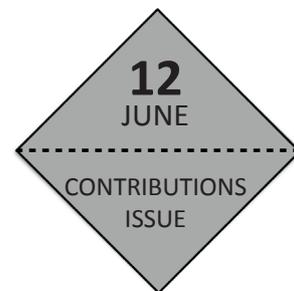


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Taking stock:

Over 60 countries in favour of phasing out emissions!

Today, the ADP will meet to take stock of the progress made so far. When this session started, ECO announced its vision: in Paris countries have to commit to phasing out fossil fuel emissions and phasing in a 100% renewable energy future for all by mid-century. In addition to really ambitious mitigation and financial commitments for the 2020-2025 period, of course!

ECO has been listening closely to Ministerial statements and interventions in the ADP. By ECO's count, over 60 countries have expressed support for the idea of a phase out. These include the LDCs (all 48 of them), AILAC (another 6 Parties), Marshall Islands, Grenada, Switzerland, Mexico, Norway, Germany as well as other European countries.

For example, Denmark spoke of their commitment to completely decarbonise by 2050, while Bhutan reiterated its commitment to remain carbon neutral. Nicaragua will already have reached 90% renewable energy use in power

already have reached 90% renewable energy use in power by 2020. South Africa supported the phase out of emissions for developed countries by 2050.

Now there may be some differences in terminology, (what with decarbonisation, carbon neutrality, net zero and phase out), as well as in the timeline (mid- or latter part of the century) and scope. But the message is undeniable: support for phasing out fossil fuel emissions and phasing in a 100% renewable energy future for all is growing rapidly. It goes without saying that this should be reflected in any Chairs' summary of the session or revised landscape document.

ECO looks forward to hearing from other Parties during the rest of this session, at the Petersburg meeting next month and, of course, the Climate Summit in September. ECO won't rest until all 196 Parties to the Convention are on board.

Closing the gigatonne gap in Workstream 2

Further and greater emissions reductions between now and up until 2020 are needed if we want to keep the possibility of limiting global warming to below 1.5°C. That's why ECO is looking forward to the discussions in Workstream 2, and on renewable energies (RE) and energy efficiency (EE) today. In order to achieve a 100% renewable energy future with sustainable energy access for all by 2050, at the latest, we need to act now. Here are a few suggestions from ECO.

Let's continue the technical expert meetings in 2014 and beyond until we have closed the gap. We need to also structure them so that they can lead to concrete outcomes though. These meetings should focus on identifying best practice policies, existing barriers and needs. Results from the meetings should be summarised in policy menus that countries can use to indicate what they're already implementing, and which additional ones they could implement if the necessary support is provided by developed countries.

Existing institutions, like the TEC, CTCN, GCF, GEF and NAMA Registry, all need to be put to work, to scale up RE and EE. It is clear that Workstream 2 needs to prepare the COP decisions that will provide the necessary guidance, for example ensuring that the Green Climate Fund's mitigation window prioritises investments in RE and EE solutions in the pre-2020 period. This will require additional finance that has to be provided by developed countries in a predictable way. Workstream 2 should officially recognise those international initiatives that bring together pioneers to provide significant additional mitigation.

In the end, Workstream 2 is all about closing the gigatonne/mitigation/ambition gap. In reality, ECO believes that this is a leadership gap and we expect true leaders to step forward and propose ambitious new action to grow RE, improve EE and provide the necessary finance.

Missing: Substance on the 2013-15 Review

Up until now, the Joint Contact Group (JCG) on the 2013-2015 review has done an excellent job in its Structured Expert Dialogue (SED) in absorbing new and relevant scientific intelligence from the IPCC's Fifth Assessment Report. When it comes to drawing any conclusions from all of the science though, the JCG is still only discussing procedural issues, like timing of the next SED.

