



Climate Action Network Briefing: Virtual SB 2021

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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 1500 members in over 130 countries.

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The climate crisis is worsening even as the pandemic continues. While COVID-19 slowed down climate diplomacy in 2020, CAN welcomes the June SB session and the emphasis of the UNFCCC Bureau Decision on inclusivity and transparency to “enhance openness, transparency and inclusiveness, effective participation and engagement of observers will be enabled in the same manner as during in-person meetings.” Any procedural discussions must build on this basis to ensure trust in the process going forward.

While CAN is of the view decisions on Glasgow cannot be taken virtually and wants to emphasize the need for full inclusivity as a precondition for the success of the virtual SBs, CAN underlines climate action cannot wait and no party should use the virtual format of these sessions to delay necessary progress. In addition, it is critical for rich nations to acknowledge that the basis for an in-person COP is to ensure rapid and equitable distribution of vaccines globally instead of the current vaccine nationalism.

This briefing outlines expectations of Climate Action Network International towards the virtual UNFCCC SB.

Climate Finance

Climate finance is an integral part of the international climate regime. The need is growing. Research suggests that impacts (and hence the need for adaptation) will be more severe than thought back in 2009 when the USD 100-billion-a-year goal was set by developed countries. Also, that goal was oriented around a 2°C context whereas Parties of the Paris Agreement have agreed to keep warming below 1.5°C. As climate-vulnerable nations look to rebuild post-COVID, it is imperative they have access to predictable flows of public finance in order to strengthen social protection, meet the synergistic Sustainable Development Goals, and address losses and damages. COVID-19 has reiterated that their vulnerabilities and risks both before, during, and after climate impacts require grants based-financing. This necessitates that climate finance for developing countries is additional to ODA. The ongoing COVID pandemic is putting additional pressure on already scarce resources in many developing countries.

Loans will only further exacerbate the current debt crisis, so it is imperative the climate finance be provided in the form of grants. Creating transformative positive change is only possible through a gender-responsive and Human-Rights-based approach to finance. There won't be a successful

COP26 without a clear demonstration that the level of \$100bn per year in climate finance support has been met and will be maintained and surpassed in the coming years, including 50% of climate finance for adaptation.

Only an inclusive approach where all relevant stakeholders, particularly, marginalized groups, including women, Indigenous Peoples, and rural communities can truly result in successful project development and implementation.

Mitigation Ambition

As we near COP26 it is evident that whereas many countries have delivered new NDCs they are far from closing the mitigation gap that would take us to where we need to be in 2030 to reach net zero by 2050. The 2020/2021 NDC revision didn't deliver what our planet and society needed countries to deliver on - neither in terms of mitigation ambition, nor in terms of support as major emitters are not delivering on their fair share and equity. Taking into account recent and current commitments and assuming full and effective implementation, we are still headed towards a 2.4 degrees world - a disaster for humanity. As UN Secretary General remarked recently "We stand at the edge of the abyss." CAN therefore strongly calls on all major emitters to urgently commit to at least 50% GHG emission reduction by 2030 as we enter the decisive decade towards 2030. A few countries, such as Rwanda have realised the opportunity to join their COVID recovery plans and their enhanced and ambitious NDCs aimed at reaping the co-benefits of economic recovery and ambitious climate action. This should be an example for other countries to follow. Some countries, such as the US and UK have recently announced stronger climate targets - however as argued above, much more needs to be done, and in particular countries such as Australia, China, Russia, Brazil, South Korea and Mexico need to deliver stronger mitigation targets. On top of stronger mitigation targets it is imperative that major emitters make efforts to restore the trust and sense of global solidarity by taking the lead on reassessing their mitigation targets, as well as supporting developing countries in tackling the climate emergency - in particular as countries also struggle with tackling the COVID crisis.

As part of its work the global stocktake process will need to consider the mitigation gap and as the initial NDC Synthesis report released in February 2021 already showed - this gap is considerable and countries will have to make strong political announcements during the 2nd half of 2021 to reaffirm their intent to fulfil climate mitigation and finance promises and commit to closing the mitigation gap as soon as possible in the early '20's. This can only be done by revisiting and strengthening existing targets. The global stocktake process will also thoroughly study the implementation efforts of countries and measure whether we are on track globally. The results of the global stocktake will inform countries of how much more needs to be done and it will lead to an increase in ambition as part of the ratchet mechanism. However, with the knowledge we already have countries need not to wait for the global stocktake to know that urgent action, accelerated implementation, stronger mitigation targets and revolutionary cooperation is needed if we are to tackle the climate emergency. Parties need to discuss how the Global Stocktake process can be strengthened further so that it serves as an effective mechanism for raising climate ambition and implementation and hold countries accountable to promises made and targets set.

