



ecbi Annual Report 2023



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MESSAGE FROM THE DIRECTOR



Benito Müller and Saleemul Huq in their bottom-of-the-escalator office at the World Conference Centre in Bonn in June 2023

The year 2023 saw ecbi experience several significant achievements and milestones, along with a tragic loss.

On the positive side of the ledger, I am pleased to report that we are fully back on track with our Fellowship and Trust-building Programme following a forced hiatus due to the pandemic. In late 2021, the Danish government agreed to provide funding for Phase V for 2022-2025, which followed a critical bridging grant for 2021 from the Swiss government.

Our Training and Support Programme is resuming its training workshops in 2024, although we have suffered a tragic loss with the totally unexpected passing of our dear friend and long-term collaborator Saleemul Huq who was Head of ecbi's Training and Support Programme (see [In Memoriam Saleemul Huq \(1952-2023\): Some Personal Reminiscences](#)). Saleem had been involved in the UN climate negotiations since the beginning. His impact on the negotiations, and his contribution to ecbi, are immeasurable. We miss him greatly.

In 2023, the Fellowship and Trust-building Programme convened its annual Bonn and Oxford Seminars. These addressed a range of topics central to the climate negotiations, including:

- the Just Transition Work Programme;
- gender;
- pre-2030 mitigation ambition work programme;
- Global Stocktake under the Paris Agreement;
- climate finance sources, including potential innovative sources to fund the response to loss and damage;
- Article 2.1.c on making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development; and
- the new collective quantified goal on climate finance.

I am also pleased to announce the appointment of Kishan Kumarsingh from Trinidad and Tobago, who is taking over the Fellowship and Trust-building Programme as I will be stepping back from that role. Many of you know him from the climate negotiations and his active role in ecbi's activities as a policy advisor for developing countries. Carlos Fuller, Permanent Representative of Belize to the UN, will take over for Kishan in that role. I will continue in my role as ecbi Director.

Benito Müller

Director, ecbi
Oxford, January 2024

ECBI ACTIVITIES IN 2023

Fellowship and Trust-building Programme

Central to ecbi's Fellowship and Trust-building Programme are its annual seminars in Bonn and Oxford. The seminars bring together developing country negotiators with their European partners in an informal setting to build mutual understanding and trust. They are conducted under the Chatham House Rule, to encourage an open and frank exchange since no one except introductory speakers are identified in the meeting reports.

The Bonn Seminar convened on 11 June 2023 on the sidelines of the UNFCCC Subsidiary Body meetings. The Oxford Seminar, ecbi's flagship event, met from 23-25 August immediately following the Fellows Colloquium, which convened from 21-23 August.

2023 Bonn Seminar

The [ecbi Bonn Seminar](#) is an annual event held alongside the intersessional UNFCCC Subsidiary Body meetings, which take place around June every year in Bonn. The Bonn Seminar has been held annually since 2006 during the intersessional meeting of the Subsidiary Bodies with the aim of helping maintain the momentum of trust-building created during the annual Oxford Seminars. Topics discussed are of immediate relevance to ongoing negotiations under the UNFCCC. A full report of the event is available [here](#) and the presentations are available [here](#).

On 11 June, ecbi convened its [2023 Bonn Seminar](#) at Le Redoute in Bad Godesberg, Bonn, the 2022 edition of the UN Bonn Climate Change Conference. It brought together approximately 40 participants from European and developing countries, of which around 40% were women and 45% were from developing countries. The Seminar included discussions on:

- Article 2.1.c, on making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development;
- the Global Stocktake; and
- the pre-2030 mitigation ambition work programme.

Critical Issues Related to Article 2.1.c

Article 2 of the Paris Agreement addresses enhancing implementation of the Convention and strengthening the global response to climate change in the context of sustainable development and efforts to eradicate poverty. One of the ways it seeks to do this is described in Article 2.1.c, which sets out the need to make finance flows consistent with a pathway towards low emissions and climate-resilient development.

Discussions among Seminar participants on this topic revealed a strong divergence of views, particularly with respect to whether there is a mandate to undertake negotiations on Article 2.1.c. Many developing countries argued that focusing on 2.1.c. could lead to developed countries shying away from their commitments and obligations under Article 9 (on developed country support to developing countries to carry out their obligations under the Convention). Developed countries, on the other hand, sought to reassure developing countries by stating that Article 2.1.c. was not intended to take away from or diminish climate finance commitments under Article 9, but rather to align financial flows with the Paris Agreement.

Orlando Rey, lead negotiator, Ministry of Science, Technology, and Environment, Cuba, presenting on this issue, said that the scope of Article 2.1.c goes beyond climate finance and involves other financial flows that would have to be assessed against the goals of the Paris Agreement. He noted discussions on whether addressing non-climate finance is beyond the mandate of the Paris Agreement, noting consideration of such flows involves a range of actors that are outside the remit of COP and CMA decisions. He stressed the importance of elaborating the relationship with Paris Agreement Article 9 (developed country support to developing countries), as well as clarifying in an explicit manner that there is no intent to diminish developed country obligations under Article 9. He expressed concern that negotiating on 2.1.c. would lead to prescriptive outcomes or conditionalities for developing countries.

ecbi Director Müller acknowledged developing countries' perception that 2.1.c could impose conditions on accessing finance. He agreed 2.1.c should be discussed independently of other Articles, which would make a sensible and productive conversation about 2.1.c more likely.

Global Stocktake

The Global Stocktake (GST) was established under Paris Agreement Article 14, where Parties agreed to “periodically take stock of the implementation of [the] Agreement to assess the collective progress towards achieving [its] purpose and its long-term goals”. The Article further states that the assessment will be undertaken in a comprehensive and facilitative manner, considering mitigation, adaptation, and means of implementation and support, and in light of equity and the best available science. The first GST took place in 2023 and is expected to take place every five years thereafter unless Parties decide otherwise.

Presenting on this issue, Ana Patricia Villalobos Arrieta, lead negotiator for Costa Rica, described the GST's timeline, as well as the GST's three components, namely:

- information collection and presentation focused on gathering, compiling, and synthesizing information, and preparing for conducting the technical assessment;
- the technical assessment component, focusing on taking stock of implementation of the Paris Agreement and assessing collective progress towards achieving its goals, as well as opportunities for enhanced action and support to achieve its purpose and goals; and
- consideration of the outputs component, focused on discussing the implications of the technical assessment's findings with a view to achieving the outcome of the GST of informing Parties so they can update and enhance their actions and support, as well as enhance international cooperation for climate action.

Participants discussed how to ensure the GST outcomes are comprehensive for all stakeholders to assist with domestic policymaking and to ensure climate action and collaboration inside and outside the UNFCCC. Participants noted that hundreds if not thousands of pages of text have already been produced on the GST, and that the final outcome and high-level messages from the GST must be digestible to those outside the process. Several said this should form the most important part of the COP 28 decision in Dubai.

Some called for a comprehensive decision highlighting the GST's main messages; underscored the need to link to the technical knowledge accumulated throughout the process; and suggested something akin to a technical annex, recognition of reports used, and/or a synthesis of work that would be useful for practitioners. Participants suggested that follow up would be more important in the next round of NDCs expected in 2025, and that a summary of the NDCs would indicate whether the Paris Agreement is delivering what is needed.

Sharm el-Sheikh Mitigation Ambition and Implementation Work Programme (MWP)

In November 2021, Parties established a work programme to “urgently scale-up mitigation ambition and implementation in this critical decade” in a manner that complements the GST. In November 2022, Parties agreed that the MWP, inter alia, would begin at the end of 2022 and continue until 2026, with a view to adopting a decision on the continuation of the work programme at that session. Furthermore, they agreed to convene at least two global dialogues every year and to hold investment-focused events. Each dialogue would address a different topic and Parties and non-Party stakeholders alike would, in advance, submit their views on opportunities, best practices, actionable solutions, challenges, and barriers relevant to dialogue topics.

