

Submission in response to the call for inputs to the first Global Stocktake

March 2023

About Us

The Fossil Fuel Non-Proliferation Treaty Initiative is a civil society initiative focused on creating the multilateral governance that is currently missing to manage a global just transition away from fossil fuel production.

We support a directed network campaign made up of over 2,000 civil society organizations from every continent and almost every country including Indigenous Nations, trade unions, debt and trade justice advocates, development agencies, human rights campaigners, faith communities, health institutions, youth climate activists, and ordinary citizens.

Our initiative and proposals have been endorsed by 76 cities and sub-national governments including the Chair of C40 Cities Mayor Sadiq Khan of London; 250,000+ individuals including prominent scientists like Michael E. Mann and Katherine Hayhoe; Right Livelihood Laureates including Greta Thunberg and Vandana Shiva; senior faith institutions and individuals including the Vatican and His Holiness the 14th Dalai Lama; political leaders including Mary Robinson, Humberto de La Calle, José Ramos-Horta, the European Parliament, and 400 current parliamentarians from 70 countries. Tuvalu and Vanuatu have also called for a Treaty within the UN.

Key messages and recommendations

- 1. Parties are not on track to meet Paris Agreement goals.
- 2. The misalignment with supply-side policies is a major reason for this.
- 3. There are some important ways in which the UNFCCC can address fossil fuel supply, e.g., through NDCs, Katowice Committee, Mitigation Work Programme, and the new Just Transition Work Programme the GST must find synergies with these processes.
- 4. In order to fully meet the goals of Paris, there is a need also for complementary international governance instruments specifically addressing the supply-side policy gap, e.g., a Fossil Fuel Non-Proliferation Treaty

Introduction

The Fossil Fuel Non-Proliferation Treaty Initiative in collaboration with the UN Research Institute on Social Development (UNRISD) welcomes the opportunity to make this submission in response to the call for inputs to the first Global Stocktake (GST).

The first GST, as mandated by Article 14 of the Paris Agreement, commenced in 2021 and will conclude in 2023. It has three phases: (1) information collection; (2) technical assessment; and (3) consideration of outputs. During 2023, the technical assessment phase will continue including with the third technical dialogue (TD1.3) at SB 58 in June. This will culminate with the consideration of outputs, which includes a decision and/or declaration at COP 28/CMA 5.

The call for inputs was made in decision 19/CMA.1, paragraph 19.¹ Parties decided that the sources of input for the GST will include submissions from non-Party stakeholders and UNFCCC observer organizations (19/CMA.1, para 37(i)) and consider information at a collective level on a number of elements referred to in paragraphs 36 and 37 of the same decision. Of those elements, this submission addresses the following:

(a) The state of greenhouse gas emissions by sources (19/CMA.1, para 36(a));

¹ UNFCCC, decision 19/CMA.1. Available at: <u>https://unfccc.int/documents/193408</u>

- (b)Barriers and challenges, including finance, technology and capacity-building gaps, faced by developing countries (19/CMA.1, para 36(f));
- (c)Good practices, experience and potential opportunities to enhance international cooperation on mitigation and adaptation and to increase support under Article 13, paragraph 5, of the Paris Agreement (19/CMA.1, para 36(g)); and
- (d)Fairness considerations, including equity, as communicated by Parties in their nationally determined contributions (19/CMA.1, para 36(h)).

It is critical that Parties take into consideration the inputs received in the technical assessment phase to ensure that when deciding the outcome of the first GST, they will be well-informed to effectively capture progress, strengthen action and enhance support across all themes.

Summary of the science

The GST must take into account the science. Fossil fuels are the single biggest cause of climate change, they are responsible for 86% of Carbon dioxide (CO2) emissions in the last decade.² If current fossil fuel reserves were to be extracted (those fossil fuel resources that are deemed economically viable to extract), it would lead to carbon dioxide emissions of more than seven times the remaining carbon budget, an amount greater than all cumulative emissions since the industrial revolution.³

https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_TS.pdf.

