

Submission by Honduras on behalf of the Independent Association of Latin America and the Caribbean on the topics to be discussed in the context of the Sharm el-Sheikh mitigation ambition and implementation work programme in 2024.

February 1st, 2024

The *Independent Association of Latin America and the Caribbean* (AILAC) is honoured to present its views on behalf of its member states. This submission outlines our suggested approach and insights on topics in line with the scope of the work programme, which will be deliberated at the global dialogues in 2024.

General considerations to establish topics for the first Global Dialogue of 2024 under the work programme.

1. *Urgency in view of keeping 1.5 °C within reach*: Cover areas of work which urgently need to address the climate crisis emphasizing to keep the 1.5 °C goal within reach.
2. *Mitigation potential this decade*: Focus on actions, solutions and opportunities which enable deep, rapid, and sustained emission reductions by 2030.
3. *Alignment with best available science*: Be based on the best available science about how to achieve sufficient emission reductions by 2030.
4. *Relevance to Parties*: Should be relevant to the solutions and opportunities (including co-benefits), challenges, and barriers faced by Parties.
5. *Replication potential*: 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.
6. *Complementarity to GST*: Build upon the political momentum and strong signal resulting from the GST decision and contribute to the implementation of this decision.
7. *Encourage the next round of Nationally Determined Contributions*: Encourage Parties to come forward in their next Nationally Determined Contributions with ambitious, economy-wide emission reduction targets, covering all greenhouse gases, sectors, and categories.

Perspectives on the Global Dialogues of 2024 under the work programme.

a) Accelerate action to transition away from fossil fuels in energy systems, in a just, orderly, and equitable manner.

Considering that:

8. Limiting global warming to 1.5 °C with no or limited overshoot requires deep, rapid, and sustained reductions in global greenhouse gas emissions of 43 per cent by 2030 and 60 per cent by 2035 relative to the 2019 level and reaching net zero carbon dioxide emissions by 2050 (Decision 1/CMA5, para 27).
9. Fossil fuels – coal, oil, and gas – are by far the largest contributor to global climate change. The production and use of fossil fuels are the predominant driver of the climate emergency, accounting for close to 90% of human-made carbon dioxide emissions. At the same time, global fossil-fuel-derived carbon dioxide emissions reached a record high in 2022 (Production Gap Report, 2023).
10. Governments, in aggregate, plan to produce, in 2030, around 110% more fossil fuels than would be consistent with limiting warming to 1.5°C (i.e. more than double), and 69% more than would be consistent with limiting warming to 2°C. These global production gaps grow wider out to 2050. The persistence of the global production gap puts a well-managed and equitable energy transition at risk (Production Gap Report, 2023).
11. Fossil fuel subsidies surged to a record \$7 trillion in 2022 worldwide (International Monetary Fund). Removing fossil fuel subsidies would reduce emissions, improve public revenue and macroeconomic performance, and yield other environmental and sustainable development benefits. Fossil fuel subsidy removal is projected to reduce global CO₂ emissions by 1–4%, and GHG emissions by up to 10% by 2030, varying across regions (AR6, Working Group III).
12. A rapid reduction of the world economy's reliance on fossil fuels towards clean energy is central for reaching global net zero CO₂ and GHG emissions (Synthesis Report on the technical dialogue of the first Global Stocktake).
13. Cost-optimized mitigation scenarios suggest that, to limit warming to 1.5°C, global coal, oil, and gas production and use should decline rapidly and substantially, starting now (Production Gap Report, 2023).
14. The objective of the work programme is to *urgently* scale up mitigation ambition and implementation in *this critical decade* in a manner that complements the Global Stocktake (Decision 4/CMA4, para 1).
15. The first Global Stocktake calls Parties to contribute to global efforts to transition away from fossil fuels in energy systems, in a just, orderly, and equitable manner, accelerating action in this critical decade, to achieve net zero by 2050 in keeping with the science (Decision 1/CMA5, para 28.d).
16. Much more ambition in action and support is needed in implementing domestic mitigation measures and setting more ambitious targets in *Nationally Determined Contributions* to realize existing and emerging opportunities across contexts, in order to reduce global GHG emissions by 43 per cent by 2030 and further by 60 per cent by 2035 compared with 2019

levels and reach net zero CO₂ emissions by 2050 globally (Synthesis Report on the technical dialogue of the first Global Stocktake).

