



Brussels, 30 September 2022

To: Environment Ministers/Ministers responsible for UNFCCC of EU Member States, Executive Vice President Commissioner for the European Green Deal Frans Timmermans

### [Fair for 1.5°C at UNFCCC COP27](#)

**Dear Ministers,**

**Dear Executive Vice President Commissioner for the European Green Deal Frans Timmermans,**

We are writing to you to share CAN Europe's priorities for the EU's UNFCCC COP27 position, where we see it as incredibly important that the EU seek to build alliances with partners on mitigation, loss and damage, adaptation and finance and seek synergies between them. Pitting one objective over the other will only have damaging consequences for the negotiations. We encourage you to take these points into account when attending the upcoming PreCOP, as well as the UNFCCC Heads of Delegations meeting scheduled for 13-15 October on mitigation and finance.

#### **Loss and Damage**

We are in the era of Loss and Damage. In the last few months we have seen heatwaves, droughts and flooding sweep through the continents of Africa and Europe and countries such as Australia, Bangladesh, Canada, China, India, New Zealand, Pakistan and the US. A devastating crisis unfolds before our eyes in the Horn of Africa where some communities are facing famine-like conditions due to persistent drought. This is not a crisis of the future. This calls for a step up in global leadership, multilateralism, cooperation and solidarity at all levels.

- **There is no finance under the UNFCCC to address Loss and Damage.** Finance for activities such as relief, rehabilitation, reconstruction, and unavoidable relocation, is currently missing from the financial architecture of the UNFCCC. Finance needs to be provided in the form of grants and be additional to ODA, emergency humanitarian aid, finance for mitigation (averting Loss and Damage) and adaptation (minimising Loss and Damage). It must not only be based on insurance, which is clearly insufficient and not fit for purpose given current and future risks. Nor can such finance be in the form of loans, which creates unsustainable debt burdens for developing countries;
- We urge the EU to agree and actively support that **finance to address Loss and Damage has a place** as currently foreseen in the formal provisional agenda to ensure a meaningful outcome at COP27 to respond to the intensifying suffering of people facing climate and connected crises;
- We expect the EU to proactively and constructively engage in exploring the role of a **Loss and Damage Finance Facility under the UNFCCC**, as demanded by developing countries, and that this be established at COP27, with further technical work on its most effective set-up be undertaken immediately afterwards;



- We welcome announcements from the EU and its Member States of **pledges of finance to address loss and damage**, but urge that these are made in honesty and in full transparency, on top of 0.7% ODA commitments, that these will not be counted as adaptation finance so as to avoid a diversion from its critically needed increase;
- New and additional grant-type finance can be raised through **innovative mechanisms** which also contribute to mitigation and Article 2.1c objectives, including a climate damages tax on the fossil fuel industry; the redirection of fossil fuel subsidies; international levies on commercial air passenger travel and emissions from international shipping; and debt cancellation and debt relief mechanisms.

### **Mitigation**

**The EU needs to step up for 1.5°C consistent targets:** CAN Europe welcomes EU signals of openness to update its NDC which we understand is currently included in draft council conclusions, and the EU should clearly announce intentions for an updated NDC at COP27, while it works towards ambitious outcomes in the finalisation of the revised climate and energy legislation. However, since the EU27's 'Fit for 55' and 'REPowerEU' plans are not strong enough to align with the Paris Agreement, just converting their results into a new EU NDC will be insufficient. **CAN Europe upholds its demand that the EU needs to go for at least 65% reductions by 2030**, for which the energy crisis actually provides new momentum to move away from fossil fuels more urgently. A new report recently released by Climate Analytics, AirClim and CAN Europe shows that increasing the EU target considerably, making it 1.5°C compatible – is not only technically feasible, but cost-effective, and would demonstrate internationally that the EU is taking the lead on climate. According to that report the EU could reach net zero emissions as much as a decade earlier (by 2040) than currently planned by raising its ambition by 2030.

**Furthermore, the EU also must not enter into new fossil fuel exploration and purchasing deals with African countries** which undermine the EU's climate credibility and the continent's efforts to more rapidly move to renewable energies, as also demanded by a large group of African civil society organisations in the ["Don't Gas Africa"](#) campaign.

