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ECO email: administration@climatenetwork.org • ECO website: <http://eco.climatenetwork.org> • Editorial/Production: Kyle Gracey/Linh Do/Fred Huette

'Round Midnight

As ECO went to press, the Comité de Paris had just resumed its work again. The outcome of the final round of negotiations is still uncertain. That need not stand in the way of a hard-nosed analysis of the new text, though, with the really big issues still left to be decided. Overall, ambiguity is the mot de vogue with several decisions still bracketed yesterday now 'simply' postponed. ECO makes a final plea to ministers and their heads of state, who will be asked to weigh in at the last minute:

Ambition

Parties chose to land in the 'well below 2°C' zone, while still pursuing a 1.5°C warming limit. This is, however, not compatible with GHG emission neutrality somewhere in the second half of this century. Full decarbonisation, with no tricks (like non-permanent offsetting and geoengineering), is needed and should be what those who claim to be ambitious fight for!

Differentiation

The endless variations in the new text trying to reframe the Convention's preambular 'common but differentiated responsibilities and respective capabilities and their social and economic conditions,' [ECO's emphasis] are a reflection of a genuine global struggle to come to terms with new realities. ECO does not romanticise the past, nor ignore historical responsibilities. The Paris Agreement can only deliver on its goal if all respect the Convention in full.

Finance

Which brings us to means of implementation. The floor of US\$100 billion seems to now be established. But the agreement does not enough to 'shift the trillions.' ECO believes the Paris Agreement sends a signal to investors about the long-

term direction. It pays lip service to setting a carbon price. Yet, Parties are about to fail in their duty of care, which would make them commit to finally end all fossil fuel subsidies, stop financing carbon-intensive investments or indeed commit to divestment.

INDCs

That the current INDCs, many of which are conditional on adequate international support, are not enough to limit warming to well below 2°C, let alone 1.5°C, is acknowledged and shockingly taken for granted. For now, there is no plan to close the resulting gap. We do not need to wait until 2018 for the IPCC to tell us that the pathway we are on forecloses limiting warming to 1.5°C. Independent assessments have already shown that developed countries in particular are lagging behind. The facilitated dialogue in 2019 merely opens the door for countries to rethink their lack of ambition. In 2025, ECO does not want to be looking back on the Paris Agreement, and with the benefit of 20/20 hindsight judge that this was a grave error. The five-year cycles of updating and enhancing ##### (shall we just call them NDCs?) can start immediately upon entry into force.

Loss and Damage

The fight for loss and damage continues in dark corners of Le Bourget. To the most vulnerable, we say: Stay strong! To the blockers: You let the genie of liability and compensation out of the bottle. Please put it back in, as nobody is calling for it in this agreement.

Transparency, MRV and Compliance

After a decade of building confidence and trust through these talks, the Paris Agreement still reflects the fear that transparency on implementation and meaningful review of

outcomes could be punitive. Shining a light is something ECO has done since 1972. In light of the bottom up character of the INDCs and the facilitative nature of the proposed review we urge all to lighten up and embrace transparency.

On a related note, ECO always understood the Durban mandate was 'to develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties,' to mean an international agreement would have some teeth. Simply put: the bracketed wording on 'compliance' needs to be included in the Paris Agreement.

Human Rights

ECO is shocked that countries have surgically removed human rights from the core climate change agreement.

A broad coalition of civil society organisations and indigenous peoples have come together to collectively support joint text for Article 2, the heart of the agreement. All attempts were made to keep it simple for Parties. Instead, civil society's voices are being ignored. You forgot that you represent us. You forgot that your job is to speak for us.

President Hollande: When you said that 'COP21 would be a new step for human rights', what exactly did you mean?

ECO praises Mexico and other champions for their work in promoting human rights in the operative text of the agreement. We owe it to the world's vulnerable—those least responsible for and most impacted by climate change.

Today, Friday, a new moon will rise over Paris. ECO still has hope it will mark a new era. The change that is needed takes all of you. Soit brave!

An Ounce of Prevention Is Worth a Pound of Cure

Some countries (including Saudi Arabia) have questioned the scientific basis for the need to limit temperature increases to 1.5°C. ECO would like to remind everyone, but especially these countries, that Article 3.3 of the Convention (remember it?) states that 'Parties

should take precautionary measures to anticipate, prevent or **minimise the causes of climate change and mitigate its adverse effects**. Where there are threats of serious or irreversible damage, **lack of full scientific certainty should not be used as a reason for postponing such measures**'. ECO calls upon Parties to enhance their implementation of the Convention to fulfil this agreed mandate.

Carbon Markets: All Cards on the Table

The new draft text still features brackets around the sustainable development mechanism provision. Decisions to be made in the next 24 hours include whether offsetting will be allowed (please, NO!), whether developed countries will be able to play the offset generation game, accounting rules, guiding principles and a share of proceeds for climate finance purposes.

