

# Pre COP Briefing

October 2019



"How dare you? To come here and say that you are doing enough," Greta Thunberg asked world leaders at the recent Climate Action Summit. Overall, the political commitments, especially from large emitters failed to provide an adequate response to the climate crisis. The IPCC report is clear: We need to halve global GHG emissions by 2030.

Civil society turns to the upcoming climate conference in Chile (COP25), its Presidency and all countries to deliver an emergency package comprising ambitious commitments in climate finance, including for loss and damage, strong national targets and commitments to enhance NDCs by 2020, and robust rules on trading emissions between countries. Before Greta, the Brazilian activist Paloma Costa addressed world leaders in New York and asked: "will you stop to talk so we can turn solutions into actionable commitments?" and continued: "I want all nations to declare a climate emergency". The Pre-COP is a key opportunity paving the way for meaningful outcomes at COP25, for parties to adequately respond to the emergency we face.

Civil society is ready to play the key role it holds in securing momentum for adequate climate ambition and effective climate responses placing the interest of peoples and communities at the core of policies. In this context, Climate Action Network welcomes the progress made towards the entry into force of the Escazu Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean. The pre-COP and the COP25 offer timely opportunities for Latin American and Caribbean Parties to ratify, or make decisive progress towards the ratification of the Escazu Agreement. Climate Action Network calls upon the Parties concerned, including the COP25 presidency, to seize these opportunities and pursue all domestic steps required towards the rapid entry into force of the agreement.

Climate Action Network provides this briefing outlining its expectations on the package that needs to be delivered at COP25 to inform ministers and the Chilean presidency in view of the Ministerial Pre-COP gathering to be held on October 8-10, 2019. The briefing is based on the key issues to be decided at COP25 and the agenda of the Pre-COP.

## 1. Strengthening Climate Ambition, Long-Term Decarbonization and Resilience

During the Climate Action Summit some governments did deliver the level of ambition over seven million people on the streets have been asking for, these countries were mainly SIDS countries and LDCs. They presented their vision of how to achieve a transition of their societies through swift societal and sector-wide

climate action based on ambitious climate targets and policies for the short- and long-term. We also heard a range of countries committing to a plethora of climate action and appreciate the commitments towards the long-term, most notably commitments for net-zero by 2050.

However, these can not cover the glaring loud void we find in the place where strong, ambitious commitments from the largest emitting countries for the short-term should be. Most of the large emitters did not commit to strengthening their NDCs by 2020 in a meaningful way. Yet, several initiatives were launched in New York that contribute positively to these countries NDCs. It is therefore imperative to continue the conversations from New York and bring them to Costa Rica. CAN expects all countries to examine, which new commitments and initiatives they can support and implement domestically, as well as investigate how these unlock strengthened NDCs and national action by 2020. These commitments must include the goal of a clean renewable energy transition, and ending fossil fuel extraction, in particular coal. All countries must do their part to set the world on a 1.5°C pathway and initiate the transition our societies need to be safe and thriving. Countries from AOSIS, SIDS, CVF and LDCs are yet again taking the lead and have committed to transition their societies into a climate-safe and fair future. As we approach 2020, large polluting countries must decide which side of history they want to be on and dramatically step-up their efforts to curb global emissions. Anything less is unacceptable.

At COP25, countries must not only reiterate but strengthen their commitment to communicate enhanced NDCs by 2020 and kick-off national inclusive and multistakeholder enhancement processes. Ministers and heads of delegation should make best use of their time at the pre-COP identifying adequate responses to the climate emergency at COP25.

## 2. Article 6 Guidelines

The rules, modalities, procedures, and guidance developed under Article 6 must be in line with the highest standard of environmental integrity in order to avoid market mechanisms blowing a hole in the Paris Agreement's ambition. This includes corresponding adjustments for all units transferred and excluding Kyoto Protocol

This should include specific guidance and recommendations on far more ambitious NDCs based on the findings of the three recent IPCC special reports on 1.5°C, land, and oceans and cryosphere. Such guidance could be presented and discussed in a High Level Ambition Dialogue at COP 25. At COP25, Parties should agree to encourage all Parties to communicate their enhanced NDCs as soon as possible, and well in advance of the twenty-sixth session of the Conference of the Parties. Recognizing that the participation of civil society is crucial to the effective planning and the implementation of the NDCs, COP-25 should invite parties to guarantee the effective participation of civil society in the formulation and implementation planning of their enhanced or updated NDCs.

Furthermore, at COP25, rich countries must use the Pre-2020 high-level stocktake to acknowledge the currently projected finance gap, demonstrate real progress on the \$100 bn goal and explain how they intend to substantially increase levels of finance provided for adaptation.

Civil society stands ready to support, catalyse and engage in national dialogues on how to incorporate such commitments into national NDCs and related processes in a transparent and inclusive manner anchoring the transition with the people. At the same time, CAN will continue to mobilize the full power of our network with more than 1,300 organizations in over 120 countries to hold leaders accountable. We will not stop, and the record-breaking protests in September have demonstrated that people world-wide are rising, demanding meaningful climate action.

emission units from using them towards NDCs. It is equally critical that market mechanisms do not harm people. The guidelines must ensure that Article 6 activities promote sustainable development, respect human rights, do not harm communities and the environment, and that there is an avenue to seek remedy if harm occurs.

In developing the Article 6 guidelines, Parties should set up a new set of market mechanisms that credibly reduces overall emissions<sup>1</sup>. Emission reductions achieved through article 6 should be additional and credited following strict methodologies. Baselines should be set above business as usual, and should ensure that article 6 does not lead to an increase in emissions within or between NDC periods. In addition, CAN urges Parties to agree on a quantitative limit (e.g. 10% of NDC's reductions needed) on the number of international emission reductions that can be used to meet an NDC, in order to promote ambitious domestic action.

