

# eco



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## Adaptation Fund overlooked because there's a new kid in town?

While we all breathlessly wait for big money to hit the GCF (US\$15 billion in pledges is expected by the end of this year), ECO would like to remind everyone that there are other funds in dire need of money too. One of them, the Adaptation Fund, which has projects ready to be implemented in vulnerable countries such as Ghana, Mali or Nepal, *is* now just waiting for the resources to get those projects started.

Pledges to the Adaptation Fund were among the very few positive outcomes from Warsaw. ECO is shocked that some countries have not yet paid up. Given the urgency of climate change, ECO would love to see the October session kicking off with the transfers of pledged funds from both Belgium and France, who, as the host

of the 2015 COP, may want to uphold its commitments.

Honouring pledges made in the past is obviously critical, but so is putting the Adaptation Fund permanently on a more sustainable funding base. This could be done by, for instance, tapping into alternative sources that auto-generate revenues. Until then, the Fund's board will have to continue to announce fundraising goals as it had to do for 2014 and 2015 (\$80m each). ECO expects that Lima will see developed countries make pledges for the tried-and-tested, fully operating, but under-resourced Adaptation Fund.

## Assessing the assessment phase discussion: part II

ECO thinks that the ADP has a pretty simple job in designing the next phases of the INDCs process. After completing the information requirements, we simply need an INDCs assessment phase, as pointed out by AILAC and Palau. The first step of the assessment phase is — you guessed it — all parties submitting INDCs by March 2015. This could not be simpler, really.

March 2015 is only around the corner. Parties need to start preparing their INDCs from the moment they get home. While they make their preparations, Parties should remember that mitigation contributions alone will not pass the assessment test. Both mitigation and finance contributions are necessary to shape an acceptable INDC for a wealthy country. ECO welcomes Mexico's clear statement in this regard and reminds developed countries about their responsibility to play a leading role on finance.

Scaling up INDCs during the assessment phase may be a

frightening idea for some Parties. ECO has just the thing to cure that phobia: produce ambitious INDCs in the first place and, if these still fall short of the level of action required, complement increased emission reduction targets with other types of contributions. For example, in the assessment phase, an absolute emissions reduction target as an initial NDC can be strengthened by **additional** efforts to scale up renewable energy and/or energy efficiency. ECO believes that such an approach would allow the assessment phase to lead to scaled-up NDCs through an approach based on environmental integrity and ambitious climate action, while allowing for the necessary flexibility.

ECO reminds Parties that this first assessment phase before Paris is just the initial step. It needs to be followed by a second ratcheting phase during which an agreed mechanism will be used to further scale up ambition based on science driven adequacy and an equity outcome oriented review.

## Tony Abbott's plan: surreal and catastrophic

Australian Prime Minister Abbott's fossil fuel celebration tour got even more surreal yesterday when he donned a cowboy hat in Texas. Abbott also offered up his long term view on the prospects for coal — he believes that it will fuel human progress for many decades to come. Meanwhile, here in Bonn, delegates were treated to a glimpse of what the world would look like if Abbott's dystopia came to pass.

The topic was the melting of Antarctic ice sheets and the latest scientific findings that melting in massive areas of the polar region has recently passed a tipping point. Much of the Western Antarctic ice sheet is now melting and likely to contribute to devastating sea-level rise, a catastrophic consequence.

Abbott had better hold onto his hat tightly while riding the coal-power bull. He may be shouting "Yee-haw" in Texas at the moment but this crazy ride can only end with floods of tears.

## Well done Germany, what about coal?

ECO was delighted to hear that Germany has decided to stop export credit guarantees for nuclear installations abroad. Well done to our hosts – but here's our first question: why did it take 13 years to draw the logical consequence from the 2001 decision to phase-out nuclear power? Only three years ago, the conservative-liberal government tried to mobilise another €1.3 billion export guarantee for Areva to build the Angra-3 nuclear reactor in Brazil. Only a strong refusal by Parliament and civil society stopped this crazy plan.

Today, Germany has become the country of the *Energiewende*, and wants to be seen as the front-runner in clean energy. Renewable energy is speeding up and it has already reached a 27% share of electricity. Renewable energy is seen as the backbone of Germany's efforts to reach its national GHG reduction targets of 40% by 2020 and 55% by 2030. Energy efficiency also needs a similar emphasis.

So, dear German government, if you have decided that renewables are the way to go, here is ECO's second question: Why are you stopping export guarantees for nuclear, but still giving export credits to coal power plants all over the planet?

Between 2007 and 2013, developed countries collectively

provided US\$36 billion to coal through their national export credit agencies. With export credits worth nearly \$3 billion, Germany places third in this dirty league table. The state-owned development bank KfW is the driver of such coal support.

The US, UK, Netherlands and several Nordic countries, as well as the European Bank for Reconstruction and Development and the European Investment Bank have decided to end or strictly limit their support for coal overseas. Meanwhile, KfW continues to give credits to coal power plants and infrastructure worldwide, to the tune of at least €2 billion. This means that high emission infrastructure is locked in for decades, undermining the goal to decarbonise energy supply as fast as possible.

In October 2013, the OECD Secretary General Angel Gurría asked "every government" to question domestic and overseas support for coal. The UN Secretary General's Climate Summit in September in New York is the perfect moment for Germany and other developed countries to announce the end of their support for coal power plants and fossil fuel infrastructure. Germany should not wait another 13 years to draw conclusions that can help to save the planet.

## ECO's Climate Summit expectations

As the UN Secretary General's Climate Summit approaches, we are sure Parties, investors and businesses are wondering how to pack their bags and appropriately prepare for New York this September.

ECO would like to help. We know that Parties sometimes struggle with long lists of things they need to prepare. There is a regrettable tendency for some Parties to forget what they have already packed interventions in their bags already, or to wear old items of clothing in the hope that we don't notice that it's just the same old thing refashioned.

However, without any kind of a list to work from, ECO is concerned that Parties will arrive in New York completely not dressed appropriately for the occasion. Hot air and vague promises are not going to provide the cover needed at the summit. So here is what ECO recommends that Parties should pack for the Climate Summit:

- 1) New measures to scale up investment in, and deployment of, renewable energy and energy efficiency. This will help fill the pre-2020 mitigation gap, but will also help you to pledge your support for a just transition to a fossil-free and 100% renewable future by 2050.
- 2) Then, if you are committed to a just transition, you will want to come to New York with substantial pledges for the Green Climate Fund and a commitment to increase the overall scale of climate finance.
- 3) And obviously, becoming fossil free means sending a strong signal that the age of coal is over. That means announcements from the US and China (inter alia) on domestic limits to coal use (going beyond current plans), the phase out of export credit and development bank finance for coal infrastructure from OECD countries, and coal divestment announcements by private sector actors.

If you arrive at the Summit with all of this in your suitcase, then you will be the talk of the town as all your clothing choices will make a climate fashion statement that the world will applaud about your determination to achieve a strong climate agreement in Paris and stop climate change.

Thanks in advance from ECO. We can't wait!

## Happy Global Wind Day

- Global wind power has already crossed the 300 GW mark. Installed capacity now equals the capacity of all power plants in South and Central America!

- The wind industry provides 650,000 jobs worldwide.

- Wind power is cheap and ready to go. In Australia, power can be supplied from a new wind farm at a cost of AU\$80/MWh, compared to \$143/MWh from a new coal plant.

- EU citizens pay €2 every day for the EU's fossil fuel imports.

