

# ECO

## END ALL FOSSIL FUELS NOW

eco@climatenetwork.org • www.climatenetwork.org/eco-newsletter • June 8, 2023

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Editorial: Andres Fuentes

## The COP28 President's Bonn (e)mission

The COP28 President-elect may be surprised to learn that ECO is very much looking forward to welcoming him in Bonn today. ECO has heard that he has been traveling around the world on a "big listening" tour, and hopes that he has heard the echoes of yesterday's chants of "people in, polluters out" from Bonn.

It's a pity that this big listening tour could not have included attending yesterday's roundtables on mitigation and hearing small island developing states, least developed countries and others from all over the world calling for an end to fossil fuels. But ECO is sure that more countries, communities and people will keep calling, loudly and

clearly, for a full, fair, fast and funded phase out of oil, gas and coal.

This seems like something the COP28 President-elect needs to hear. In a recent interview, he asserted that, regarding the need to phase out fossil fuels, "there are many different views on these issues on both sides." But the truth is, one of those sides comprises the IPCC, the IEA, the UN Secretary General, the Pope, thousands of NGOs, millions of people, and an increasing number of countries. The other side comprises big oil, gas, and coal companies and their enablers.

ECO believes that one side has slightly more credibility than the other, but will let the reader decide which

one.

The COP28 Presidency keeps saying that what matters is cutting emissions and that's what Parties should be focusing on. ECO couldn't agree more. We would like to remind the Presidency that 83% of global emissions come from fossil fuels and that his own country is poised to become the third largest expander of oil and gas production in the world. As the CEO of the Abu Dhabi National Oil Company, the COP28 President-elect knows a thing or two about emissions.

Surely, then, the COP28 Presidency knows very well that the only way to phase out fossil fuel emissions is to phase out fossil fuels.

## An Ode to the Loss and Damage Fund

As the Glasgow Dialogue starts today, ECO decided to enlist the help of Artificial Intelligence to write a poem on what is needed for the loss and damage fund to be a success. It turns out, even robots get it. Anyone for a sing-song?

*There once was a fund, so central,  
To address loss and damage potential.  
No distractions in sight,  
It must lead with its might,*

*As the heart of the system,  
essential.*

*Under UNFCCC's reign,  
Equity and governance remain.  
Transparency is key,  
To ensure it's made free,  
Balanced and just, with no disdain.*

*Affected communities, they hold,  
A place in the fund, we are told.  
In the design, they'll partake,  
Their voices won't break,*

*For justice and lessons of old.*

*Polluter pays, a principle profound,  
CBDR-RC firmly bound.  
Grant-based, it will be,  
Public, for all to see,  
A fund accessible, truly renowned.*

*With predictability as its guide,  
Human rights applied.  
Adequate and so right,  
People-centered, in sight,  
This fund will the damage subside.*

# Looking at the GST Through a Transparency Lens

If the NDCs are the Paris Agreement's heartbeat, the GST is a visit to the doctor for a head to toe evaluation; it aims to assess how we are doing and what we need to improve towards achieving Paris Agreement's long-term goals.

The GST will assess governments' progress with a collective approach to advance implementation on the ground and identify the areas that need to be enhanced, improved or even avoided. In addition to an assessment of progress — or lack thereof — by the international community towards the 1.5°C goal, the GST will outline what countries should do and set the basis for more fair, effective and ambitious climate action (across adaptation, loss and damage, finance, mitigation and important cross-cutting issues such as ecosystems protection, gender equality and human rights). To progress in implementing climate commitments (NDCs), governments must address gaps in transparency and accountability.

