ECO

THE WORLD REFUGEE DAY ISSUE

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Game of Baselines

We're back for another session of Article 6 negotiations. ECO knows that when it comes to the game of baselines, it's time for Parties to take heed of lessons learned from the KP and other mechanisms. Otherwise, winter is coming…

Strong environmental integrity principles are critical for the Article 6.4 rules so that parties are prevented from gaming their baselines, and instead adopt accurate and conservative baselines. Baselines should reflect a conservative emission pathway to avoid hot air and non-additional credits in the 6.4 mechanism.

Baselines should be proposed by host countries, and approved by the Supervisory Body only if they are conservative, dynamic, and standardized. Ideally, they should be set at BAU or the level of policies incorporated into a host's NDC, whichever is lowest. Under no circumstances should baselines be set above BAU, which would lead to the issuance of hot air credits.

In practice, ECO knows that quantifying policies in an NDC — first at the scale of sectors, and then projects — is challenging, and will require technical support and capacity building. However, it is key to the principle of additionality that baselines be set at a level which takes a conservative approach to the calculation of "what would have happened otherwise," and that they be re-set through a dynamic updating process.

The world needs ambition, and ambition means adoption of the best available technology, taking into account relevant national circumstances such as demonstrated economic barriers to adoption. Crediting replacements for the same old dirty fleet of cars or power plants isn't just gaming, and bad for the atmosphere. ECO is also curious how Parties will apply conservative baselines if they proceed with removing brackets and start to allow removals of emissions into Article 6. There's no "best technology" for ecosystems, and ECO has long warned Parties that BAU isn't good enough when it comes to ensuring additionality for ecosystems.

It's high time for Parties to stop the games and get real about baselines.

Gender Action Plan: Let's Pump-it-Up!

Still don't grasp what the GAP is all about? What if we tell you that advancing gender mandates will give a real boost to your climate action?

Parties have just spent the last 4 days reviewing what has been achieved under the Gender Action Plan (GAP) so far and guess what? Implementing the GAP is not so scary after all. The gender workshop organized by the UNFCCC Secretariat Gender Team under its mandate, engaged all participants in a positive spirit thanks to fruitful experience sharing. Successful stories were presented by Finland, Tonga, and Bolivia. For instance, did you know that Chile engaged in a national gender-diagnostic and a targeted capacity building process in the energy, agriculture and fishing sectors to adopt a gender approach in its mitigation actions?

We also listened to the Adaptation Committee, CTCN, IPCC, PCCB, GCF, and WIM ExCom as they gave us the latest update on how they integrate gender equality in their actions. It's clear, gender is relevant in all articles of the Paris Agreement: UNFCCC constituted bodies have done their homework; now Parties, it's up to you!

