



CLIMATE ACTION NETWORK
INTERNATIONAL


5 - 15 JUNE 2023

UNFCCC

SB 58

CAN BRIEFING



A large, diverse group of people is gathered outdoors for an event. In the foreground, the back of a man's head and shoulders is visible; he is wearing a blue patterned shirt and appears to be speaking to the crowd. The crowd consists of people of various ages, ethnicities, and genders, many of whom are smiling and looking towards the speaker. Some individuals are raising their hands in a gesture of agreement or participation. One person in the crowd is wearing a black t-shirt with the text "science?" and another is wearing a green t-shirt with "Save the PLANET". The background shows a hazy, overcast sky and a distant cityscape.

Climate Action Network (CAN) is a global network of more than 1,900 civil society organisations in over 130 countries driving collective and sustainable action to fight the climate crisis and to achieve social and racial justice.

CAN BRIEFING SB58

June 2023

Executive Summary

Six months before COP28 in Dubai, UAE, we are yet to get a clear signal that this year's climate summit will deliver on a commitment towards an equitable and just phase out of fossil fuels, alongside efforts to scale up investments in renewable energy and energy efficiency.

The fact that this COP will be presided over by a fossil fuel executive, the Chief Executive Officer of ADNOC, puts particular emphasis on the need for civil society groups to ensure it is not hijacked by fossil fuel lobbyists and ends up as a greenwashing fest of hollow promises.

We are in a race against time in this climate emergency. Governments must use the time and opportunity when they meet in Bonn to prepare for an ambitious outcome at COP28 that is in line with the scale of the climate crisis we face. This means a clear plan to end the dependence on fossil fuels - oil, gas and coal - to deliver support to those impacted from climate disasters by delivering more adaptation finance and ensure the operationalisation of the Loss and Damage fund. The Global Stocktake must serve as a moment of accountability and lay out a roadmap for updated and enhanced national climate targets that will keep global warming below 1.5°C.

The Bonn SB58 meeting will be taking place against the backdrop of the recent G7 Summit where rich nations failed to commit to a fast and fair phase out from fossil fuels and instead used loopholes to continue investments in gas. This shows the extent of the political misalignment with science by rich countries such as the USA, Germany, Japan, Norway, Australia, Canada and the EU.

Recent attribution studies have shown that the fingerprints of climate change are all over recent disasters, from the ongoing drought in East Africa¹ to the extreme heatwaves² in parts of Asia and Europe. The IPCC Synthesis Report from earlier this year issued a stark warning that the window of time to keep warming below 1.5°C is fast closing and a recent WMO report³ showed that the next five years will be the hottest on record because of heat-trapping greenhouse gases.

This briefing from Climate Action Network sets clear political and policy expectations and tables concrete proposals for an ambitious outcome at COP28.

¹<https://www.worldweatherattribution.org/human-induced-climate-change-increased-drought-severity-in-southern-horn-of-africa/>

² <https://www.bbc.com/news/world-asia-65631464>

³ <https://public.wmo.int/en/media/press-release/global-temperatures-set-reach-new-records-next-five-years>

Highlights of our main demands include:

- The Bonn SB58 must lay a strong foundation and provide a roadmap for COP28 to deliver a commitment for a rapid and equitable phase out of fossil fuel production, while simultaneously setting a clear and ambitious goal for renewable energy deployment and energy efficiency.
- End all public finance for fossil fuels.
- Delegations should focus on achieving convergence on key questions around design and quantum in 2023 on New Collective Quantified Goal (NCQG) - it should include use of a grant-equivalent subgoal with floors for needs based adaptation and loss and damage finance, a % GNI metric in addition to the quantified goal in USD, and 5-year ratchet cycles.
- Rich countries must provide a credible and transparent roadmap for full delivery on their 100bn climate finance commitments and the doubling of adaptation finance by 2025.
- SB58 should initiate work on redefining and restructuring the architecture on adaptation through a permanent agenda item on Global Goal on Adaptation (GGA) under CMA and SBs.
- Parties should make substantive progress on designing the framework and provide clear direction and guidelines for the operationalisation of GGA at COP28.
- At SB58, the second Glasgow dialogue should advance discussions on the operationalization of the new Loss and Damage Fund and, and clarify support from the existing funding arrangements.
- Ensure that observers have equal access to the Glasgow Dialogue and other meetings, and that the engagement is more transparent, inclusive and meaningful.
- SB58 needs to draft a decision on the host of the Santiago Network secretariat that meets the criteria, to facilitate a robust decision at COP28.
- Parties to begin discussing the content of the political outcomes in response to the Global Stocktake. Views on the structure, format, and elements of outputs from the Global Stocktake including a decision, declaration, and technical annex should be raised in both the Technical Dialogue and the Joint Contact Group.
- The COP28 Presidency and the High Level Committee for the Global Stocktake to present their plans for the political milestones on the roadmap to COP28. These events should purposefully build consensus and momentum toward ambitious GST outcomes in both global and national forums, with full civil society participation.

