

ECO

THE LOSS AND DAMAGE ISSUE

eco@climateactionnetwork.org • www.climatenetwork.org/eco-newsletter • November 8, 2021

ECO has been published by Non-Governmental Environmental Groups at most international conferences since the Stockholm Environment Conference in 1972. ECO is produced cooperatively by the Climate Action Network at the UNFCCC meetings in Glasgow, Scotland during the November COP 26 meetings.

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Will Finance Flow?

Would you come to COP without your badge? Would you leave your house without your keys? Or your mask? These are things that you do automatically, because they are required and necessary, and doing them should be part of your muscle memory, without thinking too much. The same applies for keeping 1.5°C within reach. You can't do it without adequate resources, without it, you will fail. Logical, isn't it? But so far, ECO is not convinced that this has been understood. Will we leave Glasgow without a clear sign that finance will flow?

You don't really need to think much to understand finance is the key, and without a Glasgow package that puts solidarity and prosperity -- and the necessary resources -- at its heart, we won't be able to have a successful outcome.

So, ECO wants to be clear. For this COP to have any kind of political relevance, the only way forward is a cover decision that recognizes and pushes to overcome, with firm commitments, the inadequacies of current finance provision, so as to adequately support adaptation finance, mitigation finance and loss and damage finance. Too much money is being wasted on subsidizing the dirty fossil fuels industry. Too little is being mobilized for delivery to where it matters most. The priorities are

currently set all wrong. Oh boy, ECO wants to change that.

Those rich countries (like the US) who talk, talk, talk...about the trillions announced to be supposedly shifted to climate-compatibility by the private sector, and who keep asking the UK for these trillions to be recognized in Glasgow's main cover decision, are the same ones who shamefully under-deliver on their own public climate finance pledges.

So, here is some simple advice for the UK Presidency and rich developed nations:

1. Be clear; acknowledge the shortfalls on the US\$100 billion delivery; commit to 50% adaptation finance; do an annual review of progress and increase access to new and additional funds, in particular by providing predictable funding to UNFCCC funds, like the Green Climate Fund, the Adaptation Fund and the Least Developed Countries Fund.
2. The decision on finance must not just focus on the different processes for the Post-2025 new collective finance goal and for Long-term Finance. Processes are useless without a clear intention on what they need to deliver. We need process, and intent to fill financing gaps.
3. The cover decision must recognize that

we have ignored and deprioritized both adaptation and adaptation finance. It's time to get our act together and agree on a Global Goal on Adaptation.

4. The cover decision must also acknowledge how painful it is to live in a world with too many losses and damages inflicted by the climate crisis. So far, one rich nation has committed to provide loss and damage finance. Thank you, Scotland, for showing the UK and the rest of the world how to lead. The cover decision must acknowledge that loss and damage finance needs to start flowing and encourage all rich countries to follow Scotland's lead.

5. Finally, oh finally! It would be so weak, so low, so wrong, to ignore the LDC's and CVF's calls to tackle the energy transition and commit to ending finance for fossil fuels.

There you have it, the key for this COP to be a success lies in properly addressing the finance gaps. Not in isolation. You can't tackle the \$100b without tackling the post-2025 finance goal -- it's all the same thing. Keeping 1.5°C within reach requires urgently scaling up support for the right reasons. When it comes to finance, we should all embrace Aristotle's insight - that the whole is greater than the sum of its parts.

Cover(up) Decisions Or Breakthroughs?

On Sunday, the Presidency released a first draft of the proposed elements for the Cover Decision to be adopted at the end of the week. These decisions will provide the main political signal coming out of Glasgow and will therefore be essential in assessing whether the COP ends with a vision or a cover-up. This COP had a very clear mandate to take stock of the ambition gaps and deliver a credible pathway to address them. Ahead of the intensive consultations scheduled this week; ECO is pleased to share the following checklist of critical elements for these decisions:

Science as the starting point: A credible COP outcome requires taking the science seriously, particularly as the IPCC is delivering its Sixth Assessment Report.

- Deletion of the reckless, scientifically discredited and outdated reference to 2°C
- Reference to the importance of cumulative emissions are what counts to keeping warming below 1.5°C
- Recognition of the essential role of ecosystem protection and restoration in achieving a 1.5°C pathway alongside, not instead of, rapid fossil fuel phase-out.

