



Climate Action Network

Submission on the Design of the Modalities of the Global Stocktake (APA Agenda Item 6)

September 2017

Climate Action Network International (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1100 members in over 120 countries. www.climatenetwork.org

Summary

In CAN's view, there are four major purposes of the Global Stocktake (GST). The *first* is to produce collective assessments that help individual Parties identify next steps. The *second* is to identify implementation gaps at global, regional and national levels. The *third* is to create space for Parties to exchange views about future collaboration and cooperative action and the *fourth* is to send a strong signal to governments to increase ambition.

In addition, there are key overarching issues that Parties need to consider carefully. One of them is the issue of scope. The narrow or broad interpretation of the scope of the global stocktake has implications for various aspects of the design of the global stocktake such as phases, workstreams, inputs, etc. The second overarching issue is phases and workstreams. Phases are necessary so that different types of analysis or discussion can take place over a period of time. CAN believes that having multiple phases is important and that there should be, at a minimum, a distinct technical or preparatory phase and a political or culminating phase. In the meantime, workstreams could be organized around the long-term goals or thematic pillars identified in Article 14. Neither would capture all the issues that should be discussed in the global stocktake, so additional work streams might need to be considered. The third overarching issue is participation. Civil society participation has been proven to result in better policy making, effective and sustainable implementation as well as robust accountability.

For specific themes, CAN believes both financial flows and means of implementation (MoI) must be considered within the GST. However, CAN would also like to stress that having a standalone workstream on the means of implementation and financial flows assessment does not mean that the topic cannot be discussed in other workstreams. On the contrary, means of implementation and financial flows needs to be addressed in the context of mitigation and adaptation as well. On equity, it is CAN's understanding that "equity" refers to equity and differentiation between countries. As an overarching principle, equity considerations must

guide the work in all global stocktake workstreams. By looking into what Parties actually proposed in their NDCs in terms of equity, a common Equity Reference Framework would emerge from parties' own submissions, which parties could then utilize and apply in their national determination processes. Overall, considering equity in the global stocktake based on submissions must result in outcomes that allow Parties, civil society and other stakeholders to assess whether contributions are of comparable effort to other Parties. The purpose is to turn the global stocktake into a robust ambition ratchet where parties can determine whether they are doing enough relative to their peers based on equity criteria, across mitigation, adaptation and provision of means of implementation and support. Lastly on loss and damage, in the absence of a specific mandate, this issue could be considered in the global stocktake based on a number of existing generic provisions of the Paris Agreement. CAN believes that an assessment of progress towards the long-term goals of the Paris Agreement necessitates space for discussion and the provision of inputs on loss and damage to be done in a constructive manner.

1. Purpose(s) of the Global Stocktake

A key feature of the Paris Agreement is its potential to enhance action and support over time. In aggregate, current Nationally Determined Contributions (NDCs) are not sufficient to achieve the purpose and the long-term goals of the Paris Agreement, nor do they reflect countries' existing mitigation capacity or capabilities. Much also remains to be done to enhance countries' resilience to climate impacts and ensure that global climate finance flows are aligned with the required transformational change as articulated in Article 2 of the Agreement.

Through the global stocktake, the Paris Agreement provides an opportunity for Parties to assess the current status of progress ("where are Parties now?"), reflect on where they need to be in terms of achieving the long-term goals ("where do Parties need to be?") and what they need to do to get there ("what can Parties do?"). Given that the current level of ambition is inadequate, the global stocktake must be designed to enable action and support to increase rapidly, taking into account collective progress and implementation gaps and opportunities. Without a comprehensive and effective global stocktake, the Paris Agreement will inevitably fail to deliver on its long-term goals.

