

ECO

FINANCE CLIMATE ACTION, NOT GENOCIDE

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Beyond the basics: Building a strong foundation for Loss & Damage finance in the form of a subgoal

Let's talk about Loss & Damage finance. Specifically, the ongoing debate over whether we really need a subgoal for Loss & Damage in the new climate finance goal (the New Collective Quantified Goal or NCQG). Some people are asking: do we really need a subgoal for Loss & Damage in the new climate finance goal +(the NCQG)? After all, we have the Fund for Responding to Loss and Damage, right? Well, here's the thing: this isn't a *choose your favorite child* situation. We need both. Like a peanut butter and jelly sandwich, Loss & Damage and a subgoal go together perfectly.

Today, countries have the opportunity to pledge new funding to the still young Fund for Responding to Loss and Damage. Last year's decision

to operationalise this fund on Day 1 was hailed as historic—a much-needed step in recognizing that Loss & Damage needs its own dedicated support. But let's be real: the pledges so far - USD \$702 million - are merely a drop in the ocean of Loss and Damage needs, which are already in the hundreds of billions of dollars a year.

How do we build something strong enough to ensure that the people who are hardest hit by climate change can actually access these funds? The answer is simple: a dedicated, public, grants-based subgoal for Loss & Damage finance within the NCQG.

A focused subgoal for Loss & Damage under the NCQG would give the Fund the structure and strength it

needs to stand as an operating entity under the Convention and the Paris Agreement. It would create an essential and dependable flow of resources for communities on the frontlines of the most extreme impacts of climate change - impacts beyond the limits of what adaptation alone can manage.

So, as more pledges (hopefully) roll in, let's keep things in perspective. Sure, the initial commitments are nice, but they're still just the tip of the iceberg, and we all know what happens to icebergs. Spoiler alert: they melt. What we really need is a solid Loss & Damage subgoal to turn that trickle of funds into a dependable stream of resources. And maybe, just maybe, we'll start to see some real progress.

Don't let Just Transition be Just a Tale

Today ECO is in the mood to tell you a story of how just transition gets delivered for real people in the real world. It seems like ages ago, but it was only last year that a Just Transition Work Programme was adopted to scale and speed up just transition – placing rights, inclusion, equity, and justice at its heart, and making clear both domestic and international efforts where needed.

It had a very rocky start at the 60th Subsidiary Body (SB60). A procedural conclusion was looming, and with it the risk of destroying the work programme's

potential before it even started supporting workers and communities impacted by the transition. The Second Dialogue started unpacking the barriers and opportunities in achieving a just transition.

So here in Baku, the commitment to make Just Transition happen must see the light of day. A Just Transition Action Plan that agrees: to 1) secure rights and key justice elements wherever Just Transition is applied; and 2) takes concrete steps to enable a Just Transition in countries lacking the policy and fiscal

space to deliver it, is within reach.

With only two weeks on the clock, we stand at a crossroads. Broad summaries of the dialogues and endless controversy or commitment to bold, action-driven change that covers all the elements of the JTWP scope?

ECO already warns Parties that mere summaries of the dialogues will do a disservice to all those still expecting governments to secure a pathway to prosperity. ECO and our friends have the ideas, stamina and commitment to support you getting there.

Troika NDCs are out, but are they ambitious enough?

As COP29 opens its doors, new NDCs and targets from the Troika countries are being announced. The United Arab Emirates just published its 101-page NDC (we spent a sleepless night on it - thank you but not thank you). The Brazilian government announced its emission reduction target and teased us with some spoilers of their NDC. As two members of the Troika of Presidencies, the UAE and Brazil have a mission to 'foster alignment to 1.5°C through NDCs,' and the world expects them to lead by example.

NDCs have one job: to collectively provide sufficient ambition to get Parties on pathways to 1.5°C that ensure climate justice. Parties have long claimed their own NDCs as being 1.5°C-aligned. Recalling that the Paris Agreement is a bottom-up process, what this really means is that they believe their NDCs reflect the highest possible ambition they can muster to meet the collective goal, which is not always the case. **As of COP28, Parties' NDC should respond to the recommendations of the first Global Stocktake, particularly the transition away from fossil fuels.** This is the lens through which ECO looks at the recent announcements from the Troika, as follows:

1. The range of issues covered by the UAE's NDC, including adaptation, water, biodiversity, women and youth, and health, is pretty much OK. However, the exceptionally long plan is rather unexceptional as it DOES NOT RESPOND TO THE GST OUTCOMES. We can't just forget the COP 28 text on 'Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade.' **The UAE NDC doesn't consider the phase out of fossil fuel production or consumption.** Ok, they mention renewables but....the

IPCC makes it clear that further extraction of fossil fuels will eat through the remaining 1.5°C carbon budget and that this must be addressed with urgency. Indeed, we saw news over the last year on rising investments in oil and gas in the UAE.

