

ECO

THE WE AREN'T NEGLECTING THE TALANOA ISSUE

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12 Years Left

With this afternoon's plenary, the Talanoa Dialogue will come to a close. After a year of listening to the stories, perspectives and solutions put forward by Parties and non-Parties alike, and absorbing the unsettling implications of the IPCC SR 1.5°C, ECO is convinced that the way forward is now clear.

To have any chance of staying below 1.5°C and avoiding the worst impacts of climate change, Parties must significantly enhance their current nationally determined contributions (NDCs) by 2020. With its decision the COP should provide very clear direction for countries to raise ambition.

Fortunately, as many contributors to the Talanoa Dialogue noted, the necessary actions need not be costly for countries to adopt—and in fact they can provide substantial economic and development benefits. ECO was thrilled to hear about all the solutions, benefits, and actions that are taken by non-party stakeholders on domestic, regional and

international levels.

Since the original NDCs were put on the table in 2015, advances in technology, policy and finance have meant that a significant and growing array of climate solutions are cheaper and more effective than higher-carbon alternatives. These solutions can increase the overall well-being, and advance a countries' development goals, even before climate impacts are considered. Providing the necessary means of implementation for developing countries is obviously an integrated part of the ambition decision.

These kinds of solutions should be prioritized as countries consider how they can step-up the ambition of their NDCs by 2020.

In light of the increasing urgency highlighted by the IPCC SR 1.5°C, the COP decision should reaffirm the Paris Agreement by calling on Parties to decide how they will strengthen their NDCs by 2020, and set the world on a track to meet the 1.5°C target.

Don't Forget Loss and Damage

A lot is at stake at COP24 in the last days.

The IPCC special report on 1.5°C made clear how urgent climate action is, and that impacts already occurring today require immediate measures to, in particular, protect the poorest and most vulnerable.

It is abundantly clear that more finance is needed for loss and damage. We've seen developing countries face impacts to the tune of 200% of their GDP in one hurricane that has been amplified by climate change.

Listening to statements by ministers yesterday, ECO feels it is clear what needs to be done to give loss and damage an appropriate reflection in the overall outcomes of this conference. The Cook Islands, for example, highlighted that "Loss and damage must be given a far greater priority. It is fundamental in the context of the IPCC SR1.5." The Minister of Vanuatu stated that it "pains me deeply to have watched the USA and others putting red lines through any mention of loss and damage." Tuvalu outlined that "Loss and damage should therefore be fully integrated into the Rulebook, including on transparency, capacity building, and the global stocktake." Vanuatu's Minister also stressed that a climate damages tax would be "a win-win option for developed and developing countries alike. It is a new source of finance that makes the countries and companies responsible for climate change pay."

ECO would like to remind delegates that loss and damage is an explicit and distinct part of the Paris Agreement, with its Article 8, in contrast to response measures which some Parties unjustifiably intend to couple with loss and damage.

Progressive developed countries and vulnerable countries now have the chance to stand together to reach an ambitious Paris Rulebook which delivers on high mitigation ambition as well as ensuring protection for the most vulnerable people from climate impacts.

Will EU Finally End its WTF Approach to Forests?

ECO is old enough to remember the forest accounting rules negotiated in 2011 for the second commitment period of the Kyoto Protocol. At the time, ECO warned the EU and other developed countries against the dangers of building their baselines on hypothetical projections that envisioned massive increases in emissions from the forest sector. Sadly, the EU and others went ahead and did it anyway.

So at a side-event this week, when it was revealed that the EU was scrambling to correct an unearned windfall on the order of 100 Mt CO₂-e per year, ECO felt the tiniest twinge of smugness. If memory serves, that was just about what ECO had predicted for the EU way back in 2011.

Under Kyoto, the EU used a technique called Projected Forest Reference Levels. This involved projecting a hypothetical expectation of forest carbon emissions. You might call it a "Working Theory of the Forest", or WTF for short. Under the WTF approach, countries could base these projections on modeled expectations, political goals, or really anything they could justify. And they just couldn't hold back from the temptation to inflate these projections,

creating the opportunity for undeserved credits.

Lo and behold, this played out just as ECO expected for the EU. Due to the WTF approach, the EU was set to claim credit for 110-120 Mt of CO₂ reductions below its WTF baseline (Grassi et al. 2018). Thankfully, this egregious claim was seen to be well beyond the pale, and the better angels of environmental integrity were seen to prevail. A lesser newsletter might have said "We told you so!"