Carlos Fuller, Permanent Representative of Belize to the UN, and Franz Perrez, , Head, International Affairs Division, Swiss Federal Office for the Environment, presented on this issue, which, they said, is currently being negotiated on a “blank sheet” because it is not on the agendas of this meeting of the Subsidiary Bodies. They addressed the structure of the MWP, scope, relationship with NDCs, complementarity with and relationship to the GST, and the role of the Subsidiary Bodies, among others.

Seminar participants discussed: whether to have more or less meetings; whether a parallel financial track is needed; whether yearly MWP recommendations are in line with the procedures and timelines for communicating successive NDCs; and, on complementarity with the GST, whether the same issues should be discussed and the same elements decided under both, and whether duplication is harmful or can be complementary.

On the relationship with NDCs, they highlighted that the MWP functions in a manner that is consistent with the procedures and timelines for the communication of successive NDCs. On complementarity with and the relationship to the GST, they mentioned that the MWP goes into more detailed recommendations and specific measures that the GST more broadly touches on.

Participants considered a variety of questions, including: frequency and timing of meetings; whether a parallel financial track is needed; relationship with NDCs; whether yearly MWP recommendations are in line with the procedures and timelines for communicating successive NDCs; and key recommendations that could be captured by the MWP.

With respect to complementarity with the GST, they also asked: whether the same issues should be discussed, and the same elements decided, under the GST and the MWP; and whether duplication is harmful or whether it can be complementary.

Participants called for linking the Global Dialogues with the investment-focused events going forward, noting they were not properly linked previously. Speakers also said that ongoing discussions and suggestions on how to improve the process are still useful, and will help deliberations in Dubai and beyond, even if the MWP was not currently on the agenda at the Bonn meeting.

2023 Oxford Seminar

The Oxford Seminar is ecbi’s annual flagship event. It provides capacity building for climate change negotiators and promotes a level playing field and mutual understanding between governments in international climate negotiations. It also provides an opportunity for delegates from developing countries to come together to discuss pressing issues in the UN climate negotiations with their European partners. Since 2005, ecbi’s Oxford Seminars have provided an opportunity for invited delegates from developing and European countries to meet in an informal setting ahead of the annual UNFCCC COPs.

The [2023 Oxford Seminar](#) convened from 23-25 August at St. Catherine's College. A total of 47 participants attended the Seminar (some virtually), almost half of which were women. Sixteen developing country negotiators and 13 European partners attended in person. The Seminar was preceded by the annual Fellows Colloquium from 21-23 August, during which the developing country Fellows were able to discuss amongst themselves issues of importance, form proposals, and consolidate positions on these issues. During the Seminar, the Fellows presented and shared their views, suggestions, and experiences with their European partners.

The topics addressed built on the issues discussed at the Bonn Seminar and delved into other topics to help prepare for negotiations at COP 28 in Dubai, United Arab Emirates, in December 2023. Participants discussed:

- the recent decision adopted by the SBs to establish a Just Transition Work Programme (JTWP), including possible JTWP elements that could be agreed to in Dubai, main topics of discussion under the JTWP, and the role and outcome of the annual high-level ministerial roundtable on just transition;
- gender, including linkages between gender-responsive climate action and just transition for promoting inclusive opportunities for all as countries embark on low-emissions development;
- climate finance sources, including possible ways to generate new and additional grant funding for the Financial Mechanism, and particularly for the new L&D fund, such as Climate Solidarity Levies or a share of proceeds in the Voluntary Carbon Market (VCM);
- Article 2.1.c on making financial flows consistent with a pathway towards low GHG emissions and climate-resilient development;
- new collective quantified goal on climate finance (NCQG), which is expected to be agreed to by the end of 2024;
- the MWP, including possible elements of a decision for CMA 5, what kind of decision could help countries better implement their NDCs, how 2030 NDC targets can be strengthened, and whether such action should be included under the MWP or the GST outcome decision; and
- the GST outcome with respect to mitigation and non-mitigation aspects, and process and format of the outcome.

Lauding the opportunities presented by the Seminar for negotiators to better understand each other's underlying positions on the issues discussed at the formal meetings in Bonn and the COPs, participants said the Oxford Seminar represents one of the few arenas in the climate process where there is space to listen carefully to one another. They also noted that "the Seminar puts us in a good space to see where the differences lie and how we can then bridge them as we move forward".

A brief description of the sessions, presentations, and discussions follow below, while a detailed report of the Seminar is available online [here](#) and the presentations are available [here](#).

Just Transition Work Programme

At COP 27 in Sharm el-Sheikh, Egypt, CMA 4 decided to establish a just transition work programme (JTWP) to discuss pathways to achieve the goals of the Paris Agreement. The decision emphasised that "just and equitable transition encompasses pathways that include energy, socioeconomic, workforce, and other dimensions, all of which must be based on nationally defined development priorities and include social protection... to mitigate potential impacts associated with the transition" ([Decision 1/CMA.4](#)). It also decided to convene, as part of the JTWP, an annual high-level ministerial roundtable on just transition, beginning at COP 28/CMA 5 in Dubai in 2023. (Subsequently, at COP 28, a decision on implementation of the JTWP was adopted based on recommendations forwarded from SB 58.)

During the discussion, several participants sought clarity about the added value of the JTWP and on the deliverables. One developing country expressed surprise at the level of convergence on the issue. He said Sharm el-Sheikh provided the opportunity to look at the big picture, without getting lost in silos, and suggested the decision was a progressive one in that the issue addresses all three pillars of sustainable development. He said just transition does not only refer to an energy transition, but rather to an all-of-society transition. Another said developing countries must be compensated for their resources, which, “takes us to the heart of just transition”. He said Paris Article 2.1.c may be one of the missing pieces, explaining that we need to understand how 2.1.c may have an impact on the just transition conversation.

Annela Anger-Kraavi, EU negotiator on just transition and response measures, Estonia, explained that the decision to establish a JTWP was a surprising and unexpected outcome from COP 27 in Sharm el-Sheikh. Noting the issue was first brought up in the response measures discussions, she said initial discussions in Bonn at SB 58 in June 2023 were positive. She said she wished this discussion had taken place before the JTWP was agreed, stressing the importance of sharing experiences and learning what has and has not been successful. She said the challenge is shifting the paradigm within a short time frame. She emphasized the need to identify the additional value the JTWP will bring and how to ensure its utility.

Gender

Despite some progress in increasing the role of women both on national delegations and in leadership roles in the UNFCCC process, more must be done to increase the number of women in senior positions. This session addressed the state of implementation of mandates to achieve gender balance and women’s empowerment, both in the composition of constituted bodies and on national delegations. The session discussed how to address challenges that hinder women’s active participation in leadership positions, and briefly considered the issue of harassment.

Leading off the discussion, Stella Funsani, ecbi Gender Officer, Malawi, lamented that the goal of gender balance has still not been achieved. She emphasized the need to continue working toward women’s empowerment and gender-responsive policies. She suggested that the three UN Rio Conventions should coordinate and collaborate on this issue. She also said the UNFCCC Secretariat is maintaining records on participation and is mandated to report annually to the COP, and that while at COPs 26 and 27 did see an increase, tracking must be improved. She mentioned: efforts to enhance women’s participation; affirmative action by groups and organizations that are financing their participation; and the introduction of initiatives by civil society to enhance women’s participation in leadership roles. In terms of next steps, she suggested the possibility of introducing quotas or rotating schedules to increase participation, as well as incentives, such as a travel fund, capacity building, and/or leadership training.

