

## **“Matters Relating to the Global Stocktake referred to in Article 14 of the Paris Agreement”**

### **Submission by the Like-Minded Developing Countries**

#### **Second Meeting of the Technical Dialogue of the Technical Assessment of the First Global Stocktake**

##### **Overarching principles and considerations on process**

The Like-Minded Developing Countries (LMDC) welcomes the opportunity to make this submission to the Second meeting of the Technical Dialogue of the Technical Assessment and Second Joint Contact Group of the First Global Stocktake (2023 GST), to be held at COP27.

Building on the first meeting of the technical dialogue, which was held in the 56th Session of the Subsidiary Bodies (SB56), the LMDC looks forward to actively and effectively engaging with the TD process in a collaborative spirit with the ultimate goal of producing equitable outcomes that reflect collective progress towards achieving the purpose of the Paris Agreement and its long-term goals in a comprehensive and facilitative manner, inform parties in updating and enhancing, in a nationally determined manner, their actions and support, as well as in enhancing international cooperation for climate action, in the context of the UNFCCC objectives, principles and provisions.

The LMDC views an objective and critical assessment of that progress, particularly the gaps in commitments and delivery of actions and support, as an important step in understanding overall progress. In this regard and beyond, a balanced, holistic and comprehensive assessment of the thematic areas of mitigation, adaptation, and means of implementation and support and a cross-cutting understanding and addressing the impacts of response measures and averting, minimizing and addressing loss and damage, is needed.

The LMDC views a facilitative and party-driven process, with the welcomed participation of non-party stakeholders, as essential. Considering the agreement we are assessing progress on, it is also of critical importance that the content matter we are assessing, the approaches we are using and the outputs we are producing are firmly engrained in the principles of the Convention of the UNFCCC and its Paris Agreement, namely equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. This also includes implementation in the context of sustainable development, just transition, climate justice, efforts to eradicate poverty, protection of Mother Earth, and nationally defined development priorities.

The LMDC would like to extend its gratitude to the co-facilitators of the technical dialogue in their efforts to design the dialogue in a manner that is facilitative and interactive, as well as their efforts in producing the summary report on activities and inputs to the first meeting of the technical dialogue. In this same light, we view aligning the translation of the outputs of this technical dialogue process, and its associated language, into the formal outcomes of the GST with the agreed-upon principles, language and themes of the Convention and its Paris Agreement, as crucial.

We would like to take this opportunity to reflect on some of the discussions in the first meeting and highlight areas of priority.

## **Key Elements in Assessment of Progress and Priorities for Future Action**

### **Mitigation:**

**On historical emissions and pre-2020 implementation gaps** – According to the IPCC, historical cumulative net CO<sub>2</sub> emissions between 1850-2019 amount to about four fifths of the total carbon budget for limiting global warming to 1.5°C and to about two thirds for limiting global warming to 2°C. Human-induced climate change is a consequence of more than a century of net GHG emissions from unsustainable-energy use, land-use and land use change, and lifestyle and patterns of consumption and production (IPCC AR6, WGIII SPM). The IPCC AR6 report indicated that the World can emit only about 500 gigatonnes of carbon dioxide (GtCO<sub>2</sub>) starting January 1, 2020 for a 50% chance of limiting warming to 1.5°C. It is clearly established by the best available scientific literature on climate change that to implement the UNFCCC and its Paris Agreement, the equitable sharing of global carbon budget is imperative, while recognizing that there is only a 50% chance of limiting warming to 1.5°C. As a result of such, and as enshrined in the UNFCCC Convention and its Paris Agreement, developed country parties shall take the lead in combating climate change, which now has turned into a climate crisis, and the adverse effects thereof, based on the principles of equity and common but differentiated responsibilities and respective capabilities (IPCC AR4, WGIII SPM). Such leadership, unfortunately, has not materialized in terms of the realization of their existing commitments and targets under the Framework Convention.

As has been previously emphasized by the LMDC, it was the IPCC that had indicated that developed countries must cut their GHGs emissions by at least 25-40% below 1990 levels by 2020. Between 2008-2012, Annex I countries reduced emissions by only 5%. Thereafter, even after taking on the commitment to cut their GHGs emissions at least by 18% relative to 1990 levels between 2013 and 2020, the actual achievement is only 13% as per assessment reported by the UNFCCC Secretariat. The LMDC have been advocating that developed countries must continue to revisit their Pre 2020 emissions reduction targets and evaluate the implementation of the roadmap for achieving emissions reduction target of at least 40% below 1990 levels, considering the remaining carbon budget and the principle of historical responsibility, and, based on the principle of CBDR-RC, developing countries' right to continue to pursue their nationally determined development pathways.