What we expect from the global stocktake:

- a. **Collective assessment that helps individual Parties to identify next steps:** Although individual country action is decided at the national level, it is important to have a collective assessment of progress towards the goals of the Paris Agreement. The current synthesis report from the UNFCCC secretariat gives us a clear picture of how far we are from being on track to achieve the 1.5°C temperature goal. A periodic collective assessment would help to better understand the gaps and would provide the opportunity

to have discussions on the difficulties countries are facing in implementation and the ways to overcome some of these difficulties collectively at the global level.

Since globally aggregated assessments alone do not result in outputs that individual countries can meaningfully apply to their domestic circumstances, it is key that collective assessments are complemented by comprehensive national information and information on opportunities that are aggregated by groups with similar levels of development, negotiating blocs, or similar types of commitment (e.g. absolute economy-wide mitigation targets, or intensity targets) in a transparent manner.

Scientific input and research can help by providing important guidance in this endeavour. The development of countries' long-term strategies will also help by aligning development priorities with climate ambition, reflecting Parties' long-term development and emissions trajectories, facilitating peer learning, and assessing global trajectories.

- b. **Identification of implementation gaps:** If we are to increase ambition over time, which is the key purpose of the global stocktake, **we need to know where the implementation gaps are at the national, regional and global levels.** These gaps, whether on finance, capacity building or access to technology, need to be identified and appropriately addressed. Similarly, implementation gaps of individual countries' NDCs should be summarized. Where possible, gaps of cooperation should also be identified.
- c. **Space to exchange views about opportunities, future collaboration and cooperative action:** The global stocktake must be a process where possible collaboration and cooperation on global climate action would be identified and developed. **The global stocktake should not only be about countries individually increasing ambition, but about countries coming together to address common barriers. It should also contribute to the understanding of potential areas for cooperation in various sectors and areas. Such opportunities for collaboration may arise from direct interaction among Parties and thus, it is crucial for the global stocktake to secure opportunities of effective interaction among Parties.** In addition, such collaboration and cooperative action should not limit its scope to inter-governmental collaboration but should also be open to participation by non-state actors since climate action can be enhanced through such opportunities.

In this context, the global stocktake should also enable exchanges with other UN Bodies and Treaties (e.g. International Civil Aviation Organization (ICAO), International Maritime Organization (IMO) or the Montreal Protocol) on their progress in contributing towards the reduction of emissions. **The long-term goals of the Paris Agreement will not be achieved by the actions of countries alone, but rather by all stakeholders acting together. It is critical that the global stocktake is able to capture the efforts of all relevant actors and identifies opportunities for additional collaboration and cooperation.**

- d. **Strong signal to increase ambition:** It is important that the outcome from the global stocktake is widely accepted for it to be effective in driving greater action and support. **The outcomes from these assessments should avoid being prescriptive in nature and should not infringe on national sovereignty. At the same time, they should prescribe key steps that need be taken in order to increase ambition and articulate discussions in a manner that will enable an effective follow through on their implementation.** Merely taking note of the outcomes would not suffice. The CMA should deliberate on the outcomes, decide on the ways forward based on the recommendations presented, and direct action accordingly.

2. Key overarching considerations for the design of the modalities

a. Scope

The purpose of the global stocktake and the manner in which it is to be undertaken raises a number of considerations regarding its scope. One such consideration is whether the global stocktake will include an assessment of the implementation of *all* provisions of the Paris Agreement (therefore bringing Articles 6, 8, 12, 13 and possibly even 14 itself within the scope), or will be bound by the thematic considerations of mitigation, adaptation, means of implementation and support (potentially limiting the scope to Articles 4, 5, 7, 9, 10 and 11). It is also important to ensure clarity on what the “long-term goals” are for the purpose of assessing progress. These are discussions that Parties should have at COP23 given their implications for the design of potential phases, workstreams and inputs of the global stocktake. Ultimately, these issues will also affect whether or not the global stocktake will be able to achieve its purpose.