Noting training programmes will resume in 2024, Director Benito Müller raised the possibility of ecbi convening a gender workshop. He underscored the need for gender balance among newer negotiators, stating they should start young to increase their chances of reaching the head of delegation level.

Climate Finance Sources

With the 2022 adoption of a decision to establish a loss and damage fund and funding arrangements, the need for innovative financing has taken on a more prominent role in the climate discussions and negotiations. The COP 27 decision taken in Sharm el-Sheikh recognizes the need for new funding sources, as public budgets will not be sufficient. This session of the Oxford Seminar delved deeper into this issue, reiterating that the new fund alone will be insufficient to meet the challenge of addressing loss and damage.

ecbi Director Benito Müller, warned that the loss and damage fund could remain a “placebo fund” or divert from other climate funds, emphasizing the need to tap into other finance sources. He described a proposal for International Climate Solidarity Levies, based on a solidarity fund to combat HIV/AIDS that France implemented in 2006, with funds raised through a levy imposed on air travel. Müller said the airline levy has not affected demand for flights, and that countries can voluntarily decide whether to impose such levies.

Müller also recalled a 2008 proposal by the LDCs in Poznan at COP 14 for a levy on international air travel. While the proposal was not taken up, a similar idea has recently been gaining traction as an innovative source of financing for loss and damage. The problem, however, is that the UNFCCC lacks the remit to legislate on aviation, and the International Air Transport Association (IATA) is “not enamoured with the idea”. He said the proposed International Climate Solidarity Levies take an approach somewhere between a top-down and bottom-up approach, and that the collection of domestic levies must be introduced by individual countries individually. Müller also mentioned the possibility of maritime transport levies, for example, a €10 fee per container, which along with air ticket levies, could raise €1 billion annually.

Elaborating on another proposal, he described ongoing efforts to include a share of proceeds for adaptation in the Voluntary Carbon Market (VCM). He said a recent ecbi publication, [How to Operationlise a Share of Proceeds for Adaptation for the Voluntary Carbon Market](#), seeks to encourage the International Civil Aviation Organization (ICAO) to include such a share of proceeds as one of the eligibility criteria for its Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) eligible emissions units.

Cathrine Wenger, Independent Consultant, then presented on a project for the Nordic Council of Ministers on new and innovative sources of finance for the loss and damage fund. She explained that the project will assess the potential for, among others: taxation and/or levies from international shipping and passenger air travel; the potential role of the International Maritime Organization (IMO); the VCM and Paris Agreement Article 6 (cooperative approaches); a share of proceeds for loss and damage; insurance instruments; and solutions for climate-related debt instruments and other financing solutions such as guarantees. In addition, Wenger highlighted ongoing work under current carbon markets that is decoupled from the mitigation markets, mentioning nature-credit markets for improving biodiversity and the potential to create a similar market for loss and damage. She said solutions can be developed at many levels and in parallel, and explained the need for regulations, guidance, and engaging with the private sector. She asked whether existing structures should be used for channelling finance or if new avenues should be created through the new loss and damage fund.

During the ensuing discussion, many participants agreed that, while innovative sources are necessary for loss and damage, a global levy or tax, was not going to be accepted by all. One developed country underscored the importance of creating international momentum to continue with the development of domestic levies, and the need to respect the autonomy of local tax authorities. He argued that prices for shipping or air travel should not be increased in developing countries.

Saleemul Huq, International Centre for Climate Change and Development (ICCCAD), addressing European partners who had helped achieve the positive outcome on loss and damage at COP 27, said he hoped the EU would also help ensure a positive outcome at COP 28. He said July 2023 was the hottest month on record, observing that events such as recent heatwaves in Europe are, without a scientific doubt, attributable to human-induced climate change and would not have occurred without a temperature increase of 1.1°C or 1.2°C. Huq said helping loss and damage victims must be priority, noting a €5 levy could raise €1 billion from air passengers in Europe. He looked to Europe to be at the forefront and to take the initiative on this issue.

Article 2.1.c

Article 2.1.c of the Paris Agreement addresses making finance flows consistent with a pathway towards low emissions and climate-resilient development. This session addressed whether the current institutional arrangement supports efforts to determine whether finance flows are consistent with the Paris Agreement and, if not, what new institutional arrangements might be necessary to track alignment.

Michai Robertson, Advisor to the Chair of the Alliance of Small Island States (AOSIS), Antigua and Barbuda, presented on this topic by describing 2.1.c's relationship with Article 9 of the Paris Agreement (on developed country support to developing countries). He explained that unlike Article 2.1.a, which is cross referenced in 4.1 (mitigation) and Article 2.1.b, which is cross referenced in Article 7.1. (adaptation), there is no similar reference for Article 2.1.c in Article 9. Robertson said much depends on the interpretation of 2.1.c, which influences implementation, and urged approaching the issue in good faith, reiterating that its main objective and purpose is strengthening the global response to climate change.

Participants considered:

- whether there is a mandate for dedicated Article 2.1.c negotiations;
- whether discussing non-climate finance is within the scope and remit of the UNFCCC and the Paris Agreement, since Article 2.1.c also involves a range of stakeholders that are not legally bound by and are outside the remit of COP and CMA decisions;
- the relationship with Article 9; and
- concerns about the unintended consequences of 2.1.c negotiations, including over policy prescriptiveness, as well as potential conflicts between climate and development goals.

He asked how the principle common but differentiated responsibilities and respective capabilities, as well as equity, can be safeguarded. He also stressed the need for safeguards to ensure tracking and reviewing of implementation is not mandatory, and that implementation does not become a conditionality for receiving finance.

During the discussion, developed and developing countries differed with respect to whether there is a mandate to undertake negotiations on 2.1.c. Many developing countries argued that such negotiations and a decision could lead to developed countries shying away from their commitments and obligations under Article 9. Developed countries, on the other hand, sought to reassure developing countries by stating that Article 2.1.c was not intended to take away from or diminish their climate finance commitments under Article 9, but was rather to align financial flows with the goals of the Paris Agreement.

ecbi Director Benito Müller said perhaps an agenda item would not be so bad if the focus is only on certain aspects. He echoed previous comments on safeguards, noting any discussion or agenda item would not be about conditionalities and would have to include safeguards. He said the ongoing dialogue and other alternatives provide a way to get comfortable with the discussions before an agenda item is added.

New Collective Quantified Goal on Climate Finance

At COP 21 in Paris, Parties decided that the CMA would set a new collective quantified goal on climate finance (NCQG) from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries. CMA 1 in 2018 decided to initiate deliberations on setting the goal, and CMA 3 agreed that deliberations on the NCQG should be based on an ad hoc work programme, submissions by Parties and non-Party stakeholders, high-level ministerial dialogues, and stocktakes and guidance from the CMA. A work

programme was established with the following activities: four technical expert dialogues (TEDs) per year; annual reports; and ministerials. The NCQG is expected to be adopted in 2024 at COP 29.

Orlando Rey, Lead Technical Negotiator for the G-77/China, and Ministry of Science, Technology and Environment, Cuba, presented on views from the Fellows. He recalled that during negotiations of Decision 9/CMA.3 at COP 26, the need for a committee or similar body to negotiate the NCQG was discussed as an option, but no agreement was reached. He wondered whether work under the modalities of this decision was enabling progress so the NCQG could be adopted in 2024. However, based on the TEDs and other sources, he said we already have a significant amount of material to work with for the text of a decision.

He reiterated that the COP 28 decision must include a clear roadmap on how to reach an agreed outcome on the NCQG in 2024. This decision, he said, should provide clarity on the progression of negotiating texts, and on the general structure of the goal and its main elements. He suggested revisiting the idea of a negotiating committee, and that the TEDs could continue to inform the more structured negotiating process.