Most striking missing element: Fossil Fuels - Coal, gas and oil are the elephant in the room, and must finally be acknowledged; Parties cannot deliver the requisite ambition without ending production and support for fossil fuels.

- Acknowledgement of the May 2021 IEA Net Zero report
- Reference to the end of fossil fuel subsidies
- Commitment to ending public and private finance for fossil fuels
- Commitment to coal, oil and gas phase-out and managed decline in line with science and equity
- Explicit reference to methane in the context of non-CO2 gases

Action-oriented short term pathway: Taking the mitigation ambition gap seriously requires a credible pathway to ratchet up ambition in the next couple of years - not merely every five years - building on and complementing the NDCs' cycles.

- Strengthened language on the need to raise ambition annually until the mitigation gap is filled
- Commitment to revise NDCs to be in line with 1.5°C

Credible Long Term Strategies: Countries must commit to actions aimed at achieving real zero and positive co-benefits for people and planet and reject reliance on offsets and illusory, future techno-fixes.

- Reference to the IPCC 1.5°C report and focus on sustainability and co-benefits
- Commitment to real zero - zeroing out fossil fuel emissions and deforestation - instead of references to "net" zero and false solutions

Framing climate action: Only a holistic understanding of the relationship between humankind and nature will deliver a truly sustainable and inclusive transition.

- Recognition of the interconnectivity between nature and human societies
- Acknowledgement of the recognition by the UN of the right of all to a healthy environment and the creation of a UN Special Rapporteur on Human Rights and Climate Change

Loss and Damage Finance: Industrialised countries should take responsibility for the havoc caused by the decades of climate inaction by prioritizing and making real progress towards delivering

adequate loss and damage finance.

- Recognition of the imperative for developed countries to provide new, additional and needs-based finance to address loss and damage and the need for a system to deliver it to vulnerable developing countries
- Commitment to commission an annual loss & damage finance gap report to take stock of national financial needs to address loss & damage

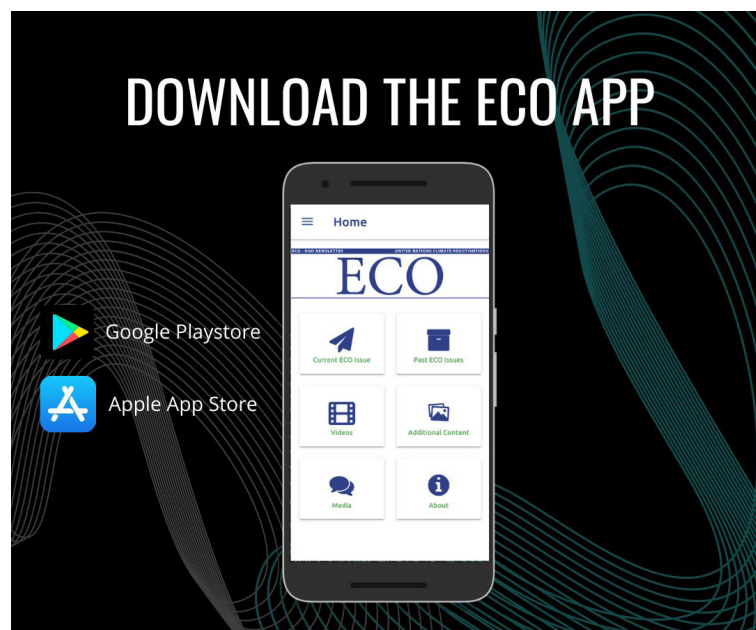
Adaptation as a co-equal pillar of climate action: Anemic commitment to adaptation finance must be rectified and support should be provided in a manner that truly benefits those communities most exposed to climate harms.

- Commitment by developed countries to gradually increase the share of climate finance in support of adaptation in the context of the US\$100 billion goal to double and reach \$50b by 2025 at the latest
- Recognition of the importance of the Principles for locally-led and gender responsive adaptation
- Operationalisation of the Global Goal on Adaptation

Delivering on finance: Developed countries need a real delivery plan on the \$100b goal and to leverage the trillions needed to address the climate crisis.