² Technical Summary. In Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 33-144. doi:10.1017/9781009157896.002, p 80. Available at:

³ Carbon Tracker Initiative, *Tracking Emissions to Source: Introducing a global registry of fossil fuels to drive corporate and government accountability* (2022) pp 2-3. Available at: <u>https://drive.google.com/file/d/lL3vnlC6pL3Fm4emAoF2xGJoS2v_bEb5_/view</u>

At least 90% of coal reserves and 60% of oil and gas reserves⁴ must stay in the ground to limit global warming to 1.5° C.⁵ Existing fossil fuel projects need to be phased down to limit the global temperature increase to 1.5° C - a scenario with "no expansion"⁶ of fossil fuel projects will still lead to emissions that are 22% too high in 2025 and 66% too high in 2030 compared to a 50% chance of achieving a 1.5° C temperature target.⁷

The GST needs to consider that renewable energy has more than enough potential to meet current and future energy demand.⁸ Wind and solar energy can be scaled up at the rate needed, without risking energy security or creating undue impacts on land.⁹ Global primary energy demand is projected to fall between 2019 and 2050.¹⁰ Africa is the only continent projected to see a major increase,¹¹ and India will also 'see an increase in demand as more citizens gain access to electricity'.¹² However, Africa also has the 'greatest renewable energy potential',¹³ and India has enough renewable energy capacity to meet its growing demands.¹⁴ There has 'been a

⁴ Note 'reserves' differ from 'resources'. Reserves refer to a subset of resources that are considered to be economically recoverable. They are typically broken down into 'proved', 'probable' and 'possible', based on economic conditions and the level of certainty regarding their volume, quality and mineral content. Meanwhile, resources is a broader and much larger category referring to all fossil fuels that exist within the earth's crust. See R. Byrnes, *White Paper. A Global Registry of Fossil Fuels* (2020) p 9. Available at: https://staticl.squarespace.com/static/5dd3cc5b7fd99372fbb04561/t/5f5827f7547462083e8a4aa5/159 9612937202/A+Global+Registry+of+Fossil+Fuels+%E2%80%93+White+Paper.pdf

⁵ Carbon Tracker, *Unburnable Carbon: Ten Years On* (2022). Available at: <u>https://carbontracker.org/reports/unburnable-carbon-ten-years-on/</u>; D. Welsby et al., *Unextractable fossil fuels in a 1.5 °C world* (2021) Available at: <u>https://www.nature.com/articles/s41586-021-03821-8</u>.

⁶ 'The No Expansion scenario is not a full scenario, but rather a projection of how fossil fuel production is likely to decline over time in a world without fossil fuel expansion': see S. Teske and S. Niklas, *Fossil Fuel Exit Strategy: An orderly wind down of coal, oil and gas to meet the Paris Agreement* (2021) p 17, Available at: <u>https://indd.adobe.com/view/e0092323-3e91-4e5c-95e0-098ee42f9dd1</u>.

⁷ Ibid, p 4.

⁸ Ibid, p 5.

⁹ Ibid, p 5.

¹⁰ Ibid, p 5.

¹¹ Ibid, p 6.

¹² Ibid, p 40.

¹³ Ibid, p 6.

¹⁴ Ibid, p 42.

significant drop in the cost of renewable energy' and it has become 'cost-competitive with fossil fuels'.¹⁵

The health impacts of fossil fuels need to also be considered by Parties. Fossil fuels produce air pollution and negative impacts on food systems. In an analysis of how coal, oil and gas sabotage all seventeen Sustainable Development Goals, research has found that 'In each year between 2012 and 2018, an estimated 8.7 million people died prematurely due to fossil fuel pollution',¹⁶ and 'conservative estimates by the WHO project that 250,000 additional annual deaths due to climate-related illness would be generated between 2030 and 2050 due to just four climate related health impacts: heat, diarrhea, malaria and childhood undernutrition'.¹⁷ As well as air pollution, fossil fuel supply chains and infrastructure harm the health of local communities.¹⁸

Fossil fuel production and infrastructure is also a major contributor to the extinction crisis and reductions in biodiversity.¹⁹ 'The transport, distribution, refinement and combustion of fossil fuels impacts life on land through habitat destruction, habitat fragmentation and pollution'.²⁰ The oceans are also under threat – 'since the beginning of the Industrial Revolution between one-quarter to one-third of all carbon emissions from fossil fuels – approximately 500 billion tonnes – have been absorbed by the oceans'.²¹

This short summary of the science highlights just some of the key issues that Parties need to consider as they deliberate on the outcome of the first GST. It will be critical that Parties continue to review the best available science as we move towards COP 28/CMA 5.

- ²⁰ Ibid, p 26.
- ²¹ Ibid, p 27.

¹⁵ Ibid, p 6.

