

ECO

TIME TO BREAK OUR OLD HABITS

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EU Must “Walk the Talk” on Climate Action Ahead of COP27

ECO has already heard that implementation of climate commitments made is key to tackle the climate crisis, and builds trust among Parties. One element of implementation of Nationally Determined Contributions (NDCs) is advancing the legislation that underpins them.

In the EU the negotiations on key climate files of the Fit For 55 package, launched by the European Commission in July 2021, are approaching a critical moment. Decision-making in the EU can be a bit complicated, and usually the outcome depends on negotiations between the European Parliament and the European Council formed by the 27 Member States' governments, with the European Parliament in most cases pushing for higher climate ambition.

On 8 June (tbc), the European Parliament plenary will vote on the reports for the EU Emissions Trading System (ETS), including the proposal for a new Emissions Trading System for road transport and buildings (ETS2), the Effort Sharing Regulation (ESR) and the Land Use, Land Use Change and Forestry (LULUCF) Regulation.

We are still amidst a climate and environmental emergency. Hence, the current course of the EU to further increase its climate ambition is vitally important to keep the goals of the Paris Agreement in reach and protect people from climate disaster. Particularly in light of the ongoing invasion of Ukraine by Russia and the increased urgency to accelerate the shift away from fossil fuel dependency, a strong EU climate policy framework is essential to ensure that measures considered and taken are compatible with global efforts to fight dangerous climate change.

The EU's current emission reduction target of “at least 55%” by 2030 (compared to 1990) is insufficient to “walk the talk” that we hear from EU decision-makers when they support the 1.5°C limit. Although the increase (from the -40 % emission cuts that was agreed in 2014 before the ratification of the Paris Agreement) is an important step forward, the level of ambition is

still insufficient to represent a fair share of EU efforts towards the Paris Agreement goal to limit global temperature rise to 1.5°C by the end of the century, above pre-industrial levels. The European Commission's proposals under the Fit For 55 package align the ambition levels of the ETS, ESR and LULUCF to just about reach net emission cuts of -55% by 2030, ignoring the potential to go beyond in light of the “at least” prefix of the overall target.

Together, the Commission proposals will lead to a reduced overall EU carbon budget for the period 2021-2030. But this budget is still far too generous: it entails that EU per capita emissions would be double as high as the global average, based on what is available to emit in a scenario of 67% likelihood of achieving the 1.5°C limit of the Paris Agreement. NGOs are calling for the revision of the EU climate policies to enable the EU to achieve at least -65% overall emission reductions by 2030 compared to 1990 levels.

In order to deliver these emission cuts, ECO sees the need for the ETS to achieve at least -70% emission cuts and the ESR at least -50% emission cuts by 2030, compared to 2005 levels. To accelerate the transition towards climate neutrality and enhance natural carbon sinks, ECO is calling for setting a binding removal target in the LULUCF regulation. An ambitious LULUCF target of -600Mt by 2030 with honest accounting rules is needed.

To increase overall climate ambition, the European Parliament can strengthen the ambition level of the Commission proposals of each of these files. The Parliament Environment Committee has already voted on the three files. Should these elements both be agreed by plenary, they would increase the EU's climate ambition to around 60% overall emission cuts by 2030, compared to 1990. While this will still not bring the EU to at least -65% reductions, it is the best near-term opportunity to take the next steps to upscale ambition and revisit NDC targets, as demanded by the Glasgow Climate Pact. The Global Stocktake outcomes next year will then, according to the European Climate Law, trigger further discussions for future ambition increases.

Our Rights Can't Be In (Brackets)

ECO is happy to share this part of our publication with the Indigenous Peoples Caucus (IPO) to help amplify their voice. This article reflects the views of the IPO.

The International Indigenous Peoples Forum on Climate Change is back in Bonn for in-person climate action call! We all witnessed the regression of climate actions during the Covid pandemic and the increase of inequality in and exclusion from decision making on climate change. Our priority is still an urgent call for sufficient reduction of GHG emissions in order to meet the Paris Agreement's goal of no more than 1.5 degrees Celsius of global warming.

Climate action taken by States must not violate our collective rights. All climate actions must fully comply with the UN Declaration on the Rights of Indigenous Peoples, particularly, our rights to Self-Determination and Free, Prior and Informed Consent.