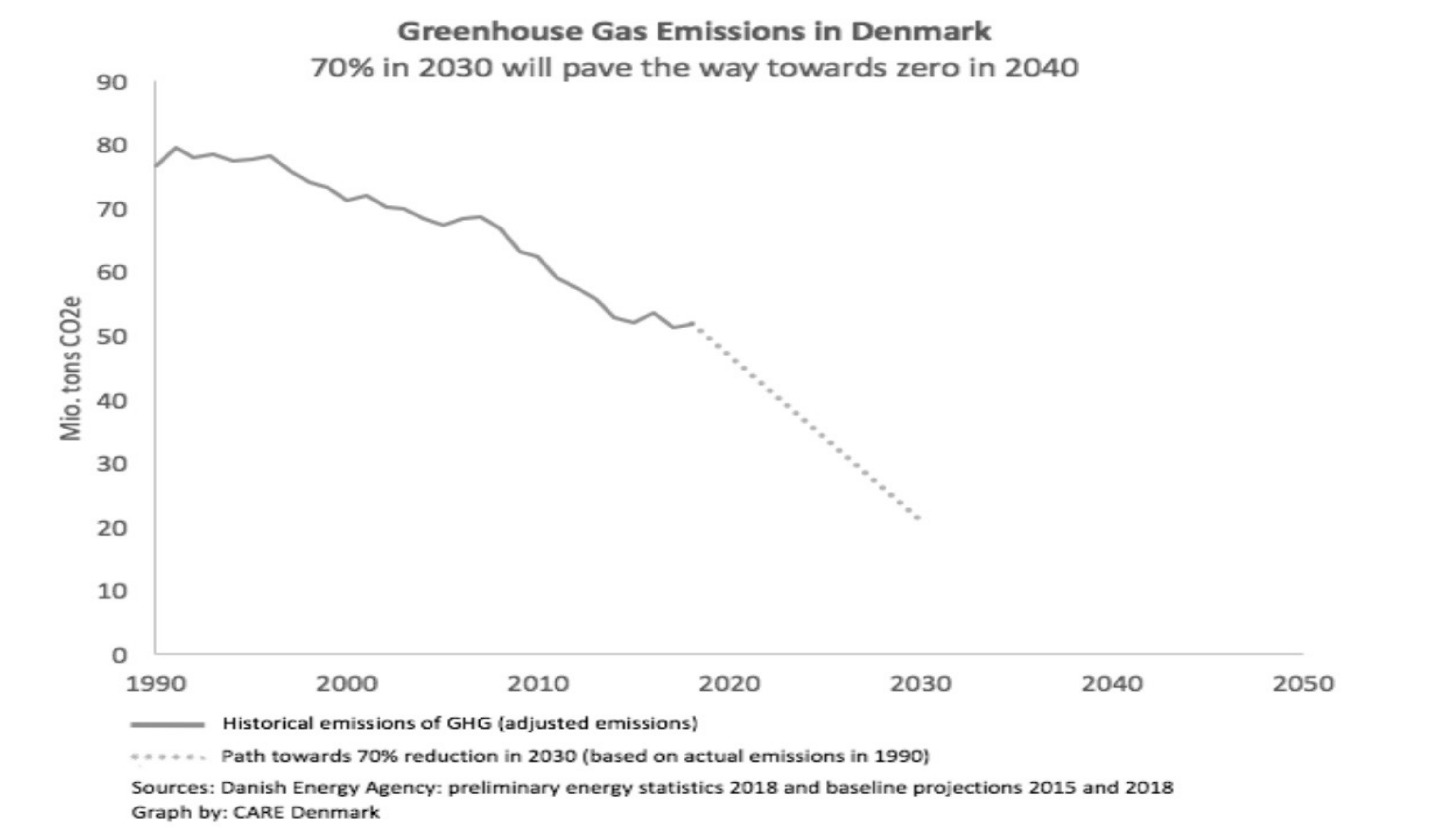
We want a comprehensive, targeted and resourced GAP, as part of a renewed, long-term Lima Work Programme (LWP): this is critical to strengthen gender-responsive and human rights-based climate policy. Advancing gender equality belongs to the adaptation mandate, so why not engage with local communities and provide safe, intentional, and welcoming spaces for women to share their knowledge on climate resilience?

The GAP is a key mechanism to achieving the 1.5°C goal, not a "nice to do" element, but a must do. The time to move towards a second phase of planning has come. It's time for commitment to progressive targets on women's meaningful participation. Let's put money where our mouths are: in activities that enhance the capacity of Parties and stakeholders to develop gender-responsive policies, plans and programmes on adaptation, mitigation, capacity-building, technology and finance! The Gender Just Climate Solutions has actively showcased some of the best practice examples of gender-responsive climate action. These provide key learnings and encourage the upscaling of effective small-scale solutions.

We see fierce female youth leaders leading the student strikes weekly, and they can count on our full solidarity — Can they count on yours?

