

CMI COP28 Priorities & Calls to Action

November 2023

Throughout COP28, CMI will track engagement with key themes as they emerge. Below are our key priorities and calls to action for the international negotiations, and for Australia.

COP28 priorities	Calls to action in support of ambitious COP28 outcomes
<p>1) Global Stocktake Course Correction Roadmap</p> <p>The first global stocktake (GST) should be a ‘global accelerator’ that recalibrates transformative action to towards Paris goals. The Synthesis GST Report assessment of collective progress towards Paris Agreement temperature goal of well below 2C and pursuit of 1.5C notes the Agreement has driven climate action but that “much more is needed”.</p> <p>To date, only a handful of countries have submitted enhanced Nationally Determined Contributions (NDCs). In submitting</p>	<p>For COP28:</p> <ul style="list-style-type: none"> • An unequivocal signal from Parties that they will submit enhanced Paris-aligned NDCs with more ambitious 2030 and 2035 climate targets - well ahead of COP30. • Deliver a roadmap of actions and solutions to accelerate the transition, as emphasised by the Parties at the GST multilateral consultations. This should include focus on transformative action in high-impact areas: <ul style="list-style-type: none"> ○ Fossil Fuels: Speeding up rate of decarbonisation, phasing out of fossil fuels and all government fossil fuel subsidies and incentives ○ Renewable Energy: ratcheting commitments around renewable energy deployment, energy efficiency and electrification.



<p>higher ambition NDCs, Parties must outline mitigation efforts and related supporting finance deployment alongside adaptation efforts.</p> <p>A course correction roadmap of political outputs arising from the GST technical analysis should inform ratcheting of collective and transformative ambition and be incorporated into Parties' current 2030 and 2035 NDCs due to be submitted in early 2025 for consideration in Brazil at end of 2025 at COP30.</p>	<ul style="list-style-type: none"> ○ Policy: Outlining the role of critical enabling policies such as carbon pricing ○ Carbon Markets: Scaling and deepening carbon market frameworks, including nature-based solutions. ○ Sectoral Transition: Incentivising and innovating sector pathways <p>For Australia:</p> <ul style="list-style-type: none"> • Australia's increased 2030 NDC of 43% reductions, up from 26%, was broadly welcomed but remains short of alignment with Paris Agreement temperature goals. Recent research indicates the 2030 target should be 48 – 61% to better align with Australia's 'fair share' of global efforts. • CMI continues to advocate Government action enable at least 50% reductions by 2030 and over 70% by 2035. The GST should inform current processes developing the 2035 goal and sectoral plans for net zero by 2050. • CMI recently updated its Policy Positions highlighting the need to deepen and broaden the Safeguard Mechanism and implement additional policies, this is available here.
<p>2) A clear path towards Article 6 operationalisation and readiness</p> <p>Whilst the Article 6 rulebook for global cooperation with international markets (Articles 6.2 & 6.4) and non-market (6.8) approaches was broadly agreed at COP26, COP28 is a critical opportunity to allow full and swift operationalisation to enable further climate finance. Research has highlighted that effective use of Article 6 and trade in Internationally Transferable Mitigation Outcomes (ITMOs) can deliver an additional 4 to 12 billion tonnes of emissions reductions annually by 2030.¹</p>	<p>For COP28:</p> <ul style="list-style-type: none"> • Recognising the crucial role of high-integrity cross-border carbon markets in contributing to nationally determined contributions (NDCs), establishing robust reporting and review frameworks of Article 6.2 is essential to enable countries to transparently report their voluntary cooperation activities and foster trust in international market mechanisms. • Develop clear rules concerning the timing of ITMOs authorisation, changes to authorisation (which should only happen in exceptional or clearly specified circumstances), and corresponding adjustments for multi-year and single-year NDCs. • Establish clear guidance on methodologies and removals, along with explicit clarity on whether additional definitions on emission avoidance will be included within Article 6.4 activities.

¹ UNEP (2021), Emissions Gap Report 2021, p.59; James Edmonds et al. (2021), How Much Could Article 6 Enhance Nationally Determined Contribution Ambition Toward Paris Agreement Goals Through Economic Efficiency? *Climate Change Economics* 12(2); Taskforce on Scaling Voluntary Carbon Markets: Final Report, p.50.



<p>There has been a surge of Article 6.2 bilateral cooperation agreements, including in the Asia Pacific region -with Japan, South Korea and Singapore actively seeking partnerships and formalising Memorandums of Understanding to secure international credits required to meet domestic NDC targets.</p> <p>However, market readiness for governments, private sector, community and practitioners needs urgent attention to ensure integrity, and to assure assistance for NDC and sustainable development goals are maximised. These should be well resourced to safeguard the rights of the Indigenous and local communities in small island and other developing states that may host these projects.</p>	<ul style="list-style-type: none"> • Recognise and address the specific circumstances of the least developed countries and small island developing states and highlight the importance of concrete measures to safeguard the rights of Indigenous peoples and local communities. • Expedite capacity-building for Article 6.2 and Article 6.4 for both host countries and investor countries to enhance market readiness at the regional level. • Finalise the guidance on registries, methodologies and removals and Parties, so methodologies can be approved under the A6.4 mechanism and projects can start to register in 2024. <p>For Australia:</p> <ul style="list-style-type: none"> • Australia has been supportive of transparency and activating Article 6 opportunities and has agreements with PNG and Fiji to support capacity building. • The previous Government’s Indo Pacific Carbon Offsetting Scheme (IPCOS) is under review, changes to this scheme should provide targeted extra support for transparency, capacity building and for pilot projects, particularly in the Pacific.
<p>3) High integrity approaches to corporate and industrial net zero transition</p> <p>The private sector has an important role to play in supporting the global transition to a net zero economy, and this role is increasingly being recognised through the UNFCCC approach.</p> <p>COP28 will see further development of the UNFCCC Secretariat’s Recognition and Accountability Framework for non-Party stakeholder climate action, as well as the launch of the COP Presidency’s Net-Zero Transition Charter. Both pieces of work provide an important intersection between public and private sector contributions, which must be fleshed out to increase financial flows into high-integrity climate solutions. The COP</p>	<p>For COP28:</p> <ul style="list-style-type: none"> • Further elaboration by the UNFCCC Executive Secretary on the implementation plan for the Net Zero Recognition and Accountability Framework, following stakeholder consultation including with CMI. • Commitment to operationalise specific carbon market integrity initiatives, such as the VCM Claims Code of Practice and IC-VCM’s Core Carbon Principles, in compliance frameworks and VCM host countries as well as jurisdictional programs that incentivise voluntary carbon market engagement by private actors. • Agree a joint declaration of VCM standards on high-integrity carbon crediting. • Support an agreement to harmonise international guidance for net-zero targets by non-state actors and facilitate transparency of these commitments through the Net Zero Recognition and Accountability Framework. <p>For Australia:</p>