The striking gaps in the implementation of the pre-2020 commitments, is a dent that cannot be ignored in the assessment of our collective progress. A discussion on what such gaps mean for future mitigation action is woefully needed, within the context of the global stocktake.

- To better understand the progress made National Inventory Reports of developed countries submitted by April 15<sup>th</sup>, 2022, must serve as a necessary input for the First GST, which we request a dedicated roundtable and a section in the outcome of GST to focus on the pre-2020 gaps, the challenges and the way forward.

- To ensure long-term accountability regarding pre-2020 commitments, in support of the synthesis report on the overall effect of nationally determined contributions communicated by Parties, a synthesis report compiled annually can focus on Annex 1 country pre-2020 implementation gaps and should be discussed at the pre-2030 ministerial roundtable. The LMDC is of the view that we cannot increase nor can we viably discuss increasing future ambition without maintaining accountability of previous commitments made and ensuring these are seen through.

**On the importance of national development pathways, according to their own visions and approaches, to effective long-term climate mitigation in the context of climate justice** – The first technical dialogue of the technical assessment phase of the GST particularly discussed the key enabling mechanisms to strengthen climate action.

The strong relationship between development and GHG emissions was presented. In this context, the undeniable right for every country to seek its national development was also highlighted. According to the IPCC, countries can grow their economies while reducing emissions. However, this is within the context of countries' diverse priorities "in achieving the SDGs and reducing emissions as informed by their respective national conditions and capabilities. Given the differences in GHG emissions contributions, degree of vulnerability and impacts, as well as capacities within and between nations, equity and justice are important considerations for effective climate policy and for securing national and international support for deep decarbonisation. Achieving sustainable development and eradicating poverty would involve effective and equitable climate policies at all levels from local to global scale, including the equitable distribution of the carbon space. Failure to address questions of equity and justice over time can undermine social cohesion and stability. International co-operation can enhance efforts to achieve ambitious global climate mitigation in the context of sustainable development pathways towards fulfilling the SDGs" (IPCC AR6 WGIII T.S.2).

It is also known that climate change mitigation measures may have synergies and/or trade-offs with many other SDGs, as well as national social, economic and political impacts in the same respect. Effective and honest discussions on mitigation will have to thoroughly and transparently discuss such trade-offs and understand their wide-ranging impacts on developing countries as this will have an effect on mitigation action deployed by developing countries and the impacts they may experience vis-à-vis developed country action. Noting that developed countries should take the lead in mitigation and reduce GHG emissions, and recognizing the right of developing countries to have policy space for sustainable development and through trade-offs.

It is important for the LMDC to continue to highlight and action the following:

- Based on the historic relationship between GHG emissions and development, equitable distribution of the remaining carbon budget for developing country Parties is critical to effective climate policymaking, climate justice and preserving the right to development.
- It is reasonable and in-line with the Paris Agreement to expect diverse timeframes to reaching net-zero emissions, with Developed country Parties taking the lead in doing so.

- The continued alignment of country action with sustainable development goals and national development pathways is core to increasing mitigation ambition for developing countries.
- Equity and justice will play a critical role in global discussions on climate action for countries to undergo low-GHG development and just transitions in a nationally determined manner, in line with national sustainable development, poverty eradication and economic diversification efforts.
- The trade-offs associated with mitigation action can no longer be treated as a supplementary and separate area of discussion. Progress in the area of mitigation, particularly for developing countries is inextricably linked with being able to effectively understand and address the impacts of response measures, to be able to deploy effective and ambitious action that would not set them on any kind of negative social, economic or political trajectory.

**On the importance of technology approaches in line with the Paris Agreement's emissions-focus and IPCC modelled pathways of limiting warming to 1.5°C and 2°C** – Modelled pathways that limit warming to 1.5°C and 2°C vary in terms of national approaches and deployed technologies, all of which are based on a variety of assumptions and based on different national and regional circumstances.

Net-zero CO<sub>2</sub> energy systems depict various tools that may be deployed including electrification, low-emissions hydrogen, and other important technologies, to counterbalance residual emissions, emphasizing that the most appropriate strategies depend on national and regional circumstances, including enabling conditions and technology availability (IPCC AR6 WGIII SPM). Last session included a discussion on Carbon Dioxide Removal (CDR) to counterbalance hard-to-abate residual emissions, if we want to keep 1.5°C and even 2°C alive. It is important to note, for our group, that in those approaches the protection of Mother Earth is essential, including through eco-based approaches and sustainable forest management, which should not be confused with an automatic sink for developed countries to overlook mitigation responsibilities. It is rather to re-stress that as parties continue to enact ambitious climate action, there is also great opportunity for global collaboration in different technologies to address mitigation action, not limiting this to a single approach.