¹⁶ F. Daley and C. Lawrie, *Fuelling Failure: How coal, oil and gas sabotage all seventeen Sustainable Development Goals*, p 45. Available at:

https://static1.squarespace.com/static/5dd3cc5b7fd99372fbb04561/t/629621606337cb2779a 632f9/1654006125016/FFN_MVSA003+Report+-+Fossil+Fuels+vs.+the+Sustainable+Developm ent+Goals_V4-FA-Screen-Single.pdf.

¹⁷ Ibid, p 49.

¹⁸ Ibid, p 50.

¹⁹ Ibid, p 25.

Opportunities and challenges

The GST should carefully consider the opportunities and challenges to enhance international cooperation and increase support. There are numerous opportunities and challenges that exist in the pursuit of effective climate change action. This section seeks to unpack some of these.

The challenge of addressing the gap between emissions and supply-side policies

Many countries have misaligned emissions reduction policies and fossil fuel production policies. For example, countries are making ambitious emissions reductions targets, while continuing to maintain and/or expand fossil fuel production.²² There is a production gap - as reported in 2021, the world's governments 'plan to produce more than twice the amount of fossil fuels in 2030 than would be consistent with limiting warming to $1.5^{\circ}C.^{23}$

The Production Gap Report identifies a need for countries to 'align their fossil fuel production plans with global climate goals and commitments'.²⁴ Closing the fossil fuel production gap can be achieved by countries acknowledging they need to phase down fossil fuel production, 'placing restrictions on exploration and extraction', 'phasing out government support and financing', and 'providing local and international support for diversification and a just and equitable transition'.²⁵ International cooperation plays an important role in supporting an effective and equitable transition away from fossil fuels.²⁶

²² F. Daley, *The Fossil Fuelled*: Comparing rhetoric with reality on fossil fuels and climate change (2021) Available at: <u>https://fossilfueltreaty.org/fossil-fuel-5</u>.

²³ Stockholm Environment Institute et al., SEI, IISD, ODI, E3G, and UNEP, *The Production Gap Report 2021*. Available at: <u>https://productiongap.org/2021report/</u>.

²⁴ Ibid, p 65.

²⁵ Ibid.

²⁶ Ibid, p 66.

The challenge of accounting for fossil fuel production

Nationally Determined Contributions (NDCs) do not account for fossil fuel production. While the Paris Agreement provides for international regulation of emissions, it is not set up to govern the production of fossil fuels. For example, very few countries mention fossil fuel production in their NDCs, either in terms of efforts to limit fossil fuel production or to deal with the transition from fossil fuels to renewables through a just transition or economic diversification.²⁷

NDCs have the potential to be used by countries to communicate plans to actually phase down fossil fuels, rather than rely on assumed 'negative emissions' in the future. For example, NDCs could include 'background information on national fossil fuel reserves, and current and projected production; pathways and targets for aligning fossil fuel production with Paris Agreement goals; policy measures to manage a wind-down of fossil fuel production; just transition and economic diversification plans and measures; interventions to reduce production-related emissions; and equity considerations'.²⁸ Inclusion of such information in NDCs may improve the transparency of both supply and demand related policies in relation to fossil fuel reduction.²⁹ This obligation could be fulfilled by countries reporting their information into the newly launched Global Registry of Fossil Fuels (a repository of fossil fuel reserves and production for all countries worldwide) and including the same in their NDCs.³⁰

²⁷ N. Jones et al., Stockholm Environment Institute, *Database: Fossil Fuel Production Commitments under the UNFCCC* (2022); International Justice Initiative, University of Tasmania, Recognition of Fossil Fuels, Economic Diversification and Just Transition in Global Nationally Determined Contributions (forthcoming).

²⁸ Stockholm Environment Institute, *Untapped ambition: addressing fossil fuel production through NDCs and LEDS* (2019) p 10. Available at:

https://www.sei.org/wp-content/uploads/2019/06/untapped-ambition-addressing-fossil-fuel-production-through-ndcs-and-leds.pdf

²⁹ Ibid, p 18.

³⁰ Global Registry of Fossil Fuel Emissions and Reserves, Available at: <u>https://fossilfuelregistry.org/</u>.