ECO sees this as a make-or-break moment for EU climate policy integrity. The EU still has a chance to consign the WTF approach to history and disallow policy driven reference levels in the period 2021-2030. If it does this, it will set a good example to other countries across the Paris Agreement.

However, currently 2 EU countries (Finland and Sweden) still want to set their reference levels based on policy-driven targets. The other EU countries should reject this. The lesson is that countries shouldn't abuse the reference level in the first place. ECO is watching, and we have a long memory. Don't make us look at your forest reference level and ask: "WTF?"

A Cry for Help For Adaptation

Ministers, we need to talk. I know this might sound technical, but it's not; this concerns you. There can be no ambition with so little support for adaptation.

The Paris Agreement seeks to achieve a balance between adaptation and mitigation finance, as well as attending to the particular needs of least developed countries (LDCs) and small island developing states (SIDS).

We're not there yet. Only 26% of the USD \$55 billion in provided support went to adaptation projects in 2016, (the number from multilateral development banks' is even lower: 21%, according to figures from the Standing Committee on Finance's (SCF) third biennial assessment report). Around half the bilateral finance provided to the LDCs and SIDS was earmarked for adaptation. That's far from the "balance" agreed between adaptation and mitigation support.

ECO is even more concerned with the flows to vulnerable countries

with less financial capacity to address adaptation and resilience efforts. 21% of finance approved by multilateral climate funds went to the LDCs. Funding directed at the LDCs represented 24% of bilateral flows, and that directed at SIDS accounted for only 2%. When developing countries say they need more support for adaptation, ECO understands why!

What's more, according to SCF, only 9% of adaptation finance flowing through multilateral development banks was grant-based. That means 91% is made up of loans. All the more important for Article 9.7 to include grant equivalent reporting!

Have the MDBs forgotten the nineties, where 37 developing countries could not pay their debt back? (these were the heavily indebted, poor countries, or HIPC). In ECO's view, these countries that have barely contributed emissions deserve much more funding in the form of grants from rich countries for resilience and adaptation. Climate

finance is not a gift but an obligation.

The recent OECD report writes about the increase in the level of loans. "Loans accounted for about 60% of bilateral and close to 90% of multilateral climate finance. Grants represent a third of bilateral and less than 10% of multilateral climate finance."

ECO has reached the conclusion that public grant-based support from developed countries is too low for adaptation in LDCs, SIDS and other vulnerable countries. Ministers must take this into consideration as they enter into the final phase of these negotiations. The Paris Agreement promised to attend to their particular needs.

Finally, ECO wishes to acknowledge two specific international funds that are addressing the above concerns but have relatively low amounts of funding: the Adaptation Fund and the Least Developed Countries Fund (LDCF).

To Ministers: A Few Tips For a Real Support Package

Dear Ministers,

Guess what, it's already week 2, day 3! ECO knows that time flies when you're having fun; but let's stay focused. You will be faced with one of your biggest challenges since COP21 in the coming days: making sure the Paris Agreement will benefit from a fair, balanced, and complete Rulebook that will enable us to limit global warming to 1.5°C. Let us be clear: without consensus on the overall support package, a robust Rulebook and an ambition mechanism cannot be agreed upon. Failure to resolve the sticky financial issues will undermine trust between Parties, the eventual implementation of the Paris Agreement, and put at risk more ambitious global climate action for the years to come.

To help you navigate the many challenges related to finance, here are some final tips:

- **Be Predictable!** Article 9.5 is key to improving predictability of future financial support. A full operationalization would require qualitative and quantitative data to be provided every two years, submitted to a public registry and then synthesized, in order to

inform the CMA and the global stocktake. Article 9.5 can give an indication of how provided and mobilized support aims to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development — but must not be confused with the obligations of developed countries in providing adequate, sustainable and predictable support.

- **Accounting is caring!** Article 9.7 deals with the accounting of climate finance. It is an obligation for you, developed country Ministers. To all Ministers: you must enhance the current system, not backslide on it. This means recognizing the importance of harmonized reporting practices and helping assess the actual assistance provided to developing countries by identifying the grant-equivalent of financial instruments. Once again, Ministers, please do not confuse article 9.7 with article 2.1.c.
- **Mind the gap!** Ministers, you need to acknowledge that the USD \$100 billion commitment hasn't been delivered in its entirety. You should

demonstrate your commitment to achieving the collective goal of mobilizing \$100b a year by 2020 to enable the mitigation, adaptation and capacity building actions of developing countries.