Civil society organisations and organised communities are developing clear visions of the world we want to live in - a world that centers people and nature rather than economic growth using a wide range of solutions locally developed and implemented. By engaging civil society in setting new targets and in the design of implementation plans and climate policies that are locally owned and feasible - governments secure a strong ally and increase chances of reaching set goals.

Article 6 & CDM Transition

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, ensure the protection of human rights and the rights of Indigenous Peoples, and phase out Kyoto Protocol flexible mechanisms. All existing CDM projects and methodologies should be reassessed before any potential transition to the Article 6 mechanism(s) can be effective. Only those projects and methodologies meeting strict quality criteria including objective additionality criteria, at a minimum compliant with Article 6 rules, should be allowed to transition. No Kyoto emissions units should be used for compliance with non-Kyoto mitigation commitments.

CAN welcomes the San Jose Principles as a floor of necessary safeguards and principles for both discussions at the virtual SB and a possible outcome at COP26, but highlights the importance of updating these principles to include a reference to the need to respect and promote Human Rights. Parties should also adopt an automatic partial cancelation rate to ensure overall mitigation and go beyond zero-sum offsetting for both Article 6.2 and 6.4 mechanisms, and avoid 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 environmental integrity of the Paris Agreement.

Baselines should be ambitious in delivering collective achievement of the temperature goal of the Paris Agreement. An ambitious baseline goes beyond business as usual, and for example, will presume use of best available technology and ambitious benchmark practices for a given sector, objectively taking into account what is commercially available in the host country. Decarbonization must occur rapidly, so baselines must be consistent with a long-term low-GHG emission strategy and a dynamic updating to increase ambition over time.

CAN encourages parties to use the virtual SB to step up their commitment to strong principles for Article 6, building on the San Jose Principles announced at COP25 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 a crucial, but not sufficient, element 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.

Common Timeframes

The common time frame is an essential part of ensuring the robustness of the Paris Agreement. Parties need to achieve a consensus on a single five-year common time frame for NDCs implementation at COP26. Technical discussions are ready to be finally harvested; more than 11 options were discussed in Madrid. Following the upcoming virtual SB, CAN encourages the SBI chair to produce an informal note or nonpaper clearly outlining the options for consideration at COP26.

CAN calls, in particular, on the European Union to side for robustness and climate ambition and finally support a five-year common timeframe for NDCs.

A single five-year common time frame will enhance the consistency and comparability of the Paris climate regime as well as facilitate the GST for assessment of collective efforts. Achieving a decision on the common time frame at COP26 is essential to addressing the emission gap and avoiding “locking in” low levels of ambition. A single, five-year implementation time frame allows Parties to adapt and adjust their domestic climate action with the five-year heartbeat of the Paris Agreement. It also enables Parties to harness rapidly evolving real-world opportunities, incentivizes early action, and avoids low-ambition lock-in.

Adaptation

CAN welcomes the discussions about the operationalization of the Global Goal on Adaptation (GGA). A pressing need is to support the Adaptation Committee in its mandate to present means and approaches for Parties to define, measure and report progress on adaptation. CAN supports the increasing emphasis on the principles of locally-led adaptation and urges resolution of how funding, capacity, technology and information can be available at the lowest appropriate level. Parties have a particular role in listening to and supporting ultra-local adaptation. CAN calls on the Nairobi Work Programme to reflect these issues, and the Local Communities and Indigenous Peoples Platform as sources of input for the Global Stocktake against the GGA. These should also be considered in the SBI deliberations on National Adaptation Plans and the Adaptation Fund.

Loss and Damage

CAN is of the strong view that Loss and Damage need to be included as the permanent agenda item. Loss and Damage due to climate change impacts are already a reality, most existentially for vulnerable developing countries and communities worldwide and creates a real climate crisis for millions of people. Current estimates indicate financial damage of at least 290 –580 billion USD by 2030 for developing countries –not including non-economic losses such as loss of biodiversity and cultural sites. Hence it is evident that we have an ambitious commitment to address Loss and Damage, especially by recognising and scaling up the finance to address Loss and Damage.