Phase-out of Fossil Fuel and Phasing in of Renewable Energy

The SB58 session must lay a foundation for a just and equitable phase-out of all fossil fuels alongside the phasing in of renewable energy.

The case for ending oil, gas, and coal expansion immediately and rapidly phasing out all fossil fuel production and use has never been stronger. The *Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report* on the climate crisis affirms that the world has already built too much fossil fuel infrastructure⁴ and underlines that "Global fossil fuel use [...] must decline substantially by 2030 to limit warming to 1.5°C."⁵ More specifically, a range of 1.5°C-aligned scenarios published by the IPCC and International Energy Agency (IEA) shows oil and gas production and use declining by around 3 per cent per year, on average, in the 2020s.⁶ In the IEA's scenario, that pace accelerates to 7 per cent per year in the 2030s.⁷ It is too late to phase out one fossil fuel at a time or to phase out fossil fuels from one sector at a time.

Furthermore, the science is clear that the only safe way to phase out fossil fuel *emissions* is to phase out fossil *fuels*. Gambling on costly, unreliable and dangerous distractions like carbon capture and storage and carbon offsets may protect some wealthy countries and companies, but at a cost to people and communities, especially in the Global South – and at the cost of sacrificing the Paris Agreement's goals. Phasing out "unabated" fossil fuels is insufficient, the IEA published its first potentially 1.5°C-aligned scenario in 2021 and found that approving new oil and gas fields is incompatible with the 1.5°C global warming limit. This was even with their scenario depending on energy sector carbon capture and storage expanding by 300-400% by 2030.⁸ Without risky bets on unproven and costly carbon capture and storage (CCS) schemes, the reality is that much of the oil, gas, and coal in developed operating fields now must never be burned. Peer-reviewed research by Oil Change International (OCI) and partners reveals that

⁴ Minal Pathak et al., "Technical Summary," In *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, 2022, edited by P.R. Shukla et al., Cambridge University Press, Cambridge, UK and New York, NY, USA, p. 68,

https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_TechnicalSummary.pdf.

⁵ Leon Clarke et al, "Energy Systems," In *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, 2022, edited by P.R. Shukla et al, Cambridge University Press, Cambridge, UK and New York, NY, USA, p. 698,

https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter06.pdf.

⁶ Olivier Bois von Kursk and Greg Muttitt, "Lighting the Path: What IPCC energy pathways tell us about Paris-aligned policies and investments," International Institute for Sustainable Development, June 2022, pp. 4-5, <https://www.iisd.org/publications/reports/ipcc-pathways-paris-aligned-policies>; IEA, *World Energy Outlook 2022*, October 2022, Extended Dataset - World - Total Energy Supply - Net Zero Emissions by 2050 Scenario, <https://www.iea.org/reports/world-energy-outlook-2022>.

⁷ IEA, *World Energy Outlook 2022*, Extended Dataset - World - Total Energy Supply - Net Zero Emissions by 2050 Scenario.

⁸ IEA, *Net Zero by 2050: A Roadmap for the Energy Sector*, May 2021, p. 21, <https://www.iea.org/reports/net-zero-by-2050>; IEA, *World Energy Outlook 2021*, October 2021, <https://www.iea.org/reports/world-energy-outlook-2021>.

existing oil and gas fields and coal mines globally already contain more fossil fuels than the world can extract and burn under the Paris Agreement.⁹

And so it is essential that the SB58 lay a strong foundation for COP28 to affirm the need for a rapid and equitable phase out of fossil fuel production while simultaneously setting a clear and ambitious goal for renewable energy deployment. Alongside acknowledging the need for energy savings, just transition measures and safeguards for human rights and ecosystems. Furthermore, to achieve an equitable and just phase-out of all fossil fuels, all public finance for fossil fuels must end and so at SB58, we should get a clear signal and continue the momentum to end all fossil fuel subsidies, especially in the wealthy nations. The phase out of fossil fuels must be full, fair, fast – and funded.

Alongside affirming the need to phase out fossil fuels, it is essential that COP28 set a clear, unambiguous goal to accelerate the deployment of renewable energy. A just transition to 100% renewable energy is imperative. This goal must be sufficiently ambitious to achieve the Paris Agreement's 1.5°C goal and respond to the needs of developing country parties. An IEA analysis shows that building 1.2TW of renewable energy worldwide by 2030 is a core component of credible pathways to 1.5°C – and essential for securing affordable energy access for all.¹⁰ However, the analysis assumes a high level of CCUS, nuclear and large scale expansion of solid biomass: annual deployment of 1.5TW of renewable energy would be needed.

