

ECO



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Adaptation Finance: Final Stretch

0.1%

It is no surprise that finance has been pushed to what ECO hopes is actually the last day of COP22. Until last night, an agreement to give the Adaptation Fund a future life under the Paris Agreement had not been found. ECO is well aware of the question marks many developed countries have about whether (or how) the Adaptation Fund should serve the Paris Agreement. Well, that can be sorted. Just decide to work it out. When? Next year.

ECO finds it unwise to leave COP22 without a clear political decision that the Adaptation Fund will serve the Paris Agreement. This would be seen as a blow to the spirit of cooperation and solidarity, which were so eagerly celebrated with the announcement of the Marrakech Action Declaration. Also the Fund holds significant importance to many, given the successful delivery of adaptation support.

As if this wasn't enough for the final finance stretch of COP22, the long-term finance decision is also still in limbo. While developing countries are asking for increased adaptation finance, developed countries want to see their roadmap welcomed, even if that implies accepting their accounting methodology, which has considerable gaps. The delivery of the roadmap could be recognised as a contribution to enhance transparency in how developed countries intend to meet their US\$100 billion goal.

That is, if Parties settle on wording that does not prejudge the outcome on the accounting modalities. Such recognition should conclude that planned increases in adaptation finance are obviously welcome, though balance between mitigation and adaptation finance have yet to be achieved. Developed countries must enhance their efforts to achieve that balance. Job done. What are you waiting for?

This week, ECO saw some developed countries and regions finally making pledges to the Adaptation Fund. This unique instrument has served an important niche function in the landscape of financing for climate adaptation efforts in vulnerable countries. In the context of some Parties hemming and hawing about whether the Adaptation Fund should be continued, these pledges confirm what ECO and others have known all along: the Adaptation Fund is relevant and necessary. So ECO extends kudos to Germany, Sweden, Italy, and the Walloon and Flemish Regions of Belgium.

While cheering the \$80 million committed to the Adaptation Fund this week—reaching the Fund's fundraising goal for COP22—it's important not to lose track of the broader perspective. There is a growing gap between pledged adaptation finance and science-based estimates of adaptation finance needs. The recent United Nations Environmental Program Adaptation Finance Gap Report estimates that \$56-73 billion are needed for adaptation in developing countries annually now, rising to \$140-300 billion in just 13 years.

ECO reminds Parties here on the last day of the "Africa COP" that current pledges to the Adaptation Fund—although most welcome—will contribute to plugging a mere 0.1% of the adaptation finance gap. ECO urges developed country Parties to mind this gap by stepping up with pledges closer to the scale of the problem when planning future budgets for adaptation support.

Short-Term Targets Have a Gas Problem

As the UNFCCC at last starts to focus more closely on short-term targets, there is a certain invisible and odourless greenhouse gas that no one is taking quite seriously enough: methane.

We aren't just talking about cow farts here. The massive gas infrastructure that is springing up as the world goes fracking crazy is not only undermining the communities that live above their subterranean explosions, but also the world's ability to meet any short-term climate goals.

A 2013 study shows that methane is 86 times more potent than CO₂ over a 20-year timeframe. Well, in 20 years we'll be well past UNFCCC short-term targets of 2020, 2025 and almost to 2035. Bewilderingly, many governments are still using the old numbers from the IPCC's 4th Report from 2007 that looks at methane on a 100-year timeframe - meaning they are calculating methane as only 25 times more potent than CO₂. If we are talking about short-term targets, we need to be looking at short-term Global Warming Potentials (GWP) too.

By that math, fracked gas has a short-term climatic impact almost 3 times greater than that of coal! Time to scrap all those new gas pipelines, LNG terminals, and fracking rigs and start a real transition to renewables.

As the world approaches dangerous tipping points, we need to be careful about getting locked into a methane sucker-punch. Hey EU, with your proposed 77 gas infrastructure projects of "Common Interest," we're looking at you!

The Great COP24 Swap

Hosting negotiators in Bonn in 2017 is a creative solution to facilitate Fiji's COP23 Presidency. ECO is very much looking forward to the leadership it knows Fiji will bring to this role. While reduced capacity in Bonn might prove challenging, we trust that logistical hurdles will be leaped to ensure that civil society participation is not a casualty of the workaround.

Looking ahead, we see that an Eastern European country is scheduled to take over as President for COP24. Indeed, Poland, having hosted in Warsaw in 2013 and Poznań in 2008, has expressed interest in putting recent COP experience to use in 2018.

ECO notes that this would mean 4 of 6 COPs between 2013 and 2018 being hosted in Europe. We anticipate huge political momentum for increasing Paris Agreement ambition at the 2018 Facilitative Dialogue. Regional swaps have occurred for past COPs. COP24 might be the right moment for a country outside of Europe to take the Presidency and showcase its leadership abilities.

