

ECO

THE GUIDE TO SUCCESS ISSUE

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Clouds in the Sky of the PAWP

As hundreds of wet negotiators who walked back from the conference centre this week can attest to, we all prefer some sun and blue skies. But we are still far away from blue skies for the Paris Agreement Work Program (PAWP). True, some hard work from negotiators made a few clouds go away but there is still much work to be done. A few ominous grey storm clouds have appeared on the horizon (did anyone say NDC registry?).

With only three days left, ECO is happy to provide you with some thoughts on how to get nearer to blue skies for COP:

In the global stocktake negotiations, ECO is pleased to witness how the tool is being transformed into something starting to resemble “a text.” Of course, having many mutually exclusive options in the text means that Parties at some point need to engage with each other on how to resolve those divergences and ECO suggests that they should already use their time in Bangkok, perhaps sharing an umbrella or over some green curry, to try finding possible compromises. For example, how to ensure that Loss and Damage can be properly considered as a dedicated workstream? How to ensure meaningful participation by and input from observer organizations? Or, how can equity help the stocktake fulfil its purpose of increasing action, support and cooperation?

On common timeframes, ECO was happy to see parties use the options from the Co-chairs informal document as a basis for discussions on concrete options for common timeframes. But apart from a small procedural step forward, ECO has not seen much progress. ECO is particularly confused by the concept of “multiple, common timeframes” given that the point of common timeframes is that they are well, common. For ECO it’s quite clear that we need 5-year common timeframes to harmonize NDCs with other elements of the Paris regime and support political accountability and ambition.

“One step forward, two steps back” pretty well reflects the state of discussions on climate finance. While Parties engaged constructively when it came to setting accounting

rules for climate finance, it seems that a mysterious ‘fear of process’ prevented some of them from progressing on how to set up a process that would make climate finance predictable and would define a new collective finance target by 2025. ECO can reassure you, however, there’s nothing to be afraid of! You should instead be excited, as you’re laying the ground for robust finance rules adopted by COP24. ECO, therefore, hopes you will make the most of your remaining time in Bangkok to advance on detailed and streamlined texts and finally make the much needed (and one-sided!) step forward on all the agenda items you’re considering (yes, even APA 8.b!).

For Article 6, the tricky issues are being placed in a document for cooperative approaches, Sustainable Development Mechanisms (SDM), and non-market approaches that aims to be draft decision text with two annexes. The co-chairs have instructed groups to talk about issues around **governance** for all three elements and on corresponding adjustments and **avoiding double counting for Article 6.2 and 6.4**. Also, the uncertainty as to the **transition of KP mechanism** (CDM, JI), with no clear timeline on this issue has been set. This is a problem because ICAO is to decide on which credits can be used in the upcoming offsetting system for aviation. If Parties at UNFCCC do not show their commitment to deal with this transition, it could send a signal to ICAO that the use of CDM units in post-2020 markets is not of key importance. In reality, it is a crucial issue.

ECO is pleased that the transparency negotiators are taking the APA co-chair’s goal of eating, sleeping, and breathing the PAWP to heart. By our count, the transparency negotiators have spent more than 15 hours together over the last two days. The discussions in informal consultations have been productive and ECO hopes that the substantive discussions in informal informals have been just as productive. ECO applauds your work but is a bit overwhelmed by the number of options in the text. ECO urges Parties to begin to identify compromise options and work from them.

A Longer Long-Term Finance Process?

Question: what happens when there is no longer a long-term? No, this is not a bleak pondering on where current emissions trajectories will lead us, although that is probably warranted.

Rather, we're thinking about the long-term finance (LTF) work programme, which includes annual in-session workshops, biennial high-level ministerial dialogues on climate finance (mark your calendars: the next one is at COP 24!), and an annual COP decision where Parties have the opportunity to assess progress in climate financing, including issues of scaling up, balance, effectiveness and access.

ECO always found it somewhat bemusing that the long-term finance work program only runs until 2020. Elsewhere in the UNFCCC, and in general usage, there's an understanding that long-term means at least mid-century, or beyond. But not in the weird and

wonderful world of climate finance.

Anyway, here we are, two and a half years shy of the expiration of the LTF, and countries are understandably wondering: what comes next? This has particularly manifested itself in the negotiations on operationalizing Article 9.5. Developing countries are rightly wondering what will happen to the biennial, forward-looking communications on finance that contributor countries are required to submit by Article 9.5. Of course, 9.5 communications will be inputs to the Global Stocktake (GST), but that only happens every five years, while these communications happen every two years. Beyond the timing mismatch, the world of finance is fast-moving. Hence, there is a need for a more frequent and hawk-eyed consideration of progress. That's where the question of a post-LTF process comes into play.

