Climate Action Network

Briefing: Copenhagen Climate Ministerial

March 2024

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.

Copenhagen is hosting around 40 ministers and climate negotiators to deliberate on the implementation of outcomes from COP28 and early expectations from COP29. The third edition of the Copenhagen Climate Ministerial will bring key climate negotiators under the same roof for the first time since last December's COP28 in Dubai. The meeting is chaired by COP28 president designate Dr. Sultan Al-Jaber alongside incoming COP29 president designate Mukhtar Babayev and Danish Minister for Development Cooperation and Global Climate Policy, Dan Jørgensen.

The GST decision text delivered at COP28, notably the commitment to transition away from fossil fuels, and al-Jaber's assertions that the 1.5°C warming threshold remains the guiding star for setting ambition show strong intent. However, its impact ultimately depends on how outcomes are delivered – in terms of quantitative goals and their urgency, as well as how the principles of equity, differentiation of responsibilities, justice and human rights are reflected.

This meeting is an opportunity to forge continued commitment in this direction. As noted by the GST decision, 80% of the carbon budget associated with a 50% probability of keeping global temperatures under the 1.5°C warming threshold is already depleted. Given the critical juncture for decisions on climate finance, financial system reform and NDC updating, an urgent elaboration of fair shares is vital to bringing equitable transformation of systems to ensure fair and just delivery of the outcomes decided at COP28.

Discussions in Copenhagen are set to cover NDCs, finance, climate change adaptation, loss & damage and mitigation. Considering upcoming deadlines to complete negotiations on the New Collective Quantitative Goal for finance at COP29 and for NDC updates ahead of COP30, as well as the commencement pivotal cross-cutting pieces of work on the Global Goal on Adaptation and the Just Transition Working Group, it is critical for the Copenhagen Climate Ministerial to send strong signals on these fronts.

The New Collective Quantified Goal on Climate Finance (NCQG)

The COP29 deadline to conclude NCQG discussions marks a crucial juncture to ensure the necessary finance is made available to avoid the most severe impacts of climate change, adapt, and address loss and damage. To this end, the NCQG must rely on a science- and needs-based approach to deliver an urgent scale-up of climate finance, especially of public climate finance, in line with principles of equity, common but differentiated responsibilities and respective capabilities (CBDR-RC), and in a manner that is responsive to evolving needs.

Deciding a collective goal on finance, beyond ambitious numbers, is about the quality, conditionalities, how it is delivered, and to whom. Recognising this, the provision of public finance must be the central component of a multi-layered NCQG, which must go beyond a siloed approach to mobilisation. It must increase, fast and at scale, the provision of grants and highly concessional finance, through a stand-alone public finance target measured in grant-equivalent terms and encompassing sub-goals for grants and highly concessional finance for mitigation, grants for adaptation and grants for addressing loss & damage.

- The NCQG must entail a well-defined goal for international climate finance in 2030 with a clear pathway for the scale-up and improved mechanisms to ensure delivery. The collective goal must include a clear process for periodic review and dynamic adjustment aligned with the Paris Agreement GST/NDC cycle in order to ensure accountability, fairness and equity in the ratcheting up of climate finance ambition.
- The quantity of finance must be determined through a needs-based approach that equitably covers mitigation, adaptation, and the addressing of loss and damage, while taking into account cross-cutting aspects of justice/just transition and nature/biodiversity. The NCQG must clearly differentiate between public finance provision and wider finance mobilisation within each area, and be adjusted on a regular basis.
- The NCQG must ensure, in accordance with the principles of equity and CBDR-RC, that climate finance does not worsen and exacerbate the debt burden of developing countries.
- Countries should contribute to the NCQG in accordance with the provisions of Article 9, Article 2.2 and Article 4.5 of the Paris Agreement with developed countries taking the lead in its provision to developing countries.
- Finance provided under the NCQG needs to be new and additional to existing ODA commitments and standards.
- As called upon by COP28, developed countries must present a plan for delivery on the goal to double adaptation finance by 2025 well before COP29. The target must be recognised as an initial step to much higher ambition that corresponds with the finance needs for adaptation. According to the 2023 UNEP Adaptation Gap report, the financial needs of adaptation are estimated at US$387 billion – with developing countries needing 10-18 times current public finance flows.
- The NCQG must recognise that mitigation finance currently does not capture whether justice is reflected in planning energy and other sectoral transitions. Discussions on mitigation finance must carve out special consideration for strengthening universal social

protection systems, as well as economic, social and environmental security, which are critical elements of establishing a just transition framework, and identify avenues for public finance for the same.

