

MAJALAT - Brussels Civil Society Forum CONCEPT NOTE & RECOMMENDATIONS *Social and Climate Justice*

Climate change represents a major challenge in the Mediterranean region. Most of the Southern Mediterranean countries are experiencing rising temperatures, increasing water scarcity, and growing rates of desertification. Extreme weather events are becoming more frequent. They affect the quality of life and impact the key sectors of the economy, slowing down economic growth and exacerbating social and geopolitical tensions. Climate change adaptation and mitigation measures are therefore fundamental for promoting growth, sustainable living conditions, and ultimately stability and security in the region.

In the workshop participants from civil society organisations working in the Southern European Neighbourhood agreed that in order to overcome inequality and social conflict, it is essential to link climate and social justice. The 2030 Agenda for Sustainable Development, the Paris Agreement and the Convention on Biological Diversity are international commitments which should provide the framework for the EU's external action policies and financing to deliver on climate and social justice in the Southern Neighbourhood. However, delivery is compromised by the sometimes competing interests of different EU institutions and actors operating in the region, and an over focus on involvement of the private sector, security and migration. Policy coherence for sustainable development is not always followed through.

The main entry point of discussion during 2019 activity cycle aimed at defining a policy approach to be adopted by civil society in relation to:

1. Aid and Climate Change
2. Investment and Climate Change
3. Civil Society Engagement
4. Correlation between climate and social justice
5. Legal Framework

This concept note is the result of the discussions that took place during the thematic Workshop on Social and Climate Justice held in Casablanca (Morocco) in April 2019 and, of the subsequent reflections resulted from the South Seminar held in Tunis, in September 2019. Subsequently, in order to refine the recommendations resulted from the Majalat activity cycle, an independent expert active in the civil society sector in the Southern Neighbourhood countries, has been recruited. The main objective of the work done by the expert was to better specify and develop the recommendations using specific provisions, policies, EU instruments, mechanisms and actions in order to make the recommendations operationalizable and actionable specifying the targeted EU institution - and, therefore, place recommendations in perspective with EU policies in the specific thematic area discussed (except the last two entry points).

The content and political message of the report and the recommendations have not been altered. Additional points will be validated with the discussions with the participants during the Brussels Civil Forum.



Entry points

1. Aid and Climate Change

During the Workshop participants highlighted the importance of shifting official development assistance towards climate change. However, because climate change represents a new and additional challenge to development (in addition to education, health, inequalities), climate finance to support countries to deliver their NDCs should be new and additional to ODA. The EU has a long-standing commitment to commit 0.7% of its GNI as ODA. Climate finance and ODA is currently channelled through the European Neighbourhood Instrument (ENI) in the current EU budget period (2014-20).

For the next EU budget period 2021-27, funding will operate through the Neighbourhood, Development and International Cooperation Instrument (NDICI) (negotiations currently on-going). Whilst the proposed climate target has been raised to 25%, the new instrument puts a lot of emphasis on EU foreign policy and migration. Better mainstreaming climate and environmental action is needed, alongside other social priorities and to promote gender in climate action. Maintaining grants-based finance is particularly crucial for adaptation and energy access projects, which are reliant on consistent public support.

Recommendation for the European Commission (DG CLIMA, DG DEVCO, DG NEAR), the European Parliament (Foreign Affairs and Development Committees), European Council (CODEV working group)

For the next EU budget 2021-27 and future Neighbourhood, Development & International Cooperation Instrument decision-makers should safeguard:

- Funding for Heading VI (external action) at least 10% of the overall budget
- For the NDICI a 50% climate and environment spending target should be introduced
- 85% of programmes should have gender equality as one of their objectives
- 20% ODA should be dedicated to human development and social inclusion
- The migration spending target (10% in the Commission's proposal - which has no basis in Treaty or International Agreement) should be removed
- Allocate a higher share of funding for targeted thematic programmes

Recommendation for the European Commission (DG NEAR) the European External Action Service (EEAS) and EU delegations

Regarding the programming of climate and environmental action in the NDICI, which formally starts in 2020, the Commission design the programming documents, EEAS coordinates strategic vision, EU delegations organise country consultations. All targets set in the NDICI (i.e. for climate, human development etc) should be duly reflected in programming at country and regional level. Programming needs to support countries' NDCs, SDG plans and National Adaptation Plans.

