

## Putting justice at the heart of climate action

### Expectations for the COP27 UN climate talks in Sharm El Sheikh, Egypt, November 2022

It's been 30 years since the UN Framework Convention on Climate Change (UNFCCC) was adopted. Since then, emissions, along with climate damage, have increased dramatically. Floods, cyclones, forest fires and droughts have had devastating impacts on peoples' lives. The failure of the world's leaders to sufficiently cut global greenhouse gas emissions puts all the more pressure on them at the upcoming COP27 to substantially increase financial support for loss and damage, adaptation and climate action in low income countries and communities. It is more urgent than ever that they engage in an equitable transition away from all fossil fuels: coal, oil and gas.

Last year's Glasgow climate summit (COP26) saw a powerful uprising of global south countries, activists and civil society pushing for justice to be at the heart of climate action. This led to the establishment of a 3-year Glasgow Dialogue process to “discuss the arrangements for the funding of activities to avert, minimise and address loss and damage associated with the adverse impacts of climate change.” It was a step in the right direction, but woefully inadequate in terms of securing the loss and damage finance urgently required by climate vulnerable countries and communities.

COP27 must deliver on climate justice. This can only happen if and when sufficient financial resources and technical assistance are provided by richer polluting nations to tackle the damage brought by climate change in vulnerable countries. Getting polluters to pay for the harm they cause will be one of the main tests for COP27. This is not only needed as a matter of justice, but also to rebuild trust in a process where all governments have to cooperate and find common ground to tackle the climate emergency, as the greatest existential threat facing humanity.

COP27 is not happening in a vacuum. We are living in a world of high energy prices, inflation, visible and tragic climate impacts, droughts, floods, wildfires, pandemics, aggravated inequalities, threats of a third world war. A world in which many governments and corporations are using those crises to increase resource extraction and environmental destruction. Bringing the reality of those interconnected crises to the negotiation room, as well as the ideas that are emerging across the world to solve them - from rolling out a 100% renewable energy system that benefits local people, to a just transition for workers, investments in energy efficiency to reduce

fossil fuel dependence, a sustainable food and land use system, and climate finance to support vulnerable countries to deal with climate impacts - will be central to whether COP27 is a success.

To achieve climate justice and limit temperature rise to below 1.5°C as agreed in the 2015 Paris Climate Agreement, COP27 needs to ensure:

- Those in the most vulnerable countries and communities have access to rapid and adequate financial resources and technical assistance to deal with the damages already caused by climate change;
- Low income countries have access to the necessary financial resources to prepare themselves for the adverse effects of climate change, and to decarbonise their economies;
- All countries contribute, in a just and fair manner to the rapid phasing out of fossil fuel use, and to the halving of global greenhouse gas emissions by 2030, on the way to zero.

COP27 provides an opportunity for governments to opt for more cooperation, more justice and increased accountability towards their citizens, while changing policies and institutions that have perpetuated harm. This way COP27 can help build mutual trust and understanding needed to rapidly cut emissions in line with limiting temperature rise to 1.5°C and reduce the gap between rich and poor, north and south, and east and west.

### **Support vulnerable countries and communities to recover from past, current and future climate disasters**

There is a moral obligation and a legal responsibility for historically polluting countries to provide support for climate vulnerable countries experiencing devastating impacts of climate change. Loss and damage from climate change is already happening, and by 2030 it is estimated it will cost developing countries between USD 290-580 billion per year<sup>1</sup>. Yet existing financial arrangements to deal with the costs of climate impacts are inadequate, including humanitarian and development assistance. For example, in 2021, extreme weather events cost an estimated USD 329 billion globally, which is double the total aid given by donor countries that year<sup>2</sup>. This does not take into account intangible non-economic losses: life, health, cultural heritage, and traditional lands, for example. Meanwhile, fossil fuel companies are generating unprecedented profits. For example, UK oil and gas companies alone are expected to grab an estimated £11.6 billion in extra profit as a result of the war in Ukraine<sup>3</sup>. These companies must be made to take responsibility and contribute to funding for loss and damage.