To gain the necessary widespread support from Parties at COP28, this target must be accompanied by measures to enable the rapid deployment of renewable energy in developing countries. This requires the removal of economic and policy barriers such as high access fees, high capital acquisition costs, royalty fees, and patent enforcement (more than 85% of climate and environmental goods are applied for and patented in OECD countries). Renewable energy-related technology transfer would need to be promoted beyond market-based approaches, which tend to increase the dominance of developed countries and make developing countries import-dependent. Non-market-based international cooperation arrangements for domestic manufacturing and direct transfer and acquisition of relevant technologies can promote renewable energy technologies in developing countries. Securing energy access for all and overcoming energy poverty is essential.

In addition, any such goal adopted at COP28 must be accompanied by goals for energy savings or energy efficiency, just transition measures, and appropriate safeguards to ensure that human rights and Indigenous Peoples' rights are protected. Renewable energy projects should enhance meaningful opportunities for local people by creating good quality and dignified jobs and livelihoods, and also protect biodiversity through robust due diligence, strengthen the land

⁹ Kelly Trout and Greg Muttitt et al., "Existing Fossil Fuel Extraction Would Warm the World Beyond 1.5 °C," *Environmental Research Letters*, 17 May 2022, <https://iopscience.iop.org/article/10.1088/1748-9326/ac6228>.

¹⁰ IEA. (2023). *Credible pathways to 1.5°C – Analysis*. Retrieved May 24, 2023, from <https://www.iea.org/reports/credible-pathways-to-150c>

rights of communities and indigenous peoples and ensure stringent human and labour rights protections throughout the production chain.

CAN's Demand for Phasing-out Fossil Fuels

- SB58 must lay a strong foundation for COP28 to affirm the need for a rapid and equitable phase out of fossil fuel production while simultaneously setting a clear and ambitious goal for renewable energy deployment and energy efficiency.
- End all public finance for fossil fuels

Just Transition Work Programme

In a world where inequalities, poverty and precarious work abound, climate policies must embrace the need for a Just Transition.

At COP27, Parties established the *Work Programme on Just Transition for discussion of pathways to achieving the goals of the Paris Agreement*. The Decision is based on two contextual paragraphs that emphasise the importance of meaningful and effective social dialogue and participation of all stakeholders and the importance of a Just Transition including energy, socioeconomic, workforce and other dimensions (...) including social protection and other social solidarity instruments.

To add significant value, the Work Programme must go beyond sharing information, and serve as a *catalyst* of the multiple discussions and initiatives happening within and beyond the UNFCCC, indicating the most effective ways to advance action further. ***The SB58 is the first opportunity Parties will have to initiate deliberations and work towards arriving at a draft decision for consideration and adoption by COP28***, CAN recommends that the JTWP builds on the agreed principles above and:

- Serves as a synthesiser/streamliner of progress achieved and gaps to be addressed by different institutions and UNFCCC Bodies/work programmes.¹¹ This includes reporting on the progress made on voluntary initiatives (i.e. JETPs), and providing recommendations for developing future partnerships to access support for Just Transition
- identifying areas where international cooperation would be beneficial (financial, technical/technological, capacity)
- Creates a bridge for regular decision-making and action, establishing an Advisory Body, with experts from Parties, observer constituencies and other non-party stakeholders, that is responsible for taking recommendations to the SB chairs so that they are agreed through the formal negotiating process on a regular basis
- Provides Observer Constituencies and other Non-Party stakeholders a possibility to meaningfully input, engage and support progress on Just Transition by granting them membership in the Advisory Body, inviting their inputs to the Work Programme, inviting the participation of groups inside and outside the UNFCCC in the discussions at expert level.

¹¹ Just transition is being discussed in several bodies/work programmes within the UNFCCC, mainly the Katowice Committee of Experts (KCI) on the Impacts of Response Measures, the Global Stocktake, the Mitigation Work Programme, the Standing Committee on Finance, the Gender Action Plan, and Green Climate Fund

It is also important that Parties willing to engage on a Just Transition approach obtain support from the multilateral system, as this will further advance the objectives of the Paris Agreement. COP28 should ensure a window for projects responding to the needs of Just Transition in territories facing social disruption as a consequence of climate policies is available.