Concluding his presentation, he acknowledged that process problems remain, and cautioned that continuing to discuss political issues under a technical framework could result in not having a negotiating text for COP 29. He supported establishing a contact group at COP 28 to prepare a decision on the NCQG, or perhaps a negotiating committee to work intersessionally.

During the discussion, one developing country speaker wondered how to work with the existing divergence of views on issues such as expanding the donor base, underscoring that it should not be about more responsibility but rather about delivering on the goals of the Paris Agreement.

Pre-2030 Mitigation Ambition Work Programme

In November 2021 in Glasgow, negotiators established a work programme to “urgently scale-up mitigation ambition and implementation in this critical decade” (Decision 1/CMA.3, paragraph 27) in a manner that complements the GST. In November 2022, Parties agreed that the Sharm el-Sheikh Mitigation Ambition and Implementation Work Programme (MWP) would begin at the end of 2022 and continue until 2026, with a view to adopting a decision on the continuation of the work programme (Decision 4/CMA.4). Furthermore, they agreed to convene at least two global dialogues every year and to hold investment-focused events. Each dialogue would address a different topic and Parties and non-Party stakeholders alike would, in advance, submit their views on opportunities, best practices, actionable solutions, challenges, and barriers relevant to dialogue topics. The first Global Dialogue, as well as an Investment-Focused Event, convened in June 2023 (the second was held in mid-October 2023).

Maesela Kekana, Chief Negotiator and Head of Delegation, South Africa, presented on this issue, noting, in terms of next steps, that the UNFCCC Secretariat will prepare a report of the second dialogue and an annual report comprising a compilation of the individual dialogue and Investment-Focused Event reports for consideration by the CMA and the SBs; the SBs will then consider the annual report and draft a decision for consideration and adoption at CMA 5 in Dubai; and the CMA will assess progress, including key findings, opportunities and barriers, and implementation gaps.

Other possible steps included, among others:

- inviting the Secretariat to produce a technical paper on lessons learned to inform the next Global Dialogue and Investment-Focused Event;
- inviting Parties to revise their NDCs in line with 1.5°C;

- serving as a follow up to and addressing knowledge gaps from the GST;
- following up on sectoral commitments and/or opportunities in various sectors; and
- scaling up renewable energy, phasing out fossil fuels, and phasing out inefficient fossil fuel subsidies.

He noted that the finance element, thus far, has been absent from the discussions and mentioned a lack of guidance on what the second part of the MWP will do.

During the ensuing discussion, a developing country urged following up on and further unpacking existing commitments, adding more context in terms of the latest science and IPCC reports, and discussing how to link the technical conversations to the ministerial dialogue.

Global Stocktake

The GST was established under Paris Agreement Article 14, where Parties agreed to “periodically take stock of the implementation of [the] Agreement to assess the collective progress towards achieving [its] purpose and its long-term goals”. The Article further states that the assessment will be undertaken in a comprehensive and facilitative manner, considering mitigation, adaptation, and means of implementation and support, in light of equity and the best available science. Article 14 indicated that the first GST would be completed in 2023. Future GSTs are to take place every five years thereafter unless Parties decide otherwise.

Julio Cordano, head of the Chilean delegation and Director of Environment, Climate Change and Oceans, Ministry of Foreign Affairs, Chile, presenting on the GST, reminded participants that the GST involves information collection, technical assessment, and consideration of outputs. He recalled that Paris Agreement Article 14.3 states that “The outcome of the global stocktake shall inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of this Agreement, as well as in enhancing international cooperation for climate action.” He said the GST’s main purpose is, therefore, to assess global progress thus far and inform actions going forward.

Cordano said we are off track and wondered how to get to where we need to be collectively. He highlighted the connection between the GST and NDCs and, citing opportunities for action, reiterated that “the more we mitigate, the less we need to adapt”. Regarding an imbalance in the global South with respect to observation capacity, he mentioned a global observation goal as a possibility. On follow-up issues, Cordano mentioned: whether there should be a follow-up track and actions; a process to impart and share lessons learned so the next GST can be more useful; and the need to begin the process at least two years in advance of the next GST in 2028.

During the ensuing discussion, many participants, both from developed and developing countries, expressed concern and anxiety that too much time was being spent on process rather than substance, leaving little time to find a common vision and making it more difficult to reach a successful conclusion at COP 28 in Dubai.

Feedback

Both Fellows and their European partners provided feedback on the seminar. They praised the benefits of the Seminar, with one commending ecbi and its Director Benito Müller for “having the convening power that no one else has.” Some of the comments and feedback from seminar attendees are highlighted below:

- “There is a difference between positions and the people in our process and we need to make sure that we safeguard our friendships because that is also important. We listen better to people we know. That is just a fact. And I think this [Oxford Seminar] is really an opportunity not only to understand and technically be prepared, but also a place to get to know each other better.”

- “I am new to this process and I have been learning a lot this past month. This is the first time I am meeting in such an open debate, with no speeches. I am really trying to understand the issues that we are debating and the different positions. It was a really, really fruitful, productive, educational experience for me.”
- We [Benito and I] were ...[together]... in Delhi and he told me to come for this meeting and I was wondering what this one-week course is and why is he getting all the negotiators [together]? That mystery has been demystified today it is a great initiative to make the negotiators understand each other. Hats off to you [ecbi].”
- “You provided a safe space for us, including in the last two days with our European partners. I saw respect among the colleagues even when we had different positions. I think it put us in a good space to see where the differences lie and how we can then bridge them as we move forward.”
- “I hope that when there is a need to find common ground, we remember the spirit that carried us in this meeting and try to infuse it amongst our colleagues to move us forward.”
- “Benito, you have the convening power that no one else in this process has and I think that is something that is really worth preserving.”
- “If the negotiations had the same spirit, approach, and level of discussions [as here in Oxford], I think we would be much, much further along.”
- “I completely agree with what colleagues are saying not only about the respectful convening power that you have, but how the mood is always so friendly. The conversations were substantive. We have done things here that we could not do this year in the formal negotiations or anywhere else.”
- “I am speaking with my LDC Chair hat on. Benito has been supporting the LDC group for a long time, and many LDC delegates became senior negotiators with his support and through his fellowship programme. Now they are all superb negotiators.”
- “I want to highlight your commitment to work with Parties to move things ahead, and your sensibilities to vulnerable groups ... You are trying to propose rational solutions that can make things progress. And I think this is important. You inspire us.”
- “I think these places [like the Oxford Seminar] allow us to move away from the statements where you change a comma and a word from the last statement you made and then go forward and deliver it to really kind of thinking out loud on how we can do things differently. I appreciate that. I hope we continue the spirit.”
- “I think there’s a reason everyone wants ... to thank you and the [ecbi] team for the amount of effort that you put into making this such a productive meeting with such a nice environment ... I also appreciate the work that the Fellows... put into the pre-discussions and preparing the presentations for us.”
- “I think for me, the main reason I like this meeting is that I am not trying to convince anyone of my own position. It was more to really listen and find out what other people were thinking and I think I learned a lot. ... I also always like a meeting where you have got your own name on your name tag and not your country ...we are here as individuals.”

Training and Support Programme

While the Training and Support Programme did not convene any events during 2023, the Programme is set to resume in 2024, including a training in Trinidad and Tobago in April 2024, and in South Asia later in the year. Further information will be posted online at: <https://ecbi.org/training-and-support-programme>

News and Announcements

In Memoriam: Paying Tribute to Saleemul Huq and Pete Betts

Benito Müller provided reflections on two close friends and colleagues who sadly passed away in 2023. In [personal reflections in memoriam of Saleemul Huq \(1952-2023\)](#), Müller said: “I have known Saleem as a friend and collaborator for most of this century and was promoting the idea of Climate Solidarity Levies at a meeting with representatives of the Government of Antigua and Barbuda when I learned the shocking and truly tragic news that he had passed away”. He goes on to say that “... Saleem and I first met as part of a project consortium at the turn of the century, in which we proposed a capacity- and trust-building module for (developing country) climate negotiators. The project proposal did not succeed, but we both felt the module was worth preserving and subsequently founded the ecbi in 2005...”