17. Parties shall submit to the secretariat their next Nationally Determined Contributions at least 9 to 12 months in advance of the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (November 2025) with a view to facilitating the clarity, transparency and understanding of these contributions (Decision 1/CMA.5, para 166).
18. The Work Programme shall function in a manner that is consistent with the procedures and timelines for communication of successive *Nationally Determined Contributions* established in the Paris Agreement (Decision 4/CMA.4, para 3).

Therefore,

19. ALLAC underscores that the most self-evident and urgent topic for discussion for the Global Dialogues under the work programme is the transition away from fossil fuels in energy systems in a just, orderly, and equitable manner.
20. It is crucial to note that energy discussions within the global dialogues have yet to address the transition away from fossil fuels. While the first global dialogue in 2023 primarily concentrated on electricity and emissions management, the critical issue of transitioning away from fossil fuels – the predominant driver of climate change – remains unexplored.
21. ALLAC cautions against presuming that conversations around zero or low-emission technologies inherently imply transitioning away from fossil fuels in energy systems. Contrary to this assumption, current trends show simultaneous growth in both renewable energy sources and fossil fuel production and consumption; as well as significant setbacks in efforts to eliminate public financing for fossil fuels, with government subsidies, specifically, nearly doubling from 2020 to reach the highest levels seen in almost a decade (OECD and IISD 2023).
22. As the IPCC's Sixth Assessment Report strongly indicates, only the operation of the current infrastructure would lead us to a 1.5°C scenario with an elevated level of certainty, and that putting the planned infrastructure on operation would lead us to exceed 2°C scenario (AR6).
23. From that perspective, transitioning away from fossil fuels is the most relevant issue in terms of maintaining 1.5°C within reach. While it is inevitable that fossil fuels will remain in the energy mix, their share must dramatically decrease as we approach mid-century (World Energy Transitions Outlook 2023, IRENA).
24. Transitioning away from fossil fuels hold global significance, has a major mitigation potential to 2030 and in the long term, and offers substantial potential for replication among Parties. Furthermore, this transition aligns with and enhances one of the key outcomes of the Global Stocktake, underscoring its critical importance in the broader climate agenda.
25. Pursuant to decision 1CMA/5 para. 74, the dialogue should address the urgency to support the implementation of the Paris Agreement in developing countries; recognizing that enhanced support for developing country Parties will allow for higher ambition in their actions (Decision 1CMA/5 para. 73).

26. AILAC considers that it topic is completely aligned with the view of keeping 1.5°C and the best available science, has a major mitigation potential this decade and in the long term, is relevant to all Parties, has a high replication potential, harnesses the critical drive of the most important milestone of the first Global Stocktake and is proposed with the view of enhancing the next round of *Nationally Determined Contributions*.
27. AILAC considers that this Dialogue should be inclusive, ensuring that all views are considered, considering the best available science as well as sustainable development, poverty eradication needs and equity in line with different national circumstances.