CAN's Demands for the Just Transition Work Programme:

- The SB58 must ensure that the work programme supports approaches to just transition that put people, their rights and needs at the centre
- Workers and communities are given a seat at the table to co-create with governments the design of this programme

Mitigation

COP28 should be a course-correction moment to put the world on track to 1.5°C global warming. The list of elements related to mitigation that should be part of the COP28 package of decisions:

1. **Closing the ambition gap:** At COP28, countries should decide that, to reduce emissions 43% by 2030 and 60% by 2035 below 2019 levels, as required to stay below 1.5°C, they will enhance their 2030 emissions reduction targets when submitting their next Nationally Determined Contributions, in addition to setting more ambitious targets for 2035 before COP30.
2. **A globally agreed plan to phase out fossil fuels and accelerate renewable energy deployment:** We see the Mitigation Work Programme (MWP) outcomes as part of a globally agreed plan to phase out all fossil fuels. This declaration has to be strengthened throughout COP28 with its preparation at the SB58. A welcomed option for the parties is to sign the Fossil Fuel Non-Proliferation Treaty. Other elements of this plan, to be agreed in other processes inside and outside the UNFCCC, are targets for renewable energy deployment, energy efficiency and implementing SDG7 (clean and affordable energy for all) on energy access. Within the climate regime, we believe that both the UNFCCC's Mitigation Work Programme, with a focus on solutions and implementation, and the future Just Transition Work Programme, with a focus on social aspects, governance, participation and equity, could support achieving the energy-related outcomes that will move the needle on the climate crisis.
3. **Shifting finance to support the energy transition:** new investment pledges from governments and businesses at COP28 can inject momentum into the energy transition. Cost of capital needs to be addressed, as the business case for renewable electricity is therefore strong in countries with low cost of capital, but weak in countries with high cost of capital. Between 2019 and 2020, global investments in fossil fuels were higher than those in climate change mitigation and adaptation. This includes both public and private investment (IEA, 2021). Meanwhile, in 2017 76% of the annual climate investment gap was in the energy sector (IPCC, 2021, WGIII). Countries should consider not only increasing investment in renewables, but also what new high level political signals can be put in place also to drive a decrease in subsidies and investments in the fossil fuel sector (IEA,2020; IPCC,2021). Implementation and expansion with regard to the parties of the Glasgow Agreement is one of several important steps.

4. **Stronger International Cooperation:** new mechanisms for finance providers and multilateral development banks to coordinate their assistance to seek out the multiple sources of public and private investment¹² are needed. Those could include regional and national platforms for public and private finance mobilisation.

MWP Dialogues at the SBs: The theme of the dialogues for this year is "accelerating the just energy transition". CAN welcomes this decision but we would like to highlight that the theme and subthemes are very broad and we expect to see a focus on supporting actionable solutions and addressing barriers (cost of capital, financial flows and the barriers highlighted in the LT-LTS report on energy), ensuring trade-offs are minimal for ecosystems, through a constructive exchange of views and experiences that will allow countries to deliver more. The dialogue should focus on the "how" since the "what" has already been agreed upon. We also believe that the dialogues should include civil society participation and allow the presence of observers due to their importance.

CAN's Demand on Mitigation

- SB58 should lay the foundation for COP28 to be a course-correction moment to put the world on track to 1.5°C global warming
- **SB 58 must deliver on the international cooperation gap and foster actionable solutions for a just energy transition.**

Finance

With increased international climate finance an essential prerequisite for many developing countries to be able to meet even existing determined policy needs, which already require trillions of dollars, amidst the need for more ambitious NDCs which will require even greater finance.¹³ And international climate finance is more crucial now than ever, as developing countries face one of the worst development, debt, and poverty crises in recent history; according to new research from ActionAid, 93% of countries most vulnerable to the climate crisis are in debt distress or at significant risk of debt distress.¹⁴

Despite this, developed countries have failed to mobilise the inadequate \$100bn USD per year for developing countries for the past three years in which it was due (2020, 2021, and 2022), with no guarantee it will be met in 2023. This is not conducive to trust, to action, or to ambition. This is further exacerbated by the fact that most of climate finance is provided in the form of loans, the majority of which are not even concessional, the continued imbalance between adaptation and mitigation, the lack of adequate financial assistance to address loss and damage and a lack of convergence on definitions of climate finance, particularly on additionality, which undermines agreement on OECD-quoted statistics (see shadow report on the \$100bn from Oxfam and research by CARE¹⁵).

¹²<https://www.lse.ac.uk/granthaminstitute/publication/finance-for-climate-action-scaling-up-investment-for-climate-and-development/>

¹³*Determination of the needs of developing country Parties.* (n.d.). UNFCCC. Retrieved May 23, 2023, from <https://unfccc.int/topics/climate-finance/workstreams/needs-report>

¹⁴Anderson, T. (2023, April 27). *Want to fix the climate? End debt traps.* Al Jazeera. Retrieved May 23, 2023, from <https://www.aljazeera.com/opinions/2023/4/27/want-to-fix-the-climate-end-debt-traps>

¹⁵<https://www.oxfam.org/en/press-releases/true-value-climate-finance-third-what-developed-countries-report-oxfam> and <https://careclimatechange.org/thats-not-new-money-assessing-how-much-public-finance-has-been-new-and-additional-to-support-for-development/>

In this context, there have been diverse calls to transform the international financial system, since it is unfit to address the climate crisis and excludes Global South governments and communities from economic decision-making. CAN, along with partners, has developed a more comprehensive set of [principles to guide finance system transformation efforts](#), which cautions against accepting "half measures", in favour of fuller and more equitable change.

