

Pre-COP Briefing

October 2017

BACKGROUND

The Paris Agreement was adopted with thundering applause worldwide and has entered into force in record time for providing a new architecture and regime for climate action past 2020. Now, we must deliver on the promise of the Paris Agreement by accelerating efforts in producing its implementation guidelines and ensuring greater ambition in the pre-2020 period and beyond.

Negotiations for the Paris implementation guidelines must move forward towards reaching decisions in 2018 in a balanced and transparent manner. We must build on the Facilitative Dialogue in 2018 and use it as an opportunity to raise ambition and strengthen Parties' NDCs before 2020.

Climate Action Network provides this Briefing outlining its expectations on the outcome of COP 23 to inform Ministers and the Fijian presidency in view of the Ministerial Pre-COP gathering to be held from 17 to 18 October 2017. This Briefing is based on the key issues and guiding questions outlined in the Pre-COP agenda.

1. MANAGING CLIMATE RISK AND BUILDING RESILIENCE

- **How can progress towards climate resilient development be accelerated through the UNFCCC process and cooperative action at COP 23?**
- **How can the Warsaw International Mechanism on Loss and Damage be enhanced to deliver useful tools and methods to address the needs and special circumstances of developing countries that are particularly vulnerable to the adverse effects of climate change?**

We must face the reality that we are already living in a post-400ppm world. The devastation this brings to vulnerable countries will result in massive losses. Parties must begin to address loss and damage meaningfully.

The Pacific COP has a unique opportunity to progress the issue of loss and damage in a visionary way. The worst impacts of climate change are already hitting poor people hard and they need finance. It was promised at Warsaw in 2013 and reinforced in the Paris Agreement in 2015, but as of today, finance has yet to be delivered. COP 23 should **establish a Fiji International Initiative for Loss and Damage Finance to generate and provide finance for loss and damage from innovative sources**, including levies and taxes from un- and under-taxed polluter pays sources, that is adequate to aid those that suffer most from climate change loss and damages. Some have suggested that a target of generating at least USD 50 billion per year by 2022 and at least 200-300 billion per year by 2030, above that promised for adaptation, should be a guide to the level of finance necessary for loss and damage international support.

This finance should be used to fund risk finance instruments such as insurance premiums and other practical options for countries and communities in the face of extreme climate change impacts. These options include increasing capacity to develop risk management strategies, risk reduction, contingency funds, effective risk sharing mechanisms, community cooperatives, social protection schemes, diversified livelihood strategies, transformational approaches, recovery and rehabilitation.

Essential to progress loss and damage is to properly and fully operationalise the Warsaw International Mechanism for Loss and Damage (WIM). This would require two things. First, the WIM requires more resources. A body meeting 2 to 3 times a year, with modest support from the UNFCCC Secretariat and whose budget is within the 'supplementary' UNFCCC budget is not up to the challenge that loss and damages poses. Developed countries must step up with more finance for the WIM budget and put it on the same level as the other elements of the Paris Climate Agreement. Second, loss and damage and the work of the WIM must be addressed in the negotiations for the implementation guidelines of the Paris Agreement, the agenda item on the global stocktake, as well as in the SBI and SBSTA intersessional meetings.

2. REACHING A SIGNIFICANT MILESTONE AT COP 23: PARIS AGREEMENT WORK PROGRAMME

- **What should COP 23 deliver to ensure that Parties have a solid basis to complete the negotiations under the Paris Agreement Work Programme in 2018?**
- **Can the challenges in the negotiations be assisted by a clear pathway and roadmap for 2018?**

In order to reach the 2018 deadline for the Paris Agreement Implementation Guidelines, constructive technical negotiations must take place in COP 23 leading to draft texts with options for all key elements. All agenda items must **show progress in a balanced manner** with the Fiji presidency providing strong political guidance for politically difficult issues. We need to have a **zero draft of the implementation guidelines at COP 23 with clearly distinguished options, where needed, to reflect significant differences**, or else we face the risk of delaying progress and being unprepared for adopting the full guidelines at COP 24. Setting additional sessions (that would have to be open to observers and non-state actors) throughout 2018 needs to be adequately considered, including financial considerations, to ensure that Parties have enough time and negotiation space to reach an agreement during COP 24.

On the specific agenda items, CAN believes that the following key elements must be advanced at COP 23 and that the following resulting outcomes are reached:

- **On Transparency**, a core set of **robust and enforceable guidelines, that build on and enhance the existing systems of transparency**, will be critical in driving forward the ambition necessary to ensure the success of the Paris

Agreement. The guidelines must ensure that **adequate relevant information for the global stocktake and the compliance mechanism is provided by Parties and should be sustainable** enough to cope with the review of all Parties' submissions every five years, taking into account financial and human resource implications. A robust transparency framework will provide:

