12 Years Left

Today, the political phase of the Talanoa Dialogue begins, starting with Ministerial Roundtables. ECO is looking forward to hearing Ministers tell stories from the real world - sharing views on the significance of the IPCC special report on 1.5º (SR1.5) and how this COP needs to respond.

In honour of the Oceans Action Day, which took place this past weekend, ECO thought it would highlight one such story about the real world of marine ecosystems and the difference between 1.5º and 2ºC of warming. Brace yourself, dear ECO readers, as it is a grim one. At 2ºC, coral reefs will likely be annihilated. Gone. Toasted. Wiped out of existence. At 1.5º, enough of the reefs may survive so that they can be rehabilitated and brought back to health. Even with the current level of warming, a substantial proportion of coral reefs have experienced large-scale mortalities that are causing them to contract rapidly. In the last three years alone, large coral reef systems such as the Great Barrier Reef (Australia) have lost as much as 50 percent of their shallow-water corals.

The value of coral reefs cannot be overstated. Coral-dominated reefs are found between latitudes 30ºS and 30ºN along coastlines where they provide habitats for over a million species. They also provide food, income, coastal protection, cultural context, and many other services for millions of people along tropical coastal areas. As corals disappear, so do fish stocks, and many other reef-dependent species — directly impacting industries such as tourism and fisheries, as well as coastal livelihoods for many, often disadvantaged, people. These impacts are exacerbated by increasingly intense storms and by ocean acidification which can weaken coral skeletons, contribute to disease, and slow the recovery of coral communities after mortality events.

ECO suggests that it is crystal clear what countries should announce in the high-level Talanoa Roundtables — namely, their intentions to review and enhance their national climate ambition by 2020. Here are just some helpful examples:

- Commit to strengthening mitigation efforts (both pre-2020 and NDCs)
- Reaffirm your commitment to develop or revise mid-century net zero development strategies by 2020 at the latest
- Send a clear signal to the world as to the level of ambition needed, the figures from the IPCC SR1.5 for the 1.5C global CO2 emissions pathway (45% below 2010 levels by 2030 and net zero emissions by 2050) must also be reflected in the decision text
- Announce and decide to initiate domestic processes to strengthen NDCs

Five Years of Procrastination

The Warsaw International Mechanism on Loss and Damage (WIM) celebrated its fifth birthday yesterday. On such an auspicious occasion, let’s look back on its achievements.

The WIM was set up with three elements to its mandate: i) enhance understanding; ii) facilitate coordination; iii) enhance action and support (aka finance). It’s made some gains on the first two — reaching out to other bodies and establishing a Taskforce on Displacement. But as for enhancing or mobilising finance, the WIM has been missing in action.

It is apparent that developed countries have been scared of finance for loss and damage — they’ve spent years ensuring that negotiations talk about finance as little as possible and in the smallest of rooms. When finance was discussed, it was almost entirely about insurance for extreme events. Delegates, please note: making vulnerable countries pay insurance premiums is NOT climate finance! Nor, for that matter, is making them take out loans to recover from increasingly strong and frequent hurricanes propelled by warming oceans from ever-rising GHG emissions. Enough!

It is well past time to discuss finance to address loss and damage. The WIM needs to be fully operationalised into a mechanism that can channel funding at scale to vulnerable countries. There are innovative ideas that could help generate much needed finance. A Climate Damages Tax on the fossil fuel industry could raise US$300 billion a year from sources above and beyond ODA and adaptation finance — both of which need to increase. It could also raise funds for a fair transition — helping low-income communities, like the ‘gilets jaune’, to transition to fossil-fuel-free transport, energy and jobs. Such ideas have the potential to unlock the loss and damage negotiations. A Climate Damages Tax could provide predictable finance at scale. Come on delegates, let’s get serious about polluter-pays and about climate justice for the most vulnerable that ultimately is for us all!
Climate Finance - A Handy Cheat Sheet for the Busy Minister

ECO overheard on several occasions — even at the plenary yesterday — some alarming conversations between negotiators and Ministers. After three years, there still seems to be some confusion of two very different notions of “finance” in the context of climate ambition!