Even though Loss and Damage is the third pillar of the Paris Agreement, it continues to be sideline, and CAN is disappointed to see that Loss and Damage is not on the Virtual SB agenda.

Additionally, CAN appreciates the COP26 presidency effort to operationalize Santiago Network on Loss and Damage (SNLD) before COP26. However, this calls for an ambitious roadmap. We do not want Santiago Network in name alone, but we need an SNLD that is fit for purpose and meets the needs of people already suffering the consequence of irreversible loss and damage.

Transparency

Parties still have a lot of work to do to operationalize the enhanced transparency framework and in limited time before COP26, where Parties must deliver Common Reporting Tables (CRT), common tabular formats (CTF), various report outlines, and a training program. This work is necessary to operationalize the enhanced transparency framework and to allow implementation of the Paris Agreement to begin. Given the amount of work remaining this year, CAN encourages Parties to task the Secretariat with producing technical papers and advance the development of tables and formats that form the basis for formal negotiations or otherwise identify options for Parties to work intersessionally.

Operationalizing flexibility in the tables is a key challenge. The MPGs outline specific provisions where flexibility is provided to those developing country Parties that need it in light of their capacities. Parties must uphold the TACCC principles (transparency, accuracy, consistency, comparability, and completeness). In particular, flexibility should not compromise efforts to compare reports.

Specifically for the tables on support provided, mobilized, needed, and received:

- Parties should build on the existing common tabular formats. At the same time, the new common tabular formats should provide the opportunity for better quantitative and qualitative information to be communicated. Data reported under the UNFCCC should be able to match the one reported under the OECD DAC for projects/programs funded through ODA. Support should be reported at the activity level, not only the aggregated figures.
- Parties should include, in the relevant tables, separate columns for “Total amount” (of a project/program), “Climate-specific amount” (i.e. the climate proportion/components of the overall amount), and for “Grant equivalent of climate-specific amount”.
- Finally, there should be consistency between the tables so that programs/projects appearing in a table on support provided (or mobilized) by a developed country, would also appear in the table on support received by a developing country. To make this happen, both contributors and recipients should agree on which projects/programs to report and what proportion of the overall funding would be considered as climate finance, so entries would match in the corresponding tables.

Moreover, it is crucial to ensure there is no double counting and environmental integrity is upheld (paragraph 77(d) of 18/CMA). The need for high level of transparency throughout Article 6 is paramount. Hence, CAN reiterates the importance of paragraph 77(d) - its role in upholding vital Paris Agreement principles, and applicability to Article 6 in its entirety.

Capacity building is a critical component of the implementation of the enhanced transparency framework. CAN urges Parties to support and implement effective capacity-building models that identify activities that need to be implemented to achieve the transparency objectives.

Sources of Input for the Global Stocktake

The Katowice decision in CMA1 the Global Stocktake (GST) will be implemented in three stages: “information collection and preparation” leading into a “technical assessment” after which a “consideration of outputs” finalizes the GST.

While the decisions in Katowice flesh out some sources of input, further guidance on the sources in 2021 are critical for the GST to start next year in a way that fulfills its purpose to enhance overall implementation and ambition. The sources of input to the GST must be of high quality, robust, and the process for collecting these must be inclusive and transparent.

Only with equitable and inclusive participation from all parties as well as civil society, the GST will be able to deliver.

CAN welcomes in particular leadership by the co-facilitators of the technical dialogues, as well as the chairs of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and Subsidiary Body for Implementation (SBI) to identify sources of input beyond the Biannual Transparency Reports, national Inventory reports, and links to the Second Periodic Review and Structured Expert Dialogue as well as a clear timeline for inputs.

For the stocktake to be “conducted in the light of equity” means to treat equity as an overarching issue across all work streams and design. To fulfill the “in the light of equity” mandate, the stocktake must result in outputs that allow parties to assess whether theirs is a “fair and ambitious” (1/ CP.21 para 27) contribution toward the Paris Agreement’s long-term goals. A science and equity-based assessment of NDCs could perform this function as long as it is conducted in a non-intrusive, non-punitive, and non-accusatory manner.

