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PROGRESS, AND MORE ISSUE

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Finance: What to put (back) into the text

Negotiations will shift to the finance section of the elements text today, and there are several key items still missing—partly due to the weak outcomes in Lima—on climate finance. Here are a few examples of areas where the text must be strengthened.

The idea of global collective targets for finance appears here and there in the text, but nowhere is it captured in a sufficiently comprehensive and clear manner. A durable agreement has to set collective targets for the provision of financial support to developing countries, one for mitigation, and one for adaptation – and regularly review and adjust these targets as part of the agreement cycles. In particular, a collective target for public finance for adaptation is key in light of the large gap between what is required and what is currently offered on that front.

The agreement must include regular cycles of finance commitments by developed countries (and countries with similar responsibility and capability) to contribute to the fulfilment of the two targets mentioned above. So far, developed countries have completely rejected this concept - ahem! No commitments? Isn't this what treaties are about? What you do and what I do (and what we do collectively)?

To better understand where the gaps are, the Paris agreement should establish a process or mechanism that enables developing countries to iteratively identify the support they require for ambitious action, beyond what they can do without that support.

New sources of finance is another item that makes an unsatisfactory appearance here and there in the text. To proceed in a more organised manner, ECO suggests a proper process to develop alternative sources of finance should be initiated to secure additional finance for the Adaptation Fund, the GCF and the Warsaw International Mechanism for Loss and Damage. There are lots of potential sources out there to explore—revenues from the EU emission trading scheme or the forthcoming financial transaction tax, a global levy on fossil fuel extraction, and so forth. The point is that none of these will be unlocked if Parties doesn't just get on with it.

Phasing out fossil subsidies is also mentioned in the text, but only as a source of finance, even though it s a great tool to shift investments away from the dirty stuff. There is also no clear indication that finance will be shifted towards renewable energy and energy efficiency.

ECO also suggests the inclusion of text that would lead to a code of conduct for responsible investments (for both public and private actors). This will help direct investment away from unsustainable fossil fuels and put in place social and environmental safeguards, including the do-no harm principle, as well as free, prior and informed consent for people affected by climate-related investments and for all actions with impact on people.

To: G20 Finance Ministers
Subject Line: "Friendly reminder: Phase out fossil fuel subsidies"

As we get into the nitty-gritty of ADP negotiations here in Geneva, it is always important to keep in mind the events and discussions happening outside of the UNFCCC process. For those unaware, finance ministers from the G20 are gathering today and tomorrow in Turkey to discuss G20 priorities, two of which are climate change and climate finance this year.

From Geneva to Istanbul, we'd like to remind our finance ministers of a commitment their leaders made over 5 years ago: to phase out fossil fuel subsidies. It's a pity that governments have to be reminded over and over again of their commitments, but we'll keep doing so until they are fulfilled.

Last Friday, 40 NGOs from countries all over the world sent a letter to the Turkish G20 President and all G20 finance ministers, calling on the phase-out of fossil fuel subsidies. The letter called for the immediate elimination of production and exploration subsidies because, let's face it, that money could be much better spent on climate action at home and abroad.

If the G20 really wants to prioritise climate change and climate finance, then ministers should tighten those purse strings and stop support for fossil fuels.

Adaptation to bloom

Sunday's opening negotiations concentrated on adding missing elements, and today it's up to the adaptation negotiators to continue that work. Given the climate crisis that we face, sustainable development and poverty eradication will only be possible if all countries step up their adaptation efforts.

There is great value in having a country-driven process that requires regular updates on adaptation contributions from all countries, as well as a process that takes stock of progress already made and remaining challenges. And don't forget all good things agreed in the Cancun Adaptation Framework, such as the list of adaptation activities in paragraph 14 of the CAF.

Adaptation action everywhere should follow key principles, such as promoting gender equality and the fulfilment of human rights, being participatory and taking into account the needs of particularly vulnerable people, communities and ecosystems.