- The NCQG must recognise the polluter pays principle within the frame of equity and tax justice, along with the need for high emitting sectors, including but not limited to the fossil fuel industry, to contribute towards the costs of climate action in developing countries. The operationalisation of the polluter pays principle must be done on the basis of equity, so the NCQG needs to call on developed countries to lead in introducing taxes on high emitting sectors to generate finance at scale in order to pay for adaptation, loss and damage and mitigation. Other forms of taxation such as wealth taxes, should also be considered.
- Clear definition of the application of Article 2.1C (aligning finance flows with low-emission and climate-resilient development), including unambiguous articulation of the primary responsibility of developed countries to rapidly reduce and eliminate public and private investments in fossil fuels, emission-intensive industries and other activities incompatible with the 1.5°C goal of the Paris Agreement.
- Policy coherence must be ensured across platforms of MDB/IFI institutional reform, debt (re)structuring and trade policy negotiations with clear and robust links to the UNFCCC process, including the import of principles of equity and differentiated responsibilities and justice in all matters related to climate finance.
- The Loss and Damage Fund, which now has a board, must be operationalised as soon as possible, including a timely confirmation from the World Bank that it is willing and able to meet in full all the conditions necessary to host the fund. An ambitious work plan for 2024 must include the preparation of a long-term fundraising and resource mobilization strategy for new, additional, predictable and adequate financial resources from all sources of funding. This fundraising strategy must be complemented through a clear goal for long-term funding to address Loss and Damage in the NCQG.

CAN notes the multitude of options that exist in developed countries to raise public finance toward climate action and international commitments. These options, however, remain dangerously incomplete if they do not take into account the structural inequities at the root of chronic indebtedness in/of developing countries as well as inequalities within developed countries. Fiscal and trade response measures aimed at reducing emissions must not place unjust burdens on individuals and communities who have relatively low historic contributions towards the climate crisis but rather focus primarily on entities in developed countries that have profited the most through historical emissions. Keeping these considerations in mind, options for raising public finance include agreements from G7 countries to phase-out and divert fossil fuel subsidies, and taxation of emission-heavy sectors through fair, equitable and, in the case of cross-border measures, multilaterally determined approaches.

NDC updates

- The NDC update, due to be completed by early 2025, is a key element of the follow-up process out of the first GST. This iteration of the NDCs must feature targets and actions that collectively amount to emissions reductions of 43% in 2030 and 60% by 2035 while recognising principles of highest possible ambition, fairness, equity, human rights, and the best available science as well as conditionalities related to the access to high-quality, low-risk means of implementation to developing countries. NDCs must collectively be in line with the 1.5°C objective without overshoot.
- While the GST decision text calls on countries to undertake mitigation actions through a list of potential options, notably transitioning away from fossil fuels, rapidly scaling up renewable energy capacity and enhancing energy efficiency, governments must now formulate concrete steps/elements toward this call to action, including the formulation of rules of engagement for international cooperation that reflect the principles of equity, justice and differentiated responsibilities. Countries must prioritise proven technologies and readily available solutions and not rely on risky speculative technologies for future carbon capture, carbon removal or geoengineering.
- NDC implementation, especially in developing countries, crucially depends on access to low-cost, high-quality public finance, which must be reflected thoroughly as a vital link between negotiations on the Means of Implementation and the NDC update cycle.
- New NDCs must set clear and differentiated sectoral actions with developed countries taking the lead in emission reductions in emission-intensive sectors, including through but not limited to the phase-out of fossil fuels and expansion of renewable energy capacity and energy efficiency measures in a manner consistent with the achievement of Paris Agreement targets.
- NDCs must align with the goals and targets of the Kunming-Montreal Global Biodiversity Framework.
- The Mission 1.5 roadmap must amplify political signals on international cooperation and catalyse an enabling environment to enhance ambition and scale up climate finance with just and equitable energy and land-use transitions.

Global Goal on Adaptation (GGA)

- The UAE framework for Global Climate Resilience, decided at COP28 as the guiding piece of work toward implementing an iterative process on adaptation action, must provide a strong and credible basis for the development of quantifiable indicators and metrics to monitor and evaluate individual country-level and collective progress on GGA.
- The GGA or the UAE framework for Global Climate Resilience need to become a permanent agenda item under the UNFCCC. This could conceivably serve as a platform for the convergence of disparate pieces of international adaptation policy including but not limited to matters related to the Adaptation Fund, NAPs and adaptation committee.

Just Transition Work Programme (JTWP)

With the adoption of the JTWP, COP28 embraced the importance of delivering on the Paris Agreement with justice as a compass. Taking concrete steps in ensuring social and economic, employment, gender, and other aspects of climate policies, including their international dimension, requires urgent action so that the international community speeds and scales up Just Transitions.[1]

This year, actionable discussions are needed on:

- Institutional arrangements, participation and inclusion mechanisms used for Just Transition, including social dialogue
- Experiences in domestic and international resource mobilisation to finance the Justice component of "Just Transition", drawing on the ways in which countries have mobilised domestic and international resources to address the employment and other social, economic and environmental dimensions of the transition, its impact on workers, the respective legal obligations from employers and governments in this regard, and other justice-related aspects embedded in additional social and economic dimensions of the application of the Paris Agreement (e.i. uneven impacts on income, access to resources, ecosystems, health and potential just approaches to address them). Taking into account that finance is required for both the energy and other sectors as well as for community resilience of the affected regions.

This would enable and increase momentum on Just Transition as a key theme and deliverable for COP30.

The fight against climate change stands at a high-stakes crossroads and, as a representative of more than 1900 civil society organisations from around the world, CAN expects and hopes that ministers and climate negotiators rise to the challenge in Copenhagen in a way that reflects the unequivocal commitment to equity, justice and fairness.

[1] For more details see the CAN Submission on the possible topics for the dialogues of the UAE Just Transition Work Programme (February 2024): https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202402151828---CAN%20-%20JTWP%20Submission%20Feb%202024.pdf