

## **SUBMISSION BY FRANCE AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES**

### **Subject: Submission for the Global Stocktake**

Paris, 28 March 2022

### **Chapter 1 - Summary**

- The Global Stocktake (GST) is at the heart of the ambition cycle of the Paris Agreement, and the EU and its Members States are fully committed to contributing to and learning from this process.
- The vast variety of knowledge the UNFCCC and other international organizations and processes have generated will contribute to a good overview on where we stand and what needs to be done to achieve the long-term goals of the Paris Agreement.
- The GST process should be inclusive and accessible to Parties and non-Party stakeholders.
- Technical dialogues should focus on identifying opportunities for further action - what we can do more to address climate change.
- Technical dialogues should be evidence and expert-based, be organized in a dynamic way that builds on the knowledge gained from one Technical Dialogue session to the next.
- High-Level Champions should assist in facilitating and supporting effective participation of non-Party stakeholders throughout the GST process.
- The GST should both contribute to and benefit from other processes under the Paris Agreement and the UNFCCC, particularly those that generate additional benchmarks for action such as the mitigation work programme, work programme on the global goal on adaptation and the ad hoc work programme on the new collective quantified finance goal.
- The outcome of the GST will have to provide an important signal to the wider landscape of relevant actors to advance ambition and implementation and steer real world action.
- The format of the outcome of the GST should be a CMA decision fully endorsing the results of the GST that also includes a technical annex which could include a summary of key recommendations across the thematic areas of the GST.
- The IPCC Special Report on Global Warming of 1.5°C<sup>1</sup> concluded that limiting global warming to 1.5°C requires reducing global carbon dioxide emissions by 45 per cent by 2030 relative to 2010 and to net zero around mid-century.
- Any further delay in global climate action will miss a rapidly narrowing window of opportunity to limit global warming to 1.5°C. Therefore, accelerated action is required in this critical decade, in light of the best available science and equity.
- Meeting the climate mitigation and adaptation goals enshrined in the Paris Agreement requires bringing about a fundamental transformation of the economy and a major shift in the structure of the economy and financial markets.

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<sup>1</sup> [Global Warming of 1.5 °C — \(ipcc.ch\)](https://www.ipcc.ch)

- Therefore, the GST would benefit from having a dedicated space for exchanging views and experiences regarding the alignment of all financial flows with the goals of the Paris Agreement through the implementation of Article 2.1.c.
- The EU and its Members States are committed to develop and implement robust domestic policies and measures and incentive structures that deliver on our collective goals set in the Paris Agreement.
- The EU presents in this submission domestic experiences in the working areas of mitigation, adaptation, and finance flows, means of implementation and support particularly focusing on policies that are replicable and drive economic transition. The overall EU experience is that climate policies need to be comprehensive, guided by binding climate targets and embedded in a strong societal support and cooperation.

## **Chapter 2 – Introduction**

The EU is looking forward to participating in the first Technical Dialogue (TD1) at the SB56 in June 2022, under the guidance of the two TD co-facilitators. With this submission, the EU responds to the call for voluntary submissions by the SB chairs.

The GST is a key feature of what we refer to as the **ambition cycle**, a wider process aimed at achieving the long-term goals (LTGs) of the Paris Agreement. The multilateral discussions at technical and political level under the GST, as well as its outcome, must find their way into the domestic decision-making, planning, and monitoring and evaluation process in order to ramp up ambition and implementation across the areas of mitigation, adaptation and finance flows that provide the means of implementation and support.

The GST is key in order to foster political attention and trigger action on the ground, raise global ambition and ensure the effective implementation of the Paris Agreement. The GST provides an important opportunity to transition the focus of global climate engagement from negotiations to implementation and cooperation.

Basing our discussion throughout the GST on the **best available science**, in particular from the IPCC reports, is central for achieving LTGs of the Paris Agreement. Based on the information and insights provided by the IPCC Special Report on Global Warming of 1.5 °C<sup>2</sup> as well as the other two Special Reports<sup>3</sup>, and the Working Group I (WGI) contribution<sup>4</sup> to the sixth assessment cycle, consensus has shifted towards a stronger recognition of the need of pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, under the Paris Agreement long-term temperature goal. Most recently, this was recognized in the Glasgow Climate Pact (1.CMA/3).

Ecosystems play a crucial role in achieving the long-term goals by acting as sinks and reservoirs of greenhouse gases whilst protecting biodiversity, delivering ecosystem services, and contributing to adaptation, enhancing resilience to climate change, and contributing to the Sustainable Development Goals. The long-term mitigation potential of land ecosystems can only be realized by protection and restoration and by sustainable land and forest management. This evolving context should be recognized in framing the discussions on the long-term temperature goal under the GST.

This submission aims to contribute to a constructive and forward-looking TD, which will provide the basis for a successful GST that can live up to its mandate. The submission contains EU views on the organizational aspects (Ch. 3), including the position of the GST in the wider UNFCCC constellation, messages on the expected GST outcome (Ch. 4), recent climate policy developments within the EU (Ch. 5), and messages on good practices and opportunities to enhance climate action and international cooperation on mitigation, adaptation and finance flows and means of implementation (Ch. 6, 7 and 8).

This submission does not aim to cover all the guiding questions as presented by the SB Chairs and the EU may present further submissions at a later stage in the process to cover other guiding questions.

