

ECO

THE "IT'S SCIENCE, STUPID" ISSUE

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ACT NOW — We Are in the Middle of a Climate Crisis!

Today, we are racing towards tipping points in earth systems, for example in West Antarctica. We have reached societal tipping points with thousands of people on the streets, protesting for more ambitious climate policies. With all this pressure, ECO asks itself: What needs to happen for the negotiations to reach a tipping point themselves, to speed up and adequately address the climate crisis we are facing?

We are in the middle of a climate crisis - the devastating impacts of climate change are already being felt on all continents, in all regions. Looking at **Asia**, we see increasing stress on freshwater resources in India. The megacity of Chennai faces extreme water shortages, due to a drought in Tamil Nadu. Water deliveries have to be accompanied by the police. In the countryside, people have left their villages as there is no water left, nor do water deliveries reach them.

Looking at **Europe**, Germany, France and other countries are experiencing extreme heat with temperature records for the month of June likely to be broken. In Switzerland and Italy, storms, hail, and floods caused severe damage. Looking at **North America**, Colorado got 60 cm of snow on the first day of summer. There hasn't been unusual snowfall like this since 1928.

Looking at **Africa**, Cyclones Idai and Kenneth recently killed more than 1,000 people in Mozambique and neighbouring countries, forcing the sixth poorest country in the world to take on an extra US\$118 million in debt. Even if the reasons for the loss and damage caused by these extreme weather events are multi-causal, it gives us a taste of a world that has warmed over 1.5°C.

On top of these extreme events, there are many indications that we are quickly approaching tipping points in our earth system. Looking at the Arctic, in Siberia, thousands of methane bubbles are about to explode. A recent study from NASA reveals that abrupt thawing process, leading to an influx of permafrost-derived methane in the atmosphere, may speed up the Arctic permafrost thawing much more than previously estimated. The problem is that these releases of carbon dioxide

and methane gas that could result from abrupt thawing of Arctic permafrost are not currently accounted for in climate projections.

Looking at **West Antarctica**, we can observe extreme glacier melting, especially the grounding line of Pine Island and Thwaites Glaciers are retreating very fast. Scientists are even discussing whether this tipping point has already been reached and if this is an unstoppable process. A collapse of the Western Antarctic Ice Sheet could lead to a 3-meter sea level rise.

Does this list give you the creeps? Well, it should! And the list goes on: in May, we reached a 10 million year record-high atmospheric CO₂ concentration of 415ppm. And what is even more frightening is that despite these alarming shifts all around the world, negotiations in Bonn remain ridiculously slow. We are running out of time. If we continue at current emissions levels, the 1.5°C goal will be out of reach within two to three years.

On today's Loss & Damage day, ECO urges all negotiators to take ADEQUATE action now! You have done great work in the past - the Paris Agreement sets an irreversible direction for countries to tackle the climate crisis and pursue sustainable development. It's now about taking action towards the commonly agreed long-term goals: limiting temperature rise, building resilience and re-directing financial flows.

All countries, especially big emitters, need to commit to enhanced ambition that will catalyse the transformational change required to set the world on a 1.5°C pathway. And given the adverse impacts, some of which are already being felt, adaptation must be an integral component of an effective strategy to address climate change.

However, even if GHG emissions are substantially reduced, climate change will lead to unavoidable loss & damage by extreme weather events and slow-onset changes. The most vulnerable people and countries must be supported, this includes financially, in dealing with climate change impacts that can no longer be prevented, and to which these countries contributed the least.

Being Loquacious

Do you remember that kid at school that was loquacious or an empty suit?

Someone who talks a lot and always has something to say. Someone who thinks they have all the good arguments to save the world but when it's time to deliver their words don't mean anything.

ECO has been paying attention to the discussions around the UNFCCC programme budget for 2020 - 2021. If you have enjoyed the time you've spend at the conference centre in Bonn, it is in great part thanks to the amazing and rigorous work of UNFCCC staff members, who help structure our work and help us achieve the objectives we set around the implementation of the Paris Agreement and the Convention. Sometimes, it can be easy to forget that. Implementing the Paris Agreement in an inclusive and participatory manner also means providing sufficient resources to translate our words into climate action.