Yes, ECO wants SED sessions at all SB sessions for gathering information from sources other than AR5. SB42, though, should be restricted to JCG only so that it can concentrate on its assigned task: to review the adequacy of the long-term global goal and overall progress towards achieving it. The SB42 session should be reserved for text work in order to prepare decisions for Paris as input into the ADP and to the COP.

To help, ECO suggests that:

- Parties conduct a stocktaking in the JCG at COP20 to capture the relevance of the information gathered from the IPCC AR5 during the SED.
- The JCG sends a strong signal to Workstream 2 of the ADP that the overall progress towards achieving the long-term goal is "off track" and that urgent action under WS2 is required for taking us to a 1.5°C pathway.
- Parties discuss a process to communicate the results of the JCG's work and the new scientific intelligence collected during the SED sessions.
- The JCG urges the IPCC to urgently conduct more research on scenarios to reach a below 1.5°C target.

Assessing the Assessment-Phase Discussion

We all agree that we need an ambitious agreement in Paris that can avert the worst of climate change. But how will we know that we've got an ambitious agreement when we march through the Arc de Triomphe with the final text in hand? How will we know that the INDCs put forward by Parties will collectively be sufficient to rise to the challenge and that each Party's INDC will individually represent its fair share?

Easy - we assess them! And worry not, assess them we will!

ECO believes that, by Lima, Parties should agree both on the information to be included in the INDCs as well as on the assessment process before finalising them for the Paris deal.

In this light, ECO is surprised and confused to hear that the Like-Minded Group yesterday insist that Parties shouldn't agree on anything more than the elements of information for INDCs in Lima. In other words, that there would be no agreement on assessing or reviewing of the targets.

ECO is also equally surprised by Russia, who said there is no need for assessing the contributions, Australia who had already voiced the same sentiment during Sunday's ADP session, as well as Brazil who sees an assessment of targets before Paris as counter-productive. South Africa, who are still arguing for an efficient equity review (ECO thinks that this is great!), surprisingly advocated that the assessment should only start after Paris.

ECO strongly believes that these assessment of national contributions assessments should take place before Paris to increase ambition and avoid any lock-in of inadequate contributions.

In Lima, Parties must agree on a process to assess the adequacy and equitability of the contributions (hint: an *ex-ante* equity assessment maybe?). In that context, Parties will need to decide how and when to formally review and assess INDCs within the UNFCCC process, what to do in cases where contributions fall short, and how, where, and when to provide a space for civil society, think tanks, international organisations and other Parties to present their own equity reviews (hint: an in-session

workshop at the June 2015 Bonn session maybe?).

And since all good things come in sets of three, here's another hint for your discussions on the information needed: Parties must use them to communicate why they believe their INDCs represent an ambitious and adequate contribution to the global climate challenge and explain, informed by an agreed list of equity indicators, why this contribution is fair.