So, in an attempt to help out busy Ministers (and negotiators, as and if needed), here is a little summary on the fundamental differences - and complementarities – between the two finances:

1. **Making Finance Flow** - aka Shifting the Trillions “consistent with a pathway towards low greenhouse gas emissions and climate-resilient development” (Art. 2.1c); and

2. **International Climate Finance**, to be provided by developed countries to developing country parties to support their action and compliance within the UNFCCC (Art. 9 & relevant paragraphs of 1/CP.21)

Make no mistake, both are urgently needed and an assessment of progress towards both climate finance mobilization goals and Article 2.1c must be part of the global stocktake. What is important to distinguish is that “shifting the trillions” should not divert developed countries from their climate finance obligations under the Paris Agreement, and the recognition for support for loss and damage.

### Typical characteristics to look out for, that determine...

<table>
<thead>
<tr>
<th>...International Climate Finance (Art 9 &amp; paragraph 114 1/CP.21)</th>
<th>...Climate-proof &amp; -resilient Finance Flows (Art 2.1 c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific funding, provided and mobilized by developed to developing countries in fulfilment of their legal obligations under the Convention and the Paris Agreement.</td>
<td>What All global finance flows - public and private, international and domestic.</td>
</tr>
<tr>
<td>Support the poorest and most vulnerable to (i) fulfill their obligations under the Paris Agreement and (ii) cope with the consequences of climate change by specifically financing mitigation and adaptation action in developing countries - in addition to development aid.</td>
<td>Purpose Stop financing proliferation of greenhouse gas emissions, support emissions reductions and ensure resilient investments by decarbonizing investments, assets and any other finance flows worldwide...</td>
</tr>
<tr>
<td>Public climate-specific finance and private finance mobilized through public interventions.</td>
<td>Source Any type of finance, including private investments, domestic public investments, broader development finance, etc.</td>
</tr>
<tr>
<td>$100 billion per year by 2020, continuing at this level to 2025.</td>
<td>Scale All finance flows worldwide (aka “the trillions”)</td>
</tr>
</tbody>
</table>

### Lessons From the Pre-2020 Stocktake

Yesterday, a handful of Ministers from developed and developing countries met in Plenary Śląsk to discuss the need for enhanced action pre-2020. This is, of course, because the levels of climate action and emissions reductions until now have been, and continue to be, woefully inadequate. The same can be said about finance and other support to developing countries.

Thankfully, it is not too late to make a difference - to close the gap and avoid carrying this burden into the future, as has clearly been stated by several developing countries during the plenary discussion. As the IPCC Special Report on 1.5°C makes abundantly clear, every year, every gigatonne of emissions, every action, and every fraction of a degree makes a difference.

We hope the discussions yesterday contribute to urgent efforts to scale up action, as well as reinforcing the message from the IPCC report as to what is needed to get on track to staying below 1.5°C degrees.

Importantly, the outcomes of this crucial high-level meeting should be captured in a COP24 decision, along with COP decisions from ministerial discussions on finance and on the Talanoa Dialogue. Together, these will contribute to the balanced package we all want.

ECO considers some elements critically important, and thinks these should be captured in the outputs of this stocktake and related COP decisions, such as:

- Recognition of climate action shortfalls in the pre-2020 period - particularly from developed countries, and calling on them to meet and exceed targets ahead of 2020;
- The need for scaling-up finance and support, including through the Green Climate Fund in - meeting the $100 billion commitment with rigorous accounting methods agreed by all Parties;
- A call for cooperative action between countries – e.g. the International Solar Alliance and the Africa Renewable Energy Initiative; and
- Recognition of the role of non-state actors, and bottom-up initiatives such as those stemming from the Global Climate Action Summit agenda, and other international co-operative initiatives

Finally, a COP decision should welcome the IPCC special report on 1.5°C, drawing conclusions as to how it should inform both pre-2020 and post-2020 actions. Because, in the words of the representative of St Kitts and Nevis -- who spoke truth to power in the plenary on Saturday – applauded by many and facing off against the reactionary, destructive and inhumane positions of Kuwait, Russia, Saudi Arabia and the US - it would be ludicrous not to welcome the report.
ECO hopes that Ministers had smooth travels, lots of rest and have now settled down in Katowice ready to deliver strong messages during the High-Level segment taking place today and tomorrow. If Ministers are looking for further inspiration, ECO is happy to help. Yesterday was International Human Rights’ Day. So, what if, today, Ministers decided to be disruptive and state loud and clear that every day should be Human Rights Day?

