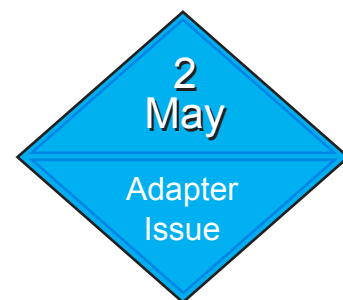


# ECO



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 Bonn, April-May 2013.

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## Adaptation Fund: Progressive But Poor!

ECO would like to cast a bright light on whether there is sufficient progress in responding to the needs of the poor and vulnerable at an implementation level. We note that the Adaptation Fund is now established. It has approved funding for 27 adaptation projects with several projects more waiting to be funded. Furthermore, we see that 15 developing countries have already had their National Implementing Entities accredited and can directly access the Fund, and several more countries are in the process of accreditation.

ECO also recognises that the Adaptation Fund has become a forerunner, having recently been ranked as the top climate finance institution by Publish What You Fund: the Global Campaign for Aid Transparency. Just two weeks ago it became the first climate fund in the International Aid Transparency Initiative. It has also been an early-mover in adopting an overarching results framework. The Fund has managed to speed up the project approval process while reducing implementing entities' fees.

ECO wonders why, with such accomplishments, the Adaptation Fund is the one multilateral fund that has received the least contributions from developed countries in recent years. And to make matters worse, the price for emission reduction certificates (the key income source of the Fund) is now below US\$1, largely due to the virtual collapse of the European Emission Trading Scheme. At current CER prices and estimated issuance levels, the Adaptation Fund would receive only \$4 to \$8 million in additional revenue to 2020.

ECO is concerned that there has hardly been any progress in delivering the Fund's target of \$100 million by the end of 2013. There are no new pledges and funding seems to be scarce. ECO calls on Parties to send a strong signal that they are committed to addressing the needs of the vulnerable developing countries by putting additional money into the Fund swiftly.

ECO particularly would like to see countries like Japan, Norway, France,

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## Closing the Gap On Aviation And Shipping

This is the year for a fresh start in addressing emissions from aviation and maritime transport – those uniquely international sectors that have generated so much discussion and so little action over the years.

This year, the Assemblies, the highest bodies of both the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO) are meeting for the last time before 2015. This will be their chance to make progress on these fast-growing sectors in the pre-2020 period, including by putting a price on emissions from ships and aircraft.

These sectors can make an important contribution to closing the gigatonne gap, both in the period up to 2020 and beyond. These sectors, which account for around 5% of global CO<sub>2</sub> emissions, can contribute reductions of up to 0.5 GtCO<sub>2</sub>e. But perhaps more importantly, decisive progress in addressing these emissions can restore confidence in our multilateral institutions and demonstrate the collective global political will needed to make the trans-

formative steps necessary to prevent a climate disaster.

What's more, we cannot pass up the chance to use carbon pricing from these sectors as an innovative source of reliable and stable public climate finance for actions in developing countries, and in the sectors themselves, to supplement contributions from the budgets of developed countries.

A decision on a global approach to carbon pricing on aviation this year is critical. The ICAO Council has created a High Level Group on Climate Change to unlock progress and give political impetus to this discussion, in advance of the September ICAO Assembly. The Council meeting coming up later this month will be the best opportunity to assess progress in the High Level Group and find agreement on a comprehensive global approach that includes carbon pricing for international aviation emissions.

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on page 2*



**Fund continued**

Finland, Netherlands, New Zealand, USA, Canada and others, who have not as yet contributed to the Fund, to do so immediately. Australia's 2010 pledge has still not been deposited. ECO finds it ironic that Germany, the host of the Adaptation Fund, has only made one pledge of 10 million EUR in 2010, which is much lower than that of Spain and Sweden.

**Gap continued**

On maritime transport, the IMO's Marine Environment Protection Committee will also meet later this month and is likely to resume discussions of options to put a price on emissions. Decisions need to be taken that create a clear roadmap to reach an agreement on carbon pricing.

Finally, to ensure these sectors make their fair contribution to global mitigation and financing efforts, the ADP needs to put emissions from international transport firmly on its agenda in both Workstreams, and send the signal to the IMO and ICAO that action is expected in 2013.

In all of these fora, the key to progress is finding creative ways of addressing equity and the principle of common but differentiated responsibilities and respective capabilities, in workable ways appropriate to these inherently international sectors. Concerns from both developed and developing countries about setting precedents for other sectors can and should be addressed. After all, the uniquely international nature of maritime transport and aviation requires approaches tailor-made to these sectors, which cannot be seen as precedents for other sectors where emissions occur entirely on national territory.



A coal barge and solar panels compete for attention beneath the Kennedy Bridge in Bonn earlier this week. ECO notes that, a few minutes later, the coal had disappeared, while the sun still shone on the panels...

## ADaPtation Is Important

ECO listened carefully to yesterday's roundtable on adaptation. The roundtable discussions brought forward new ideas and thinking on how adaptation can move ahead in the 2015 agreement in a way that adequately addresses escalating climate impacts.

There seems to be consensus that adaptation will be a key pillar of the 2015 UNFCCC agreement. Additionally, many Parties acknowledge that there cannot be a trade-off between mitigation and adaptation, and that without sufficient mitigation, many adaptation efforts will not be enough to cope with mounting impacts, and substantial loss and damage will thus be unavoidable. While these statements are welcome, ECO asks whether Parties will really deliver the required paradigm shift towards climate resilient development.

We are starting to see some "out of the box" thinking, and a recognition that the 2015 agreement provides additional impetus for action. As the delegate from Uganda so eloquently stated, 2015 needs to mark a watershed for implementation – building,

strengthening and fully putting into practice the institutions launched in Cancun.

Ideas from delegates included the possibility of a global benchmark or goal for adaptation, as well as the need to stir up action by other international and regional processes on adaptation. The Marshall Islands set out how national legislative action on adaptation could be counted towards developing country commitments under the ADP (ECO of course assumes that these could not be traded against legally-binding mitigation commitments). ECO was also pleased to hear several countries clearly state that they expect a loss and damage mechanism under the 2015 agreement.

ECO agrees that the ADP negotiations need to build on the work of recent years. Good working relationships between the SBs and the Adaptation Committee will be crucial. But building on the existing landscape should not be confused with business as usual. The 2015 agreement needs to harvest and catalyse the political will needed to bring exist-

ing commitments and institutions to where they need to be, including through substantially scaled-up public finance for adaptation.

ECO looks forward to further inspiration, ideas and critical reflection by delegates in the ADaPtation negotiations.

### Get Smart About PaperSmart

ECO looks forward to contributing to the success of the Warsaw COP and rejoices at being able to play its part once again contributing to the acuteness of the discussions. Since time immemorial (or maybe it just feels that way), ECO has tried to enrich each negotiating session. We look forward to a PaperSmart conference, but hopefully not so "smart" as to prevent ECO's opinions and insights from reaching delegates searching for inspiration.

