

# ECO

## THE OUTSIDE LOOKING IN ISSUE

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## Trick or Treat

Is this the summit where world leaders with a ghoulish climate record show up disguised as climate champions? But ECO also looks forward to hearing from some real champions:

In fact, in Scotland it was customary at Halloween to not get 'treats' for simply showing up in costume, one had to actually perform (songs). Please pay some respect to the local culture and deliver.

Many, in particular, rich nations and big emitters see the need for Loss and Damage finance as clearly as on a foggy Glasgow Halloween night without a lantern. So let ECO shine some light: COP26 must respond to climate-induced losses and damages across the world and deliver political recognition of the need for additional financial resources for this. Globally, we have entered the era of Loss and Damage. For ECO this will be the litmus test for COP26. Not responding to the realities of financing needs for Loss and Damage means failure.

Next, if you really want to frighten people this Halloween season, show them the newest IPCC Assessment Report. The UN Secretary-General rightly calls it "code red for humanity". However, the G20, the biggest neighbours on the block, have not given much candy. They are promising good things but are capable of so much more. At the least, COP26 can and must build on their

commitment to keep 1.5 within reach.

At this COP, developed countries especially must recognise the crucial necessity of the 1.5°C target and commit to implementation and closing the glaring and scary 2030 emissions gap. Even those large emitters who have submitted new targets will need to revisit their 2030 goals. If, as a rich developed country, you believe that a 50% emission reduction by 2030 is doing your fair share, you are merely tricking yourself and not treating the climate crisis seriously.

Taking 1.5 seriously means closing the gaps on climate finance and mitigation and establishing an annual ambition raising platform, supported by yearly synthesis reports to keep track of your (lack of) progress. The 2023 Global Stocktake awaits to test your commitments, uncover any fudges and measure the progress countries are actually making.

Historically, Halloween has been all about warding off ghosts of the dead who still walk among us, which makes ECO think of... fossil fuels. In your COP Decision, delegates must ward off coal and other dirty energy sources of the past, bringing us on track for 1.5°C. In considering the new finance goal at pre-COP and other occasions, ECO was glad to hear many delegates highlighting the need to start talking about Article 2.1(c) – aka financial flows aka stopping all finance

to ghoulish fossil fuels. It is time for COP26 to cast out some demons.

Parties might also be haunted by the unfulfilled US\$100 billion promise to be delivered within a decade. Here we are 12 years later and the commitment has still not been achieved. ECO sees a clear answer to this challenge: developed countries must compensate for past shortfalls and clearly show how they will significantly increase the share of climate finance provided as grants, as well as increase the share of adaptation finance to reach 50% of all climate finance.

While ECO is on the topic of unfulfilled business from the past haunting the present, naturally some outstanding rulebook items come to mind; 5-year common timeframes and flexible but common reporting tables are critical negotiation outcomes that must finally be delivered.

Finally, what is truly scary is the prospect of double counting under Article 6, which is why all transfers must have corresponding adjustments and no carryover of Kyoto Protocol credits. Now is not the time to repeat the horrors of the CDM. Failure to uphold the environmental and ecosystems integrity mandated by the Paris Agreement would truly haunt you for decades to come! Now is not the time for tricks. On Article 6, no deal is better than a bad deal.

# COP26 Must Deliver on Loss and Damage Finance

Now at 1.2 degree Celsius of warming above pre-industrial levels, climate change is already causing havoc in countries around the world. UN Secretary-General Antonio Guterres declared the latest IPCC Climate Report a 'Code Red for Humanity', highlighting already overstretched and limited coping capacities.

Loss and Damage – the impacts of climate change that were not averted or minimised through adaptation and mitigation activities – is already a lived reality for people around the world, violating their human rights and displacing more than 30 million people in 2020 alone. Poor and vulnerable countries and communities are least responsible for climate change but are already facing the majority of its negative impacts.

The projected economic cost of loss and damage by 2030 is estimated to be between US\$ 290 and 580 billion annually in developing countries alone. Scaled up new and additional finance at a level commensurate with the need is therefore essential for vulnerable countries and communities to recover from the climate impacts they are already facing and to rebuild their livelihoods and economies. While finance for averting and minimising Loss and Damage has been mobilised in the form of finance for mitigation and adaptation, finance for **addressing** Loss and Damage remains lacking, apart from highly insufficient humanitarian aid.

Together with more than 300 civil society

organisations, CAN is demanding COP26 to urgently deliver on Loss and Damage finance by taking the following actions:

1. Decide at COP26 to provide sufficient and needs-based Loss and Damage finance, in addition to the \$100bn per year committed for mitigation and adaptation and on the basis of equity, historical responsibility and global solidarity, applying the polluter pays principle. Loss and Damage finance should also be included in the post-2025 climate finance target.
2. Establish a process to identify the scale of funding needed to address Loss and Damage as well as suitable mechanisms to deliver the finance to developing countries. The outcome must be presented at COP27 in order to start delivering Loss and Damage finance.
3. Support developing countries in enabling national level systems to distribute Loss and Damage finance. This is necessary to ensure country ownership, gender responsiveness and self-determination over how finance is used, so it reaches the populations that are most vulnerable and in need. Full operationalisation of the Santiago Network for Loss and Damage could facilitate this process.