Where's All the Finance Gone? Straight to Fossil Fuels

In Marrakech, adaptation finance has remained a sticking point between Parties. When it comes to adaptation finance, wealthier countries have continued their common refrain: “There’s just not enough public money”; “Our cupboards are bare”; “It’s complicated”. The Africa Adaptation Initiative has yet to find any developed country willing to support it, a state of affairs made even sadder by the fact that Marrakech is an African COP

According to Parties’ own biennial reporting, G7 governments plus Australia are providing roughly \$3.4 billion per year in public finance for adaptation activities in developing countries. In contrast, these same governments are providing nearly \$67 billion per year in subsidies and public finance to support oil, gas, and coal production, both domestically and abroad.

Yes, you read that right – the G7 plus Australia are giving nearly 20 TIMES as much public money to fossil fuel companies as they are to support adaptation in developing countries. ECO wonders why are these countries are buying more flamethrowers when the world is already burning.

This hypocrisy is not going unnoticed at COP – see Japan’s Fossil of the Day for its high levels of fossil fuel finance. As indicated in the UNEP Adaptation Finance Gap report, there’s no shortage of need for investment in climate-resilient, low-emission infrastructure. If governments want to be seen by their peers as taking the Paris Agreement seriously, they need to stop funding fossils and start funding climate solutions.

On the positive side, this means that as governments continue to line up with the Paris Agreement, shifting money away from fossil fuels and aligning financial flows with low-emission development, tens of billions of dollars in public money will be freed up and will need a new home.

Full Steam Ahead on Loss and Damage Finance in 2017

Delegates, ECO can’t help but notice that you’ve had a somewhat relaxed COP. It almost seemed like you were skating on the wins in the Paris Agreement, and using that excuse not to move too far ahead here in Marrakech. Luckily, you’ve got the opportunity to do some deep thinking over the holiday break about how to move loss and damage finance forward in a decisive fashion—with the deadline for submissions coming up on 27 February. Let’s smash that “placeholder” with a clear set of tasks, timelines and outcomes for the mandated strategic priority of loss and damage finance, as well as the other key elements of the 5-year work plan.

One strategic outcome that you will no doubt want to include in your submissions is the goal of increasing financing over and above adaptation finance for those most vulnerable to climate change, from a nice predictable source. Say, from the fossil fuel and aviation industries that have helped get us into the climate mess that we’re in? That’s something for you to think about over the “break”.

A Questionable Inheritance

Commitments made at this COP greatly impact youths. Elements such as the \$100 billion Roadmap, the mid-century goals set out by Parties and the ambition targets that will influence development pathways for the future mean it will be up to young people to implement the outcomes of current negotiations, ensure proposed funding pledges are met and the CMA will be a constructive forum.

The young people of ENGO, YOUNGO and all non-governmental organisations have been pushing our country delegations on a few key agenda items that have not yet been realised:

First and foremost, to ensure that mitigation targets are met, Parties must not forget the “well below” in front of the 2 degrees target. Throughout the week, youth delegates have been pushing for as many countries as possible to be ambitious and aim for 1.5 degrees in their Nationally Determined Contributions.

The Adaptation Fund discussion is equally critical: a push for the fund to serve the Paris Agreement in a transparent and measurable way will enable those of us who are inheriting the established mechanisms to properly implement equitable solutions. Upscaling the fund is going to be vital to protecting livelihoods and development pathways that will empower future generations.

The youths of ECO hope that the COP22 outcomes will begin to resolve these issues. We urge delegates to promote ambitious NDCs and guarantee adaptation financing so that our future can be secured.

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Fossil of the Day



The first Fossil of the Day award goes to...take a deep breath...Turkey, Russia, Australia, New Zealand, France, Japan and Indonesia for duplicity at the UN climate negotiations. While representatives from climate vulnerable countries, cities, businesses, and civil society organisations are fighting to keep dirty fossil fuels in the ground, as well as preventing the

expansion of polluting airports (hat-tip to France), these countries still aim to increase their domestic fossil fuel extraction. By doing so, they are quite literally drilling under everyone’s efforts to keep global warming below the critical threshold of 1.5°C. These countries helped forge the Paris Agreement which is now in force, committing them to halt climate change, so they really need to get the left hand and the right hand talking to each other. Put your money where your mouth is, please!

The second Fossil of the Day award goes to Japan for its dodgy stance on coal. Japan has a crazy number (48!) of new coal power projects in the pipeline and is funding a massive 10 GW worth of new coal in Indonesia. On a near-daily basis Indonesian locals have been protesting against proposed coal operations in the Cirebon region, concerned about the impact on public health and water supplies. Unfortunately, the Japanese government and the Japan Bank for International Cooperation have been blind to these protests. Time to wake up and smell the smog, Japan!

The third Fossil of the Day award goes to Russia for promoting nuclear power as a feasible solution to climate change. We all know that this outdated and risky technology is too slow and expensive to contribute to climate efforts - and if deployed will steal away resources needed to develop renewables. Not to mention the fact that nuclear is not even a zero-emissions technology - it produces massive amounts of greenhouse gases during the uranium enrichment. Then, of course, there is the question of safety. The Russian government really needs to take a look at the long-term, widespread consequences of the Fukushima and Chernobyl catastrophes.