

# ECO

## CEASEFIRE NOW

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## Make the Global Stocktake a Launch Party for Real Human Rights-Based Climate Action

ECO can't seem to get this song out of its head - a catchy tune that hit the charts in 2015 titled "The Paris Preamble Paragraph on Human Rights" released by a collective of 195 geographically diverse singers. Ever since, it pops up at many parties! ECO danced to it at an ACE Work Programme gala in 2021, keeps hearing it at the carbon markets pub, and just two days ago, the DJ of the Loss and Damage Fund Fest threw it in the mix (an unfortunate failed attempt to get people dancing as he was not in the Governing Instrument Room).

It's a really good song with especially catchy lyrics: it's about Parties committing to respect, promote and consider their respective obligations on

human rights when undertaking climate action. It goes on about all the different meanings that it can have: the rights of Indigenous Peoples, gender equality or intergenerational equity - it's all there (and more!). Last year - at a big festival in Sharm el-Sheikh - a remix was released, adding a chorus on the Right to a Clean, Healthy and Sustainable Environment, making the song even better than it already was.

ECO can't get enough of it but is starting to think the collective might be ready for a sequel called "Operationalizing the Human Rights Paragraph." That could actually be a whole album: a solo about strengthening human rights integration in Nationally Determined Contributions, a disco song about recognizing and

respecting Indigenous Peoples rights, jazz tunes about enhancing the collection of age- and gender-disaggregated data, a pop smasher about the needs and experience of the LGBTQ+ community, and finally, some old school rocking around the protection of environmental defenders.

Don't get ECO wrong, it's still a good song for listening to on the train and singing in the shower, but we wouldn't want the collective to start sounding like a broken record. The Human Rights Operationalization record seems like the next platinum album where every song is equally good and doesn't get skipped, and ECO suggests the very first Global Stocktake Festival announced at the UAE to release it with a bang!

## The Renewable Revolution Has an Imposter

As the battle around the phasing out of fossil fuels shifts gears (hint, delegates: think *phase out* and *all* fossil fuels), ECO insists that there be a truly ambitious energy transformation package in the final decision text which includes tripling renewable energy capacity by 2030. The pledge announced yesterday is not good enough.

Yet not all 'renewable' energy is created equal. Whilst some (like wind and solar) offer genuine solutions to cutting emissions, air pollution and household costs, others are simply dangerous.

One touted 'solution', hiding in plain sight, is particularly devious. This imposter is large-scale centralised bioenergy, often generated by cutting down huge swaths of forests. This is not

the same industry as your friendly 19th century woodcutter. Under an invisibility cloak of flawed UNFCCC guidelines together with dodgy claims about carbon neutrality, bioenergy receives vast sums of subsidies.

But burning biomass, and especially biomass from forests and plantations for liquid biofuels, emits at least as much carbon as coal per unit of energy — carbon that can take decades to be reabsorbed from the atmosphere when (or if!) the biomass grows back. The result is further warming of the atmosphere.

What's more, the ability of forests to fight climate change is compromised by burning biomass, and, compared to wind and solar, many of its forms are land hungry and terrible for biodiversity.

Moving away from fossil fuels could save millions of lives thanks to improvements in air quality. But co-firing coal and biomass or replacing fossil fuels with biomass can perpetuate pollutant emissions. Truly clean energy will reduce illness and premature death - not lock us into more of the same. In case ECO hasn't been clear up to this point: biomass isn't clean.

The renewable energy pledge must become part of the final decision text and explicitly provide guardrails for people and for nature and exclude clean energy imposters, and the GST must include language that makes it clear that we can't burn our way out of the climate crisis.

Stop burning forests for energy!

# Coffee: or Why We Need a Solution-Oriented Mitigation Work Programme

After four days of enjoying too many 25-dirham coffees, Finance Day couldn't have come soon enough for ECO.

The combination of low financial resources and serious coffee habits have left ECO wondering about how the same thing can have so many different prices in different parts of the world.

Have no doubt, while ECO loves coffee, we're not here for the coffee, but for urgently scaling up ambition so the world will not get hotter. At least this is the mandate of the Mitigation Work Programme.

We are here to agree to phase out fossil fuels equitably, and to both double energy efficiency and at least triple renewable energy before 2030. But also in this necessary endeavor, we need to face the reality that not

only coffee but items necessary to make the energy transition happen, such as solar panels and wind turbines, have very different prices in different parts of the world.