Less is More on the New York Scene This Fall

Are you also a Head of State stressing out about what to pack for the climate summit in September? Fear not. ECO has everything you need to know on this year's most important trends. As you know Secretary General António Guterres has asked Heads of State not to bring speeches but to bring action plans in line with 1.5 ºC. But ECO realises that some countries might not remember what ambitious action looks like. So, as a special service for those countries and for the viewing pleasure of the rest of you, ECO has today decided to bring the following picture as our centrefold:

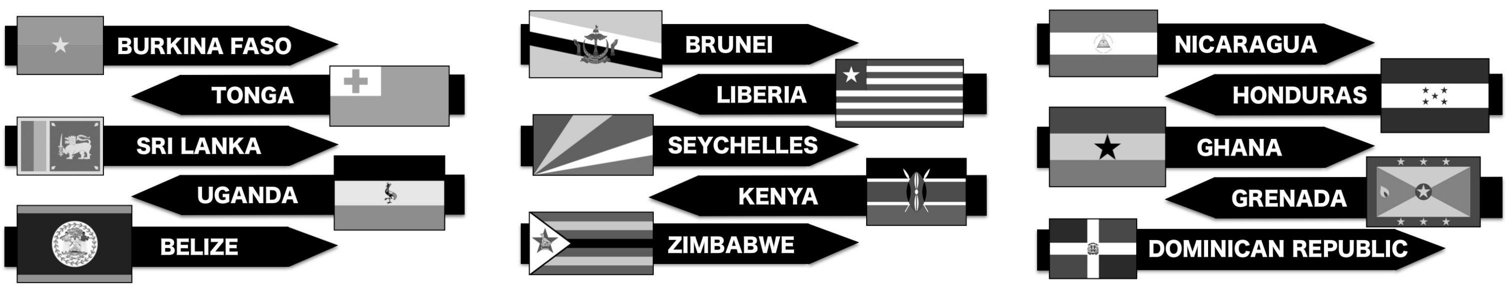


This very fetching curve is bound to become a hit in New York this autumn. What you're looking at is a depiction of the brand-new 70% reduction target that the incoming Danish government announced last night. Notice the clean lines, plummeting curves and great timing, just beautiful.

First to catch ECO' eyes is how the 70% target in 2030 signifies a clear progression from previous efforts, especially the last few years. Secondly, extend the curve. Extend it all the way to where it will touch the x-axis. Notice that the intersection point will be in ca 2040. Notice how this makes it a beautiful match with the IPCC 1.5°C report, which for sure will be the talk of the town this fall in New York.

ECO also notices that at the StepUP2020 Booth, right here at the venue, many developing countries have been announcing their intention to enhance their NDCs by 2020. But hey - what happened to the other developed countries? - what plans will you bring to New York? Don't be shy - pass by the booth and flash your newest style!

StepUP2020 TRENDSETTERS: Countries to Watch



Move Out of the Way CIFs — Let the New Kid on the Block Shine

It is tough to be the new kid on the block, especially when you are trying to do things differently than those who have been around the block a couple of times. Especially when those other guys still want to stick around — even though they were invited to the block party only for a little while — and are playing by a different set of rules.

ECO has been reminded of this during the past few weeks with the Green Climate Fund (GCF) seeking its first formal replenishment this year, while the Climate Investment Funds (CIFs) are pondering recapitalization at the same time. The CIFs were set up 10 years ago to be temporary players in the block party of multilateral climate finance, with the expectation that they would eventually gracefully move out of the way (aka "sunset"). This was supposed to happen once the GCF had shown that it is ready to fulfill its birthright -- namely to be the main kid on the block for helping developing countries implement climate actions and raise their ambition under the Paris Agreement. Some 102 approved projects and programs worth USD 5 billion later, there can be no doubt that the GCF is ready to do just that. So, there is no need for the CIFs to stick around any longer.

Making matters worse, the CIFs are playing under very different kinds of rules than the GCF. CIFs are not governed under the Climate Convention and its principles, and don't receive or follow COP guidance. In contrast to the CIFs' governance structure, the GCF has a "country-driven approach." It is accountable to the institutions and people in developing countries, and has placed a premium on providing readiness support to developing country entities, becoming in the process the largest multilateral funder of such support. Additionally, most CIF funding, some 86 percent in fact, was earmarked to be allocated to mitigation. In view of the real climate emergency affecting the poorest people and vulnerable countries, even threatening their survival, multilateral funds can and must do better. The GCF has not only committed to an even split between adaptation and mitigation finance, it also safeguards half of all adaptation spending for SIDS, LDCs and African states.