The UNFCCC Secretariat has rigorously provided Parties with a proposed budget of €68.7 million. This represents an increase of €11.8 million from the previous budget of 2018 - 2019. And the increase is mainly due to three different aspects:

1. Correcting structural and programmatic imbalances that have existed in the Secretariat, for example, dedicating support to specific thematic areas (Loss and

Damage, Gender and Action for Climate Empowerment);

2. New tasks mandated in Paris and Katowice, such as a new body for Indigenous People and a new body for response measures and support to the preparation for the global stocktake;
3. Statutory staff cost increases of approximately 2.5%.

Now, ECO knows some countries don't want to consider this increase of €11.8 million and are thinking scenarios where they would ask the Secretariat to "optimize" the resources of the UNFCCC. But when you go into the details of the budget proposed, there is no way around it. If the budget is not increased to appropriately fund the new mandates, activities around adaptation, mitigation, and means of implementation will be considerably underfunded. One of the areas that could be heavily impacted could be the intergovernmental engagements around transparency, which includes the development of the Modalities, Procedures, and Guidelines (MPGs) for the Enhanced Transparency Framework. This even includes training of experts that will help structure this work.

Now, ECO knows budget planning is always a question of prioritization. We want to encourage you to think about the bigger picture, what is outside of these walls and how the work we do here links to what

happens in our countries. Let us give you three examples:

1. Properly funding the UNFCCC means helping countries enhance their NDCs, process over 100 national reports and inventories and an increasing number of national adaptation plans and long-term strategies.
2. It also means providing resources to thirteen technical bodies that implement work programmes on adaptation, loss and damage, mitigation, climate finance and technology.
3. Finally, think about the process of the global stocktake. The UNFCCC will support the review of the long-term global goals and how we collectively prepare for the design of the global stocktake. Such a process will require strong coordination among different bodies and processes.

Now, at this moment of climate urgency, our focus should be on increasing support to help structures like the UNFCCC, that help countries enhance their NDCs. This is more than long speeches and great rhetoric. Implementing the Paris Agreement requires structures that are well funded and that have the capacity to deliver on the mandated goals and objectives.

Let us avoid being loquacious and properly fund the UNFCCC.

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Ambition From a Bar Stool in Osaka

ECO has been noting with interest here in Bonn the countries which have been bold enough to 'Step Up' and answer the question, 'What will you be doing to enhance your NDC?' So far (drum roll...) we have found that out of all the countries who have dropped by the Step Up booth, there are 31 heroes who are willing to go on record to talk about how they will contribute more to the global efforts to reduce emissions and address the climate emergency.

'The 31 most productive and advanced economies?', ECO hears you ask. 'China, maybe?, The US, surely? Major EU countries will no doubt be falling over each other to associate themselves with urgent climate

action, right?' Existential crisis must be very high on the list of priorities for these great nations as they will gather together in Osaka for the G20 Heads of State meeting on Friday 28 June. Japan's own Shinzo Abe raised such hopes when he touted himself as a climate leader last fall.

Alas! It is not so. In fact, only one solitary G20 country, Indonesia, found its way to the Step Up booth and got ECO's hopes up, by stating that it will look into how it will strengthen its action. ECO wonders whether the G20, whose members represent a mind-blowing 85.2% of the world's GDP and over 80% of global greenhouse gas emissions, has given up on planetary survival, and decided to investigate....

