



SUBMISSION BY SWEDEN AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

Stockholm, 14 February 2023

Subject: Suggested topics to be discussed under the dialogues of the work programme for urgently scaling up mitigation ambition and implementation referred to in paragraph 27 of decision 1/CMA.3

Introduction

The EU welcomes the decision on the scope and modalities of the work programme for urgently scaling up mitigation ambition and implementation in this critical decade (Mitigation Work Programme – MWP), and the opportunity to submit suggestions for topics to be discussed at the global dialogues in the course of 2023.

Limiting global warming to 1,5°C requires peaking of global greenhouse gas emissions by 2025 and rapid, deep and sustained reductions in global greenhouse gas emissions of 43 per cent by 2030 relative to the 2019 level, while the latest synthesis report on Nationally Determined Contributions (NDCs) states that the total global greenhouse gas emission level in 2030, taking into account implementation of all latest NDCs, is estimated to be only 0.3 per cent below the 2019 level. We are not on track, and the window of opportunity is rapidly closing. This should frame the scale and rate of the MWP.

This is indeed the critical decade, and it is therefore urgent to enhance both mitigation ambition and implementation of NDCs and Long-Term Strategies. The MWP is a key element in this context as it can help to identify mitigation policies and measures; in particular at the sectoral level, that can dismantle barriers and catalyse mitigation ambition.

The MWP dialogues should be conducted in a way that allows Parties and non-Party stakeholders to exchange on lessons learned, identify synergies, promote robust domestic policies, explore how sectoral policies may underpin climate action and ambition, and enable countries in making progress in implementing and enhancing their commitments. We trust the appointed Co-Chairs will facilitate the MWP dialogues in such a way that they can lead to concrete results paving the way for climate neutrality.

Selection of topics

The Sharm-el-Sheikh decision states that the scope of the work programme should be based on broad thematic areas relevant to urgently scaling up mitigation ambition and implementation in this critical decade and include all sectors covered in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories of the Intergovernmental Panel on Climate Change, thematic areas in the contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR6), and relevant enabling conditions, technologies, just transitions and cross-cutting issues.

We expect the co-chairs to select the topics for the MWP dialogues in a transparent manner, considering the elements and criteria set out in submissions from Parties and Non-Party stakeholders.

While planning the dialogues for 2023, it is important to keep in mind the agreed overall scope of the MWP, and to ensure that the most relevant subsectors of all the IPCC sectors of the scope are covered during the course of the 4-year initial duration of the MWP.

In this context, the EU is of the view that energy transition, with a focus on phasing out all unabated fossil fuels, and a just transition to renewables should be topics of the 2023 dialogues, building on the COP 26 commitments to phasedown unabated coal power, phase out of inefficient fossil fuel subsidies and reduce non-CO2 emissions.

This would also allow an in-depth exchange on the solutions presented in the IPCC AR6 WG3 (SPM, C.4) and other relevant reports from international organisations such as IEA and IRENA and provide the technical underpinning of the key findings and recommendations in the report, that would be presented to the HLM RT and considered by the SBs with a view to the adoption of a decision by the CMA.

The dialogues under the MWP are also an opportunity to review the implementation of commitments in the context of previous COP decisions and initiatives such as the Glasgow breakthroughs, the Methane pledge, the Energy Transition Council, the Powering Past Coal Alliance, and the Just Energy Transition Partnerships. These should be highlighted in the dialogues as well as in the report to CMA.

According to the IPCC AR6 WG III Report, rapid, deep and in most cases immediate GHG emissions reductions are needed in all sectors to limit global warming to 1.5°C. The report identifies, that in 2050 almost all electricity needs to be supplied from zero or low-carbon sources combined with increased electrification of energy demand. Reducing

GHG emissions across the full energy sector requires major transitions, including a substantial reduction in overall fossil fuel use. The continued installation of unabated fossil fuel infrastructure will 'lock-in' GHG emissions. CO₂ from fossil fuels and industry represent roughly 64% of all GHG emissions, meaning they are essential to address in this critical decade to secure the transition to low emission societies.

In the EU's view, essential criteria in guiding the choice of the topics are the mitigation potential, replicability, and the cost, noting that many measures and investments in critical sectors have a low or even negative cost. Topics facing structural barriers, including barriers preventing a market-based adoption, should be emphasised. Also, the annual planning of activities allows for considering issues that are particularly relevant and high on the political agenda. The social dimension should be part of the exchanges, that would need to explore both domestic implementation and international cooperation, and highlight co-benefits such as energy security, better health, and more liveable cities through reduced air pollution.

