The MDBs: Paris Aligned or Lagging Behind?

The Multilateral Development Banks (MDBs) are a vital piece in the finance jigsaw: keeping temperature rise below 1.5°C requires fundamental shifts in the way financial flows from publicly backed and owned international financial institutions (IFIs) are channelled and managed. ECO is seriously underwhelmed by the MDBs joint COP27 statement. The statement mentions the MDBs being on track to fulfil their Paris alignment commitments, but it makes no mention of energy at all, let alone phasing out fossil fuels, and it provides few clues as to how commitments are being implemented. There is also no mention of the joint strategy to support countries to design their 2050 plans.

ECO will be listening carefully later today at the joint MDB update on their joint Paris alignment process. The time is up for foot-dragging. Last year, a lack of leadership and collaboration between MDBs delayed the process. This was exacerbated by World Bank President, David Malpass, who, as reported by the Financial Times, personally sought to undermine a joint MDBs climate ambition statement in the run-up to COP26.

ECO wants to see urgency from the MDBs to keep their commitments and align with the Paris Agreement. ECO will be looking out for: an exclusion of all direct and indirect support for gas including LNG; support for a just transition that includes support for decent jobs, economic alternatives and energy access for all; and support to scale up grants and concessional finance to kickstart the green transition in many countries. There should be no support for false solutions including Carbon Capture, Utilisation and Storage that locks the world into more fossil fuels.

As calls for reforms of the international financial institutions grow louder, ECO sincerely hopes that the update on the MDBs' Paris alignment will be filled with ambition, urgency and action, not more delay from Malpass and his friends.

No Division, Just Unity

Sometimes we hear there are some divisions amongst developing and vulnerable blocs on loss and damage finance. But, after the first informal consultations on funding arrangements for loss and damage, ECO thinks it’s pretty clear - there are not.

The urgency and importance of this issue is such that Prime Minister of Antigua and Barbuda Gaston Browne made the first intervention. Parties were asked what their expectation were, and broadly, we heard that COP27 must: 1) acknowledge the current funding arrangement to address loss and damage is not fit-for-purpose (it doesn’t exist!), 2) agree at this COP to establish a new fit-for-purpose arrangement under the UNFCCC Financial Mechanism, and 3) agree on a pathway to design and operationalise it.
Trees Cannot Pay the Bill for Fossil Fuels

ECO welcomes the initiative of the UK to set up the Forests and Climate Leaders’ Partnership and the commitment by Parties to review progress towards its implementation. This is critical given the important role that halting deforestation and land degradation would play in achieving 1.5°C. It is a fundamental step to hold Parties accountable for the commitments they made under the Glasgow Leaders’ Declaration on Forests and Land Use.

However, ECO notes with concern that of the 140+ Parties that signed the declaration last year, only 27 seem to have stepped up to lead its implementation. Wasn’t this meant to be the COP for “implementation”? We need every country in this space to lead.

ECO is also very worried that most speakers placed a strong emphasis on tree planting and carbon markets. Planting new trees simply cannot replace the carbon stock in primary forests in relevant timeframes. Especially so, if these are planted in the form of monoculture tree plantations, this can result in very negative outcomes for people, particularly groups who have been historically marginalized such as women, and for biodiversity.

Also, ECO would like to remind everyone that action in the land sector must not be a substitute for a rapid fossil-fuel phase out and must not delay urgent decarbonization.

As the recent Land Gap Report points out, many countries’ climate pledges rely on unrealistic amounts of land-based carbon removal. More than half of the total land area pledged for carbon removal (around 633 million hectares) involves reforestation - potentially putting pressure on ecosystems, food security and Indigenous Peoples’ rights.

The focus should remain on protecting and restoring existing forests, which are irrecoverable by 2050 and provide high synergies with biodiversity, adaptation and other essential ecosystem services.

Indigenous Peoples’ and local communities’ (IPLC) rights must be central to all actions that this partnership helps to drive. As we heard from Indigenous leaders last night, IPLCs are on the forefront of climate change. It is essential that IPLCs have secure land tenure and direct access to finance, and that Indigenous Peoples’ right to Free, Prior and Informed Consent is guaranteed. This is particularly critical for women who often have insecure tenure rights.

ECO is concerned that many leaders decided not to stick around to hear from IPLCs last night. Let’s hope their approach to the new Forests and Climate Leaders’ Partnership shows more respect.

HLEG Calls Fossil Greenwashers’ Bluff

ECO listened intently today as the UN’s High Level Expert Group (HLEG) called the bluff of fossil greenwashers from across the world and their financial backers. The HLEG outlined the must-haves of credible climate plans, and guess what: they say flashy brochures with no substance, plans to build more volatile fossil fuel infrastructure, buying offsets that put human rights - including Indigenous Peoples’ rights - at risk won’t cut it.