The challenge of diversifying economies, enabling a just transition for workers, and scaling up renewable energy while mitigating climate change

An obstacle to sustainable development is a 'low level of diversification of economic activities'.³¹ The UNFCCC indirectly refers to economic diversification in Article 4.10 which recognizes that Parties must address the social and economic impacts of climate change measures on developing countries.³² The Paris Agreement refers to economic diversification in Article 4.7 (in relation to mitigation) and Article 7.9(e) (in relation to adaptation), although the operationalization of Article 4.7 is unclear.³³

NDCs include limited information on economic diversification, although it features 'in the NDCs of developing countries whose economies show a great dependency on oil production'.³⁴ Means for international cooperation to support economic diversification under the UNFCCC and its Paris Agreement are currently weak, and need to be enhanced.³⁵

A Fossil Fuel Non-Proliferation Treaty could 'set common standards as well as international agreements on the types of measures and support that should be put in place to enable safety nets and social protection provisions'.³⁶

³¹ Vicente Paolo B. Yu III, Third World Network, *Economic diversification from oil dependency: Practice and lessons from Persian gulf oil-dependent developing countries*, pp 13-15. Available at: <u>https://twn.my/title2/climate/series/cc06.pdf</u>.

³² Ibid, p 13; UN Framework Convention on Climate Change, Arts 3.4, 3.5, 4.8, 4.10, 10.

³³ Above n 31, p 16.

³⁴ Ibid, pp 17-18.

³⁵ Ibid, p 39.

³⁶ Fossil Fuel Non-Proliferation Treaty Initiative, *Briefing note: the global just transition pillar of the Fossil Fuel Non-Proliferation Treaty* (2022) p 9. Available at:

https://static1.squarespace.com/static/5dd3cc5b7fd99372fbb04561/t/636b1abbd7f3837417a 9c6f9/1667963595945/Just+Transition+Briefing.pdf.

The challenge of corporate interference and capture of policy spaces

The Kick Big Polluters Out Campaign³⁷ has proposed measures which the GST should consider as relevant in assessing progress towards the Paris Agreement goals and which could be taken in the UNFCCC to address this challenge, including that:

- Big Polluters should be excluded from the policymaking process regarding climate.
- Climate policy spaces should not be funded by partnerships or sponsorships with Big Polluters.
- Frontline communities should lead and participate in decision-making processes in order to achieve equitable and meaningful inclusion.

The opportunity to increase supply-side actions restricting fossil fuels

Inadequately addressing fossil fuel production is leading to a failure to mitigate climate change on a global scale. This is not easily captured by UNFCCC GHG emissions accounting which has an emissions consumption focus. 'Restrictive supply-side' policy instruments that target fossil fuels have numerous economic and political advantages over 'restrictive demand-side' instruments which target greenhouse gasses - they have lower administrative costs, higher certainty of abatement outcomes, and greater potential for mobilizing public support for climate policies.³⁸ On a global scale, there is a need to 'cut with both halves of the scissors' by restricting both the supply and demand of fossil fuels.³⁹ Historically there has been an international global focus on demand side actions. But recently there has been increasing recognition of the need for this dual approach, and examples of countries such as Denmark, France and others making commitments to limit future fossil fuel production or cancel licensing rounds are a step in the right direction, though do not

³⁷ See <u>https://kickbigpollutersout.org/</u>.

 ³⁸ F. Green and R Denniss, Cutting with both arms of the scissors: the economic and political case for restrictive supply-side climate policies (2018) pp 77, 79. Available at: https://link.springer.com/content/pdf/10.1007/s10584-018-2162-x.pdf?pdf=butto.
³⁹ Ibid.

go far enough. Commitments by all countries globally to end expansion of fossil fuels, phase out existing production, and for wealthy countries to support fossil fuel dependent developing countries to transition from fossil fuel dependence are all urgently needed to ensure that large swathes of remaining fossil fuels are effectively and fairly left in the ground'.⁴⁰

Equity arguments for the need for a global just transition

Equity must be at the heart of the Global Stocktake for it to be of any use. Distribution and equity are an inextricable challenge for the fossil fuel phase out: 'different countries are more or less dependent on fossil fuels, and more or less equipped to transition'. A globally just fossil fuel phase out is therefore critical starting with sites where current extraction and production bring the most harm to local communities and workers and where the social costs are minimal. Countries with high dependency and limited capacity to transition must be supported by wealthier and less dependent countries.

Measures highlighted in the Civil Society Equity Review reports⁴¹ that could be taken include:

- End development of new fossil fuel projects worldwide.
- End fossil fuel extraction and phase out existing fossil fuel facilities at a pace consistent with limiting warming to 1.5°c and in a fair and equitable manner.
- Enable a just transition designed through social dialogue with workers, their unions and communities, particularly those at the frontlines of extraction and renewable energy expansion.
- Require countries to undertake a rapid transition from fossil fuels to 100% renewable energy, diversify their economies and adopt alternative development models away from dependence on fossil fuels.