AILAC considers that the Dialogues could include the following specific topics:

28. *Actionable recommendations focused on implementation*: A structured approach aimed to guide Parties to accelerate implementation the transition, including best practices, specific policy approaches, incentives, and actionable solutions to overcome existing barriers across infrastructure, policy, workforces, and institutions.
29. *Enablers for the transition*: Pursuant to Decision 1/CMA5, para 70, to discuss about the enablers to transition away from fossil fuels for different stakeholders, recognizing the role of the private sector, and the need to strengthen policy guidance, incentives, regulations and enabling conditions to reach the scale of investments required to achieve a global transition towards low greenhouse gas emissions and climate-resilient development.
30. *Grant-based, highly concessional finance*: Pursuant to Decision 1/CMA5, para 69, focus on solutions to scale up new and additional grant-based, highly concessional finance, and non-debt instruments, which are critical to support developing countries, particularly as they transition in a just and equitable manner, recognizing that there is a positive connection between having sufficient fiscal space, and climate action and advancing on a pathway towards low emissions and climate-resilient development.
31. *Focus on means of implementation and support*: The Dialogue should delve into solutions that truly unlock adequate and predictable financing for developing Parties; in particular those whose economy is heavily dependent on fossil fuels and have limited fiscal space to engage in the transition, to implement their mitigation commitments, aligned with New Collective Quantified Goal on Climate Finance discussions, where applicable.
32. *Examination of Infrastructure Dynamics*: Delving into the construction timelines and operational lifespans of energy infrastructure, alongside the risks associated with stranded assets, to ensure long-term sustainability and economic viability.
33. *Fossil Fuel Market Forecasts*: Analysing predictions of fossil fuel demand considering global efforts to align with the 1.5°C target, highlighting the transition's implications for both global and regional energy supplies and their providers.
34. *Competitive Pricing Analysis*: Investigating the cost-effectiveness of alternative energy sources when fossil fuel subsidies are either eliminated or redirected, providing insights into the economic landscape of a post-subsidy energy market.
35. *Subsidies and pricing schemes to accelerate the transition*: Pursuant to Decision 1/CMA5 para 28h, to discuss about the concept of efficiency in fossil fuel subsidies in the context of energy poverty and just transitions, as well as different approaches and opportunities to phase-out / phase-down fossil fuel subsidies; including by revising energy policies and legal

frameworks to shift incentives away from fossil fuels, incorporating measures such as energy transition fees, levies, and charges.

36. *Fiscal Instruments for Energy Transition*: Exploring the implementation of energy transition fees, levies, and charges on fuels as strategic tools to incentivize the shift towards cleaner energy sources.
37. *Energy Security*: Analysing the operational reliability and downtime of various energy sources to assess their contribution to a stable and secure energy supply.
38. *Environmental impacts of the transition*: Such as the impacts of increasing mining for energy transition, especially in developing countries; considering that mining is one of the main sources of environmental conflicts worldwide.
39. *Co-benefits of the transition*: Such as economic diversification, public health, air quality, food security, employment, among others.
40. The previous topics can be arranged drawing inspiration from the structure of the 2023 previous Global Dialogues, allocating two days for comprehensive exploration across four thematic areas to transition away from fossil fuels in energy systems:
 - Policy and Economic Frameworks for the transition
 - Financing and Support Mechanisms for the transition
 - Infrastructure and Market Dynamics of the transition
 - Environmental and Societal Impacts of the transition

As a general consideration:

41. Provided that the first Global Dialogue of 2024 will be dedicated to the transition away from fossil fuels, AILAC believes that the following Dialogues should continue prioritising other sectors, while asserting that there is a need to discuss the feasibility of parallel and dedicated spaces for further development and/or follow-up of prior discussions, provided these spaces do not impede the exploration of other critical sectors in a timely manner for the preparation of the next round of Nationally Determined Contributions.
42. This balance supports a more inclusive and effective response to the original mandate of the Work Programme, and is particularly significant for Parties, especially those in the developing world, for whom topics like nature and ecosystem conservation, protection and restoration are of paramount importance. This approach is aligned with Decision 4/CMA.4, para 4, stating that the work programme should 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, and relevant enabling conditions, technologies, just transitions and cross-cutting issues.

b) Scaling up mitigation action towards conservation, protection and restoration of nature and ecosystems

Considering that:

