

# ECO

## THE FEWER GAPS; MORE OUTCOMES ISSUE

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## Finance for L&D = Essential COP25 Outcome

We came to COP25 in light of rising seas, heat and water stress, decreasing crop yields and fish stocks, spreading diseases, and increasingly frequent and severe floods, droughts and storms, which threaten the right to life, health, food, water and housing. We came with the expectation that rich countries would take this problem seriously heeding the desperate calls of developing countries for new and additional finance for loss and damage.

ECO already indicated yesterday how inadequate current finance is: it is essential that COP25 agree on new sources of finance and a time-bound process to proactively explore these new sources of finance, and by COP26, agree to and implement a concrete plan to increase finance for loss and damage.

Anything less than this would be an abject failure of rich countries at this COP. The obfuscating and delaying tactics of the US in particular are designed to ensure we get nothing. Other rich countries - the EU, Norway, New Zealand, Australia and Canada -

must stand apart from the US. It is not acceptable to continue to hide behind this climate criminal.

ECO has plenty of ideas for new and innovative sources of finance that are "polluter pays" sources of finance including, for example, a climate damages tax on the fossil fuel industry, international aviation and maritime levies, and debt relief. With innovative finance, billions can be raised annually for loss and damage, whilst ensuring that mitigation and adaptation receive the funds they need from increasing public climate finance.

ECO wants to be clear: an outcome on loss and damage that does not mandate an ironclad process to radically scale up and deliver new and additional loss and damage finance is unacceptable.

The whole outcome of the COP - and your ability to sleep at night knowing that you are taking the minimum steps to address the climate crisis - depends upon it.

## Too Many Gaps = One Gaping Political Hole

Dear Ministers,

We, the so-called civil society that observes negotiations, would like to call your attention to the many gaps we need to close to achieve the goals of the Paris Agreement on mitigation, adaptation/resilience, and support. 'Gap' is amongst the most spoken words in these negotiating halls, maybe no less than ambition.

So which gaps is ECO talking about?

They go by many names. We talk of the 'emissions gap,' the 'ambition gap,' and lately also the 'commitment gap' between what we say we will do and what we need to do to prevent dangerous levels of climate warming' as the 2019 UNEP Gap Report puts it.

But maybe the biggest gap this year is between the voices of the youth and people taking to the streets, and what

you and your governments are doing to tackle the climate emergency.

Here in Madrid ECO has sadly faced yet another gap: the civil society participation gap in these processes. One example is that we were not able to distribute our paper edition of *ECO* in the first week of COP25, at one point even outside the IFEMA.

As a symptom of the shrinking space for civil society, globally, this is a cause for concern.

All these gaps come together to form a big hole: the lack of political will of most of your governments to act and to respond to the whole of society, jeopardizing our planet without our consent.

One of the clearest ways in which we see this, is in the lack of leadership from developed and industrialised countries in cutting emissions and providing finance

for climate action, adaptation, and loss and damage in vulnerable countries. You have not done your job in the pre-2020 period, and that is now also jeopardizing the raising of ambition under the Paris Agreement.

Please don't only mind the gaps. We need you to close this big hole and show us bold leadership and commitments. You will have plenty of opportunities this week - first and foremost, in the cover decisions re-stating your strong commitment to enhance NDCs early next year; in your country speeches, the Stocktake on Pre-2020 Implementation and Ambition happening today; in your Ministerial consultations; in your many informal meetings.

You also have plenty of support: just listen to the voices on the streets. We thank you for your attention and ask that you use your time (and ours) wisely.

# Ministers! Save the Second Periodical Review as Science Policy Interface of the Convention

Last week the Global Carbon Project side event reminded us again how small the window is to avoid dangerous climate change.

The pressure to act and incorporate recent science to the Framework Convention on Climate Change (FCCC) is rising. ECO is dismayed that Parties have not yet reached an agreement on the scope of the Second Periodical Review (SPR) working from 2020-2022. Without a decision on the scope, the FCCC would have no impressive science-based advisory body any more – and the science-policy interface of the Convention would be seriously damaged.