- Commitment to reach \$50b per year in aggregate adaptation finance before 2025
- Substantial increase in the provision of grant financing, especially for adaptation and for LDCs and SIDS
- Inclusive and transparent process for setting a science- and needs-based new collective finance goal by latest 2024, with clear milestones and intermediate targets for scaling up beyond \$100b per year after 2025, and sub-goals for mitigation, adaptation and Loss & Damage

Whether the cover decisions deliver concrete actions and processes to fix these gaps will play a key role to understand if the COP ends with a breakthrough in addressing the climate crisis, or turns into the biggest fiasco in over a decade.



Fair For 1.5°C: a Must-Read For EU Ministers For COP26 Week 2

Dear EU ministers, welcome (back) to Glasgow! Many of you have been here with your heads of states and governments less than a week ago (or have stayed on). Entering the final days of COP26, a lot is at stake to achieve an outcome which advances a fair approach to Fair for 1.5°C, and as you know the EU will be critical in achieving this. While ECO does not know yet exactly which EU ministers will take up leading roles in ministerial consultations, we expect all of you to champion ambitious and fair climate action (and not just rhetoric).

ECO welcomes that the High Ambition Coalition Leaders' Statement, to which many European leaders signed up to, "*recognises* the need to increase resources for averting, minimizing and addressing **loss and damage**." From the many statements by climate vulnerable parties, loss and damage actions, side events, tweets and hallway conversations, ECO has learned in the first week that there is a huge need in particular for additional resources to "address" the occurring and escalating loss and damage. So the EU must champion, in support of most affected countries, people and areas, agreement of concrete steps here in Glasgow for providing new, additional and needs-based loss and damage finance and a system to deliver that finance to vulnerable developing countries, alongside a permanent agenda item on loss and damage, and the operationalisation of the Santiago Network.

In week 1, Parties have greatly advanced the technical work on the different elements in relation to **Article 6**, but that does not yet secure an outcome which excludes undermining mitigation ambition needed for 1.5°C (for example by carry-over of old Kyoto surplus credits), and which excludes violating human rights for the sake of "cooperative approaches" to emission reductions. Operationally effective safeguard mechanisms must not be sacrificed just to get a deal.

On **Common Time Frames**, ECO welcomed the move of the EU in its October ministerial decisions to support a system of 5 year time frames, and it should not back down from that in favour of a 10 year system. We clearly want the EU to stand up for a 5 year system, and see there is wide support among the Parties.

When it comes to **climate finance**, ECO thinks that, as the world's largest contributor, the EU has a responsibility to set the direction of travel, and ensure strong COP outcomes which reflect climate

vulnerable needs, gender equality, and pays attention to recovery and debt. Since the Paris Agreement committed parties to mobilise US\$600 billion over 2020-2025, that's all that we would expect, and ECO thinks Parties would do well to update the delivery plan to reflect that. ECO would also like to remind EU Ministers that we are far from achieving a balance in mitigation and adaptation finance in the \$100b. Since the EU collectively has a better adaptation share than other Parties, and as many Champions in the Champions Group in Adaptation Finance know, it would do well to leverage more from others by ensuring strong references to scaling up adaptation finance to achieve a 50% share in the total (the COP decision text would be a nice place for that to sit).

ECO has been sitting in on discussions on the new collective quantified goal after 2025, and while the EU has been a little shy on setting out its priorities for the substance of the goal, ECO is sure that it will be keen to take forward lessons on the \$100b. ECO suggests that the process for deciding the goal is developing country needs and science-based, and that it includes - at a minimum - the consideration of subgoals for mitigation, adaptation and loss and damage, with a new subgoal of the collective quantified goal for adaptation finance from a floor of at least \$50b per year. Engaging civil society and experts in a robust and inclusive process will ensure the best outcomes, which should advance the rights of Indigenous Peoples and women.

