



CLIMATE ACTION NETWORK CAN Briefing Petersberg Dialogue April 2020

*Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1300 members in over 120 countries.
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The COVID-19 pandemic presents real and immediate risks to people's health and livelihoods. What is evident from the Covid-19 crisis, and similar to the climate crisis, is the importance of listening to and acting early on scientific evidence. In emerging from this challenge and hardship, going back to business as usual is not an option. Ministers have the opportunity and duty to increase resilience and build back better: Governments must respond to this disaster in a way that protects people's health and makes our societies more resilient towards other crises, notably the climate emergency. Ministers must use the Petersberg Dialogue to send a clear message to the world: Climate action remains a non-negotiable global priority.

Which measures do you consider most promising to ensure social and economic recovery, while making our societies and economies greener and more resilient? How can international solidarity and global effort support this goal?

The current health crisis is happening against the backdrop of ecological meltdown, growing inequality, and declining social justice¹ and democratic space². Governments should use the Petersberg Dialogue to advance ongoing discussions to agree on post-covid economic recovery initiatives that are fit-for-future. Listening not only to climate science but also to long-sight economists means designing recovery plans along a path to net-zero emissions and zero fossil fuels consistent with the Paris Agreement's goal to keep warming below 1.5°C. Doing so will not only mitigate future crisis, make societies more resilient, but can also harness immense job opportunities and prosperity of a zero-carbon economy. After controlling the spread of Covid-19, ministers should agree on the following principles for their recovery packages:

¹Oxfam International, 2019: <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620599/bp-public-good-or-private-wealth-210119-summ-en.pdf>

²V-Dem Institute, 2020: https://www.v-dem.net/media/filer_public/f0/5d/f05d46d8-626f-4b20-8e4e-53d4b134bfcf/democracy_report_2020_low.pdf

As immediate action, to provide economic relief directly to people and workers

- support to companies shall come with conditions to avoid permanent layoffs, secure jobs, and provide safe and fair working conditions;
- Stimulus money should offer immediate relief directly to workers and may provide opportunities for training, education and employment in existing and emerging low-carbon sectors like energy efficiency, technology, healthcare, and renewable energy.

Well-designed and implemented, these interventions can contribute to build up the foundation for the needed just transition to a socially fair, sustainable, carbon-neutral, and climate resilient society.

Build back better

Investments in harmful industries such as fossil fuels, additional roads, agribusiness corporations, automobile industries should be avoided - or in exceptional circumstances, be conditioned to a clear transition timeline towards business under a sustainable 1-5°C world; forward-looking planning and investments shall meet environmental and social standards and build resilient infrastructure systems, sectors and communities, including in particular:

- energy efficiency
- renewable energy
- energy grid development
- public transport
- energy-efficient housing
- environmentally sustainable and healthy food systems based on principles of agroecology, food sovereignty.
- forest recovery

Promote “Buy Clean” policies and regulations (starting from public procurement) to prioritize the use of the most efficient, resilient and cleanest materials and products with the lowest carbon, ecological and toxicity footprints and “Buy Fair” to enhance labor standards, workers’ rights, career pathways, equity, and community benefits;

Advocate for economic solidarity among countries

Promote debt swaps for health emergency support and environmentally sustainable development - not only least developed countries, but among all countries in need. It is not only fair for a debt created under - in many occasions - obscure negotiations and lack of transparency and accountability. But also there is a global economic rationale to do it. A six-months moratory is too short for the health and social challenge created by the Coronavirus irruption - and support NDC and SDGs targets.

How can we connect the recovery process with ongoing processes to update our Nationally Determined Contributions and prepare Long-Term-Strategies?

2020 is a central year for increasing climate action and ambition and initiating the ratchet mechanism of the Paris Agreement. The recovery packages currently being developed provide the opportunity to further define the path to limit global heating to 1.5°C. Governments must harness this opportunity and include sustainable and climate-friendly recovery plans into the revision process of the NDCs so that these reflect new measures. Examples include investments in low carbon infrastructure and green transport that also improves air quality and has clear health benefits.

Notwithstanding the tremendous disruption, societal and human costs COVID 19 has caused countries must continue to keep the strengthening of their national climate policies and plans in sight and on the table. Governments, in particular from major emitting economies, are expected to continue working on significantly increasing their climate ambition and action, and communicate such enhancements to the international community in 2020.

We congratulate those countries who keep committed to enhancing climate ambition, especially AOSIS for again taking international leadership on climate ambition. We welcome the Placencia Forum. Vulnerable countries have shown how enhanced climate ambition and action can be addressed in 2020 under the overall guise of the COVID-19 emergency and despite the postponement of COP26. Ministers, in particular from major emitting countries need to recognize the most vulnerable countries for taking the lead and they need to deepen their own leadership. Given the postponement of COP26, countries should commit to creating a stock-take moment towards the end of 2020 to assess and analyze the efforts to enhance climate ambition and action in 2020 as well as the goal to reach the USD 100bn annually in climate finance. Such stocktakes shall build on a synthesis report on the aggregate effect of enhanced NDCs by the UNFCCC and the latest report of the Standing Committee on Finance.