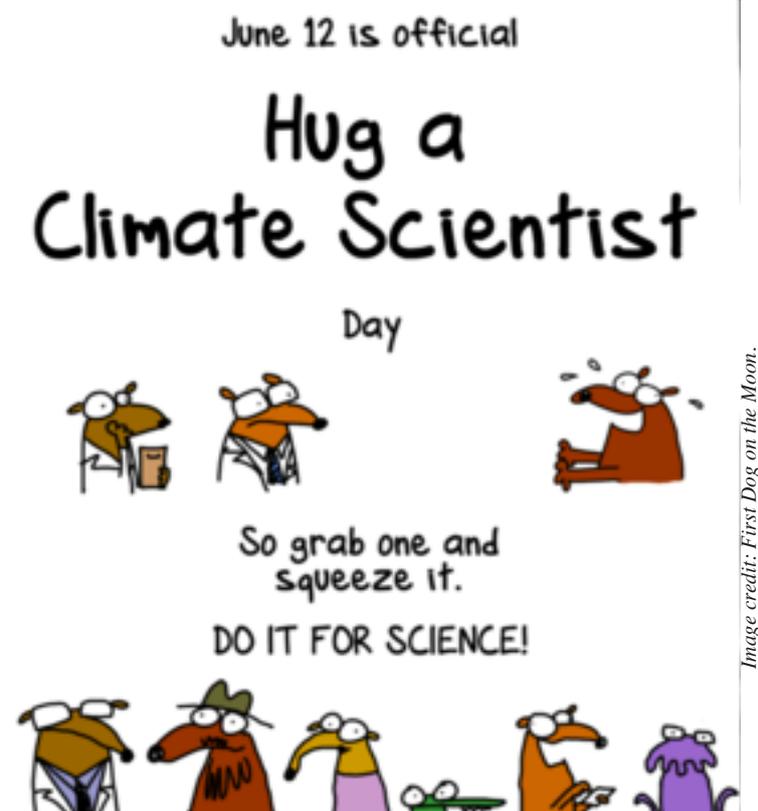


Image credit: First Dog on the Moon.

Putting climate finance needs in context

Full points for the moderators of the Long Term Climate Finance discussions yesterday for trying to inject some energy into the rather stale discussions of scaling up finance to meet the commitment of US\$100 billion by 2020. Their chosen format of “world café discussions” with participants encouraged people to circulate between the four small group discussions in Salon Beethoven.

ECO picked up some encouraging snippets from the conversation like “need for quantitative and qualitative aspects of pathways to \$100 billion”, “develop innovative sources like bunker finance and financial transaction taxes”, and “50% for adaptation is

important.” Clearly something has to change to get something concrete and useful out of this process. Perhaps changing the frame of reference might be helpful.

ECO has heard some countries lamenting about how difficult it was to provide public finance at the scale of tens or a hundred billion dollars per year. Put in the context of the scale of investments and financial flows in the larger economy, the financing required to address climate change is indeed quite modest and would be entirely manageable, if climate change was given the importance it deserved.

Some examples of scale of financial flows and investments in the global economy:

- \$1.8 quadrillion:** Amount of financial transactions in the UK in 2013.
- \$350 trillion:** Global urban infrastructure and usage expenditures in dwelling and transportation for the next three decades.
- \$100 trillion:** Estimated amount of global Assets under Management (AuM) in 2020 (in pension funds etc).
- \$63.4 trillion:** Global stock market capitalisation in the 58 largest stock exchanges in November 2013.
- \$30 trillion:** Global stock market capitalisation amount lost in 2008 and restored over the following 4 years.

Examples of scale of public finance investments:

- \$7.7 trillion:** Bloomberg’s estimate of bailout from Federal Reserve to rescue the US and global financial system during the 2008 financial crisis. Other estimates go as high as \$29 trillion.
- \$1.5 trillion:** Total global defence spending in 2014.
- €1 trillion:** Public revenue lost in the EU alone through tax avoidance, evasion and fraud.
- \$544 Billion:** Global fossil fuel subsidies in 2012.

Scale of Climate-related figures and investments required:

- \$125-145 trillion:** Estimate for the total annual global ecosystem services in 2011.
- \$5 trillion:** Amount of annual investments needing to be “greened” according to the WEF.
- \$700 billion:** Amount of annual new investments needed in low emissions technologies in global energy sector, according to IEA.
- \$400 billion:** Amount of those investments required in developing countries (rough estimate).
- \$100 billion:** Amount developed countries committed to “mobilise” by 2020, including public and private, through bilateral and multilateral channels.

CAN asks for Public Finance:

>\$100 billion:

Per year, amount of public finance needed by developing countries to meet adaptation needs and to contribute to mitigation efforts for staying below 2°C.

~\$100 billion:

Amount of public finance that should be provided per year to developing countries as part of meeting above \$100b commitment by developed countries.

\$25-100billion:

Amount of public finance that should be be channeled through the GCF by 2020.

\$15 billion:

Amount of public finance that needs to be pledged by November 2014 as part of the GCF initial resource mobilisation by 2014.