Our Indigenous knowledge, our rights, and our governance are recognized by the IPCC as crucial to address climate change. They recognize that colonialism continues to do us harm. Colonialism appears in the Paris Agreement itself, with its constant reference to "best available science" rather than "**best available knowledge.**" Indigenous knowledge must play its rightful role in addressing the climate crisis. Our contributions to climate action far exceed the emissions directly attributed to our communities. Indigenous Peoples call for a new paradigm – sustainability. 70% of the people of the world are fed by small Indigenous and local producers. They are sustainable.

We call for a process for non-state actors, including Indigenous peoples, to define climate finance. Indigenous peoples must have direct access to climate finance to implement climate solutions according to our priorities and self-determination.

Indigenous Peoples have an important role to play and serve to maintain the balance between nature and the needs of all life. We welcome support for the Local Community and Indigenous

Peoples Platform. We hope and expect that it may help to lead us to a sustainable world.

In connection with Article 6, Indigenous peoples ask parties to ensure compliance with the rights of Indigenous Peoples by taking the following considerations into account:

1. On Article 6.4, in its Annex under Section B (Governance and Functions) paragraph 24(a) provides that the "*Supervisory Body shall, in accordance with the relevant positions of the CMA (a) Establish the requirements and processes necessary to operate the mechanism, relating to, inter alia; (...) (ix) (...) the rights of Indigenous Peoples (...).*"
2. This means that the rights of Indigenous Peoples inform the interpretation of all provisions under Article 6.4, and the Supervisory Body must establish requirements and processes to ensure the implementation of those rights. Paragraph 31(d) (iv) provides that the Supervisory Body shall also minimize and, where possible, avoid negative environmental and social impacts.

Therefore, in interpreting when consultation is appropriate or applicable under article 31(e) or the content of such consultation, recourse must be given to the UN Declaration on the Rights of Indigenous Peoples, specifically Article 19 which requires consultation whenever an undertaking may affect Indigenous Peoples.

In addition, it informs the nature of the consultation which must be conducted in good faith in order to obtain the Indigenous Peoples' free, prior and informed consent.

3. Also the independent grievance process outlined in paragraph 62 must provide for the full, and effective participation of Indigenous Peoples and comply with due process.

It is the first week of the negotiations, by the end of the second week Parties should make substantial progress on these issues. We can't go back home and report back to our communities that our rights are in brackets.

Adaptation: A Short-Lived Honeymoon

Yesterday morning, ECO started the day full of hope and energy, eager to join the class reunion. On its way to the World Conference Center in Bonn (WCCB), ECO enjoyed the bright sunshine and happily greeted old and new UNFCCC friends, while patiently waiting for its SB56 badge. After all, this was a special moment: the last in-person intersessional was 3 years ago!

The first day of the intersessional meetings started on a positive note as at the beginning of the SBSTA opening plenary, parties agreed to adopt a supplementary agenda item on the "Glasgow-Sharm el-Sheikh Work Programme on the Global Goal on Adaptation" (GlaSS).

However, the honeymoon feeling did not last very long. Immediately after, ECO sadly witnessed the 1-hour+ debate on whether there should be "two" or "at

least two" meetings on the GlaSS at SB56. Now, who likes to discuss such logistics on their honeymoon?

A vast majority of Parties took the floor to express the need to not restrict the time and number of sessions dedicated to discussions on adaptation, which clearly is a very high priority given the acceleration of climate impacts. The Africa Group called on Parties to scale up adaptation action and regretted having to request the addition of an agenda item on this while it was mandated in COP26 decisions. Bolivia on behalf of the Like Minded-Group of Developing Countries (LMDCs) also made a plea to ensure a balanced discussion between adaptation and mitigation, stating that the former had not yet received the attention it deserved. Switzerland, on behalf of the Environmental Integrity Griuo (EIG), stated that limited capacities in national

delegations would make it very difficult for some Parties to adequately follow proceedings for the different agenda items. It was odd to observe how the United States felt tired about the idea of spending more hours on adaptation while shining a brighter light on the mitigation work programme.

After quite some back and forth, ECO felt that hope is still alive when the SBSTA Chair confirmed that two meetings will definitely take place, and opened up the possibility to set up Inf-Inf on the GlaSS, if needed. But deep down, ECO still felt a pinch in the heart. ECO hopes that this episode only temporarily casted a shadow over the WCCB. Parties must pick up adaptation discussions constructively and lead to tangible results at COP27. ECO counts on Parties to make it happen. It is a matter of climate emergency after all.