G20 Countries	COP24 Welcome IPCC 1.5 report	1.5 Compatible NDCs (CAT)	Finance/GCF replenishment 2019 source: https:// www.wri.org/	LTS	Powering Past Coal Alliance	100RE target, source: https:// www.climate- transparency.o rg/g20-climate-
Argentina	Yes	Highly insufficient	N/A	...waiting....	No	No
Australia	Yes	Insufficient	No	No	No	No
Brazil	Yes	Insufficient	N/A	No	No	No
Canada	Yes	Insufficient	No	Yes, but...	Yes	No
China	Yes	Highly insufficient	No	No	No	No
EU	Yes	Insufficient	waiting	Eeerhh	...	No
France	Yes	Insufficient	No	Yes	Yes	No
Germany	Yes	Insufficient	Hurray for doubling!	Yes	Almost...	No
India	Yes	2C compatible	N/A	No	No	No
Indonesia	Yes	Highly insufficient	N/A	No	No	No
Italy	Yes	Insufficient	No	Yes	Certo	No
Japan	Yes	Highly insufficient	Bad signs	Yes, but....	No	No
Mexico	Yes	Insufficient	N/A	Yes	Si	No
South Korea	Yes	Highly insufficient	waiting	No	No	No
South Africa	Yes	Highly insufficient	N/A	No	No	No
Russia	NO	Critically insufficient	N/A	No	No	No
Saudi Arabia	NO	Critically insufficient	N/A	No	No	No
Turkey	Yes	Critically insufficient	N/A	No	No	No
United Kingdom	Yes	Insufficient	No	Yes	Yes	No
United States	NO	Critically insufficient	No	Yes	No	No

As stated yesterday, ECO's heart goes out to all the developing countries that are working hard on enhancing their NDCs in 2020. However, it seems that instead of working on enhancing their climate ambition, the G20 leaders will be busy drinking saké and toasting their 10-year unfulfilled commitment of phasing out fossil fuel

subsidies, as the sun goes down on Saturday evening over the Kobe coal plant, where activists two days prior launched a 4-m inflatable Abe sitting on a pot of coal. G20 governments' financial support for coal-fired power production has almost tripled in three years. This is quite the opposite of 'Stepping Up.'

Merci H el ene

Dr. H el ene Connor died last Friday 21st of June on a flight as she returned home from a long-wished trip to Tibet. H el ene was a Montreal University Ph.D and a graduate of France's top business school Hautes Etudes Commerciales. This soft spoken, unassuming and charming Frenchwoman was radiantly brilliant. She was a real multitasking powerhouse of ideas, advocacy, scholarly research and innovative thinking regarding all aspects of the energy transition to 100% renewables and overcoming energy

poverty in developing countries. Her four decades of ceaseless activity were formally honoured with the Legion of Honour award from the President of France. Amongst her many achievements were the founding of the global network HELIO International - Energy for ecocodevelopment, the highly influential climate and development research of the South South North network, and her science-based, perceptive and surely 'annoying' critique of nuclear energy. H el ene, a frequent COP participant

and active member of CAN, was an unfailing source of wisdom, guidance, political savvy and inside information. She was always ready to patiently guide her many friends and contacts with her invaluable insights.

Merci H el ene, for all you did. You will be greatly missed! The highest tribute we can pay to you is to determinedly continue your struggle for responsible planetary management and truly sustainable development, which leaves no one behind.

Mathematical Operations for Climate Finance

It has come to ECO's attention that some rich countries may need a quick refresher course in the basics of mathematics. There are four elementary arithmetic operations: + (addition), - (subtraction), \times (multiplication) and \div (division). Let's put these to use in some examples:

Addition

Country A has a four-year budget allocation for multilateral climate funds of £2 billion. It decides to give £300 million to the Global Environment Facility (GEF), £200 million to the Adaptation Fund and £1.5 billion to the Green Climate Fund (GCF).

$$£300 \text{ million} + £200 \text{ million} + £1.5 \text{ billion} = £2 \text{ billion.}$$

Simple.

Subtraction

What if Country A decided that it wants to contribute £1 billion to the Climate Investment Funds (CIFs)? This would be subtracted from their £2 billion budget allocation like so:

$$£2 \text{ billion} - £1 \text{ billion} = £1 \text{ billion}$$

This leaves only £1 billion to split between the GCF, GEF and Adaptation Fund, meaning these UNFCCC funds will have less money to go around. Not good, especially since the CIFs are not accountable to the UNFCCC, are 80% mitigation focussed, only support half of developing countries, and don't allow direct access to funding.