Finally, the outcome of COP26 (and the EU's performance) will be measured in particular whether it sets a way forward for closing the still too wide gap to the 1.5°C limit. The discussions on the "**cover decision**" are particularly relevant here. It should clearly recognise the gap and that much more needs to be done NOW (and not by 2050) in order to "collectively reduce emissions by 45% in 2030 from 2010 levels", as identified by the IPCC. The Paris Agreement foresees the possibility of submitting new NDCs anytime, and this COP can give an additional push here by clearly requesting to do so as soon as possible and no later than COP28, which can be complemented by additional short-term measures. Finally, as ECO is excited that phasing out fossil fuels has been talked about much at this COP, it also calls on the EU to get behind an end of licensing or permitting for fossil fuel production from 2021 onwards, and to phase-out fossil fuel combustion.

Adaptation - the Quiet Giant

If only it was all like Adaptation. As controversies rage around us, your ECO Adaptation correspondent sits in the calm of the sort of gentle, collaborative and determined consensus building that should characterise all climate negotiations. If only.

Adaptation is the quiet giant of the convention. The Nairobi Work Programme, the Adaptation Fund, National Adaptation Plans, the Global Goal and the work of the Adaptation Committee to bring it all together carry on in multiple talks this week.

That this is the first article dedicated to adaptation in seven issues of ECO indicates that things might be going pretty well.

Not that there aren't challenges. Parties will know that reporting on needs and progress on adaptation is difficult when there isn't an agreed definition of adaptation.

There are multiple difficulties - methodological, empirical, conceptual and political - in assessing the reduction of vulnerability and increase of adaptation capacity and resilience that are the Global Goals.

And, as ever, poorer countries face insufficiency of resources and data to improve adaptation planning, and implementation obstructs everything.

But these are challenges to be overcome, difficulties that can be resolved with some transformative thinking.

Why not measure countries' progress by assessing the extent to which they have exercised the Global Commission's Principles for Locally Led Adaptation, evidenced by participatory impact monitoring and evaluation?

Why not commit half that fabulous US\$100 billion per year to adaptation, and ensure that the largest chunk goes to the poorest and most vulnerable people and countries?

Why not ensure that Adaptation is front and centre, and that the hard working Adaptation Committee is not further burdened, by establishing a work plan and resources for operationalising the Global Goal on Adaptation under the implementation mechanism for the Paris Agreement?

Time for us all to adapt.

Sorry, We Have Some Questions!

The negotiations for the Global Stocktake (GST) during COP26 are now over. Congratulations! This means we are beginning the first GST process. Now we are on our way to technical dialogues, submission phases, workshops, data analysis, output production...

So we still have a lot to do. And by "we", ECO means all possible actors at the UNFCCC. Non-state actors have to submit inputs for the GST, as well as Parties. ECO supports the inclusion of civil society in the GST process. However, this means financial and technical support for all constituencies as well as developing countries to be able to be fully part of the process. But ECO will come back another day to this issue.

Today, ECO would like to talk about the guiding questions of the GST. Now, there are 43 guiding questions proposed by the SBSTA chair. ECO thanks the chair for this work. But we think several important topics and aspects of climate policies are still missing.

Why is this important? To ECO, the main aim of the GST should be to protect the most vulnerable from the impacts of climate change. This can't happen without an adequate consideration of adaptation and loss and damage and the protection of ecosystems, terrestrial and marine alike, as well as keeping the planet livable for youth and future generations. For this aim to be achieved, we are proposing a first list of five priority

questions to add to the list.

- **Loss and Damage:** What is the loss and damage that people and communities have experienced from climate change, including extreme weather events? What are the needs to address this and the challenges that they face?
- **Loss and Damage Finance:** What finance is there already and how much more is required, and what is the strategy to unlock it?
- **Nature Protection and Restoration:** What progress has been made, how much further does it need to go, and what contribution does it make towards climate action?
- **Fossil Fuels:** What steps have been taken to phase them out, and what more can be done?
- **Human Rights and Inclusion:** How have rights been protected and used to overcome and address challenges of participation and justice, and how can this be improved? How have gender issues, and local and Indigenous climate action, been included?

ECO hopes that the discussion on the guiding questions will be inclusive and productive in the coming months, so that the GST will fully answer what we need to know to be sure we are on track for the Paris Agreement. This is what the GST should be about.

Climate Justice Isn't a Hashtag - First Nations Leadership Is the Only Way To a Safe Climate

Can you be shocked and not surprised at the same time?

