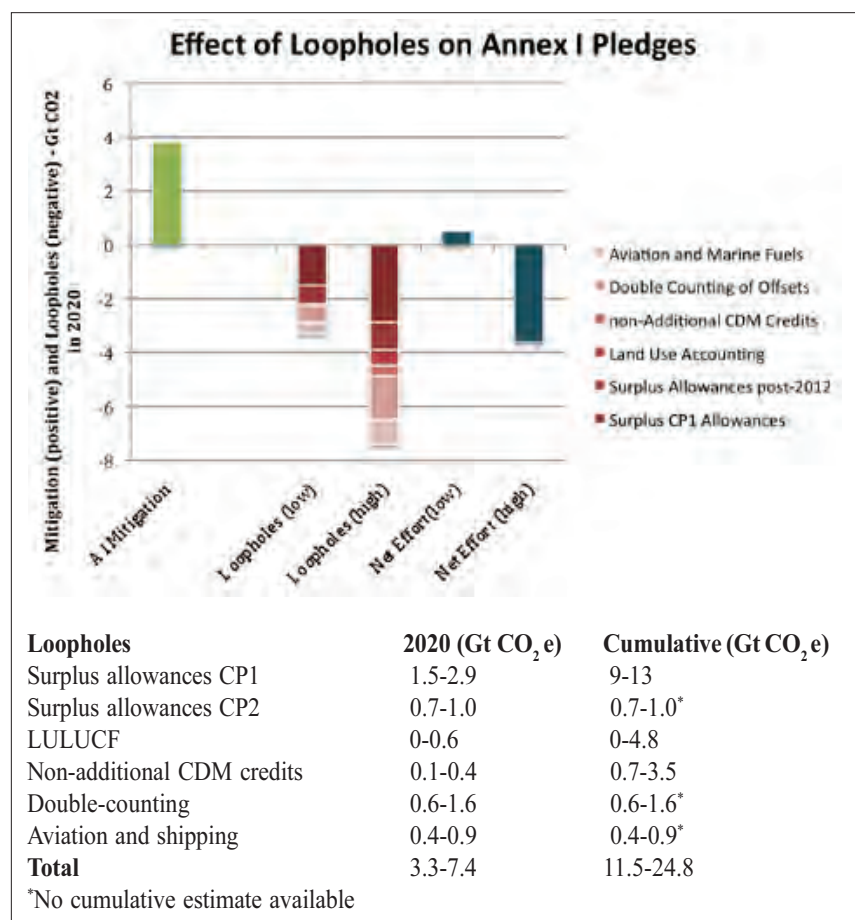
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The Durban package: 'Laissez faire, laisser passer'

Bolivia's former chief climate negotiator contends that the free market regime of measures adopted by the climate change conferences in Copenhagen, Cancun and now Durban to tackle global warming will fail to stem an increase in temperatures beyond the critical 2°C.

Pablo Solon

THE Climate Change Conference ended two days later than expected, adopting a set of decisions that were known only a few hours before their adoption. Some decisions were not even complete at the moment of their consideration. Paragraphs were missing and some delegations didn't even have copies of these drafts. The package of decisions was released by the South African presidency of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) with the ultimatum of 'Take it or leave it'. Only the European Union was allowed to make last-minute amendments.

Several delegations made harsh criticisms of the documents and expressed their opposition to sections of them. However, no delegation explicitly objected to the subsequent adoption of these decisions. In the end, the whole package was adopted by consensus without the objection of any delegation. The core elements of the Durban package can be summarised as follows:

1) A zombie called Kyoto Protocol

- A soulless undead: The promises of reducing greenhouse gas emissions for the second commitment period of the Kyoto Protocol represent less than half of what is necessary to keep the temperature increase below 2°C.

- This zombie (second commitment period of the Kyoto Protocol) will only finally go into effect next year.

- It is not known if the second



Delegates at the 1997 conference which led to the Kyoto Protocol. The present promises of reducing emissions under the Protocol's second commitment period represent less than half of what is necessary to keep temperature increase below 2°C.

period of the Kyoto Protocol will cover five or eight years.

- Canada, Japan and Russia will be out of this second commitment period of the Kyoto Protocol. Australia and New Zealand have not even made any pledges yet, while the United States is not a Party.

- This will be known as the lost decade in the fight against climate change.

2) New regime of 'laissez faire, laisser passer'

- In 2020 a new legal instrument will come into effect that will replace the Kyoto Protocol and will seriously impact on the principles of the UNFCCC.

- The core elements of this new legal instrument can be already seen due to the results of the negotiations so far: a) voluntary promises rather than binding commitments to reduce emissions, b) more flexibilities (carbon markets) for developed countries to meet their emission reduction promises, and c) an even weaker compliance mechanism than the Kyoto Protocol.

- The new legal instrument will cover all the states, and developed countries will want to remove the difference between developing and developed countries. The principle of 'common but differentiated responsibilities' already established in the UNFCCC is in danger of disappearing.

- The result will be the deepening of the 'laissez faire, laisser passer' regime inaugurated in Copenhagen, Cancun and Durban which will lead to an increase in temperature of more than 4°C.

3) A Green Climate Fund with no funds

- The Green Climate Fund now has an institutional structure in which the World Bank is a key player.

- The \$100 billion a year by 2020 is only a promise and will NOT be provided for by the developed countries.

- The money will come from the carbon markets (which are collapsing), from private investments, from credits (to be paid) and from the developing countries themselves.

4) A lifesaver for the carbon markets

- The existing carbon markets will live regardless of the fate of the Kyoto Protocol.

- Also, new carbon market mechanisms will be created to meet the emissions reduction pledges of this decade.

- It is a desperate attempt to avoid the loss of the carbon markets, which are collapsing due to the fall of the carbon credits, from 30 euros per ton to 3 euros per ton of CO₂.

- Developed countries will reduce less than what they promise because they will buy emission reduction certificates from developing countries.

5) REDD: a perverse incentive to deforest in this decade

- If you don't cut down trees you won't be able to issue certificates of reduction of deforestation when the REDD (reducing emissions from deforestation and forest degradation) mechanism comes into operation.

- Consequence: deforest now if you want to be ready for REDD.

- The safeguards for indigenous peoples will be flexible and discretionary for each country.

- The offer of funding for forests is postponed until the next decade due to the fact that demand for carbon credits will not increase until then because of the low emission reduction promises.

Amandla! Jallalla!

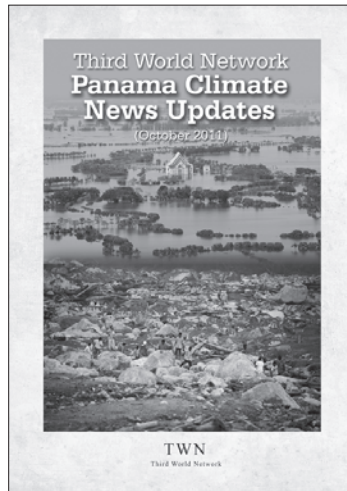
In the actions and events of the social movements in Durban, two battle cries emerged: 'Amandla' and 'Jallalla'. The first one is a Xhosa and Zulu word from South Africa which means 'power'. The second word is an expression in Aymara which means 'for life'. 'Amandla! Jallalla!' means 'Power for life!'

This is the 'power for life' that we must build, transcending borders, from our communities, neighbourhoods, workplaces and places of study, in order to stop this ongoing genocide and ecocide. ♦

International analyst and social activist Pablo Solon is former United Nations Ambassador and chief climate change negotiator of the Plurinational State of Bolivia.

Panama Climate News Updates

(October 2011)



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This is a collection of 18 News Updates prepared by the Third World Network for and during the recent United Nations Climate Change Talks – the third part of the 14th session of the Ad Hoc Working Group on Long-term Cooperative Action under the UN Framework Convention on Climate Change (UNFCCC AWG-LCA 14), and the third part of the 16th session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 16) – in Panama City, Panama from 1 to 7 October 2011.

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Durban's climate zombie tripped by dying carbon markets

Basing the Green Climate Fund on market mechanisms, specifically carbon markets, is a recipe for disaster, says *Patrick Bond*.

LOOKING back now that the dust has settled, South Africa's COP 17 presidency appears disastrous. This was confirmed not only by Durban's delayed, diplomatically decrepit denouement, but by plummeting carbon markets in the days immediately following the conference's ignoble end on 11 December.

Of course it is tempting to ignore the stench of failure and declare Durban 'an outstanding success', as did South African Environment Minister Edna Molewa. 'We have significantly strengthened the international adaptation agenda,' she explained about the near-empty Green Climate Fund. 'The design of the fund includes innovative mechanisms for bringing private sector and market mechanisms into play to increase the potential flow of funding into climate change responses.'

Because the \$100 billion promised by Hillary Clinton in Copenhagen two years ago is apparently fictional (aside from minor commitments by South Korea, Germany and Denmark), Molewa's two crucial albeit unintended words are 'play' and 'potential.' In our new book, *Durban's Climate Gamble: Trading Carbon, Betting the Earth*, critical researchers show why emissions markets are as comatose as the Kyoto Protocol. Only a casino drunkard would put money – much less the planet – on the odds of a deathbed resurrection.

Bolivia's former UN ambassador Pablo Solon scolded the hosts for turning Kyoto into a 'zombie, a soulless undead.' The 1997 treaty's soul was a commitment that emissions cuts would be binding, but several of the richest polluting countries – the US, Canada, Japan, Russia, Australia and New Zealand – won't sign on to the second commitment period. To sabo-

tage Kyoto, Washington continues its voluntary 'pledge and review' policy pantomime. Kyoto's original brain contained a species survival mechanism: a pledge to keep the earth's temperature at a livable level. Now, the Durban Platform contains less than half of the necessary cuts to keep the temperature increase below 2°C, says Solon.

CDM scam

As the soul-deprived, brain-dead, heartless climate-policy zombie stumbled off the Durban Platform in the direction of Qatar for COP 18 next year, it immediately tripped on the crumpled carbon markets. The emissions trade is failing not only in Europe but also in our own Durban backyard. An *Africa Report* investigation unveiled South Africa's highest-profile pilot Clean Development Mechanism (CDM) project as a scam.

At Bisasar Road landfill in the Clare Estate neighbourhood, the R100+ million methane-to-electricity CDM project was despised because it kept the continent's largest official dump open far beyond the point it should have been closed. Instead of being burned and flared on-site, methane gas from Bisasar's rotting rubbish should have been piped out for industrial use, far away from residential areas, according to the late community activist Sajida Khan. Before dying of cancer caused by the dump in 2007, she tirelessly campaigned to close Bisasar dump and thus end one of Africa's most notorious cases of environmental racism.

Khan failed, because in 2001 the World Bank promised funding for methane extraction that would keep the dump operational. The crucial factor, according to Durban officials, is

that 'landfill gas offers a viable renewable energy source only when linked to carbon finance or the CDM.'