Instead, the HLEG report says clearly that net-zero plans with integrity must exclude fossil fuel expansion; not count offsets as interim reductions; count all scopes of emissions; and align lobbying with climate action. They reaffirmed the red lines laid out by the UN Race to Zero body, which the Glasgow Financial Alliance for Net Zero (GFANZ) recently distanced itself from, saying that anything outside these firm lines from the HLEG is “greenwashing”… oops. Embarrassing.

Are Marc Carney and GFANZ paying attention?
At Half-Time of the GST, Will We Win this Game?

As ECO highlighted on Monday, the GST is like a football game of two halves, a technical phase, followed by a political phase, with COP27 the equivalent of the half-time transition between the two halves. ECO is concerned that the focus at COP27 seems to be merely about repeating the first half technical achievements, without taking the needed steps to score political wins.

**Need for coaching and leadership to translate first half potential into second half winning goals**

In a football match, half-time is the occasion when the coach and captain transform the tactical potential of the first half into goals to be scored during the second half. Likewise, the GST is in need of leadership to translate the potential of the technical phase into actual political wins.

ECO is now eager to see the Egyptian and UAE COP27 and COP28 Presidencies step up and provide this leadership. The Egyptian Presidency could play the role of a visionary coach, motivating Parties to step up their game and sending signals for how the second political half could play out. This would be translated in a COP27 GST decision text, as well as the inclusion of this process in the cover decision text of COP27. The UAE Presidency could then play the role of charismatic team captain, leading Parties out on the pitch during the second half and executing a game/work plan that will result in match winning goals (climate ambition). Concretely this could be providing a roadmap with several high level political meetings already at the beginning of next year to correctly prepare the outcome phase of the GST.

And let us not forget the technical director, who is responsible to ensure that all players have the best conditions to do their sport and win. In our context, this is the UNFCCC: even if another technical dialogue is planned for June 2023, as well as Joint Contact Group sessions, that won’t be enough. We need additional virtual sessions in the first three months of 2023.

Finally, no football game is organised without referees and linesmen. They are reminding players (Parties) what rules to play by and ensure a high quality game in the spirit of fair play. Non-state actors, especially civil society and the grassroots communities, have to be able to meaningfully participate in these additional GST sessions, high level meetings and other events. If the GST is not corresponding to what these actors demand, which essentially is to implement the Paris Agreement, it won’t be efficient and relevant enough to stay below 1.5°C.

No time to lose in the biggest match for the planet

Naturally the current GST cycle is not to be compared to any regular football match. In light of the escalating climate crisis, it is in fact the biggest match for the planet and humanity. There is no time to lose in using the GST to achieve the climate ambition that is needed to limit global warming to less than 1.5°C. The real winner of this GST match should be the planet!

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Lost in the Finance Day-sert?

Having trouble finding your (New Collective Quantified) Goal? When you don’t have a map it’s easy to go around in circles.

It’s Finance Day today, but it seems like things have not moved much since the Finance Day at Glasgow. We’re basically halfway through the 2020-2025 period, but the US$100 billion has not yet been found.

If anything, things look bleaker. Despite the IPCC confirming that the capital is there, more countries are suffering from a debt crisis, making Mark Carney’s GFANZ private finance trillions look like a fairy tale of empty promises for developing countries. Meanwhile the fossil fuel crisis is making people poorer and fossil fuel companies richer. To ECO, it seems the best way to “mobilise” private sector finance is to seize the fossil windfall profits.

We’ve had 4 TEDs so far in 2022, but if anything ECO feels further away from agreeing a NCQG. Yesterday, ECO’s frustrations with the TEDs in the contact group were voiced by many developing country group’s negotiators, calling for clear milestones for convergence.

ECO would like to remind readers that the NCQG is, at its core, about developed countries making a commitment of public finance for developing countries. The needs are in the trillions of dollars per year, and inaction means that needs are growing.

When ministers meet today for their Ministerial, we urge them to remember the grave historic moment we are in. Please shake it up!
ECO - NGO NEWSLETTER CO27 FALL 2022 SHARM EL SHEIKH, EGYPT

Losses and Damages Needs Finance!

With the agenda item on Loss and Damage financing adopted, ECO believes action should follow words. With a lot of work ahead of us, the right principles should be adopted to guide it.

1. Grants, fool!
Loss and damage financing can’t be based on loans. Affected communities will by definition already be suffering. Making them also indebted would be cruelty.