⁴⁰ P. Newell and A. Simms, *Towards a fossil fuel non-proliferation treaty* (2019) p 1044. Available at:

https://www.tandfonline.com/doi/epdf/10.1080/14693062.2019.1636759?needAccess=true&rol e=button.

⁴¹ See <u>https://www.equityreview.org/</u>.

- Wealthy countries massively scale up climate finance as part of their fair share of global climate action and cooperate internationally to enable southern countries in the transition.
- Governments, companies and investors are required to provide reparations where extraction and fossil fuel projects violate human rights and cause irreparable damage.
- Countries in aggregate need to ramp up total global 2030 efforts to reduce emissions by more than a factor of three.
- Countries contributing their fair share of the global effort: the efforts demanded of countries and groups within them must also be seen as fair.

Examples of good practice

The Global Stocktake should consider the following examples of best practice.

(a) Economic diversification

Economic diversification increases 'the ability of oil [and other fossil fuel] dependent developing countries to pursue their sustainable development objectives in the light of what is increasingly a policy-driven decrease in demand for fossil fuels.'⁴² The GST should therefore consider that a future Just Transition Work Programme should focus on economic and energy diversification. National and multilateral responses to climate change must be 'robust' as well as 'equitable and flexible' enough to enable a just transition.⁴³

⁴² Above n 31, p 18.

⁴³ Above n 31, p 38. For details of national just transition initiatives and platforms see also, Civil Society Equity Review, *The imperative of cooperation*: steps toward an equitable response to the climate crisis (2022). Available at:

https://static1.squarespace.com/static/620ef5326bbf2d7627553dbf/t/636f8be1d35f0875298d b39b/1668254693836/COP27 Civil Society Equity Review Report SCREEN.pdf; and Civil Society Equity Review, A fair shares phase out: a civil society equity review on an equitable alobal phase out of fossil fuels (2021). Available at:

https://static1.squarespace.com/static/620ef5326bbf2d7627553dbf/t/622824a543109c49186 ef913/1646797999602/CSO.Equity.Review-2021-A.Fair.Shares.Phase.Out.Of.Fossil.Fuels.pdf.

Ideally, economic diversification would result in a more robust range of sectors which make a significant contribution to economic growth, development, and international competition,⁴⁴ and also provide co-benefits for adaptation and mitigation.⁴⁵

(b) Just Transition

The Global Just Transition 'requires clear paths and proactive plans to enable economic diversification, implement renewable energy and other reliable, cost-effective low-carbon solutions, and to co-create solutions that benefit every worker, community and country'.⁴⁶ Dimensions of the Global Just Transition include, 'economic diversification, sustainable development and poverty eradication', an 'energy transition' to appropriate renewables, and 'equity and a just transition for workers and communities'.⁴⁷

The GST should consider that collective and internationally supported actions are needed to support the Global Just Transition, including mobilizing finance, technology transfer, price stability measures, response measures within the UNFCCC framework, and enabling and funding of social protection measures.⁴⁸

Domestic measures are also required to support the Global Just Transition, including redirecting fossil fuel subsidies and state-owned fossil fuel companies, enabling production of renewable energy technologies, reducing export dependence, achieving tax justice, and prioritizing energy and food sovereignty.⁴⁹

To support the Global Just Transition, a Fossil Fuel Non-Proliferation Treaty could include:

- (1) Mechanisms to provide 'support to less wealthy countries, capacity building and mobilization;
- (2) International commitments, safeguards, and assessments; and

⁴⁴ Ibid, p 19.

⁴⁵ Ibid" p 17.

⁴⁶ Above n 36, p 3.

⁴⁷ Ibid, p 4.

 $^{^{\}rm 48}$ lbid, pp 4 and 5.

⁴⁹ Ibid, p 5.

(3) Monitoring and compliance mechanisms.⁵⁰

(c) Scaling up renewable energy

Countries can achieve economic diversification and facilitate a global just transition by scaling up investment in, and production of, renewable energy technologies. This may allow developing countries to leap-frog developed countries' current reliance on fossil fuels and provide opportunities for decentralized, socially and environmentally appropriate energy models.⁵¹ For many developing countries, such scaling up will require not only domestic resource mobilization but also scaled up international financing, technology transfer and investment. The GST should consider that to ensure that over dependence or reliance on imported renewable energy technology is not fostered, and to promote the more rapid spread of renewable energy technologies, such international technology transfers of renewable energy technologies should be with the objective of fulfilling Article 4.5 of the UNFCCC and Article 10 of the Paris Agreement – i.e., that such transfers should support the development of endogenous technologies in developing countries.