Given the SB58 agenda this year, countries must make progress on:

- **New Collective Quantified Goal (NCQG) Sixth Technical Expert Dialogue (TED6):** All delegations should focus on achieving convergence on key questions around design and quantum in 2023, especially at the COP28 NCQG ministerial. CAN has already developed [basic principles for guiding NCQG deliberations](#), and is currently developing a more detailed policy position. Key prescriptions include the use of a grant-equivalent subgoal with floors for adaptation and loss and damage finance, a % GNI metric in addition to the quantified goal in USD, and 5-year ratchet cycles.

Outside the SBs, on other finance-related negotiation items under the UNFCCC:

- **Reports on the \$100bn goal across all years 2020-25:** Based on submissions under Article 9.5 on plans for future climate finance, as well as requests from the incoming COP Presidency, rich countries must provide a credible and transparent roadmap for full delivery on their climate finance commitments, i.e. \$600bn for the 6 years and in particular showcase how they are indeed reaching the \$100bn-a-year level by 2023, with added details on individual developed countries' plans and pledges to allow scrutiny of the 2023 projection.
- **Doubling adaptation finance:** With the end of July deadline for submissions, it should be remembered that this commitment was a pillar of COP26 and failure is not an option (for more details see the adaptation section of the briefing).

CAN's Demand on Finance

- At SB58, delegations should focus on achieving convergence on key questions around design and quantum in 2023 on NCQG - it should include use of a grant-equivalent subgoal with floors for adaptation and loss and damage finance, a % GNI metric in addition to the quantified goal in USD, and 5-year ratchet cycles.
- Rich countries must provide a credible and transparent roadmap for full delivery on their climate finance commitments.

It is understood, however, that much will remain unresolved after Bonn, and delegations must therefore return to their capitals, particularly in developed countries, to obtain political ambition and mandates for the new and additional finance necessary to deliver the Paris Agreement and the new global fund on loss and damage.

Adaptation

We are already seeing testimonies of impacts around the globe, and most one is the cyclone Mocha in Myanmar and Bangladesh, which took the lives of around 400 people and forced the

displacement of 400,000 people.¹⁶ This is just one recent example of a climate disaster. Climate impacts are increasing, but adaptation efforts are not catching up to the speed. The IPCC AR6 synthesis report highlights that while adaptation is now included in planning processes in at least 170 countries, current levels of implementation are inadequate. Consequently, there is a widening gap between what is needed to enhance adaptive capacity and strengthen resilience and what is being done.

There is an urgent need to elevate the political discussion on adaptation within UNFCCC. Therefore, **parties at SB58 should initiate work on redefining and restructuring the architecture on adaptation through a permanent agenda item on Global Goal on Adaptation (GGA) under CMA and SBs.** A permanent agenda item on GGA will provide the necessary coherence, break the siloed negotiations around the adaptation agenda, and allow a dedicated space for parties to review current trends, identify gaps, and facilitate progress through an ambitious and well-planned GGA work programme. This will also synergise the historically separate deliberations of the Adaptation Committee, the Adaptation Fund, and the Nairobi Work Programme.

Furthermore, the Glasgow-Sharm-el-Sheikh Work Programme on the Global Goal on Adaptation (GlaSS) concludes this year. **At SB58, parties should make substantive progress on designing the framework and provide clear direction and guidelines for the operationalisation of GGA at COP28. The sixth workshop on GlaSS should advance SB58 the overall GGA framework content, especially on targets and indicators and strengthen it further through the next workshops.** Additionally, parties should consider the role of National Adaptation Plans (NAPs) to operationalise the GGA. **SB58 should initiate work on and encourage all countries to prepare and submit their National Adaptation Plans (NAPs) ahead of the NAP review planned for 2024.** Those parties with existing plans should consider submitting more ambitious NAPs periodically (ideally with a minimum of 5 or maximum of 10 years duration as climate impacts landscape is changing rapidly) and funding for NAPs preparation and implementation needs to be scaled and sped up compared to the current pace. In line with this, SB58 should accelerate discussions on the balance of and access to adaptation finance for parties to be able to develop and revise their NAPs. The GGA Framework should be flexible and reflect the ambition and priorities of NAP processes to encompass not only government agencies and ministries but also communities, local municipalities, non-governmental organisations, and other relevant stakeholders.