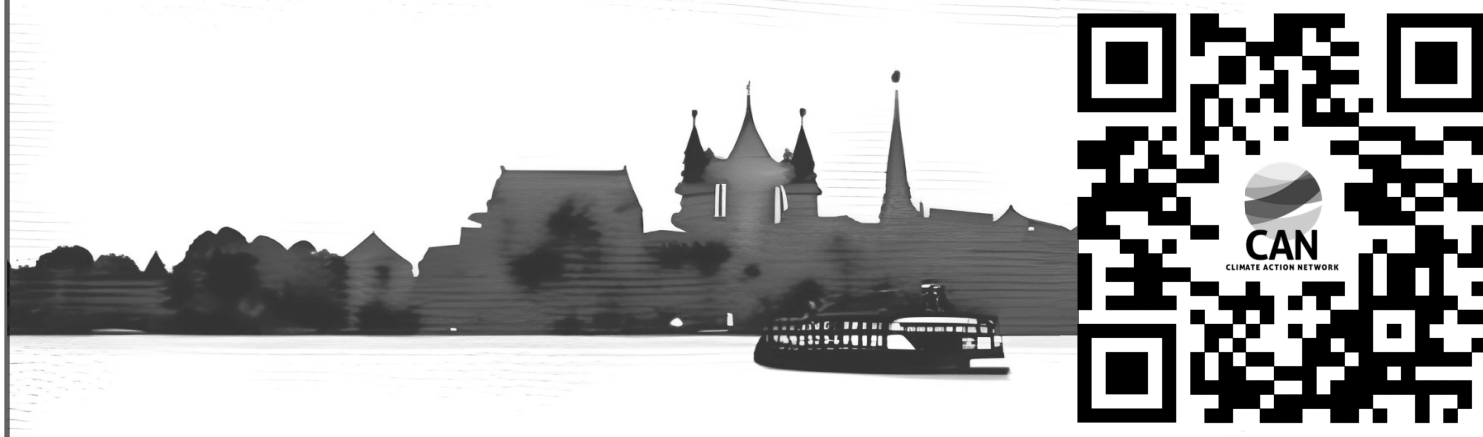
ECO hopes that the GST will be clear: to advance implementation and achieve the long-term Paris Agreement goals, governments will have to turn their attention to guaranteeing more transparency and accountability mechanisms. That could include providing clear and robust information regarding the source, assumptions and methodological approach behind NDCs and holding open and transparent discussions on how sectoral mitigation targets are being designed. But without transparent and accountable mechanisms, it will hardly be possible to secure climate justice which is so strongly demanded at national and international levels.

A country's ability to effectively implement climate policies is constrained by factors that transcend transparency (lack of finance, capacities, and development challenges); besides these challenges, without transparency and accountability, there is no possibility of advancing implementation or increasing ambition. At the national level, having a strong legal framework, governance setups, and well-resourced institutions will contribute to maximising effectiveness and legitimate decision-making. Moreover, guaranteeing the implementation and compliance of climate policies requires robust monitoring and evaluation mechanisms that allow third-party review. These elements set the stage for an upward spiral of ambition domestically and globally.

Already, the GST has clarified that civil society advocacy efforts to reduce transparency gaps are critical to enhancing dialogue and deliberating the climate-oriented policies that are so urgently needed. The involvement of non-party stakeholders at SB58 and beyond provide essential inputs for stakeholders to support climate action strategies and encouraging decision-makers to increase ambition and implementation.

The GST, as a forward-looking process aiming to inform the next round of NDCs that will be presented in two years' time, must continue to be an inclusive process, fostering participation and engagement from all Parties and non-Party stakeholders. Only then can real progress be achieved in translating GST outputs into concrete national policies aligned with the long-term Paris Agreement goals.

## DON'T MISS A SINGLE ECO AT SB58!



# Finessing Finance

Eco has been glad to hear that all Parties are seemingly in agreement that climate finance – particularly for adaptation and loss and damage – should not lead to indebtedness. This is crucial at a time where 93% of the countries that are most vulnerable to the climate crisis are in debt distress, or at significant risk of debt distress.

Yet it seems that some countries are a bit confused about what that actually means, with some even thinking that loans could be a good idea for adaptation and loss and damage finance.

Maybe ECO should take you back to basics?

According to the Merriam-Webster dictionary the definition of debt is “something owed”, and the definition for a loan is “to let out (money) for temporary use on condition of repayment with interest”.