## **Chapter 3 - EU views on the GST process**

### *a. Organizational and practical aspects*

<sup>2</sup> Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty (SR1.5) <https://www.ipcc.ch/sr15/>

<sup>3</sup> 'Climate Change and Land. An IPCC Special Report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems (SRCCL)' <https://www.ipcc.ch/srccl/>; 'IPCC Special Report on the Ocean and Cryosphere in a Changing Climate (SROCC)' <https://www.ipcc.ch/srocc/>

<sup>4</sup> <https://www.ipcc.ch/report/sixth-assessment-report-working-group-i/>

As the first TD of the first GST will commence in June 2022, it is important to outline some expectations the EU has on the overall process. We expect that the vast variety of knowledge the UNFCCC and other international organizations and processes have generated, will contribute to a good overview on where we stand and what needs to be done to achieve the LTGs of the Paris Agreement. We think the co-facilitators in close coordination with the SB Chairs should guide Parties and non-Party stakeholders throughout the technical assessment process. We trust the co-facilitators will provide a good judgment on which inputs and experts need to be brought in at which point in time. The EU stands ready to support this.

The GST process should be **inclusive and accessible** to both Parties and non-Party stakeholders, and in that context easily available and timely information is of critical importance (the rest of this Chapter contains various other suggestions). All parts of the GST should be organised in line with **the mandate agreed** in the Paris Agreement and the decision 19/CMA.1. The EU would like to thank the SB Chairs and the co-facilitators for the information made available on the UNFCCC GST webpage and encourages them to continue sharing the relevant information on the structure and process of the GST. This information is essential for both Parties and non-Party stakeholders to engage in this process in a productive manner.

Overall, we see the TDs addressing the **three thematic areas** of mitigation, adaptation, and finance flows and means of implementation and support in a balanced way. Given the broad scientific and political understanding that we collectively are not on track to implement the goals of the Paris Agreement, the GST should first reflect on progress towards the respective LTGs of the Paris Agreement and quickly focus on identifying **opportunities for further action** - what we can do more to address climate change rather than be limited to measuring how big the actual implementation and ambition gaps are. The world knows that much more climate ambition and action is needed; therefore, the GST must focus on prompting real action and implementation on the ground. That means focusing on identifying opportunities for enhanced action and support and potential for increased international cooperation across the thematic areas.

The GST will generate an **extensive pool of knowledge** and TDs are the best way to bring this new knowledge and information into the process. From our perspective, it would be important to ensure **a dynamic process** that builds on the knowledge and experiences gained from one TD session to the next one, and we trust the co-facilitators will carry out such an approach. The co-facilitators of the TD have been mandated to summarize the outputs in reports, which could also identify knowledge gaps and lessons-learned in relation to the themes discussed. Party and non-Party stakeholders could then bring in tailored information to cover the identified knowledge gaps for the next TD.

In our collective technical assessment process, **inputs from non-Party stakeholders** will be critically important and **High-Level Champions** should assist in facilitating and supporting effective participation of non-Party stakeholders throughout the GST process. The Champions are in an excellent position to operate as a link between non-Party stakeholders and the GST process. They have extensive experience in strengthening collaboration amongst national governments and non-Party stakeholders, for instance through the organisation of Regional Climate Weeks and other multi-stakeholder dialogues. The Champions have also been increasingly working on tracking progress and enhancing transparency and credibility of non-Party stakeholders' action such as through the global campaigns, the Yearbook on Global Climate Action, and the Global Climate Action Portal.

In order to connect the GST process with 'real world' action, the co-facilitators could consider adding one or more technical papers to the **output of the Technical Dialogue**. Such technical papers could list specific recommendations for enhanced climate action. These could cover the three thematic areas and offer templates for what works, as well as scalable and replicable examples. These identified opportunities could be organized by sector or by theme.

We believe that co-facilitators should be trusted to make sure all inputs and topics in the TD are discussed in a **balanced, holistic and comprehensive manner** with to the extent possible, a balanced allocation of time between thematic areas. To ensure this balance, the consideration of all the three thematic areas of mitigation, adaptation, and finance flows and means of implementation and support could progress in parallel. The cross-cutting elements of science and equity are integral parts of the three thematic areas. Whereas the topics of 'addressing the social and economic consequences and impacts of response measures' and 'averting, minimizing, and addressing loss and damage associated with the adverse effects of climate change' may be taken into account 'where appropriate' and particularly in the context of the thematic areas of mitigation and adaptation respectively.

Equity should be considered in a Party driven and cross-cutting manner throughout the GST process, across the three thematic work streams and components of the GST. To the EU, this means that all inputs (including on equity) are considered in a balanced, holistic and comprehensive manner, it also means that the thematic workstreams are treated in a balanced manner. Furthermore, we also need to be true to the mandate of the GST and ensure that we are respecting the collective nature of the GST process. Specific thematic equity considerations will arise in each thematic workstream as agreed in the Paris Agreement, including on fairness and ambition of

NDCs. We note that Parties and non-Party stakeholders might have different views on how equity should be addressed in the GST.

To ensure the dialectical character of the TDs, the **format is important**. There are various ways to promote this, for instance having a round or square table, and avoiding a lecture-style venue. To guarantee good time for exchange, presentations should be short and focused. In some cases, allowing poster presentations could help to include a larger number of inputs. In this context, the co-facilitators should ensure that inputs and presentations are clearly within the scope of the GST.

It is also important to preserve the **technical nature of the TD**, by keeping it evidence- and expert-based and avoiding political discussions. Procedural issues and guidance for the co-facilitators should be taken up in the Joint Contact Group.

Finally, in order to ensure a comprehensive dialogue which also covers opportunities for international cooperation, the GST process could convene institutions such as the World Bank, International Monetary Fund, International Energy Agency (IEA), International Renewable Energy Agency (IRENA), Food and Agriculture Organization, World Health Organization, International Civil Aviation Organization, and International Maritime Organization, among others, to consider progress on climate action and opportunities to strengthen that action and international cooperation.

*b. Synergies with other processes taking place in parallel under the Paris Agreement*

The GST will also have to consider relevant recent developments and decisions under the Paris Agreement. In the **Glasgow Climate Pact**, Parties expressed alarm and utmost concern about the state of the climate, stressed the urgency of enhancing ambition and action in relation to mitigation, adaptation, and finance in this critical decade to address the gaps in the implementation of the goals of the Paris Agreement, and took some important decisions in this respect.