While the GCF is working hard to invite many to its climate finance party as partners (it has now 84 of them, with 48 coming from developing countries which can access GCF funds directly), the CIFs only allows a handful of multilateral development banks (MDBs) to its finance pots. Extending the life of the CIFs would allow just a few privileged players (some might even call them block bullies) to get more than their fair share of public climate finance as implementers. In effect, with the MDBs having exclusive access to CIF funds, and also receiving funding for implementation from the GEF (including the LDCF and SCCF), the AF, and, yes, the GCF, it's clear to ECO that they have overstayed their welcome. Have the MDBs never heard that it is impolite to double- (or even triple-) dip from the public climate finance dish?

The GCF in many ways is the new and improved kid on the climate finance block, as it applies lessons learnt from other funds, including the CIFs, and pushes itself to improve further. It commits to a gender-responsive approach to its funding – the first climate fund to do so from the outset of its activities. While the MDBs still have issues with committing outright to upholding human rights, the GCF has strong human rights-based principles enshrined in its environmental and social policies, as well as a separate Indigenous Peoples Policy. And let's talk a bit more about accountability to people and communities, and transparency of actions. The GCF's independent redress mechanism, which enables people and communities to raise complaints, has the most forward-looking features of any comparable mechanism and is setting new international best practice. The GCF is also more transparent than the CIFs, including by making recordings of Board meetings publicly available to watch at any time.

So let's move out of the way, CIFs, for good, by sticking to your own (sunset) rules, and moving the MDBs out of fossil fuel financing for good. Funds directed to the CIFs should instead go to the GCF — ECO thinks that would be the better contribution to the implementation of the Paris Agreement. It would give the GCF the room that it needs to become the biggest kid on the climate finance block, to signal to developing countries that support is there for them to raise their ambition next year, and to raise confidence that the developed countries' commitment to mobilize USD 100 billion annually by 2020 can be reached. Don't crash the GCF replenishment party.

Finance Smoothie

Did you know ECO was here before the smoothie bar?

Smoothie machines are great. You get a blender and insert let's say apples and oranges and you could try to get a smoothie… wait... what?? Would you really drink a smoothie made of apples and oranges? We all know that does not make a good mix. If you think about it, apples and oranges are normally placed in separated baskets when you go to a store. And at the end of the day, just like you can't compare loans and grants, you don't mix apples and oranges.

ECO has been actively observing the discussions on transparency of support, particularly those linked to the adoption of the common tabular format of the Enhanced Transparency Framework agreed in Katowice (CTF). This CTF aims to enhance trust and make room for the new types of information that countries agreed on — support provided, mobilized (for contributor countries), received and needed (for developing countries).

ECO listened carefully and wonders if this warm weather and the accumulated number of smoothies negotiators have had lately to quench their thirst has inspired them to come to the room with very interesting and creative proposals to make the best out of this CTF. ECO wants to weigh in:

- ECO agrees that the already existing CTF constitutes a good basis for negotiation. However, as many Parties mentioned in the room, this is an enhanced CTF we're looking at, meaning that Parties should provide better quantitative and qualitative information. And by the way, this would also be an opportunity to make sure the data reported under the UNFCCC finally matches the one reported under the OECD DAC.
- In Katowice, countries agreed on very important principles to be reflected (some "as available", some "as applicable") as part of the new reporting: climate specificity and grant equivalents. Well, it's time to incorporate this in the new CTF, and the best way to do it would be to include them in specific and separate columns, next to the overall amount of the reported activity. Remember, apples in one basket, oranges in another.
- Furthermore, ECO advises parties to make sure that there is comparability between the tables for the support provided (or mobilized), and the support received and needed. To make this happen, both contributors and recipients should agree on the amounts to report so they match in the corresponding tables. So if one claims to have given an apple the person who received it should be able confirm it was indeed an apple.
- Finally, ECO would strongly encourage you to report support at the activity level, and not only aggregate figures. Just like if you want to report the apples, the are reported one after the other, this is as simple as that.