Multiplication

Country B pledged €750 million to the Green Climate

Fund's initial resource mobilization in 2014, and decides to double its contribution in the replenishment this year:

$$€750 \text{ million} \times 2 = €1.5 \text{ billion}$$

Way to go! All countries should at least double their initial pledges for this year's GCF replenishment.

Division

Country C mishears the call to double their GCF contribution, and instead ponders cutting its 2014 pledge of US\$1.5 billion in half:

$$\$1.5 \text{ billion} \div 2 = \$750 \text{ million}$$

This would be terrible backsliding.

Key Lessons

1. Don't give money to multilateral climate funds set up outside the UNFCCC, because this **subtracts** from the amount available to funds under the Convention.
2. **Addition** of funding is good, but **multiplication** is better. All contributors should at least double (multiply by 2) their 2014 contribution to the Green Climate Fund in the replenishment this year. Those who made low pledges in 2014 should more than double.
3. Whatever you do, do not **divide or subtract** from your original Green Climate Fund pledge. This would be absolutely unacceptable.

ECO will never tire of reminding you to get your maths right! It's a fundamental lesson to ensure the GCF coffers are adequately filled this year.

Loss and Damage Funding Gap: Evidence From Humanitarian Support

In the loss and damage negotiations, ECO sometimes hears the argument that no additional sources of finance are needed. Some say, for example, that humanitarian finance is available to address the impacts of weather disasters. But what are the facts? The latest Humanitarian Finance Update from the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) shows that, out of the total amount assessed as humanitarian funding requirements of US\$ 26.42 billion, only 18.6%, equivalent to US\$ 4.91 billion have been made available. That number rises only slightly if funding outside the UNOCHA coordinated overview is taken into account (another US\$ 2.76 billion). ECO has pulled together a table of some of the recent weather-related disasters that have caused massive human suffering, and which remain underfunded. These disasters clearly demonstrate that there is a massive funding gap. There are other similarly underfunded crises where climate change is a contributing factor.

Country and Type of Response	Funding Required (USD)	Funding Available
Madagascar drought	32.4 million	20.7%
Mozambique cyclone response	440.9 million	32.5%
Somalia drought response	1.08 billion	21.7%

ECO also would like to mention that there are other loss and damage funding purposes – rehabilitation after disasters, dealing with territorial losses from sea-level rise, harvest losses, etc., which result in further funding needs.

Enough Fossils Already

Who are the climate leaders in this era of emergency? ECO would argue they are typically found outside this conference centre. They are the everyday people on the frontlines of confronting the fossil fuel industry (psst ... the biggest cause of the climate crisis), defending human rights, and working to transition their communities to 100% clean and renewable energy.

For example, did delegates know that, just a short train ride from Bonn, 6,000 of these leaders came together in the Rhineland last Friday, with *Ende Gelände*, to peacefully block climate-wrecking coal operations for 48 hours? That 40,000 students took to the streets of Aachen that same day, to strike for a future they can thrive and survive in? And that the next day, 8,000 more people protested in solidarity with German towns threatened to be bulldozed by coal mine expansion?

"Because politicians are failing, we are stopping the diggers ourselves," said Nike Malhaus, press spokesperson

for Ende Gelände.

Such protests respond to climate science. The carbon pollution locked in by existing oil, gas, and coal development globally is more than enough to push the world well above 1.5°C. It follows that a baseline for climate action is taking action to wind down the fossil fuel industry in a just and equitable way (i.e., we're looking at you, developed countries, to lead the way).

The science leads ECO to a pretty simple conclusion: Parties cannot be for the Paris Agreement and for expanding fossil fuel production, burning, and finance at the same time. It really is that simple...

So, ECO would like to ask: Which Parties will follow the lead of the global public and commit to the energy revolution required to meet the objectives of the Paris Agreement? Of course, we have some suggestions to take on board as you enhance the ambition of your NDCs:

- How about ceasing new oil,

gas, and coal exploration and development immediately? And phasing out those fossil fuel production subsidies (like G20 countries committed to 10 years ago)? That, for one, would stop digging ourselves into a deeper hole.