There is no doubt that these developments are highly relevant for the GST and should be considered to the extent possible in the GST in a complementary way without causing delay in the work of the GST or duplication of discussions that should take place in other processes under the GST. To ensure such complementarity and to enhance synergies and coherence between these processes and the GST as the central motor of the 5-year ambition cycle, we encourage the co-facilitators of the TD to **explore pragmatic solutions**, such as inviting presiding officers and co-facilitators of these processes to share a state of play on relevant ongoing work at the appropriate time. The co-facilitators could also regularly debrief the other UNFCCC processes on the state of play of the TD of the GST. We should seek to have a mutually beneficial relation between GST and other UNFCCC processes that avoids duplication and realizes synergies for all.

The **work programme to urgently scale up mitigation ambition and implementation** in this critical decade should aim at nearly<sup>5</sup> halving global emissions by 2030. The extent that it is successful will help shaping the context and starting points for the post-2030 NDCs, that will be designed and presented by Parties based on the outcome of the GST. While this work programme will focus on short term (pre-2030) mitigation ambition and implementation in a one-year cycle up to 2030, the GST should be the motor of the 5-year ambition cycle ensuring sustained climate ambition towards achieving the LTGs of the Paris Agreement. The mitigation work programme should complement this, by building and maintaining short-term momentum and exploring further opportunities for mitigation action

The **commitments in the Glasgow Climate Pact**, among other things, on phasing down unabated coal power and on phasing out inefficient fossil fuel subsidies are important new elements when designing a net-zero future, and should be part of the GST, as are the Breakthrough Agendas on clean power, near zero-emission vehicles, near-zero steel, renewable and low-carbon hydrogen, and the Global Methane Pledge. The Reports on the State of Transition with analysis of progress against the objectives and the opportunities for and benefits from enhanced cooperation, led by IEA with IRENA and High-Level Champions should therefore also serve as inputs to the GST process. The same goes for the follow up processes related to the Glasgow Leaders Declaration on Forests and Land Use and other Glasgow Declarations and COP26 initiatives.

The **global goal on adaptation (GGA)**, established in Article 7.1 of the Paris Agreement, is one of the Agreement's long-term goals and the benchmark for adaptation action around the world. The GST is mandated to, inter alia, review overall progress made in achieving the GGA. At the same time, the new **Glasgow-Sharm El-Sheikh work programme on the GGA**, which will start work this year, has as one of its objectives to "[...] contribute to reviewing the overall progress made in achieving the global goal on adaptation as part of the global stocktake [...]". As specified in Article 7.1 of the Paris Agreement, the GGA is a qualitative goal that is to be achieved through a continuous improvement process. Every five years, the GST will take into account the progress made and consider

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<sup>5</sup> Reducing CO2 emissions by 45% in 2030 from 2010 levels

further efforts to be made. The EU supports an **alignment between these two processes** and encourages Parties, Presiding Officers, and the Secretariat to ensure that work undertaken under the GGA work programme will contribute to a successful review of overall progress made in achieving the GGA under the GST and inform the first and subsequent GST.

The **ad hoc work programme on the new collective quantified finance goal** (NCQG) will be carried out from 2022 to 2024. The NCQG aims at contributing to the objectives of the Paris Agreement, so it will deal with a lot of issues that are also important to other processes, like the GST. The deliberations on the NCQG can feed into the first and second GST. Given that the timeline established in the decision taken by CMA3 in Glasgow (9/CMA.3), goes beyond that set for the first GST, it will be difficult to capture the advancements in due time. However, the annual reports of the co-chairs of the NCQG be one possible source of information for the GST.

#### **Chapter 4 - EU vision on the GST outcome**

Key function of the GST is to assess the collective progress towards the long-term goals of the Paris Agreement, and to address opportunities (as well as challenges) for enhanced action and support, as well as international cooperation. As the GST process evolves over time, Parties will have a better and a more concrete vision of the political messages and recommendations coming out of the GST technical assessment over time

From the EU's perspective the **format of the outcome** of the GST should preferably be a **CMA decision** fully endorsing the results of the GST and which Parties (and non-Party stakeholders as appropriate) shall take into account when planning, enhancing and implementing further climate action and support, in line with Article 14.3 of the Paris Agreement. The outcome of the GST will have to provide an important signal (including the strengthened political willingness to act) to the wider landscape to advance ambition and implementation and steer real world action on the ground. For its results to gain broad acceptance, each of its workstreams should be informed by shared understandings of and the best available science.

Furthermore, the proposed CMA decision should also include a **technical annex**, informed by the TD, which could include a **summary of key recommendations**, including lessons learned and best practices, challenges and opportunities for enhanced action and support across the thematic areas of the GST. It is important that the technical annex is easily accessible for guidance and for instance, the identified opportunities could be organized by sector or by thematic area, to be appropriately translated into specific **national action** and **also sub-national or non-Party stakeholder driven action**.

The **outcome of the GST for mitigation** should inform, as is expressed in Article 4.9 Parties NDCs. The EU expects that the GST provides a strong impetus for each Party to continue to pursue mitigation measures and enhance them in their next NDC in order to achieve the long-term temperature goal set out in Article 2.1.a and the mitigation goal set out in Article 4.1 of the Paris Agreement. The GST should further inform Parties in their efforts in implementing and updating their long-term low greenhouse gas emission development strategies and aligned with their NDCs and the 1.5°C temperature goal described in Article 4.19.

The **outcome of the GST for adaptation** should increase a shared understanding of the state of adaptation including progress towards the goals in Article 2.1 b) and Article 7.1 of the Paris Agreement and successes achieved, gaps identified, including capacity gaps and the opportunities and challenges ahead building on the work under the Glasgow–Sharm El-Sheikh work programme on the GGA. The outcome should also **include a global overview on the “state of the art”** on averting, minimizing, and addressing loss and damage and the progress made in this respect. It should also contribute to strengthening the linkage with the 2030 Agenda for Sustainable Development. The GST as it applies to adaptation, including loss and damage should not be regarded as a stand-alone event, but as part of an "improvement cycle" that enhances adaptation activities at regional, national, and local levels, as well as international cooperation.