The latest IPCC Assessment Report made it clear that even if there is an immediate, rapid global decarbonisation, significant climate impacts remain unavoidable. Compensation for loss and damage has developed into a major pressing challenge for COP27.

While developing countries are looking for rapid progress, the current dialogues established in Glasgow (and before) will not deliver the support needed. The creation of a new loss and damage finance facility at COP27 is critical, to govern the mobilisation, distribution, monitoring and enforcement of dedicated funds to deal with loss and damage.

The COP26 Glasgow Dialogue for loss and damage would still have an important role to play, through supporting a process to operationalise a finance facility, and flesh out how loss and damage finance can be delivered and made accessible for the most vulnerable countries and communities.

To make real progress towards climate justice in relation to loss and damage at COP27, we urge countries to:

- Agree to establish a Loss and Damage Finance Facility - underpinned by the two guiding principles of common but differentiated responsibility (to ensure that the biggest historically polluting countries take most responsibility) and the polluter pays principle (particularly in the context of massive fossil fuel company profits during the current cost of living crisis);
- Ensure a robust, fit-for-purpose and resourced Santiago Network (SNLD) (for providing technical support for L&D) to be governed by an inclusive Advisory Body;
- Richer, historically polluting countries should bring forward additional financial contributions towards a global loss and damage finance facility, building on the commitments already made by Denmark, Scotland and Wallonia;
- Agree to have loss and damage finance as a third pillar, next to mitigation and adaptation, under the new Collective Quantified Goal on Climate Finance.

### **Rich countries need to support low income countries to adapt to climate impacts**

At the Copenhagen Climate Summit in 2009, rich countries promised to increase climate finance support to low income countries to US\$100 billion/year by 2020. This promise was broken. A large share of the funding that has been made available was delivered in the form of loans, not grants, thereby increasing the foreign debt of many developing countries. Additionally, a large part of the climate finance provided focuses on supporting mitigation activities. While this support is obviously needed, the same is required for adaptation, which is less likely to be provided from private sources and thus even more dependent on public support.

Rich countries urgently need to increase their overall climate finance contributions and in particular their support to adaptation measures.

Governments are currently discussing a new collective quantified goal to replace the unmet US\$100bn. While it is not supposed to be agreed until 2024, COP27 will need to show significant progress to demonstrate we are heading in the right direction.

Governments are also discussing a Global Goal on Adaptation. Progress on climate finance and adaptation are both part of the First Global Stocktake which is currently underway.

In order to support those in the most vulnerable situations, we urge countries to:

- Ensure the US\$100 bn climate finance pledge is implemented, through grants only, with a balance between support for mitigation and for adaptation - including honouring the commitment made by rich countries at COP26 to double funding for adaptation by 2025;
- Ensure adaptation finance is aligned with the overall adaptation goal and the specific requirements that will be defined throughout this process;
- Agree that as part of the New Quantifiable Goal for Climate Finance a specific quantifiable goal for adaptation finance will be adopted.

### **Governments need to make 1.5°C happen**

At COP26 in Glasgow last year, governments acknowledged that their collective action was nowhere near what's needed to meet the Paris Agreement temperature limit of 1.5°C above pre-industrial levels. Instead of halving emissions by 2030, governments were set to *increase* global emissions even further.

To address this massive gap, governments were requested to revisit and strengthen their 2030 targets. Furthermore, a Mitigation Work Programme was to be established to urgently scale up action in this critical decade.

Beyond 2030, the 2015 Paris Agreement established a Global Stocktake process to review climate action every five years. The first stocktake is running and will come to an end at next year's COP28, leading to new commitments for 2035. Since Paris, countries have also engaged in the Second Periodic Review of the Long-term Goal, looking at what is needed from 2040 and beyond to stay below 1.5°C. This review is coming to an end at COP27. Within this context, reducing greenhouse gas emissions to zero as fast as possible is also critical to prevent further and irreparable loss and damages.