Müller later wrote that Saleem would have been “extremely pleased that among the first decisions to be gavelled through was [the one] on the operationalisation of the new fund and funding arrangements for responding to loss and damage”. The LDC Group held a memorial for Saleem in Dubai, and an ecbi side event was dedicated to him

Just prior to the COP in Dubai, Müller attended the funeral of Pete Betts, the EU’s chief negotiator when the Paris Agreement was signed. He described Pete as a “formidable climate negotiator” who “had a unique sense of humour which I shall miss!”

Letters of Appreciation from Chile and Vanuatu

Maisa Rojas Corradi, Chilean Minister of Environment, sent [a letter to ecbi Director Professor Benito Müller](#), thanking him for his efforts and support in advancing the discussion among delegates on financing for loss and damage, which she was co-facilitating at the ministerial level at COP 27 in Sharm el-Sheikh. She acknowledged the importance of his engagement with respect to the “complex negotiations” on the issue at COP 27, which led to the [Decision](#) on “funding arrangements for responding to loss and damage associated with the adverse effects of climate change”. Going into COP 27, many thought such an outcome was impossible given the issue was not even on the agenda initially. The decision taken was widely hailed in the media as “historic” since developing countries have for years been calling for a global fund to respond to loss and damage due to climate change.

In [another letter of appreciation](#), ecbi’s role in advancing the issue of innovative funding sources for loss and damage was recognised by the Government of Vanuatu. Ralph Regenvanu, Minister of Climate Change Adaptation, Meteorology, Geo-Hazards, Environment, Energy, and Disaster Management, Vanuatu, thanked Professor Müller for his “engagement with Vanuatu on finding innovative solutions to address expanding loss and damage needs [and appreciating his] inspiring work over the last two decades in promoting air-ticket solidarity levies [to help] developing countries ... cop[e] with [the] adverse impacts of climate change, culminating in the current proposal for a Climate Solidarity Alliance of high ambition nations willing to [jointly] implement ... national air-passenger solidarity levies as an innovative source of Loss & Damage funding, with a view to ... announc[ing] this alliance at COP 28 in the United Arab Emirates.” Vanuatu is currently considering a range of innovative financing sources to address expanding loss and damage, including through a levy on non-economy air travellers.

OCPEcbi Submission on topics for 2nd Glasgow Dialogue and workshops

In early 2023, Oxford Climate Policy/ecbi prepared a submission to COP 28 and CMA 5 on its views on the topics for the 2nd Glasgow Dialogue and workshops referred to in paragraph 7(a) of Decision -/CP.27 -/CMA.4. The submission proposes that the 2nd Glasgow Dialogue and the mandated workshops showcase examples of both innovative funding sources and loss and damage response tools that the Fund could support financially. The submission points to concerns raised with respect to the risk that the fund could, under traditional national/public contributions, remain severely underfunded, or end up diverting funding originally intended for the GCF. Thus, it underscores the need to consider “innovative funding sources”, including from sub-national stakeholders, such as corporations, individuals, and foundations.

The submission notes that while the decision describes some of the challenges or events that such response tools should address, such as “climate-related emergencies, sea level rise, displacement, relocation, migration, insufficient climate information and data, or the need for climate-resilient reconstruction and recovery”, it does little to shed light on exactly what types of activities should be funded. The submission mentions insurance, as well as non-economic losses and those related to slow-onset events, that may require other types of response tools apart from insurance schemes.

Former Pakistani Minister on a Share of Proceeds to Respond to Loss and Damage

In January 2023, Malik Amin Aslam Khan, former Pakistani Minister for Climate Change, sent an [open letter to the Board of the Integrity Council for the Voluntary Carbon Market \(IC-VCM\)](#), calling for the proposed Share of Proceeds (SoP) as a Core Carbon Principle (CCP) of the VCM to also include a loss and damage response component. While reiterating his support for the inclusion of a Share of Proceeds for Adaptation (SoPA) in the CCPs, Aslam Khan referred to recent changes in the international funding landscape with the [historic decision taken in Sharm el-Sheikh, in December 2022, to establish a loss and damage fund under the Paris Agreement](#).

Mentioning devastating floods in Pakistan, which displaced 33 million people and damaged, if not destroyed, thousands of hospitals and miles of roads, he reiterated the urgency of addressing loss and damage and cited an opinion piece he co-authored with ecbi Director Benito Müller, “[Time to Respond!](#)”, published on the OCP website and the news aggregator website [unclimatesummit.org](#). In his letter, Aslam Khan stressed the importance of harnessing innovative funding sources for the new fund, specifically calling to add, to the CCPs, a ‘dual-purpose’ SoP for adaptation and loss and damage of at least 5%. Efforts to include a SoP in the CCPs have been ongoing, although they have now taken on the addition of a proposed SoP for loss and damage following the COP 27 decision on this issue.

Staffing Updates

Kishan Kumarsingh (Head of Delegation from Trinidad and Tobago) has been given leave by his government [Head the ecbi Fellowship and Trust Building Programme](#). Kumarsingh has been Trinidad and Tobago’s lead climate change negotiator for the past 25 years. He has held many positions in the climate negotiations, including SBSTA Chair, Co-Chair of the ad hoc working group leading the Paris Agreement negotiations (ADP), and Co-Chair of the work Programme on the NCQG. Carlos Fuller from Belize will take over Kishan’s previous role as a developing country Policy Adviser to ecbi.

Other News

Saleemul Huq was recognised by *Nature* on its list of **10 people who helped shape science in 2022**. Huq, who was Director of the International Centre for Climate Change and Development (ICCCAD) and headed **ecbi's Training and Support Programme (TSP)** before his untimely passing, was lauded by *Nature* as a “climate revolutionary”. Huq was a familiar fixture at the climate negotiations, helping climate vulnerable countries advance their priorities in the negotiations. He was instrumental in getting countries at COP 27 in Sharm el-Sheikh to agree to establish a fund to help lower-income countries address loss and damage due to the adverse impacts of climate change. The decision was agreed against long odds and was hailed as “historic”. *Nature* also described how Huq helped advance the concept of community-based adaptation, where rural communities “find their own research-based solutions to problems, such as improving flood defences or adjusting cropping patterns in response to climate change”.

Publications and Outreach Unit

In 2023, ecbi's publications concentrated on a range of issues, including those related to financing loss and damage following the historic decision reached at COP 27 on a fund and funding arrangements. ecbi has been very involved in this issue, particularly with respect to innovative sources of finance for loss and damage. Within this context, 2023 saw the publication of several policy briefs, discussion notes, and blog posts, many of which related to possible innovative sources, including “Climate Solidarity Levies” that could potentially be imposed by individual countries on air travel or shipping. In addition, two updates to Pocket Guides were published on the Paris Agreement and on Loss and Damage. They include the latest developments in the negotiations. ecbi also assessed key outcomes from COP 27 in a policy brief, and published reports from its Bonn and Oxford Seminars (as described above). For more information on these guides and ecbi's other publications, visit: <https://ecbi.org/publications-list>

ecbi/OCP website statistics continue to be strong, with the numbers increasing from 2022. In 2023, the OCP website had 30,853 unique visitors, 34,734 visits, and 229,208 hits. The ecbi website saw even greater increases in 2023, with 43,510 unique visitors, 52,070 visits, and 489,230 ‘hits’. This represents an increase of 41% in terms of unique visitors, and more than a 110% increase in hits on the site.