Based on the assumption that without outside funds, the project could not be justified, in 2006 the United Nations listed Bisasar Road as an active supplier of CDM credits through at least 2014. It turns out this was a fib. On an official tour of Bisasar on 30 November, journalists from *Africa Report* and San Francisco-based Pacifica News interviewed Durban Solid Waste manager John Parkin, who admitted, 'We started the project prior to the CDM. We were already down the road. It just made it come faster because the funding was there.'

Why is this scandalous? *Africa Report* interprets: 'It is questionable as to whether the project should have been approved as a CDM initiative at all, as approval requires the existence of "additionality". According to the UN, "Additionality is the cornerstone of any credible CDM project, basically answering the question whether a project is additional, or would it proceed anyway, without the CDM." That is, without qualification as an additionality, the [project] shouldn't be approved [under the CDM].'

Parkin confirmed to the journalists, 'We already started the project and we were going ahead no matter what. So whether CDM became a reality or not, the project was going to go ahead.'

Crashing carbon markets

Such a whimsical approach to climate finance is why hopes by Molewa for filling the Green Climate Fund with carbon trade revenues will be dashed. CDM trading volumes are down 80% from their 2007 peak, and

the European Union's carbon futures market – once above €35/tonne – hovered between €11-14/tonne through 2010-11 but crashed to €4.4/tonne on 13 December.

Remarkd Susanna Twidale of the Point Carbon news service, 'While a lot of the focus of the last fortnight of UN meetings was on supply of carbon credits, not one country deepened its carbon target, leaving international carbon offset prices languishing at near record lows.' Reuters news service confirmed, 'Carbon markets are still on life support', quoting a leading trader: 'A sick market needs a cure and instead of deciding which cure to use, the doctors keep using pain relief to gain more time to make the final prognosis.'

Back in Durban, 20,000 carbon credits are being issued from the Bisasar Road CDM project each month. According to Parkin, 'We don't have a partner to buy them at the moment. But we'll probably get €8 to €9 if we're lucky.' Durban is unlucky to have Parkin gambling with city finances, the air in Clare Estate, and the planet's health.

Shame

Those involved with both Bisasar Road and the UN's Conference of Polluters should have departed Durban hanging their heads in shame. All they have to show for their work, during this planetary emergency, is the creation of a dangerous zombie.

In this milieu, Parkin was brutally frank, at least: 'As the City, if we can make some money out of it, I don't see why it shouldn't be done and the whole moral issue is separate from the project. The project is successful. The moral issue, I have no influence on that – as a technocrat, I do my job.'

Patrick Bond edited Durban's Climate Gamble (UNISA Press), authored Politics of Climate Justice (UKZN Press), and directs the University of KwaZulu-Natal Centre for Civil Society in Durban. This is a revised version of an article which appeared on the Triple Crisis blog (triplecrisis.com/durbans-climate-zombie-tripped-by-dying-carbon-markets/, 19 December 2011) and in Durban's Mercury newspaper.

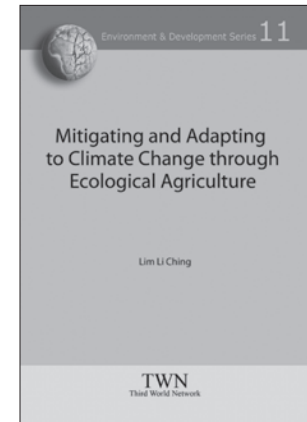
Mitigating and Adapting to Climate Change through Ecological Agriculture

By Lim Li Ching

While agricultural productivity is adversely affected by climate change, agriculture is itself a significant contributor to global warming. Agricultural activities have been identified as a major source of the greenhouse gas emissions responsible for climate change.

However, as this paper explains, agriculture also has considerable potential for climate change mitigation. In particular, the adoption of "ecological agriculture", which integrates natural regenerative processes, minimizes non-renewable inputs and fosters biological diversity, can have tremendous scope for reducing emissions and enhancing soil carbon sequestration. At the same time, many ecological agricultural practices also constitute effective strategies for adapting to climate change, which is a priority for developing countries.

This paper looks at the various ways in which ecological agriculture integrates mitigation and adaptation capacities, and



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calls for more investment and policy support to be devoted to this productive and sustainable form of farming.

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Out of the backyard

The establishment of the Community of Latin American and Caribbean States (CELAC), a new regional bloc that excludes both the US and Canada, is a truly historic development, says *Benjamin Dangl*.

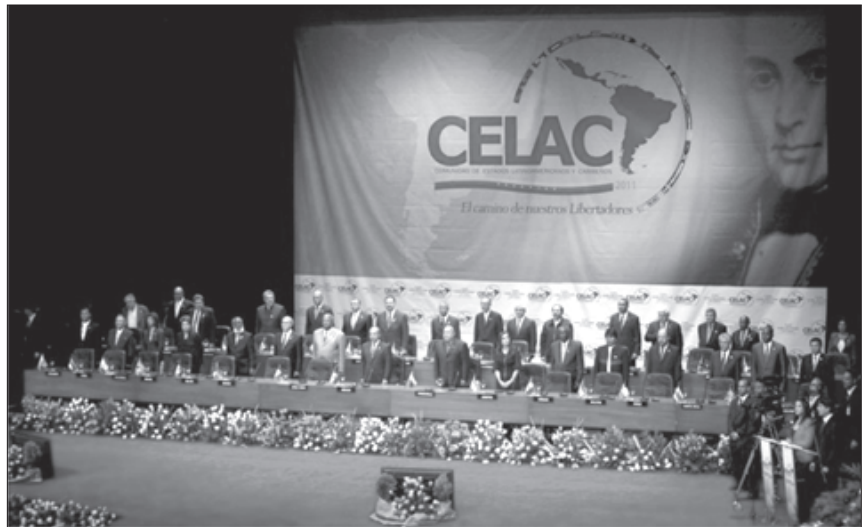
RAIN clouds ringed the lush hillsides and poor neighbourhoods cradling Caracas, Venezuela as dozens of Latin American and Caribbean heads of state trickled out of the airport and into motorcades and hotel rooms. They were gathering for the foundational summit of the Community of Latin American and Caribbean States (CELAC), a new regional bloc aimed at self-determination outside the scope of Washington's power.

Notably absent were the presidents of the US and Canada – they were not invited to participate. 'It's the death sentence for the Monroe Doctrine,' Nicaraguan President Daniel Ortega said of the creation of CELAC, referring to a US policy developed in 1823 that has served as a pretext for Washington's interventions in the region. Indeed, CELAC has been put forth by many participating presidents as an organisation to replace the US-dominated Organisation of American States (OAS), empower Latin American and Caribbean unity, and create a more equal and just society on the region's own terms.

New reality

The CELAC meeting comes at a time when Washington's presence in the region is waning. Following the nightmarish decades of the Cold War, in which Washington propped up dictators and waged wars on Latin American nations, a new era has opened up; in the past decade a wave of leftist presidents have taken office on socialist and anti-imperialist platforms.

The creation of CELAC reflected this new reality, and is one of various recent developments aimed at unifying Latin America and the Caribbean as a progressive alternative to US domination. Other such regional blocs include the Union of South American



Leaders at the foundational summit of the Community of Latin American and Caribbean States (CELAC) in Caracas in December. The 33 nations comprising CELAC make up some 600 million people and a combined GDP of around \$6 trillion.

Nations (UNASUR), which has successfully resolved diplomatic crises without pressure from Washington, the Bank of the South, which is aimed at providing alternatives to the International Monetary Fund and the World Bank, and the Bolivarian Alliance for the Peoples of Our America (ALBA), which was created as an alternative to the Free Trade Area of the Americas, a deal which would have expanded the North American Free Trade Agreement throughout Latin America, but failed due to regional opposition.

The global economic crisis was on many of the leaders' minds during the 2-3 December CELAC conference. 'It seems it's a terminal, structural crisis of capitalism,' Bolivian President Evo Morales said in a speech at the gathering. 'I feel we're meeting at a good moment to debate ... the great unity of the countries of America, without the United States.'

The 33 nations comprising CELAC make up some 600 million people, and together are the number one food exporter on the planet. The

combined GDP of the bloc is around \$6 trillion, and in a time of global economic woes, the region now has its lowest poverty rate in 20 years; the growth rate in 2010 was over 6% – more than twice that of the US. These numbers reflect the success of the region's social programmes and anti-poverty initiatives.

In an interview with Telesur, Evo Morales said the space opened by CELAC provides a great opportunity to expand the commerce of Latin America and the Caribbean in a way that does not depend on the precarious markets of the US and Europe. In this respect he saw a central goal of CELAC as being to 'implement politics of solidarity, with complementary instead of competitive commerce to resolve social problems...'

While the US is the leading trading partner for most Latin American and Caribbean countries, China is making enormous inroads as well, becoming the main trade ally of the economic powerhouses of Brazil and Chile. This shift was underlined by the fact that Chinese President Hu

Jintao sent a letter of congratulations to the leaders forming CELAC. The letter, which was read out loud to the summit participants by their host, Venezuelan President Hugo Chavez, congratulated the heads of state on creating CELAC, and promised that Hu would work toward expanding relations with the region's new organisation.

The US, for its part, did not send a word of congratulations. Indeed, Washington's official take on the CELAC meeting downplayed the new group's significance and reinforced US commitment to the OAS. Commenting on CELAC, US Department of State spokesman Mark Toner said, 'There [are] many sub-regional organisations in the hemisphere, some of which we belong to. Others, such as this, we don't. We continue, obviously, to work through the OAS as the preeminent multilateral organisation speaking for the hemisphere.'

Many heads of state actually saw the CELAC meeting as the beginning of the end for the OAS in the region. This position, held most passionately by leaders from Ecuador, Bolivia, Venezuela, Nicaragua and Cuba, was best articulated by Chavez. 'As the years pass, CELAC will leave behind the old OAS,' Chavez said at the summit. 'The OAS is far from the spirit of our peoples and integration in Latin America. CELAC is born with a new spirit; it is a platform for people's economic, political and social development, which is very different from the OAS.' He later told reporters, 'There have been many coup d'états with total support from the OAS, and it won't be this way with CELAC.'

Variances

However, the presidents involved in CELAC vary widely in political ideology and foreign policy, and there were differing opinions with regard to relations with the OAS. Some saw CELAC as something that could work alongside the OAS. As Mexican chancellor Patricia Espinosa said, the OAS and CELAC are 'complementary forces of cooperation and dialogue'.

A test of CELAC will be how it



Venezuelan President Hugo Chavez speaking at the CELAC summit: 'As the years pass, CELAC will leave behind the old [Organisation of American States].'

overcomes such differences and makes concrete steps toward developing regional integration, combating poverty, upholding human rights, protecting the environment and building peace, among other goals. The final agreements of the two-day meeting touched upon expanding South-to-South business and trade deals, combating climate change and building better social programmes across the region to impact marginalised communities. In addition, the CELAC participants backed the legalisation of

coca leaves (widely used as a medicine and for cultural purposes in the Andes), condemned the criminalisation of immigrants and migrants, and criticised the US for its embargo against Cuba.

