

# ECO

## THE GOOD, THE BAD, AND THE UGLY

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## There's Now Clear Agreement on the Need to Respond to Loss and Damage – It's Time to Discuss How

At the Glasgow Dialogue, the Loss and Damage finance gaps have been increasingly recognized across both developing and developed country Parties. However, the positions and solutions offered by developed country Parties do not speak to the urgency and reality of the most vulnerable people who are bearing the brunt of the climate emergency.

ECO heard how the humanitarian system is increasingly overwhelmed by climatic events and how issues of non-economic losses and slow onset events are not being addressed. We heard how the current financial architecture does not address Loss and Damage; this gap needs to be bridged. We heard a call for an IPCC special report on Loss and Damage. ECO itself urges the IPCC to produce a Loss and Damage finance gap report just as we do for mitigation and adaptation. We heard that the burden of coping with these disasters was falling on families on the frontline. As we heard on Saturday and all throughout the week, the science is unambiguous or as it was stated by one grouping of Parties: *un-am-bi-gu-ous*. We heard the IPCC scientist

who highlighted Africa as one of the most vulnerable regions to loss and damage.

All of this underscores one clear message: we must now focus on addressing Loss and Damage. And this means Parties must urgently establish the Loss and Damage Finance Facility at the African COP27.

The next Glasgow Dialogue can then focus on further defining governing arrangements, delivery structures and processes for needs-based resource mobilization. Empty words will not help people recover from impacts and rebuild their lives and livelihoods. It is time to talk about how to do this - now.

Developing countries must now formally request an agenda item for the COP, and the incoming Presidency must respond positively to this request.

As we grapple with how to address the mounting loss and damage crisis, ECO has come up with a concrete proposal which we would like to discuss with Parties and observers alike. We invite you to join us today from 16:45-18:15 in Room Berlin.

## The GlaSS Window of Opportunity is Closing Soon

The first official workshop out of four under the Glasgow – Sharm el-Sheikh (GlaSS) Work Programme on the Global Goal on Adaptation (GGA) was not any sort of workshop ECO would recognize. This is despite the calls from several Parties for creative and innovative solutions in their recent submissions.

It is thus not surprising that the draft text to the SBs requests that subsequent workshops “be more interactive, involving breakout groups and round tables and contributions from experts and Non-Party Observers”. Because what happened on Wednesday and Thursday last week was far from that.

IPCC tells us that the window of opportunity to adapt is closing fast. But they also indicate how we are to plan, implement, and measure adaptation **collectively** with such diversity at national, sub-national, and local levels. The GGA must help in organizing adaptation evidence and to lead to faster and better actions.

However, ECO feels that committing to specific systems comes hard for Parties. Part of it is due to an ongoing misunderstanding about what the technical concepts mean in practice for them. Top-down frameworks don't lead to effective action at the best of times, let alone for such an elusive notion as adaptation. A series of meaningless

aggregated indicators is the last thing we need, and it is not helpful either to define adaptation in a global framework.

Rather, let's all celebrate diversity at the global level. Each country defining what adaptation means for them, what they need to do, how they are going to do it, and how they are going to monitor and learn from their experience.

ECO understands that this will not be easy. For many countries, this adaptation cycle is dispersed between a variety of ministries, sectors, academic institutions, as well as commercial and local actors. It is fragmented and lacks coherence. An inclusive GGA can support countries to draw the elements together in order to create their own adaptation narrative and encourage them to report on that.

It is not surprising that the Small Island Developing States have the greatest clarity in actioning the GGA. Of course, they are among the most critically and urgently vulnerable, but also their perception of national action is the closest to the local scale – where action is most effective.

The GGA is the latest international framework to be designed, and as such, an opportunity to change – dare we say transform? – the way that global mechanisms respond to local realities.

# Learning Done, Doing Still Loading

ECO attended the World Café and the first roundtables of the Global Stocktake. While the statements of Parties and observers were full of political expectations and wishes to engage constructively in this important component of the ambition mechanism of the Paris Agreement, there is still work to do in ensuring a successful GST.

The World Café on Friday was quite inspiring. Despite the slightly chaotic organization and the noisy environment, ECO and many participants were glad to have frank and open conversations, with representatives of Parties, NGOs, companies, and subnational authorities. The World Café avoided becoming a talk shop with just statements and no concrete action. ECO would like to see this format used in future technical dialogues, but with more time for discussion.