2. **Also missing from the NDC is any consideration of reducing oil exports.** This is not in line with science, nor the GST. Kind reminder: Troika countries were net exporters of up to 750 million tonnes of carbon pollution from oil and gas as of 2022. Their combined fossil fuel footprint doubles when counting the carbon pollution caused by their exported oil and gas production. This is why NDCs that only cover fossil fuel use within their borders would fail to account for their full climate footprint.

3. ECO highlights that transparency is of the essence for a good NDC. We looked for the policies to reach the sectoral targets and didn't find them for some sectors. And we also noticed a change of the emissions baseline used by the UAE without any sort of clarification.

4. NDCs must show that climate justice and a just transition are at the heart of national planning. This also means planning investments and activities to address pre-2030 emissions. ECO would like to see Parties following IPCC recommendations and focus on real emissions reductions, especially through a phase out of fossil fuels, instead of investing in false solutions. Yes, we mean Carbon Capture and Storage, Carbon Dioxide Removal and other such unproven dangerous distractions. **The focus "on developing and deploying carbon capture, utilization, and storage (CCUS) technologies at scale" is a clear weakness of the UAE's NDC.**

5. Regarding the Brazilian NDC announcement, the emission reduction target is indicated as a range of 59% to 67% by 2035 from 2005 levels, which represents a reduction of 39% to 50% by 2035 from 2019 levels – but Brazil still hasn't delivered a fleshed out NDC with a plan on how to get there. **ECO is concerned that a range runs counter to the core goal: to reduce emissions as quickly and deeply as possible.** The focus should be on accelerating the trajectory toward real zero emissions, without limits that could suggest stagnation in the process. ECO also has questions for which Brazil did not yet deliver answers: how are they going to halt and reverse deforestation (including legal deforestation)? What about phasing out fossil fuels? Will they tackle climate justice, adaptation and loss and damage in the NDC? What is the incentive for sectors to move to the highest end of the range? We are eager to see the document to check if the NDC is really 1.5°C-aligned as claimed.

Troika Presidencies are expected to lead by example. Countless people around the world enduring and suffering extreme weather, droughts, floods and the many other consequences of the climate crisis are not going to read hundreds of pages or be impressed by elaborate calculations or nice words: they need climate action and they need it NOW. Please, Troika, don't fail us. We hope Azerbaijan and other countries, especially the G20, present strong NDCs here and in 2025; no more time for fake news. NDCs must reflect not only national circumstances and a country's highest possible ambition, but also how they will deliver climate justice.

COP29 must send the right political signals for that to happen.

An urgent call from Cali to Baku: we need joint action on nature and climate

As COP29 gets underway, many Party and NGO representatives are gearing up for their second COP in the space of a month! At the biodiversity COP16 in Cali, Colombia, just two weeks ago, there were major challenges in finalising parts of the agenda. However, ultimately, significant progress was made on the need to address the nature and climate crises in tandem.

This enhancement of cooperation between the Rio Conventions reflected the Global Stocktake's emphasis on protecting biodiversity, halting and reversing deforestation and forest degradation, and aligning with the CBD's Global Biodiversity Framework.

The CBD called for new cooperative workstreams between the CBD and the

UNFCCC, and invited Parties to submit views on synchronizing policy approaches, including a potential Joint Work Programme of the Rio Conventions. Negotiators in Baku now need build on this momentum in decisions taken here at COP29.

Protecting and restoring the integrity of ecosystems rich in biodiversity and carbon (e.g. tropical, temperate, and boreal forests, grasslands and seagrass meadows) – taking a rights-based approach – reduces the risk of permanent loss of their immense carbon stocks. Alongside a rapid phase out of fossil fuels, these actions are essential for limiting warming to 1.5°C, and are critical for supporting livelihoods, human well-being, and adaptation.

Despite progress under the CBD,

the UNFCCC's current rules and guidance undermine the need to protect ecosystems and the fundamental role they play in locking up carbon for the long term and avoiding tipping points.

COP29 is a bridge between the progress made last year at COP28 and the promise of nature protection at COP30 in Belém. What better place than the Amazon, the world's most biodiverse forest, to make a landmark decision echoing Cali that strengthens the bond between biodiversity and climate? Getting there requires action here in Baku. Distinguished COP29 delegates, take heed: The actions in Baku will reverberate in Belém. Protecting biodiversity while keeping our climate livable isn't just a nice-to-have, it's a necessity for the future of humanity.