Koronivia Joint Work on Agriculture (KJWA)

KJWA negotiations at SB and COP26 should work towards developing meaningful guidelines to inform climate action in agriculture, based on the findings of the IPCC Special Report on Land (IPCC SRCL), and which could provide guidance to NDCs and climate finance. These could be called the “Glasgow Guidelines” on agriculture.

To align with the IPCC SRCL’s recommendations, the Guidelines should work to ensure that climate action in agriculture is structured to deliver on the principles of food security and nutrition, adaptation, absolute and equitable emission reductions, ecosystem integrity and gender-responsiveness.

The KJWA must also take forward key lessons from the series of workshops held, including that:

- The complexity of local adaptation needs, coupled with the need to address the resilience of food systems as a whole, calls for a holistic and systemic approach to addressing

agriculture in the climate context, and must not be limited to narrow technological fixes or on counting carbon.

- Agroecological approaches were specifically recommended by the IPCC SRCL as they avoid emissions from industrial agriculture, and improve resilience to erratic weather conditions. These approaches also address environmental problems such as accelerated biodiversity loss, pollution, soil destruction and water scarcity. Synthetic nitrogen fertilisers were spotlighted during the KJWA workshop as a major component of agriculture's harmful contribution to the climate. Not only are these unnecessary – as agroecological methods for soil fertility are easily accessible – but they receive billions in public subsidies. In some countries these account for more than half of the national agriculture budget. The KJWA must take this learning forward and recommend policies and measures that lead to shifts towards agroecological methods and production, including through shifting subsidies away from synthetic nitrogen fertilisers, and towards supporting agroecology and support for smallholder farmers.
- Production and consumption of livestock – particularly industrialised, factory farmed methods, for which feed production has an outsized impact on deforestation and agricultural emissions – must change towards a “less and better” approach, and ways to increase healthy vegetable proteins in diets must be incentivized, as also confirmed by the IPCC SRCL.
- The lack of climate finance, particularly for adaptation, is also holding back the necessary shifts in agriculture. KJWA outcomes can play a role in recommending increased finance flows, and better application of the use of finance to strengthen climate action in agriculture.

Action for Climate Empowerment

CAN believes that Action for Climate Empowerment (ACE) has the potential to act as a catalyst for climate ambition and for people-centered climate policies for the implementation of the Paris Agreement. CAN urges Parties to adopt at COP26 a Work Programme that can effectively promote the six elements of ACE (education, training, public awareness, public access to information, public participation, and international cooperation) in national climate action. The SBI session will provide a key opportunity for Parties to discuss concrete elements for the new Work Programme, building upon the outcomes of the ACE regional dialogues, the ACE virtual informal consultations, and the expert group meetings.

CAN believes that the inclusion of the six elements of ACE will help identify and address barriers to implementation, and will promote a rights-based approach to ACE, inclusive climate responses, a balanced implementation of all the six elements of ACE, and better consideration of those in climate finance instruments. In order to realize that, CAN believes that the Work Plan should include the following elements:

- A 5-year work programme, in order to ensure an incremental approach to ACE through a series of activities, such as events, technical reports, workshops etc.;
- Activities and events of the work plan that are aligned with UNFCCC timeframes (such as NDCs enhancement and updating, Global Stocktake, etc.), and involve relevant UNFCCC

bodies and processes (e.g. SBI, GAP, etc.) and financial mechanisms (GCF, GEF and Adaptation Fund).

- Creation of a Task Force under the SBI, in order to build upon and create synergies among UN agencies and other stakeholders that are already working in areas relevant to ACE;
- Better support to ACE National Focal Points, by strengthening their network, resources, and capacity building;
- Strengthening of the interlinkages between the ACE Work Programme and UNFCCC constituted bodies and processes.