The **outcome of the GST for finance flows**, means of implementation and support should maximize momentum and lead towards Parties undertaking measures to accelerate the reorientation of finance flows towards a low greenhouse gas emissions and climate resilient development and enhancing progress on means of implementation and support in accordance with Articles 2.1c, 9, 10 and 11 of the Paris Agreement, drawing on a range of quantitative and qualitative evidence on interventions that have led to transformational change.

The outcome of the GST will inform Parties in updating and enhancing, in a nationally determined manner, their actions and support, in accordance with relevant provisions of the Paris Agreement, as well as in enhancing international cooperation for climate action. The **equity considerations** under the GST shall inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of the Paris Agreement. It will be for Parties to take on board the outcome of the GST, for instance, in preparing their subsequent NDCs, and to explain how they consider their NDC fair and ambitious in the light of their national circumstances.

Finally, the GST must include a **high-level political event** to provide clear political signals and to influence national political agendas. To further spur and incentivize climate action and political leadership and momentum, the EU considers that high level events held outside the Paris Agreement process and during the course of the ambition cycle could make important complementary contributions.

## **Chapter 5 - Recent climate policy developments within the EU**

### *a. Recent climate policy developments within the EU*

The EU and its Member States are committed to develop and implement robust domestic policies and measures, long-term strategies and incentive structures that deliver on our collective goals set in Paris Agreement. The EU set the target of **climate neutrality by 2050** in December 2019. The EU also adopted the **European Green Deal**, its multi-sectoral roadmap for a green and just transition.

In July 2021, the European Commission proposed the most **comprehensive package of climate and energy legislation**<sup>6</sup> ever, to ensure that the EU policy framework is fit for its **new 2030 climate target**<sup>7</sup>. In light of the EU's commitment to increase its climate ambition, the EU raised its 2030 target in December 2020, and endorsed a binding target for a net domestic reduction of **at least 55%** in greenhouse gas emissions **by 2030** compared to 1990 (previously -40% GHG). The EU is currently working on the revision of its climate, energy and transport-related legislation under the so-called '**Fit for 55 package**' in order to align current regulations with the EU's climate goals for 2030 and 2050. The policy package also puts forward a number of tools to support a transition that is socially acceptable.

With the adoption and entry into force of the **European Climate Law**<sup>8</sup> in June 2021 both the 2030 and 2050 targets became legally binding in the EU. The law aims to ensure that all EU policies contribute to climate neutrality goal and that all sectors of the economy and society play their part. It invites sectors to prepare roadmaps towards achieving the climate neutrality objective and establishes a **European Scientific Advisory Board on Climate Change**. The Advisory Board will provide independent scientific knowledge relating to climate change and advice on EU climate policy. With the adoption of the European Climate Law, the EU has introduced adaptation mainstreaming into all European Union policies and the long-term EU budget.

### *b. EU experience on working with stakeholders*

Civil society, private sector and other stakeholder's engagement is one of the key strands in reaching climate neutrality in EU by 2050, empowered by the EU Green Deal. Stakeholders are consulted systematically during the EU policy making - the EU **better regulation tools**<sup>9</sup> provide a solid basis for this. In December 2020, the Commission launched the **European Climate Pact**<sup>10</sup> to give citizens even a greater role in designing both mitigation and adaptation actions, and an effective platform to do so. It provides a space for people across all walks of life to connect, inspire each other and collectively develop and implement climate solutions. By February 2022, there were near 800 citizens already fully active ambassadors<sup>11</sup>.

People and cities across the EU are increasingly taking action. The **EU Covenant of Mayors for Climate and Energy**<sup>12</sup> has been the leading reference point for local energy and climate action for fourteen years, now gathers 9,000+ local and regional authorities across 57 countries. Today, the initiative has taken on an international scale with the **Global Covenant of Mayors**<sup>13</sup> and is drawing on the strengths of a worldwide multi-stakeholder movement. Further, the EU mission '**Climate-Neutral and Smart Cities**'<sup>14</sup> of the Horizon Europe research and innovation programme aims to deliver 100 climate-neutral and smart cities by 2030 and to foster experimentation and innovation hubs to enable all European cities to follow suit by 2050. Other EU missions – on adaptation to climate change, on oceans and inland waters and on soil health – will promote climate action through broad-based citizen engagement.

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<sup>6</sup> COM(2021) 550 final.

<sup>7</sup> The EU and its Member States submitted updated Nationally Determined Contributions (NDC) to the UNFCCC in December 2020.

<sup>8</sup> Regulation (EU) 2021/1119.

<sup>9</sup> [https://ec.europa.eu/info/law/better-regulation/have-your-say-simplify\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say-simplify_en)

<sup>10</sup> [https://europa.eu/climate-pact/index\\_en](https://europa.eu/climate-pact/index_en)

<sup>11</sup> [https://europa.eu/climate-pact/ambassadors/meet-our-ambassadors\\_en](https://europa.eu/climate-pact/ambassadors/meet-our-ambassadors_en)

<sup>12</sup> <https://www.covenantofmayors.eu/about/covenant-initiative/covenant-in-figures.html>

<sup>13</sup> <https://www.globalcovenantofmayors.org/>

<sup>14</sup> [https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/climate-neutral-and-smart-cities\\_en](https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/climate-neutral-and-smart-cities_en)



## **Chapter 6 - Mitigation: good practices and opportunities to enhance international cooperation**

The IPCC Special Reports on Global Warming of 1.5°C, on Land and Climate Change<sup>15</sup>, on the Ocean and Cryosphere in a Changing Climate<sup>16</sup> and Working Group I (WGI) and Working Group II (WGII) contributions<sup>17</sup> to the Sixth Assessment Report assessed that the impacts of climate change will be much lower at the temperature increase of 1.5°C compared with 2°C. In particular, the IPCC Special Report on Global Warming of 1.5°C<sup>18</sup> assessed that limiting global warming to 1.5°C requires reducing global carbon dioxide emissions by 45 per cent by 2030 relative to 2010 and to net zero around mid-century. Any further delay in global climate action will miss a rapidly narrowing window of opportunity to limit global warming to 1.5°C. Accelerated action in this critical decade on the basis of the best available scientific knowledge and equity is urgently needed.