Renewable energy has more than enough potential to meet growing energy demands,⁵² renewable energy is cost-competitive with fossil fuels,⁵³ and 'each region in the world has enough renewable energy potential to meet the energy needs of the countries within that region'.⁵⁴ Based on 2019 global demand and applying robust and conservative estimates that take into account environmental safeguards, land constraints and technical feasibility, solar and wind energy could power the world more than 50 times over.⁵⁵

Widespread deployment of renewable energies requires 'policymakers [to] reduce barriers and provide safe investment environments, particularly to smaller and less experienced developers'.⁵⁶ The rapid scale up of renewable energy technologies

⁵³ Ibid.

- ⁵⁵ Ibid, p 40.
- ⁵⁶ Ibid, p 36.

⁵⁰ Ibid, p 10.

⁵¹ Above n 6, p 48; Above n 36, p 4.

⁵² Above n 6, p 36.

⁵⁴ Ibid, p 47.

requires 'unprecedented levels of international cooperation and new multilateral frameworks'.⁵⁷ Examples include, the Least Developed Countries Renewable Energy and Energy Efficiency Initiative for Sustainable Development (LDC REEEI)⁵⁸ and the Africa Renewable Energy Initiative (AREI).⁵⁹

The GST should also consider that the rapid scale up of renewables will also require international mechanisms for capacity building of countries' renewable manufacturing capabilities, technology transfer between developed and developing countries, and removal of economic and policy barriers.⁶⁰ It will also be necessary to promote renewable energy related technology transfer beyond market-based approaches, 'which tend to increase dominance of developed countries and make developing countries import dependent'.⁶¹

At a domestic level, scaling up renewable energy will include redirecting fossil fuel subsidies and state-owned fossil fuel companies to renewables, and investing in renewable energy technology research and development.⁶² Investments in renewables can be made safer and more straight-forward with policies around the provision of subsidies and access to credit and long-term, public guarantees (such as feed-in tariffs).⁶³

Approaches to bringing fossil fuel supply and Global Just Transition into the UNFCCC

Addressing fossil fuel supply and enabling a Global Just Transition could be brought into the UNFCCC through the following, noting this is not an exhaustive list. The Global Stocktake must find synergies with the other existing UNFCCC processes.

⁵⁷ Ibid, p 48.

⁵⁸ See <u>http://ldcreeei.org/</u>

⁵⁹ See <u>http://www.arei.org/</u>

 $^{^{\}rm 60}$ Above n 36, pp 5 and 7.

⁶¹ Ibid, p 7.

⁶² Ibid.

⁶³ Ibid, p 6.

(a) NDCs

Nationally Determined Contributions (NDCs) can be used by countries to outline their plans for phasing down the use of fossil fuels. This could involve providing background information on national fossil fuel reserves, current and projected production, as well as targets and policies to align production with the goals of the Paris Agreement. NDCs can and should also include measures to equitably reduce emissions, promote a just transition, and support economic and energy diversification including through the provision of the means of implementation.

Opportunities and challenges for international cooperation and coordination should be included in NDCs of all countries, and Global North countries should indicate how they will scale up their financial and other support to developing countries to maximize these opportunities and minimize or address challenges. This could include supporting the inclusion by countries of policies and measures within their NDCs that are designed to support economic and energy diversification as key elements in their just transition strategies.

It is critical that the GST consider that by including this information in their NDCs, countries can improve transparency regarding their supply and demand-related policies for reducing fossil fuel use. One way to fulfill this obligation is by reporting information to the newly launched Global Registry of Fossil Fuels, a repository of fossil fuel reserves and production data for all countries worldwide, and including this information in their NDCs.

(b) Katowice Committee

The Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI),⁶⁴ supports the forum on the impact of the implementation of response measures. The work programme of the forum and the KCI includes:

(a) Economic diversification and transformation;

(b) Just transition of the workforce and the creation of decent work and quality jobs;

⁶⁴ UNFCCC, decision 7/CMA.1, para 5. Available at: <u>https://unfccc.int/documents/193407</u>.