Recommendation for the European Commission (DG CLIMA, NEAR, DEVCO) Member States

The European Commission should improve tracking of climate finance volume and impact, mitigation, adaptation effects and sectors. As a starting point it should set up an action plan for review of the Rio Markers and engage in the development of more precise climate finance methodologies through the OECD Development Assistance Committee.

The EU should take a strong stance in UNFCCC negotiations to scale up future climate finance goals, including a target for grants-based finance, adaptation. The EU should adopt a definition of "new and additional" climate finance as over and above 0.7% GNI commitments.



2. Investment and Climate Change

With EU funding channeled through a multitude of actors in the region with different priorities the EU's ability to achieve overall policy coherence is limited. Moreover, the increasing focus on the private sector in the EU's external policies is not always aligned with climate and social justice. Alongside increased climate finance, all other funding and investment must be climate-proof and support must be channeled into a socially just transition. ¹

Blended finance: There is an increasing trend in EU development cooperation towards blending ODA with private finance. While this may complement the efforts of public finance towards global environmental benefits, climate objectives and essential development services, these policy objectives are not the top priority for projects and programmes supported through blended and private finance. Blended finance does not guarantee the same levels of transparency and accountability as public finance and grant based support. There is poor evidence on impacts from the type of investments using blending, including data on financial, development and value addition, as well as poor monitoring and evaluation for current blending facilities, including the Neighbourhood Investment Facility.

Multilateral Development Banks: The European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) have provided huge quantities of finance for fossil fuels in developing countries over the past decade (for example the EIB provided \$2250 million for fossil fuel generation from 2010-16). Whilst the EIB recently announced a new Energy Lending Policy which will exclude almost all funding for fossil fuels from 2021, multiple other finance institutions operating in the region continue to fund fossil fuel projects (including the EBRD operating in Egypt, Jordan, Lebanon, Palestine, Morocco and Tunisia). With a main focus on developing the private sector, competition and economic growth, it has been criticised for leaving social, environmental and human rights at the margins in the Southern Neighbourhood. The EBRD renewed its Energy Sector Strategy in 2018, but includes gas as one of its main pillars for the transition, and allows indirect financing of coal through corporate lending to companies.

Corporate accountability: Business stakeholders are important in the implementation of the SDGs, and many European companies and investors are in positions to make a difference in the Southern Neighbourhood region. In the past, however, policy-making on corporate accountability has been mostly lax. The need to implement some form of concrete incentive other than soft law is still present, in order to increase credibility in European businesses active in the region as well as the EU itself.

Recommendations for the European Commission (DG Clima, DG DEVCO, DG NEAR), the European Parliament (Foreign Affairs and Development Committees), European Council (CODEV working group)

Climate and SDG priorities, as well as provisions on encouraging financing for local actors, need to be rigorously reflected in the governance of blending facilities, the EFSD+ and external action guarantee, and all IFIs/DFIs/MDBs, along with social safeguards in line with international standards

Specific investment windows in EFSD+ for sustainable energy and climate mitigation and adaptation projects should be introduced.

Comprehensive extension of environmental screening and impact assessments has to be ensured to cover climate mitigation and adaptation, and it should also be updated in the common standard of planning/programming and reporting on the EU's external funds and financial instruments.

Regional and, where appropriate, thematic programmes should embrace climate neutrality objectives in the long-term.

¹<http://www.caneurope.org/docman/climate-finance-development/3373-assessment-eu-budget-climate-mainstreaming-can-europe-august-2018/file>



Recommendations for EIB and EBRD country offices, European Commission (DG NEAR, CLIMA), Member States, the Governors of the EIB

MDB/DFIs should urgently phase out any finance for climate harmful activities. EU representatives should work to influence the EBRD and finance institutions which cooperate in the region through the investment platform to phase out fossil fuel finance

The EIB and EBRD need to take further steps to ensure an increasingly higher proportion of its portfolio supports climate action, ringfencing adaptation, with special provisions for community-based initiatives and land rights. Both need to develop investment strategies compatible with the 1.5°C goal. The banks should increase their co-financing of UNFCCC climate funds (GCF).

Recommendation for European Parliament (INTA, LIBE, DROI, DEVE), European Commission (DG TRADE, GROW, NEAR), Member States

A corporate due diligence mechanism at EU level is needed to ensure that corporations fulfil their responsibility and due diligence on human rights, labour rights, environmental rights and alignment with the Paris Agreement. The EU should also support the development of a UN binding treaty on transnational corporations and human rights.