The thematic roundtables on mitigation, adaptation and means of implementation and support were launched last Friday, together with cross-cutting themes like loss & damage, human rights, gender equality and equity included in all three. While the roundtable on means of implementation was quite fluid, the other two were not so interactive, especially the one on mitigation. The co-facilitators encouraged participants to make concise, interactive responses to each other and to stay focused on technical topics, but most interventions were clearly prepared in advance, and there were limited reactions to what was said by others. Some Parties (and non-Parties) read lengthy statements that put forward oft-repeated political points rather than practical examples, and that failed to spur real dialogue. At the end of the mitigation roundtable, 17 Parties and non-Parties were still waiting

for their moment to speak, and thus did not get the opportunity.

This is not the exercise ECO was hoping to assist in. Thus far, the GST has mostly consisted of a series of statements without any meaningful interactions, especially between Parties and non-Parties. We know where this will end up leading us: *beyond 1.5°C*, as we are not responding to the imminent crises people are facing on the ground. The Global Stocktake is the occasion to co-create new kinds of discussions and ECO encourages all participants to stay concise, focus on technical topics, and engage in real dialogue with each other.

A final point: ECO would like to especially remind Parties that this process is more than a technical and academic exercise. The Global Stocktake is the guarantee of the Paris Agreement: its accountability mechanism and the best way to know if we are on track. It will tell us not only where the gaps are but how to fill these gaps, and which solutions and practices Parties should implement faster and incorporate more fully in their next NDCs. Without a successful Global Stocktake, the Paris Agreement's legitimacy will be undermined. Without accountability, the UNFCCC and the global climate regime might lose the little remaining trust it still has amongst Parties (especially those most impacted by climate change), non-state actors and citizens. If the COP27 and COP28 presidencies – as well as other fora such as the G7, G20 and the UN General Assembly do not fully take this process into consideration and fail to support high-level political leverage of the Global Stocktake, climate action will be slow, unholistic, and top-down. Thus, let's seize this precious opportunity to have a process that will help deliver 1.5°C-aligned post-2030 NDCs in 2025!

## *A special guest contribution from WRECO:* **A Hooray for Prioritizing Corporate Profits and Wrecking the Climate, Farmers and Food security!**

Today we bring you a very special guest article from *WRECO*, the corporate mouthpiece for wrecking climate justice at the UNFCCC!

As we enter the second week of negotiations, agriculture discussions have been satisfyingly slow to bring about real change. For *WRECO*, whose corporate agribusiness members rely on huge sales of expensive synthetic nitrogen fertilizers, patented seeds, toxic pesticides and powerful herbicides, that's just fine; it's the idea of "agroecology" that some are promoting that poses an unacceptable threat to our massive profits!

Well, we at Big Ag can't have that, can we? We certainly don't want to see governments representing the interests of their citizens, farmers, or the planet over our profits! Fortunately, some of the most powerful countries engaging in the Koronivia Joint Work on Agriculture (KJWA) discussions (you know who you are!) seem quite content to let us maintain

our business-as-usual operations. Phew! Agroecology is a comprehensive approach that looks at the whole food system – from field to fork. It starts by recycling nutrients from natural materials (for example through compost and manure) and building up soil fertility, health, and the ability of crops to endure extreme weather like droughts and floods in the process, while replacing the need for fossil-fueled nitrogen fertilizers. Diverse seed and crop varieties, locally adapted to a range of conditions and shared freely through local seed networks and across farming communities, help to spread risk against erratic weather patterns. Local and territorial markets which allow for fair relations and pricing between farmers and consumers and which cut down on food miles, are another part of the approach. Overall, agroecology recognizes that farmers and Indigenous Peoples' in-depth knowledge and solutions for the multiple challenges of farming are more effective

than the agrochemicals and seeds that we at Big Ag like to pretend are a one-size-fits-all solution. What audacity...

Advocates of agroecology point out that these approaches are highly effective for adaptation, lead to far fewer emissions than industrialized food production, and allow more of the income generated from farming to stay in the hands of farmers themselves. But the problem for us corporations is that agroecology simply doesn't translate into cash for us! We at Big Ag can't capture the market or squeeze profits from any stage of the system. It's sooo frustrating. We hate it when that happens! And you can imagine how worried our friends in Big Oil must be that agroecology will reduce demand for their fossil fuels for fertilizer production. So – hats off to those KJWA negotiators who continue to protect our profits over the interests of the climate, farmers and food security. Long live business-as-usual! In Big Ag we Trust!

# The Mitigation Work Programme – A Manual From ECO

First, let's go back to the main class textbooks. The IPCC Impacts Report tells us with very high confidence that "the magnitude and rate of climate change and associated risks depend strongly on near-term mitigation and adaptation actions, and projected adverse impacts and related losses and damages escalate with every increment of global warming". Our first message to you is therefore that this is not only about mitigation, but also about adaptation and loss and damage. It's all connected, friends. The less mitigation you do, the more money you will need to spend on the adaptation and loss and damage side -- and the same IPCC report has made it very clear that there are limits to adaptation.