Meeting Reports

2023 Bonn Seminar

As noted earlier in this report, the **2023 Bonn Seminar** took place on 11 June at La Redoute in Bad Godesberg, Bonn, Germany. Three sessions convened on Article 2.1.c, the GST, and the MWP. Read the full report of the Bonn Seminar [here](#).

2023 Oxford Seminar

The **2023 Oxford Seminar** took place from 23-25 August. Participants addressed relevant topics in advance of COP 28 in Dubai, including Article 2.1.c, JTWP, gender, MWP, NCQG, GST and climate finance. The Seminar was preceded by the Fellowship Colloquium from 21-23 August. See the full report of the Oxford Seminar [here](#) and photos from the event [here](#).

Pocket Guides

Update to the Pocket Guide on the Paris Agreement (2023 Edition)

An updated version of ecbi's [Pocket Guide to the Paris Agreement](#) was published just prior to the convening of COP 28. It details progress made on the various issues addressed under the Agreement's Articles since the last guide was published in 2020. It aims to help negotiators navigate the nuances of the Articles and the subsequent decisions taken by the CMA. It distils the complexities of the Articles for both novice and seasoned negotiators, providing background and explanations in an easy-to-read format without getting bogged down in technical details. The first Pocket Guide to the Paris Agreement (and the first in ecbi's pocket guide series) was published in 2016.

Update to the Pocket Guide on Loss and Damage

This updated Pocket Guide follows developments on loss and damage under the UNFCCC, since the first Pocket Guide on the issue was published in 2018, including on the Santiago Network on loss and damage and the new loss and damage fund and funding arrangements agreed to at COP 27.

Annual Report April 2021 through December 2022

In early 2023, ecbi published its [Annual Report covering the period April 2021 through December 2022](#). It describes the reconvening of the Bonn Seminar, Fellows Colloquium, and the Oxford Seminar for the first time since before the pandemic. In late 2021, the Danish government agreed to provide funding for ecbi's Phase V for 2022-2025, which followed a 2021 bridging grant from the Swiss government. The annual report also describes ecbi's many publications and activities, including: co-hosting a workshop on [Supporting Adaptation Through Article 6 of the Paris Agreement](#); convening a [webinar](#) assessing key outcomes from COP 26, which was based on ecbi's [COP 26 key outcomes report](#); and a new [Pocket Guide on Article 6 of the Paris Agreement](#).

Policy Briefs, Reports, and Discussion Notes

COP 27 Key Outcomes Policy Brief

ecbi published a [policy brief assessing key outcomes from COP 27](#), focusing on discussions and decisions related to ambition, finance, loss and damage, and the Glasgow-Sharm el-Sheikh work programme on the Global Goal on Adaptation (GGA). The report explains that, while COP 27 failed to move the needle closer to keeping temperature rise to below 1.5°C, it did result in an historic (and unexpected) decision to establish a fund and funding arrangements to respond to loss and damage for those most vulnerable to the impacts of climate change.

Other significant outcomes at COP 27 included: an agreement on institutional arrangements to operationalise the Santiago Network on loss and damage; agreement to establish a work programme on a just transition; and, for the first time, a call to reform the multilateral development banks and international financial institutions, so they are aligned with the Paris Agreement and Article 2.1.c on making finance flows consistent with a pathway towards low emissions and climate-resilient development. Some progress was also made on the MWP and on the two-year GGA. In addition, the report looks at what needed to happen in 2023 to ensure COP 28 further advanced on these issues.

Discussion Note on Sustainable Aviation Fuels

In August 2023, ecbi published a Discussion Note highlighting the key role Sustainable Aviation Fuels (SAFs) play in meeting the aviation industry's commitment to net-zero emissions by 2050. The paper, [Sustainable Aviation Fuels - The Way Forward: From Biological to Synthetic Fuels](#), describes SAFs as "drop in" fuels that

replace fossil-based fuels (kerosene) without the need to change aircraft engines or fuelling infrastructure. Synthetic SAFs, while today account only for a tiny proportion of jet fuel, could in the coming decades replace all kerosene in the aviation sector, as explained in the Discussion Note.

The Note also, among others:

- introduces the main SAF technologies pathways, namely biofuels and synthetic fuels (e-fuels and solar fuels), along with their strengths, weaknesses, and prospects;
- reviews cost reduction potential, noting that synthetic fuels are very expensive now but have the potential to be competitive, sustainable, and scalable;
- identifies key barriers to SAF development, in particular the enormous investment required to achieve the required scale; and
- argues that the key to developing SAFs is policy frameworks that support research and investment from public, private, and charitable sources.

Energy in Demand, a weekly review of the low-carbon energy transition, [published the Note on its website](#) as well.

Policy Paper on Operationalising a Share of Proceeds for Adaptation for the Voluntary Carbon Market

In October 2023, ecbi published a Policy Paper on [How to Operationalise a Share of Proceeds for Adaptation for the Voluntary Carbon Market](#) (VCM), authored by Charlotte Streck and Benito Müller. It analyses how the VCM's social integrity could be boosted through a "Share of Proceeds for Adaptation (SOPA)" to support the poorest and, particularly, the most vulnerable developing countries in adapting to the adverse impacts of climate impacts.

The paper discusses why shoring up the VCM's (social) integrity is important; focuses on the work of the Integrity Council of the VCM (IC-VCM); and identifies options on SOPA operationalisation, both in terms of the collection and transfer to entities receiving and disbursing SOPA proceeds to adaptation projects.

The authors conclude that any SOPA must be mandatory and applied to all credits in the market to ensure the VCM's social integrity. In addition, a SOPA should be applied to all project types, and exemptions should only be considered based on geographical (host country) location of the project, for example in an LDC. The authors discuss charging a SOPA when credits are issued, retired, or traded, and the pros and cons of each option, and explain that the simplest way to charge a SOPA would be in the form of a fixed fee per credit. They also argue that involvement of VCM standards in SOPA collection or monitoring is essential and success will depend on strong partnerships with the standards. In addition, they agree that while the Adaptation Fund offers a ready and tested Adaptation Delivery Vehicle (ADV), other ADVs could be accredited and used by collaborating VCM standards.

Policy Paper on Innovative Funding Sources and Response Tools for Loss and Damage

In November 2023, ecbi published a Policy Paper on [L&D Funding Arrangements and the Need to Pilot Innovative Funding Sources and Response Tools](#). Even as the new loss and damage fund was operationalised and contributions were pledged at COP 28 in Dubai, the road ahead is still long for funding to reach those who need it most. This is precisely why alternative funding arrangements and response tools that can be implemented more quickly and effectively are also necessary.

This paper provides some proposals for consideration and examples that can be used as models going forward. On innovative funding sources, the paper highlights, as possible funding avenues, inter alia: international air

travel/aviation solidarity levies; and solidarity offset premiums and/or share of proceeds from the VCM. The paper also presents a sampling of innovative response tools to respond to both economic and non-economic loss and damage and rapid and slow onset events. These range from insurance and risk transfer options to those that address mental health and cultural loss.

Blog Posts

In 2023, ecbi/OCP published a number of blog posts, including on issues of relevance to loss and damage financing in light of the newly-established fund and funding arrangements under the UNFCCC.

In April, Saleemul Huq (ICCCAD), Robert Filipp (Innovative Finance Foundation), and Benito Müller (OCP) published **A Manifesto on an Innovative Funding Source for the new Loss and Damage Response Fund**. It elaborates on the idea of Climate Solidarity Levies, which have been considered as a potential innovative climate change financing mechanism. The article also described how, in October 2006, the concept of an International Air Travel Adaptation Levy based on the French Solidarity Levy, was launched in a [technical report](#), authored by Benito Müller and Cameron Hepburn (University of Oxford). In 2008, the LDC Group submitted the idea of an International Air Passenger Adaptation Levy in Poznan at COP 14 (although it was not accepted at the time). The blog post describes how, in 2021, Saleemul Huq and Mizan Khan (ICCCAD) looked at re-launching the idea as an innovative source of funding for loss and damage. Following the establishment of the new Loss and Damage Fund at COP 27, they decided the fund should be the recipient of such levies and were joined by Benito Müller (OCP) and Robert Filipp (IFF) to develop and promote this idea.