The most prominent barrier to the implementation of adaptation is insufficient finance and accessibility. According to the IPCC AR6 synthesis report, developing countries alone will need \$127 billion per year by 2030 and \$295 billion per year by 2050 to adapt to climate change. Hence, **parties need to scale up their commitments and present a definitive roadmap for doubling adaptation finance by 2025 as a bare minimum and a pathway to allocating at least 50% of public climate finance to adaptation.**

¹⁶<https://edition.cnn.com/2023/05/20/asia/myanmar-cyclone-mocha-damage-interviews-intl-hnk/index.html>

Decision 1/CMA.4, para 42¹⁷, requested the Standing Committee on Finance (SCF)¹⁸ to prepare a report on the doubling of adaptation finance, in line with para 18, decision 1/CMA.3 for consideration by the CMA 5 - at SB58, **SCF should present progress made and the outline of the report. It should share what information and data is available in a transparent manner with clear objectives on how it is to be utilised.**

CAN's Demand on Adaptation

- A permanent agenda item on Global Goal on Adaptation (GGA) under CMA and SBs agenda item.
- At SB58 parties should make substantive progress on designing the framework and provide clear direction and guidelines for the operationalisation of GGA at COP28.
- Parties should scale up their commitments and present a definitive roadmap for doubling adaptation finance by 2025
- The Standing Committee on Finance (SCF) should present progress made on the report on doubling of adaptation finance. It should share what information and data is available in a transparent manner with clear objectives on how it is to be utilised.

Loss and Damage

COP27 resulted in a historic decision on the establishment of the new funding arrangements for responding to Loss and Damage (L&D). It also established a Transitional Committee (TC) to make recommendations for consideration and adoption by COP28 and CMA 5.¹⁹ Two TC meetings and a workshop have been organised to gather inputs from a wide range of actors and institutions. The SB58 would provide opportunity to further deliberate in the corridors, side events and bilateral meetings how to operationalise the Loss and Damage Fund and leverage the funding arrangements to respond to the needs of the affected communities in developing countries .

The second Glasgow Dialogue has been scheduled to take place on the 8-10th June co-organised by the SB co-chairs supported by the WIM ExCom. **The dialogue should focus on the operationalization of the new Loss and Damage Fund and clarify support from the existing funding arrangements.** It must build on the ongoing discussions under the work of the TC, in the context of decisions 2/CP.27 and 2/CMA.4. The discussion must be with the spirit of positive cooperation, avoiding delaying tactics.

Finally, as the TC is not operating in a vacuum and the SBs gives the opportunity to informally explore how the TC and process can link to other processes such as the NCQG and the Paris Summit for a Financial Pact later in June.

¹⁷https://unfccc.int/event/cma-4#decisions_reports

¹⁸ <https://unfccc.int/SCF>

¹⁹https://unfccc.int/topics/adaptation-and-resilience/groups-committees/transitional-committee?gclid=Cj0KCCQjwyLGjBhDKARIsAFRNW-dn0q5yATN9KtKZKghTYY5oz0UJQHnDFM0L2unx4XBqb5xf5ts_B0aAnKJEALw_wcB

The other major outcomes on Loss and Damage at COP27 included the establishment of institutional arrangements for the Santiago network on loss and damage to enable its full operationalization. A discussion will also be held on the update of the WIM Executive Committee regarding the selection process for the host of the Santiago Network.

SB58 is expected to draft a decision on the host of the Santiago network secretariat that best meets the criteria, to facilitate a smooth decision at COP 28. This is expected to proceed with the following key steps;

- Report of the evaluation panel
- Choose the host that best meets the criteria in annex II of the COP27 decision
- Draft a decision regarding the secretariat host for Parties consideration at COP28

To make progress on this item it is expected that informal consultations will be led by a pair of co-facilitators to assist this work at SB58. It is vital that this process remains inclusive and transparent to ensure the resulting secretariat host is fit for purpose.

The Global Stocktake (GST) will be a significant item on the SB agenda and therefore inclusion of loss and damage in the GST may arise. It is vital that pressure is maintained to ***include L&D in the GST reporting, while recognising that L&D metrics and reporting are still being developed***. However, given that L&D is the consequence of a failure to mitigate and inadequate action and support for adaptation, L&D must be central to the GST reporting, while recognising that more work is needed to improve the metrics over time.

CAN's Demand on Loss and Damage

- The second Glasgow Dialogue should advance the discussions the operationalization of the new Loss and Damage Fund and, and clarify support from the existing funding arrangements.
- SB58 needs to draft a decision on the host of the Santiago Network secretariat that meets the criteria, to facilitate a robust decision at COP28

Ecosystems

Achieving the goals of both the Paris Agreement and the recently agreed Kunming-Montreal Global Biodiversity Framework will only be possible if these are addressed in an ambitious, integrated and mutually supportive manner. While in recent years momentum has grown for the importance of nature in reaching the climate goals, current decarbonization plans, accounting rules and financial flows are not fit for purpose to realize these goals. Furthermore, many of these efforts and initiatives exclude Indigenous Peoples and local communities as rights-holders, decision-makers and traditional stewards of the land, perpetuating past and ongoing injustices.

