



SUBMISSION BY CANADA:

Sharm el-Sheikh mitigation ambition and implementation work programme

This submission responds to paragraph 14 of decision 4/CMA.4¹, which invites Parties, observers, and other non-Party stakeholders to present views on opportunities, best practices, actionable solutions, challenges, and barriers relevant to *just energy transition*. Canada welcomes the opportunity to share its' perspectives on this critical matter, with a view to informing forward-looking and solutions-oriented discussions under the Sharm el-Sheikh mitigation ambition and implementation work programme (MWP).

The Agreement by Parties under the Glasgow Climate Pact to establish the MWP reflects the shared understanding, informed by the latest climate science, of the urgent need to rapidly scale up the mitigation of global greenhouse gas emissions this decade to meet the 1.5 degree temperature goal. Yet, according to the Intergovernmental Panel on Climate Change (IPCC), net anthropogenic GHG emissions have increased since 2010 across all major sectors globally².

The MWP, including the upcoming first global dialogue in June, offers a critical opportunity to help reverse this trend in a way that complements other important processes under the UNFCCC and Paris Agreement, in particular, the global stocktake. The 1.5 degree goal cannot be met without rapid and deep reductions in energy sector emissions. Achieving the scale of transformation needed requires a deeper understanding of the opportunities for just energy transition within each Party, and how the transition to a clean energy future can also improve energy access and security, and generate sustainable development, including inclusive economies and fair, decent work. Moreover, just energy transitions should be considered in the context of inter-generational equity, and informed by science- and Indigenous knowledge-based consideration of potential unintended consequences for ecosystems and people – especially those on the frontlines of climate change, like Indigenous Peoples – to ensure the respect of human rights and the rights of Indigenous Peoples, as well as appropriate risk mitigation and management.

Dialogue Focus and Structure

Canada views the MWP global dialogue and investment-focused event as important opportunities for all relevant actors to exchange on key issues related to mitigation action and identify concrete actions such as investment and collaboration to enable mitigation outcomes. MWP participants should include relevant rights holders, including Indigenous Peoples, sub-national governments as well as stakeholders such as financial institutions, academics, industry, Indigenous Peoples, civil society organizations, multilateral development banks and international organizations such as the International Labour Organization. The decision to hold the global dialogues in a hybrid format was a positive step toward ensuring broad participation from a diverse range of actors. While noting important logistical constraints exist,

¹https://unfccc.int/sites/default/files/resource/cma2022_10a01_adv.pdf

² Intergovernmental Panel on Climate Change, Sixth Assessment Report, Climate Change 2022: Mitigation of Climate Change, the Working Group III contribution

particularly for in-person participation, Canada hopes that the MWP Co-Chairs will ensure adequate arrangements are made to enable the right balance between negotiators, policy makers, practitioners, and other interested groups. In this regard, additional space for virtual participation should be made available for future global dialogues.

As appropriate, discussions under the MWP global dialogues should take into consideration outcomes from other multilateral processes, including the G7, G20, the Breakthrough Agenda, Clean Energy Ministerial (CEM) and the International Energy Agency (IEA) Ministerial to identify mitigation outcomes from high-level statements. Each Dialogue should begin with a scene-setting of key scientific and policy research findings and emission pathway scenarios including by the IEA, International Renewable Energy Agency (IRENA) and IPCC. The structure of the Dialogue can include panels, roundtables, and workshops to discuss and develop tangible outcomes.

Canada proposes the following topics relevant to “accelerating just energy transitions”. We strongly encourage the MWP Co-Chairs to reflect these priority topics on the agendas of the global dialogues this year:

1) Scaling up: Increasing clean, renewable, and non-emitting activities

- The IEA indicates that more than tripling of clean energy public and private investment to \$4 trillion is needed annually, by 2030 to put the world on a path to staying below 1.5C of warming³.
- First and foremost, discussions should focus on how to scale up investments in clean energy projects and infrastructure and in clean technology and innovation to commercialize and bring to market low-emitting technology. There should also be opportunities to discuss the challenges and opportunities surrounding carbon capture, hydrogen and related clean technologies.

2) Phasing out: Accelerating the phase-out of unabated fossil fuels, including coal-power generation, and driving the end of new direct public support for the international unabated fossil fuel energy sector in line with the Glasgow Statement on International Public Support for the Clean Energy Transition⁴.

- The IEA Net-zero by 2050 emissions pathways have key milestones through 2050 to keep 1.5c within reach including targets to phase out unabated coal power generation⁵.
- Discussions should focus on the tangible actions required to meet phase-out targets, including on coal power generation. Case studies produced by the Powering Past Coal Alliance can be drawn upon which highlight solutions and actions taken to phase out coal power and transition away from fossil fuels in a just manner.
- Discussions should also consider best practices for engaging export credit agencies and public finance institutions in supporting the clean energy transition.

3) Demand side management and energy-efficiency.

- The IEA Net-zero pathways project that energy efficiency will help reduce global energy intensity - by 4.2% annually from 2020 to 2030, and by 2.7% annually from 2030 to 2050 – while supporting energy affordability, energy security, and generating environmental benefits.
- Discussions should focus on best practices for scaling-up investments in energy efficiency and to strengthen energy efficiency policies.