An August blog post called for an **International Climate Solidarity Alliance**, urging Kenyan President William Ruto and French President Emmanuel Macron, as proponents of CSLs to announce, if possible, at the African Climate Summit, the launch of an International Climate Solidarity Alliance of countries willing to adopt a CSL, with an initial focus on air-ticket levies. The CSL concept was also described in an opinion piece by Saleemul Huq, titled [In funding climate actions, we can be more creative](#), which was published in the Daily Star of Bangladesh on 16 August and in advance of COP 28 in Dubai.

A November blog post included **Some Thoughts on Access Modalities for the new Loss and Damage Response Fund**. It reflects on a topic the ecbi Director has been passionate about for some time: “the devolution of funding decisions to the national and sub-national level—be it under the heading of ‘enhanced direct-’ or ‘devolved programmatic access’—as a contribution to the operationalisation of the new loss and damage response fund”. The post reviews progress on enhancing direct access through national funding entities and highlights publications and submissions, including by ecbi, on the issue. It also provides an overview of ecbi input over time on devolved programmatic access, which evolved into a submission to the GCF Board in 2016.

A [15 December blog post](#) highlights a new **Taskforce on International Taxation**, jointly launched by Antigua and Barbuda, Barbados, France, Kenya, and Spain, with the support of the European Climate Foundation. The Taskforce was launched on 1 December during the World Climate Action Summit that preceded COP 28 in Dubai. Taskforce members “reaffirmed the urgent need to mobilize new, additional, predictable, and adequate financial resources—in addition to current commitments—to support developing and vulnerable countries’ transition to a low carbon and nature positive economy, while addressing the adverse effects of climate change, including loss and damages [and] the need to consider all options available in a spirit of international solidarity and equity.” The Taskforce emerged from discussions during the [Summit for a New Global Financial Pact](#) in Paris in June 2023, and from the [Nairobi Declaration on Climate Change](#). The Nairobi Declaration, which was the outcome of the Africa Climate Summit in September, calls for considering a global carbon taxation regime.

The idea of [International Climate Solidarity Levies](#) was also referenced in an International Peace Institute publication, **Financing Loss and Damage at Scale: Toward a Mosaic Approach**, in its conclusions and recommendations, as a revenue source for the new Loss and Damage Fund. The publication reiterates that the concept, in which individual countries would impose levies on air tickets and on shipping containers, is being promoted by ecbi Director Benito Müller, ICCCAD, and the Innovative Finance Foundation, among others. The author, Michael Franczak, as well as Müller and others, argue that individual countries could take the lead in beginning to impose such levies on their respective national airlines, instead of waiting for the fund to be fully operationalised.

Another OCP blog post focused on **Procedural justice and (in-) equitable participation in climate negotiations**. This post was penned in November by Carola Klöck (Center for International Studies, Sciences Po Paris), and Christian Baatz and Nils Wendler (University of Kiel). Published in advance of COP 28, the blog post predicted record attendance for a COP, with an expected 70,000 participants, noting that over the past 28 years, COPs have grown to become true “mega-conferences”. Even COP 21 in Paris had “only” 30,300 attendees. While many participants are not actually negotiators, the post argues that, with such large COPs, smaller delegations are at a disadvantage, with larger delegations having greater influence on the decision-making process.

The post suggests: that the UNFCCC Trust Fund should significantly increase its support and pay for more delegates to come to COPs and other negotiating sessions; and that fewer sessions and a reduced agenda could increase the chances that small delegations can participate effectively. It would also lower the meetings’ carbon footprint as well as provide smaller delegations with the opportunity to host COPs, as few countries have the infrastructure to welcome tens of thousands of people.

Activities of the Director

ecbi Director Benito Müller participated in numerous events and seminars in 2023, presenting on issues such as Climate Solidarity Levies, which ecbi and others are proposing as a way to fund the response to loss and damage.

Support for New Funding Arrangements for Loss and Damage Response

In March 2023, Benito Müller attended the [OECD Climate Change Expert Group \(CCXG\) Global Forum](#), where he facilitated the session on “Understanding the scope of funding for Loss and Damage”. He subsequently attended the first session of the [Transitional Committee for the new Loss and Damage Response Fund](#) (established at COP 27 in Sharm el-Sheikh), where he shared a draft of, and received feedback on, a new ecbi Policy Paper on “L&D Pilot Funding Arrangements”.

International Climate Solidarity Levies at the first Transitional Committee Workshop

On 30 April 2023, ecbi Director Benito Müller presented on innovative sources of financing during the [first workshop on addressing loss and damage](#). Held in Bonn, the workshop was organised by the Transitional Committee. Müller’s [presentation](#) focused on International Climate Solidarity Levies (ICSLs) for the new Loss and Damage Fund. Based on a recent [OCP blog post](#), he proposed that such levies could be applied in the aviation and maritime sectors. As a successful precursor, he said the French solidarity levy applied on air travel and earmarked for HIV/AIDS has had no impact on French air traffic or on tourism, and that it has raised between € 162 and 175 million annually.

Müller also reviewed the history of such levies in the climate change context, including the [International Air Passenger Adaptation Levy](#) proposed by the LDCs in 2008. However, he highlighted that the International Air Transport Association (IATA) had clarified, at the time, that airlines and passengers should not have to pay for

non-aeronautical-related programmes and that such a multilateral top-down approach was not viable. He also said a bottom-up approach, such as the [Corporate Air Passenger Solidarity](#) programme conceived by OCP and targeting voluntary contributions by individuals and corporate entities to increase adaptation funding, was also not considered a viable option at the time.

Proposing something in the middle between top-down and bottom-up, Müller referred to ICSLs as “The Goldilocks Solution”, comprised of both air ticket levies and maritime transport levies (for example, €10 per container) introduced at the national level. Taken together, he said they could raise €1 billion per year each in the EU alone. He explained that such levies would be simple to collect and administer and would be sustainable, with a steady flow earmarked for the new loss and damage fund. What is needed, he said, is for a few progressive countries to take the initiative to implement ICSLs.

High-Level Champions Event in Bonn

On 9 June 2023, Müller participated in an event on Solutions and Opportunities from Non-State Actors to Address Loss and Damage, which took place on the sidelines of the UNFCCC Subsidiary Body meetings in Bonn. During the event, Mahmoud Mohieldin and Razan Al Mubarak, UN Climate Change High-Level Champions for COP 27 and COP 28, respectively, highlighted the importance of the participation of non-state actors, including business, private finance, cities and regions, and frontline communities, in tackling loss and damage in light of the agreement at COP 27 to establish funding arrangements for loss and damage.

Müller presented on innovative funding sources and ways to raise additional funds from the private sector. He emphasized that the multilateral regime is necessary, but not sufficient, to tackle the climate problem. He also pointed out that the wellbeing of the regime’s financial mechanism is key to the wellbeing of the regime itself. He warned of dangers posed by potential undesirable scenarios with respect to the outcome of the fund, namely that it could become a “placebo” fund and that countries could move money away from the GCF toward the new loss and damage fund.

As a result of these issues, he stressed that innovative funding sources are needed now more than ever. He suggested resurrecting the idea of International Climate Solidarity Levies as detailed in a recent [OCP Blog Post](#), explaining that the levies could be imposed on air tickets and shipping containers and then channelled to the loss and damage fund. However, he explained that as the UNFCCC lacks the remit to impose a global levy, countries should themselves impose levies. Citing the French solidarity levy for HIV/AIDS, which raised funds through air ticket levies, he proposed doing the same for loss and damage, noting it could result in €1 billion annually if the EU adopted an air ticket levy. He said some countries must be willing to take the first step. In addition to air ticket levies, he suggested, in line with a proposal by the [International Maritime Emission Reduction Scheme](#), charging €10 per shipping container.

