

## **Submission by Belgium and the European Commission on behalf of the European Union and its Member States**

Brussels, 30 January 2024

### **Subject:**

Suggestion of topics for the 2024 dialogues of the Sharm el-Sheikh mitigation ambition and implementation work programme and related matters

### **Summary of Key points:**

Given the rationale and criteria laid out in this submission and in view of achieving the objective of the MWP, the EU believes the MWP should continue to focus on the just energy transition in 2024. According to the IPCC AR6 WG III Report, the energy sector remains the sector with the highest greenhouse gas emissions and is also the sector with the greatest emission reduction potential in this critical decade. That is why all Parties decided just a few weeks ago in Dubai on a GST outcome with a mitigation section focussed on the energy sector. The MWP is the space in the UNFCCC-process for parties to collaborate on the implementation of the GST's mitigation outcome. While the MWP should continue to focus on the energy transition to achieve its mandate, it would in future years also cover other sectors with high mitigation potential.

The MWP is a valuable platform to drive mitigation ambition and implementation, yet operational improvements need to be made for the MWP to be able to achieve tangible results.

The EU takes note of decision 4/CMA.5 about the Sharm el-Sheikh mitigation ambition and implementation work programme (Mitigation Work Programme – MWP), and welcomes the opportunity to submit suggestions for topics to be discussed at the global dialogues in the course of 2024.

## **Context and mandate**

As noted with concern in the outcome of the first global stocktake (GST), decision 1/CMA.5, a significant mitigation ambition and implementation gap exists in view of the global greenhouse gas emission reductions required to achieve the temperature goal of the Paris Agreement.

The GST outcome recognises that in order to limit global warming to 1.5 °C with no or limited overshoot, global greenhouse gas emissions have to peak before 2025 at the latest, and be reduced with 43% by 2030 and 60% by 2035 relative to the 2019 level. In contrast, the GST outcome notes that the findings of the latest synthesis report on nationally determined contributions (NDCs) shows that implementation of current NDCs would only reduce emissions on average by 2% compared to the 2019 level (the ambition gap). It also notes that, according to the IPCC, policies implemented by the end of 2020 are projected to result in higher global emissions than those implied by NDCs (the implementation gap).

The GST outcome recognises the urgent need to address the ambition gap and resolves to urgently address the implementation gap so as to achieve the deep, rapid and sustained reductions in greenhouse gas emissions required to keep 1.5 °C within reach, including the action already required in this critical decade given that there is a rapidly narrowing window to raise ambition and implement existing commitments such that the worst impacts of climate change can be averted.

The MWP is a key enabler in this context. By design, its objective is to urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the GST.

Hence, the MWP must take up the invitation by the GST to integrate relevant GST outcomes in planning the future work of the MWP. In this regard, the EU welcomes the call to action in the mitigation section of decision 1/CMA.5, in particular paragraph 28, and considers it highly relevant for the future work of the MWP.

The GST outcome also encourages Parties to come forward in their next NDCs with ambitious, economy-wide emission reduction targets, covering all greenhouse gases, sectors and categories. The MWP can help to identify mitigation policies, measures and approaches, in particular at the sectoral level, that can dismantle barriers and catalyse mitigation ambition in NDCs as well as their implementation on the ground.

The MWP should be conducted in a way that allows Parties and non-Party stakeholders to exchange on lessons learned, identify synergies, promote robust domestic policies, overcome challenges and barriers, take advantage of the opportunities and co-benefits of mitigation, explore how sectoral policies may underpin climate action and ambition, and enable countries in making progress in implementing and enhancing their commitments, including through international collaboration.

The MWP is an opportunity for Parties and non-Party stakeholders to come together and collaborate in view of the emission reductions required in this critical decade to limit global warming to 1.5 degrees. We trust the Co-Chairs will facilitate the MWP in such a way that it can lead to concrete results in this regard. We envision such MWP results to entail:

- Outputs that inspire and facilitate Parties' work as they update existing and develop new NDCs in line with the GST outcome and 1.5 °C pathways;
- Momentum, collaboration connections, knowledge, and information for Parties to draw from and be encouraged to take mitigation action in this critical decade;
- Information and connections for both Parties and non-Party stakeholders to join new or existing international collaboration initiatives;
- Clear signals for investment and finance flows as well as other means of implementation pointing to opportunities to enhance mitigation action in this decade, including the creation of necessary conditions and enabling environment required to facilitate the implementation of conditional NDCs;
- Input to negotiated CMA decisions that provide political signals identifying how Parties and non-Party stakeholders can best contribute to closing the ambition and implementation gap.