- How about setting strong targets for 2030 that put the world on a path to be a 100% renewable and clean no later than 2050? And laying out your plans to invest in a just and equitable transition that leaves no one behind?

It would make sense to commit to the solutions that are here now, don't lock in more pollution, actually put us on a path to limit warming to 1.5°C, and protect people.

ECO has a prediction: This global climate movement taking to the streets all over the world is going to keep the pressure on until you do.

So do it.

UK Adopts Net Zero Emissions Target by 2050

ECO is excited to see the trickle of pledged national net zero goals gaining momentum, with the potential to become a flood by 2020 when, ECO reminds you, all countries should have submitted updated NDCs in line with the 1.5°C imperative and the need to reduce global CO₂ emissions by around half by 2030.

A newcomer to this net zero club is the UK. In May, its Climate Change Committee (CCC) recommended that the UK could adopt a net zero greenhouse gas goal by 2050 – advice, which was accepted by the government on June 12th. Although ECO has reservations on the lateness of the date - 2040 would seem a more appropriate outer limit – this change in target would be transformative for the UK, not least as it covers for all greenhouse gases, not only CO₂.

The CCC is notably

conservative in its modeling, and has publicly noted, with some chagrin, how far out its assumptions were on the costs of renewables when it helped to prepare the groundwork for the UK's Climate Change Act 2008. This time, it has still been cautious about its assumptions on the roll out of innovations, it makes no assumptions on the benefits to the UK economy of the transition to a net zero emission economy and hasn't considered the benefits of avoided costs of impacts. Since the CCC scenarios assume that even in these circumstances the cost to the UK economy would only be 1-2% - the same as it found in modelling done in 2007 – factoring these points in would mean it might be financially advantageous to the UK overall.

The CCC's recommendation includes no international offsets, unlike a number of the other net

zero offers. The government wants to reserve the right to use them, however, against the CCC's wise advice. Use of international offsets would smear the difference between the UK's mitigation obligation and its obligation to provide adequate climate finance for developing countries, and delay the transformation to the economy that is needed.

The recommended target also includes the country's share of international aviation and shipping emissions, again making it unusually ambitious even among the net zero club.

Whatever the net zero date, the crucial thing is for the UK – and other developed countries especially – to reduce their emissions as fast and as far as possible. After all, it is the overall spend of the carbon budget that matters most, as important as a net zero target is.

Don't Look Back, Look Forward

ECO gets the feeling that negotiators prefer to talk about the past rather than about the future...

In 2016, the development of a technical paper that elaborates sources of and modalities for accessing financial support for addressing loss and damage was mandated. The Secretariat had a very long time to prepare it and yet it was only released two days before SB50 started. However, we do believe that this paper provides a good starting point to discuss sources and modalities for L&D finance. It usefully gives examples of loss and damage and to some extent addresses the intersection between adaptation, humanitarian and development programs. It highlights how difficult it is to report on loss and damage financing, as it is not accounted for separately.

However, ECO believes that there are major problems with the paper, which are primarily rooted in its mandate: By focusing solely on existing funding, it delivers a backwards-looking analysis of financial contributions to avert, minimize and address L&D. The ill-designed mandate excludes a forward-looking component from

the technical paper. It contains no references to (future) needs, additional innovative sources or institutional arrangements to channel funding.

In the current negotiations on the WIM review, ECO notes that negotiators are experiencing the same struggle with back- and forward-looking components. But analysing the past without sketching a way forward, will be of very limited use - especially when looking at the scenarios science delivers. And for the ToRs of the WIM Review itself: The backwards-looking character of the technical paper makes it of very limited use as the only reference to finance in the WIM review - as that also has a component reflecting the vision of the WIM.

ECO sees the paper as a starting point. For the review of the WIM to succeed, however, ECO calls on Parties to take a forward-looking approach and dive deeper into understanding the needs of vulnerable countries, including various cost estimates that are out there. It sounds like a good summer reading before finalising the next set of submissions as an input to the review, and of course in preparation for the COP itself.