Some important announcements of increased climate ambition were made at COP 26. New or updated NDCs contributed to slightly narrowing the emissions gap in 2030, and around 90% of world emissions are now covered by net zero targets. Despite these positive developments, the **ambition gap** remains impressive and an **implementation gap** is looming, in cases where NDCs and net zero targets might not be underpinned by robust and solid policies and measures. The updated NDC report should provide relevant information in this respect

The EU commends all Parties that came forward with net zero targets in the run-up to COP 26 in Glasgow. However, more Parties need to formulate and communicate Long Term Strategies (LTS). The next step is to elaborate LTS to help achieve the economic transformation needed, as well as move towards the long-term goal set by the Paris Agreement and the broader sustainable development goals. The Glasgow Climate Pact urges Parties **to present or update LTS** towards just transitions to net zero emissions by or around mid-century, taking into account different national circumstances, and requests the secretariat to prepare a synthesis report on LTS and NDC for CMA4. The EU is of the view that these reports will be an important input for the GST and supports including such a report as an input for subsequent GSTs. LTS are a crucial tool to guide us towards net-zero emissions around mid-century. Therefore, Parties **NDCs should be aligned** with them, following the invitation from Glasgow. Both LTS and NDCs should be underpinned by sound and robust policies and measures.

### *a. EU good practices*

The EU and its Member States have over 15 years of experience in preparing and implementing fair and ambitious mitigation policies across all sectors of the economy. This has included a substantial element of learning-by-doing, which the EU is happy to share. At the same time, we are interested in learning from the experiences of other Parties.

**Progress towards EU mitigation targets** is well documented and examined regularly, for example in reports such the Climate Action Progress Report<sup>19</sup>, Trends & Drivers report of the European Environment Agency (EEA)<sup>20</sup> and the Database on GHG policies & measures in Europe<sup>21</sup>, as well as reporting under the UNFCCC Convention and Kyoto Protocol.

The **EU Emissions Trading System** (EU ETS) is a key tool for reducing GHG emissions in the power and manufacturing sectors cost effectively and covers also emissions from domestic flights within the European Economic Area. It presently covers around 36% of EU's total GHG emissions. By 2020 EU ETS emissions from stationary installations had already fallen by 43% since 2005, largely driven by a decrease in the use of hard coal and lignite fuels, better and more efficient installations and a substantial increase in electricity generation from renewables accounting for a 22% share of gross final energy consumption from renewable sources<sup>22</sup>, also partly by reduced electricity consumption due to the pandemic.

Outside the sectors covered by the EU ETS (non-ETS industry, transport, buildings, agriculture and waste), Member States have **national emissions reduction targets**, with targets for each Member State based on their relative wealth, measured by GDP per capita. Emissions reductions in these sectors are driven by a mixture of national and EU-level policies. Good examples of EU-level policies include measures in the road transport sector, which is the second largest source of emissions in the EU and is subject to emissions standards for new vehicles. Average emissions from new cars decreased from 122.3 g CO<sub>2</sub>/km in 2019 to 107.8 g CO<sub>2</sub>/km in 2020. This is by far the greatest annual decrease since CO<sub>2</sub> standards were introduced in 2010, thanks to the phase-in of a stricter

<sup>15</sup> Climate Change and Land. An IPCC Special Report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems (SRCCL) <https://www.ipcc.ch/srccl/>

<sup>16</sup> IPCC Special Report on the Ocean and Cryosphere in a Changing Climate (SROCC) <https://www.ipcc.ch/srocc/>

<sup>17</sup> <https://www.ipcc.ch/report/ar6/wg2/>

<sup>18</sup> [Global Warming of 1.5 °C — \(ipcc.ch\)](https://www.ipcc.ch/global-warming-1-5-c/)

<sup>19</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_5555](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_5555)

<sup>20</sup> <https://www.eea.europa.eu/publications/trends-and-drivers-of-eu-ghg>

<sup>21</sup> <http://pam.apps.eea.europa.eu>

<sup>22</sup> <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20220119-1>

EU fleet-wide CO<sub>2</sub> target in 2020. In addition, it shows the effect of targeted COVID-19 recovery measures put in place by Member States which stimulated the uptake of zero and low-emission vehicles and investments in recharging infrastructure.

The EU and its Member States also have a lot of positive experiences to share with regards to the efforts made that address the social and economic consequences and impacts of response measures while implementing mitigation policies and actions towards the achievement of the Paris Agreement goals, including in the light of the **green transition in the EU Recovery and Resilience Facility (RRF)**. The Just transition plan is another initiative aiming at leaving no one behind while ensuring green transition. The EU highlights **importance of exchanging views, experiences and best practices on how to maximise positive and minimise negative impacts/enhance co-benefits** of response measures in enabling moving towards the achievement of the Paris Agreement goals. We have **positive stories**<sup>23</sup> (**creation of jobs, health co-benefits, cost effectiveness**) on implementing climate policies, just transition measures and diversifying local economies and from the impact assessments of climate policies (such as the EU ETS, EU NDC).

*b. Enhancing international cooperation*

In implementing the Paris Agreement, the **EU cooperates with international partners**, encourages and assists delivery of highest possible mitigation ambition. In recent months, the EU initiated new **climate dialogues** with India and the US, and a green alliance with Japan. In the Western Balkans and European neighbourhood, the EU continued to support the development of LTS and monitoring reporting and verification systems to help improving governance and to mobilise resources.