Furthermore, issues such as enabling conditions, technologies and just transitions are best addressed in the context of a specific sector or sub-sector.

The MWP should also maintain oversight of how Parties enhance and implement their NDCs and LTS as a result of the MWP's activities and outcomes, and how the MWP is contributing to closing the remaining mitigation ambition and implementation gaps of current NDC targets to the 1.5C target of the Paris Agreement.

While the energy transition should remain a focus area for the whole duration of the MWP, other topics such as transport emissions, industry emissions (particularly cement and steel industry), reducing methane, the role of nature-based solutions, deforestation, and land degradation, agriculture and food systems, resource efficiency and circular economy, as well as emissions in hard-to-abate sectors, including international shipping and aviation should be addressed in the course of the MWP. By the end of the initial duration of the MWP, we encourage that all the sectors analysed by the IPCC AR6 WG3 should be covered.

Format of the dialogues

The EU would like to make use of the opportunity to share some general views on the format and the design of the dialogues.

In order to have a focused exchange of views during the dialogues, the subject of each of the activities should be well defined, a technical information note with underpinning facts

and data and clear questions should be provided. This shall enable participants to prepare for a focused and interactive debate after some focused and tailor-made introductory presentations and/or panel exchanges. This can be supported by case studies of scalable solutions, exportable projects, sectoral standards and benchmarks, and policy frameworks. The aim is to avoid a sequence of unrelated prepared statements.

The investment-focused events provide an opportunity for analysing the sector specific barriers and solutions for investments discussed in the corresponding dialogues, provided these events are framed in the broader context of making financial flows consistent with low greenhouse gas emissions and climate resilient development (PA art. 2.1.c) and provided the right actors participate. It will be important to learn from and build upon similar existing experiences, such as the NAP expo, the NDC Partnership investment matching and others, ensuring added value and avoiding overlaps. Key interlocutors at the supply side for Parties looking for investments in transformative projects are the international financial institutions, including the Multilateral Development Banks, the private sector, e.g. The Glasgow Alliance for Net Zero. As pointed out in the Sharm-el-Sheikh decision, the Climate Champions are, in the context of their broader role in the Global Climate Action Agenda, a key partner in bringing the actors of the private sector to the events.

Findings and recommendations of the dialogues, including on the investment focused events, should be captured in an accessible report for political consideration, and be made available well in advance of their political consideration. The experience of the first global dialogue will allow to learn lessons for the design of subsequent global dialogues, to judge the best frequency of these global dialogues, and to consider the usefulness of additional in person or hybrid dialogues, including at the regional level.

Coherence, synergies, and complementarities with other processes

The MWP should not be conducted in isolation. Annually, it will feed in into the work of the CMA and the political discussions in the High-Level Ministerial Roundtable on pre-2030 ambition.

This wide encompassing approach will be fostered by the investment-focused events that will take place in the margins of the MWP dialogues. They can help public and private financiers, investors and international climate finance providers to direct finance flows towards areas of opportunity supporting enhancing mitigation in this critical decade. Participants, and the broader finance community, will have the opportunity to discuss ways and means for enhancing international and domestic direct investment, reflect on traditional and innovative sources and vehicles of finance, and look together at options

and examples of enabling environments and overcoming barriers on finance for mitigation, with due consideration given to criteria like mitigation potential, replicability and cost. In that respect, the dialogues and the investment-focused events need to be seen in the broader perspective of making all finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development, including also discussions under the Sharm-el-Sheikh dialogue on the scope of article 2.1(c). The MWP with its central focus on mitigation is clearly complementary to the more comprehensive Global Stocktake (GST). The MWP should create the short-term (pre-2030) conditions for global emissions to stay on track for the 1.5°C target in the long term (post-2030) by delivering pre-2030 ambition and implementation. The MWP will inform both GST 1 (2022-2023) and GST 2 (2027-2028), e.g., on the in-depth discussions on sectoral approaches and bringing forward concrete solutions. Clearly, there is a need for an information flow in both directions with a view to maximize synergies and co-benefits while avoiding duplication of efforts.

The rolling workplan of the Technology Executive Committee for 2023–2027 includes several workstreams that are relevant in the context of the MWP. The work of the TEC could therefore usefully inform MWP events and discussions.

CMA 4 established a work programme on just transition for discussion of pathways to achieving the goals of the Paris Agreement outlined in Article 2, paragraph 1, in the context of Article 2, paragraph 2; and it will be important to avoid overlaps and ensure coherence across these two work programmes under the CMA.