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A Busy Agenda For the New "Climate Queen"

ECO wants to provide a hearty welcome to Ambassador Patricia Espinosa to replace everyone's favourite Tica.

The incoming UNFCCC head as a highly respected diplomat, who thoroughly knows the climate issue and appreciates how fundamental trust and an inclusive approach are for progress. However, diplomacy is not enough. We need ambition, equity and means of implementation. And we need them fast!

The 2018 facilitative dialogue is the ideal moment for countries to bring their NDCs in line with the 1.5°C goal of the Paris Agreement. Espinosa can champion early ratification and early entry into force. But she will mindfully ensure that finance pledges made by wealthy nations must be adequate to fund mitigation and adaptation actions in developing countries. She'll need to help build the critical review and reporting system on whether countries are meeting their commitments. And she'll be dealing with some tough customers national industries and private companies pushing back against the

rapid low-carbon transition that we so urgently need.

The role of non-state actors in implementing the Agreement—especially indigenous peoples, NGOs, cities and the private sector—will be essential. Espinosa must commit to continue making the UNFCCC more inclusive and participatory.

The Mexican government and national NGOs alike are delighted with the news of Espinosa's nomination. ECO welcomes the opportunity for the Mexican government to open the door even wider to national NGO participation. NGOs should be allowed to bring onboard their skills and expertise to support the revision of the Mexican NDC and spur its rapid implementation.

ECO wishes Ambassador Espinosa all the best. We have high hopes of being able to toast the early entry into force of the Paris Agreement as well as a successful 2018 facilitative dialogue with some of Mexico's finest tequila. ¡Salud!

Say goodbye in style: A Grand Farewell for HFC's

Speed is vital when it comes to climate protection. Immediate action to cut HFCs could contribute much to keep the global temperature rise to under 1.5°C. Enacting a global phase-down of HFCs could yield up to 100 billion tonnes of emissions reductions by mid-century, and up to 200 billion tonnes if we make a parallel effort to improve the efficiency of the appliances using HFCs as refrigerants. Around the world, the vision for a future without HFCs is becoming a reality as governments move ahead with plans to phase down production and consumption under the Montreal Protocol.

ECO has some recommendations to MOP negotiators to ensure a fabulous going away party for HFCs this year:

- **Fix a time and date:** We need a swift global agreement to address the consumption and production of HFCs. An extraordinary MOP is scheduled in Vienna (22-23 July) to finalise the HFC agreement, where Parties should seal the deal.
- **Set a party theme or mood:** ECO suggests the theme "high ambition" for this gathering. Each guest has to come with the highest ambition. The resumed 37th and 38th OEWG meetings in Vienna

just before the extraordinary MOP is the perfect place to lay the groundwork and prepare for the party.

- Ensure supplies: Developed nations are obliged to contribute to financing the transitions of developing nations and to assist with technology transfer. Current proposals to phase down HFCs under the MOP follow this successful pattern.
- Consider making the party a potluck: Under its Multilateral Fund (MLF) the Montreal Protocol supports developing nations through finance and technology transfer. Developed countries should bring additional MLF funding to the party to make it a success, as the Nordic Leaders and the U.S. just announced they would.
- Recruit helpers: Since you are expecting a large crowd to say goodbye to HFCs, it is key to continue supporting your network of ozone officers to implement the phase-down schedules at national level.

ECO urges all Parties to support an ambitious HFC phase-down to make negotiations under the Montreal Protocol a great farewell party for HFCs. (Rain date: October in Kigali, Rwanda at the regular MOP.)

Confused on Conflicts (Of Interest)

ECO is confused. In last Wednesday's SBI contact group on Arrangement for Intergovernmental Meetings (AIM), a number of Parties and civil society representatives raised concerns. While they recognise the importance of enhancing participation by observer organisations, they are concerned about the potential conflicts of interest that may arise when the UNFCCC engages with observers with a commercial interest. Parties requested that rules on conflicts of interest be established to protect the integrity of the UNFCCC.

Attempting to meet Parties' concerns on Thursday, the Secretariat set out the rules in place for both the observer admission process and the UNFCCC's engagement with the private sector (respectively UNFCCC Rules of Procedure and the UN Guidelines on Cooperation between the United Nations and the Business Sector). But, here's the tension: neither address conflicts of interest.

So, how is the UNFCCC identifying and addressing conflicts of interest of potential observers? Now you see why we're confused.

But we're also worried. The Paris Agreement swings the door

wide open to non-state actors, including the private sector, to enhance climate action and engage in the policymaking process. While the objectives of the UNFCCC are to protect people and the planet from the effects of climate change, and therefore act for the common good, the private sector's objectives are first and foremost to maximise profits. Entities with conflicting interests engaging in the policymaking process could create numerous conflicts that the UNFCCC currently has no process in place to address.

For example, when an observer organisation representing the commercial interests of its private sector members is able to use its access to slow, derail or direct the outcomes of negotiations toward the interests of its members, that is a conflict of interest. And if Parties and the UNFCCC want real and timely solutions to climate change, this must be rectified.

Given the new and unprecedented level of private sector engagement, ECO urges Parties and the UNFCCC to protect the integrity and legitimacy of the UNFCCC, its Parties, and its outcomes by developing a due diligence process to safeguard against conflicts of interest.

Loss & Damage: When Insurance Isn't Enough

The world's poorest and most vulnerable nations--who have done the least to cause climate change--are already mobilising resources to cope with the brunt of climate-related harm. When these countries call for finance to address loss and damage, it's just another reminder that the burden has to be shared much more fairly. It should be paid for by the historical and big polluters - both corporations and states. However, some seem to lack an understanding of what we need L&D finance for.

Climate risk insurance, which allows vulnerable nations and people to transfer risk to bodies with more stable financial bases, is only one aspect of the L&D response. Financial commitments to these risk insurance pools are certainly welcome, but onetime donations are not enough. Developed countries can and must do more to support insurance schemes. They can't be used as a way of shifting the responsibility and cost from polluters to the vulnerable. Contributions must be sustained, predictable, support the premiums of those who cannot afford them, and increase steadily as climate damage intensifies.

Insurance is not the be-all and end-all of an effective L&D response. By definition, non-economic losses and damages, like loss of life, culture and livelihoods, not to mention land, cannot easily be compensated by payouts. Insurance schemes can't help those without much property to insure. Re-member, it's just a start.

Vulnerable nations require a source of new and additional L&D funding that can be used for responses to slow-onset disasters, such as the relocation costs that will inevitably accompany sea level rise and desertification. Funds are also needed to provide social protection as well as post-disaster support to the world's poorest and most vulnerable, regardless of whether their national government has purchased insurance.

It's also essential that funds for L&D response not simply be diverted from other important and un-derfunded needs, such as adaptation. In addition to budgetary provisions, many compelling finan-cial mechanisms have been suggested, including levies on international air travel, bunker fuels, carbon emissions and fossil fuel extraction. It is crucial to look closely at L&D finance needs and to proactively set out a course for funding this year. This should start with the SCF [including] [recognising] loss and damage in its definition of climate finance.

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