And even if the underlying price is the same, the value of the money needed to buy these items is very different in different parts of the world. For example: countries with cheap capital currently have interest rates of 3-5%. So, if a windmill costs 1 million dirham, it will have an annual cost of about 40,000 dirham in China, Europe or the US. But in countries with expensive capital, the interest can be four times higher. So here the annual cost of building the same 1-million-dirham windmill will be about 160,000 dirham.

Not surprisingly, it is generally the developing countries that face

expensive capital. How is this fair? ECO says it is not. This is clearly a huge barrier to make the energy transition happen – and it makes it seem more profitable to remain dependent on fossil fuels instead of transitioning to renewable energy. Experts from all over the world agree with us! In the Global Dialogues, the higher cost of capital in developing countries was identified multiple times as a key barrier.

ECO is of the opinion that this needs to be spelled out. Dear MWP negotiators, use the opportunity at hand and make identified key barriers and solutions, such as tackling differing capital costs, visible to all in your decision text. This signal is needed to solve these barriers. Let's ensure the price of coffee and energy is affordable to all!

## Broken Promises on Adaptation Finance

ECO wonders if developed countries still remember their COP26 promise to double their annual adaptation finance by 2025 (compared to 2019.) The recently published OECD report shows that adaptation finance flows have declined in 2021 by 14%. Isn't that alarming? The UNEP adaptation gap report confirms this drop in adaptation finance and reveals how drastically the adaptation finance gap is widening. Meanwhile, adaptation needs and costs far exceed previous estimates. One telling example is that Africa will need a five to ten fold increase in adaptation finance flows to over \$100 billion per year by 2035.

This widening gap has massive implications for enabling vulnerable countries, peoples, and communities to adapt to the changing climate and confronts them with ever-growing losses and damages. ECO is extremely worried about these recently revealed trends, and that developed countries have so far not produced any credible plans for achieving the doubling of adaptation finance they committed to in Glasgow.

Let ECO remind you that it is not only the numbers that matter, but also the quality of finance that's being offered. The time of channeling the majority of adaptation finance, especially for Africa, as debt or loans is over. Adaptation finance must focus on the needs of those communities that are most vulnerable to climate change. It must be directly accessible to developing countries and it must be aligned with human rights and contribute to gender equality. There is a big need to increase grant-based adaptation finance for concrete local adaptation measures that increase the resilience of people and communities most vulnerable to the climate crisis.

ECO has heard a number of developed countries in negotiation rooms generally agreeing to those needs.

However, ECO would like to remind them that words must be followed by action. And there is a very easy way to do so: contributing to the Adaptation Fund!

The Adaptation Fund fulfils all the conditions for high quality adaptation finance. But somehow developed countries seem to have forgotten about the Adaptation Fund at COP28. ECO wonders if some developed countries felt that making (often rather symbolic) pledges to the Loss and Damage Fund may distract attention away from the looming adaptation finance gap.

ECO is seriously concerned that the Adaptation Fund will not even get close to its minimum resource mobilization target of 300 million USD. This target is only a political compromise and does not even come close to the actual needs and demands for Adaptation Fund projects.

Because of the very limited finance and lack of predictability, the Adaptation Fund cannot take the necessary steps needed to significantly scale up its action and is unable to play the very important role that it actually should assume. It is not at all clear when and how much resources will be generated through the 5% share of the proceeds from the market mechanism for emission reductions under Article 6. The timeframe and generated funding of this mechanism are complex and still uncertain. In the short to medium term, the Adaptation Fund thus heavily depends on contributions from donor countries. Developed countries, you need to step up for adaptation finance and the Adaptation Fund with significant and impactful multi-year contributions! You need to prove that your promises are not just empty words. If you fail to provide urgently needed adaptation finance, the losses and damages we are facing in the rapidly intensifying climate crisis will dramatically increase.

# MDBs: Making Development Better?

Multilateral Development Banks (MDBs) are somewhat new to the spotlight at COP, but they hit the big time last year getting a call to reform and scale up their ambition on climate finance in the COP27 cover decision.

Not ones to shy away from big gestures - the MDBs can certainly splash the cash: **USD\$17bn direct finance to fossil fuels** since the Paris Agreement (and this is before indirect finance via financial intermediaries, technical assistance, trade finance and budget support has been calculated) — **68% of this was spent on fossil gas.**

Some MDBs are leading and some are lagging. The European Investment Bank has signed the Clean Energy Transition Partnership to shift public finance to a renewable just transition. Meanwhile, the World Bank leads the MDBs in financing fossil fuels. Why yes, that's the same World Bank that is the new host for the Loss and Damage Fund. And yes, that does mean they'll be funding gas projects with one hand while dishing out cash for the damage caused by fossil fuels with the other.

