

ECO

THE LISTEN UP AND GET TO WORK ISSUE

eco@climatenetwork.org • www.climatenetwork.org/eco-newsletter • December 9, 2019

ECO has been published by Non-Governmental Environmental Groups at major international conferences since the Stockholm Environment Conference in 1972. ECO is produced co-operatively by the Climate Action Network at the UNFCCC meetings in Madrid, Spain during the COP 25 meeting.

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Dear Ministers, We Need to Talk!

Dear Ministers, we need to talk! And frankly, before we do so, you need to learn to listen.

Half a million people were out on the streets of Madrid, marching for an outcome from this COP25 that adequately responds to the climate emergency. When you arrive here, you do so after a year that witnessed the rise of a historic climate movement as well as further aggravation of climate impacts. ECO is quite stunned by how ministers from large emitters praised the young people fighting for their future in an almost effortlessly self-serving manner while failing to taking substantive action.

ECO will not let you leave Madrid without listening to the demands of the young people, front line communities, and Indigenous Peoples. Coming to Madrid, you must respond to the people and the science. So far you have failed; take Madrid as an opportunity to change that. For ECO, this entails urgently enhancing NDCs, prioritizing environmental integrity, and delivering new and additional finance for loss and damage.

Here are some starting points for our conversation:

ECO is quite excited that Denmark's ambitious climate target of reducing emissions by 70% by 2030 was just made binding this week. There is no reason why, as ministers from high emitting countries, you cannot give some clear signals of committing to something similar here in Madrid. And by commitment, we don't mean the usual empty promises.

ECO also knows these commitments need to be formalized in the decisions taken at COP25. So make sure to agree on enhancing your NDCs in the first quarter of 2020, reflecting the highest possible ambition in line with the 1.5 degree celsius trajectory. Additionally, when enhancing your NDCs you must ensure you do it with an inclusive,

whole-of-society approach. While you are at it, you should seize the opportunity to tackle the other planetary emergency – biodiversity.

ECO knows you or your predecessors worked hard to get a ratchet-up mechanism into the Paris Agreement. So make sure you do not add a ratchet-down mechanism by agreeing on rules for Article 6 which undermine the integrity of the Paris Agreement.

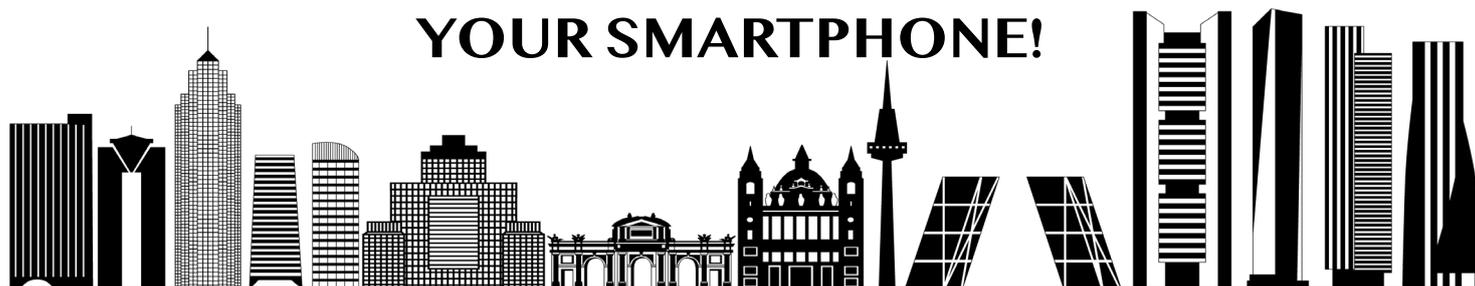
Ministers, ECO knows you usually deal with the bigger picture, but for carbon markets on Article 6 the details are what matters and ECO insists you do not compromise on them.

Don't make "a deal", take the time necessary to at least avoid any double counting, carryover of Kyoto credits, and violations of human and Indigenous rights. ECO asks you to ensure environmental safeguards are enshrined into any final text and to establish a fair automatic cancellation rate of carbon market credits to ensure true additionality and avoid classical offsets for which there is no longer any place for when complying with the objectives of Paris. ECO will judge the outcome on how much carbon pollution the atmosphere sees resulting from carbon markets. So far and based on existing text, that looks very bleak.

And don't think for a second that Article 6 is the only thing we are concerned about. People are suffering and dying from the increasing frequency and severity of climate impacts around the world. The outcome of this COP will be equally judged based upon providing action and support for the most vulnerable. For ECO this means new finance through the Warsaw Mechanism for Loss and Damage to finally address climate-induced loss and damage.