Various presidents at the CELAC meeting spoke of how to approach these dominant issues. Nicaragua's Ortega said CELAC should 'monitor and rate' the US anti-drug efforts. As long as the US continues its consumption of drugs, Ortega said, 'all the money, regardless of by how much it's



The signing ceremony of the founding charter of the Bank of the South in 2007. Besides the creation of CELAC, the Bank of the South is another development aimed at unifying Latin America and the Caribbean as a progressive alternative to US domination.

multiplied, and all the blood, no matter how much is spilled', won't end the drug trade.

Yet there are plenty of contradictions within the CELAC organisation itself. The group is for democracy but includes the participation of Porfirio Lobo from Honduras, the president who replaced Manuel Zelaya in unfair elections following a 2009 military coup. CELAC is for environmental protection, yet its largest participant, Brazil, is promoting an ecologically disastrous agricultural model of soy plantations, genetically modified crops and poisonous pesticides that is ruining the countryside and displacing small farmers. The group is for fairer trade networks and peace, yet various participating nations have already signed devastating trade deals with the US, and corrupt politicians at high levels of government across the region are deeply tied to the violence and profits of the transnational drug trade.

These are some of the serious challenges posed to Latin American and Caribbean unity and progress, but they do not cancel out the new bloc's historical and political significance. The creation of CELAC will likely prove to be a significant step toward the deepening of a struggle for independence and unity in the region, a struggle initiated nearly 200 years ago and largely led by Latin American liberator Simon Bolivar, whose legacy was regularly invoked at the CELAC conference.

In 1829, a year before his death, Bolivar famously said, 'The United States appears destined by Providence to plague America with miseries in the name of Freedom.' Yet with the foundation of CELAC under the clouds of Caracas, the march toward self-determination is still on. ◆

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Correa says OAS should have been disarticulated in 1982 during the Malvinas war

ECUADOREAN President Rafael Correa has again questioned the existence of the Organisation of American States (OAS), which he says should have been disarticulated in 1982 during the Falklands/Malvinas war, and insisted that the region's problems 'should be discussed in the region and not in Washington'.

Correa, who was in Caracas for the CELAC summit, said that the inter-American system has 'many shortcomings, not from the current administration [of OAS Secretary-General Jose Miguel Insulza] but from its own structure', the OAS itself.

He went on to say that in 1982 during the Malvinas war when Argentina and the UK clashed over the South Atlantic islands, 'the OAS should have come to an end because the Inter-American Reciprocal Protection Treaty, TIAR, was violated when Washington did not support a member country, but rather an outer region country'.

'We need deep changes to the current system and [should] build a Latin American model, where we can discuss the problems of the region in the region and not in Washington and according to our own circumstances,' underlined the Ecuadorean president.

Correa pointed out the paradox of the OAS Inter-American Human Rights Commission, CIDH, which was born 'to defend citizens from dictatorships and now those same groups which supported the dictatorships are the ones accusing progressive governments that are changing the previous precarious situation of Latin America'.

Correa was referring to his ongoing dispute with the owners of the

Ecuadorean media whom he accuses of manipulating public opinion and has combated with very strict and controversial legislation which has led to appeals to the CIDH.

Finally the Ecuadorean president regretted that the 'OAS historically has served the interests of the United States to the extent that Cuba was expelled because of the Revolution, but nothing of the sort happened in Chile during the bloody coup and dictatorship of General Pinochet'.

Likewise Venezuelan President Hugo Chavez anticipated that CELAC would become a 'pole of power' which with time will leave behind the 'old and worn-out OAS'.

'CELAC must become a political union and on that political union we shall build a great pole of power in the 21st century,' promised Chavez.

Chavez compared the new organisation with the OAS which brings together all the countries of the Americas with the exception of Cuba, kicked out in 1962.

'The OAS is the ancient regime, a space manipulated and dominated by the US, crippled by the old', while CELAC is born 'with a new spirit like a weapon of political, economic and social integration'.

However, he was also cautious, saying that ruling or prevailing ideologies in the region's different countries have nothing to do with CELAC.

'Forget ideologies, CELAC is an independent process, independent from Cuban Socialism, from Venezuelan Socialism or from the ideology that the Brazilian government might be promoting, or the governments from Colombia, Nicaragua...' – MercoPress ◆

Playing with fire

US foreign policy has now taken an ominous turn, with the primary focus of its military strategy no longer on terrorism, but on the containment of China.

Michael T Klare warns of a new Cold War in Asia.

WHEN it comes to China policy, is the Barack Obama administration in the US leaping from the frying pan directly into the fire? In an attempt to turn the page on two disastrous wars in the Greater Middle East, it may have just launched a new Cold War in Asia – once again, viewing oil as the key to global supremacy.

The new policy was signalled by President Obama himself on 17 November in an address to the Australian Parliament in which he laid out an audacious – and extremely dangerous – geopolitical vision. Instead of focusing on the Greater Middle East, as has been the case for the last decade, the United States will now concentrate its power in Asia and the Pacific. ‘My guidance is clear,’ he declared in Canberra. ‘As we plan and budget for the future, we will allocate the resources necessary to maintain our strong military presence in this region.’ While administration officials insist that this new policy is not aimed specifically at China, the implication is clear enough: from now on, the primary focus of American military strategy will not be counterterrorism, but the containment of that economically booming land – at whatever risk or cost.

The planet’s new centre of gravity

The new emphasis on Asia and the containment of China is necessary, top officials insist, because the Asia-Pacific region now constitutes the ‘centre of gravity’ of world economic activity. While the United States was bogged down in Iraq and Afghanistan, the argument goes, China had the leeway to expand its influence in the region. For the first time since the end of World War II, Washington is no longer the dominant economic actor there. If the United States is to retain



Washington’s recent moves in Asia could heighten the risk of future incidents involving US, Chinese and allied vessels, such as the one in March 2009 when Chinese naval vessels surrounded a US anti-submarine warfare surveillance ship, the *Impeccable* (pic).

its title as the world’s paramount power, it must, this thinking goes, restore its primacy in the region and roll back Chinese influence. In the coming decades, no foreign policy task will, it is claimed, be more important than this.

In line with its new strategy, the administration has undertaken a number of moves intended to bolster American power in Asia, and so put China on the defensive. These include a decision to deploy an initial 250 US Marines – someday to be upped to 2,500 – to an Australian air base in Darwin on that country’s north coast, and the adoption on 18 November of ‘the Manila Declaration’, a pledge of closer US military ties with the Philippines.

At the same time, the White House announced the sale of 24 F-16 fighter jets to Indonesia and a visit by Hillary Clinton to isolated Burma, long a Chinese ally – the first there by a US Secretary of State in 56 years. Clinton has also spoken of increased diplomatic and military ties with Singapore, Thailand, and Viet-

nam – all countries surrounding China or overlooking key trade routes that China relies on for importing raw materials and exporting manufactured goods.

As portrayed by administration officials, such moves are intended to maximise America’s advantages in the diplomatic and military realm at a time when China dominates the economic realm regionally. In a recent article in *Foreign Policy* magazine, Clinton revealingly suggested that an economically weakened United States can no longer hope to prevail in multiple regions simultaneously. It must choose its battlefields carefully and deploy its limited assets – most of them of a military nature – to maximum advantage. Given Asia’s strategic centrality to global power, this means concentrating resources there.

‘Over the last 10 years,’ she writes, ‘we have allocated immense resources to [Iraq and Afghanistan]. In the next 10 years, we need to be smart and systematic about where we invest time and energy, so that we put ourselves in the best position to sus-

tain our leadership [and] secure our interests... One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment – diplomatic, economic, strategic, and otherwise – in the Asia-Pacific region.’

Such thinking, with its distinctly military focus, appears dangerously provocative. The steps announced entail an increased military presence in waters bordering China and enhanced military ties with that country’s neighbours – moves certain to arouse alarm in Beijing and strengthen the hand of those in the ruling circle (especially in the Chinese military leadership) who favour a more activist, militarised response to US incursions. Whatever forms that takes, one thing is certain: the leadership of the globe’s number two economic power is not going to let itself appear weak and indecisive in the face of an American buildup on the periphery of its country. This, in turn, means that we may be sowing the seeds of a new Cold War in Asia in 2011.

The US military buildup and the potential for a powerful Chinese counter-thrust have already been the subject of discussion in the American and Asian press. But one crucial dimension of this incipient struggle has received no attention at all: the degree to which Washington’s sudden moves have been dictated by a fresh analysis of the global energy equation, revealing (as the Obama administration sees it) increased vulnerabilities for the Chinese side and new advantages for Washington.

The new energy equation

For decades, the United States has been heavily dependent on imported oil, much of it obtained from the Middle East and Africa, while China was largely self-sufficient in oil output. In 2001, the United States consumed 19.6 million barrels of oil per day, while producing only nine million barrels itself. The dependency on foreign suppliers for that 10.6-million-barrel shortfall proved a source of enormous concern for Washington



Two US Navy ships on a training exercise in the South China Sea. The Obama administration is seeking to secure naval dominance of the South China Sea.

policymakers. They responded by forging ever closer, more militarised ties with Middle Eastern oil producers and going to war on occasion to ensure the safety of US supply lines.

In 2001, China, on the other hand, consumed only five million barrels per day and so, with a domestic output of 3.3 million barrels, needed to import only 1.7 million barrels. Those cold, hard numbers made its leadership far less concerned about the reliability of the country’s major overseas providers – and so it did not need to duplicate the same sort of foreign policy entanglements that Washington had long been involved in.

Now, so the Obama administration has concluded, the tables are beginning to turn. As a result of China’s booming economy and the emergence of a sizeable and growing middle class (many of whom have already bought their first cars), the country’s oil consumption is exploding. Running at about 7.8 million barrels per day in 2008, it will, according to recent projections by the US Department of Energy, reach 13.6 million barrels in 2020, and 16.9 million in 2035. Domestic oil production, on the other hand, is expected to grow from 4.0 million barrels per day in 2008 to 5.3 million in 2035. Not surprisingly, then, Chinese imports are expected to skyrocket from 3.8 million barrels per day in 2008 to a projected 11.6 million in 2035 – at which time they will

exceed those of the United States.

The US, meanwhile, can look forward to an improved energy situation. Thanks to increased production in ‘tough oil’ areas of the United States, including the Arctic seas off Alaska, the deep waters of the Gulf of Mexico, and shale formations in Montana, North Dakota, and Texas, future imports are expected to decline, even as energy consumption rises. In addition, more oil is likely to be available from the Western Hemisphere rather than the Middle East or Africa. Again, this will be thanks to the exploitation of yet more ‘tough oil’ areas, including the Athabasca tar sands of Canada, Brazilian oil fields in the deep Atlantic, and increasingly pacified energy-rich regions of previously war-torn Colombia. According to the Department of Energy, combined production in the United States, Canada, and Brazil is expected to climb by 10.6 million barrels per day between 2009 and 2035 – an enormous jump, considering that most areas of the world are expecting declining output.

Whose sea lanes are these anyway?