The climate emergency must be addressed and governments stand at a crossroads. Being responsible for the safety of their societies they should choose to initiate the long-term transformative changes their societies need to become climate-resilient, just, equitable, and safe. Governments must harness the co-benefits of building back better by setting more ambitious national climate targets and policies through a transparent and inclusive process. Many governments have acted swiftly and determined to address the COVID-19 crisis driven by urgency, science and political will. The same kind of urgency based on science and political will is needed to achieve transformative climate ambition. The recent weeks have shown us that it is indeed possible to muster such kind of transformation for the good of society.

Governments should continue to develop more ambitious and transformative policies in light of their common but differentiated responsibilities and capabilities and embark on the transition by addressing systemic weaknesses for their long term vision. The NDCs are building blocks for achieving this vision and should be developed through a whole-of-society approach, through collaborative and inclusive processes that take into account the voices of the most vulnerable. The NDCs should address all three long-term goals of the Paris

Agreement and there should be strong linkages to the economic recovery packages that are currently being developed ensuring that these integrate social, economic and environmental co-benefits, including:

- strengthened emission cuts and mitigation targets, nature based solutions, and rapid phase out of fossil fuel production.
- enhanced efforts to build resilience, disaster risk reduction and adaptation plans on all levels and in all sectors.
- initiating a deep transformation of both the public and private financial systems and building a financial system that is supportive of achieving a low carbon, resilient, just and equitable, climate-safe future.

Climate Finance

Corona makes many developing countries even more vulnerable to the numerous crises they are facing, on top of the potentially disastrous impact Corona itself may have on developing countries' society and economies. This can also have negative impacts on their capabilities to mitigate emissions, build resilience through adaptation, and deal with future extreme climatic shocks.

Corona impacted developing countries will need sustained and increasing climate finance more than ever before, for both mitigation and adaptation - also in the context of their post-corona economic recovery. Hence it is of critical importance that developed countries use the Petersberg Dialogue to not only reaffirm their commitment to the goal of ramping up financial support to 100bn USD annually this year. They should also, for the sake of trust-building, commit to update their 2016 projection (carried out by the OECD) and demonstrate they will meet the goal this year and how they will do so. Billions of dollars are now needed from rich countries for corona-related aid programs in developing countries - but it should be clear that such programs must be funded with additional aid money. Simply shifting already stretched aid budgets (including climate-related aid budgets) makes poorer countries even more vulnerable to other crises and shocks, including the ongoing climate emergency.

To enable especially the poorer developing countries to develop ambitious enhanced NDCs and to enhance adaptation action to adjust to the worsening climate impacts, developed countries should use the Petersberg Dialogue to signal their willingness to advance climate finance also beyond 2020, committing to an upward trend throughout the 2020-2025 period, in particular through increasing climate finance for adaptation.

Climate Impacts

Vulnerable Countries face multiple crises of climate impacts and COVID. Cyclone Harold just devastated the Pacific Islands, disrupted Covid response preparations and left 160.000 people in need of assistance in Vanuatu, alone. Government policies that reduce the vulnerability of poor communities by addressing structural inequality need to be implemented urgently before climate change impacts become much greater. New funding for loss and damage, however, must not cut into funding for adaptation. Action on both adaptation and

loss and damage must be informed by the needs of developing countries and the best available science as to how they may be affected in the future. Commitments, plans, and implementation announced in 2020 must put the most vulnerable communities at the heart of adaptation planning and response.

Carbon Markets under the Paris Agreement

While agreeing on the implementation guidelines for Article 6 of the Paris Agreement is desirable, parties at COP26 must only agree on implementation guidelines for Article 6 which ensure that Parties avoid all forms of double counting in their internationally transferred mitigation outcomes, adopt safeguards and ensure the protection of human rights, phase out Kyoto Protocol flexible mechanisms and do not recognize any Kyoto emissions units for compliance with non-Kyoto mitigation commitments. Parties should also adopt an automatic partial cancellation rate to go beyond zero-sum offsetting, and avoid setting any disincentives against moving towards economy-wide emission targets as called for in Article 4.4 of the Paris Agreement. To ensure Article 6 does not undermine but serves the Paris Agreement, these minimum requirements must be enshrined in any agreed implementation guidelines to safeguard the integrity of the Paris Agreement. CAN encourages parties to use the Petersberg Dialogue to step-up their commitment for strong principles for Article 6 building on the San Jose Principles announced at COP and bringing back human rights into the Article 6 draft texts.

Until the finalization of Article 6 Guidelines, the provisions of paragraph 77(d) of 18/CMA.1 are crucial to ensuring no double counting and upholding environmental integrity. Given the risk of little international oversight to govern cooperative approaches under Article 6.2 and the need for a high level of transparency throughout Article 6, CAN reiterates the importance of paragraph 77(d), its role in upholding vital Paris Agreement principles, and applicability to Article 6 in its entirety.

Five Year Common Timeframes for NDCs

Establishing a five-year common time frame for NDCs from 2031 onwards would provide a powerful signal for ramping up ambition and ensuring the effectiveness and environmental integrity of the Paris Agreement. Five-year timeframes, furthermore, align with the pace of implementation to the five-year ambition cycle of the Paris Agreement. A ten-year timeframe, however, poses a high risk to lock in low ambition until 2040 while five-year timeframes also allow for faster adjustments to real-world technological developments and political accountability.