The Global Stocktake represents a key opportunity to assess collective progress in implementing Article 5, the ecosystems provisions, of the Paris Agreement, as well as to highlight the key knowledge and policy gaps that need to be filled. One of these key gaps to be

filled is the challenge associated with **‘netting out’ commitments**; CAN calls for the **adoption of separate targets for emission reductions and removals**. Identification of this and other such policy gaps will help guide more coherent and integrated climate and biodiversity policy and action, grounded in ecosystem integrity and adopts a rights-based approach. The GST outcome should include a recommendation that **Parties enhance their ambition for integrated climate and biodiversity action, including on oceans, in their NDCs, NAPs and LT-LEDSs. Further recommendations for this process and its outcomes have been proposed in a previous CAN submission²⁰.**

The Ocean and Climate Change Dialogue should set concrete, action-oriented goals, with a clear focus on the most relevant and pressing issues of the ocean-climate nexus, identified in CAN Submission for the Dialogue in 2022²¹: a) mainstreaming ocean-climate action within the UNFCCC and other UN bodies; b) drawing upon and integrating existing ocean-related outcomes, workstreams and processes of relevant other bodies under the UNFCCC; c) addressing knowledge, capacity and process gaps; and d) identifying means of implementation. The dialogue should identify emerging issues in the context of ocean-climate action, such as ocean-based geo-engineering, to be dealt with in future sessions of the dialogue series.

We remain vigilant in ensuring that any **focus on nature is not co-opted or used as greenwash by those seeking to perpetuate business-as-usual emissions and delay the urgently needed phase-out of all fossil fuels**.

CAN’s Demand on Ecosystems

- The Ocean and Climate Change Dialogue at SB58 should set concrete, action-oriented goals, with a clear focus on the most relevant and pressing issues of the ocean-climate nexus
- Focus on nature should not be opted as greenwashing

Agriculture

The **newly constituted Sharm El-Sheikh joint work on implementation of action on agriculture and food security** builds on the legacy of the Koronivia Joint Work on Agriculture. As we go into the first round of discussions to detail the activities of this joint work, some considerations to guide the conversation must be taken into account (as CAN has stated in detail in its submission²²).

²⁰ CAN submission for the first input phase of GST

https://climatenetwork.org/wp-content/uploads/2022/03/CAN-GST-Submission_February-2022.pdf

²¹ CAN submission on the possible topics for the Ocean and Climate Change Dialogue, 2022

https://climatenetwork.org/wp-content/uploads/2022/04/CAN-Ecosystems-Submission-to-the-Ocean-and-Climate-Change-Dialogue_March2022.pdf

²² CAN Submission to the Sharm El Sheikh Joint Work on implementation of action on agriculture and food security

<https://climatenetwork.org/resource/climate-action-network-submission-to-the-sharm-el-sheik-joint-work-on-implementation-of-action-on-agriculture-and-food-security/>

Expectations from the process: Both Parties and Observers have been active participants in the agriculture talks in the past, and we hope that they can **continue in an open and proactive manner**. Negotiations on such a complex and critical issue cannot happen behind closed doors. Talks must also respect principles of engagement that prevent “Conflicts of Interest”, particularly when inviting presenters and views for the workshops. In addition to this, Parties should **establish an effective governance and a clear roadmap for climate action on agriculture over the next four years**. The joint work must urgently deliver concrete solutions to the communities on the front lines.

Principles: The conversations around the future of agriculture in a climate crisis context need to be led by strong principles in order to ensure that the transformations proposed to the food systems globally do not harm the environment and the people in it. Therefore, they must prioritize **human rights (e.g. the right to adequate food and nutrition, the right to land, the right to water, the right to a clean, healthy and sustainable environment, Indigenous Peoples rights, the right to health, women’s rights, among others)** and must ensure **gender perspective mainstreaming and transformative approaches, participation of small-scale food producers (particularly from the Global South), biodiversity protection, ecosystems conservation, and a holistic and systemic approach to addressing food systems**, among others.

Workshop topics: On the concrete task to define the themes that will be discussed in detail in the years to come, CAN propose that they include **gender; holistic and agroecological approaches to agriculture; strategies for equitable and absolute emission reductions related to nitrous oxide and methane; strategies for mitigation relating to land use and deforestation; food systems transformation, food loss and waste, and equitable approaches to sustainable consumption; youth and workers’ rights in the agrarian environment; financing and implementation for smallholder and agroecological farming; just transitions in agriculture; agrometeorology for anticipatory action**.

CAN’s Demand on Agriculture

- The Sharm El-Sheikh joint work on implementation of action on agriculture and food security should be open and proactive and parties should work towards a effective governance and a clear roadmap for climate action on agriculture over the next four years.