2. We don’t need an empty shell.
Creation of a dedicated fund is the optimal option, but it cannot be created as an empty shell. We already have funds that struggle each year to see at least some funding – and at times don’t get even that (see LDCF and SCCF). We need a channel that will be able to provide support for affected people, both in relief form and to help them restore their livelihoods.

3. Give me adequate funding or give me death!
Channeled funds should be adequate to the scale of the challenge, period. Inadequate funding for loss and damage will not suffice, and eventually may lead to further losses – and keep the most vulnerable in a vicious loop of suffering and scraping to rebuild.

4. It’s not about liability but about solidarity
The funding should not be about deciding who’s guilty, but about providing help to those affected, by those with the ability to do it. Help can be provided in many ways - not only by giving money. But any action should show solidarity with those that have suffered, and help them rebuild. And in turn – those that are helping might receive similar solidarity when they are affected.

5. Human lives have no price.
If you are saying “we can give you only as much”, you are putting a price tag on the lives of those that will suffer losses and damages, no matter where they live. And this cannot ever be considered right.

Let’s Get This GlaSS House Built!

ECO is worried as it reads the summary report of the four workshops under the Glasgow Sharm El-Sheikh work programme (GlaSS) on the Global Goal on Adaptation (GGA). It claims incremental progress, but this is clearly not enough when the urgent need is for rapid transformation. And it leaves us with a huge gap between the GlaSS work programme and the needs and rights of the most vulnerable people and ecosystems.

Let ECO remind parties that GlaSS is now at the halfway point towards adopting a decision on GGA in COP28. And it is looking pretty flimsy. We need a concrete outcome here at COP27, which reflects what is needed by people on the frontlines working to build their capacity and resilience, and reduce their vulnerability.

Parties: we have to move past diplomatic niceties and negotiations, and decide what can meaningfully be done to ‘strengthen implementation of adaptation actions in vulnerable developing countries. ECO suggests that the next four workshops should reflect the strands from the first four: sectoral approaches, locally-led adaptation, ecosystem and nature-based solutions, financial and technical support. This would finally bring real meaning to the global goal and provide the means for reaching it.

And so, as we go into informal consultations, this Capacity Building Day, let’s work constructively to get the GlaSS house in order by the end of COP27.

The Role of Africa in Global Energy Development

Speakers include: Dr. Youba Sokona (IPCC co-chair & co-author of paper), Yacob Mulugetta (co-author), Phillip Trotter (co-author), Dr. Ebra Salla (Africa Trust Foundation), Janet Milongo (CAN I), Grace Ronoh (ACCESS Coalition)

Moderated by: Muhammed Lamin Saidykhan (CAN I)

Concluding remarks by: Hajar Khamlichi (MCYN/CAN Arab World)

Nov. 9, 2022 20:00 hours to 22:00hours - CSO Climate Justice Hub at Pacha/Sanafir Hotel Naama Bay
The Long Term Goal is 1.5

The decision text on the second periodic review of the long-term global goal is being negotiated, and ECO was lucky to have a sneak preview of the first draft. It is good to see text reiterating the latest IPCC findings, including the need to halve global emissions by 2030 in order to limit global warming to 1.5°C. Surely, no negotiator will oppose what their scientist colleagues have already agreed?

We are also happy to see that the draft decision recognises that limiting temperature rise to 1.5°C is the only correct interpretation of the long-term global goal agreed in Paris, and that it urges all countries to support this. As evidenced by the devastating impacts that we have witnessed in recent years, even the current temperature rise of 1.1°C cannot be considered safe - 1.5°C is really the maximum the world can afford.

ECO recommends Parties include two further points in the decision:

1. **Equity is key to achieving the long-term global goal.** This was a clear message from the Structured Expert Dialogue and needs to be recognised. However, it cannot be used to stall progress. Those countries with commitments under the Kyoto Protocol have largely overachieved their 2013-2020 commitments. While it is clear that developed countries need to do much more, substantially increased action by all Parties will be necessary to halve emissions by 2030.

2. **All pathways to achieve 1.5 include a substantial transformation away from fossil fuel use.** The IPCC and IEA clearly stated this in the Structured Expert Dialogue, and it is high time to acknowledge this in the conclusions of the review too.

ECO looks forward to constructive discussions by the Parties to ensure we avoid the most dangerous levels of climate change and reduce future loss and damage.

Climate Change: It’s a Matter of Life and Death

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.