ECO believes that agreeing on a strategic global vision—a global goal for adaptation—would be instrumental in triggering more adaptation action everywhere. This in turn builds the resilience of communities and ecosystems for the long term. The global goal for adaptation should reflect the relationship between the level of mitigation ambition and consequent adaptation needs due to projected climate change impacts and costs. The global goal for adaptation should also include an objective for public finance support for adaptation in developing countries.

The current text fails to reflect several interesting proposals made by developing country Parties. For instance, as long as the sum of mitigation contributions remains inadequate to put the world on a 1.5°C trajectory, adaptation planning and associated support need to take into account the actual and expected increase in temperature, not only the "agreed long-term temperature limit".

The importance of good adaptation action monitoring allows for learning and accountability towards the citizens who need protection from climate change impacts. Let's be sure the text adheres to the values of participatory, community- and citizen-based monitoring.

Do the math: 0 fossil + 100% renewables = 1 convention-compliant mitigation goal

The final meetings of the Structured Expert Dialogue (SED) have begun! There are two life or death questions on the table: 1) "Is below 2°C enough to fulfil the goal of the convention?" and 2) "Is enough progress being made to achieve the goal?" The SED's message is clear: sci-ence says warming of 2ºC will lead to numerous intolerable consequences that could be avoided if warming stays below 1.5ºC.

These consequences do threaten food security, increased extreme weather events, rising sea levels of more than 50cm with serious effects for many coastal zones and endanger the exist-ence of several nations for starters. ECO is sadden by the reality that this list isn't exhaustive. Yesterday, AOSIS demonstrated what is required for the survival of many communities in small island states through proposing a "well-below 1.5ºC " target to be included in the nego-tiation text for the Paris agreement.

Today, we hope more time is spent on on the second question. Real world evidence shows us: "no, impacts are worsening", but experts still have an important part to play. When expertise and real world experience come together surely Parties have no choice but boosting their mit-igation and adaptation ambition?

To be clear, whatever happens, we will have to phase out emissions to zero to reach any cap in warming, it is only a matter of timing. ECO is here to help with this advice: starting today, with completion by no later than 2050, we must phase out fossil fuels to zero and phase in 100% renewable energy.

Where are the bunkers?

In the final years of negotiations for the new climate agreement, it's still not clear if it will include the fastest growing emissions sources—international aviation and shipping, also known as bunker fuels.

CO2 emissions from international shipping and aviation were about 950 MT and 705 MT respectively in 2012; combined they account for as much emissions as Germany, the sixth largest emitting country. When indirect effects are taken into account, the impact could already be approaching 10% of global climate forcing. In the almost 2 decades since the ICAO and IMO started discussing greenhouse gases, little concrete action has materialised, and scarily these emissions are on course to double or even treble by 2030. If emissions from these sectors are not addressed effectively by 2050, bunker emissions could swell to account for a quarter of all emissions. Such high emissions from the international transport sector would make it all but impossible to limit aggregate global warming to less than 2ºC as it would place an impossible emission reduction burden on other sectors.

IMO and ICAO discussions have seen limited progress. Carbon neutral growth from 2020 is the most ambitious goal that the aviation sector has proposed, allowing emissions to grow to 2020 and then offsetting growth beyond that. This is far short of what is required for a 2ºC pathway, and there is little assurance that even these goals would be implemented.

International shipping emissions are predicted to increase between 50% and 250% by 2050. The IMO suspended consideration of market-based measures in 2011, and the question of setting a global cap on shipping emissions is not on the IMO agenda. Efficiency regulations agreed for new ships will likely not have a significant impact for several decades, and the shipping industry is now fighting any new measures.

At COP 21, the UNFCCC should mandate the setting of robust and meaningful reduction targets, as well as the adoption of mitigation measures that will ensure these sectors begin to play a fair and equal role in addressing dangerous climate change. ECO welcomes the introduction of text in the ADP yesterday which demands the setting of targets for emissions from these sectors consistent with staying below 2ºC.