If those two things sound like the same thing, it’s because they are.

We don’t need to remind you why public and grant-based finance is crucial for developing countries adapting to and recovering from the impact of climate change. It is a lifeline for communities responding to the impacts of climate change for which they have very little responsibility. It is unacceptable to force them into debt to pay the cost of decades of government inaction. ECO finds this very confusing — surely the most responsible

for emissions should actually be paying their historical climate debt to communities affected by climate change?

Despite its importance, developing countries have not seen anywhere near the scale of public and grant-based finance that is needed. Quite the opposite; proposals put forward by developed countries systematically favour debt-inducing instruments!

As you head into the Glasgow Dialogue today, and TED 6 next week, keep your eyes and ears peeled for those who are pushing for yet another false climate finance solution, in the form of debt-inducing loans. ECO will be bringing its dictionary, in case there is any confusion.

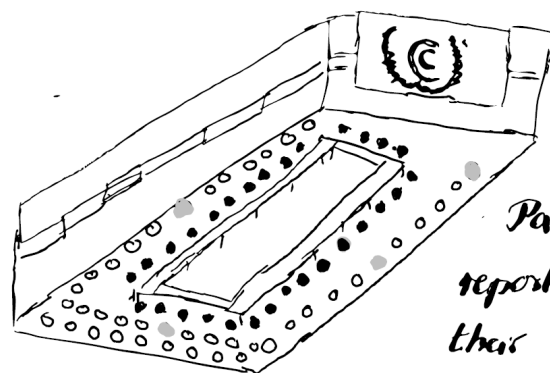
And remember — June is a busy month for climate finance! As we brace ourselves for a New Global Financing Pact summit in Paris, where discussions on the reform of the financial architecture and debt are at the forefront, we can’t help but wonder if it will be a defining moment or just another theatrical display? While the suspension of debt may offer temporary respite, let’s not forget that it’s merely a drop in the vast ocean of financial challenges. It’s high time for world leaders to rise above mere punchlines and deliver tangible solutions that genuinely alleviate the burden of debt for nations in need. Only then can we truly deem this summit a resounding success.

## Invitation to the FSV Dance Floor

FSV (Facilitative Sharing of Views) is yet another acronym crowding the halls of the Subsidiary Bodies (SBs). But despite the dry name, interesting things are happening. In the FSV workshops, countries present and discuss their progress in implementing climate action. That does sound interesting, doesn’t it?

The 14th FSV workshop just closed its doors and participants congratulated each other for the inclusive participation of different stakeholders. But ECO would like to point out, when referring to “different stakeholders,” they meant Party stakeholders exchanging with other Party stakeholders. So, it was not something particularly novel in ECO’s view.

ECO laments that Non-Party Stakeholder (NPS) participation was limited in two ways. First, NPS were not allowed to take the floor, and thus were not able to interact with the presenters. Secondly, observer turnout was low. Look at this beautiful picture of the 14th FSV room, where there are many empty seats waiting for you.



*Parties  
report about  
their progress*

Wouldn’t it be important to learn from the successes and experiences of countries implementing climate action? And at the same time also put into perspective dangerous narratives that have the potential to risk social and environmental safeguards or distract from cutting emissions? ECO is inviting you to join the FSV dance floor and contribute to a rich implementation performance.

# Mitigation Work Programme: What About It???

ECO was glad that it got to participate in the interesting and interactive first global dialogue of the Mitigation Work Programme (MWP) on the just energy transition over the past weekend. But ECO wonders how this discussion will lead to the enhanced mitigation ambition and implementation that we badly need in this critical decade, and to the most important outcome of COP28: a strong call on all countries to phase out fossil fuels in a way that is fair, full, fast, and funded, alongside a massive scaling up in safe, clean, and community-owned renewable energy. The investment-focused event was a bit disconnected from the previous discussions, but our general take is that the dialogues are a good way to do things although they can be improved. So don't worry, ECO is here with some suggestions to help the co-chairs streamline the issues for the next dialogue, focusing on three blocks: Policies, Just Transition and Financing.