From a geopolitical perspective, all this seems to confer a genuine advantage on the United States, even as China becomes ever more vulnerable to the vagaries of events in, or along, the sea lanes to distant lands. It means

Washington will be able to contemplate a gradual loosening of its military and political ties to the Middle Eastern oil states that have dominated its foreign policy for so long and have led to those costly, devastating wars.

Indeed, as President Obama said in Canberra, the US is now in a position to begin to refocus its military capabilities elsewhere. 'After a decade in which we fought two wars that cost us dearly,' he declared, 'the United States is turning our attention to the vast potential of the Asia-Pacific region.'

For China, all this spells potential strategic impairment. Although some of China's imported oil will travel overland through pipelines from Kazakhstan and Russia, the great majority of it will still come by tanker from the Middle East, Africa, and Latin America over sea lanes policed by the US Navy. Indeed, almost every tanker bringing oil to China travels across the South China Sea, a body of water the Obama administration is now seeking to place under effective naval control.

By securing naval dominance of the South China Sea and adjacent waters, the Obama administration evidently aims to acquire the 21st-century energy equivalent of 20th-century nuclear blackmail. Push us too far, the policy implies, and we'll bring your economy to its knees by blocking your flow of vital energy supplies. Of course, nothing like this will ever be said in public, but it is inconceivable that senior administration officials are not thinking along just these lines, and there is ample evidence that the Chinese are deeply worried about the risk – as indicated, for example, by their frantic efforts to build staggeringly expensive pipelines across the entire expanse of Asia to the Caspian Sea basin.

As the underlying nature of the new Obama strategic blueprint becomes clearer, there can be no question that the Chinese leadership will, in response, take steps to ensure the



An oil rig in the Arctic region. In the drive to promote greater US self-sufficiency in energy output, the Obama administration is giving its approval to production techniques like Arctic drilling that could lead to further environmental catastrophe.

safety of China's energy lifelines. Some of these moves will undoubtedly be economic and diplomatic, including, for example, efforts to court regional players like Vietnam and Indonesia as well as major oil suppliers like Angola, Nigeria, and Saudi Arabia. Make no mistake, however: others will be of a military nature. A significant buildup of the Chinese navy – still small and backward when compared to the fleets of the United States and its principal allies – would seem all but inevitable. Likewise, closer military ties between China and Russia, as well as with the Central Asian member states of the Shanghai Cooperation Organisation (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan), are assured.

In addition, Washington could now be sparking the beginnings of a genuine Cold-War-style arms race in Asia, which neither country can, in the long run, afford. All of this is likely to lead to greater tension and a heightened risk of inadvertent escalation arising out of future incidents involving US, Chinese, and allied vessels – like the one that occurred in March 2009 when a flotilla of Chinese naval vessels surrounded a US anti-submarine warfare surveillance ship, the *Impeccable*, and almost precipitated a shooting incident. As more warships circulate through these waters in an increasingly provocative fashion, the risk that such an incident will result in something far more explosive can only grow.

Nor will the potential risks and costs of such a military-first policy aimed at China be restricted to Asia. In the drive to promote greater US self-sufficiency in energy output, the Obama administration is giving its approval to production techniques – Arctic drilling, deep-offshore drilling, and hydraulic fracturing – that are guaranteed to lead to further Deepwater-Horizon-style environmental catastrophe at home. Greater reliance on Canadian tar sands, the 'dirtiest' of energies, will result in increased greenhouse gas emissions and a multitude of other environmental hazards, while deep Atlantic oil production off the Brazilian coast and elsewhere has its own set of grim dangers.

Perilous course

All of this ensures that, environmentally, militarily, and economically, we will find ourselves in a more, not less, perilous world. The desire to turn away from disastrous land wars in the Greater Middle East to deal with key issues now simmering in Asia is understandable, but choosing a strategy that puts such an emphasis on military dominance and provocation is bound to provoke a response in kind. It is hardly a prudent path to head down, nor will it, in the long run, advance America's interests at a time when global economic cooperation is crucial. Sacrificing the environment to achieve greater energy independence makes no more sense.

A new Cold War in Asia and a hemispheric energy policy that could endanger the planet: it's a fatal brew that should be reconsidered before the slide toward confrontation and environmental disaster becomes irreversible. You don't have to be a seer to know that this is not the definition of good statesmanship, but of the march of folly. ♦

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How the West helped invent Russia's election fraud

With Russians on the streets protesting yet another fraud-riddled election, and Hillary Clinton lecturing the Kremlin on the evils of election fraud, the website *The eXiled* decided to repost this important background story on Russian election fraud, and how the West, led by Hillary's husband Bill Clinton, enabled and whitewashed Russia's 1996 stolen elections which assured that the hugely unpopular Boris Yeltsin won. Yeltsin's Western-backed victory allowed him to pick his successor, Vladimir Putin, in 2000.

This article by *Alexander Zaitchik* and *Mark Ames* about the West's active complicity in Russian election fraud, in creating the template still used today by Putin, was first published in *The eXile* (the precursor to *The eXiled*) on 30 November 2007, the eve of Russia's 2007 Duma elections, the last time before this year Russians voted in parliamentary elections.

'A Victory for Russian Democracy'

– Title of a *New York Times* editorial, days after the ODIHR-approved 1996 presidential election

'Exit, Russian Democracy'

– Title of a *New York Times* editorial, days before the ODIHR-boycotted 2007 Duma elections

WHEN Russia told the Organisation for Security and Co-operation in Europe (OSCE) that their election monitoring mission would be severely limited last month, it seemed as though Putin had fired an authoritarian shot out of the blue, baring his inner Stalinist once and for all. The West reacted as if the OSCE was the crucifix of democracy, and Putin's rejection of that crucifix was evil rejecting good.

Well, that's one way of looking at it. Another way is that the recent Russia-OSCE door-slaming episode is the inevitable outcome of years of cynical Western manipulation of an organisation that once held enormous promise and impeccable credentials, but is now with good reason considered a propaganda tool for the West.

If that last sentence sounds like the paranoid rant of a Putin-era silovik revanchist, then think again. It's the



Muscovites voting in Russia's 1996 presidential polls. Boris Yeltsin's win in those elections was rife with fraud.

view held by none other than the man who headed the OSCE's 1996 election mission in Russia, Michael Meadowcroft.

'The West let Russia down, and it's a shame,' said Meadowcroft, a former British MP and veteran of 48 election monitoring missions to 35 countries.

In a recent telephone interview with *The eXile*, Meadowcroft explained how he was pressured by OSCE and EU authorities to ignore serious irregularities in Boris Yeltsin's

heavily manipulated 1996 election victory, and how EU officials suppressed a report about the Russian media's near-total subservience to pro-Yeltsin forces.

'Up to the last minute I was being pressured by [the OSCE higher-ups in] Warsaw to change what I wanted to say,' said Meadowcroft. 'In terms of what the OSCE was prepared to say publicly about the election, they were very opposed to any suggestion that the election had been manipulated.'

In fact, he says, the OSCE and the West had made its mind up about how wonderfully free and fair Boris Yeltsin's election was before voting even started.

'The OSCE parliamentary assembly had a separate mission who were passionately pro-Yeltsin,' he said. 'So you had two OSCE missions for the election, one of which arrived predisposed to say things were good.' The other was pressured to agree.

Evidence of fraud, such as entire towns in Chechnya voting overwhelmingly for Yeltsin, caused Meadowcroft to liken the 1996 election to those held in African dictatorships. 'In Chechnya they'd been bombed out of existence, and there they were all supposedly voting for Yeltsin. It's like what happens in Cameroon,' he said.

While the Western media portray the Russia-OSCE spat as a simple battle between bright democracy and dark autocracy, the Russian elite have a deeply cynical view of the OSCE based on personal experience. As Meadowcroft was not allowed to say at the time, Yeltsin's victory in 1996 was rife with fraud. Most important to the outcome was the months-long blanket television support Yeltsin received and a 'black PR' campaign against his Communist foe, Gennady Zyuganov; Russia's print media was almost as bad. The election was not a 'victory for optimists', as the Hoover Institute's notorious Yeltsin-cheerleader Michael McFaul wrote at the time. Rather, the technology of the fraudulent election, blessed by the West, served as the template for future Russian elections. But if few in the West know about this, it's because the OSCE and the Western media only began to emphasise Russia's systemic electoral fraud and media manipulation in 2003.

'[The West] didn't want [pre-election] criticism that the election had been manipulated, lest the Communists get public mileage out of it,' said Meadowcroft. 'And the Communists regarded it as par for the course that they wouldn't get a fair deal. I went to see the Zyuganov team and they said, "Oh it's a waste of time to



The Vienna headquarters of the Organisation for Security and Co-operation in Europe. The OSCE's conduct in monitoring elections in Russia has undermined its credibility.

give you the dossier [on election fraud], you're not going to do anything about it anyway.'"

He added that the EU tried to suppress a report about media manipulation submitted by a Belgian colleague working for an EU institution. When he was barred from releasing the report, he handed it over to Meadowcroft, who released it to the media as a private citizen. Few noticed or cared at the time.

Instead, here's the kind of spin Western publics heard after the 1996 election:

'The preliminary conclusion of the IRI delegation is that this election was Russia's best ever and reflected the great strides made by the Russian people in institutionalising their democracy.' (American observer William Ball III, of the US-funded International Republican Institute NGO, July 1996)

'Voting was held... in a democratic, impartial and fair manner.' (Ernst Meulemann, an observer from the Council of Europe, July 1996)

'Now it's true that President Yeltsin used his incumbency to his own advantage. It's also true that the Communist candidate, Mr. Zyuganov, used the fact that the Communist Party, the Russian Federation, has a huge

grassroots organisation, by far the best, the biggest, and most complex organisation in Russia, to its advantage. But a number of international observers have judged this to be a free and fair election.' (US Deputy Secretary of State Strobe Talbott, July 1996)

'For all the mutual distrust and suspicion that preceded the election, there was consensus on the part of the Government, the Communist opposition and international observers that Sunday's election had been for the most part free and fair.' (New York Times, 18 June 1996)

'OSCE: ELECTION GENERALLY FREE AND FAIR: Even before the final results had been tabulated, a delegation of 500 election monitors from the OSCE issued a preliminary statement on 17 June declaring the first round of the Russian presidential election "generally free and fair".' (Radio Free Europe/Radio Liberty Europe, June 1996)

Meadowcroft is still shocked by the manipulation of his assessment of the election. 'I never said "free and fair". The weasel words I used were something like "a step forward for democracy", but I certainly wouldn't say "free and fair" as far as I was recording it,' he said.

The OSCE continued pumping

out glass-half-full reports into the Putin era. In 2000, it was quick to sign off on Putin's first-round victory, despite widespread evidence of fraud, some of it uncovered by the *Moscow Times*. 'The OSCE should not have approved [the 2000 elections],' the Yabloko party spokesman, Sergei Loktyonov, told *The eXile* after Putin's 2003 reelection. 'It's hard to say why they did that.'

But is it? In 2000, Putin was still seen as a 'reformer', as the West's guy. He had not yet begun to cross Western oil interests or to reassert an independent and muscular foreign policy. Fast forward to 2003 and the OSCE was singing a different tune.