Saudi: “We are the 1%!”

ECO thinks that we might have witnessed the potential beginnings of a copyright infringement dispute yesterday in the ADP when Saudi Arabia appeared to be freely utilising the current Canadian government’s talking points on climate change. The Saudi delegate insisted that being responsible for only 1% of global emissions is an excuse for inaction on mitigation; a line of reasoning with which Canada’s Prime Minister Harper and his ministers have long tried to justify how their expansion of dirty tar sands isn’t reckless nor is Canada’s general failure to deliver on Kyoto or Copenhagen commitments: Canada isn’t excused from acting on climate change just because its fraction of the global emissions total is small.

In case you, Dear Reader, missed it, Saudi Arabia suggested that its “minuscule” contribution of a mere 1% to global GHG emissions justifies that it can limit its INDC to adaptation action while only the top 20 of the world’s emitters should focus on mitigation. To suggest that countries with “only” 1% of global emissions should get a free pass on mitigation doesn’t make sense on two fronts. It doesn’t fit with a long term need to completely phase-out fossil fuel emissions by 2050 and phase-in renewable energy access for all, and it also contradicts the very purpose of the ADP, tasked with

“ensuring the highest possible mitigation efforts by all Parties”.

If Parties would follow Saudi Arabia’s reasoning, 83% of Annex I countries would also not have to contribute to mitigation, since countries like the Netherlands (0.5%) or France (1.1%) contribute the same amount or less than Saudi Arabia (1.2%) to the global GHG total. Following a similar logic, only about 70% of global emissions would be covered by mitigation action as the 172 countries with emissions equally “minuscule” as Saudi Arabia’s or lower emit about 30% of the total (calculated by ECO using 2011 GHG Data from the CAIT 2.0 database).

Saudi Arabia, climate change requires “the widest possible cooperation by all countries”, and such ambitious action is only possible if everybody is pulling their weight. A country that has both the high capacity to act (like yours) and, as a fossil fuel extractor, a high level of responsibility for the climate problem (like yours) will need to contribute its fair share to mitigation. While there might be a degree of disagreement on how high exactly your fair contribution to mitigation would be, ECO is quite certain it’s more than nothing. Just saying.

It’s time to come clean: An open letter from ECO

Dear Chief Speech Writer,

Being a speech writer for one of the busiest people on earth is stressful, isn’t it? Don’t worry, ECO is here to help with some advice that you may want to consider in your draft speech for the Chinese leader in the upcoming Climate Summit. ECO recommends having “coal” as the key word in your writing. We’re aware of the recent regional coal caps introduced in China, intended to tackle air pollution. Your country is making impressive progress in deviating from the coal dependent path. Why not write about it? Even better, how about expanding existing coal caps to the entire country and announcing this decision in the speech? Not only would this help alleviate air pollution in China, it would also bring down emissions significantly. You recently wrote your Premier an impressive speech to declare “war on pollution”. We’re pacifists at ECO, but could definitely get behind those efforts.

You should consider reaffirming the intention to communicate China’s “intended nationally determined contributions” (INDC) for the 2015 climate deal by the first quarter of next year. Speech elements that touch on the scope and ambition level of the Chinese offer will certainly be welcomed.

Our final piece of advice is to elaborate on some of the upcoming climate policies. ECO encourages you to write about the climate change legislation that is currently in the pipeline. Some clarity on how the ETS will be developed after 2015 will also be helpful. And don’t forget to mention peaking – something ECO cares about dearly. Please do not let ECO down by saying China’s emissions would peak by as late as 2030. In light of the latest IPCC reports, another 15 years of emissions growth would be a climate disaster!

So good luck with drafting! No pressure, but you are compiling a speech that everyone around the world will be listening to carefully. Make sure you adopt elements from ECO’s suggestions. That will for sure earn your boss applause for his climate moment.

Yours,

ECO