It's one thing to hear the term "climate colonialism" and it's another to see and feel it up close. It oozes out of every plenary, every action room, nearly every side event at this COP – and is propagated by governments, corporations, and I'm sorry to say, sometimes CAN-I alike.

The tragedy is not just the continued violence against Australian First Nations Peoples at this COP – the continuation of the colonial project reinforced by the almost complete marginalisation of our voices, as bad as that is. It's seeing so many people working so hard to find a global solution to this existential problem, when we hold the wisdom and solutions if only others would lower their voices, step back, and give us a seat at the Australian Federal Government's table, and lead.

My First Nations brothers and sisters from around the world occupy a crowded pavilion – a space so tiny and cramped it is emblematic of the marginalisation and disrespect awarded to First Nations voices. In this tiny room, harrowing story after story of dispossession, colonisation and desecration of Country is told. The stories are the same all over the world.

Climate change and its impacts on our Mother Earth is genocide for our people. Our ancestors are in the water we drink, the mountains, the animals, the trees. To destroy them is to destroy the memory of our ancestors. Our creation stories tell us how to look after Country as caretakers, and our creator has a way of waking us up when we are doing wrong.

This has been the case since time began. We are still crying out to be heard, and non-Indigenous people wonder why more progress hasn't been made.

For my people – the oldest continuous living culture in the world, 100,000 years of caring for Country is being destroyed in less than

250 years. The Australia pavilion showcases mining giants Fortescue and Santos. Not a single Aboriginal voice is seen or heard. Terra Nullius – the lie that Australia was uninhabited when invaded, is alive and well and undermines our self-determination just as it works to undermine the success of this COP.

For Australia, this COP is first and foremost a failure of Indigenous participation. Our issues, concerns and solutions have been sidelined and ignored. Until this is fixed, a safe climate won't be achieved. No new data, better science, more deft negotiations will achieve in time what we have learnt about the protection of our Country and passed to generation after generation since the beginning of time.

Australian First Nations demand a seat at the table. Climate action starts with climate justice – a Peace Treaty between First Nations and the coloniser also ends the war perpetuated against Mother Earth.

This is not about being anti-development. It's about the application of the principles of Free, Prior and Informed Consent underpinned by the United Nations Declaration on the Rights of Indigenous Peoples. It's multinational corporations that must justify a seat at the table, not us.

The same international governance and legal system that invaded and colonised Australia is playing out right here at this COP. The solutions won't be found if the foundations for these negotiations are based on dispossession, colonisation and violence.

In Australian Indigenous philosophy, we walk backwards into the future on the footprints of our ancestors, who have shown and taught us, so we do the same things they have done for millennia. They show and teach us how to look after Country. We are in harmony with the earth and each other. Western science is crucial, but has a fundamental flaw because it is rooted in a system that works to recreate the future based upon profit, greed and competition – the causes of the trouble we are in now.

Stop Climate Madness - Pay Up For Loss and Damage!

Today, it is exactly 8 years ago that super-Typhoon Haiyan, one of the most powerful tropical cyclones ever recorded, made landfall in the Philippines. As one of the deadliest Philippine typhoons on record, it killed at least 6,300 people in that country alone and led to economic damages of about US\$2.2 billion in the country.

The reality of the climate crisis was pushed right into the negotiation rooms, when Filipino lead-negotiator Yeb Sano gave a very emotional speech, after his hometown was destroyed by the typhoon. He pledged to fast until climate talks showed real progress and called on Parties to "stop this madness". It was a turning point in the UNFCCC negotiations on Loss and Damage, and we saw the Warsaw International Mechanism on Loss and Damage established shortly after.

What has happened since 2013 in the real world?

Science has proven beyond doubt that extreme weather events are becoming more frequent and more intense due to climate change - but people on the ground don't need scientific proof. They have felt the consequences of climate change first hand through record-breaking storms, floods, and heat waves. Climate change violates their human rights and creates a daily climate emergency for millions of people. Estimates for economic loss and damage range between \$290b to \$580b for developing countries by 2030. These figures do not give us the slightest idea of the non-economic

damage and the human suffering caused by climate change. And we are still not on a 1.5°C pathway, which is essential to contain the worst impacts of the climate crisis and to stop climate madness.