Within this same context, it is noted that the deployment of many technologies that are needed to limit warming 1.5°C and 2°C face significant technological, economic, institutional, ecological-environmental and socio-cultural barriers. Enabling conditions such as policy instruments, greater public support and technological innovation could reduce these barriers (IPCC AR6 WGIII SPM). It is noted that industrial net zero CO<sub>2</sub> emissions will need to promote all mitigation options to rise to that challenge and is to be enabled by the adoption of new production processes using low and zero GHG electricity, hydrogen, fuels, and carbon management (IPCC AR6 WGIII SPM). The IPCC also notes that “integrated and inclusive system-oriented solutions based on equity and social and climate justice reduce risks and enable climate resilient development” ((2022a), IPCC AR6 WGIII para. SPM.D.1.3.), supporting comprehensive climate models which innovatively address GHG emissions, such as but not limited to a circular economy and circular carbon economy.

All of these findings point to the undeniable fact that discussions on mitigation approaches will need to focus on renewable energy deployment but also significantly beyond to adequately and effectively respond to the science. Further, this also points to the fact that there is no single pathway or target which would result in deep reductions. Instead, technology approaches that rely on optionality and nationally driven action are in line with the Paris Agreement's focus on emissions and the principles of CBDR-RC and equity.

Within this context, the LMDC view the following as opportunities for the Global Stocktake to support increased mitigation ambition:

- The GST is an opportunity to enhance technology development and transfer from developed countries to developing countries, as well as to launch partnerships and collaborations to enhance deployment of all technologies needed to help us reach our Paris Agreement long-term goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
- Given their importance for long-term emissions reduction, the GST can help in reducing the barriers associated with all technologies, in the form of a dedicated roundtable or similar modality, to focus on their benefits, gaps, and needed enablers to ensure their success.
- It is important for the GST to identify opportunities to bridge current gaps and increase ambition towards the temperature goal in a nationally determined manner in light of CBDR-RC and equity, without introducing top-down or burden-shifting mechanisms misaligned with the Paris Agreement that attempt to shift burdens.
- It is important for the GST to act as the modality for discussing mitigation ambition, as is the case with the other goals and themes of the Paris Agreement and avoid duplication of this mandate coming from the Paris Agreement in other processes such as the Mitigation Work Programme (MWP). The GST can facilitate an aggregation of best practices across various technologies to support the summary of opportunities for enhancing action in the outputs of the Global Stocktake<sup>1</sup>, through an interactive modality within the technical assessment. Technical work conducted and elements of best practices shared within the Mitigation Work Programme may also provide an input to the GST and considered within the context of the Paris Agreement's ambition mechanism.

**On the importance of implementation and support** – It is no longer sufficient to be discussing ambition solely in the form of new targets. Now is the time for the ambition of implementation and support. For the LMDC, the following areas are critical:

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<sup>1</sup> As per decision 19/CMA.1, paragraph 13.

- For developing countries there is a desire to be ambitious and to raise targets, but there are critical gaps in support and means of implementation (finance, capacity-building, technology transfer) to enable such ambition.
- Current climate finance was inadequate to meet the climate-related needs of developing countries, and it would be meaningless to discuss increasing action without discussing increasing support, for many developing countries, and the obligations and commitments of developed countries should be fully delivered in this regard.

### **Adaptation:**

**On gaps in adaptation finance and support** – The group notes with concern the remaining astonishing adaptation finance gap that remains. The IPCC AR6 WGII SPM indicates that the “overwhelming majority of global tracked climate finance was targeted to mitigation while a small proportion was targeted to adaptation”. Developing countries are using largely their own resources for adapting to climate change, with international support for adaptation being grossly inadequate and very meager, compared especially to support for climate change mitigation. In 2017-2018, the share of adaptation finance was just 21%, compared with mitigation-centered projects, which attract more than 65% of funding of international climate flows. While there remains a huge gap between resources provided and resources needed by developing countries, the Adaptation Gap Report 2020 shows that adaptation costs are estimated to rise to US\$ 140-300 billion annually by 2030 in developing countries.

In relation to adaptation finance, a number of challenges have been highlighted by the 2020 Biennial Assessment and Overview of Climate Finance Flows report by the Standing Committee on Finance. This includes the methods used for determining adaptation finance, which require more accurate quantification of support and funding needed for adaptation projects. In addition, there are significant gaps in the coverage of sectors and sources of climate finance, particularly with regards to private investment, and adaptation and resilience.