Why? Because climate change severely affects the lives and livelihoods of hundreds of millions of people around the world, EVERY SINGLE DAY. And if you believe the IPCC Special 1.5°C report — i.e. if you have any common sense or humanity — you know this will only get worse. Countries must urgently scale up meaningful climate action; action that not only addresses climate change, but also reduces inequalities and empowers individuals and communities.

So what can Ministers do? Statements are about presenting a vision. So what about using this opportunity to reaffirm the Paris vision — the one where Parties committed to respect and promote human rights, food security, rights of indigenous peoples, gender equality, public participation, ecosystem integrity, intergenerational equity and just transition? What could be a better vision than one for the action needed to keep global temperature rise below 1.5°C? Strong, supportive statements could help unlock the debate under the PAWP and would be a great reminder that human rights can never be a bargaining chip. They must be fought for every day and everywhere — even in the halls of the UNFCCC and through climate action.

OMG(E)! Article 6 is Going Above and Beyond Offsetting!

Acronym’s abound in the UNFCCC process, and here’s another one...

O-M-G-E stands for “overall mitigation in global emissions.” Say what?! The mechanism referred to in Article 6.4(d) of the Paris Agreement: “shall aim to deliver an overall mitigation in global emissions.” Yes, it’s wonky. So, let us try again: This is a mandate to reflect on the hard lessons learned from the Clean Development Mechanism and for the Paris Agreement to go beyond offsetting. This is just what the planet needs as it is still reeling from the conclusions of the IPCC Special Report on 1.5°C. OMGE is a major opportunity that no negotiator should stand against.

We can do one better: if paired with a levy for share of proceeds for adaptation, requiring OMGE through “automatic cancellation” or “discounting” offers a one-two punch against climate change.

Some Parties get it already: OMGE is only achieved when a fixed percentage of emissions reductions is set aside and not used by anyone towards any target. In other words, these emissions reductions are for the greater benefit of the atmosphere, not for a specific entity or country.

We have heard several proposals during the week on how to achieve this. Unfortunately, some countries have foolishly suggested that a market will miraculously in itself deliver overall mitigation in global emissions. ECO wonders what they have learned from the Kyoto Protocol experience. While in theory, this could happen, it is by no means guaranteed that countries will apply the cost savings from market mechanisms towards more mitigation. In fact, the Kyoto market mechanisms often contributed to an increase in emissions by replacing domestic climate action with credits of little or no value to the atmosphere.

Others have suggested that setting more conservative baselines would help achieve OMGE. While this would lead to fewer credits being issued, the “extra” emissions would not benefit the atmosphere! They would be counted by the host country and could simply substitute other action. To be truly OMGE nobody should be able to claim this abatement.

“What about voluntary cancelation?” we hear you say… ECO is glad that Parties are considering voluntary cancelation of credits, as this would additionally allow Parties and non-Party actors like businesses to voluntarily cancel emissions units to help support countries in meeting their NDCs. This would encourage Parties to reduce emissions domestically, but if we want to truly achieve OMGE, then all ITMOs should be subjected to deliver it. Voluntary cancellation for countries alone would not be sufficient.

ECO has seriously considered all these options and urges Parties to consider the discounting and automatic cancellation options as providing a real way of going beyond offsetting, while ensuring predictability and stability for the private sector.

There could be complications in applying OMGE using the exact same method in Article 6.2 as in 6.4, but we cheer negotiators on to find a landing zone that works for the planet. The discounting or automatic cancelation approach to OMGE would truly benefit everyone, especially developing countries issuing credits. It will result in slightly higher prices for countries buying units, but will lead to more abatement overall, and higher predictability.

So, what is there not to like about discounting/automatic cancelation? ECO doesn’t really know. But some countries who we would expect to be leaders — yeah that’s you Australia, New Zealand, Japan, EU, Canada, and others — are saying that OMGE through automatic cancelation does not need to apply to Article 6.2. This would tilt the playing field in favor of Article 6.2 by making the carbon market less regulated and more attractive to buyers thus harming any Article 6.4 mechanism.

In sum, OMGE through automatic cancellation and discounting across Articles 6.2 and 6.4, paired with a share of proceeds for adaptation, is important for the final deal under Article 6. Dear negotiators, let’s take it above and beyond for our planet!
FIRST PLACE: AUSTRIA
It looks like we have some new bad boys in town!