- **Think ahead!** You will need to agree on a process to lay the ground for a new 2025 climate finance target and agree to launch the process for setting the new target at the latest in 2020.
- **Step up your promises!** Ministers, you need to commit significant money to ensure an ambitious replenishment of the Green Climate Fund. Germany and Norway already did, why can't you?
- **Refuse the irreversible!** The IPCC report reminded you that in some cases, adaptive capacity has already reached its limits. Open your minds to loss and damage, and deliver on the spirit of Paris which created a stand-alone article on this topic. You should include finance for loss and damage in articles 9.5 and 9.7 but also reflect loss and damage in transparency and the global stocktake

Warmly,
ECO

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Voices From the Front Lines

In August of this year, the State of Kerala in India was battered by the worst flood in a century; costing around US\$2 billion in damage to infrastructure and the economy. For nearly a whole month, the state was drowning. Unprecedented heavy monsoons linked to the changing ocean currents and warming seas swamped Kerala. The resulting damage was amplified by poor development decisions that had covered mountain and wetland ecosystems like the Western Ghats with concrete. The floods took away people's lands, livelihoods, and lives.

The havoc in Kerala was met with extraordinary solidarity amongst people from all religions, classes and communities; the rich with the poor, urban citizens with rural people. Fisherfolks provided rescue support alongside the state's disaster response teams.

In a country rampant with farmer suicides due to debts, corporate monopoly, and no provision for climate reparations, we do great injustice by not factoring in loss and damage. While India rallies for historic responsibilities and accountability from rich countries at COP24, can we look at ourselves in the mirror?

- Shradha Shreejaya

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What the Health

Monday was the 70th anniversary of the United Nations Declaration of Human Rights, including “the right to health” which now has a stable place in the Paris preamble. But, where is health at this COP? In spite of the significance of health to humanity, it has not been incorporated into the language of the Rulebook.

Why should the COP outcome include a reference to health? There are two reasons. First, climate change has severe impacts on our health and is likely to have increasing impacts as the Earth warms further; heat exposure resulted in 153 billion hours of labour lost around the world in 2017, an increase of more than 62 billion hours since 2000. Secondly, climate change mitigation can have a major positive impact on health. For example, air pollution currently kills 7 million people worldwide every year. It also causes significant health problems such as asthma and respiratory issues.

When countries try to avoid ambitious mitigation targets because of economic reasons, they fail to recognise the economic benefits of improved health from reducing air

pollution. Mitigation pathways identified in the IPCC 1.5°C report typically show that there are significant synergies for reducing air pollution, and that these synergies increase with the stringency of the mitigation policies. Other co-benefits of climate change mitigation include increased physical activity from getting people out of cars, and less diabetes and heart disease from improved diets.

Placing health at the centre of the COP negotiations and countries' NDCs, serves as an important reminder of the significance of climate change for humanity. Mobilizing climate action for health would mean countries have to ensure the most ambitious targets possible and would maximise the health benefits of both mitigation and adaptation efforts. Moreover mobilizing health action for climate can leverage the trusted voice of health professionals and the purchasing power of the health sector by greening the supply chain through sustainable procurement.

ECO encourages all delegations to push for including health in the Rulebook and in their NDCs moving forward.

Talanoa Solutions: We Know What We Need to Do For 1.5

As Ministers wrap up the Talanoa Dialogue discussions today, ECO hopes that the process will lead to an ambitious COP decision and real transformation back home, to meet the 1.5°C target.

The IPCC Special Report has shown us the importance of the 1.5°C target. It has provoked a lot of new thought, prompting ECO to ask what roles the different sectors should play.

ECO reminds Parties that there is nothing to be scared of. Reaching the 1.5°C goal is technically feasible. It can be done in ways that can safeguard equity, food security, ecosystems and rights.

To help generate more excitement and action for the Talanoa Dialogue and real-world outcomes, ECO would like to throw some new ingredients into the mix; and we're not just talking about a few extra cups of Kava, the Fijian drink that lubricated the early Talanoa Dialogues at COP23.