It is also worth noting that significant barriers remain which impede access to finance for adaptation through different multilateral; regional and bilateral financing; including the UNFCCC funds. The GCF’s Independent Evaluation Unit’s report titled “Independent Evaluation of the Adaptation Portfolio and Approach of the GCF” emphasized the prolonged application processes for adaptation projects in comparison with mitigation-based projects averaging 109 days longer for the processing of an adaptation project compared with a mitigation project, with the time taken for adaptation projects increasing and mitigation decreasing. It also noted that a greater portion of adaptation-focused concept notes (40%) have been withdrawn after processing.

These elements, and many more, account for critical barriers in enhancing adaptation action for developing countries, which would require substantive focus on the following elements:

- It will be impossible for us to achieve the Paris Agreement goals and for developing countries to respond to the diverse and unprecedented climate impacts they face, without addressing the

exceptional financial gaps in supporting adaptation action. We must continue to discuss developed countries' obligations, especially their provisions of finance for adaptation, under the Convention and its Paris Agreement.

- There must be a particular focus on the current lack of predictability and adequacy of adaptation support, specifically with regards to gaps in monitoring and evaluating such financial flows, particularly from public sources, which seek to support adaptation action.
- There is a need to remove the institutional barriers that exist to accessing finance for adaptation.
- Adaptation financial needs will increase as developing countries' needs increase. We must develop robust recommendations regarding overcoming current support gaps and future needs as they arise.
- It is imperative to emphasize the continued need to balance between support, including capacity building, technology transfer, and finance, provided for adaptation in comparison with mitigation support, particularly in the context of climate impacts experienced by developing countries.

**On Establishing the Global Goal on Adaptation (GGA)** – The issue of adaptation is no longer a choice for developing countries whose vulnerabilities are exacerbated by various adverse impacts from climate change, such as poverty, food insecurity and so on. The launch of the Glasgow-Sharm el-Sheikh work programme on the GGA is a critical step towards establishing the GGA to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change as referred to in Article 7.1 of the Paris Agreement.

We view the success of the GGA, and its ability to support increased Paris Agreement ambition, to depend on a number of key factors:

- The Global Goal on Adaptation is critical to enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2 of the Paris Agreement, while reducing the socioeconomic gaps between developed and developing countries. This is both in the context of enhancing global adaptation action as well as underscoring the potential synergy between adaptation and mitigation action.
- The work of the GGA work programme will be very important in achieving progress in defining the GGA, discussing its quantitative and qualitative dimensions, including metrics, methodologies and indicators, as well as support needed (finance, capacity-building, and technology transfer) for its long-term achievement.

- It is useful to recognize that the goal is global in nature but must also reflect local specific contexts and challenges. In this regard, it may have different nationally determined targets and allow iterative adjustments to reflect changes with time, such as increased climate risks, the adequacy of the GGA's characteristics after each GST, new findings from the IPCC and the recommendations therein. Highlighting, the importance of capitalizing on the existing reporting mechanisms under the Convention and its Paris Agreement.
- The ambition of the GGA must target the ideal thresholds where the SDGs are attained and retained for the long term, even in the presence of climate change and even where transformational aspirations of countries towards attaining scaled-up levels of sustainability and resilience are achieved even in a climate-changed world, as opposed to a "survival threshold", where there is a minimal level of resilience to avoid current or worsening predicaments. Although it would be useful to view adaptation success through a spectrum of action and aspirational ambition, the GGA should still inspire countries to strive for the transformational threshold.
- It is important to provide guidance for a dedicated IPCC Special Report on methodologies to determine adaptation needs that include: climate projections, climate risk assessment, adaptation measures, adaptation cost-analysis, measuring and timespan of climate risk reduction.
- Assessing progress on adaptation action and support, with respect to the Paris Agreement and its long-term goals, is crucial. In the context of the GST, this includes recognizing the adaptation efforts of developing countries, adequacy and effectiveness of adaptation action and support, and reviewing the overall progress made in achieving the GGA.
- Continued synergies should be identified with the GST through providing a concrete outcome on determining the GGA and providing inputs into the first and subsequent GSTs, recognizing the important role of the Glasgow-Sharm el-Sheikh work programme on the Global Goal on Adaptation in this process.