ECO fears that the science part of the SPR could become a victim in a political war on other important items like Pre-2020, and calls on ministers to find consensus and make a speedy decision at COP25 so that it will be possible to start the review next year.

As you know the SPR has to evaluate new climate science published since the First Periodic Review (e.g. IPCC three Special Reports) and to analyse all actions based on equity taken by all countries to reach the ultimate goal of the Paris Agreement and to formulate climate policy conclusions.

For ECO, it is helpful to be aware of the new

CONSTRAIN report zeroes on the remaining carbon budget by Climate Analytics as well as projected surface warming rates over the next 20 years. Both topics are crucially important to the implementation of the Paris Agreement. Building on the methodology used in the IPCC Special Report on Global Warming of 1.5°C, the report presents the remaining carbon budget as 395 (235) Gt CO<sub>2</sub> if meeting the warming limit of 1.5°C with a 50% (66%) probability. Present annual emissions are roughly 40 Gt CO<sub>2</sub> annually. Additionally, ECO also sees the Gap reports by UNEP as another important base.

## Article 6.4: Conservative Baselines or “Off Base”?

Achieving environmental integrity in the implementation of Article 6 requires many things; but where to start? For ECO, environmental integrity is impossible to achieve without conservative baselines, set well below business-as-usual (BAU). And even these are necessary, but not sufficient elements.

ECO is encouraged to see that the text forwarded to the COP Presidency included some principles for conservative baselines in Article 6.4. However, ECO is concerned to see many of these foundational principles in brackets, and some key principles missing or muddled. Methodologies in the new Article 6 mechanism must require baselines that are well below business as usual. While “best available technology” is listed in the text, it is also important to take into account what is economically feasible without the mechanism, as well as what is legally required.

Approaches based on projected or historical emissions are not appropriate for a conservative or ambitious benchmark. ECO urges Parties to remember that historical emissions are how we got into this mess in the first place. We need to do better.

As the economic, political, and technological contexts in which projects take place evolve, so should the baselines. Ensuring that methodologies are approved for a time-bound period, and requiring the review and update of baselines over time, is necessary in order to reflect the inherently dynamic nature of the viability of various technologies. It should be clear that Parties and the Supervisory Body must dynamically re-evaluate baselines over time to increase ambition.

ECO is pleased to see in the baseline methodology text a strong definition of additionality that takes into account all relevant national policies, laws, and regulations. However, ECO is concerned that merely exceeding an NDC, as stated under part of the proposed definition, should not be sufficient to demonstrate additionality. As we all know, some NDCs are far behind what is ambitious climate action. ECO urges parties to define additionality as the activities that would not otherwise occur, since NDCs aren't yet the benchmarks of the ambition we need.

ECO urges that baselines are set conservatively; otherwise we'll be off base.

## Eeh... You! - What About Your Ambition?

We, the European Youth, want to remind all country delegates that are already comfortable with the current development at COP25: we did not meet in Madrid for a second-class climate conference, but to decide on the crucial remaining subjects of the Rulebook and – of course – to take the urgently required next steps: increase efforts and reach the ambition we need!

After one week of polished and largely unproductive negotiations, we are still awaiting proof of your commitment and ambition. There is one thing, civil society and the climate need: a clear promise and decision from member states to enhance

their NDCs in 2020 at the latest.

And we have one Party we want to focus on: what is your next step, EU? Your Parliament declared a climate emergency and you, new Commission, have promised to put climate action at the core of its activities. Yet, here at COP25, no official statement has been made about when you will step up to raise ambition. Come on, we know you just got started, but climate change is not really waiting for you to decorate your offices...

COP25 is the time for the EU to choose whether it wants to be a “Climate Champion” or to slow down action. It's not only about the fact that the current EU

NDC is way too weak and needs significant improvement to make sure that the 1.5°C target is reached, it is also about the EU being the third largest carbon emitter, behind China and the US. Ambitious commitments from the EU, agreed upon early enough in 2020, will set an example for other parties to follow – the EU could be a Champion again. Don't give us all the details now; an announcement to go for a carbon reduction of 65% by 2030 would be a fine start!

If you agree that world leaders and the EU in particular, should jump start the second week of negotiations with some greater ambitions, join us in calling for it!