If Not Now, When? SB56 Need to Lay the Ground for Historic Progress on Loss and Damage at COP27

At the start of this year's SBs, ECO would like to remind you of an important fact: while inside the conference center, arrangements for the funding to avert, minimize and address Loss and Damage (L&D) will be discussed from tomorrow on at the Glasgow Dialogue, outside people are already paying for L&D! It's the most vulnerable people being least responsible for the causes of climate change. According to a study by the International Institute for Environment and Development (IIED), rural Bangladesh households are spending almost US\$ 2 billion a year to repair the damage caused by climate change and on preventative measures. This is twice the amount the government of Bangladesh spends, and 12 times more than international donors. This is the opposite of what we call climate justice!

ECO has noted that some countries in the Global North have recognized the problem. The communiqué by G7 ministers recently recognized "the urgent need for scaling-up action and support, as appropriate, including finance, technology and capacity-building, for the implementation of relevant approaches to averting, minimising and addressing loss and damage in developing countries". This is a good first step, but mere recognition does not help people rebuilding destroyed homes or dealing with non-economic damages such as loss of biodiversity, culture or language. Try fixing your roof or rebuilding your livestock equipped solely with a G7 communiqué... Countries must back up their words now with action by providing new and additional L&D finance to respond to this escalating climate emergency - and support those most vulnerable to it. Two processes during the SBs are important for this:

First, the Glasgow Dialogue, which resulted from the blockage by developed countries of the G77+China proposal for a L&D finance facility, and was the weakest compromise from COP26. The Glasgow Dialogue needs to result in concrete outcomes that provide needs-based, new and additional support for the most vulnerable people and countries in addressing L&D - otherwise the dialogue will be viewed as an utter failure. Most importantly, the dialogue must result in an agreement on a L&D finance facility at COP 27 and its full operationalization over the course of the dialogue. To this outcome, the Glasgow Dialogue must become an official agenda item at the SBs and the COP. We demand that all Parties fight to secure the rightful place of L&D on the formal agenda!

Second, the operationalisation of the Santiago Network on Loss and Damage. The Network must fill the gap in action concerning the third function of the Warsaw International Mechanism for Loss and Damage (WIM), which is "enhancing action and support". The Network can do so by establishing a body that would catalyze technical assistance for the implementation of needs-based approaches to address L&D in developing countries.

ECO demands that SB56 lays the ground for historic progress at COP27! The people on the frontline of the climate emergency need technical assistance to address L&D now - and the Santiago Network could provide exactly this. And the Glasgow Dialogue delivering a L&D finance facility to unlock new and additional climate finance to help them rebuild their lives and livelihoods could fulfil their need for financial support. If not now, when?

Recipe for Success for the Glasgow Dialogue on Loss and Damage

Today is the day to demand results from the most critical compromise of COP26: after G77+China demanded a Loss and Damage finance facility, they were fobbed off with the Glasgow Dialogue. Now ECO came across this great recipe for preparing a successful Glasgow Dialogue that can at least live up to its potential. A filling main dish that really supports those most impacted by the climate crisis, to prevent the bitter aftertaste of a talk-shop without results.

To avoid a bland taste and disappointing expectations, you need the following ingredients:

- **A good portion of: concrete outcomes** that provide **adequate, new and additional support** for the most vulnerable people and countries in addressing L&D.
- **Avoid: duplication of previous dialogues - but focus on existing gaps** and ways to increase finance including to address L&D and respective channels to provide it.
- **Add liberally: clear modalities of a L&D finance facility:**
 - Its institutional arrangements, sources of predictable, sustainable, adequate and additional L&D finance
 - Equitable and direct access for vulnerable developing countries based on needs and priorities.
- **At COP27** in Sharm-el-Sheik countries must set-up a L&D finance facility. Subsequently, the Glasgow Dialogue should flesh out the operationalization of such a facility, including how

L&D finance is delivered and how it can be made accessible for the most vulnerable. Here at the SB56 Parties must pave the way to prepare for it.