## Proposed topics for 2024

Given the objective of the MWP, to urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the global stocktake, the following criteria should be used to select the topics for the dialogues:

- *Urgency in view of keeping 1.5 °C within reach*: the dialogues should cover areas of work which urgently need to be addressed in the short-term in order to limit global warming to 1.5 °C in the long-term;
- *Mitigation potential this decade*: the dialogues should focus on actions, solutions and opportunities which enable deep, rapid and sustained emission reductions by 2030;
- *Alignment with best available science*: the dialogues should be based on the recommendations of the best available science about how to achieve sufficient emission reductions by 2030;
- *Relevance to Parties*: areas of work covered under the global dialogues should be relevant to the solutions and opportunities (including co-benefits), challenges, and barriers faced by many Parties;
- *Replication potential*: the dialogues should focus on areas of work which can provide actionable solutions with a high replication potential across Parties, e.g. being readily available, practical, and economically feasible in this critical decade;
- *Complementarity to GST*: In order to fulfil its mandate the MWP needs to build upon the political momentum and strong signal resulting from the GST decision, and contribute to the implementation of this decision.

Given the criteria above and in view of achieving the objective of the MWP, the EU believes the MWP should continue to focus on the just energy transition in 2024. According to the IPCC AR6 WG III Report, the energy sector remains the sector with the highest greenhouse gas emissions and is also the sector with the greatest emission reduction potential in this critical decade.

It is just a few weeks ago since all Parties took stock in Dubai of our progress towards achieving the goals of the Paris Agreement and agreed on what needs to be done to honour our joint commitments under this Agreement. The core of the mitigation section of the GST decision focuses on the energy sector. As Parties have to start implementing what was decided in Dubai and as the MWP is the space in the UNFCCC-process for Parties to collaborate on implementing the mitigation component of the GST decision, the MWP should continue its work regarding the energy transition. The political momentum and strong signal from Dubai about the global efforts required in the energy sector should propel the MWP.

While we have decided in Dubai what needs to be done to transform the energy sector, we have not yet explored how to do this. The EU believes that the MWP shall complement the GST in exploring how to implement the GST decision adopted in Dubai, in particular, paragraph 28. To this end, the MWP needs to provide for a focused exchange of views, information and ideas about how Parties and non-Party stakeholders can contribute and collaborate in this decade to achieve each of the global efforts called upon in paragraph 28 in practice. This is 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, the Beyond Oil and Gas Alliance, the Global Offshore Wind Alliance, and the Just Energy Transition Partnerships.

Besides, the activities from 2023 have by far not yet depleted the breadth and depth of the just energy transition theme. Many topics remain unaddressed, including sub-themes such as the energy transition in buildings and industry, or the reduction of non-carbon-dioxide emissions stemming from the energy sector, including in particular methane emissions.

In order for the MWP to achieve tangible results, its activities in 2024 need to build upon and deepen the work done in 2023. Given the importance of the energy sector to the objective of the MWP, it needs to be ensured that the mitigation potential of this sector is sufficiently explored before moving on to other themes. This could for example be achieved through a reflection about how Parties have used the results from last year's dialogues to advance national mitigation efforts, including a focused exchange about lessons learned and challenges faced in doing so. Also, an exchange about concrete international collaboration initiatives building on last year's results could further drive tangible mitigation outcomes.

As the decision from Sharm-el-Sheikh stipulates that the MWP shall function in a manner that is consistent with the procedures and timelines for communication of successive NDCs, the MWP should also provide space for exchanges about how Parties enhance and implement their NDCs and Long Term Strategies (LTS) as a result of the MWP's activities and outcomes. This is particularly relevant in 2024 and 2025 when Parties move to update their current NDCs and prepare the next round of NDCs following the GST outcome. A

focused exchange of national experiences and views in this regard can provide valuable input to enhance mitigation ambition and implementation.

While this submission only concerns the topic selection for 2024, we note that decision 4/CMA.4 stipulates that the scope of the MWP includes all sectors covered by IPCC AR6 WG3 and we encourage the MWP to cover all these sectors within its initial duration. We also believe that, albeit the MWP can cover different topics throughout its timespan, it is necessary to continuously follow-up and build on previous work done if the MWP is to provide valuable results which contribute to the mitigation efforts of Parties and non-Party stakeholders. In particular, it is critical that the energy transition remains a focus area for the whole duration of the MWP given its paramount importance for achieving the objective of the MWP. In future years, other sectors, such as agriculture, forestry and other land use including nature-based solutions, can be covered in parallel and synergies between mitigation efforts in different sectors can be explored. Disregarding the vital importance of the energy sector to mitigation objectives and not ensuring follow-up of activities in previous years would significantly diminish the potential of the MWP to deliver on its core mandate, which provides the MWP with a solid basis to cover all sectors while focusing efforts on the sector in which the greatest mitigation gains can be made in this critical decade.