And now, before your astonished eyes, ECO presents the manual for the MWP:

## **Instruction 1: Broadening and deepening sectoral decarbonisation, including industry**

The IPCC has already provided detailed sector and gas decarbonisation pathways; however, these are not fully represented in most of your NDCs to date and, all too often, your pledges and commitments are lacking accountability. So, you must urgently broaden your sectoral decarbonisation actions. No one is suggesting that countries be required to adopt binding sectoral commitments; but there is a lot that can be achieved through scaling up collaboration, reducing barriers, and providing incentives for actions to accelerate decarbonisation in every sector. For developed countries, this means not only taking accelerated action at home but delivering on means of implementation to support action by developing countries.

## **Instruction 2: Shifting the trillions**

Speaking of means of implementation, we need to see clean energy investments in developing countries increase sevenfold – from the current USD\$150 billion to \$1 trillion annually – by 2030, as the IEA shows is needed to transform their economies in line with a 1.5°C compatible pathway. At their summit later this month, G7 leaders must reaffirm the pledge they made last December to help mobilize these scaled-up resources, and they must instruct their finance ministers to bring back specific proposals on how to operationalize this pledge for the leaders to review and approve before COP27.

## **Instruction 3: Capacity-building as a key enabling condition**

There is also the need to support capacity-building

for developing countries on economy-wide and sectoral decarbonisation plans and policies; to share best practices amongst countries; and to more fully engage states, cities, companies, and other non-state actors in this work in order to create the conditions for countries to increase both the ambition and implementation of their NDCs. All of this can be done without reopening the Framework Convention and its Paris Agreement.

## **Instruction 4: Accelerating implementation to deliver enhanced NDCs**

In the Glasgow Pact decision, Parties acknowledged that "limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global greenhouse gas emissions, including reducing global carbon dioxide emissions by 45 per cent by 2030 relative to the 2010 level and to net zero around mid-century as well as deep reductions in other greenhouse gases," and that "this requires accelerated action in this critical decade, on the basis of the best available scientific knowledge and equity, reflecting common but differentiated responsibilities and respective capabilities in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty."

It is in the service of these goals that we need to adopt a robust mitigation work programme at COP27. You have already acknowledged that the NDCs you have submitted under Paris are not in line with a 1.5° trajectory, and that this poses serious risks to both humans and natural ecosystems. The MWP is clearly distinct from the GST – which is designed to inform the next round of post-2030 NDCs to be submitted by 2025 – but it is complementary and reinforcing to the GST, not duplicative.

ECO is not asking for anything new. We merely want you to deliver on what you have already committed to do at COP27: launch a comprehensive MWP designed to rapidly scale up the ambition and implementation of your mitigation commitments and the provision of support for developing countries' mitigation actions. Together with significant efforts to scale up finance for adaptation and loss and damage, such an MWP will ensure a successful COP in Sharm el-Sheikh. ECO's ask for Parties in the second week here in Bonn is that you raise your sights above the usual tactical positioning in negotiating rooms and collaborate to make meaningful progress towards these vitally important objectives that the world needs and expects.

## Rules are Rules

For the last six years, ECO diligently followed and engaged in the development of the Article 6 rules leading up to their adoption in Glasgow. So imagine our surprise when, in the first post-adoption negotiation session, we heard Parties already trying to bypass said rules. It's been a long and winding road to determine what an Internationally Transferred Mitigation Outcome (ITMO) is, what will qualify as an ITMO, and what the review process will be, but not everything can be an ITMO. Going through a review and

qualifying as one thing (say under the REDD+ framework) does not mean you automatically qualify under another review process (for example under Article 6.2). Getting a license to drive a car doesn't mean you qualify to pilot a plane.

If you want to be an ITMO, you have to undergo an Article 6.2 review, full stop, no exemptions. This isn't a double review, this isn't an unfair burden, it's common sense. Because rules are rules. Period.

# The N-C-Q-G Tongue Twister: Articulation of Needs Is Crucial

ECO has been waiting excitedly to engage in THE hot finance ticket for week two (and practising it aloud every morning in anticipation): the second Technical Expert Dialogues for the New Collective Quantified Goal (NCQG). ECO has also been thinking hard about the new goal, and we've come up with four elements, to ensure we can not only successfully say N-C-Q-G, but that the technical expert dialogue is successful.

**First up, loss and damage finance:** the world has changed in the 13 years since the politically determined USD\$100 billion goal was set, and the climate crisis has worsened significantly – in part because of the failure to provide much-needed funds to avert and minimize the climate crisis and its effects. Loss and damage is not a future problem but a **now** problem, and so loss and damage finance must be part of the NCQG. The NCQG must incorporate all elements of climate finance (mitigation, adaptation and addressing L&D), and none of them can be traded off for another.