Relevant to the question of scope is Article 14.3, which specifically envisages the outcome of the global stocktake as informing Parties in updating and enhancing their “actions and support” as well as “enhancing international cooperation”. Much of the focus so far has been on how the global stocktake can inform and drive action at the national level. However, the inclusion of this language in Article 14.3 highlights the possibility of the global stocktake having a much broader sphere of review and influence should the modalities enable it. For instance, the global stocktake could inform Parties on ways for better cooperation in the reduction of bunker fuels from international shipping and emissions from aviation.

CAN believes that while the stocktake should not be overly burdensome to Parties or to the UNFCCC system, it must be broader than just a consideration of the aggregate of actions communicated by Parties (through NDCs and other national reports) and should include progress by all relevant stakeholders and opportunities in fora outside the UNFCCC to ensure an adequate picture of the overall progress towards achieving the long-term goals of the Agreement as prescribed in Article 2.1, 4.1 and 7.1. CAN would like to see Parties discuss this question of scope and the implications of a narrow global stocktake as opposed to a broader stocktake.

b. Phases and workstreams

The purpose of having different phases of the global stocktake is to allow for a different type of analysis or discussion to take place over a period of time (e.g. technical or political) and for different stakeholders to become involved (e.g. experts and ministers or non-state actors and governments). The identification of relevant phases to achieve the purpose of the global stocktake and deliver the outcomes requires consideration of how they relate to one another. **CAN believes that having multiple phases is important and that there should be at least a technical or preparatory phase which would allow technical discussions to take place between experts, government representatives, and non-state actors and a political or culminating phase which could inform and develop key messages in line with the purpose outlined above.** Outputs from each phase could be used in different processes following the global stocktake. For example, political declarations could help inform and drive national processes for NDC review and revision whereas outputs from the technical phase can be used to enhance implementation. Examples of good designs for such a process include the structured expert dialogue and the joint contact group.

Workstreams could occur regardless of how phases are organised and relate to one another. They could be designed to group similar discussions and produce relevant pieces of work. There could be workstreams within both the technical and political phases of the global stocktake and could also take place in parallel or be staggered so as to inform each other. They could also be organised around the long-term goals or the thematic pillars identified in Article 14, but since neither would capture all the issues under the global stocktake, additional workstreams might need to be considered. Parties must decide which workstreams will be needed to ultimately deliver on the purpose of the global stocktake.

c. Participation

Civil society participation has been proven to result in better policy-making, effective and sustainable implementation, as well as robust accountability. It also promotes social innovation with the varied inputs received and improves the quality, efficacy, efficiency, equity, sense of belonging and general sustainability of an undertaking. In the global stocktake, civil society and non-state actor participation will provide the public support, transparency, and legitimacy that the process needs in order to trigger greater ambition.

Participation can take different forms at different stages of the global stocktake. **UNFCCC Observer Organizations should be able to submit questions to Parties on their submissions so that the process can benefit from a larger pool of ideas and improvement opportunities. As a minimum, all data, methodologies, and other inputs for assessment must be open to public for full transparency and accountability. Additionally, the modalities for the global stocktake must include mechanisms for civil society to provide inputs into the global stocktake process itself.**

In domestic processes, civil society engagement should be utilized in designing, planning, implementing, and evaluating strategies and policies. Public buy-in will more likely lead to societal behavioural change that is needed in long-term climate planning. Inclusive planning can result in the early identification of opportunities and challenges, open a space for democratic consultation on these implications, and secure a just transition for workers and communities that depend on a fossil-based economy. This will ultimately enable countries to accurately gauge their capabilities, raise their ambition over time, and collectively achieve the long-term goals of the Paris Agreement.

3. Specific thematic considerations

a. Financial flows (Article 2.1(c)), support and means of implementation

There have been different interpretations among Parties about the workstreams related to financial flows and means of implementation given that the Paris Agreement has references to “means of implementation (Mol)” and “financial flows” in different parts of the Agreement in relation to the global stocktake. **CAN believes both financial flows and Mol must be considered for the global stocktake.**

First, Article 14.1 refers to the purpose of the Agreement and “its long-term goals.” One of the purposes of the Agreement defined in Article 2.1.(c) is “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development” and thus, the financial flows should be part of the benchmarks that the “collective progress” is assessed against.