(c) Assessing and analyzing the impacts of the implementation of response measures;

(d) Facilitating the development of tools and methodologies to assess the impacts of the implementation of response measures.⁶⁵

The forum and the KCI may use the following modalities, as appropriate and as decided on a case-by-case basis, in order to carry out the work programme of the forum:

(a) Building awareness and enhancing information-sharing through the exchange and sharing of experience and best practices;

(b) Preparing technical papers, case studies, concrete examples and guidelines;

(c) Receiving input from experts, practitioners and relevant organizations;

(d) Organizing workshops.⁶⁶

The GST should consider the KCI an important entry point to bringing language on fossil fuel supply and global just transition into the UNFCCC process.⁶⁷

(c) Just Transition Work Programme (JTWP)

The Just Transition Work Programme (JTWP) was established by a decision at COP 27. The JTWP is 'for discussion of pathways to achieve the goals of the Paris Agreement outlined in Article 2, paragraph 1, in the context of Article 2, paragraph 2'. The Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA) are to recommend a draft decision at CMA 5 (COP28 in Nov/Dec 2023). The work programme is to be implemented in a manner that 'builds on and complements the relevant work streams under the Convention and

⁶⁵ Ibid, Annex II, para 2.

⁶⁶ Ibid, Annex III, para 5.

⁶⁷ For examples on language that could be used, see Fossil Fuel Non-Proliferation Treaty Initiative, *2022 briefing for government officials*. Available at:

https://static1.squarespace.com/static/5dd3cc5b7fd99372fbb04561/t/6358a9ce7c826e6c3f0 c225a/1666755041757/Fossil+Fuel+Treaty+Briefing+for+Government+Officials.pdf

the Paris Agreement, including the work programme for urgently scaling up mitigation ambition and implementation'.⁶⁸

The GST should consider that as part of the JTWP, a high-level ministerial round table on the just transition will be held annually, beginning at CMA5. This is an important opportunity to raise and maintain the profile of just transition within the UNFCCC and to move beyond buzz words into detailed exchanges around challenges and opportunities, best practice and other topics, including economic diversification, energy access and addressing the needs of the most impacted.

(d) Mitigation Work Programme (MWP)

The Mitigation Work Programme (MWP) was established at COP 26 in Glasgow 'to urgently scale up mitigation ambition and implementation'.⁶⁹ At COP 27, Parties agreed the work programme would be carried out under the CMA, to conclude at CMA 8 (COP 31) in 2026. It was agreed its objective shall be to 'urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the global stocktake'. There will be at least two global dialogues each year, events on the margins of those dialogues, submissions and reports. A draft decision will be recommended for consideration and adoption at each session of the CMA.⁷⁰

⁶⁸ UNFCCC, decision 1/CMA.4 (Sharm el-Sheikh Implementation Plan), para 52. Available at: <u>https://unfccc.int/documents/624441</u>.

⁶⁹ UNFCCC, decision 1/CMA.3, para 27. Available at: <u>https://unfccc.int/documents/460950</u>. See also, Third World Network, *Rich exchange of views on the mitigation work programme* (June 2022). Available at:

https://www.twn.my/title2/climate/news/Bonn23/No5_TWN%20BNU_09Jun2022.pd; Fossil Fuel Non-Proliferation Treaty Initiative, 2022 briefing for government officials (2022). Available at:

https://static1.squarespace.com/static/5dd3cc5b7fd99372fbb04561/t/6358a9ce7c826e6c3f0 c225a/1666755041757/Fossil+Fuel+Treaty+Briefing+for+Government+Officials.pdf; and

Climate Action Network, Ideas on a work programme for urgently scaling up mitigation ambition and implementation (2022). Available at:

https://climatenetwork.org/wp-content/uploads/2022/10/CAN_MWP_PositionPaper_Sept202 2.pdf

⁷⁰ UNFCCC, decision -/CMA.4 (Advance unedited version). Available at: <u>https://unfccc.int/documents/624428</u>

To complement the GST, the MWP should include dedicated dialogues on the following three topics in line with the scope of the work programme:

- (1) Improving and sharing data and information about fossil fuel production plans and reserves;
- (2) Barriers and opportunities to ending expansion of fossil fuels and phasing out existing fossil fuel production in line with 1.5C and on the basis of equity;
- (3) International cooperation, on the basis of equity and common but differentiated responsibilities, to address fossil fuel production and enable a global just transition.⁷¹

Complementary international cooperation approaches

The UNFCCC and its Paris Agreement play key roles in being the primary multilateral instruments upon which the international effort against climate change is based, including by setting the 1.5°C temperature goal and setting a framework for country action, reporting and means of implementation.