No Backsliding on the Road to Paris

Switzerland was right to remind Parties yesterday afternoon that as countries achieve higher levels of development they should, over time, move towards economy-wide emissions budgets. This will help us stay within the remaining global carbon budget and also make the required infrastructure and other structural changes needed to phase out all fossil fuel emissions as early as possible and no later than 2050.

But there's more to it than that. Kyoto Protocol Annex B countries in particular should recall that the principle of "no backsliding" means that their INDCs should be in the form of QELROs, which are in essence carbon budgets. It would not do, for example, if the EU simply put forward a 40% target for the year 2030 without mentioning the absolute cumulative emissions target. (Of course, the other glaring problem is that 40% should have been the EU target for 2020 . . .)

Other countries with high responsibility and capability, such as the United States, also need to define the trajectories towards their emission reduction targets for specific years. For the US, this means defining the area under the curve towards the 26-28% reduction target for 2025. Others who have or have had QELROs in the past (that includes you, Canada!) should also present their INDCs as economy-wide emission budgets up to 2025 in the first commitment period of the Paris agreement.

Today, there's a group of countries not in Annex I of the Convention having high levels of responsibility and/or capability, including some with the highest per capita incomes in the world such as the UAE, Qatar, Singapore, Brunei, Kuwait, Saudi Arabia and Bahrain. These countries should also be working towards presenting an INDC in the form of an economy-wide emissions budget. Anything less than a carbon-budget based target would simply not be equitable.

A conversation about differentiation: How about Tuesday night?

ECO hates to spoil the fun—and yesterday's plenary was great—but we can't help but wonder about the disconnect between the Lima compromise on CBDR&RC and the framing on differentiation throughout the current elements text.

The Lima compromise says "CBDR&RC, in light of national circumstances". This, just to state the obvious, is very different from saying that developed countries will do X and developing countries will do Y. Speaking of X and Y, or annex X and annex Y, the differentiation question is already straining to break into open discussion.

Such discussion—especially if well-facilitated—would be an extremely good idea, and suggests to Parties that one of the 6-8 pm slots here in Geneva should be used to start the conversation. How about Tuesday night?

Loss and Damage requires institutions and finance up to the task

Dear delegates, perhaps you've lain awake at night wondering how you will feed your family now that your livestock has died in the most recent drought? Or perhaps you've wondered if your family can rebuild your home yet again after two typhoons in a row? Or how long your children will be able to live on your ancestral land that is being encroached upon by king tides?

ECO can only assume that, at least for now, you've been spared the climate loss and damage that some of our most vulnerable kin are already experiencing. It is simply not possible to adapt to the worst impacts of climate change—this is why we must build institutions capable of dealing with this multi-faceted challenge.

The Warsaw International Mechanism for Loss and Damage is a good start—but we must be vigilant to ensure it addresses the needs of the most vulnerable, and we must be open for new steps if it doesn't suffice. Furthermore, we must secure a reliable source of finance for loss and damage—acknowledging that the lower the mitigation ambition is and the less adaptation support is provided, the more the costs of loss and damage will mount.

It would only be fair to raise the necessary resources from those who are most responsible for the greenhouse gas emissions that are causing catastrophic climate change impacts.

"Speaking on behalf of the EU & Norway"?

Norway likes its image of the good student who always completes its homework, and is on time at that. And so too with its INDC. Last Friday, we saw the Norwegian government publish its new emission reduction targets for 2030.

The idea is, surprisingly, to start negotiations with the EU, with the goal of being included in the entire EU climate framework—both ETS and non-ETS sectors. This would mean adopting all EU targets, including a 43% reduction in the ETS sector by 2030, and with a clear intention of buying as many ETS allowances as possible. The hope seems to be that this will reduce the need to bother the petroleum industry with more restrictions, and stop new regulations in the transport sector—an approach that may please some. The petroleum industry, increasingly active in the vulnerable Arctic, will soon have to face the reality that it has no place in the future renewable society.

One good thing that might come out of this alignment with the EU is that Norway soon might feel a need to leave the Umbrella Group, which definitely is not good company for a model student.