### **Finance:**

**On the \$100 billion goal** – The current state of support from developed countries to developing countries is inadequate, and though it was set years ago, the \$100 billion goal remains unfulfilled. Also, we are moving into a situation in which there is need to move from billion to trillions. According to the fourth Biennial Assessment of the Standing Committee of Finance (BA 2020), the total public financial support reported by Annex II Parties in October 2020 in their Biennial Reports amounted to USD 45.4 billion in 2017 and USD 51.8 billion in 2018. For developing countries, it is clear that the 100 billion is not adequate, predictable, or reliable in terms of financial flows. It is unclear how developing countries are to increase their ambition under such circumstances.



- For many developing countries, finance will be the critical enabler needed for them to be able to raise their ambition. Therefore, we urge developed countries to fulfill their pledges to provide 100 billion USD per year by 2020 for developing countries urgently, to regain a sense of trust in the multilateral climate system, and to support effectively developing countries to enhance their climate action.
- It should be emphasized that although current climate finance recorded is well below the USD 100 billion goal, the USD 100 billion goal was not the outcome based on the needs of developing countries. Therefore, even the fulfillment of this goal is not sufficient.
- The predictability challenges of the goals must be overcome, and the lessons learnt must be used to avoid these challenges within the New Collective Quantified Goal (NCQG).

**On the New Collective Quantified Goal (NCQG)** – COP26 also launched structured deliberations on the New Collective Quantified Goal (NCQG) on Climate Finance. In assessing progress on the provision and mobilization of finance from developed to developing countries, many challenges have been highlighted with considerable gaps identified. Discussions on the NCQG must work to overcome the challenges that have been associated with the USD 100 billion goal and effectively match the needs of developing countries in order to be deemed effective and to support increased ambition.

The first Needs Determination Report of the Standing Committee on Finance found that only 30% of the needs of developing countries identified were being costed. Of the needs costed, the quantified figures (in terms of financial resources needed) range from USD 5 trillion to USD 11 trillion. These are staggering numbers, which are very much far off the USD 100 billion per year that was set in 2009/2010 and, again, almost 15 years later, remains unfulfilled. This is in addition to the unfulfilled pre-2020 commitments by developed countries. These are important considerations regarding the huge rift between targets, fulfillment of targets, and alignment of such with needs.

In addition to the challenges of transparency and inadequacy mentioned, there needs to be a balance between mitigation and adaptation finance (Article 9.4 of the Paris Agreement). Developing country Parties have identified more adaptation than mitigation needs, however, more costed needs were for mitigation. As per NCs (NDR 2021), 56 per cent of costed needs are for mitigation and around 44 percent are for adaptation.

There is also the need to distinguish between public and private sources of finance to enhance transparency of support.

The LMDC view the following elements as critical to advancing the ambition of developing country mitigation and adaptation action, in line with the principles of the UNFCCC convention and its Paris Agreement:

- The NCQG for developed countries should reflect the principles of equity and common but differentiated responsibilities and respective capabilities, in the light of different national

circumstances, at its core. Article 2 of the Paris Agreement specifies the objectives of the Paris agreement, and Article 9 of the Paris Agreement specifies the form of implementation of climate finance.

- The NCQG must be based on the aggregate needs and priorities of developing countries without prejudice to any sectors or policies that may be determined by Parties in their NDCs or other national submissions and commitments under the UNFCCC and its Paris Agreement, in the context of sustainable development, energy security, poverty eradication and food security.
- Financing by developed countries for developing countries must mainly be grant-based, from public sources provided by developed countries and support developing countries mitigation and adaptation efforts and capacity building and technology needs, with direct access mechanisms for the provision of finance.
- The NCQG should be determined through a methodology that is consistent, easily replicable, and accurately and exhaustively captures all the needs and priorities of developing countries according to their NDCs, since they are the means for achieving Article 2 and 9, and other commitments under the Convention and its Agreement. This would require the NCQG to be set periodically to effectively and consistently align the goal with the needs of developing countries.
- NCQG must have Quantified Goal as the core of the discussion, others such as transparency, Instruments, Channels, Sources are elements of the Quantified Goal.
- The NCQG should be configured while keeping in mind the following important elements: quantity, scope, access, transparency, and predictability. The NCQG should be not only for mitigation, adaptation, and technology transfer but also for capacity building so that developing nations can effectively identify their needs and priorities. This can ensure the alignment between NCQG, and the needs and priorities associated with their national plans (NDCs and others). In the context of the GST, this will be critical for developing countries especially as they enhance their action.
- The issue of quality of climate finance, is also closely related to the lack of transparency over what is being channeled and accounted for as climate finance. In terms of the definition of climate finance, developed countries should follow the provision of Article 4.3 of the Convention on providing new and additional financial support to developing countries and Article 9 of the Paris Agreement on fulfilling obligations related to climate finance.