We expect the co-chairs to select the topics for the MWP dialogues in a transparent manner in view of achieving the objective of the MWP, thereby considering the elements and criteria set out in submissions from Parties and Non-Party stakeholders as well as the decisions taken by all Parties in Dubai.

## **Modalities of the MWP**

Building on the experience from 2023, the EU sees the MWP as a valuable platform to provide policy guidance and inspiration for Parties and non-Party stakeholders regarding design and implementation of national, regional and international policies, measures and actions, yet considers operational improvements need to be made for the MWP to be able to achieve tangible results.

In order to have a focused exchange of views during the dialogues, the subject of each of the activities should be well defined and not too broad, a technical information note with underpinning facts and data and clear questions should be provided in advance. This shall enable participants to prepare for a focused and interactive debate after some focused and tailor-made scene-setting presentations and/or panel exchanges based on the best available science. 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 and encourage parties to truly engage with one another.

In this regard the EU encourages the co-chairs to:

- Announce the topics and provisional agendas of each dialogue and investment-focused event well in advance;
- Prepare, with the support of the Secretariat, a scoping/technical note prior to the dialogues to focus the discussions in the meetings;

- Organize scene-setting presentations of relevant international organisations such as IPCC, IPBES, IEA, IRENA and relevant international finance institutions, also as a way to include more participation by non-Party stakeholder and experts;
- Facilitate virtual only dialogues as well as dialogues with a regional focus as long as they don't compromise regionally balanced participation or the organisation of the global dialogues;
- Increase the participation of non-Party stakeholders and encourage the high-level champions to support the effective participation of such stakeholders, and create synergies between the MWP and the GCAA;
- Make sure every dialogue considers social aspects and dimensions, including gender, of the chosen topic;
- Focus the dialogues and investment-focused events around the solutions and opportunities for mitigation in this critical decade, while also addressing the barriers and challenges. Discussions should not merely recognise the existence of barriers and challenges, but must be geared towards identifying ways to overcome them. To that end, opportunities and actionable and scalable solutions should be considered in conjunction with barriers and challenges rather than separately as was the case in 2023, as this resulted in duplication of discussions. A logical sequence for the dialogues could be to first consider a vision of what we aim to achieve laid out by expert presentations and inputs, world cafe type discussions and other interactions, then, in a breakout setting, to consider barriers and challenges which impede the vision together with the opportunities and actionable solutions that exist to overcome these barriers and challenges so as to achieve the vision. This would reduce the number of breakout sessions, and allow for longer individual breakouts per sub-topic
- Make use of ongoing mitigation initiatives as input to the MWP, for example regarding lessons learned, and to increase international cooperation and follow-up of such initiatives;
- Select the same topics for the global dialogues and the investment-focused events, so as to go into more detail on specific sub-sectors and regions, possibly of greater interest in attracting non-Party stakeholders' financial investments;
- Further improve the ability to deliver of the investment-focused events, for instance by increasing the participation of bilateral and multilateral development finance institutions, credit rating agencies, philanthropist climate organisations, and public and private sector finance institutions (such as central banks and (regional) commercial banks);
- Include recommendations from the discussions at the Investment Focused Events in the reports from each MWP session as well as the annual report, and ensure that the reports reflect factual conclusions and concrete recommendations in line with 1.5 pathways according to the best available science to inform political decision-making and actors/investors in the relevant sectors, including key messages presented in the scene-setting presentations;
- Ensure a hybrid setting allowing for broad participation, including from non-Party stakeholders.

## **Coherence, synergies, and complementarities with other processes**

The MWP should not be conducted in isolation. It feeds in to the work of each SB session and CMA as well as the annual 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. Rather than providing financing to a select few individual projects, we see the role of the IFEs as to consider structural approaches to unlocking the finance required to achieve mitigation objectives. 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 as well as innovative sources and vehicles of finance, and look together at options and examples of enabling environments and overcoming structural barriers to finance for mitigation, with due consideration given to criteria like mitigation potential, timeline, 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). It is important to ensure cooperation and coordination and maximise synergies and complementarities with relevant actors and initiatives such as the NDC Partnership, IRENA, ENACT Partnership, etc.

The rolling workplan of the Technology Executive Committee (TEC) 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. Similarly, alignment without overlap needs to be ensured with the activities organised under the Roadmap to Mission 1.5 established by CMA 5 and the activities of the MWP and the work of the GCAA.

It will also be important to maximise synergies and exchanges with the annual global stocktake dialogue starting at SB 60 (June 2024) which is aimed at facilitating the sharing of knowledge and good practices on how the outcomes of the global stocktake are informing the preparation of Parties' next NDCs in accordance with the relevant provisions of the Paris Agreement (1/CMA.5 §187).