As MDB heads meet with the COP president today, will they only chat about how private finance can save the planet? Or will they discuss meaningful agreements that recognize the need for public finance to shift out of fossil fuels and support a just transition that is transparent and upholds the rights of all? Will they remain silent about the structural debt crisis, or will they address that the MDBs' main response to all challenges is to grant even more loans? What about progressive taxation? Maybe, before we make the MDBs bigger, we should demand they become better.

We must expect the MDBs to recognize that the commitment to align with the Paris Agreement means supporting a 1.5°C pathway that has no room for fossil fuel expansion. We also expect the World Bank president

and others to recognise that calling gas a 'transition' fuel ignores demands from Global South countries for a people-centered just, rapid, and equitable transition to sustainable, renewable energy. All in all, it is unclear how creating more emissions, locking in a fossil fuel development model and creating stranded assets is transitioning to anywhere except increased poverty and even more disastrous climate impacts.

Never fear, ECO's here to help. Here's a short to-do list to ensure that this year there isn't just talk about reform but meaningful climate action from the MDBs at COP28 and beyond:

- **End direct and indirect finance for all fossil fuels including fossil gas.**
- **Shift finance to a just transition that benefits people and the planet.** Invest in sustainable renewables and energy efficiency that are cheaper, cleaner and bring real benefits to local communities, not profits to big foreign corporations.
- Increase ambition and quality of investments to **keep 1.5 alive.**
- Take **urgent action on the debt crisis and provide more long-term concessional climate finance**, with faster and direct access.
- **Increase transparency and accountability**, require deep improvements in reporting on investments, use only grant-based finance and shift away from neocolonial power structures to democratic governance. Give the users of the banks a larger say, from developing countries to local communities that benefit or suffer from the banks' lending.
- **Stay away from dangerous distractions, risky and inefficient solutions** including nuclear power and geoengineering.

## A Day, a Declaration and Dollars for Health

The COP's first ever health day started with a clarion call from the WHO Director-General echoing the call of 46 million health professionals for a just transition away from fossil fuels, and ended with the announcement of 127 countries endorsing the COP28 Declaration on Climate and Health, with China among the four newest signatories - a packed day and certainly a cause for celebration with a healthy beverage. It's clear there is support for health to have a home at the COP even if it took 29 long years! Health can be an accelerator for climate action, putting the reality of human lives at the heart of ambition.

The Declaration makes clear that healthy climate action must include and go beyond the health sector. It describes the importance of health finance and partnering with communities, but doesn't go quite as

far as naming the ultimate addiction and greatest threat to human health - fossil fuels. Human rights are a glaring omission, despite the right to health already being recognised in the Paris Agreement and the right to a clean, healthy and sustainable environment embedded in the COP27 cover decision.

A total of 1 billion USD for climate and health was pledged during yesterday's WCAS Health Segment, with the potential to propel much needed action. If this climate finance is to truly serve health, ECO hopes that the majority is new and additional finance — not diverted from other climate, health and development priorities — and that it will be based on grants, not loans, to avoid reinforcing vicious cycles of debt, poverty, and disease.

So what next? Words about health will do little sitting on the

pages of the Declaration. All 125 signatory Parties must lift them off the page and into the negotiations. The outcomes of COP28 can only be healthy with ambitious climate action across the negotiations. No health justice without climate justice - no health without climate action. This must include the phase out of all fossil fuels and a just transition to affordable, accessible, healthy, renewable energy; the adoption of thematic targets and indicators under the GGA - including for health - to show where gaps in adaptation exist and to protect the world from pandemics; the transformation of food systems including through healthy and sustainable diets; and climate finance, including a capitalised loss and damage fund.

Health Day was a first time, and a first step. ECO will watch carefully for what comes next.



## New Zealand's U-turn on the way to a liveable future

Did New Zealand not read the road signs to COP28??? No u-turns on the way to a healthy planet.

New Zealand had been saying all the right things, listening to Indigenous voices, and championing a global phase-out of fossil fuels. But with a new government in the driver's seat, they seem to have swerved off course and are undermining the Indigenous People-led struggle by announcing plans to reopen Aotearoa waters to oil and gas exploration. In doing so, they have the dishonour of winning the first 'Fossil of the Day' award at COP28.