ECO suggests:

- **Disallowing the use of offsetting.** To achieve the 1.5C goal, we need to focus on emissions reductions
- **Enhancing inclusion of 'environmental integrity'**, by inclusion of the additional principles, real, permanent, verified and supplemental for any international exchange of mitigation outcomes under this mechanism
- **Elaborating how to avoid double counting.** ensuring a corresponding adjustment by both Parties for an exchange of mitigation outcomes covered by their ###
- **Establishing eligibility rules to**

participate in carbon markets. If offsetting is to be allowed (against ECO's stern advice) developed countries should definitely not compete with developing countries for project financing. It would be inequitable. Use of international credits should be supplemental to ambitious national action. Only countries with absolute, multi-year targets (budgets) should be allowed to engage in markets

- **Achieving sustainable development.** Given the goal of the mechanism is to support sustainable development, there should be a work program agreed to develop modalities for sustainable development indicators and a 'do no harm' assessment.
- **Creating new and additional climate finance.** Agree a share of proceeds on all use of markets including in 3.20 (and ideally universally)
- **Achieving net atmospheric benefit.** Any new offsetting mechanism (still not listening to ECO??) should reduce emissions through the cancellation of a share of credits used.

Response Measures: Lost in Transition

Developed countries in the Convention must 'take into consideration' the impacts of the 'response measures' [in 4-2-8(h) and 4-2-10]. An interpretation is that victims of mitigation measures such as energy efficiency or alternative energy policies in the North could be compensated for decreased sales. This idea, regularly put forward in the UNFCCC by the Saudi Arabia, is mostly seen as an insult to vulnerable countries such as SIDS, where impacts of climate change are of a much greater magnitude.

Now that a wave of energy transition is sweeping the world, with 100 big cities and 43 vulnerable countries committing to 100% renewable energy, and insistence that oil should stay in the ground, no Party can be seen as responsible for lost sales of oil products. Markets, recent technologies and individual actions by citizens or businesses are responsible for this development, not Parties.

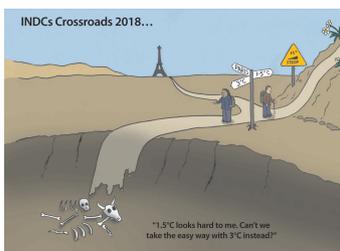
This concept shouldn't be a laughing matter anymore. Diversification by fossil fuel dependent industries or countries is not only necessary for the climate. It also makes business sense. A new article in the draft (4-9-e former 4-9-f in L6), applicable to all Parties, insists on 'resilience of socio-economic systems' and on 'economic diversification'.

Fortunately, some progress is being made on this unilaterally. Saudi Arabia's GDP (market exchange values) in 2014 was about US\$753 billion; the value of its total export was about \$373 billion, of which oil alone stood for \$285 billion. The value of oil revenues has declined to only 38% of its GDP. Saudi Arabia should be proclaiming its success, and showing others how to diversify their economies in such a way. The Saudi example demonstrates that there is no need for Article 3.15's cooperative mechanism to address the adverse effects of response measures.

Checklist for 1.5°C

ECO is happy to hear so many Parties supporting a 1.5°C temperature limit. To see if these Parties are serious about 1.5°C, ECO will be looking at the following points:

- first round of review in **2018** to improve **current INDCs** of developed countries and enable implementation of conditional INDCs of developing countries
- stronger action before 2020, including enhanced implementation of pre-2020 commitments
- long-term global goal of phasing out all fossil fuel emissions by 2050 leading towards 100% renewable energy with access for all
- review of INDCs and means of implementation every 5 years
- provision of adequate and predictable finance



Let's Agree We're Lost and Damaged

The negotiations on the Paris Agreement have reached crunch time, and ECO is concerned that the crucial issue of loss and damage might be crunched at the last minute, as the Thursday text contains several options on loss and damage. ECO is hearing that there have been some constructive discussions in the last days. At the same time, some Parties are insisting on red lines on aspects that others have not even put to the forefront.

Just a reminder what we are talking about: In broad terms, loss and damage is harm resulting from climate change that cannot be adapted to. That's why we don't think it makes much sense to deal with it as a subset of adaptation, although there are linkages. Extreme weather events like hurricanes and floods are what catch the greatest attention in the media, but it also includes 'slow onset

events' like sea level rise, which are likely to make life worse for many more vulnerable people over the coming decades than extreme weather. It also covers permanent events like loss of land.

Loss and damage is of current and growing importance, which makes it a vital component of a climate agreement that sets the framework for the future. As far as money is concerned, it will definitely be needed, but there is no need—and this speaks in particular to the USA, Canada, as well as the EU, to trouble yourselves with discussions about compensation, although it was not mentioned in the previous agreement drafts. There are lots of issues that don't relate to money that are of equal importance. For example, setting up a climate displacement facility and helping the millions that will be

displaced or forced to migrate due to climate change, plus generally advancing the issue under the Warsaw International Mechanism (WIM).

NGOs are united in our call for both the WIM and loss and damage to be anchored in the Paris agreement. This is not, and has not been, an excessive ask by vulnerable developing countries. So, countries, get on and agree on a landing zone that gives affected people the assurance that the loss and damage they face will not be ignored, and start building up the international response, including through the WIM. The future governing body will have freedom to find new or additional answers, if required. The Paris Agreement is crucial for changing course. Do not let the perfect be the enemy of the good.