³ International Energy Agency's *Net Zero by 2050: A Global Roadmap for the Energy Sector*

⁴ <https://web.archive.nationalarchives.gov.uk/ukgwa/20230313124743/https://ukcop26.org/statement-on-international-public-support-for-the-clean-energy-transition/>

⁵ International Energy Agency's *Net Zero by 2050: A Global Roadmap for the Energy Sector*

4) Cross Cutting: People Centered Energy Transition.

- An accelerated transition to reach net-zero by 2050 will result in transformation across the conventional energy system and support job creation.
- This transition will offer a new opportunity to address the people centered impacts of the existing energy system, including challenges related to energy access, and prevent further impacts on human rights and the rights of Indigenous Peoples. We also need to mitigate adverse impacts on energy prices to ensure the transition helps lift people out of energy poverty.
- MWP dialogues should focus on best practices and implementable solutions that fit within domestic and international contexts.

Canada also welcomes regional dialogues as an inclusive approach to understand regional opportunities, challenges, and best practices to accelerating just energy transitions. Thematic discussion should be comprehensive, solutions-orientated and focus on establishing actionable near-term mitigation outcomes that support a just energy transition. Such areas can include technical solutions, research and development, trade economics and financing, policies and regulation, social dialogue and international collaboration, and effective safeguards for the protection of human rights and the rights of Indigenous Peoples

Investment-Focused Event Focus and Structure

The underlying motivation behind the ‘Investment-Focused Event’ was to provide a space that could connect public and private investors with real world mitigation projects. This could have two important benefits. First, by helping link mitigation projects to the financial resources they need to get off the ground, the MWP could help advance implementation in a meaningful way beyond the political negotiations. Second, the Investment Focused Event can help expose public and private investors to important multilateral discussions around mitigation priorities, giving these investors stronger information and more confidence around the state of international cooperation, and the direction of international policies on mitigation. In this way, the MWP could influence investment decisions and help align finance flows with low-carbon and climate resilient development. Aside from this practical focus, the Investment Focused event also offers a unique space within the UNFCCC to encourage dialogue between public and private sector participants on the proposed themes, and the opportunities and barriers that exist around financial mobilization. Some useful questions for guiding this dialogue include:

- What are the challenges and opportunities to de-risk and create effective pathways for clean energy projects? What emerging clean technologies require investments to support their commercialization at the scale needed?
- How can partnerships between public and private actors facilitate investments that will drive the clean energy transition?
- How public finance can be leveraged to increase private investment in mitigation outcomes and co-benefits, particularly in Least Developed Countries (LDCs) and Small Island Developing States (SIDS), where financing has had much less reach?
- What policy reforms and enabling conditions are needed within countries to unlock investments?
- How can private financial institutions free up capital for clean investments including through reporting Paris alignment and phasing out high-emitting assets?

For the Investment-Focused Event, it is strongly recommended that non-Party actors, particularly private sector participants from industry, energy, and financial sectors - including members of the Glasgow Financial Alliance for Net Zero (GFANZ) - be present to exchange views with public sector participants. Ensuring strong collaboration and dialogue between the public and private sector can help reduce information asymmetry when tackling mitigation outcomes and help to ensure that MWP recommendations and outcomes are grounded in what is feasible and implementable.

Proposed outcomes from dialogues

The MWP discussions should prioritize near-term actionable deliverables for the public and private sector to ensure that mitigation outcomes occur before 2030 and countries are equipped with the necessary tools to accelerate a just energy transition. Potential outcomes should focus on collective actions needed to align with 1.5C pathways and the thematic work of “accelerating a just energy transition” should feed into the work of the Just Transition Work Program (JTWP) and support the JTWP outputs. MWP outcomes should also avoid duplicating work under the Ad Hoc Work Programme on the New Collective Quantified Goal (NCQG) and align with discussions on the implementation and operationalization of Article 2.1c of the Paris Agreement.

Outcomes should include, among others (non-exhaustive):

- Targets and financial requirements to scale up investment in clean energy technologies
- Trajectories or milestones (e.g., for unabated coal power phase down and unabated fossil fuel phase out, renewable energy deployment)
- Mapping of policies and toolkits, regulatory approaches, and best practices
- Mapping of enabling conditions and policy reforms required for investment and financing
- Approaches to social dialogue and engagement
- Approaches to safeguarding human rights and the rights of Indigenous Peoples
- Identified areas for greater international collaboration, new or existing partnerships to advance solutions and raise ambition
- Technical reports

Role of SBSTA and SBI

In accordance with decision 4/CMA.4, SBSTA and SBI are requested to recommend a draft decision for consideration and adoption by the CMA this year based on activities and reports undertaken by the MWP. As such, the MWP will need a formal space in the UNFCCC Subsidiary Bodies’ (SBs) agenda where Parties can consider progress and start to exchange views on the content of the annual CMA decision. To implement the objective of the MWP through robust annual decisions at the CMA, it is necessary to include an agenda item at the SBs in June and every SB session after this for the duration of the MWP. This is in line with the approach undertaken by numerous other UNFCCC and Paris Agreement, including the periodic review and global stocktake, wherein an agenda item and joint-contact group of SBSTA and SBI has been established in parallel with and to provide a space discuss ongoing technical work and its implications for the political process.