The Eastern Partnership countries have confirmed their commitment to step up cooperation. Ukraine started a dedicated dialogue with the EU to align its policies and legislation with the European Green Deal.

Bilaterally, and through **multilateral initiatives** such as the NDC Partnership and the 2050 Pathways Platform, the EU and its Member States support the implementation and update of NDCs and LTSs of developing country Parties. Furthermore, we welcome the Just Energy Transition Partnership with South Africa, we look forward on operationalising it and we express our willingness to explore before COP 27 opportunities for further Partnership.

The EU and its Member States will engage with partners around the world, and work on the implementation of various **sectoral initiatives** and calls, stemming from Glasgow. We will work closely, amongst others, with our African partners to support universal access to safe and sustainable low-carbon technologies, energy efficiency and the development of an interconnected energy infrastructure

With regard to the sectors of **international aviation** and **maritime transport**, in 2018 each sector contributed to 2% of global CO<sub>2</sub> emissions. Despite a decline of emissions in both sectors due to the COVID-19 pandemic, they are expected to continue growing as in the past by 4-5% per year in the longer term. A global balance between anthropogenic emissions and removals can obviously not be achieved without addressing emissions of both sectors accordingly. However, emissions of both sectors are only included as memo items in national GHG inventories and are not covered by NDCs.

Encouraged through the Kyoto Protocol, UNFCCC Parties have worked in the **International Civil Aviation Organisation (ICAO)** and **International Maritime Organisation (IMO)** to address these emissions. Both organisations have adopted policies aiming at reducing the emissions.

With the view to achieve a comprehensive picture of all global efforts to reduce GHG emissions, **both organisations should thus contribute to the GST** and report on their efforts including the impact on emission reductions already achieved and projected for the future, with a view to aligning them with the Paris Agreement temperature goal.

International cooperation, promoted through **Article 6** of the Paris Agreement, can foster innovation, identify synergies and efficiencies in mitigation, mobilize finance for abatement where public resources are insufficient, and enable higher ambition in individual and in collective commitments, in line with the LTGs of the Paris Agreement.

For example, in relation specifically to the **new market mechanism** under the Article 6.4, we are of the view that the mechanism, given its centralized nature, presents a particular opportunity for the international community to facilitate and support those countries that face market barriers or require support in developing their mitigation strategies. It will do so principally by enabling these countries to integrate the use of international markets or cooperative approaches in their NDCs and long-term mitigation strategies, properly aligned with a trajectory to net zero, as determined by those countries including in any LTSs.

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<sup>23</sup> [Inputs from EU.pdf \(unfccc.int\)](#)



Also, cooperation through **non-market approaches** can deliver innovation and enable ambition without the risks attached to market instruments. Such cooperation is fostered and realized through a range of institutional arrangements and instruments, both inside and outside the UNFCCC. The work programme under Article 6.8 represents an opportunity for Parties to explore cooperative approaches that have significant potential to deliver higher ambition.

## **Chapter 7. Adaptation, including averting, minimizing, and addressing loss and damage: good practices and opportunities to enhance international cooperation**

The Working Group II contribution to the IPCC's Sixth Assessment Report on Impacts, Adaptation and Vulnerability published in February 2022 states that climate change is a threat to human well-being and planetary health. Almost half of the world's population lives in contexts that are highly vulnerable to climate change. Climate and weather extremes have exposed millions of people to acute food insecurity and reduced water security, despite increased adaptation efforts. With continued global warming many risks will increase across all areas of human life, all ecosystems and all regions and these risks would be many times more severe than those observed to date. As climate change increases, the costs related to impacts from climate change and for adaptation grow disproportionately. Climate-resilient development and achieving the Sustainable Development Goals will require profound changes in socio-economic development patterns supported by rapid and deep mitigation of greenhouse gases and by well-planned and -implemented adaptation.

### *a. EU good practices*

Like most countries and regions across the globe, the EU and its Member States are already experiencing the increased frequency and severity of climate and weather extremes which have caused a surge in the number of, and damages from, weather and climate-related disasters over the past two decades. These extremes range from unprecedented forest fires and heatwaves above the Arctic Circle to devastating droughts in the Mediterranean region; and from extreme precipitation to hurricanes ravaging in throughout different European regions.

With the adoption of the European Climate Law, the EU has introduced adaptation mainstreaming into all European Union policies and the long-term EU budget. All activities aimed at enhancing resilience and reducing residual risks can contribute to avert, minimize, and address loss and damage associated with the adverse effects of climate change. In this regard, the EU has taken action to boost its resilience over the past years as demonstrated by all Member States having **national adaptation strategies or plans in place**. With its new **EU Strategy on Adaptation to Climate Change<sup>24</sup> of 2021**, the EU will scale up and strengthen the ongoing drive to mainstream adaptation considerations in EU legislation and instruments, as the need to adapt affects almost the entire spectrum of EU policy. The European Climate Adaptation Platform *Climate-ADAPT<sup>25</sup>*, which contains a number of illustrated case studies<sup>26</sup>, is an example of a comprehensive database containing quality-checked information that can be easily searched and give access to shared data and information on expected climate change; vulnerability of regions and sectors; EU, national and transnational adaptation strategies; and actions, case studies, potential adaptation options and tools to support adaptation planning.

Swifter adaptation solutions will be tested and scaled up through the **Horizon Europe mission on adaptation to climate change<sup>27</sup>**. The aim is to support at least 150 regions and communities and to test at least 75 deep demonstrations. Horizon Europe missions on Soil health, Climate-neutral cities, and Oceans and inland waters are also directly relevant to action on adaptation.