To be clear, the LTF has not been a perfect process. Not

every element has been the most productive use of negotiators' time. But the fact that there has been a dedicated, inclusive space for discussions on finance has been very useful for all stakeholders. Parties should take a clear look at which elements of the LTF are worth preserving, and shape these into a mandate for a post-2020 process on finance. Importantly, in the Paris era where there is a clear understanding of the need to ensure all finance flows are consistent with low-emissions and climate-resilient development, any post-2020 finance process must take a broad look at both climate finance in the traditional sense, but also how wider flows of finance, both public and private, are being aligned to support climate action in fulfilment of the Article 2.1c long-term goal. After all, a longer long-term finance process should be looking at the long haul future of finance. Try saying that after a few drinks.

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Resurrecting the Technology Framework

Technology transfer is vital if we are serious about limiting warming to 1.5°C. The technology framework was included in the Paris Agreement to provide guidance on technology as part of the means of implementation. The framework was meant to enhance the process of delivering technology to support transformational climate action.

Since Paris however, Parties have lost their ability to dream big and develop the technology framework that the world needs. During negotiations on the structure of the framework, one party said that everything being discussed was agreed as part of the technology mechanism created in Cancun! Isn't the point of having the framework as part of the Paris Agreement a recognition that we need to do more? It is worth remembering that – as ECO has previously pointed out - the technology mechanism has been stymied by the lack of funding and struggled to get past the first stage of top down, gender-blind technology needs assessments.

The framework negotiations may have lots of text, but as far as progressing forward with true technology

design, innovation and transfer, it still feels like we are stuck at square one. Parties have been happy to bog themselves down in rhetorical details, debating euphemisms of the framework ranging from skeletons to castles and closets, but have shied away from anything that can turn a needs assessment into a transformative plan of action with tangible results for the most climate vulnerable nations.

Without a strong framework to transform the Technology Mechanism (TM) into an effective operating body, we won't see the transformational, participatory approach that is needed. This leaves developing countries without one of the key forms of support that they have repeatedly asked for in their NDCs and Technology Need Assessments (TNAs). Heading towards Katowice, ECO urges Parties to dream bigger than what is being discussed in Bangkok and deliver on the technology framework that the world really needs: one that mobilises finance, prioritises the needs of the most climate vulnerable, and builds the capacity of developing countries to progress on their own innovative solutions to address climate impacts.

Looking for Ambition in Rulebook City

Rules, Rules, Rules – they are important and we all know we need them! The meeting rooms here are filled with delegates engaged in intense discussions over the minutiae of the Paris rulebook. The incoming Polish Presidency also never misses a chance to emphasize their laser focus on the rulebook outcome as their absolute priority for COP 24.

But there are other conversations going on here, on equally important subjects – where actions of Parties will match the ambitious objectives in the Paris Agreement. In the back room informal consultations, a vision for how the Talanoa dialogue will play out at COP 24 is taking shape, and, ECO hopes, on how it will grapple with the all-important IPCC 1.5 special report.

ECO expects the Polish COP Presidency, in close cooperation with the current Fijian Presidency, to ensure a strong message emerges from the Talanoa Dialogue and COP 24. A message that the world expects more than the ambition in the current NDCs, which puts the world on a path to 3 °C warming or more. A livable planet depends on a clear and unmistakable signal that the world expects countries to spare no effort to improve their NDCs by 2020 and close the emissions gap.

Without a strong and resounding drumbeat at COP 24 on scaled up ambition, the world will judge Katowice harshly.

Australia's Climate Policy Vacuum

Australia's new Prime Minister, Scott Morrison has just toured the 100 per cent drought stricken country-side of the most populous state, refusing to recognise any possible connection to climate impacts - all while unprecedented bushfires rage during winter!

Last month, Australian Prime Minister Turnbull was unceremoniously dethroned for trying to rein in coal-fired emissions. Public confidence in the ruling party has been destroyed by an unseemly self-serving revolt by a group of pro-fossil fuel members. The complete absence of a program to meet Australia's Paris commitments has put the government at odds with the mood of the Australian people. They are on track to lose heavily in the elections that must be held before June next year.