The OSCE hasn't just destroyed its credibility with its strange criteria for judging some Russian elections fair and others not. As the world considers Moscow's charge of undue American influence on the organisation, it's worth pulling an OSCE 'greatest hit' out of the memory hole. In the run-up to the Kosovo war, the organisation was used as a front for the CIA to deliver communications equipment to the Kosovo Liberation Army (KLA), and to gather targeting information for an expected upcoming NATO bombing campaign. As reported by the *New York Times* in March of 2000:

'When the Organisation for Security and Co-operation in Europe (OSCE), which co-ordinated the [human rights] monitoring, left Kosovo a week before airstrikes began a year ago, many of its satellite telephones and global positioning systems were secretly handed to the KLA, ensuring that guerrilla commanders could stay in touch with NATO and Washington. Several KLA leaders had the mobile phone number of General Wesley Clark, the NATO commander. European diplomats then working for the OSCE claim it was betrayed by an American policy that made airstrikes inevitable. Some have questioned the motives and loyalties of William Walker, the American OSCE head of mission. "The American agenda consisted of their diplomatic observers, aka the CIA, operating on completely different terms to the rest

of Europe and the OSCE," said a European envoy.'

To longtime democracy professionals and election monitors like Meadowcroft, this cynical exploitation of the organisation's good name set the stage for the OSCE's downfall – a downfall now being blamed on 'little brother' non-NATO member countries on the OSCE's eastern flank.

'The sad thing is that because the OSCE has not been as forthright as it should have been, the people who regard monitoring as a waste of time use this as an argument against it,' said Meadowcroft, reflecting on the current Kremlin-OSCE row. 'That's the distressing thing. I feel like even I was compromised by not being tougher. But it's hard when you've got five minutes to go before the press conference and this guy from Warsaw is on the phone saying "You can't say that!" I said, "Look I'm going to speak to the press." The response was, "No, you can't say that." It was very difficult for me.'

Democracy on the deathbed

Meadowcroft's revelations are significant for a lot of reasons. In the first place, we at *The eXile* are left once again scratching our heads, wondering why no one from the mainstream media bothered contacting the man who headed the observer mission during the most 'free and fair' election in post-communist Russian history.

His revelations also help put into perspective what is really going on with Russia's near-death experiment with democracy. The new low that we've reached in late 2007 is not some out-of-the-blue invention of Putin and his siloviki cronies, but rather the result of a joint effort which saw the worst of both sides. Democracy as birthed and fed under Boris Yeltsin was always something like the semi-stillborn foetal-freak in *Eraserhead*. Most of the Yeltsin-era elite saw formal democracy as a pain in the ass that had to be kept alive for visiting Western delegations, who looked at the croaking, spitting foe-

tus, covered in rot and slime, and declared, 'It looks just like Lady Liberty!'

Meadowcroft relayed some of his own experiences with Yeltsin's elite 'young reformers' and their Western enablers – what he called the 'economic mafia':

'What I was being told [by them] in 1996... "Why are you bothering us about elections? We're not going to let this place fall. We're making too much money. Why bother with elections?"'

This paints a familiar if often ignored picture, one that implicates the West in the collapse of OSCE credibility in particular, and the near-comatose state of Russian democracy in general. It's not fair to simply blame the West for Russia's problems, but it's equally disingenuous to deny the West's role in screwing things up. The current narrative of a happy past and pure elections versus a dark present and lost democracy is easy to swallow but destructive insofar as it increases misunderstanding and paranoia on both sides. Needless to say, it also enables those in the West to lead us into a new Cold War based partially on the fantasy of a glorious Russian democratic past that never was, or at least not since Yeltsin's shelling of his opposition parliament in 1993.

It's not that the West won't be right when it condemns this weekend's [2007] vote. In OSCE jargon, the Duma elections will be 'fundamentally flawed'. They will 'fall far short' of Western standards, if not expectations. It's not a secret that the Russian state-run media are grotesquely pro-Putin. Or that the election laws have been changed to shut out opposition parties. Or that, as in previous elections, there will likely be some old-fashioned ballot stuffing in the provinces.

Not for the first time, the *Moscow Times* has helped fill in the blanks with regard to the electoral shenanigans taking place across the country. In a report published 27 November, the paper details insider allegations of fraud and the pressure – including outright intimidation and threats – some Russians are experiencing from

their employers to vote for United Russia, Putin's party, on 2 December.

Whatever adjectives are thrown at the elections on 3 December, everyone agrees that 'Swedish' won't be among them.

But of all the many statements being made about Putin's 'managed democracy', the boycott by the OSCE's Office for Democratic Institutions and Human Rights is considered the most profound. It is certainly the most influential. The ODIHR is still considered the gold standard in the democracy watchdog game. When it says Boris Yeltsin was elected fair and square in 1996, the *New York Times* and most of the rest of the Western media were quick to declare a 'Victory for Russian Democracy'. When the same body decided not to bless Russia with its presence this year, the country's democracy was universally declared to have 'Exited'.

The truth is it never entered. But that didn't used to bother the democracy experts at the OSCE.

Meadowcroft has been involved in democracy-building and election-monitoring in Russia and the CIS countries since 1989. In the beginning, he said, international election monitors were seen as 'the good guys'. That began to change when the OSCE wrested control of regional election-monitoring duties from the United Nations. That, he says, is when the ideological rot set in.

'You could trace the subversion of the OSCE from the moment that the UN had to give way to the OSCE for election monitoring operations in its area,' says Meadowcroft. 'There came a point where the UN's electoral division was not strong enough to insist that it carry out missions in the OSCE region. It was forced to hand over its mission to the OSCE. The UN's electoral affairs division was originally part of the political department of the UN, which was very strong. And it was shifted out. The UN was in effect politically forced to let the OSCE run stuff in its area. This was largely an American initiative.'

At the end of the Cold War, when the OSCE was still known as the Conference on Security and Cooperation

in Europe, there were big hopes. The CSCE had been the forum for the major milestones that lessened super-power tensions and set the stage for the end of the Cold War, from the Helsinki Declaration on Human Rights to early negotiations on the Conventional Forces in Europe Treaty.

'There was this idea that the CSCE would be a "UN for Europe". Havel would be its godfather, the Americans would endorse it, and it would take over the old Federal Parliament building in Prague when Czechoslovakia split,' said Christopher Lord, a former editor of *Perspectives: A Central European Journal of Eastern European Affairs* and a former consultant for the Czech Ministry of Foreign Affairs.

'What killed it was a proliferation of countries as the Eastern Bloc fragmented,' said Lord. 'With the break-up of Yugoslavia the inherent weakness of the CSCE was revealed. Once it was exposed to the stresses of a hot war, the cold war dinosaur fell over sideways and died of shock. The urgency of the situation meant that attention in foreign ministries swung away from the CSCE and back to the UN, and especially NATO. The CSCE, along with the Western European Union, another structure which coulda been a contender, didn't quite make it.'

The mid-1990s brought an expansion of OSCE programmes and saw the beginning of a steady shift in its focus. For most of its first 20 years, the CSCE was largely dedicated to hard security issues, with democracy and human rights playing a smaller role. After it was renamed the OSCE, the newly created Office for Democratic Institutions and Human Rights quickly began sucking up scarce resources and energy. Since then, eastern members have begun to tire of the 'soft' half of the equation getting so much attention.

East-West tensions within the OSCE have been building for years. Now Russia and most other CIS countries have had enough of the democracy lecturing and want to shift the focus back to hard security matters.

The OSCE is, after all, the one pan-European forum where they are, in theory, full and equal members.

Behind the headlines of the OSCE-Moscow spat, a larger showdown will take place at the end of the month in Madrid, at the OSCE's annual end-of-the-year meeting. There, a new group of OSCE nations, led by Russia, will try to redirect the future of the organisation.

Writing in the *Eurasia Daily Monitor*, Vladimir Socor describes the goal of the new grouping: 'The Russia-led bloc calls for refocusing the OSCE on the military-political dimension... This move continues Moscow's long-standing attempts to endow the OSCE with functions that could duplicate or interfere with those of NATO and maintain a Russian-influenced grey area in Europe's East. The novel elements are the bloc basis and extended scope of the proposals. Russia hopes to build up the OSCE into an all-European security body and counterpose it to NATO, particularly in Europe's East. This is why most Western countries have long resisted turning the OSCE into a full-fledged organisation.'

The Russia-led group is also proposing new rules for the monitoring of elections. It wants to weaken what it sees as the Western grip on the ODIHR, slow the response time for issuing election reports, and spread monitoring missions more evenly across the OSCE's turf – which famously spans 'from Vancouver to Vladivostok'. By all accounts the Russia-led bloc means business and is willing to obstruct the organisation's work until a serious reform plan is on the table.

What all this means is that the OSCE's judgment on this weekend's elections is irrelevant. And so is the OSCE as we have come to know it. ♦

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Iraq intervention ends with scarcely a whimper

The fact that there was no fanfare in the US to herald the end of the Iraq war is a telling commentary on how differently the war is viewed today, says *Jim Lobe*.

WHEN the United States formally ended its eight-and-a-half-year military adventure in Iraq on 15 December with a flag-lowering ceremony presided over by Defence Secretary Leon Panetta in Baghdad, hardly anyone in the US seemed to notice, let alone mark the occasion in a special manner.

Similarly, earlier in the same week, when US President Barack Obama hosted Iraqi Prime Minister Nuri al-Maliki at the White House to discuss – apparently rather inconclusively – the future strategic relationship between the two countries, hardly anyone paid attention.

The surprising lack of interest could be explained by the distractions of the holiday season, the Republican presidential race or the health of the global and US economies.

It could also be due to the fact that people were all too aware that, even as the last 4,000 US combat troops in Iraq headed for home, Washington still has more than 90,000 troops engaged in Afghanistan. That situation, in the public mind, is not all that different from Iraq, particularly because former President George W. Bush depicted them both as part of the ‘global war on terror’, or, as some of his more extreme neo-conservative cheerleaders described it in their typically apocalyptic hyperbole, ‘World War IV’.

Or perhaps people would just as soon forget as a bad dream what the former head of the National Security Agency, the late Lt. Gen. William Odom, called back in 2005 – just two and a half years after the US invasion – ‘the greatest strategic disaster in United States history’.

Within days of the 20 March 2003 launch of Washington’s ‘shock and awe’ military campaign, some

70% of the public told pollsters they supported the war and thought it was ‘the right thing to do’, against about 25% who said the US should have stayed out.

Eight and a half years later, those numbers are virtually reversed: in a poll conducted in November by CNN, 68% of respondents said they oppose the US war in Iraq, while only 29% said they favour it.

In a CBS News poll also conducted in November, 67% of respondents assessed the Iraq war as ‘not worth the loss of American lives and other costs’ incurred. Only 24%, including a plurality of Republicans, disagreed – eloquent testimony indeed to the deep disillusionment most citizens feel about a war whose costs its initiators utterly failed to anticipate, let alone prepare for.