Does Climate Change Minister Simon Watts not hear the climate alarm bells ringing? He may underestimate the devastating climate consequences of this decision but we, and their Pacific island neighbours in Palau, who slammed his intentions as 'TRAGIC', certainly do not.

Minister Watts may be new to his role but we remember the decade-long campaign led by Indigenous Māori communities who succeeded in achieving a ban on oil and gas exploration in New Zealand's oceans. Not only does Watts and the rest of the New Zealand government want to remove the country's legacy of climate leadership but they also seek to redefine legislative interpretation of the country's founding Treaty with Māori communities, to reassess Treaty-based policies, and to roll back official use of Māori language - undoing the progress made between Māori and government

relationships.

Aotearoa New Zealand, as tangata moana (ocean people), has a responsibility to make sure decisions are in the best interests of their neighbours and should not ignore the calls from those at immediate risk of sea level rise to line the pockets of fossil fuel companies. We will not let you silence Indigenous voices. Let's be clear, expect criticism; we have no time to waste in securing a liveable future.

### Japan's Greenwashing Tactics

Not satisfied with receiving a Fossil last year as world leaders in providing public finance for fossil fuels, Japan is back with another strong showing as a runner-up on today's podium. They want to appear greener than green with two initiatives that they claim "contribute to global decarbonization" according to Prime Minister Kishida, but we see straight through their attempts to extend the life of coal and gas domestically and throughout Asia.

It's clear that this is nothing more than greenwashing of hydrogen and ammonia co-firing with fossil fuels, which would keep thermal power plants running far into the future. This fails to meaningfully reduce emissions, jeopardises the decarbonization of Japan's energy and any possibility of phasing out fossil fuels.

Japan's Prime Minister has been making a sales pitch through the Asia Zero Emissions Community (AZEC) initiative for Southeast Asia to keep their coal and gas

plants running using the hydrogen and ammonia co-firing technology. This push to lock in fossil fuel-based energy across the continent is delaying the transition from fossil fuels to renewables, adding hurdles to achieving the global goal of tripling renewables.

### United States' Misplaced Finance

Unsurprisingly we have a bone to pick with the US, they earn a runners-up spot for their priorities when it comes to climate FINANCE.

The US, aka the 'Belligerent Burden Shirker', comes third due to its abysmal pledge of \$17.5 billion to the Loss and Damage Fund... we think the US might have confused million with billion... a mere pittance from the largest historical emitter. The US prioritises fueling conflict over climate, through excessive military spending and tripling its nuclear energy capacity by 2050, rather than funding relief for unavoidable climate impacts.

As it allocates \$38 billion on military aid for Israel, and over \$60 billion towards the war in Ukraine, this paltry contribution to help heal climate wounds is the height of hypocrisy. From islands sinking under rising seas to families retreating from advancing deserts, this nominal Loss and Damage donation in the face of an expanding price tag for the US military global misadventures adds a particularly hurtful quality to the injustice. We award this fossil for the US to look in the mirror and reflect on its allocation of funds.

## 100% Renewable, 100% Financeable

ECO has a nasty stomach ache after eating a weird sandwich called Global Decarbonization Accelerator. The cucumber variety known as the Renewable Energy pledge was all right, but would be so much tastier if properly seasoned!

ECO checked its temperature with the Renewable Energy Tracker and found that all countries are not on track with achieving 100% renewable energy across all sectors, nor are there any real renewable energy champions. Even developed countries are not living up to their responsibilities.

So how can the chef make a

better sandwich? ECO suggests that on top of the "tripled-renewable-electricity-capacity" lettuce variety, the chef triples the tomatoes across all sectors not just electricity. ECO also suggests that the chef checks that the expiry date of the ranch dressing goes beyond the year 2030, and until we globally achieve 100% renewable-energy systems.

ECO also suggests that the sandwich is grilled in a manner that is efficient, just, equitable, democratic, inclusive and respectful of people and ecosystems. Local, decentralized and community-owned solutions will be key and will not only make the sandwich

tastier, but healthier as well: from energy access to reduced air pollutants and jobs, the benefits of a perfect grill are endless!

ECO also knows that everyone has different tastes, so it suggests the addition of a special sauce for developed countries called 'Equity'. It can be found in every Paris-aligned shop. Not only should developed countries reach 100% renewable-based systems earlier but should also provide significantly enhanced financial support to developing countries. Without finance, there will be no full, fast, fair and funded phase-out of all fossil fuels, and neither will there be a just and rapid transition to 100% renewable energy systems.