43. Parties should take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases as referred to in Article 4, paragraph 1 (d), of the Convention, including forests (Paris Agreement, article 5.1).
44. Parties are encouraged to take action to implement and support, including through results-based payments, the existing framework as set out in related guidance and decisions already agreed under the Convention for policy approaches and positive incentives for activities relating to reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries; and alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, while reaffirming the importance of incentivizing, as appropriate, non-carbon benefits associated with such approaches (Paris Agreement, article 5.2)
45. The Global Stocktake highlights the importance to ensure the integrity of all ecosystems, including in forests, the ocean, mountains and the cryosphere, and the protection of biodiversity, recognized by some cultures as Mother Earth, and noting the importance of 'climate justice', when taking action to address climate change (1/CMA5, preamble).
46. There is an urgent need to address, in a comprehensive and synergetic manner, the interlinked global crises of climate change and biodiversity loss in the broader context of achieving the Sustainable Development Goals, as well as the vital importance of protecting, conserving, restoring and sustainably using nature and ecosystems for effective and sustainable climate action (1/CMA5, preamble).
47. The Global Stocktake highlights the importance to conserve, protect and restore nature and ecosystems towards achieving the Paris Agreement temperature goal, including through enhanced efforts towards halting and reversing deforestation and forest degradation by 2030, and other terrestrial and marine ecosystems acting as sinks and reservoirs of greenhouse gases and by conserving biodiversity, while ensuring social and environmental safeguards, in line with the Kunming-Montreal Global Biodiversity Framework (1/CMA5, para 33).
48. The work programme shall function in a manner that is consistent with the procedures and timelines for communication of successive *Nationally Determined Contributions* established in the Paris Agreement (Decision 4/CMA4, para 3).

Therefore,

49. AILAC believes that The Mitigation Work Programme should encompass not only emissions of greenhouse gases; but also the sinks of greenhouse gases, a strategy that is underpinned by a comprehensive understanding of the Earth's carbon cycle and the critical role of natural sinks in stabilizing the climate. This approach aligns with the scientific insights provided by the IPCC's Sixth Assessment Report (AR6) and is essential for achieving the objectives of the Paris Agreement, particularly in keeping global warming below 1.5°C, compared to pre-industrial levels.

50. The urgent prioritization of ecosystem protection, restoration and conservation is fundamentally justified by the intertwined crises of climate change and biodiversity loss, as underscored by the IPCC's Sixth Assessment Report (AR6) and various international agreements, including the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework. The AR6 highlights the critical role of ecosystems as natural carbon sinks, their contribution to climate resilience, and their intrinsic value in preserving biodiversity, all of which are essential for sustaining life on Earth and achieving the Sustainable Development Goals (SDGs).
51. Ecosystems such as forests, peatlands, wetlands, and marine environments are vital in sequestering carbon dioxide from the atmosphere, thus playing a significant role in mitigating climate change. The AR6 emphasizes that intact ecosystems are among the most effective carbon sinks, with forests alone absorbing approximately one-third of CO₂ emissions from fossil fuels and industry annually.
52. Biodiversity underpins ecosystem functionality and resilience, providing essential services such as water purification, pollination, disease control, and climate regulation. The AR6 and the Global Assessment Report on Biodiversity and Ecosystem Services by IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) both highlight the critical link between biodiversity, ecosystem services, and human well-being.
53. Accelerated actions this decade to mitigate climate change, while halting and reversing deforestation, hold global significance, especially for developing countries; with the strategies and solutions offering substantial potential for replication among Parties. Furthermore, this transition aligns with and enhances one of the key outcomes of the Global Stocktake, underscoring its critical importance in the broader climate agenda.