Now, they aren't the usual suspects, but that doesn't mean they are well behaved. So much so, that they may be getting a bit of coal in their stockings this Christmas.

Today's first place Fossil goes to Austria! The EU Council — under the lead of the Austrian presidency — wants to subsidise existing and new coal plants for the next 17 years, until 2035! Unfortunately, this is not the kind of leadership we are looking for, Austria.

The so-called “capacity mechanisms” are used as backdoor subsidies for the most uneconomic and polluting power plants. These subsidies add EUR €58 billion to energy bills of EU citizens for funding coal, gas and nuclear. Coal power plants receive the vast majority of it, and polluters plan to build new coal plants in the EU, thanks to these subsidies.

Austria leads the EU Member States in these negotiations — which could end subsidies to coal. Instead, it has chosen to please coal laggards like Poland, Greece and Bulgaria, rather than listen to progressive Member States and put an end to subsidies for coal.

Those still waiting for a happy ending … sorry. Austria, in its special role at this COP, has been largely silent — failing to provide crucial signals on climate finance and regain the trust of developing countries. To top it all off, Vice-Chancellor Strache has brought ridicule on the Presidency by denying anthropogenic climate change!

Furthermore, the rest of the government has been silent on this issue, despite these comments coming during this crucial climate summit in Katowice.

All in all, this has damaged the credibility of EU Member States at this COP, sabotaging their ability to show real leadership and take the necessary domestic action to quit coal and clean up our cars as elemental steps towards 1.5 degrees.

SECOND PLACE: DEVELOPED COUNTRY MEMBERS OF THE EXCOMM ON THE WIM
It seems that there is a birthday in the house today! Young WIM is turning five. Awww so sweet. I wonder what special gifts WIM will receive? A bike, a shiny toy car? Or perhaps … a Fossil?

Today's Fossil award goes to the developed country members on the WIM — the Warsaw International Mechanism for Loss and Damage.

As the WIM celebrates its fifth birthday — back in the country of its birth, Poland — it’s worth noting that it has spent those five years failing to tackle the thorny issue of finance for loss and damage. Why? Well, that would be down to the developed country delegates who have served on the ExComm of the WIM over those years — currently represented by the USA, Poland, the EU, Austria, Norway, Australia, the UK, Russia, Japan, and Germany.

Developed countries have too often stood in the way of meaningfully addressing the mandate from Warsaw in 2013 – and now the Paris Agreement — to facilitate and “enhance action and support” on a “collaborative and facilitative” basis. Instead, they apply an overly strong focus on driving insurance solutions; refusing to take responsibility for their hefty share in causing the climate crisis and severely harming vulnerable countries.

To close, a special birthday song: *to the tune of Happy Birthday*

Happy birthday to you,
We had big faith in you!
But where is the finance?
Now we have to say boo!
BOOOOOOOO

IPCC SR1.5 - It’s Not Over Yet

ECO “welcomes” the majority of Parties who stood up for “welcoming” the IPCC Special Report on Global Warming of 1.5°C in the SBSTA plenary on Saturday. Because of objections from Saudi Arabia, Kuwait, the USA and Russia, the draft text for SBSTA L.19 document merely says Parties “take note of the IPCC SR 1.5” instead of “welcome the IPCC report”. When it was presented at SBSTA plenary, starting from Maldives on behalf of AOSIS, AILAC, EIG, LDC, Costa Rica, Canada, Norway, EU, Belize, Tuvalu and many others stood up and voiced strongly a wish to bring back “welcome”. St. Kitts and Nevis got a big round of applause for their intervention. As there was no consensus, the matter now is in the hands of the COP Presidency.

ECO knows that the scientific findings are there no matter how hard these four countries try to ignore them. At the same time ECO was really encouraged to see such a huge majority of Parties taking the findings of the IPCC SR 1.5 report to heart. ECO strongly urges all Parties to let the findings be reflected by raising their level of ambition and in the Paris Agreement Rulebook.

ECO encourages the Presidency to assign a Ministerial Pair to facilitate discussions on a COP24 ambition decision that includes the reference to the IPCC 1.5°C report, the outcomes of the Talanoa Dialogue, NDC updates and enhancement by 2020, Pre-2020 as well as the Means of Implementation.

Parties, let us welcome the IPCC Special Report on Global Warming of SR 1.5°C!