ECO assures you, dear Ministers, the times in which people reacted to climate inaction with a nice little press release are over. This is an emergency; we are going to treat it like one and you should to.

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Multilateral Assessment, Part II - We've Got More Questions for You

ECO is excited to see Annex I Parties participating in the multilateral assessment for their biennial reports. ECO welcomes the participation and thinks the multilateral assessment can be a great place to share lessons learned and experiences with other Parties in a constructive environment. We look forward to hearing your presentations and Q&A sessions throughout the day.

Since ECO can't ask questions during these workshops, we figured we'd share our questions with you anyway:

To all Parties:

- Can you provide an update on any action taken to strengthen policy-making processes? In particular in relation to public access to information and public participation; so as to improve climate responses and promote policy coherence in the context of progress made towards meeting your commitments under the UNFCCC.

Luxembourg:

- What reductions in car use (and consequently, CO2 emission reductions) do you expect to achieve from your initiative to make public transport in Luxembourg cost free for users beginning in April 2020? Could you elaborate on the steps taken to secure the political support for the necessary investments in public transport?

New Zealand:

- The 2019 Greenhouse Gas Inventory shows that New

Zealand's gross emissions increased by 2.2% between 2016 and 2017, continuing a trend of average annual growth in gross emissions of 0.8% per year since 1990. When are your gross emissions forecasted to trend downwards to reverse this trend?

- According to New Zealand's Third Biennial Report, under current policies you are only projected to reduce your emissions by 6.4% from 2005 levels by 2030. With new mitigation measures under consideration, what is the proposed plan to achieve the 2030 NDC target of 30% reduction from 2005?

Portugal:

- Portugal has a very ambitious carbon neutrality roadmap for 2050 with a considerable number of measures for 2030, which have, as an example, anticipated the end of coal in the electricity sector by 2023. How is it that Portugal may stop fossil fuel extraction, since existing contracts for natural gas searching and drilling have not been canceled?

Switzerland:

- Emissions in g CO2/km from newly sold cars rose recently and are now the highest in Europe. How does Switzerland plan to incorporate cleaner cars into the fleet?
- The climate impact of airplanes departing from Switzerland now accounts for more than 10% of your total emissions, when aviation is included. What is your intended approach to addressing aviation emissions?

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Voices From the Front Lines

Growing up in Igluligaarjuk (Chesterfield Inlet), Nunavut, Canada, on the west coast of Hudson's Bay, I was graced with the traditions and riches of my Inuit culture. With a population of 300 people, my community is very remote and the only way in or out is by airplane, boat, or snowmobile. With ice and snow seven months of the year, we are people of the land and ice. This is my favourite season for hunting and keeping our traditions strong and alive!

Born in 1973, I was fortunate to see the lifestyle of my people, and how we live off the land and the ocean during the two-month summers, one-and-a-half-month fall, the seven months ice and snow, and one-and-a-half-month spring. My parents taught me to hunt respectfully, keep the land clean, and to enjoy the lakes' and oceans' freshness and gifts of life, such as oil from fat, food from animals, water, fresh air, and the distances traveled by dog teams or snowmobiles to see vast parts of our land which we also walked and swam.

While walking, boating, and sledding I have always seen driftwood, which has floated to the Arctic since time immemorial and which has always been used because no trees grow in the permafrost. Until I was in my teens I had not seen trees, concrete, or skyscrapers! But now those same currents also bring plastic trash and warmer water which melts our ice, endangering our way of life.

In my lifetime I have seen the sea ice breaking up in early May, whereas 15 years ago I was snowmobiling on that sea ice until the end of June. So many experienced hunters are now falling through the ice that we are constantly trying to adapt our methods. The ice is more brittle and less predictable. It is harder to know whether or not it's safe to cross. This has similarly affected the animals we see. Fish, whales, seals, caribou, polar bears, and other predators are trying to adapt as well, migrating in different patterns. We see orcas more frequently, hunting the same wildlife we do. We have noticed more insects during the now-longer summer months.

Our elders have told us what needs to be done. Future generations will see the disastrous results of our lack of action. I hope that they still feel strong ties to the earth and to our traditions, even stronger than we do. I hope that my great-grandchildren will have the opportunity to see how my great grandparents lived!

Without collaboration between our nations, the people of the Arctic are not the only ones that will fall through the ice.

By Johnny Issaluk, Arctic Ambassador, Explorer in Residence - Royal Canadian Geographical Society

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It's Not That There is No Money, Stupid!