On Policies, MWP should:

- address the international cooperation gap on renewable energy (RE), grid, storage, and energy efficiency through sharing and fostering solutions and creating platforms and initiatives;
- incentivise technology transfer on favourable terms to developing countries;
- send a clear signal that the scaling up of renewables is meant to substitute and not to supplement fossil fuels;
- not focus on CCS/CCU for this critical decade, as the ability to deliver significant emissions reductions by 2030 is extremely small (5% or less of the total reductions needed to keep 1.5 C alive);
- define enabling conditions and incentives for countries to repurpose fossil fuel subsidies to RE investments;
- incentivise policy integration at the national level for complying with the Paris Agreement goals;
- foster a change of mindset away from policy-making for fossil fuels to policy-making for renewables, and build the capacity of developing countries for that shift through knowledge and technology-sharing, and;
- consider conservation of sinks, improved management of ecosystems, and restoration to be essential complements to emissions reductions.

On Just Transition; ECO believes that in a world where inequalities, poverty and precarious work are growing, climate policies must embrace the need for a Just Transition. The jobs and livelihoods of millions of people around the world are trapped in fossil extraction and while in some regions governments have the means to organise the fossil fuel phase out, in many others, often because of colonial heritage or neocolonial impositions, the resources are not available. So:

- the MWP must ensure mitigation policies secure decent work opportunities for all workers impacted by the transition, formal and informal, and support communities with alternative livelihoods, and most importantly, secure their right to be heard and co-create the future they need;
- moving away from fossil fuels requires a new wave of multilateral cooperation and solidarity, preventing the proliferation of double standards that would condemn once

again people and countries to being sacrifice zones, as well as a courageous approach to funding a Just Transition, and;

- ECO is conscious that Just Transition is being discussed in many rooms (and that's great!). The Just Transition Work Programme being negotiated this week must ensure discussions like the MWP on JT lead to decisions and help Parties go further in their mitigation ambition.

On Finance, MWP should:

- acknowledge developing countries' need for enhanced support in designing just transition strategies in the context of their next round of NDCs, as well as more robust finance from developed countries and MDBs to implement those strategies;
- more countries should follow the lead of Morocco and others that have repurposed public fossil fuel subsidies to finance clean energy projects as well as other programs benefiting low- and moderate-income populations;
- developed countries working on Just Energy Transition Program (JETP) initiatives with select developing countries need to provide more finance in the form of grants and concessional loans and to support much more robust just transition components of their JETPs, and;
- the MWP should deliver on reducing the cost of capital for developing countries to transition.

You must be thinking this is a long list, but delivering a global transition to clean power at a four to six times faster rate than, and rapidly scaling up investment in clean energy is no easy job. In the discussions over the weekend we did come up with a few ways to do it, such as phasing out subsidies for fossil fuels and engaging in alliances such as the Clean Energy Transition Partnership, signed by 34 countries and 5 public finance institutions from both developed and developing countries, that commits to shifting public finance away from fossil fuels to clean energy resources.

Lastly, the entire SB agenda has not been adopted, because of disagreements over the crucial issue of mitigation, and while work on this and other issues has been launched, the legal status of Parties' work on the MWP at SB58 is highly insecure. We have already watched that movie last year, no need to repeat it. We urgently need this to be agreed upon and the agenda to be adopted, and we need discussions on the following issues: How do we deal with the many issues raised during this session or barriers to clean energy deployment? How are the reports on this and the next global dialogue going to be considered by Ministers? What specific and actionable recommendations should come out of the Ministerials? What decisions need to be reached at COP28 on the future work of the MWP?

ECO would like to see actionable recommendations from the COP in Dubai on policies, finance and Just Transition, as mentioned above. A tangible outcome of the MWP can be a package with actions and targets for renewables, energy efficiency and energy access, grid development and the right storage technologies matched with public and private investments. Then ECO, the world and future generations will be forever thankful to you, dear negotiators, for your contribution to keeping 1.5°C within reach.