AILAC considers that the dialogues could include, among others:

54. *Ecosystem-Based Approaches to Climate Change Mitigation:* Protecting and restoring key ecosystems such as forests, peatlands, wetlands, grasslands, and coastal and marine ecosystems in sequestering carbon, enhancing resilience to climate impacts, and supporting biodiversity.
55. *Interlinkages between Biodiversity and Climate Change:* Including an overview of the symbiotic relationship between biodiversity conservation and climate change mitigation as well as case studies demonstrating the impact of high integrity and healthy ecosystems on carbon sequestration and resilience to climate impacts and fully operationalizing Article 5 of the Paris Agreement.
56. *Synergies between the UNFCCC Mitigation Work Programme and the Kunming-Montreal Global Biodiversity Framework:* Pursuant to Decision 1/CMA.5 para 33, identifying and leveraging overlaps in objectives and actions; as well as strategies for integrated national planning and reporting to both frameworks as well as tools and methodologies for quantifying the climate and biodiversity benefits of conservation projects. This is particularly aligned with target 8 of the Kunming-Montreal Global Biodiversity Framework, which highlights the relation between climate change mitigation and minimizing negative and fostering positive impacts of climate action on biodiversity.
57. *Community-based Conservation and Indigenous Peoples' Knowledge:* The role of Indigenous peoples and local communities in ecosystem conservation and climate mitigation.

Integrating traditional knowledge with scientific approaches for effective conservation strategies.

58. *Financing for Ecosystem Protection and Restoration*: Overview of financial mechanisms and incentives for supporting ecosystem-based mitigation actions. Opportunities and challenges in mobilizing resources for biodiversity and climate objectives.
59. *Cryosphere conservation and climate change mitigation*: The significance of cryospheric regions in carbon sequestration and the potential of permafrost as a carbon sink and source and the role of international cooperation and policy frameworks in protecting cryospheric environments and integrating cryosphere conservation into global climate strategies.
60. *Policy Coherence and Multi-level Governance*: Enhancing alignment between national, regional, and global policies on climate and biodiversity, such as Nationally Determined Contributions and National Biodiversity Strategies and Action Plans, including case studies on effective governance models for ecosystem conservation and climate mitigation.
61. *Innovative Technologies for Ecosystem Monitoring and Conservation*: The use of remote sensing, geographic information systems, and other technologies in monitoring ecosystem health and carbon stocks; as well as emerging technologies for enhancing conservation efforts and mitigating climate change.
62. *Stakeholder Engagement and Multi-sectoral Partnerships*: Building effective collaborations among governments, private sector, NGOs, Indigenous communities, and academia. Case studies of successful partnerships in ecosystem conservation and climate mitigation initiatives.
63. The previous topics can be arranged drawing inspiration from the structure of the 2023 previous Global Dialogues, allocating two days for comprehensive exploration across four thematic areas about conservation, protection and restoration of nature and ecosystems:
 - Policy and Economic Frameworks
 - Financing and Support Mechanisms
 - Ecosystem-Based Approaches and Biodiversity
 - Community Involvement and Knowledge Integration

c) Perspectives on the Investment-focused events under the work programme.

64. For the Investment-focused Events within the Mitigation Work Programme discussions, it is crucial to design a comprehensive agenda that addresses the multifaceted aspects of financing climate action.
65. For AILAC, it is vital that the Investment-focused events can facilitate a more nuanced, solution-oriented discussion on financing climate action. This approach not only addresses the immediate financial challenges but also lays the groundwork for a sustainable, equitable transition to a low-carbon, resilient global economy. The following suggestions aim to enrich these events with deep, actionable insights, fostering a collaborative environment for transformative change in line with global climate goals:
66. *Addressing Structural Barriers*: Initiate in-depth discussions on the structural barriers impeding the systemic transformations required for a global transition away from fossil fuels and towards the protection and restoration of ecosystems. This should include

analyses of policy, regulatory, and market obstacles, and the development of strategies to overcome these challenges.