The recent IPCC report draws

a red line on energy: the 1.5°C goal is only feasible if we rapidly phase out fossil fuels and transition to renewable energy. This means that coal must be fully phased out and renewables deployed to provide for global electricity by 2050. All Parties need to deploy energy efficiency policies to reduce consumption. The world needs to tackle its oil addiction by rapidly electrifying transport and banning the sale of fossil fuel cars; British Columbia announced its intention to do so this COP, joining several countries and regional governments. All these components are part of this essential energy revolution.

Recent studies, based on the latest available science, show that equitably restructuring food systems by taking a “less and better” approach to agricultural production and consumption, especially meat and dairy products, could make a major contribution to reducing global emissions.

Further, protecting and restoring the world's natural biodiverse ecosystems could not only provide a key role in sequestering and stabilising carbon in the biosphere, but also avoid additional emissions on a vast scale.

These are just a few examples of what is possible, and ECO looks forward to more inspiring pathways being elaborated and envisioned in the year to come.

We remind Parties that the IPCC report said: to limit warming to 1.5°C the transformation must take place with massive scale and speed. And although the scale of the transformation would be unprecedented, the speed of transformation has real precedents. We should find hope in this.

ECO hopes Ministers will return from COP24 energised and excited to drive the transformation at home. Let's make Talanoa transformations happen in the real world.

Grab the Chance For a 1.5 Future

Today ECO returns to the highly motivating, yet alarming findings of the IPCC Special Report on 1.5°C: to limit global warming to 1.5°C would require rapid, far-reaching and unprecedented changes in all aspects of society – and in doing so we can bring clear benefits to people and ecosystems.

According to the Report, limiting global warming to 1.5°C compared with 2°C would reduce impacts on ecosystems, human health and well-being, making it easier to achieve the UN Sustainable Development Goals, and could go hand in hand with ensuring a more sustainable and equitable society. In contrast, exceeding 1.5°C means grave risks for people and vulnerable systems around the globe.

The Report also highlights a number of climate change impacts that could be avoided by limiting global warming to 1.5°C compared to 2°C or

more. For instance, by 2100, global sea-level rise would be 10 cm lower. The likelihood of an Arctic Ocean free of sea ice in summer would be once per century compared with at least once per decade. As ECO explained yesterday coral reefs would decline by 70–90% with global warming of 1.5°C, whereas virtually all (>99%) would be lost with 2°C.

As the Report clearly highlights, we are already seeing the consequences of 1°C of global warming through more extreme weather and rising sea levels, among other changes.

At the current rate of warming, the world is likely to reach 1.5°C warming between 2030 and 2052.

The Report shows that the wide-ranging impacts of climate change will be much worse at 2°C of warming than at 1.5°C. Beyond 1.5°C climate change impacts would be far-reaching and severe – from the loss of Arctic sea ice to the demise of tropical

coral reefs, and rapidly escalating risk of climate extremes.

The IPCC confirms that it is feasible to hold warming to 1.5°C, or very close to it, throughout the 21st Century, but that there is no time for complacency.

It also confirms that the current nationally determined contributions under the Paris Agreement fall far short of what is needed. Carbon dioxide emissions must be nearly halved in the next ten years, and reach net-zero by 2050.

The advantages of early action are made stark in this Report, especially regarding the sustainable development benefits, including poverty alleviation, health and access to clean energy. It is clear that governments must commit to much stronger 2030 targets under the Paris Agreement (and ditch coal). These new targets need to be submitted by all governments no later than 2020.

EU Going For Zero

Today the European Commission will present its new draft long-term climate strategy for the European Union to the COP. ECO is pleased to have gotten an early look, and is breathing a sigh of relief because the European Commission recognises the need to limit temperature rise to 1.5°C.

We are also pleased to see the proposal for the EU to go to net-zero emissions by 2050. This proposal is a welcome shift, given that the European Commission has spent the last three years implementing legislation that would bring EU emissions down by only around 80% by 2050.

This new net-zero proposal would bring EU emissions down by around 93% by 2050, which is the upper end of the range that was identified by the IPCC in 2007, and was endorsed by the EU in the run up to Copenhagen. And ECO has been advised that the word 'by' actually means 'at the latest'.

The IPCC 1.5°C report reveals that the pathways that limit the chances of overshooting 1.5°C and avoid heavy reliance on carbon removal in the second half of this century require global greenhouse gas emissions to reach net-zero by 2044.