**For an ambitious, 1.5°C oriented UNFCCC Mitigation Work Programme:** COP27 must define and deliver an ambitious, equitable Mitigation Work Programme which should be guided by the objective to deliver **at least -43% by 2030 compared to 2019 levels** in global aggregate emissions for 1.5°C. The EU should work with all parties, in particular other G20 parties, but also particularly vulnerable country groups, towards this aim. Key elements in CAN's view are that:

- Ministerial roundtables should be informed by technical work of MWP, be a political check-in on strengthening and revisiting NDCs and advance their implementation;
- The MWP should enhance implementation of Parties' sectoral decarbonisation commitments
- The role of Non-Party Stakeholders (NPS) towards raising 2030 ambition and implementation should be enhanced;
- **COP27 must reaffirm the need to provide adequate, scaled-up finance that is equitable and in line with climate justice.** We remind you that finance is an enabling condition of ambitious climate action. The current climate finance governance and architecture is not fit for purpose for the urgency of needs and the level of ambition required. [According to the most recent Needs](#)



[Determination Report from the Standing Committee on Finance \(SCF\)](#), developing nations will require at least USD 5.8 trillion to reach their individual NDC commitments for adaptation and mitigation by 2030.

- COP27 delivers a decision which reminds Parties to revisit and strengthen the 2030 targets in their NDCs as necessary to align with the Paris Agreement temperature goal by the end of 2022, and sets clear expectation for the Global Stocktake and the subsequent NDC review process Parties that successive NDCs should represent a *progression*, should reflect its *highest* possible ambition, and can be updated at any time, and that Parties should verify that current NDCs are in line with the IPCC's latest scientific recommendations..

On **Article 6**, it is clear that the international community must walk the talk to deliver on environmental and social safeguards in carbon markets and uphold environmental integrity, human rights, and transparency, with equal review and input from stakeholders. The EU needs to keep in mind that rapid implementation should not be an end in and of itself and ensure to get the rules right from the outset to avoid doing more harm than good.

### **Climate Finance**

On climate finance, we would like to point to a [letter](#) that CAN Europe recently produced in relation to the ECOFIN Council Conclusions, which provides additional details. We would like to stress the following points for the COP27 Council Conclusions:

- The \$100 billion commitment should be **met on average over 2020-25** making up for shortfalls in early years of the obligation, and the EU should scale up new and additional climate finance, in the form of grants and highly concessional finance, and **achieve 50% of adaptation finance**.
- The **New Collective Quantified Goal** should be designed as a needs-based and science-based goal taking the format of a matrix with sub-goals including for Mitigation, Adaptation, and Loss & Damage. The new goal should prioritise grants first, then highly concessional finance, over non-concessional loans and equity (finance), potentially by establishing sub-goals for the first two desirable categories of instruments. Quantitative goals should be based on clear definitions of climate finance to ensure it is additional to development finance.
- The **EU has repeatedly committed to phase out international public fossil fuel finance**. At COP26 a number of EU Member States signed a statement on international public support for the [clean energy transition](#). These commitments must now be implemented with integrity, encompassing international climate and development cooperation, multilateral agreements, multilateral development banks and development finance institutions, and export credits.

**Finally, we would like to urge the EU to proactively contribute to further outcomes at COP27, including:**

- a clear work plan for the **Global Stocktake process** for 2023 in order to achieve an ambitious outcome at COP28, which then will set out forward pathways closing the gaps in 3 key areas (Fossil fuels phase-out & energy transition; Ecosystems protection, restoration and management; Finance);
- a decision on the **Glasgow Sharm-el-Sheik Work Programme on the Global Goal on Adaptation (GlaSS)** which ensures that adaptation is on the political agenda with dedicated agenda items on



the GGA at COP27 and COP28 and at the Subsidiary Body (SB) meetings to ensure the delivery of substantive outcomes on adaptation.

- **Promote gender equality** through successfully concluding the review of the implementation of the Lima work Programme on gender and stepping up action and support to further implement it, and through ensuring that all programmes take a gender-transformative and intersectional approach. and that all financing be gender responsive.
- support for the initiative launched by Vanuatu and other countries to pursue an Advisory Opinion on Climate Change from the **International Court of Justice (ICJ)**.

Finally, we would like to highlight that the world needs more social and climate activism, not less. CSOs continue to raise concerns about the shrinking civic space and critical situation of environmental and human rights defenders around the world and in Egypt. Solidarity to Egyptian civil society, individuals and media who face restrictions or incarceration when their work does not align with government priorities is an important matter of credibility. The EU needs to continue to engage with the Egyptian Presidency and the UNFCCC Secretariat on this important matter, plus through its bilateral diplomacy, development cooperation and climate finance programmes. As civil society, we have already been experiencing challenges and obstacles with participation at COP26. As we head into COP27, the UNFCCC Secretariat, the COP Presidency, and all Parties need to think about how to enable and promote the free participation of observers.

Yours sincerely,

Chiara Martinelli, Director Climate Action Network (CAN) Europe