- **Add generously:** definition of **concrete steps and meaningful outcomes to be achieved at the end of each year until 2024.**

Instructions:

To achieve a satisfying and successful result, make sure to put everything together as follows:

- An **open dialogue**, that facilitates views of different country groups and is transparent as well as accessible for different stakeholders to participate. But watch out: "Open" does not mean without an outcome - please do not confuse!
- **Root the Glasgow Dialogue in the UNFCCC's foundational principles of equity, justice, fairness, and access**, incl. Common But Differentiated Responsibilities and Respective Capabilities, Polluter-Pays, Do-No-Harm.

ECO recognizes that some countries in the Global North are now acknowledging the urgent need for supporting developing countries with L&D finance. But actions speak louder than words. So be sure that ECO is watching - not only today but until the Glasgow Dialogue finally results in tangible support for those who most urgently need it.

Short Message from IPCC to the Structured Expert Dialogue, Global Stocktake and Mitigation Work Programme (& Everyone Else)

Yesterday, IPCC lead authors gave a presentation to Parties on the Working Group II contribution to the IPCC Sixth Assessment Report (AR6), focusing on impacts, adaptation and vulnerability. The scientists delivered a grim message: human-induced climate change is causing dangerous and widespread disruption affecting the lives of billions of people, with people and ecosystems least able to cope being hit the hardest. They gave a dire warning about the consequences of inaction with the world facing unavoidable multiple climate hazards over the next decades - even if we are able to limit temperature rise to 1.5°C. And they also made clear that even temporarily exceeding this magnitude of warming will result in additional severe impacts, some of which will be irreversible.

Tomorrow IPCC lead authors of the Working Group III report will tell Parties that it is still possible to limit

temperature rise to 1.5°C and inform them about the pathways available to do this. Lest they spent the last 20 years living under a rock, Parties will not be surprised to hear these pathways require major transitions in all economic sectors, substantial reductions in the use of energy and natural resources, and the rapid phase-out of all fossil fuels.

Parties must listen well to the IPCC, as its messages should effectively inform all UNFCCC basis. In particular it must form the bedrock for the work of all three science-focused processes which clearly need to be approached in a coherent manner.

ECO calls upon the Structured Expert Dialogue (SED) of the Second Periodic Review of the long-term global goal to accept that only the IPCC's C1 Illustrative Mitigation Pathway, which limits warming to 1.5°C with no or limited overshoot, can ensure the achievement of the long-

term goal of the Paris Agreement.

This pathway assumes that emissions are reduced on average to 31 GtCO₂-eq in 2030 and 9 GtCO₂-eq in 2050. One doesn't need to be a math genius to see that this is very well below current (assessed as 59 GtCO₂-eq in 2019) and projected emissions (50-53 GtCO₂-eq in 2030 if all pledged action is implemented).

In addition, the C1 Illustrative Mitigation Pathway then sets the scene for the work under the Work Programme (WP) to scale up Mitigation Ambition and Implementation ("How do we get emissions to or below 31 GtCO₂-eq by 2030?") and the Global Stocktake (GST) of the Paris Agreement ("How do we get to or below 9 GtCO₂-eq by 2050?").

All three processes are key in helping Parties ensure that all efforts are made to limit global temperature rise to 1.5°C.

Article 6.8: The Youngest is Always the Hottest Sibling

Article 6.8 fans, today is your day! And for those who aren't fans yet, here are some reasons you should be and ideas to bring forward in today's workshop:

Article 6.8 has often been left behind in the negotiations with Parties focusing on the market mechanisms contained in other parts of Article 6. But 6.8 has the potential to bring ambitious action immediately. In advance of the 6.8 workshop, ECO wants to share and support the idea of a matching facility.

Article 6.8 offers exciting opportunities for real ambitious action through a holistic, integrated approach focusing on joint mitigation and adaptation, resilience and rights. This is particularly true in the land sector, where there is critical potential for climate action, as well as major risks for land and food rights, if not done right. The 6.8

mechanism is a strong avenue for ambitious action on land and in the oceans.

A web-based registry along with a "matching facility" that connects possible contributions - from governments, private sector, philanthropies or elsewhere - with opportunities to increase ambition and action, including within NDCs, would be an exciting and empowering outcome from COP27. Concretely, some Parties could list their needs as part of their NDC, and other Parties would list their support capacities. Currently, 1.5 Gt CO₂eq of potential emission reductions are reflected in the conditional components of NDCs, an awesome lot of potential waiting to be unlocked. ECO urges Parties to use the opportunity of this workshop to give Article 6.8 a chance to shape up and get it ready to go for COP 27.