The new goal should support **systems-transformation**. Anchoring elements in the goal to incentivise the right kind of innovation and deliver real shifts in the global financial system will be crucial.

Delivering on Article 2.1c means climate action, but it also means supporting the right to sustainable development, shifting power and finance to the local level and the inclusive leadership of youth, women, and Indigenous Peoples. It should also mean following the 'polluter pays principle' to drum up new sources of finance – ECO will be watching closely for these to be used as new and additional finance, as existing budget capacities should fill current gaps. ECO knows that focusing only on the numbers is not enough because it's not just about the quantity, but the quality of the finance. Effective climate finance is rights-based, gender responsive, and people-centred. Alongside shifting financial flows, the NCQG must have a specific support dimension (read grants not loans) and should emphasise maximum accessibility at the local level. This requires the NCQG to be adequate, equitable, fair, and intersectional.

**Accountability:** Let's not repeat the mistakes of the past with the NCQG. ECO reminds you that accountability is essential for trust. That means more transparency on the finance provided, how it's provided, and what it's supporting. It also means clarity around climate finance that is new and

additional to official development assistance commitments. It also will require a shorter timeframe for both provision and review. The NCQG timelines should be more aligned with the GST and replenishment cycles of the financial mechanisms.

The goal should be developed according to the **best available science and developing country needs**. The process should be informed by their Needs Determination Reports, the IPCC, and other institutional sources, but also debt vulnerability assessments and more qualitative resources so that the goal can be designed to deliver finance through modalities that truly support development and unlock climate action and don't lock countries into higher debt levels. Responding adequately to the needs of developing countries will require the new goal to differentiate between support provided to developing countries and other forms of finance mobilised. The new goal should be firmly linked to Article 9 of the Paris Agreement in its entirety and contributor countries' continuing obligations under the Convention.

So there you have it; just pursue these four elements, and we'll be off to a good start of the N-C-Q-G here in Bonn!

## Five Messages for the Second Periodic Review

The all-important Long-Term Global Goal (LTGG) aims to hold the increase in the global average temperature to well below 2°C and pursues efforts to limit it to 1.5°C. Parties have agreed to periodically review the adequacy of the LTGG as well as the progress towards achieving it. ECO has listened very carefully to the presentations made by the IPCC in the Structured Expert Dialogue and in an effort to help both the co-facilitators and the Parties with further work on the Review, wants to offer five messages on the Second Periodic Review to all Parties:

1. Climate impacts are already happening with devastating consequences for both humans and natural ecosystems, and every tenth of a degree increase in the global average temperature brings additional risks which will continue to escalate once we go beyond 1.5°C and in some cases may prove irreversible even if the overshoot is temporary. These impacts are hitting the most vulnerable the hardest, thereby increasing poverty and injustice. There is no equity in delaying climate action. The IPCC clearly showed that there are limits to adaptation and that going beyond 1.5°C will make adaptation increasingly difficult and will further increase loss and damage.
2. While emission reduction and limitation commitments have been made under the Paris Agreement, they are far from sufficient and need to be deepened and broadened. Other commitments, such as the developed countries' pledge to mobilize \$100 billion annually in climate finance, have yet to be fulfilled. Parties clearly will need to do more to live up to the Long Term Global Goal.

3. Given that greenhouse gas emissions have continued to increase rather than peaking and starting to decline, only one of the IPCC's five Illustrative Mitigation Pathways in the IPCC's latest assessment fits the Long Term Global Goal: the pathway that foresees no or a limited overshoot of 1.5°C and has a 90 per cent chance of limiting temperature rise to below 2°C (as anything less than 90 per cent would be hard to match the "well below" 2°C qualification of the Paris Agreement).
4. Achieving the Long Term Global Goal requires transformative action as well as behavioural change and must include a rapid phase-out of fossil fuel use and an immediate and substantive shift of financial flows away from fossil fuels and towards clean energy systems. This demonstrates how the discussions underway in the context of the Second Periodic Review are clearly linked to what happens in the Global Stocktake and the Mitigation Work Programme.
5. Given that countries have differing levels of historical responsibility and different capacities to take action, a differentiated approach to countries' contributions to achieving the 1.5°C target will be needed, both in terms of domestic contributions to emission reductions as well as in the provision of necessary climate finance, technology transfer and capacity building.

ECO hopes these messages can be useful for further work in the run up to COP27 which clearly needs to reaffirm that any overshoot of the 1.5°C global temperature limitation goal will be devastating for people and for the nature we all rely on.