It is understandable that Australia's Prime Minister avoided going to the Pacific Island Forum due to his lack of a climate policy. Despite this seeming lack of attention to the Pacific, Australia signed on to a Forum communiqué which recognises that "climate change presents the single greatest threat to the livelihood, security and wellbeing of Pacific people." Now let's see action.

Is the “Loss and Damage Sceptic” a Thing?

There's a new brand of sceptic in our midst: the loss and damage sceptic. Just like the kind you're more familiar with, they also deny the evidence of climate impacts right in front of their eyes. It almost defies imagination that parties would be arguing against the inclusion of loss and damage in the Global Stocktake (and elsewhere) given the litany of climate impacts that have been wreaking havoc all over the world.

This year's impacts should be enough to convince even the most hardened loss and damage sceptic. We've had heat waves effecting massive death tolls across the planet; the worst drought in living memory on the east coast of Australia; drought across Europe including Britain, Germany, and Scandinavia, where reindeers are starving; the drought in Poland has affected a third of its crops; in Brazil the capital Brazilia is in danger of running out of water; savage wild fires in the forest of the west coast of the US and Canada; Japan has been hit by the strongest Typhoon (Jebi) in last twenty five years; in Senegal people are being displaced due to rising sea levels and diminished fishing resources; one million people have been displaced by devastating floods in Kerala, India, with at least 445 people dead; with yet another flooding 24,000 people have been affected in Assam — all of this without needing

to go back as far as the devastating 2017 hurricane season.

This morning, delegates, you will spend the most time you have spent so far this year discussing loss and damage. As part of the APA 8B discussions, an in-session submission will be discussed, along with two separate issue areas. ECO calculates that, at most, you will spend forty-five minutes on loss and damage. This is hardly a reflection of the importance of the issue to your constituents back home, nor is it a reflection of the importance accorded to loss and damage in the Paris Agreement. By establishing Article 8, you rightly gave loss and damage the same weight as mitigation and adaptation. This importance must be reflected in your discussions going forward in order to fulfil the promise made at Paris.

Before you're tempted to say, “but we have the Warsaw International Mechanism (WIM),” reflect on the progress made in nearly five years by that body. It has singularly failed to deal with one third of its mandate — to enhance action and support, including finance for loss and damage. It is clear that the WIM needs more resources and it is equally clear that the WIM discussions are not enough. Dedicated time, space and enthusiasm within the political negotiations for loss and damage is essential. Anything less will renege upon your Paris obligations.

Common Timeframes Melting in the Heat?

We at ECO are wondering whether we should have a chat with the nice lawyers at the UNFCCC Secretariat.

We've spotted a problem with the agenda that is increasingly creating confusion. We think the ‘SBI informal consultation on **common** timeframes’ (CTFs) might be better renamed as the ‘SBI informal consultation on **multiple and differentiated** timeframes’, as communicated by China on behalf of LMDCs, so Parties can really relax and kick back with the scope of the exercise at hand.

Let's be clear - the LMDCs' proposal of introducing differentiation is not negotiating in good faith. Differentiation and flexibility should be applied in other parts of the Paris Agreement Work Programme (PAWP), but for CTFs it would simply riddle the environmental integrity of the Paris Agreement. The multi-layered, almost Kafkaesque proposal was, can we agree, more than a little difficult to grasp.

With Japan, on the other hand, we are just disappointed. It seems they feel the need for some additional thinking space, gatecrashing in on what was almost a complete 5-year CTF consensus with the friendly offer of an extra 5 years. Maybe they'll use the time to contemplate and brainstorm further creative solutions for inclusion to their NDC. No matter the rapid descent into

planetary chaos before our very eyes. What's the rush? Sake, anyone?

We at ECO would like to address more sobering concerns. We firmly believe that a single 5-year time frame for post-2030 NDCs is the way to go. Unless we all lock in to a 5-year cycle, any government of the day can push their obligations down the road. Five years, as opposed to 10, incentivises early action and compels governments to address ambition. It also sends a much needed signal to investors, financial institutions and technology-heavy companies that this is the future of the game. This lowers investment risks and provides signals of policy stability. Real world technical and economic opportunities are evolving fast, and without sufficient clarity for the private sector on the future that policy makers envision, a 10-year cycle risks locking in low ambition.

Parties who were present in Paris can testify to the logic of the 5-year rhythm; the Paris architecture, including the Global Stocktake, is formed around it.

We believe that the original name, common timeframes, conveys the truth at the heart of the matter. It's not complicated. With all the difficult issues we negotiate at the UNFCCC, let's not make this one of them.