ECO has heard that finance ministers generally like talking about numbers and money. That is great, because the lack of money is something which hinders the necessary transformation in many countries. Greater financial support from rich countries can help shift political will towards more climate action in developing countries. So here is some inspiration for finance ministers, as well as finance negotiators, to tackle the climate finance gap:

GCF: time for the laggards to step up

ECO welcomes the pledges that were already made earlier this year to the Green Climate Fund (GCF) of close to US\$9.7 billion, with some countries doubling their original pledges. While much more is needed, ECO's eyes this week will be on ministers arriving from countries who have not stepped up to at least double their contribution, or have not pledged at all. Australia and the United States: shame on you for continuing to ignore the climate crisis and the needs of the most vulnerable communities. ECO was also disappointed that countries like Canada, The Netherlands, New Zealand, Switzerland, Finland, and Belgium did not double their pledges or provided their fair share at the replenishment conference in Paris. Ministers, make the best use of your time in Madrid: scale up your GCF contribution!

This will not only help provide the much needed support for developing countries to adapt to the impacts of the climate crisis, but also create the right conditions for enhanced ambition in 2020.

New sources of finance

ECO is pleased to hear that some developed countries brought up, in the negotiations on the review of the Warsaw mechanism

on loss and damage, including a reference on sources of finance. ECO has seen the devastation that the climate crisis is already causing in vulnerable communities, and is all for exploring ways to generate significant new and additional finance. But we are not talking about vague private sector finance that will only be called climate finance through creative accounting exercises. What is really needed is finance at significant scale which can then be channeled to support developing countries in climate action. So here are some suggestions that COP should decide to explore:

- A global air travel levy could raise \$40–\$100b annually (at \$10–\$25 per person, per flight, given that current passenger levels exceed 4 billion per year).
- A climate damages tax is a proposal for a tax on the fossil fuel industry. If it were introduced globally in 2021 at a low initial rate of \$5 per tonne of CO₂ equivalent, it would raise around \$210b in its first year, some of which could be allocated to loss and damage, and adaptation.
- Introducing a carbon tax on maritime fuel of \$75 per tonne of CO₂ in 2030 could raise revenues of about \$75b in the same year.
- A financial transaction tax (FTT) that puts a levy on shares and bonds at 0.1% and derivative agreements at 0.01% has the potential to raise \$63b (if applied to the European Union), and a similar global FTT could raise significantly more.

Parties may not yet be ready to adopt any of these options, but could send a strong signal at COP25 by giving a clear mandate to explore those sources in the run up to COP26 and recommending implementation pathways. For loss and damage, such exploration should target an additional \$50b by 2022. It's not that there is no money available, it just has to be channelled into the right kinds of action.

The Wrong Direction on Article 6

After many hours of waiting on Saturday, ECO was dismayed when it searched the new texts for human rights, safeguards, and clarity on an ITMO definition and found that nothing was there. Sure, there are fewer brackets, but fewer brackets do not magically translate to successful rules that ensure carbon markets won't lead to harming people and the planet, undermining the Paris Agreement entirely.

ECO was pleased last week when it heard more countries speaking about the need to include human rights and the rights of indigenous peoples in the rules for Article 6. So, imagine ECO's dismay when it searched through the text and couldn't find mention of human rights or social and environmental safeguards. Instead it found only a placeholder for elements of the Paris Agreement preamble. But it's not about having elements from the preamble, it's about ensuring that the carbon markets under the Paris Agreement don't become a tool that allows for the harming of people and the planet. Human rights are not negotiable!

ECO also searched desperately for some clarity on what an Internationally Transferred Mitigation Outcome (ITMO) is. Under article 6, countries will create ITMOs, buy ITMOs, use ITMOs... But does anyone understand what an ITMO actually is? ECO understands that ITMOs can take different forms, but they must represent an emission reduction which truly happened, e.g. through a crediting approach with a real project or an ETS linkage. The mere "overachievement" of an NDC target is not enough

to issue an ITMO, especially when current NDCs include over 20GtCO₂e of hot air. Activities outside the scope of NDCs credited to a buyer country would repeat the same hot air mistakes of the CDM, unless there is corresponding adjustment for these activities.

ECO calls on Parties to rectify what surely must be an oversight. It can't be that you want to see past mistakes repeated where people's lives were lost and ecosystems destroyed, and all of that to issue ITMOs which don't represent real reductions? You can fix this, and you must fix it now. You've done it before. The GCF has safeguards and grievance redresses because you said it had to. These elements are just as important in the context of article 6. Social and environmental safeguards, meaningful local stakeholder consultation, and an independent grievance mechanism can help prevent harm to communities, indigenous peoples, and ecosystems, and help address problems if and when they arise.