On the US side of the ledger, the costs have been staggering: nearly 4,500 soldiers killed, with tens of thousands more wounded in many ways, including severe brain injuries and post-traumatic stress disorders (PTSDs) that haunt and disable their victims for the rest of their lives.

The war’s official price tag of approximately \$1 trillion over the eight years ignores the far greater indirect costs.

Joseph Stiglitz, winner of the Nobel Prize for Economics, has estimated total costs of the Iraq war on the US economy, including the costs of health care for veterans, at more than \$3 trillion, a significant amount given the difficult economic straits in which this country finds itself.

In addition, the US suffered an immeasurable loss in international credibility. The stated justifications for going to war – Saddam Hussein’s ties to Al Qaeda, weapons of mass

destruction, a rapidly developing nuclear weapons programme – proved utterly unfounded, while the mightiest, highest-tech war machine in history failed to suppress a variety of rag-tag insurgencies.

The Iraq war has been called ‘the greatest strategic disaster in United States history’.

Of course, material US losses pale when compared to those of the Iraqis – estimated at well over 100,000 dead, and countless others, including hundreds of thousands of children, injured or traumatised by their experiences.

Nor can the social costs also be ignored: the United Nations has estimated the number of people who have fled their homes since the invasion at nearly five million, roughly equally divided between internally displaced persons (IDPs) within Iraq and refugees who have fled to neighbouring countries, including much of Iraq’s previously thriving Christian community, or beyond.

Moreover, the still-smouldering embers of sectarian violence between the Shi’a-led government forces and militias and their Sunni rivals, as well as unresolved tensions between the Kurdish population in the north and Arabs over territorial claims in and around Kirkuk, have not just reconfigured the country’s demography and politics. They also remain largely unresolved and therefore potential sources of major future conflict, even civil war. – *IPS* ◆

An online repository of decades of police terror in Guatemala

Guatemala's 36-year counterinsurgency conflict, a US-backed war involving disappearances, torture, rape and murder which ultimately took the lives of 250,000 – mostly indigenous Mayans – ended in 1996. Procuring the incriminating evidence has proved difficult, but as in Chile, another victim of the US 'dirty war' in Latin America (see box), the process of bringing to justice those responsible has picked up in recent years.

Danilo Valladares

MILLIONS of documents from the Guatemalan national police archive, shedding light on torture, forced disappearances and murders committed during the 1960-1996 counterinsurgency war in this country, are now available online thanks to a collaboration with the University of Texas at Austin.

The Politics of Memory conference held 2 December at the University of Texas unveiled a digital archive hosted by the university, holding 12 million of the roughly 80 million pages of national police documents discovered by chance in 2005.

The online digital repository from the Historical Archive of the National Police of Guatemala (AHPN) will be available to the public 'with no requisite whatsoever,' Alberto Fuentes, one of the experts working at the AHPN, told Inter Press Service (IPS). 'Essentially, it contains two things: documents on cases involving crimes and violence in the country, as well as records of social control and surveillance, especially of opposition politicians,' Fuentes explained.

'We have found more than 900,000 personal dossiers containing names, photographs and fingerprints of individuals, as well as notes about their political activities,' he said.

In July 2005, the Procuraduría de los Derechos Humanos – the office of Guatemala's human rights ombudsman – found the abandoned documents by accident in an abandoned munitions depot on the north side of

Guatemala City. The messy bundles of records were stacked floor to ceiling in dozens of rooms infested by rats, bats and cockroaches, and many of the files were in an advanced state of decay.

The administrative police records, which date from 1882 to 1997, document the repressive role played by the police during the 36-year armed conflict between leftist insurgents and government forces, which left a death toll of 250,000.

That total included at least 45,000 people who were seized by the security forces and forcibly disappeared, their bodies buried in unmarked graves in cemeteries or in secret graves, often in military bases, according to the Historical Clarification Commission. The UN-mandated truth commission found that the army was responsible for more than 90% of the killings in the civil war, most of whose victims were rural Maya Indians.

The records that came to light in 2005 document the role played by the National Police during – and before – the conflict. The AHPN began to salvage and digitise the archives in 2006. The documents are held under tight security.

The archive includes arrest warrants, surveillance reports, identification documents, interrogation records, snapshots of detainees and informants, and of unidentified bodies, fingerprint files, transcripts of radio communications, ledgers full of photographs and names, as well as more mundane documents like traffic tick-



A woman in Guatemala City arranging photographs of people who were disappeared during Guatemala's 1960-96 counterinsurgency war. New records that came to light in 2005 document the role played by the country's National Police during and before the conflict.

ets, drivers' licence applications, invoices for new uniforms and personnel files.

So far, 13 million documents have been cleaned, classified and digitised. Documents from the archive have served as evidence in several trials against members of the military prosecuted for human rights abuses committed during the war.

'In just one single case, the disappearance of Fernando Garcia, a trade unionist and student leader, the archive provided the court with 667

documents,' Fuentes said. Garcia disappeared on 18 February 1984. But it was not until 26 years later that two of those responsible for his death, both former policemen, were sentenced to 40 years in prison on charges of forced disappearance.

Fuentes said the AHPN also provided documents that contributed to this year's arrest of retired general Hector Lopez, accused of the crime of genocide in connection with the deaths of more than 300 people between 1978 and 1985, and the arrest of former police chief Hector Bol for the disappearance of Garcia.

'The documents in the archive are being used as proof to enable the justice system to issue arrest warrants and bring people to trial,' Fuentes said.

Justice is essential to bringing about reconciliation in this impoverished Central American nation. Ada Melgar, whose father was assassinated during the armed conflict, told IPS that 'once it has been clearly demonstrated that army officers and the high command played a role in the thousands of massacres and murders in the country, we will be able to feel a measure of peace.'

The massacres included the wholesale destruction of around 440 indigenous villages in the country, as part of a scorched-earth counterinsurgency policy applied in the late 1970s and early 1980s.

'We have filed a case against the state, because we are sure that my father's death was planned by the security forces,' said the daughter of Hugo Rolando Melgar, a law professor at the University of San Carlos who was machine-gunned on 24 March 1980.

Ada Melgar, who works in the police archive, believes the institution has 'very valuable documents that can prove the existence of lists of names of people held in police custody that coincide with many men and women who were captured and disappeared.'

Forensic experts have also found answers in the archive. 'The first photos we saw there were from post-mortem records of several bodies that had not been identified. But there were even references in the records

to the fingerprints that they took from the bodies,' Jose Suasnabar, assistant director of the non-governmental Guatemalan Forensic Anthropology Foundation (FAFG), told IPS.

The AHPN 'has become a primary source of information' for the search for people who were disappeared during the armed conflict, he said. — IPS ◆

Chilean judge indicts former US officer over coup killings

Joe Hinchcliffe

CHILE's Supreme Court has requested the extradition of former US army officer, Capt. Raymond E Davis, over his alleged involvement in the murder of two US citizens in Chile, days after the coup d'état of 11 September 1973 that ushered in 17 years of brutal military rule.

Judge Jorge Zepeda issued the indictment request as part of a long-running trial into the deaths of Charles Horman and Frank Teruggi, triggered by a criminal suit filed in 2000 by the widow of one of the victims, Joyce Horman.

Capt. Davis, who was commander of the US Military Group in Chile, is accused of providing Chilean military intelligence agents with information that led to the arrest, torture and subsequent death in custody of the journalists.

The trial has already made significant advances in its attempt to establish the chain of command that led to the arrest of former Chilean military officers accused of tracking the journalists in the last days of their lives.

The case was given high international profile following the 1982 release of the award-winning film *Missing*, which promotes the allegations of Joyce Horman that her husband was murdered because he was unwittingly made aware of CIA involvement in the military coup.

The victims were both involved in the American Information Source (FIN), a left-wing organisation which supported socialist President Salvador Allende in the years leading up to the coup.

Horman is believed to have

made contact with Capt. Davis in a hotel in the port city of Viña del Mar and was later driven by the former naval officer to Santiago, days before his detention. Both bodies were later discovered in the streets of the capital, riddled with bullets and showing signs of torture.

In 2001 the Chilean government issued a request to hear the testimony of former US Secretary of State, Henry Kissinger, over the role of US intelligence services in the case.

The US government has officially denied any involvement in the coup, although government documents, declassified by the Clinton administration in 1999, declare that 'US intelligence may have played an unfortunate part in Horman's death.'

Judge Zepeda's ruling drew heavily on evidence procured from the heavily redacted documents, which describe Capt. Davis as 'being in a position. . . [to] prevent the murder' of the journalists, given his 'coordination with Chilean agents'.

The US Embassy in Santiago released a statement stating that it does not comment on specific cases. 'The US government continues to support a thorough investigation into the Horman and Teruggi deaths in order to bring those responsible to justice,' the statement said.

Capt. Davis has denied his involvement in the murders. His whereabouts are currently unknown. — *The Santiago Times* (www.santiagotimes.cl) ◆

Editor's note: Capt. Davis' wife has since been reported by the Associated Press as saying that her husband is in a US nursing home suffering from Alzheimer's. Patricia Davis, who lives in Florida, refused to name the nursing home.

Giving up guns for motherhood

Hundreds of Nepali women who were part of the Maoist armed resistance and its decade-long war for justice and equality are now returning to civilian life. *Sudeshna Sarkar* highlights their dilemma and the difficult choices facing them.

SONIKUMARI Jha puts on her green camouflage fatigues, deftly laces up her boots and is ready to step out and announce her decision to embrace a new life. Her four-year-old son, who has been watching the same rote for years, is puzzled by an important omission. 'Mama, you have forgotten your gun,' he calls out.

'No darling, mama won't have to carry a gun any more from today,' the 26-year-old says with a smile.

Eight years ago, Sonikumari joined the Maoist guerrillas who were waging an underground war to abolish monarchy in Nepal and promulgate a constitution of, by and for the people.

Today, the section commander in the 2nd Division of the People's Liberation Army (PLA) has decided to say farewell to arms five years after the insurgency ended.

Hundreds of Maoist women warriors, who had joined the PLA attracted by its promise of equality and justice during the 10-year war fought from 1996, are now bidding adieu to warfare for the sake of their children, like Sonikumari.

Voluntary retirement

'After our People's War ended in 2006, the combatants lived in cantonments hoping they would be inducted into the national army,' says Yam Bahadur Adhikari, commander of the 1st Division of the PLA.

'It took almost five years for things to move. During that long interval, it was natural that many of them would marry and have kids. Now that the government has finally started addressing the lot of the PLA, most of the mothers, who have young



Many of the women soldiers in Nepal's Maoist People's Liberation Army, like Rama Thakuri (seen here with her five-month-old daughter), are seeking voluntary retirement to look after their young children.

children, are opting for voluntary retirement instead of joining the army.'

When the Maoists signed the peace accord in 2006, it was decided that the PLA, comprising over 19,500 combatants, would be merged with the Nepal Army. However, after opposition from both the army and major political parties, it was decided that only up to 6,500 guerrilla fighters would be recruited.