The EU and its Member States have showcased a **number of good practices in the EU Adaptation Communication** submitted to the UNFCCC on 7 October 2021<sup>28</sup>. The EU Adaptation Communication also highlights a number of national examples on adaptation, including averting, minimizing and addressing loss and damage from individual Member States. As **concrete and non-exhaustive examples**, it is possible to mention: raising awareness of decision-makers and local actors on natural risks and climate risks, setting up platforms informing inhabitants on the assessment of exposure to risks (floods, storms, hail, etc.) at a given location, organizing **National Councils of Experts for Climate Adaptation** to advise the government, establishing national adaptation knowledge centres, developing a dialogue between public-private actors in order to ensure risk

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<sup>24</sup> COM(2021) 82 final.

<sup>25</sup> <https://climate-adapt.eea.europa.eu/>

<sup>26</sup> [climate-adapt-10-case-studies-online.pdf](https://climate-adapt-10-case-studies-online.pdf) (europa.eu)

<sup>27</sup> [https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/adaptation-climate-change-including-societal-transformation\\_en](https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/adaptation-climate-change-including-societal-transformation_en)

<sup>28</sup> [20211007\\_EU\\_adaptation\\_comms.pdf](https://unfccc.int/20211007_EU_adaptation_comms.pdf) (unfccc.int)

insurance or to improve water management efficiency, using nature-based solutions for climate change adaptation. Several Member states have also submitted their national Adaptation Communications to the UNFCCC.

Given the systemic nature of adaptation policy, adaptation actions are and will be implemented in an integrated manner with **other European Green Deal initiatives** such as the Biodiversity Strategy, the Renovation Wave, the Farm to Fork Strategy, the Taxonomy Regulation on sustainable activities, the Circular Economy and Zero Pollution Action Plans, the Forest Strategy, the Soil Strategy, the Sustainable and Smart Mobility Strategy, and the Renewed Sustainable Finance Strategy. Transnational cooperation between EU Member States to adapt to climate change has increased and cuts across EU policies. Water management was the first area to take climate adaptation action on board, e.g., transboundary river basins or catchment areas. Finally, the EU endorsed the 2020 **Leaders' Pledge for Nature**<sup>29</sup>, together with other 93 countries, to tackle jointly the climate change and biodiversity crisis.

#### *b. Enhancing international cooperation*

At the international level, EU **cooperation with partner countries** on issues related to increased adaptation and resilience builds on (available) context-specific vulnerability and on risk assessments, which are based on the needs and priorities expressed by developing countries in their national development plans, budget allocations and adaptation strategies. In partnership with other actors, the EU and its Member States support partner countries to accelerate their adaptation planning and monitoring and evaluation by strengthening their capacity to access climate financing. More concretely, this is done by setting up or improving their **National Adaptation Plans (NAPs)** processes or equivalent strategic processes and documents. They also support many activities to avert, minimize and address loss and damage, such as those listed in Article 8 of the Paris Agreement, through development cooperation, disaster risk reduction and humanitarian aid as well as dedicated climate funds, organisations and initiatives inside and outside the climate process. At a local level, the EU promotes and supports the development of local and regional climate action plans (including a focus on adaptation) through the **Global Covenant of Mayors**.

Various EU programmes aim to boost new knowledge and opportunities to tackle climate change and enhance international cooperation. For example, under the EU Horizon 2020 (2021-2025) programme for **research and innovation**, the HARMONIA project<sup>30</sup> provides **new insights to help urban areas cope with climate change** and provides a resilience assessment platform - based on satellite and auxiliary data, the system allows urban stakeholders to model a range of planning options against a number of climate change scenarios.

Even though EU cooperation on activities relevant to averting, minimizing and addressing loss and damage associated with the adverse impacts of climate change is substantial and effective, there is still room for **improving the efficiency** of the provision of support for the most vulnerable countries in order to further avert, minimize and address loss and damage associated with the adverse effects of climate change. In particular, the EU is working to ensure synergies between other relevant international Conventions and Frameworks as well as the participation of a wide range of stakeholders and communities of practice.

In this respect, the establishment of the **Santiago Network**, within the Warsaw International Mechanism, represents a significant step forward, which will enhance this work as well as the effectiveness of activities contributing to averting, minimising, and addressing loss and damage associated with the adverse effects of climate change

### **Chapter 8. Finance flows and means of implementation and support: good practices and opportunities to enhance international cooperation**

In Article 2.1c, the Paris Agreement formulated a clear global goal to make (all) financial flows consistent with its mitigation and adaptation goals. There are various examples of action taken by Parties to implement that goal in various policies and across different sectors. Therefore, the GST would benefit from having a **dedicated space for exchanging views** and experiences regarding the implementation of Article 2.1.c. By allowing for an exchange of experiences and lessons learned, such a space would, in our view, have the potential to facilitate change and to allow for advanced learning in this challenging policy area.

The **Fourth Biennial Assessment and Overview of Climate Finance Flows** includes mapping of relevant information to the long-term goal outlined in Article 2, paragraph 1(c) of the Paris Agreement on making finance flows consistent with a pathway towards low greenhouse gas emissions and climate- resilient development. This is the first mapping exercise to be conducted every four years to identify the latest actions and activities of different

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<sup>29</sup> The Leaders' Pledge for Nature represents 38% of global GDP and more than 2 billion people.

<sup>30</sup> [http://harmonia-project.eu/about\\_us](http://harmonia-project.eu/about_us)

actors related to making finance flows consistent with low GHG emission and climate-resilient development pathways including national Governments, development finance institutions, central banks and regulators, multilateral finance institutions and climate funds, as well as private sector actors such as corporations, banks and investors. In addition, information on the implementation of Article 2.1c can also be found within biennial ex ante communications by developed countries based on art. 9.5 of the Paris Agreement.