In order to bridge the emissions gap towards the 1.5°C target, we urge all countries to:

- Arrive at COP27 with improved Nationally Determined Contributions (NDCs) and new or improved fossil fuel phase out commitments, all aligned with the Paris Agreement 1.5°C warming limit;
- Ensure COP27 outcomes further acknowledge and accelerate the global fossil fuel phase out and just transition needed to meet the Paris Agreement temperature goal, starting with coal phase out by 2030 at the latest for OECD countries, and stopping subsidies to fossil fuels, while putting an immediate end to all new fossil fuel projects as recommended by the International Energy Agency;
- Agree, as part of the Global Stocktake, to define a collective greenhouse gas emission reduction target for 2035 in line with the 1.5°C warming limit, assuming little to no overshoot;
- Make it clear that limiting temperature rise to 1.5°C by the end of the century is the only acceptable interpretation of the long-term goal of the Paris Agreement, while recognising that overshooting 1.5°C, even temporarily, will bring irreversible impacts, in particular for those most vulnerable. Advance the goal further by acknowledging the 1.5°C aligned global phase out dates for the production and consumption of coal, gas and oil.

## **Protecting nature and fighting climate change must go hand in hand**

We are not only facing a climate crisis but also witnessing a war on nature and biodiversity, negatively impacting people's access to sustainable and healthy food. Addressing these crises in silos jeopardises our ability to avert climate chaos and ecological collapse. Protecting and restoring nature is crucial to addressing these crises in an integrated and mutually supportive manner. This must be in parallel with and not instead of an urgent fossil-fuel phase-out and economy-wide emissions reductions. All solutions put in place to counter these crises must be rights-based with the active participation of Indigenous Peoples and local communities.

At COP27, governments must recognise the important role of nature not only as a carbon sink to help mitigation but also its vital role in adaptation, including as a cultural and spiritual symbol and home to diverse flora and fauna. Nature protection is at the heart of halting the biodiversity crisis, mitigating climate change and adapting to climate change including resilient and localised food systems. Governments must move away from greenwashing alternatives and rightfully protect people by protecting nature.

In order to support those most vulnerable while ensuring nature protection and climate mitigation efforts, we urge all countries to:

- Agree to end (support for) all deforestation immediately;
- Agree to protect and uphold the rights of Indigenous peoples and local communities;

- Agree to embed the protection of nature into national climate plans (NDCs, National Adaptation Plans and Long-term Strategies);
- Agree that land and ocean-based mitigation efforts will no longer be used to offset reductions on fossil fuel emissions;
- Agree to close existing loopholes in the accounting methodology for Agriculture, Forestry and Other Land Use (AFOLU) and other nature restoration commitments in NDCs;
- Ensure that AFOLU and nature restoration targets are accounted for entirely separately from fossil fuel emissions;
- Be an active actor alongside key partners for the approval of Article 6.8 and advocate for no offsetting or false solutions;

Agree on a just and fair transition away from the current industrial agricultural model towards a more sustainable, more healthy people-centred agricultural system. They must:

- Tackle industrial meat and dairy (50% reduction by 2030 and 70% by 2050 in rich societies);
- Promote a strong target for enteric fermentation, manure and waste;
- Support agro-ecological farming: fight against the inclusion of 'climate-smart agriculture' in the Koronivia Joint Work text;

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<sup>1</sup> Markandya, Anil, and Mikel Gonzalez-Enguino. "Integrated Assessment for Identifying Climate Finance Needs for Loss and Damage from Climate Change". In *Loss and Damage from Climate Change: Concepts, Methods, and Policy Options* edited by Reinhard Mechler, Laurens M. Bouwer, Thomas Schinko, Swenja Surminski and JoAnne Linnerooth-Bayer. Switzerland: Springer Nature, 2019.

<sup>2</sup> Carty, Tracy, and Lyndsay Walsh. *Footing the Bill: Fair Finance for Loss and Damage in an Era of Escalating Climate Impacts* Oxfam GB, Oxfam International, (United Kingdom: 2022). <https://www.oxfam.org/en/research/footing-bill-fair-finance-loss-and-damage-era-escalating-climate-impacts>.

<sup>3</sup> <https://www.greenpeace.org.uk/wp-content/uploads/2022/04/UK-Big-Oil-War-Windfall-Analysis..pdf>