Global Stocktake

The SBs mark an important transition from the technical phase of the Global Stocktake (GST) towards the consideration of outputs political phase. To succeed, this process must be:

- **Inclusive:** with the meaningful participation of observers in all meetings
- **Evidence-informed:** science and local knowledge-driven, with both institutions such as the IPCC but also Indigenous Peoples’ knowledge and the experiences of affected communities on the ground, while limiting the representation of harmful private interests
- **Balanced:** across all elements and mandates of the Paris Agreement with wide political support from developed and developing countries

At the SB58 **Parties need to begin discussing the content of the political outcomes in response to the Global Stocktake**. Views on the structure, format, and elements of outputs from the Global Stocktake including a decision, declaration, and technical annexe should be raised in both the Technical Dialogue and the Joint Contact Group. **The COP28 Presidency and the High-Level Committee for the Global Stocktake to present their plans for the political milestones on the roadmap to COP28**. These events should purposefully build consensus and momentum toward ambitious GST outcomes in both global and national forums, with full civil society participation.

The science is clear: we are far off track to limit global warming to 1.5°C and under-prepared for climate impacts.

The GST outputs must therefore propose clear, actionable, and specific paths forward to get on track with the Paris goals, with concrete policies and plans that take a gender-responsive, evidence-based and human rights-based approach, including the rights of Indigenous Peoples, taking into account social justice and inter-generational equity.

The political outcomes from the Global Stocktake should address both the depth and the breadth of needed climate action, such as considering sector-specific issues and cross-sectoral complexities (such as the global equitable phase-out of fossil fuels), mentioning cross-cutting issues, especially around equity, human rights, gender or biodiversity protection, acknowledging the need to improve accountability for non-state climate actors or mandating the creation of a taskforce with Parties and constituencies to work on several institutional and policy reforms that should be implemented at least by 2025 in the UNFCCC sphere to move from negotiations to implementation.

CAN's Demand on Global Stocktake

- At SB58, parties need to begin discussing the content of the political outcomes in response to the Global Stocktake
- And the COP28 Presidency and the High Level Committee for the Global Stocktake to present their plans for the political milestones on the roadmap to COP28

Carbon Markets

With the implementation of Article 6 picking up speed, operational rules designed by Parties must uphold transparency and embed environmental and social safeguards. Importantly, Parties must ensure that these mechanisms do not allow for offsetting of emissions²³. In Article 6.2, SBSTA should: **require full disclosure of information in the initial report and agreed electronic format** to ensure transparency in the Review Programme; **deliver proper sequencing** so that cooperative approaches and ITMOs are reviewed before they are transferred; **prepare options for implications in case of Parties' non-responsiveness** to reviewers' recommendations. *At SB58, Parties should also consider how varying definitions*

²³ <https://climatenetwork.org/resource/position-on-carbon-offsetting/>

of “first transfer” and how different authorisation timing can impact corresponding adjustments and consistency of reporting.

In Article 6.4, **SBSTA should exclude emission avoidance activities from being eligible under Article 6:** crediting of “avoidance” towards NDCs and other uses would risk backsliding ambition and supporting perverse incentives that fail to discourage fossil fuel expansion and deforestation. The Article 6.4 Supervisory Body should **develop rules for ambitious methodological requirements** that go beyond “business as usual” (including by having baselines that reach zero by 2050 or earlier) and must **be particularly careful in developing rules for removals, taking into account the many associated risks and observer inputs** from the 15 March 2023 round of submissions. The Supervisory Body should **establish and implement human rights-based social and environmental safeguards**, not limited to but in particular to ensure the rights of Indigenous Peoples are respected and protected, **including by establishing an accessible and rights-based grievance mechanism** governed by an independent body other than the Supervisory Body.

This first phase of implementing the Article 6.8 work programme should prioritise the **identification of focus areas that are likely to lead to Party-driven facilitation and matching of support to develop non-market approaches**. For a range of focus areas, Parties should engage in practical dialogue to identify the sectors and projects with high potential to reduce greenhouse gas emissions, and for each relevant respective project type, the transparency expectations of Parties considering support, along with the capacity building needs of participating Parties. Developing details for potential model programmes will thereby accelerate Party-driven implementation using the UNFCCC web-based platform.

CAN’s Demand on Article 6

- CAN reminds Parties that Article 6 must not be used to offset emissions
- For Article 6.2, Parties at SB58 should: require full disclosure of information in the initial report and AEF, ensure that Cooperative Approaches are reviewed before ITMOs are transferred (proper sequencing), prepare options for implications in case of Parties’ non-responsiveness, and further consider how different definitions of “first transfer” and different authorisation timing can negatively impact consistent reporting.
- For Article 6.4, Parties should exclude emission avoidance activities from being eligible.
- For Article 6.8, the work programme should identify focus areas that are likely to lead to Party-driven facilitation and matching of support to develop non-market approaches.



CAN

CLIMATE ACTION NETWORK