

CAN Europe recommendations to EU Environment Ministers on the PreCOP and ENVI Council Meeting

The EU's positions for COP26 including the Pre-COP must ensure that the EU and each of its Member States get behind a political outcome at COP26 that advances **a fair approach to 1.5°C (Fair for 1.5°C)**. COP26 is an essential moment which must move us beyond a 1.5°C rhetoric and which must result in concrete actions as well as negotiation outcomes which strengthen the Paris Agreement's implementation architecture. It must respond to the urgency for action outlined in recent IPCC reports and the UNFCCC NDC Synthesis report and address the clear emissions, adaptation and finance gaps, laying out a pathway to bridge them. It must also ensure that any rules agreed under the Paris Agreement uphold environmental and social integrity to progress towards and keep the 1.5°C limit within reach. The EU should also approach the COP as a lever and contributing factor to its efforts to advance climate action and the European Green Deal through bilateral partnerships, alliances and diplomacy efforts, including the new EU Africa Partnership.

A key starting point to increase mitigation ambition is the EU's domestic ambition. While CAN Europe supports the narrative of "keeping 1.5°C within reach", we stress that the EU's own ambition of "at least 55% net emission reductions by 2030" is not sufficient for a fair approach to 1.5°C pathways. We urge you to work towards finalising a Fit for 55 package which, as much as possible, facilitates overachievement with a view to scaling up emission reductions to at least 65% by 2030, with carbon removals increased separately and additionally, and achieving climate neutrality by 2040. The next decade and avoid false solutions, including any significant reliance on offsets or negative emissions technologies, any support for or continuation of fossil fuel use, and which must be compatible with other sustainability co-benefits, including nature and biodiversity protection.

We would like to call on the EU to actively support the following points in the COP26 process:

- **decisions on ambition increase and a comprehensive and purpose-driven Global Stocktake 2023** which is based on a closed emissions gap with regard to the 1.5°C limit;
- a **clear and reliable climate finance delivery plan** underpinned by commitments including from the EU and its Member States which ensures delivery of at least USD 600bn of climate finance over the 2020-2025 period, with 50% going to adaptation;
- **On loss and damage**, the EU should advance a timely and full operationalisation of the Santiago Network through a COP decision on loss and damage and in the framework of the UNFCCC, and support a mandate to pursue work on sources for new and additional finance;
- support a **single 5-year common timeframe** for all NDCs as the most effective way of synchronising all Parties' NDCs with the Paris Ambition cycle;
- agreement on **Article 6** only if avoiding double-counting, with mandatory automatic partial cancellation of credits, with strong reference to human rights principles as key safeguards; and clear positioning against carry-over of credits from Kyoto mechanisms.

More details of CAN Europe's specific recommendations are provided in an annex to this letter.

Finally, we would like to express our concern that insufficient attention to the barriers put up by COVID-19 will lead to weakened attendance and participation of delegates from governments and civil society from developing countries and will create equity and safety challenges which Climate Action Network International and CAN regional networks actively warned of.

We hope that you can take these recommendations into consideration,

Yours sincerely

Annex: CAN Europe recommendations to the EU for the COP26 negotiations

Raising ambition through the Global Stocktake (GST)

We note here the provisions in the EU Climate Law for setting a 2040 target based on the 2023 Global Stocktake, thereby reviewing the reduction trajectory in light of the 1.5°C limit. The EU should ensure a comprehensive and purpose-driven GST through advocating for a 1/CP.26 mandate for:

- Setting up the 2023 GST as a political ambition-raising moment reviewing implementation progress of the 2030 NDCs, as well as revisions of the 2030 targets in light of their inadequacy with regard to the 1.5°C limit based on enhanced NDCs submitted in time for the GST
- Extension of the Long-Term Strategies (LTS) mandate & calling for 1.5°C compatible mid-century net zero LTS
- Establishing a new political moment in 2022 for harvesting ambition before the GST

Beyond these 1/CP.26 priorities, the EU should recall the agreement among climate and environment ministers at the G20 meeting in July where members committed to submit new NDCs by COP26 and strongly urge all G20 members to deliver on this commitment.

Climate Finance

For the COP to deliver credible progress on climate action it will be important to see clear commitments by all developed countries, including the EU, to demonstrate when the USD \$100bn goal will be met, going beyond the Article 9.5 reports, and that the goal will be met and exceeded through to 2025. A recent OECD Report indicated climate finance provided and mobilised in 2019 at \$79.6 billion and adaptation at 25% of this showing that contributor countries are off-track to deliver on the USD \$100 billion by 2020. The “delivery plan” worked on by ministers from Germany and Canada will therefore be essential in terms of re-building trust in developed countries’ commitments and should be delivered well before COP26.