ECO would also like to remind the EU and other developed country Parties that they have agreed to

continue to lead on climate action. Hence, it seems only logical the EU should reach net-zero greenhouse gas emissions by 2040, right?

More importantly, ECO looks forward to seeing how the EU's, leaders adopt the Commission's proposal, and translate this net-zero vision into reality through short-term action, targets, policies and measures.

ECO is particularly impatient to see how the EU's long-term vision will help the EU urgently develop an increased 2030 target, which is urgently needed to bridge the emissions gap — as UN Environment has once again reminded the world.

This vision starts from existing policies and assumes emissions will be reduced by 46% by 2030, but does not indicate what an adequate target for 2030 should be. Some EU Member States and the European Parliament have proposed that this be at least 55% and that the time is ripe for the EU to start up a formal process to discuss the enhancement of the EU NDC.

Crucially, progressive EU Member States need to lead discussions on the EU long term strategy, call for the EU to go for net-zero emissions as early as possible, and substantially enhance the EU's NDC. Why not start at this COP?



We should really talk about that thing. You know, the crisis facing the planet.

It's important, right? We've talked about it a lot already.

Maybe we think so, but there seem to be some who don't ...

Parties agreed at COP23 that the Talanoa Dialogue would be designed to enhance ambition. However, that spirit seemed to have escaped some parties in their interventions in the Talanoa Dialogue events yesterday. There was perhaps no Party that seemed more dead set against ambition in Talanoa than Egypt.

Despite the IPCC findings that current Nationally Determined Contributions (NDCs) put us on track to 3°C warming or more, and the numerous calls at COP24 for urgently scaled-up actions and targets before 2020, Egypt

made it clear they had no interest in discussing more ambitious NDCs before 2020.

What's more, they doubled down on their no-ambition strategy, saying there should be no negotiated outcome of Talanoa. Perhaps it has escaped them that we are here at the "climate negotiations" discussing the defining issue of the 21st century: the shortage of ambition – past, present and future – to address climate change. We need outcomes that commit countries to scale up climate efforts in the pre-2020 and post-2020 period, not more ducking and weaving to dodge discussion of ambition! No doubt Egypt is torn between its loyalties to the oil-dominated Arab Group and solidarity with its fellow members of the African Group, many of whom are LDCs and extremely vulnerable to climatic disruptions. But dodging ambition, in any time period, does a disservice to both.

Article 6: Will New Zealand be a Loophole Slayer?

ECO welcomes New Zealand coming in from its years in the wilderness and finally accepting that carrying over old and dodgy credits from previous commitment periods of the Kyoto Protocol is a bad idea.

New Zealand has quite the stash of these, but Minister for Climate Change James Shaw has confirmed to Australian media that carrying over these credits would make it challenging for the world to achieve the goal of the Paris Agreement. ECO is pleased to agree with the Minister, that this would be a bad idea.

This is a refreshing change, especially from a country that previously earned infamy for its creative accounting.

All eyes remain on Australia, which is silent on whether it will follow suit, and whether the Paris Rulebook will end up allowing it to do so. Australia expects a surplus of around 300 million tonnes of carbon credits by 2020. ECO suspects that it plans to use these to meet its Paris Agreement target without having to cut emissions.

It is these kinds of loopholes we expect the Paris Rulebook to close.

ECO looks forward to the Minister continuing with this positive, loophole-slaying attitude as he co-chairs Article 6 negotiations in the coming days.

Happy Birthday UK Climate Change Act!

The UK's groundbreaking Climate Change Act is now 10 years old. This piece of legislation was a global first in setting up a legally-binding 2050 climate target — broken down into five-year emissions budgets to allow for political accountability and responsiveness to new science. It also established an independent statutory advisory body: the Committee on Climate Change (CCC), to bring climate science directly to policymakers and hold government to account for those budgets.

While the Act remains an excellent framework, its target is in need of an update — especially in light of the IPCC 1.5°C Special Report.

ECO is delighted to note that the UK Minister has taken the first step towards increasing the UK's long term ambition - and potentially the nearer-term carbon budgets. She has formally asked the CCC to give advice on how the UK can get to net-zero, and by when

ECO hopes that this will be by 2045 – which a recent report showed was possible; we await the CCC's analysis, due by in March/April 2019. This means the UK will be in a good position to enhance its NDC by 2020, perhaps even in line with 1.5°C – as all countries should aim to do.