# Knowledge Without Rights is Extraction

*ECO is pleased to share our platform with the Indigenous Peoples Caucus to amplify their unique and individual voices.*

Bushfires have been raging across the illegally occupied lands of Australia for the past few weeks, wiping out homes, displacing communities and threatening wildlife populations to the point of extinction. Lidia Thorpe, Gunnai, Gunditjmara, Djab Wurrung Woman reflects on the way that disregard for indigenous rights and knowledge has resulted in what is now an uncontrollable situation. She says, "the logging of old growth forest in the name of jobs continues to strip the earth of moisture and throw the ecosystem out of balance." This has contributed to what has been one of the driest summers to date.

The traditional practice of burning, a form of fire management that has been used successfully for thousands of years by her people, has been ignored and misused. She says "the way the Department of the Environment go about their business is not in line with our traditional ways of protecting and preserving country." As residents throughout Australia are subject to the devastation of these fires, environmental groups

are finally coming to the realisation that indigenous knowledge and practices are a vital part of ongoing climate solutions.

These fires however are just the tipping point of what has been centuries of colonial exploitation of resources and people. Some examples include the ADANI Coalmine (a massive extractive project bordering the Great Barrier Reef), nationwide hydraulic fracking, and the continued threat of highway construction in places which would uproot 800 year old Djab Wurrung birthing trees. All of these examples are connected and exemplify the way in which the Australian state governments have continued to trample over indigenous rights as suits their economic and political agenda.

As recognition of the importance of indigenous knowledge grows, there must be an equivalent push to advocate for and protect indigenous rights. This includes rights to sovereignty over lands, and the rights to enforce practices of stewardship in line with indigenous customs. You can't have indigenous knowledge while the community that holds that knowledge continues to suffer – taking knowledge without giving or supporting rights is extraction.

## Australia Gets a Big ZERO on Climate Policy – is it Possible to be That Bad?

Last week ECO exposed the Australian Government's role in pushing for use of carryover units from the Kyoto Protocol to meet a large portion of their already very low Paris NDC for 2030 – ECO likened this to a runner wanting to start a race at the half-way point, rather than at the starting line. That's obviously not fair or responsible (ECO might say it is even cheating), especially when the race is about stopping catastrophic climate damage.

This week ECO can reveal it's even worse than that! The Australian government has updated their plans on carryover and is now trying to use it for almost 60% of their NDC, to avoid a whopping 411 million tonnes of carbon abatement. This gets right to the heart of ambition and their genuine commitment to meet responsibilities under the Paris Agreement.

Australia's strategy in Article 6 negotiations to ensure use of Kyoto carryover is basically a 'nothing to see here' strategy. After all, Australia is reportedly the only country admitting that it will use carryover credits to meet its Paris target, and seems to be hoping the issue will just slip by.

But early in week two of COP25, their cover was blown, after the Guardian Australia reported that as many as 100 countries, led by Costa Rica and Belize, formally challenged Australia and called for a ban on the tactic, including text to be inserted into the

rulebook.

It's difficult to think of a more cynical way for a country, especially one with arguably the best renewables potential on earth, to reach an already shamefully low 2030 NDC. That's why ECO is calling on all countries to weigh in behind Costa Rica and Belize in banning the use of Kyoto units in this way.

Against this backdrop ECO can't help but report on the results of the annual Climate Change Performance Index (CCPI) – the global comparison of 57 countries plus the EU – released by Germanwatch, New Climate Institute and Climate Action Network at COP25. The CCPI covers countries representing 90% of global climate pollution and makes it clear which countries are leading and which are lagging behind on a range of indicators that relate to greenhouse gas emissions, energy use, renewable energy, and climate policies.

ECO was shocked to see that on a 100-point scale, the Australian government, which is claiming to be taking meaningful action on climate change, scored a zero (yes that's right, zero!) on climate policy. By any interpretation, that score indicates a massive failure. This makes it clear why the Australian government is trying so hard to use sneaky carryover credits to meet its international responsibilities.

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The celebration almost didn't happen today. But great news: Fossil of the Day is celebrating Human Rights Day today after all with one Fossil and one Ray!