Second, Article 14.1 also states that the global stocktake shall “consider mitigation, adaptation and the means of implementation and support” and thus, the global stocktake needs to take Mol and support into account when it is conducted.

Third, the purpose of the Agreement defined in Article 2.2 states the agreement will be implemented to “reflect equity and the principle of common but differentiated responsibilities and respective capacities (CBDRRC) in the light of different national circumstances.” Hence, such reflection should also be part of the assessment. Since it is impossible to assess the reflection of equity and the principle of CBDRRC in the light of different **national circumstances without Mol, Mol has to be within the scope of the assessment.**

CAN would also like to stress that having a standalone workstream on the assessment of MOI or financial flows does not mean the topic cannot be discussed in other workstreams. Mol and financial flows need to be addressed in the context of mitigation and adaptation as well. Mol are, after all, are the “means” to the “ends” and it makes sense to have the discussion in the context of the respective areas. For example, assessing whether the needs for mitigation finance and adaptation finance expressed in

NDCs are appropriately addressed or not must be done in the mitigation and adaptation workstreams respectively. The role of the independent workstream on MoI and financial flows is to assess available resources, examine crosscutting issues, and consider the balance of inflows and outflows (e.g. mitigation and adaptation, private and public).

This workstream should assess various aspects of MoI, including finance, technology and capacity building as well as financial flows. **One particularly important element is the progress towards the new, collective, quantified goal from a floor of USD 100 billion per year stipulated in Paragraph 53, Decision 1/CP.21.** The new, collective, quantified goal is supposed to be agreed upon prior to 2025 and thus, it is possible that the first global stocktake in 2023 will not have the agreed goal yet. In any case, the first global stocktake should start from the review of the 2020 finance roadmap of USD 100 billion per year but the assessment needs to go beyond a simple quantitative assessment. It should also address, among others, whether the finance is being provided to where it is most needed and whether adaptation is given appropriate emphasis.

b. Equity in the global stocktake

The language in Article 14 of the Paris Agreement is clear, in that equity, along with science, should be considered as overarching considerations when assessing collective progress towards achieving the purpose and long-term goals of the Agreement. “Equity,” in this context, means equity in how Parties contribute at different scales and in different ways toward the collective progress, depending on their stage of development and level of capability and historical responsibility. In other words, **“equity” refers to the principle of equity and differentiation between countries. As an overarching consideration, equity considerations must guide the work in all workstreams of the global stocktake.** Furthermore, it is paramount that the current work on the modalities allows Parties to continually develop how to consider equity within the global stocktake. This will allow Parties to take into account changing political and scientific realities, as may be appropriate.

As for mitigation, many Parties have already put forward in their NDCs information on how equity considerations have guided their process of determining their contributions. This information should be considered in a systematic way by the global stocktake. It should provide for the cataloguing of the equity criteria used by Parties in order to assess what the total global mitigation impact would be if any given equity criteria were applied to all Parties. Such an exercise would highlight the limitations on the level of detail provided by Parties in the NDC submissions. The global stocktake could then provide guidance that Parties could apply in their subsequent submissions to overcome these limitations. It would also become apparent that some of the criteria mentioned by Parties in their NDCs are less suitable as equity criteria if, for example, it cannot be applied to other countries. Over time, the stocktake exercise would result in a catalogue of equity considerations put forward by Parties. The possibility of applying one country’s equity criteria to another country’s ambition and vice versa, would allow reasonable

comparisons between each country, and will thus determine whether proposed levels of effort are in line with those put forward by others. **In such a way, a common Equity Reference Framework would emerge from Parties' submissions that could then be utilized and applied in national determination processes.** Furthermore, the Secretariat could, in its technical support for the global stocktake, synthesize the most salient emerging equity criteria used by Parties and could perform analyses of the level of collective effort resulting from a universal application of these criteria.