67. *Reform of the multilateral financial architecture*: Pursuant to Decision 1/CMA.5 para. 95, to explore strategies for a comprehensive reform of the multilateral financial architecture, inter alia. multilateral development banks, as well as involving their shareholders to discuss strategies to scale up the provision of climate finance in particular through grants and concessional instruments, as well as to align their policies, investment portfolios, and funding mechanisms with the objectives of the Paris Agreement.
68. *Investment Readiness Policies*: Share lessons learned and best practices on investment readiness policies that have successfully attracted climate finance. These sessions should cover policy frameworks, institutional setups, and capacity-building measures that have facilitated the absorption and effective use of climate investments.
69. *De-risking Strategies for Private Investment*: Delve into innovative de-risking mechanisms and financial instruments that can mobilize private sector investment in climate solutions. This includes guarantees, insurance products, first-loss protections, and blended finance models that reduce the risk profile of investing in green technologies and sustainable projects.
70. *Matchmaking Events with Key Stakeholders*: Organize matchmaking sessions in partnership with the NDC Partnership, IRENA, and other relevant organizations to connect investors with project developers, governments, and NGOs.
71. *Mobilizing Finance from Developed to Developing Countries*: Focus on strategies and mechanisms to increase the flow of financing and resources from developed to developing countries, recognizing the principle of common but differentiated responsibilities. Discussions should include innovative funding models, the role of climate finance in NDC implementation, and the scaling up of contributions to the Green Climate Fund and other financial vehicles; in a way that allows developing countries to advance a systemic transition, aligned with the goal of not exceeding 1.5°C while not imposing unfair burdens or punishing their economies.
72. *Accelerating Climate Action through Targeted Financing*: Highlight successful examples of targeted financing that have led to significant climate action, with a focus on both mitigation and adaptation projects. Emphasize the need for continued and enhanced financial support for initiatives that offer high mitigation potential and contribute to sustainable development.

d) Views for the expansion of the Global Dialogues.

73. AILAC believes that it is vital to expand the global dialogues within the Mitigation Work Programme to include more than two global dialogues in 2024, advocating for at least one global dialogue to be hosted in each region (Americas, Asia, Africa, Europe, and Oceania)

by volunteer hosts. This approach aims to infuse the discussions with diverse regional perspectives, ensuring that the unique challenges, opportunities, and solutions pertinent to each area are adequately represented and addressed.

74. AILAC believes that hosting a global dialogue in each region allows for greater inclusion and representation of regional issues, priorities, and voices in the global climate discourse. This ensures that the strategies and solutions discussed are more comprehensive and reflective of the global diversity in climate challenges and solutions; and allows for an environment to examine localized mitigation opportunities, fostering the development of tailored solutions that are more effective and culturally relevant.
75. The organization of dialogues across various regions, open to the participation of all Parties who are willing to take part, will significantly lower the barriers to participation for countries with limited resources, ensuring broader and more equitable engagement in the global climate conversation. Recognizing the logistical and financial challenges of hosting and attending in-person meetings, virtual or hybrid dialogues offer a flexible and inclusive alternative. They enable wider participation without the constraints of travel, fostering a more democratic and accessible platform for global climate discussions. Careful planning and scheduling can prevent overlaps and ensure that regional dialogues complement rather than compete with global discussions.
76. Regional dialogues also can serve as catalysts for strengthening regional cooperation and collaboration on climate action, sharing best practices, technologies, and resources to accelerate collective efforts towards climate goals.

Suggestion for a preliminary discussion prior to addressing the first topic of the Global Dialogues.

77. AILAC proposes that, as an initial step and before delving into specific topics, a dedicated session should be organized by the co-chairs at the start of the first 2024 dialogue. This session would aim to explore the complementarity of the Mitigation Work Programme (MWP) with the Global Stocktake (GST) with a view to 2026, adopting a practical approach to guide the implementation of the mitigation strategies outlined in decision 1/CMA.5 paragraphs 18-42.
78. This discussion should focus on achieving the MWP's goal of enhancing ambition acceleration, with the outcome being the formulation of actionable guidelines and recommendations. These could then be utilized by Parties in updating their NDC or as part of their strategies for meeting existing NDC commitments, while also considering national contexts.