In addition, the final text should clearly specify that cooperative approaches under article 6.2 must be real crediting approaches, ideally a mitigation project to which a specific quantity of emission reductions can be directly attributed. At a minimum, Parties should at least report on what a cooperative approach entails, how it contributes to the Parties' NDCs implementation, which Parties are involved in it, how many tons of CO₂e are transferred, and how long the cooperative approach will last.

At Least Parties Admit It's a "Very Negative Signal"

It's really a pretty straightforward question: What should the time frame of NDCs be?

ECO is dumbfounded at the approach Parties have taken to the negotiations on this issue during the COP. After failing to reach agreement on draft conclusions and how to capture the progress from this session in their supposed final session on Friday, the SBI chair gave negotiators an extra 30 minutes. However, 75 minutes later, Parties were still in the same place, despite the co-facilitator's valiant efforts to keep the common time frames negotiations within the scheduled time frame.

On Friday, Brazil introduced a provocative option, but by Saturday morning had worked diligently with Switzerland to replace the provocative option with fairly good alternative options (ECO applauds the efforts of Brazil, Switzerland, EIG, and others who worked to advance suitable options). However, it seemed Parties were determined to load the informal note with nonsensical options, including China, who, on behalf of LMDC, proposed differentiated time frames for mitigation, adaptation, and finance components of NDCs and even proposed differentiated time frames for developing vs. developed country Parties. In addition, they seemed determined to spend a fair bit of time reading these lengthy new options into



the record. All these theatrics, and a lengthy debate about bracketing a footnote, and we're right back where we started: Nowhere!

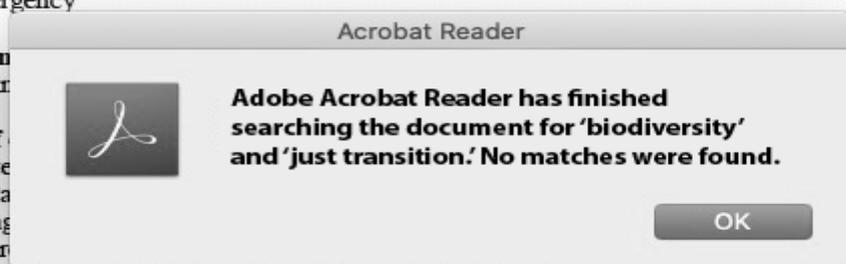
In the last article, ECO called the negotiations at this session insulting, disgraceful, disappointing, and embarrassing. And after Saturday's performance, ECO is even more puzzled and struggling to find the right words in the thesaurus. At least negotiators admitted how negative a signal their lack of progress is sending to the world - it seems the message from ECO's Saturday issue got through.

ECO is fed up with the hypocrisy and complacent stance Parties are showing on this issue. Parties cannot say that, on one hand, Article 6 must be addressed at this COP because we need to finish the rules; and on the other hand, say that the outstanding guidance from the Paris rulebook on NDC time frames should or can wait until 2023. Parties cannot say that a decision on Article 6 is critical for the credibility of the Paris Agreement regime when they discredit the decision-making process by failing to agree again and again on a straightforward question. For a COP that is supposed to be about 'ambition,' what kind of signal does it send to the world outside? ECO wouldn't mind watching an SBI plenary fight... if nothing else, it'll highlight the absurdity of the negotiations at this session. But does it really need to come to this?

So, here's our message: If negotiators are incapable of getting past the process issues, then ministers are going to have to tackle this themselves and make a decision at COP25 to avoid further distressing and shameful political attention. Parties need to step up ambition and accelerate the implementation of the Paris Agreement! Ministers can stop the nonsense and signal to citizens and the youth that they hear them and demonstrate their resolve to make decisions that charter the world on a just transition to a low-carbon and resilient economy at the pace needed.

Elaborated possible elements of decision 1/CP.25

- **Importance of multilateralism**
 - Acknowledge the importance of multilateralism in addressing the global climate emergency
- **Recognition**
 - Ackr
- **Urgency of**
 - Reite of Pa parag futur
 - Urge Parties to take concerted action to address the gap
 - Invite non-Party stakeholders to contribute to these efforts



ECO is in shock after discovering yesterday that biodiversity and just transition are missing from the elements for decision 1/CP.25!