The rest have two options: voluntary retirement with cash compensation or rehabilitation, which includes education since many dropped out of school to join the guerrillas, vocational training and assistance in setting up micro business.

In November, a Special Committee fanned out across the seven major cantonments to ask the PLA fighters what they would like to do.

According to Lt-Gen Balananda Sharma, coordinator of the committee, over 60% of the combatants want to join the army. The rest are seeking voluntary retirement, with only six plumping for rehabilitation.

But of the 3,526 women combatants, most of the married ones, especially those with young children, are seeking voluntary retirement.

Besides the necessity of looking after the children as well as fears that they might fail the physical fitness test, many of the women, married to fellow PLA combatants, are opting to return to civilian life so that their husbands stand a better chance of joining the army.

Unfulfilled dreams

Muna Limbu, the daughter of a poor farmer in Ilam, eastern Nepal's tea garden district, joined the PLA as a ninth grader. Three years ago, the 26-year-old married fellow PLA soldier Bimal Limbu and the couple now have an 11-month-old daughter.

As Bimal wants to be in the army, Muna has decided to take voluntary retirement though the decision leaves her unhappy.

'My dream was not fulfilled,' she says and her face darkens. 'I joined the Maoists to see the birth of a people's republic where there would be no oppression and injustice. I sacrificed the best years of my life and now, have been told by the party to make a sacrifice once more for peace and the new constitution.'

Though the Maoists agreed to disband the PLA within six months of the peace accord and help to write a new constitution by 2010, neither materialised.

Now, with the Supreme Court ordering the government to complete the new constitution by May 2012 or face fresh elections, the Maoists, who now head the government, have finally started the process of discharging the PLA.

The combatants are not happy with the options offered; still they have to make a choice under pressure from the party.

Though unmarried women warriors are free to pursue their dream to join the army, there are some noted exceptions.

Kamala Sharma, who received a bullet in her left knee during the civil war, is now severely disabled. Kamala, in her 20s, wants to join the army but doesn't stand a chance due to the physical fitness criteria.

Though the government has announced education, marital status and age concessions for PLA fighters wanting to join the army, dozens of disabled warriors – including those suffering from untreated war injuries, amputees and the visually impaired – are agonised over their future.

Adhikari says there are 19 disabled women in his division alone. Their number will be higher when all the seven main cantonments and 21 satellite camps are taken into consideration.

'It's an injustice as well as humiliation for the disabled women combatants,' Adhikari says. 'They are being forced to seek voluntary retirement. But if they do that, the money they will get will be spent on treatment and there will be nothing left to ensure their future.'

'Also, in our society, women have to work harder than men. The disabled combatants can manage in the cantonments because their comrades look after them. But how will they survive when they go back to their village homes?'

The PLA is urging the party and government to come up with other options for women combatants; the Special Committee too has made similar recommendations.

'Those with young children can be given leave while the disabled can get non-combatant jobs in state departments,' Adhikari says. Otherwise, he warns, the consequences could be grave.

'These are people who received combat training and know how to make explosives and plan ambushes,' he says. 'If ignored, frustration and hopelessness could drive them into crime. Then the cycle of violence will never end in Nepal.' – IPS ◆

Hope Not Hype

The future of agriculture guided by the IAASTD

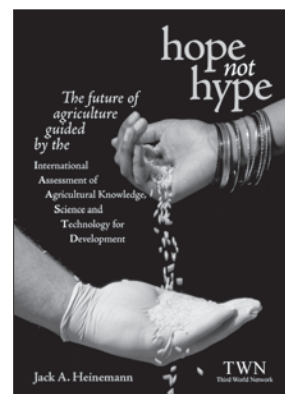
By Jack A Heinemann

Can we feed the world in the year 2050? If we can, will it be at the price of more distant futures of food insecurity? 21st-century Earth is still trying to find a way to feed its people. Despite global food surpluses, we have malnutrition, hunger and starvation. We also have mass obesity in the same societies. Both of these phenomena are a symptom of the same central problem: a dominating single agriculture coming from industrialized countries responding to perverse and artificial market signals. It neither produces sustainable surpluses of balanced and tasty diets nor does it use food production to increase social and economic equity, increase the food security of the poorest, and pamper the planet back into health.

This book is about a revolution in agriculture envisioned by the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), a five-year multi-million-dollar research exercise supervised by the United Nations and World Bank that charts sustainable solutions. The solutions are of course not purely technological, but technology will be a part of the solution.

Which technology? Whose technology?

Hope Not Hype is written for people who farm, but especially for people who eat. It takes a hard look at traditional, modern (e.g., genetic engineering) and emerging (e.g., agroecological) biotechnologies and sorts them on the basis of delivering food without undermining the capacity to make more food. It cuts through the endless promises made by agrochemical corporations that leverage the public and private investment in agriculture innovation. Here the case is made for the right biotechnology rather than the "one size fits all" biotechnology on offer. This book provides governments and their citizens with the sound science in plain language to articulate their case for an agriculture of their own – one that works for them.



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Frantz Fanon and the current multiple crises

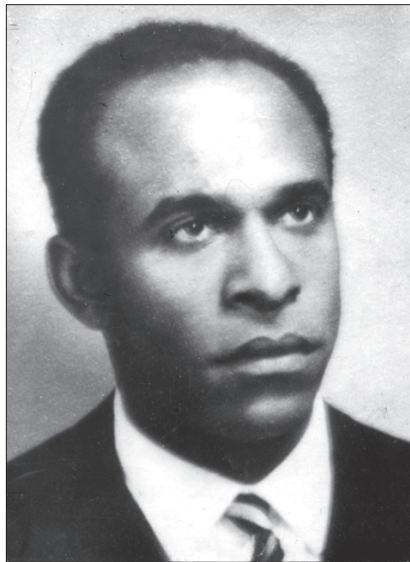
The writings of Frantz Fanon (20 July 1925-6 December 1961) on colonialism had a profound impact on the struggle for liberation in the Third World especially in the 1970s. Fifty years after his death, despite the attainment of independence, they have a continuing relevance for these countries as they confront a variety of crises.

Mireille Fanon Mendès-France

AFTER half-a-century, the toll of independence in the African and Arab worlds has not been mitigated; whether on the social, economic or political plane, the failure is total. The gaining of independence has not liberated the people from the misery, injustice or neglect they suffered under colonial domination. The taking of power by national bourgeoisies – of which Fanon had already identified forerunners in ‘The Misadventures of National Consciousness’ in his book, *The Wretched of the Earth* – has led to a tragic wrong turning in the anti-colonial struggle.

He describes in his book, years in advance, the neo-colonial pathology as the perpetuation of domination by the submission of corrupt and unpopular national governments to the interests of their former colonial masters:

‘The national bourgeoisie that took power at the end of the colonial era is an underdeveloped bourgeoisie. Its economic power is close to zero and, in any case, is without the standing of the metropolitan bourgeoisie it seeks to replace. In its wilful narcissism the national bourgeoisie has had little difficulty in convincing itself that it can easily replace the metropolitan bourgeoisie. But the independence that put it literally at the foot of the wall will unleash catastrophic reactions at home and oblige it to launch anguished calls in the direction of the former metropolis. It is entirely channelled towards intermediary activities. To be in the loop, in on the joke, that



Frantz Fanon.

seems to be its deepest vocation. The national bourgeoisie has the psychology of a politician, not an industrialist.’

In the same vein, if he did see the final exit of the colonial state, then the key question would be the evolution of the liberated states. The construction of a just and prosperous society should take place through the all-encompassing liberation of the men and women from the colonial legacy. Therefore it was essential to identify the colonial state’s deficiencies, in order to avoid a devastating sequel.

The gaining of independence has not achieved the liberation or dis-alienation of oppressed peoples. The societies have remained orphans of the stillborn state, the neo-colonial networks supporting despots who come and go according to their interest and pronouncements. If the neo-colonial structures do not entirely explain the failure of independence, then

this half-century has been a woeful demonstration of the effectiveness of the colonial time bomb.

The evolution that Fanon anticipated in *The Wretched of the Earth* was to a large extent realised. The struggles for power, the tribalism and regionalism fed by the former colonial powers and led by civilian and military populists, have disfigured independence. The leading cliques and the new bourgeoisies supported by the ex-colonisers have to the advantage of the latter replaced the colonial administrators. A firm grip on resources and the capture of rents by the castes in power – civil or military – have trapped these countries in a situation of continued disintegration. The retreat of the colonial administrative powers has not led to a real change in the nature of the existence led by the vast majority of the population.

In fact the neo-colonial period ends a re-colonisation under new guises of the African continent and the Arab-Islamic arc. Because all authoritarianism is accompanied by catastrophic socio-economic mismanagement the interests of the former colonisers have been preserved and are more present than ever. On the strategic level, defence treaties have allowed for the establishment of air bases across the continent where, in the major airports, customs officials work under foreign supervision; which says a lot about the state of subordination.

In Africa, in Europe, Asia, the Middle East and America, Fanon appears more current than ever. He makes sense to everyone who fights for freedom and human rights, be-

cause emancipation is always the first objective of a generation reaching political maturity. Many men and women have learnt that the fight for liberty, democracy and human rights is led against local despots and also against the tenets of the neo-colonial order which they protect. They are used to pillage resources and then ejected when they are no longer useful. However, colonialism's transfiguration did not stop there. Humanitarian interventions, which have taken on an overtly militaristic tone in the war with Libya, have allowed for the quiet installation of non-governmental organisations (NGOs) which usurp the influence of the state and tie populations, especially in rural areas, into structural relations of dependency.

It must be noted that many of these NGOs are shut off to local expertise and depend in fact on funds allocated by their own governments, thus neglecting the opportunity to transfer skills. In this way they extend charity-based forms of dependence. By definition, this renewed domination instils and perpetuates a neo-colonial mindset. Direct economic interference is accompanied by a politico-humanitarian discourse which barely conceals its hegemonic interests. Undoubtedly, the never-ending and generalised war on terror has given the West an excuse to put foreign troops on the ground who are charged with watching over multinational interests. The regions most affected by this dynamic are those that are home to strategic natural resources, as yet un- or under-exploited. These include Niger, Guinea and, most recently, Libya.

From civil wars to coups d'état, independence has seen states fall apart in the pursuit of profit for 'intermediary' bureaucracies which are still in the service of former colonisers. More or less quickly, the postcolonial states have transformed themselves into neo-colonial states where recklessness, corruption and the privileging of private interests have become the rule. State bureaucracies are for the most part weighed down by these informal aspects.



Pro-democracy protesters in Egypt. Fanon 'makes sense to everyone who fights for freedom and human rights...'

Organised around the pillage of resources, the concentration of wealth, and capital flight, economic governance – whatever the supposed model – has settled the African continent and the Arab world into a pit of vertiginous inequality, massive pauperisation and the inherent weakness of the postcolonial state. Since the end of the last century, dictators have sat back and watched as the war-mongering redeployment of imperialism has taken place in Iraq, Libya and perhaps tomorrow in Syria. All the while, terrorism, which we pretend to fight, is in fact developing in authoritarian and obscurantist states allied with and protected by the West.