<p>Presidency has made an unprecedented call out to voluntary carbon market (VCM) carbon crediting standards to “align on integrity” and their role in net zero transition must be recognised and standardised.</p>	<ul style="list-style-type: none"> • Australia has committed to introducing mandatory climate disclosures and transition planning as well as reviewing its Climate Active program, which certifies voluntary climate action and carbon market engagement. • Australia should establish standardised climate disclosure framework that draws upon the UK Transition Plan Taskforce and facilitates best practice approaches to credibility and integrity, aligned with a 1.5°C pathway. • Australia should also support demand side integrity in carbon markets, including through Climate Active program reform, drawing upon the emerging work of the VCM’s Claims Code of Practice and IC-VCM’s Core Carbon Principles.
<p>4) Scaling up and acceleration of climate finance, including the operationalisation of the Loss & Damage Fund.</p> <p>Climate finance is a central agenda item of discussion at COP28, with current financing falling well short of the trillions required to meet Paris goals.</p> <p>A new collective quantified goal on climate finance (NCQG) needs to be agreed next year at COP29 but substantial progress should be made at COP28.</p> <p>The COP Presidency has signalled to Parties a focus on a paradigm shift on finance – by delivering on old promises and setting the framework for a new deal on finance. Discussions should cover transformational climate finance innovation (risk-sharing, blended finance), building institutional capacity in developing countries, multilateral bank reform (specifically the Bretton Woods reform agenda including changes to World Bank and IMF governance and priorities) and accountability mechanisms for countries and companies.</p>	<p>For COP28:</p> <ul style="list-style-type: none"> • Deliver on prior agreements, including making demonstrable progress towards setting a new collective quantified goal on climate finance (NCQG). • Establish clarity for the Loss and Damage fund on eligibility, funding sources, scope, and the role of World Bank. Transparency measures must be integrated to ensure that finance is channelled into climate projects on the ground of the most vulnerable countries. • Link Loss and Damage Fund with carbon markets – recognising their role in crowding-in investment and delivering significant co-benefits. <p>For Australia:</p> <ul style="list-style-type: none"> • Australia has broadly supported reforms of the Bretton Woods system and a new loss and damage fund as well as recommitting to support the Green Climate Fund. It advocates for funding arrangements that prioritise the most climate-vulnerable countries, including Pacific Island Nations, drawing from a broad donor base that includes both private and innovative finance sources. • Australia will need to indicate the scale of its support to increase public funds to the Loss and Damage and Green Climate Funds as well as link carbon market initiatives to climate finance outcomes that deliver social and environmental, as well as climate, benefits.



<p>Delivering and operationalising the global Loss and Damage fund established at COP27 will also be key with global consensus required on definitions, collaboration and innovative financing.</p>	
<p>5) Adaptation, nature-based solutions and Just transition work program decision</p> <p>Other key decisions at COP28 include a global goal on adaptation, as well as further priorities for nature-based solutions and alignment with the Convention on Biological Diversity’s 2023 Kunming-Montreal Global Biodiversity Framework.</p> <p>Australia’s Assistant Minister for Climate Change and Energy, Jenny McAlister is co-chairing work on the Global Goal on Adaptation.</p> <p>On Just Transition, COP27 saw agreement on the establishment of a work programme and at a subsequent multilateral consultation convened by the COP28 Presidency, Parties called for a solutions-focused work program that promotes on guidance on just transition.</p>	<p>For COP28:</p> <ul style="list-style-type: none"> • Finalise a decision on the just transition work program. • Include consideration of the use of carbon markets as a critical channel for much-needed finance into vulnerable communities. • Adopt a framework for the Global Goal on Adaptation with agreement including on: purpose, principles, funding sources, targets, means of implementation and a further work program to complete the framework and implement it. • Welcome the Kunming-Montreal Global Biodiversity Framework and support more alignment and integration of climate and nature repair. • Review progress on the COP26 Glasgow Declaration on Forests and Land-Use and strengthen accountability measures where appropriate. • Ensure the rights of Indigenous Peoples and local communities are protected in all initiatives. <p>For Australia:</p> <ul style="list-style-type: none"> • Australia has established a Net Zero Economy Agency with a focus on just transition and is developing a National Climate Risk and National Adaptation Plan alongside Net Zero 2050 sectoral plans and nature repair market and environmental legislative reform due in 2024 - each of these processes should reflect the extra urgency highlighted by the GST as well as decisions on the global adaptation framework. They should also recognise the potential contributions of carbon markets in harnessing investment.