And what has happened since 2013 in the UNFCCC negotiation process?

Progress was made when Loss and Damage was acknowledged as a standalone topic through Article 8 of the Paris Agreement, and hence confirmed as a third pillar of the Climate Regime. But recognition hasn't translated into action - since then, no meaningful new and additional finance has been put on the table to address loss and damage. Only single L&D measures have been supported. Collectively, developed countries have failed until now to provide adequate support to vulnerable populations who bear the brunt of climate impacts they are not responsible for.

This is why today, at the Loss and Damage and Adaptation Day, we are again shouting: **Stop this Climate Madness and Pay up for Loss and Damage!** COP 26 needs to provide sufficient and needs-based Loss and Damage finance, in addition to the yet-to-be-fulfilled \$100b per year committed for mitigation and adaptation, on the basis of equity, historical responsibility, human decency and global solidarity, and in accordance with the polluter pays principle. And ECO is fully on board with finance sources that would get such money from, for example, fossil fuel companies (not only countries).

Resisting the Inevitable: The Saudi Arabian Dilemma

The Gulf region is rich in fossil fuels, which have been the driver of its economy for decades. Fossil fuels therefore have a deep-rooted social license, and national fossil fuel companies are a source of national pride. Of course, this has contributed to climate denialism over the last three decades, despite the impacts that have heavily affected the region, from desertification and loss of biodiversity, to more frequent and intense heat waves, drought, and flash floods as well as significant impacts on agricultural yields and small farmers' livelihoods. And these are only the tip of the iceberg, with more impacts predicted in coming decades.

Denial of the science is no longer possible for governments of the region, as awareness of the climate emergency is more deeply entrenched in the minds of the population and the impacts manifest in their lives so profoundly. Sadly, the Saudi government, which has been obstructive to climate negotiations since their onset, continues to be so. They are predicted to be the final bastion of oil production in the coming years, due to having the lowest extraction costs and "high quality" of oil, and over the last week they have reaffirmed their intent to delay the inevitable end of the era of oil as far as possible.

The moves of the Saudi government to cripple COP26 are deeply concerning. On Friday night, Saudi negotiators moved to block the negotiations taking place over the creation of the so-called "cover decision" for the final text. The cover decision is the top line message coming out of a COP that signals what the final outcome means for the world and is a vital part of any successful summit. Many countries, especially those facing existential risks, have been attempting to ensure that Glasgow's cover decision focuses on accelerating action to keep 1.5°C alive - thus the absence of any cover decision at all would cripple that effort and critically undermine the outcome in Glasgow.

The Saudi government then blocked efforts to achieve

progress on adaptation. A key pillar of the Paris Agreement, adaptation is the effort to help millions of people around the world cope with the impacts of rising temperatures. Lack of progress on adaptation would make it difficult for vulnerable countries, including the African block of nations, to embrace any final agreement, making success at COP26 less likely. Saudi negotiators are able to undermine the talks because all decisions require a consensus across all 196 countries in attendance - meaning a single nation can veto progress. There are no agreed voting rules in the UNFCCC because Saudi Arabia has been blocking them since the body was created after the 1992 Rio Earth Summit.

The push on Friday night to block a cover decision was a textbook effort to strip ambition from the final text, while the move to dilute substance on the adaptation goal was designed to ensure vulnerable countries don't get the support they need and therefore can't sign up to a meaningful agreement at the end of this week. The Saudi negotiators in Glasgow have also tried to block ambition via the Like-Minded Developing Countries (LMDCs) group, pushing back on the inclusion of the 1.5°C temperature goal while demanding weak baselines in the Paris Agreement rulebook negotiations.

Despite their historic dependence on fossil fuels, the Saudi government must undergo this challenging transition quickly, as the science has demonstrated that this is the only way to protect the region from the impacts of the climate emergency, a region that is warming at a significantly faster rate than the global average. The world is transitioning from fossil fuels and the Saudis seem insistent on continuing to invest heavily in them and locking in their economy and getting left behind. Instead, they should be initiating a swift, green and just transition, using their wealth of renewable energy potential, which can stimulate a vibrant economy with better jobs for a wide segment of society, based on equity and justice rather than concentration of corporate wealth.