These demands were sent to the COP26 President Alok Sharma and world leaders in an open letter, demanding that COP26 urgently commit to deliver finance on Loss and Damage.

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## The COP26 Presidency Risks its Credibility on its Commitment to Ensure an Inclusive COP

Over the past few months, the COP president, Minister Sharma, recognised that a fully inclusive conference was a prerequisite for success, and committed repeatedly to ensuring that COP26 would be the most inclusive COP ever organised. ECO emphatically agrees.

The presence of civil society and Indigenous Peoples in the negotiations is essential for the legitimacy of the outcomes adopted at the COP. Public scrutiny is also critical to challenge the status quo and help Parties achieve more ambitious outcomes. Given the massive gaps in ambition acknowledged ahead of COP26, it is clear that this positive pressure will be needed more than ever if this COP is to make any real progress.

Yet, without any prior notice, civil society and Indigenous Peoples delegates learned on the first day of the COP that unprecedented restrictions will severely restrict observers' access to the negotiating rooms. During

the high level segment, civil society was almost entirely barred from accessing the plenary hall, being relegated to cafes and hallways. This left many wondering whether it would be worthwhile to come to the conference center at all over the coming days.

Observers were even unable to access a workshop on...wait for it...transparency -- despite earlier reassurances that virtual participation would be guaranteed. After two years without any in-person meetings and before it has even properly begun, the COP is already threatening to turn into a parody of a UN process.

While the final plenary last night saw the (temporary?) lifting of the ticketing system, the access rules as currently configured still threaten the inclusiveness and transparency of this COP -- and thus risks the legitimacy of any negotiated outcomes.

# Enough is Enough: 12 Years of Failure

Since 2009, rich nations have over and over again promised to deliver US\$100 billion per year by 2020. Yet over and over again, they have kept on failing. 12 years ago, the same year The Black Eyed Peas released I Gotta Feeling, these wealthy nations set expectations and they failed. This is not someone else's promise. This is their own promise. Developed countries love the world to acknowledge their efforts. They seek praise when they come to the venue. And every little thing they do, they just love to make a show of it. But you know what? They are not The Black Eyed Peas.

The song that developed countries have tried to get us to sing lacks tuning, rhythm and I got a feeling everyone but them is just tired of listening to it. Just last week, the Climate Finance Delivery Plan published by Canada and Germany showed that yet again governments have failed and will not achieve the \$100bn goal until 2023, which actually means that we will only know in 2025 if their projection becomes reality. Not a word on adaptation. Nothing on loss and damage.

If developed countries want to make this the COP of enhanced action they first need to prove they know that global action only happens if all countries can participate. The NDC Synthesis report is clear that developing countries can do much more with enhanced access to greater levels of climate finance -- ECO believes that trillions are needed. Delivering on the billions is no longer sufficient to tackle climate change and the \$100bn Climate Finance Delivery Plan was obsolete before COP26 even started. Time to

change the song!

That said, there still could be good news. COP26 is where the first formal discussions on a new collective climate finance goal will take place. Whilst the focus of these discussions will be on agreeing a process for setting the new goal, all countries must use this as an opportunity to learn from the lessons of pre-2020 climate finance. COP26 will see discussions take place on finance in as many as 17 agenda items, including the Adaptation Fund, transparency of reporting on climate finance flows (Common Tabular Formats and Article 9.5), as well as a Review of the Financial Mechanism that serves the UNFCCC.

For two years, the COP Presidencies have engaged countries in discussions on climate finance. If the new global climate finance goal is anything less than aligned with the needs of developing countries and the latest available science, then developed countries will have let entire communities down, especially communities that have historically not contributed to the climate crisis, yet are experiencing the worst aspects of it.

Countries must ensure an actual balance between mitigation and adaptation finance **plus** provide finance to address loss and damage, all of this must be gender-responsive, come from new and additional sources, and take the form of non-debt generating instruments, namely grants. The next two weeks must culminate in all countries agreeing on how new and additional finance will be provided to start achieving the trillions!

## Hunger Strikers Have a Message for President Biden

On the morning of October 20, five young people began a hunger strike outside the White House to demand that President Biden deliver on his commitment, made in the US NDC, to reduce emissions 50-52% by 2021. Despite health challenges, the hunger strike continues on to its 13th day for four of the youth. The strike follows a week during which thousands of Indigenous leaders, faith and racial justice leaders, and climate advocates peacefully marched the streets of Washington, D.C., to protest Biden's loyalty to fossil fuels over people.

ECO brings a message from the peaceful protesters and hunger strikers for President Biden as the leaders' summit begins - We have to do as much as possible, as quickly as possible, now!