The scientific community, as well as civil society, is increasingly developing methodologies and analyses for the assessment of NDCs and global ambition that are based on equity principles and considerations. The modalities of the global stocktake must ensure that Parties can duly consider these important pieces of information during the global stocktake exercise.

Furthermore, the current round of NDCs utilized conditional contributions as an instrument for Parties to express levels of ambition that they would be willing to implement with additional support by the international community. Equity considerations are crucial in considering conditional contributions and in mobilizing means of implementation since the Parties' decisions on contributions from their own resources and contributions hinged on additional support, is a question of differentiation and international equity. Likewise, equity considerations should play a large role when Parties determine how much support they are justifiably expected to provide. As such, the global stocktake should assess these topics and generate outputs that can be applied by Parties when updating their NDCs and preparing their subsequent contributions.

In addition to the question of differentiation and equity between countries, complementary equity considerations in the global stocktake should include experiences and best practices with regard to procedural equity in both the national determination processes of Parties as well as in the implementation of the contributions. Best practices related to implications on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity, and the imperatives of a just transition of the workforce and the creation of decent work and quality jobs should also be included. These additional equity considerations should also include assessments on how implementation of NDCs might impact equity, for example, by considering the distributional impacts of mitigation policies on income or wealth.

Overall, considering equity in the global stocktake must result in outcomes that allow Parties, civil society and other stakeholders to assess whether contributions are of comparable effort to other Parties, using equity criteria emerging from Parties' NDC submissions. The purpose is to turn the global stocktake into a robust ambition ratchet where Parties can determine whether they are doing enough relative to their peers across mitigation, adaptation and provision of means of implementation and support.

Equity is a necessary condition for ambition because, as the IPCC noted in the AR5, “outcomes seen as equitable can lead to more effective cooperation.”

c. Loss and damage

The concept of loss and damage was not explicitly identified in Article 8 and Article 14 for consideration under the global stocktake. However, a number of Parties have raised this as a key ask for the design of the modalities of the global stocktake.

In the absence of a specific mandate, loss and damage could be considered in the global stocktake based on a number of existing provisions of the Paris Agreement.

- The purpose of the global stocktake under Article 14 is to “take stock of implementation” of the Agreement. Article 8.3 contains a collective obligation on Parties to “enhance understanding, action and support” with respect to loss and damage. Consideration of the collective progress towards “enhancing understanding, action and support” could therefore fall within the scope of the global stocktake.
- The global stocktake is also required to “assess the collective progress towards achieving the purpose of this Agreement and its long-term goals”. Article 2.1(a) contains a long-term temperature goal that explicitly recognizes that achieving this goal would “significantly reduce the risks and impacts of climate change.” When assessing collective progress, an assessment of the risks and impacts of the gap between current ambition and the long-term goals could therefore be included.
- The requirement under Article 7.14(c) to “review the adequacy and effectiveness of adaptation and support provided for adaptation” provides a hook for a consideration of expected loss and damage based on the collective assessment of the adequacy of adaptation. Such an assessment would depend on relevant inputs being available.
- There is also an implicit link to loss and damage when considering means of implementation, particularly technology and capacity building. Many of the measures identified in Article 8.4 are technology intensive, such as early warning systems.

From a process perspective, the design of workstreams is particularly pertinent in ultimately determining whether or not loss and damage will be adequately reflected in the global stocktake. How the workstreams are organized (whether around the long-term goals or the thematic categories listed in Article 14) will impact which of the above “hooks” could be used, the scope of the discussion, and what outputs might be generated as a result. **CAN believes that an assessment of progress towards the long-term goals of the Paris Agreement necessitates space for discussion and the provision of inputs on loss and damage. However, CAN urges Parties to ensure that the inclusion of loss and damage in the global stocktake will further the purpose of the global stocktake and strengthen its outcomes.**