But the regime could be helped in meeting its goal by complementary measures that align fossil fuel supply-side policy with the goals of the Paris Agreement. These should also be considered in the GST and could include, for example:

- New initiatives for financing of global public goods, e.g., Special Drawing Rights.
- Renewable energy and just transition oriented initiative, e.g., e.g., Global Renewable Energy and Energy Access Programme, Least Developed Countries Renewable Energy and Energy Efficiency Initiative for Sustainable Development, and Just Energy Transition Partnerships.
- Initiatives and platforms oriented towards fossil fuel production phase out, e.g. registry,⁷² phase-out of fossil fuel subsidies, Keep it in the Ground initiatives,

⁷¹ Fossil Fuel Non-Proliferation Treaty Initiative, *Submission on the mitigation work programme*. Available at:

https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202302080935---Submission %20MWP.pdf

⁷² See Global Registry of Fossil Fuel Emissions and Reserves: <u>https://fossilfuelregistry.org/</u>

Beyond Oil and Gas Alliance, Global Commission on Fossil Fuels, and the Fossil Fuel Non-Proliferation Treaty.

Elaborating on three key approaches:

The Fossil Fuel Non-Proliferation Treaty, is an initiative behind which there is growing momentum. The Treaty proposal builds from three pillars of

- (1) Non-proliferation of fossil fuels i.e., ending new exploration and production;
- (2) Equitable phase-out of existing fossil fuels; and
- (3) The acceleration of a global just transition.

A world-wide moratorium on the development of all new oil, gas and coal reserves is needed to prevent expansion of unburnable fossil fuel inventories; to protect workers, communities and assets from becoming stranded; and avoid locking in catastrophic and irreversible global heating.

Phasing out fossil fuel production in line with 1.5° C will require limits on extraction, removal of production subsidies, dismantling unnecessary infrastructure and shifting support to safer and more sustainable alternatives. As noted, the UNEP Production Gap Report confirms that fossil fuel production must decline by at least 6% per year to avoid more than a one-third risk of exceeding 1.5° C — or roughly 50% by 2030.

The scale of the challenge demands urgent collective action that addresses the needs of dependent workers, communities and countries. In particular, this requires support for poorer and more dependent countries to help workers and communities, transition towards 100% renewable energy, and diversify their economies. This includes countries dependent on imports and exports of fossil fuels.

There are a number of rationales for the Treaty, with most coalescing around the need to align current and planned fossil fuel production with the goals of the Paris Agreement. This means providing an overall institutional architecture for supply-side climate policies, and providing global oversight and further amplifying trends around 'stranded assets, the falling price of renewables, growing waves of activism, litigation,

and first-mover alliances'.⁷³ The world ultimately needs a formal process to deliver a negotiated legal instrument on the managed transition from fossil fuels.

The Global Registry of Fossil Fuel Emissions and Reserves, is the first open-source database of oil, gas and coal production and reserves globally, expressed in CO2-equivalent. With its aim to 'improve understanding of extraction impacts on the remaining carbon budget and ultimately to inform its management by decision makers', the Registry is a key transparency initiative to support the Global Stocktake and transparency mechanism under the UNFCCC.⁷⁴

The Beyond Oil and Gas Alliance, is an initiative created by Costa Rica and Denmark that is designed to unify a group of first mover countries to 'facilitate the managed phase-out of oil and gas production'. This includes elevating this issue in 'international climate dialogues, mobilize action and commitments, and create an international community of practice'.⁷⁵

⁷³ P. Newell, H. van Asselt, and F. Daley, *Building a fossil fuel non-proliferation treaty: key elements* (2022). Available at:

https://www.sciencedirect.com/science/article/pii/S2589811622000283. See also, Fossil Fuel Non-Proliferation Treaty Initiative, *Briefing note: aligning fossil fuel production with 1.5 °C and the Paris Agreement*. Available at:

https://static1.squarespace.com/static/5dd3cc5b7fd99372fbb04561/t/6178bd5389fa492c378 94a11/1635302740331/Briefing+%E2%80%93%C2%A0Fossil+Fuel+Non-Proliferation+Treaty.pdf.

⁷⁴ See Global Registry of Fossil Fuel Emissions and Reserves: <u>https://fossilfuelregistry.org/</u>.

⁷⁵ See Beyond Oil and Gas Alliance: <u>https://beyondoilandgasalliance.org/</u>.