Presentation to Transitional Committee Members on an ecbi Policy Brief on Innovative Funding Sources and Response Tools for Loss and Damage

Just prior to the Bonn Seminar on 11 June 2023, ecbi and Director Müller hosted a Lunch Seminar with members of the Transitional Committee on the loss and damage fund and funding arrangements, as well as other interested parties. Inès Bakhtaoui, independent researcher, presented on an ecbi policy brief on loss and damage pilot funding arrangements and the need for innovative funding sources and response tools. Presenting an overview of solutions highlighted in the report, she mentioned:

- protection against extreme events for the most vulnerable through Parametric Climate Risk Microinsurance in the Pacific;

- funding long-term resilience through private finance, with Pollination's Resilience Company Model for ecosystem-based risk reduction services;
- responding to non-economic loss and damage through training programmes for community-based mental health and psychosocial support related to natural disasters in Asia;
- salvaging and restoring tangible cultural assets, and learning from relocations linked to the mining industry in Senegal; and
- promoting migrant-friendly towns.

IPI/OCP Event on Capitalising the Loss and Damage Fund

On 30 June in New York, the International Peace Institute (IPI), with OCP, organised an event on **Innovative Finance for Loss and Damage: Capitalizing the New Fund**. Participants discussed deficiencies and shortfalls in L&D funding, underscored innovative ways to capitalise on the new fund, argued that multiple solutions are needed, and presented several innovative options.

Michael Franczak, IPI Research Fellow, introduced the option of a shipping levy. He said **23 countries and regional organisations declared their support for a levy on carbon emissions on shipping** at the **Summit on a New Global Financing Pact**, held in Paris in June 2023 and ahead of a meeting of the IMO, where the proposed levy was to be discussed. However, he said many developing countries have been wary of tax burden transfers, and common but differentiated responsibilities must be considered to effectively operationalise a carbon tax levy.

Benito Müller, OCP Managing Director and ecbi Director, discussed the proposal for ICSLs and a levy on air travel to finance the L&D Fund. He recalled that the initial proposal for such a levy in the climate process was submitted by LDCs in 2008. He explained that the top-down approach was not accepted, noting that the UNFCCC lacks the remit to take such decisions and national treasuries abhor international levies. However, the idea was resurrected in light of the new fund, with the potential for countries to take action on their own without needing to wait for an international agreement. He suggested a climate solidarity alliance of countries that introduce air passenger levies, earmark the money in a separate fund, and put it in the new L&D fund.

Other speakers included Stacy-ann Robinson, Assistant Professor of Environmental Studies, Colby College, who recalled a 1991 proposal by Vanuatu to establish an insurance mechanism to help small island developing states deal with loss and damage. She also suggested a levy on fossil fuel extraction, but said this approach runs the risk of resurrecting colonial relationships where local workers are doing the actual extraction. Chris Caravan, Senior Advisor, Cygnum Capital, suggested using bonds or frontloading to make the fund's financing available immediately. He said a coalition of the willing could bear some of the costs of the levies, and that investing now rather than responding after an event is a more effective way of using resources.

Innovative Loss and Damage Finance Sources at Sciences Po

On 26 September 2023, ecbi Director Müller gave a **presentation on Innovative Sources of Climate Finance** at the first 2023 Séminaire Environnement et Relations Internationales organised by the **Centre for International Studies** at Sciences Po in Paris. Given the urgency of providing financial support to the poorest and most vulnerable countries to respond to loss and damage from climate change and given the current global economic and fiscal situation, Müller argued that raising innovative sources of funding for this new Loss and Damage Fund is needed so it can be adequately capitalised without diverting funds from other existing multilateral climate funds.

In that context, Müller again highlighted the idea of **ICSLs** as an already proven way to mobilise new, additional and predictable innovative resources to avoid fund diversions from other climate funds. He discussed a recent call for Kenyan President William Ruto and French President Emmanuel Macron, as proponents of ICSLs, to launch a **Climate Solidarity Alliance** of countries willing to adopt ICSLs, initially focussed on air-ticket levies.

Presentation on International Climate Solidarity Alliance at the Ministry of Finance, Antigua and Barbuda

On Tuesday, 24 October, ecbi Director Müller, in his capacity as a [Strategic Partner to the Alliance of Small Island States](#), gave a [presentation on Climate Solidarity Levies](#) and a proposal for a Climate Solidarity Alliance at the Ministry of Finance, Antigua and Barbuda. He discussed options for operationalising potential solidarity levies for loss and damage, stressing that Antigua and Barbuda could play a key role in launching an International Climate Solidarity Alliance of countries willing to implement climate solidarity levies as innovative source of finance for loss and damage both at home and through the new Loss and Damage Fund.

Kushlan Lecture at John Cabot University in Rome

On 22 November 2023, Benito Müller, ecbi Director and Convener of International Climate Policy Research at Oxford University's Environmental Change Institute elaborated on the [Climate Solidarity Levies](#) proposal, which he presented in the context of the impending launch by France and Kenya of an international taxation taskforce.

According to a [Climate Home News](#) article, published on 16 November and authored by Matteo Civillini, the taskforce “is planning to consider a broad range of options, including levies on international shipping, aviation, financial transactions and fossil fuels” with the goal of agreeing on specific proposals by COP 30. According to Civillini's article, these proposals “could then be negotiated in relevant international institutions, like the OECD, the UN or the G20.” The article recalls Müller's suggestion that one way to “hit the ground running” would be for taskforce members to simultaneously form an International Climate Solidarity Alliance by voluntarily adopting a Climate Solidarity Levy in their jurisdictions not only to generate funding up front, but also to demonstrate that such innovative sources work.

Climate Solidarity Side Event at COP 28

On 8 December 2023 during COP 28 in Dubai, Diann Black-Layne (Ambassador for Climate Change of Antigua and Barbuda) and Benito Müller co-hosted a side event on CSLs, which was dedicated to [the memory of Saleemul Huq](#), one of the co-authors of the [CSL Manifesto](#). Müller's introductory presentation concluded with a call for member countries of the newly announced [Taskforce on International Taxation to Scale Up Development, Climate and Nature Action](#) (including Antigua and Barbuda and France) to become the lead group for a Climate Solidarity Alliance. They could do this, he said, by adopting domestic climate solidarity levies as innovative sources of funding for loss and damage as soon as possible and in parallel to Taskforce deliberations.

Consultation Meeting on the Enhancing Energy Efficiency of Indian MSMEs

On 5 April, ecbi Director Benito Müller presented during a Consultation Meeting on the enhancing energy efficiency of Indian micro, small and medium enterprises (MSMEs) with performance-based payments through a pilot Carbon Fund and Auction Facility. The event in New Delhi, India, sought to help refine the concept of the Facility and enhance understanding of the scope of technical research needed to design it. The MSME sector accounts for more than 42% of India's exports, highlighting its importance in sustaining the country's economic growth. [Energy Efficiency Services Limited](#) in consultation with [The Energy and Resources Institute \(TERI\)](#) and [Oxford Climate Policy](#) prepared a concept note on the issue and a proposal for the Facility has been submitted to the GCF. The aim is to provide an enabling environment, technical assistance, and financial incentives to accelerate the adoption of energy-efficient measures by Indian MSMEs with performance-based payments through a Carbon Fund and Auction Facility, thereby reducing energy consumption and carbon emissions in Indian MSME clusters. For more on this programme proposal, see section IV in ecbi's [History of Enhanced Direct Access: Second updated edition](#).