The Commission President’s announcement of a further €4 billion from 2021-27 for international climate finance was an important signal. Coming from the EU budget this finance is not new and additional. The EU should ensure that this extra money goes to support adaptation, which can offer multiple development co-benefits and prevent costs from future climate impacts. All contributors now need to do their bit. EU Member States should announce, before COP26, **new pledges for increasing climate finance levels ensuring an overall collective amount of at least USD 600bn for the period 2020-2025**. All climate finance must be new and additional (ie. on top of ODA commitments). We welcome the commitments of a number of EU Member States via the Champions Group on Adaptation Finance, and call on more countries to make specific time-bound commitments to achieve at least 50% of their overall reported climate finance as adaptation, and to increase grants-based public finance.

We also call on the EU to explicitly welcome and support the recent V20 Climate Vulnerables Finance Summit outcomes, and to support the COP 26: A Five Point Plan for Solidarity, Prosperity and Fairness.

CAN Europe looks forward to the **initiation of deliberations on setting the new post-2025 collective**

quantified goal on climate finance. In our view this should allow for proper assessment of how to reflect, and respond to, the different needs, including in scope and nature, by setting up specific subgoals of adaptation, mitigation, and loss and damage finance. The process should also lead to clear definitions of climate finance and to strict reporting rules so as to ensure that the goal is not undermined by over-reporting.

These should be reflected in the EU's discussions on climate finance conclusions under both ENVI and ECOFIN.

Furthermore we call on the EU to echo vulnerable partner demands by calling on all countries, particularly developed ones, to use COP26 to launch a process for clarifying the **global goal on adaptation.**

Addressing Loss and Damage

Because of its significance and separate anchoring in Article 8 of the Paris Agreement, loss and damage deserves distinct attention and commitment to distinct outcomes in the EU's positioning, and should not be integrated under adaptation. The EU should advance a timely and full operationalisation of the Santiago Network through a COP decision on loss and damage and in the framework of the UNFCCC, and support the following two points:

- COP26 should give a clear mandate to the Warsaw International Mechanism's Executive Committee to **undertake work on pursuing sources of finance** (such as levies on air and maritime transport, a climate damages tax on fossil fuel exploration) **which could raise new and additional finance for loss and damage** at a scale addressing the needs of vulnerable developing countries.
- The agenda balance, **including a permanent agenda item on loss and damage from COP26** onwards to operationalise Article 8 under the Paris Agreement, would demonstrate the political will to move forward with solutions and will be a critical deliverable which the EU should support.

Article 6: strong human rights principles and no carry-over

While agreeing on the implementation guidelines for Article 6 of the Paris Agreement is desirable, parties at COP26 must only agree those if they ensure that Parties avoid all forms of double counting of emission reductions, adopt safeguards, ensure the protection of human rights and the rights of Indigenous Peoples, and phase out Kyoto Protocol flexible mechanisms. 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. We urge the EU to strongly back these principles. The EU has indicated strong support for increased ambition from Article 6 mechanisms, for avoiding double-counting inter alia through the application of corresponding adjustments, and closure of the Kyoto mechanisms. However, we stress the need for:

- Strong reference to human rights principles as key safeguards
- Clear positioning against any carry-over of credits from Kyoto mechanisms
- support for Art. 6 to channel a share of proceeds into the Adaptation Fund.
- Support for a mandatory automatic partial cancelation rate to deliver an overall reduction in emissions

Five Year Common Time Frames

Parties need to achieve a consensus at COP26 with a single five-year common time frame for NDCs implementation at its core. 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. Therefore, we urge you to support a single 5-year common timeframe for all NDCs as the most effective way of synchronising all Parties' NDCs with the Paris Ambition cycle. We regard this as fully compatible with the EU's climate and energy policy framework, including the European Climate Law.

A transparent, safe and inclusive COP26

Finally, we would like to reiterate that COVID-19 continues to pose challenging circumstances and is exacerbating pre-existing inequities. This only heightens the need to achieve progress on climate action and support for already-pressured developing countries, as well as with regard to vaccine equity. In this context we also call on the EU to be a strong supporter of a transparent, safe and inclusive COP26 rejecting any efforts to narrow down civil society advocacy and engagement opportunities.