- Confidence to the public that emissions are being reduced and that their political leaders are following through on their promises;
 - Confidence to investors in the clean energy and low-carbon economies of the future;
 - Confidence to parties that they can raise their ambition, since others are taking promised action; and
 - Confidence in the environmental integrity and credibility of global efforts.
- **On the global stocktake**, we believe that it must produce **collective assessments that help Parties identify next steps, identify implementation gaps at global, regional and national levels, create space for Parties to exchange views about future collaboration and cooperative action and send a strong signal to governments to increase ambition**. It must have multiple phases and there should be, at minimum, a distinct technical or preparatory phase so that different types of analysis of discussion can take place over a period of time. **Financial flows and means of implementation must be included and equity considerations must guide the work in all global stocktake workstreams. As to scope, the inclusion of language in Article 14.3 highlights the possibility of the global stocktake having a much broader sphere of review** and influence should the modalities enable it. CAN believes that while the stocktake should not be overly burdensome to Parties or to the UNFCCC system, it must be broader than just a consideration of the aggregate of actions communicated by Parties (through NDCs and other national reports) and should include progress by all relevant stakeholders and opportunities outside the UNFCCC to ensure an adequate picture of the overall progress towards achieving the long-term goals of the Agreement.
 - **On Accounting for Climate Finance, provision and mobilisation of means of implementation are key** to successful implementation of the Paris Agreement. This, inter alia, **depends on transparent accounting and reporting of financial assistance provided by donor countries**. Future rules should be based on more honest accounting of climate-specific (proportion of) funds provided, information of the actual assistance effort (e.g. expressed through grant-equivalents in the case of non-grant instruments), and project-by-project reporting with an agreement between donor and recipient country as to what to report. **Key concepts for modalities for the accounting of climate finance should be identified and included in a draft text by the end of COP 23 and discussion on action required to ensure the Adaptation Fund will serve the Paris Agreement should be advanced.**

3. PARTNERS FOR CLIMATE ACTION – FOCUS ON FINANCE

- How can COP 23 provide the platform for developed countries to deliver on the US\$100 billion/year target by 2020?
- How can NDCs and NAPs attract sufficient and sustainable investment for their implementation?
- How can COP 23 promote better access to climate finance from public and private sector sources?

Climate finance has a key role to play in enhancing trust and confidence between Parties and providing developing countries the necessary support to adapt to the impacts of climate change and develop zero-carbon and resilient economies. It is essential that climate finance remains high on the political agenda in the run up to COP 24 to help accelerate the implementation of the Paris agreement by 2020 and enhance mutual trust and confidence. To do this, **donor countries must, in 2018, seek to demonstrate progress in meeting the \$100 billion goal, including significant increases in the provision of finance for adaptation towards the envisaged balance with mitigation.**

Furthermore, if we are to realise the promise of Paris, much work is needed to **operationalise the global goal on adaptation**. Current financial flows are skewed inordinately towards mitigation only. Parties must **adopt rules to ensure such balance is achieved and maintained, urge the Green Climate Fund to focus its attention to people that are most vulnerable to climate change, and strengthen its gender strategy and action plan**. Ministers should work on finding a solution - such as developed countries setting a target for adaptation finance within the \$100 billion goal, with a focus on finance from public sources, as adaptation finance in key sectors (food, water, disasters) will remain dependent on public finance. The **Adaptation Committee could be tasked to develop a 10-step-plan on how to increase adaptation finance**, including a technical support program on mainstreaming adaptation in existing financial flows.

Current financial flows are not consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, as mandated by Art. 2.1.(c) of the Paris Agreement. COP23 could make first steps into addressing this gap by agreeing on a **process to identify options for cooperative work under the Paris Agreement or start a technical process to advance this provision** alongside inviting countries to address how their NDC is contributing in shifting financial flows when submitting next iterations of their NDCs.

4. RAISING AMBITION ON NDCs

- What would be the effective way to raise ambition in your country?
- How can we ensure delivering tangible results in the pre-2020 period?
- What are the strategic approaches to accelerate the global transformation towards carbon neutrality?

The Facilitative Dialogue 2018 (FD2018) provides an opportunity to ramp up ambition and a strong basis for revising current NDCs. It is also an opportunity for increased synergy in expediting implementation while meeting the Sustainable Development Goals. To make the most of this key moment, the **ultimate outcome of the FD2018 should be that Parties develop the political will to close ambition gaps, particularly on mitigation and finance flows. They should enhance their NDC targets and these new targets should be consistent with long-term strategies and inspire collaborative action between Parties**. NDCs need to be re-positioned as gateways of enhanced financial flows for growth and urgent development needs as well as strengthening national balance sheets to create an incentive for Ministers to want to do more.

Given that many NDCs contain conditional components, the **facilitative dialogue will have to emphasise – in parallel to mitigation efforts - the means of implementation (MOI) necessary to unlock the additional ambition** implied by those conditional components, including further opportunities for international cooperation.

The **FD2018's design must ensure that relevant inputs from non-Party stakeholders can be adequately considered during the FD2018's examination of barriers to, and opportunities for, greater ambition**, for example through active participation of civil society and other non-Party stakeholders in planned events and activities such as submissions, a dedicated series of side-events and workshop slots, as well as technical and regional events.

In CAN's view, these outcomes can best be achieved if the **FD2018 consists of a series of technical and regional political events throughout 2018, that culminate in a high-level political synthesis at COP 24**. It should be informed by the IPCC's Special Report on 1.5°C and other available best science as well as equity considerations.

For further information please contact:
policy@climatenetwork.org