Under no circumstances should emission reductions achieved be double-counted. This requires the application of corresponding adjustments for all units, regardless of whether they are used in- or outside of the Paris Agreement. If Parties agree to issue units from outside the scope of NDCs, such units must be subject to corresponding adjustments to avoid the creation of a perverse incentive against NDC ambition. In order to prevent that a newly established scheme is undermined by previous mistakes, no unit generated under the Kyoto Protocol should be eligible under the Paris Agreement. This includes CERs, ERUs, and AAUs generated in any year before 2021. CDM projects might be transitioned to article 6.4, provided that they are re-assessed and meet stringent environmental integrity as well as social and environmental criteria. Such methodologies should also be re-assessed by an expert body. Article 6.2 which provides little international oversight needs to have a higher level of transparency to maintain confidence in the environmental integrity of this mechanism. Therefore, the provisions of Paragraph 77 (d) of 18/CMA.1 should apply to Article 6.

Agreement on common time frames will facilitate the operation of carbon markets and permit greater environmental integrity.

Furthermore, sustainable development must be an integral part of Article 6. This includes both "positive" and "no-negative" aspects of sustainable development: activities and projects developed under Article 6 should not only avoid any harm to local communities and indigenous peoples, but protect, respect, and promote Human Rights. Implementation guidelines need to ensure that projects under Article 6 also deliver concrete benefits to communities. As a minimum, this requires the adoption of social and environmental safeguards, the establishment of an independent grievance mechanism, and the inclusion of mandatory local stakeholder consultations for any project implemented under article 6.

History has shown that the lack of adequate social and environmental safeguards or consultation with local stakeholders has led to Clean Development Mechanism projects that have considerably harmed local communities. This should be avoided when adopting the article 6 guidelines. Moreover, when such harm has occurred local communities have had no access to remedy as the CDM did not have an independent grievance mechanism. This must be rectified in the new article 6 guidelines by ensuring that there is an accessible independent mechanism at which communities can seek remedy if they are harmed by article 6 activities.

Finally, CAN urges Parties to consider the importance of balancing article 6.2 and 6.4. Any weakness in one of these systems relative to the other could incentivize stakeholders, including Parties, to resort to using the least ambitious of the two systems. This bears implications on the fair access to market mechanisms, given that article 6.2 is less centralized and requires more collaboration between participating countries, which can be a barrier for countries with limited technical capacity.

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<sup>1</sup> Overall, the results of evaluations of the Kyoto Protocol mechanisms suggest that more than 70% of the projects covered had a low likelihood that emission reductions were additional and were not over-estimated. In one evaluation only 2% of the projects had a high likelihood of ensuring that emission reductions were additional and were not over-estimated.

### 3. Review of the Warsaw International Mechanism for Loss and Damage

COP25 is expected to see the conclusion of the review of the Warsaw International Mechanism for Loss and Damage (WIM). CAN regards this as a centrepiece of COP25 outcomes and reminds Parties, that in 2016 at COP22 only a light review was undertaken due to the early nature of the work of the WIM. Now it is time to give sufficient attention and time to the requests and needs of vulnerable developing country groups, particularly LDCs, AOSIS and the African Group, and conduct a comprehensive review.

The Pre-COP is a key opportunity for ministers and heads of delegation to engage on loss and damage. In order to avoid being caught by surprise that the WIM review is a centrepiece for vulnerable countries, and prepare for a strong outcome on the WIM at COP25, CAN urges Parties to identify ways to strengthen the WIM in the light of loss and damage faced by vulnerable countries.

The review of the WIM, which Parties will conduct at COP25, needs to fully operationalise the WIM to support the needs of developing countries along with additional support to avert or minimise loss and damage and address displacement. With financial support, vulnerable countries can properly assess the impacts and identify gaps, enhance their climate change risk management, and recover from loss and damage they experience due to climate impacts. To this end, Parties need to engage in a full-fledged discussion on the availability of finance to address loss and damage, beyond adaptation and similar finance provided, the needs of vulnerable countries, and potential sources to plug the gap between the two.

This needs to include whether (i) the mechanism is fit-for-purpose to meet the challenge of loss and damage currently faced by vulnerable developing countries; (ii) if it is capable of meeting future loss and damage needs based on scientific projections on impacts, including displacement, considering the latest UPC; and (iii) how to generate and transfer finance to meet those needs. The review should address any gaps in the implementation of the WIM's original mandate, and in the current and future needs of vulnerable developing countries.

The most obvious gap is the lack of finance, which the review must address by establishing a finance arm, with agreement on new sources of finance. CAN has been urging the Executive Committee of the WIM to enter into a substantial discussion on various aspects of the loss and damage financial architecture, including

- the role of existing institutions and whether there is a need for new ones to address the multiple needs of loss and damage finance,
- new and innovative sources of finance that can generate truly additional resources (such as levies on air and maritime transport, a climate damages tax on fossil fuel exploration) at a scale of USD 50bn by 2022, and
- how funding can reach the most vulnerable.

The Pre-COP must therefore prepare the ground for substantive discussions and robust outcomes at COP25, which will deliver scaled-up finance and action on loss and damage at a specified scale and timeline. This should also include a conversation on the design of the event at COP25 organised in accordance with the Terms of Reference for the Review focussing on the key questions and needs of vulnerable countries, and to make the process inclusive and open to civil society representatives.

A detailed overview of other elements to be included in the WIM review and an overview of relevant COP decisions can be found here.

**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.**