The newest stage of imperialism – globalisation – consists in the opening of less developed countries' markets to the advances of multinational corporations. But the strategy of anchoring African and Arab countries in global markets – delivered as a form of financial first aid – is challenged by the emergence of new actors.

Emerging economies are coming to interrupt the cosy neo-colonial arrangements and we see therefore the order based on fiefdoms has started to tremble as popular support is cut. This can be seen recently in Tunisia and Egypt. (Not to mention quite some time ago in Venezuela, Bolivia...)

In the context of international re-

lations, this forces Western powers to reformulate their relationships with countries they had considered to be on the periphery. After the eternal war on terror – which valued highly the support of some of the worst dictators – the idea that part and parcel of these relationships is the right of interference is ever present. The right of interference, sold as the legendary responsibility to protect.

The discourse of the new politics of the gunboat

From the paternalist tone of the post-independence years has arisen, with the guidance of neo-conservatives in the West, a so-called 'truthspeak' which presents itself as the discourse of uncomplicated right. It does not hesitate to publicly account for its obviously racist foundations.

It's in the name of this parting gift, accepted as truth, that bit by bit the hierarchy of races has found itself replaced by the so-called 'war of civilisations', humanitarian intervention and the propagation of the democratic faith by drones. So begins the tale of the battleground to decide the new propagandists of exclusion and exploitation. Selective memory, the forgetting and the incessant hammering of dominant capitalist values aim to shape opinion, forging a representation of the other, the Muslim, the

Arab, the black. The enemy who is genetically incapable of universal values, and thus an irredeemable barbarian, is de facto excluded from humanity. In this context the Dakar discourse remains an important stage.

For theoreticians of a repackaged, modernised racism, the failure of independence is not due to the poisoned legacy of colonialism, nor the destructive influences of the former metropolis, nor to the endurance of dictators to whom the former colonisers have given the keys of power, but to the incapacity of people frozen in their own 'archaicism' to take control of their destiny. Fanon's book *Black Skin, White Masks* is a fundamental milestone in the anti-racist struggle: a decoding of these mechanisms of segregation and their political insults, analysing the impulses of colonialism and its impact on the dominated. To him, it was articulated in the fight against racism in a universal movement of dis-alienation for the victims of racism and the racists themselves.

Faced with these attacks, far from being paralysed, the people have continued to advance and have not abdicated the struggle for dignity, justice and a better life. Whatever may be the public face of syndicated struggles – whether freedom of the press or self-determination – throughout the continent, the voices of the people are getting stronger: women and men engaged in the political struggle for citizens' emancipation and to reject the neoliberal model. The founding myths of the struggles for independence are not dead. It is from this angle that one must understand the popular revolts in the Arab world. To reduce these movements to an expression of social malaise or hunger-riots is a mystification.

But the lost half-century for development and social progress has been a half-century of settling and political clarification. In effect, the dogmatic prisms have lost their instructive power and the only analytic frameworks which still function are those based firmly on the principle of reality.

Fanon's ideas can be used to confront the reality in countries previ-



Vehicles belonging to pro-Gaddafi forces explode after an air strike by coalition forces in March. The West's interventions like the one in Libya are accompanied by 'a politico-humanitarian discourse which barely conceals its hegemonic interests'.

ously under colonial domination, disentangled from ideological blinkers and liberated of all dogma. In this regard, contrary to those who would rather see him iconified and forgotten, Fanon is more pertinent than ever. He was at once a psychiatrist, an Algerian Mujahideen, pan-African revolutionary, itinerant ambassador and freedom fighter for all – including those who believe themselves to belong to the dominant world.

Let us recall the following passage from *Black Skin, White Masks*: 'Me, a man of colour, I only want one thing, to never be the instrument of domination. To never see one man in servitude to another. That is to say, myself to another. That I might discover and want man wherever he might be.'

Under Fanon's liberty critique, systems of power are revealed as what they truly are: systems of oppression and pillage at the origin of all economic, social and cultural obstacles. Independence hollowed of its democratic content is vulnerable: the gains of the struggle for liberation are in no way irreversible. Freedom for the peoples who rise up has been confiscated by the powers that be, supported by

the former colonisers. Domination has only changed its appearance and liberation is yet to come.

For Fanon, 'the freedom of the individual does not follow from national liberation. An authentic national liberation only exists to the extent that individual liberation has irreversibly set in motion its own liberation.' So, with rare exception, the societies freed from the colonial yoke are societies without citizens.

The objective, at the dawn of independence's second stage, is to bring back the political content of independence, to one recognisable to the population and without which the shape of independence is just a caricature. Man's liberation is a universal fight based on the defence of private and public freedoms, the primacy of the general interest, the reduction of inequality, accountability of the elected, and the sovereignty of right.

Real liberation is that which pursues processes engaged in by independence struggles, which can only be envisioned in the context of institutions which are genuinely democratic, strong and representative. Democratic freedoms are the only way for these countries to escape the

impasse between domination and misery. An equally necessary precondition is the modification of the relationship between international forces and their rebalancing in favour of countries in the Global South. But this also concerns the former colonial countries, to submit to the yoke of markets.

In the context of international relations, the leaders, without any legitimacy but the strength of their armed forces and external support, command no weight on the international stage. It will be time for the great powers, which consider themselves internally democratic, to end their desire to maintain their hegemony over the less developed world.

The opinionatedness of Fanon, and his determination, shows that there is no inevitability to failure, so long as the drama is known to be the way of life of the people. The solidarity of progress, and the convergence of struggles, the resistance to dictators and neo-colonial and imperial hegemony, are the milestones on the road to redress. Solidarity and internationalism – which for Fanon were inextricably linked – give a continuing human dimension to peoples' struggles.

Fanon, with his skills as a psychiatrist, essayist and militant, has turned the spotlight onto the unity of the colonised world, despite the fact it is highly differentiated and riddled with contradictions. Therefore, for Fanon the Mujahideen, there is no difference between the struggle as carried forward by the people of the Caribbean, Africa or Latin America. One can even continue this Fanon-esque analysis: globalisation, with its expansionary tendency, which had transferred liberalism's modes of organisation onto the Global South, is now doing the same to the North.

The political and social divides characteristic of exclusion and exploitation tend to unify the world under the interest of the tiny minorities. The treatment imposed on Greece was a response to a foreign debt racked up with the complicity of the ultra-liberals in the EU and the banks. This case reveals the strategies of dismantling

social advances which are now being put to work in the developed world.

Surveillance culture, constructed in the name of anti-terrorism, contrib-

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which impregnates the
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utes to the criminalisation of those excluded and disenfranchised by these processes. The media treatment of the recent riots in the UK recalls that seen in France during the revolts in the working-class suburbs in 2005. By successive slides, facilitated by the superimposition of social and ethno-cultural categories – the poor, blacks, Arabs, Muslims – Western regimes have re-injected the colonial discourse into domestic politics. By a paradox with a secret history, the indigene is ever present not only in his original form but equally in what Fanon called 'the forbidden towns' where new forms of discrimination are enforced. He noted in *The Wretched of the Earth* that:

'The colonised world is cut in two... The zone inhabited by the colonised is not complementary to the zone inhabited by the coloniser. These two zones face each other but not as part of a greater whole... The world is compartmentalised, each occupied by a different species. The originality of the colonial context is that the economic reality, inequality, the enormous difference between ways of life, never manages to mask the human reality.'

It can be seen that, whilst the mode of operation may have changed, oppression and domination of people is perennial. It has even widened to include in these categories the most fragile populations, under the guise of being 'protected' by the dominant nations. The form of alienation has changed, but the ideological underpinnings of exploitation invariably remain, and become elements of

globalisation which make the planet conform to a uniform pattern. The economic crisis is a crisis of Western capitalism. For the people of Africa and the Arab world, re-colonisation – under the auspices of military humanitarian intervention – no longer invokes 'the mission to civilise' but the responsibility to protect, a slippery invention of the self-proclaimed 'international community'. It keeps its oppressive nature but with an alienating, depersonalised character.

For those who would wish to gloss over the colonial past and the present of injustice and dispossession, the works of Fanon will be left by the wayside and portrayed as nothing but an apology for violence. Its detractors will recruit from neoconservative 'intellectuals' who have commenced a witch-hunt against him. Through skewed readings and biased representations, they reproduce their own ignorance of Fanon's works and their racism.

The violence defended by Fanon, as a last resort of those denied, exploited and reduced to slavery, is that of legitimate defence of the oppressed who are subject to a much greater violence: that of domination, dispossession and contempt.

But, in the face of all manipulations and propaganda, reality is stubborn. Various mechanisms are always at work reshaping relations between former colonies and former colonisers. The rejection of submission and lies, the spirit of resistance which impregnates the work of Fanon, inspires those who struggle for rights across the world. In Palestine, as elsewhere, in the backyards of those who are waking up to oppression, the thoughts in action of Fanon are real, despite changes in the world.

Is our world free of dispossession, alienation and injustice? He calls on us to resist and never surrender. ♦

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The Lu (1907-1989), a Vietnamese poet who also wrote fiction, was distinguished for his introduction of new genres and styles to Vietnamese literature.

Yearning for the jungle

The Lu

(The voice of a tiger in captivity in a zoo)

In the iron cage my heart seething with anger,
I lie through long slow months,
Despising the gang of addle swaggerers
Who through tiny eyes dare to mock the jungle's majesty.
Now fallen and captive, I swallow my pride
To be a curiosity, a toy,
An equal to the despicable bears,
To the pair of clueless leopards next door.

I drag a life filled with longing and love
For good old days of mighty dominion,
In the jungle amidst huge old shade trees,
Mighty howling winds, and thundering falls,
Roaring my epic and powerful roar,
I strutted in commanding steps sure and proud,
My rhythmic wave-like body strong and stout,
Stalking silent 'mongst brambles and sharp grass.
In dark caves once I flashed my awesome eyes
All life lay quiet holding its hushed breath.
I basked in smugness, king of all creatures,
Roaming amidst the nameless plants and trees.

Now where are those moonlit nights by the stream
When hearty dinner done I savoured the moonlight?
Where are those rainstorms that shook the jungle domain
When I quietly surveyed my revived kingdom?
Where are those daybreaks that bathed the lush trees
And birdsongs that riotously awakened me?
Where the blood-red rays that drowned the jungle
When I couldn't wait for the hot sun to die
So I could seize its secret for myself.
— Oh, where have they all gone, those glory days?

I smother my deep perpetual anger
Hating the things that never ever change,
The spaces that were deceitfully built,
With tended blooms, mown grass, straight paths, grown trees,
A dark trickle that passed as forest streams
Lurking 'mongst phony low-lying hillocks
With docile foliage shorn of mystery,
Faking so miserably the wilderness
And its eternal life's solemnity.
O noble proud land of majesty
Where my valiant kind always holds firm sway,
The vast realm that I used to rule over,
Country that I will never see again!
Did you know in my days of dark despair
I still nurture lofty grandiose dreams
In my soul of being in your midst again,
O my dear old awesome jungle domain?

Translated by Thomas D Le