Structured Expert Dialogue

- Climate Action Network lays out key considerations for the coming Meetings of the Joint Contact Group of the Second Periodical Review (PR2) and its Structured Expert Dialogue (SED) (SBSTA item 10.(b), SBI item 7).
- In particular, CAN recommends prioritizing work to better understand the impacts of a temporary overshooting of 1.5 degrees warming, of its reversibility and on the associated dynamics as well how to get back to 1.5 degrees warming. Furthermore, CAN recommends specifically the SED evaluates the latest science of tipping points for global ecosystems.
- CAN wants to reiterate the importance of the following matters to be addressed and discussed by the SED:
- What do Paris Agreement goals really imply for mitigation in ranges of emission reduction for regions and sectors? What can science say on the remaining CO₂ -budgets to achieve the Paris goals?
- What can we learn from science on losses and damage from climate change if global warming is limited to 1.5 degrees compared to well below 2 degrees?
- What is the latest scientific information on the tipping points of global ecosystems on land and in the oceans?
- In which economic sectors can we expect slow processes to reduce emissions to zero? How can change of technology and production methods be better promoted and advanced faster in those sectors?
- What can science say about the amount of negative emissions (per year) needed from land-use methods to achieve the Paris goals?
- Which of the negative emission land-use methods are most effective, whereby is it possible to quantify the amount of negative emissions they could deliver?
- How fast can the negative emissions methodologies in the land-use sector be mobilised?
- The scientific projections of the expected development of global greenhouse gas emissions do not completely exclude that the emissions reductions will be not fast enough to reach the Paris goals which would lead to overshoot. What do we know from science on a tolerable overshoot, e.g. for ecosystems, coastlines, and the melting of ice sheets and sea ice? What does science tell us about tolerable overshoots?
- What are the risks and uncertainties of climate engineering and solar radiation modification technologies that need to be taken into account before considering it as an options for limiting global warming?

- How can emissions trajectories be best adapted to the 5-year ambition cycle of the Paris Agreement? For the current round of NDC revisions, there is considerable attention to and awareness of where emissions need to be in 2030 to meet temperature targets. This attention should move ahead in regular 5-year steps, so that in the 2023 Global Stocktake and the next round of NDCs by 2025, the scientific community produces comparable awareness of where emissions need to be in 2035?
- How are the temperature goals in the Paris Agreement - well below 2 degrees and 1.5 degrees - defined? Should these thresholds be understood as a single year or a multi-year or multi-decadal average? Will Parties adopt the average over a 30-year period as defined by the IPCC? CAN is well aware that the outcome of the second periodic review will not result in an alteration or redefinition of the long-term global goal stated in decision 10/CP.21. But this goal is not operationalized yet. Is it more favorable to limit warming to 1.5 degrees instead of “well below 2 degrees” or are there limits of mitigation that prevent us from achieving that? The work of the SPR could contribute to a better understanding of the Paris Agreement’s temperature goal.

Response Measures & aligning financial flows with the Paris Agreement

In addition to the need for increased climate finance, it is imperative that countries align financial flows with agreed climate goals, as agreed under Article 2.1.c. of the Paris Agreement. This commitment applies to both private and public financial flows, including recovery money. At present, the G20 governments provide about three times as much public finance for fossil fuels (USD 77 billion) as for clean energy every year, and on top of that about USD 400 billion in fossil fuel subsidies. Private banks have poured USD 3.8 trillion into fossil fuels since the adoption of the Paris Agreement. The energy policy tracker estimates that almost USD 300 billion in recovery money has flown to fossil fuel-intensive sectors.

Shifting these huge sums of public and private money away from fossil fuels and green recovery plans can help mobilize significant sums of money needed for the solutions. Shifts in policy and political sentiment suggest that accelerated action on this agenda is possible and that with dedicated diplomatic efforts from first movers 2021 could become the year in which the public finance balance tips from fossil fuels to clean. Countries should explore avenues to deliver on these objectives as they operationalize article 2.1.c of the Paris agreement and discuss the future of the long-term finance goal and post 2025 climate finance target.

A growing number of public finance institutions and governments recognize that continued financing of not just coal, but also oil and gas is incompatible with limiting global warming to 1.5°C. The European Investment Bank (EIB), Swedfund, as well as export credit agencies like the Swedish SEK and EKN, have either fully excluded oil and gas financing, or have introduced major exclusions. The UK introduced a new policy in March 2021 that puts an immediate halt to new financing (export finance and development finance) for virtually all fossil fuels projects overseas. In January 2021, the new US Biden administration released an executive order stating that the US will seek to “promote ending international financing of carbon-intensive fossil fuel-based energy.” During the same week, the EU foreign affairs council agreed to “discourage further investments in fossil fuel-based energy infrastructure projects in third countries”. In March 2021,

seven EU countries launched an Export Finance for Future (E3F) coalition committing “to assess how to best phase out export finance support to oil and gas industries”. At the Biden Climate Summit, the US announced that it wants to “spearhead efforts to modify disciplines on official export financing provided by OECD export credit agencies (ECAs), to reorient financing away from carbon-intensive activities”.