### **Meet the Hunger Strikers**

Kidas is 26 years old from Dallas, Texas and is fighting for everyone who died during the Texas freeze

earlier this year. Julia, 24, is also from Texas, and says, "We have abused mother-nature for too long, our communities are hurting. I do not want this earth to die the way I already see my neighbourhoods suffer every day." Abby, 20, is from Pennsylvania, and last week bravely confronted US Senator Joe Manchin from West Virginia, who receives income from the coal industry and whose state is a top coal and dirty gas producer. Sen. Manchin is stalling the Build Back Better legislation in the US with key climate provisions. He had the audacity to claim that the US has done more than any other country on climate. Abby told him he was wrong and the US needed to meet its commitment, which will be difficult to do without congressional action. Ema from California is 18 years old and says she is striking because "paid-off politicians are refusing to take my generation seriously, despite wildfires spreading and our homes burning."

# Brazil and Article 6: The Truth is Out There

The Brazilian delegation has offered to help clear up some confusion about its Article 6 positions. The delegation has noted that some negotiators and observers of limited imagination have had difficulty understanding how a country with an economy-wide emissions reduction target in its NDC could also have emissions reductions "outside its NDC".

The Brazilian Head of Delegation admits that the concept can't be easily explained or understood. However, the delegation and certain parts of Brazil's government and economy are totally committed to the concept, especially because of its usefulness in justifying exemptions from inconvenient "corresponding adjustments" or CAs. While some argue that CAs are necessary to avoid double counting of emissions reductions and to make sure carbon accounting corresponds to how much carbon humans emit to the atmosphere, Brazil would like us to believe that nothing could be further from the truth.

The Head of Delegation has been insisting that Brazil is ready to be flexible in reaching agreement on Article 6 at COP26. He notes that Brazil has already shown considerable flexibility, including conceptual flexibility that challenges traditional and outdated notions of emissions accounting that hold that there is nothing "out there" beyond economy-wide targets in terms of emissions and emissions reductions. The Brazilian delegation is optimistic that with a greater effort to communicate clearly, they can overcome the failures of its previous attempts to generate support for this admittedly difficult and mind-bending concept.

The delegation has thus enlisted the support of leading Brazilian climate change experts and spokespeople to help explain this concept.

## **President of a Brazilian pulp and paper company, Engineer.**

"Every year we plant billions and billions of tender young eucalyptus seedlings, who suck millions of tonnes of CO2 from the atmosphere in their short lifetimes before being cut down and

ground into fibers for paper, like what this ECO newsletter is printed on. What?! You are not allowed to distribute printed copies? That's terrible!! But in any case, our trees are heroically saving the world from climate change and we can't sell emissions credits to ensure our efforts are properly compensated. The government says that if we had to apply corresponding adjustments we would be allowing the private sector to profit while transferring responsibility for meeting Brazil's targets to the government. I don't see any problem with that. But I realise we need a plausible explanation for why profiting from carbon credits from BAU tree plantations at an industrial scale is good for Brazilians.

So here goes: As an engineer I had to study a lot of complex mathematics, including linear algebra that allowed for an infinity of dimensions, beyond the usual 3 or 4 that ordinary people are familiar with, and that Brazil's emissions inventory is based on. So I would propose that the emissions reductions we want to claim outside Brazil's NDC and inventory exist in those higher mathematical dimensions, which can be accurately measured and quantified even though we are not 100% sure they actually exist.

## **Member of Brazilian congressional farm and rancher lobby, Politician.**

"It is entirely natural for politicians like me to imagine an accounting system that is supposed to include everything, but allows for a parallel accounting system outside of it. Every election, political candidates all around the world have to submit their reports on their campaign spending and swear that they are complete and exhaustive. But of course we have our parallel system of accounting, where we have sources of funding and expenses that aren't recognised by the accounting systems imposed by governments and bureaucracies. What kind of an idiot would restrict themselves to only one system of accounting? Losers, that's who! If Brazil wants to be a winner, we have to think outside the box, and beyond the emissions inventories imposed by the globalist UN rules."

## Will COP26 succeed or will it go the Australian way?

Like cramming the night before a big exam, the Australian Prime Minister Scott Morrison has rushed out a last-minute net zero plan five days before this conference with no new policy and no accountability.

This so-called plan is what Mr. Morrison proudly calls the 'Australian way'. But anyone who has been to the last 25 COPs knows the Australian way is to block, destroy and delay negotiations and undermine global ambition.

Australia's current plan has net zero ambition and will have net zero impact.

Instead the world can expect ever-growing coal and gas mining - maintaining Australia's position as the third largest exporter of fossil fuels behind Russia and Saudi Arabia.

The success of these critical negotiations depends on climate laggards like Australia putting aside their tricks and committing to real action.

Australia is yet to commit to halving emissions this decade (as most other developed countries have done), has refused to sign up to the Global Methane Pledge, refuses to re-join the Green Climate Fund and has resisted calls to phase out coal power.

In fact, Australia has opened three new coalmines in the last month and there are at least 20 new coal projects and three new gas basins in the pipeline.

Despite last week's announcement, Australia still ranks dead last when it comes to climate action among developed countries.

Australia is one of the sunniest and windiest countries in the world. It's time for Australia to become part of the solution and become a global renewables superpower. Australian citizens urge world negotiators to ramp up pressure on the Australian Government to increase its ambition.

It's time for a new 'Australian way'!