Recommendations for EU Delegations, EIB and EBRD offices, European Commission (DG NEAR, CLIMA), Member States, EIB Board

In fossil fuel-heavy regions EU funding can support the just transition by supporting efforts to develop low-carbon development transition plans, and the EIB and EBRD can dedicate a higher share of financing to the just transition, the EIB should show a higher risk appetite for climate projects.

Recommendation for the European Commission (DG ECFIN), Council (EPC working group), Parliament (Budgets Committee)

The European Commission Sustainable Finance Action Plan includes the development of a taxonomy for labelling of ‘green’ financing options, aimed at incentivising investment in green projects and companies. The taxonomy needs to be improved to totally exclude fossil fuels including gas from the ‘green’ labelling, much more rigorous sustainability criteria are needed.

3. Civil Society Engagement

Civil society organisations play multiple roles in society: as advocates, innovators, watchdogs, partners in dialogue, implementers of programmes, and actively contribute to the achievement of sustainable development and tackling climate change. For the successful implementation of the SDGs and for development to be truly sustainable in the long term, the currently shrinking civic space is a threat that needs to be addressed². In order to maintain effective civil society engagement and participation, it is essential that CSOs have access to information and regular consultation on EU funded projects. Full transparency around the meetings and decisions regarding EU funded programmes will be essential to help assess the potential of projects ex-ante and their impacts ex-post.

A key part of EU delegations’ engagement with civil society includes the development of CSO Roadmaps. Climate justice and civil society participation should be a central element of the EU country CSO roadmaps developed by EU delegations. However, at the moment, the focus on climate is extremely limited. For the implementation of the roadmaps, continuous consultation and dialogue with civil society is essential. The rights to public participation and access to information and justice are enshrined in the

²<https://actalliance.org/act-news/development-needs-civil-society-the-implications-of-civic-space-for-the-sustainable-development-goals/>



Aarhus Convention³, a key document for strengthening the role of civil society in environmental decision-making. The Convention has been signed and ratified by the EU and all its member states. The Convention applies to and should be adhered to by EU Delegations in the Southern Neighbourhood as well.

Recommendation for The European Commission (DG CLIMA, DG DEVCO, DG NEAR), European Parliament (Foreign Affairs & Development Committees), European Council (CODEV working group)

Regarding the NDICI and future external investment architecture, decision-makers should guarantee support for civil society throughout all instruments (thematic and geographic). More opportunities should be created for CSOs/ local stakeholders to access funds and create a dedicated civil society envelope under each geographic programme for better integration of civil society in countries' climate action. DG NEAR should also promote other funding streams such as Horizon Europe (Pillar 2), providing greater support to the engagement and involvement of CSOs from the region into European funding streams that support research into energy transition and climate policies.

Recommendation for the European Commission (DG NEAR) the European External Action Service (EEAS) and EU delegations, IISG

On programming of EU funds EU delegations should conduct regular consultations reaching out to a diverse range of civil society actors from grassroots, youth groups, regional networks, including those with links to climate justice defenders from the beginning of the programming process; consultations should include clear guidance, information and be transparent on expectations and outcomes; regular information about opportunities and process should be provided, building on the process of the joint programming tracker site.

The CSO Roadmaps reviews should align better to climate and social justice CSO actors and priorities, and build synergies to human rights country strategies, the Gender Action Plan, the Aarhus Convention in each national context, with outreach to relevant stakeholders. IISG should play a role in liaising with EU delegations in order to reinforce coordination (through the EU Delegations Group).

Recommendation for the European Commission (DG CLIMA, NEAR, DEVCO)

Strengthening public-private dialogues will ensure effective implementation of climate investment reform. The proposed Climate Pact under the proposed European Green Deal must cement an international dimension into its structure to facilitate a multi-stakeholder committee including civil society from both the Southern Neighbourhood and the EU, and regional public and private actors in the fields of energy, environment and climate, to monitor progress on climate and social justice in EU external action, financing and investment.

Recommendation for the European Commission (DG NEAR), EEAS, EU delegations, IISG

The EU should deepen its support of CSOs focused on climate and environmental challenges at regional level - for example through convening a Civil Society Forum South on this theme. Recognising existing networks (CAN Arab World as an example), the EU Delegations should support steering them to funding streams and set up a specialised environmental civil society platform.



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³ <https://ec.europa.eu/environment/aarhus/index.htm>



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