Who better to celebrate Human Rights Day with than the people on the frontlines of climate change, those who are fighting a tough battle and yet are still strong enough to raise climate ambition and champion human rights.

**This is why we are awarding the Ray of the Day to the Climate Vulnerable Forum (CVF).**

The most vulnerable countries to climate change are experiencing extreme climate disaster right now while wealthy countries block action and enjoy their blood money.

Large emitters who caused this mess are doing nothing to fix it or to support people living on the frontlines of climate disaster.

Instead of retiring into despair, the CVF is standing up and leading from the front, enhancing its climate plans and championing human rights.

Last week the Marshall Islands President and CVF Chair Hilda Heine called for the establishment of a UN Special Rapporteur for Human Rights and Climate Change, pledging \$50,000 to support this work. Yes - poor countries are pledging money for human rights, while rich countries work hard, at COP25, to make sure that the Paris Agreement is void of human rights text!

**We are awarding a massive fossil to Australia!**

Australia has outdone itself in its latest performance on climate ambition. In an entirely fossil-worthy result, Australia has just received a massive gong in the annual Climate Change Performance Index (CCPI) released today by Germanwatch, New Climate Institute and the Climate Action Network. Australia ranked sixth from the absolute bottom of 57 countries and the EU. What really jumps out is that while the Australian government is saying that it is taking meaningful action on climate change, it received a ZERO out of 100 on climate policy in the CCPI. Zero is an outright failure by any measure! It's no wonder that Australia's climate pollution has been going up and up under the current government.

To add insult to injury, the Australian government is working hard at COP25 to ensure that it can use 'carryover' units from the Kyoto Protocol to meet almost 60% of its very deficient NDC emissions reductions. This would effectively reduce Australia's NDC to somewhere below 16% emissions reductions by 2030.

Extreme fires continue to burn in Australia, destroying lives and properties, and leaving residents of Sydney barely able to breathe. White-sand beaches have turned black with ash. Experts have linked these fires to the very real impacts of climate damage. Yet the government is failing on climate policy and working here at COP25 to replace real action with an accounting exercise.

## Multilateral Development Banks Promise Paris Alignment; Won't Say When They'll Stop Funding Fossils

The nine multilateral development banks (MDBs) -- which include the World Bank, the Asian Investment Bank, and the Inter-American Development Bank among others -- have an outsized influence on the private finance landscape and on countries low carbon development pathways.

As public \*development\* banks, who are mandated to act in the public good, they should be at the vanguard of the all-important provision of Article 2.1c -- "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."

It seemed they got off to a good start -- they first promised to align their financial flows with the Paris Agreement in 2017! But they're yet to come up with the goods and a timeline ever since. On Tuesday at COP25, ECO waited with baited-breath for another much-anticipated joint announcement, but instead was greeted

with a dizzying array of impressively content-free flowcharts, assurances their framework would show "some projects are Paris-aligned and others are not", and a promise that full implementation won't happen until 2023-2024. Another smoke and mirrors powerpoint presentation! It seems politics trumped science on this occasion.

If public banks who are literally mandated to do sustainable development want to wait until 2023 to implement a framework that will eventually get their finance aligned with 1.5°C, we hate to think what the plans of the private arm of the financial sector might look like.

ECO has three pieces of advice for the MDBs to get their act together: (a) end support for all fossil fuels by the end of 2020, (b) rapidly scale up investments in renewables and energy access for the communities most impacted by climate change, and (c) report transparently on

finance levels and portfolio emissions.

There is still hope. The Santiago Action Plan released by the 51 members of the Coalition of Finance Ministers for Climate Action on Monday highlights MDBs as priority institutions for Article 2.1(c). And just last month the European Investment Bank (EIB) passed a policy to phase out lending to almost all fossil fuel projects after 2021 (even for gas!), with dedicated and robust packages for energy efficiency and just transition. There is no reason whatsoever why the other MDBs can't follow the EIB's lead, communicate with their clients that continued investment in any fossil fuels creates a risk of stranded assets, and demonstrate that they are going to support a zero-carbon pathway. And why not also announce plans for major investments in renewables while you're at it, starting with those who lack access to reliable energy services?