This will provide a good basis for an initial **input to the GST**, although it will need to be complemented by relevant information about efforts made in the public and private sector on efforts made towards the alignment of financial flows with the Paris Agreement and the goal in Article 2, paragraph 1(c). This is a global effort, and it requires evolving government policies at all levels and in all international fora, in concert with efforts of the private sector in the real economy. The combined effects of governments, international financial institutions, the private sector and civil society will make up the progress that needs to be reflected in the GST. Means of implementation provided by developed countries to developing countries can amplify the effects of finance flows aiming to empower economies to move further towards low greenhouse gas emissions and climate-resilient pathways.

In order to capture a good picture of the progress made towards Article 2.1c we believe that inputs will also need to be included from a **broad range of stakeholders** outside the negotiations based on the widest possible sectoral and geographical representation like private sector, civil society, academia, international organisations, and international financial institutions.

#### *a. EU good practices*

Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C and promoting climate resilient development require unprecedented investments which could be reached directing all sources of finance – public and private, national, and multilateral - towards low greenhouse gas emissions and climate resilient development.

The EU is the world's top provider of official development assistance (representing 55.2% of global assistance), with climate action increasingly integrated into this assistance. Moreover, the EU with its Member States is the largest donor of humanitarian aid in the world (funding about 36% of global humanitarian assistance). Finally, the EU with its Member States is the largest contributor of public climate finance. In 2019, this amounted to EUR 21.9 billion, 52% of which was spent on helping partners to adapt to climate change (including cross-cutting adaptation/mitigation actions). Financial support is disbursed either bilaterally or through multilateral channels.

The EU has decided that at least **30%** - the highest share ever - of the €2.02 trillion made up of (i) the current EU long-term budget (2021–2027) and (ii) the **EU Recovery instrument** (also known as **Next Generation EU**; period 2021 – 2023/2026<sup>31</sup>) will be used for climate-related policies and programmes (up from 20% in the 2014 – 2020 programme period). This means around EUR 606 billion, compared to around EUR 210 billion in the previous period. Furthermore, the Just Transition Mechanism, while using some EUR 21 billion in grants and several billion EUR in funded guarantees from the EU budget<sup>32</sup>, is expected to mobilize around EUR 148 billion (2021-2027) in total of private and public investments to alleviate the socio-economic impact of green transition in the most affected regions and sectors in EU.

Also, the European Investment Bank is committed to increase its share of finance for climate action and environmental sustainability to 50% by 2025 and beyond, aiming to support, together with the European Investment Fund, green investments worldwide worth over EUR 1 trillion over the decade 2021-2030. At the European level, the focus on the green transition in the **EU Recovery and Resilience Facility (RRF)** and the next generation territorial cohesion programmes provide an opportunity to frontload investments and reforms that can help increase resilience to climate shocks as well as accelerate the decarbonisation of the economy. At least 37% of the spending under the RRF will be dedicated to climate change mitigation and adaptation.

Meeting the climate mitigation and adaptation goals enshrined in the Paris Agreement requires bringing about a fundamental transformation of the economy and a major shift in the structure of the economy and financial markets. In this context, the private (including banking) sector has a pivotal role to play. First and foremost, this means **aligning financial flows with the Paris Agreement** – and an in-depth transformation of capital markets allowing a massive value creation (capital expenditure, re-orienting business models, new firms) towards a low greenhouse gas emission and climate resilient economy.

Within the EU, the **Strategy for Financing the Transition to a Sustainable Economy** of July 2021<sup>33</sup> aims at steering the financial sector to green finance and towards a decarbonised and climate-resilient equilibrium of the

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<sup>31</sup> Basically, money from the NGEU needs to be committed by the end of 2023 and spent by the end of 2026.

<sup>32</sup> These amounts being thus already included in the 2 tn figure above.

<sup>33</sup> Sometimes also referred to as the renewed Sustainable Finance Strategy.

economy and financial markets. This could help unlock private investments and generate private finance to reach the climate targets.

As a result of earlier efforts in this area, and based on a Regulation adopted in 2020, the EU is already putting in practice the **Sustainable Finance Taxonomy**, a classification of environmentally sustainable economic activities for companies, investors and policymakers, helping economic actors to make sustainable investment decisions based on a credible, science-based assessment. The EU Taxonomy could play an important role helping the EU scale up sustainable investment and implement the European green deal - making the EU climate neutral in 2050. It should also create guidance for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed.

*b. Enhancing international cooperation*

The EU is committed to raise the level of ambition at the international level. A key channel for EU-level support targeting climate action in developing countries is the **Neighbourhood, Development and International Cooperation Instrument (NDICI)**. This instrument has an overall budget of €79.5 billion for the 2021-2027 period, of which 30% is to be made available for developing countries to pursue climate action. The EU's commitment has been further strengthened by President Von der Leyen's announcement, during her State of the Union speech on 15 September 2021, of an additional EUR 4 billion for climate finance action over the period 2021-27. It is thus expected that expenditure to support climate action in developing countries under the EU's core international cooperation budget should be around EUR 27.85 billion over for the 2021-2027 period which equates to a 35% spending target.

In 2020, the **European Bank for Reconstruction and Development (EBRD)** launched its new Green Economy Transition approach, which aims for the EBRD to raise its share of climate investments to more than 50% by 2025. It notably calls for the EBRD to channel its finance to those sectors that require an urgent and rapid decarbonisation, enhance policy engagement, and in particular support countries in formulating and implementing ambitious climate strategies, so as to align with the objectives of the Paris Agreement. The EBRD is planning to align all its activities with the objectives of the Paris Agreement by end of 2022. Already in November 2021, the EBRD had reached their target of more than 50% of climate investments

Through the **International Platform on Sustainable Finance**, the EU continues to work with its key partners exchanging and disseminating information to promote best practices, compare different initiatives and identify barriers and opportunities for sustainable finance on how to facilitate cross-border sustainable investments, notably, through a potential **Common Ground Taxonomy** and deepen cooperation on sustainable finance bilaterally and multilaterally.