As the world began arriving in Sharm El Sheikh, the Indigenous Peoples Caucus, composed of Indigenous Peoples from all seven UN socio-cultural regions, kicked things off with a pre-meeting of the Facilitative Working Group of the Local Communities and Indigenous Peoples Platform (LCIPP) followed by a global Indigenous Peoples Caucus preparatory meeting. As global recognition of Indigenous peoples’ contributions, solutions and knowledge systems continue to grow, so does the number of participants in these spaces. These meetings offer more than just a place to present our issues but are critical opportunities for our constituencies to collaborate and plan for our participation, strategies and goals before entering the UN space.

As a caucus, we are proud to stand with Mr. Nourene Ahmet Yaya who offered the opening statement on behalf of Indigenous Peoples Organisations on November 7 and reiterated that “Climate change is a matter of life and death” for our peoples. Nourene added that “We have the right to full and direct participation, including our youth, women, persons with disabilities and knowledge holders, in all UNFCCC bodies and processes” — something that has historically and continuously been a challenge for most Indigenous peoples, no matter what colonial state they reside in. The concerns echoed throughout the statement focusing on ailing mechanisms for redress and the ongoing advancement of false solutions. Nourene continued to highlight that, “Carbon markets and offsets, geo-engineering, Net Zero frameworks, Nature-based solutions, ecosystem services do not cut emissions and are new forms of colonization.”

While the global leadership summit was being held on November 8, the Global Indigenous peoples pavilion held our opening ceremony with a standing room crowd. The pavilion opened with an incredible line up of powerful speakers, beautiful cultural sharing and demonstration of the diversity of Indigenous peoples.

The Indigenous Peoples caucus and various working groups came together in the past week to lift our collective voices up and stand in solidarity with each other, as we know these spaces continue to be hostile territory for many of us. COP27 begins in full swing and states begin to negotiate aspects of climate action and policies. The work has just begun for the Indigenous Peoples attending COP27 and we must hold onto the closing words of the opening statement as we navigate the days to come:

“We commit to real solutions based on our knowledge, practices and time-tested sciences, and the full exercise of our rights, at the United Nations and in our own territories. We will continue to work with you for the survival of our children, and yours.”
What Ambition Enhancement Really Means

And Why You Shouldn't be Afraid

ECO hears that text on the Mitigation Work Programme (MWP) will be coming out early tomorrow. While ECO waits to see what’s in it, it seemed like a good time to remind Parties of some of the things you signed up to last year. Things that you seem to have forgotten.

In the so-called Glasgow Climate Pact (Decision 1/CMA.3) you recognized 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% by 2030 relative to the 2010 level and to net zero around mid-century”, as well as deep reductions in other greenhouse gases.

Oh-oh: you also recognized 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”. Guess what: you also emphasized “the urgent need for Parties to increase their efforts to collectively reduce emissions through accelerated action and implementation of domestic mitigation measures in accordance with Article 4, paragraph 2, of the Paris Agreement”. You established a work programme to urgently scale up mitigation ambition and implementation in this critical decade, and just a few paragraphs below you decided to convene an annual high-level ministerial round table on pre-2030 ambition. This was all good. But now ECO is struggling to understand why you think the MWP and those HL Ministerial round tables are not related at all, when you were the ones who came up with all this.

ECO has heard that some parties have concerns about the MWP extending the Paris Agreement or creating new obligations for countries. For this reason, ECO will clarify its understanding of “ambition enhancement”. No, it doesn’t mean you have to go through an expensive and time-consuming exercise of elaborating a new NDC document every year (unless you didn't do that for your updated NDC; in this case yes, you should do it again!).

In ECO’s view, ambition enhancement could be – but is not limited to:

1. Considering sectors not previously included in your NDC and targets (if it’s not an economy-wide NDC);
2. Exploring transformations of electricity supply, industry, transportation and buildings, that will also accelerate energy access and general wellbeing;
3. Considering the contribution of non-state actors/non-party stakeholders for emissions reductions;
4. Improving carbon accounting methodologies and being transparent about it;
5. Communicating new just energy transformation plans;
6. Including nature-based solutions like halting deforestation and conversion of ecosystems and forest restoration.

This isn’t new advice. Our friends from the CVF came up with a similar rationale last year, remember?

ECO says fear not, friends: ambition enhancement is an opportunity, not a threat. The IPCC’s latest report has proven that the economic benefits of climate action will outweigh the costs. The Global Turning Point Report by Deloitte Economics Institute states that if we take decisive climate action now, there is potential to gain $43 trillion in net present value to the global economy by 2070, and that nearly every country and sector stands to gain through swift decarbonization.

What other process is going to address the gap between where we are and where we need to be by 2030? The GST won’t do that. The GST is aimed at influencing the next round of NDCs - we can’t afford to wait that long.