

Chile/Madrid Climate Change Conference: Tuesday, 10 December 2019

The Chile/Madrid Climate Change Conference continued on Tuesday with the high-level segment and a few discussions convening on finance-related issues.

High-Level Segment

COP President Carolina Schmidt (Chile) opened the COP 25/ CMP 15/CMA 2 high-level segment.

Saying that “we need to give the best of ourselves,” Alejandro Sanz, Spanish musician, called for unity in efforts to address climate change.

Petteri Taalas, Secretary-General, World Meteorological Organization, highlighted the *2019 State of the Climate Report*, and pointed to consequences of climate change. He noted increasing public pressure to shift towards carbon neutrality and called for mindsets to move from “tomorrow” to a long-term perspective.

Minister Teresa Ribera, Spain, reminded participants of the need to build bridges across generations and to work with medium- and long-term visions, and highlighted that social equity must feature in fighting climate change.

UNFCCC Executive Secretary Patricia Espinosa called for operationalizing Paris Agreement Article 6 provisions, noting that mitigation action under related mechanisms will help support adaptation action. Recalling that the latest IPCC findings show that we are not on track to enact the needed transformation, she urged for ambitious leadership, emphasizing that “we are out of time.”

Tijjani Muhammad-Bande, President of the 74th Session of the UN General Assembly, emphasized that “we have a moral obligation to act,” and called for identifying economic models that ensure prosperity for all while ensuring climate resilience and gender equality, and reversing biodiversity loss.

COP 25 President Carolina Schmidt underscored that climate change exacerbates social inequalities. Pointing to the high-level ministerial dialogue on adaptation and to meetings with ministers of finance, science, and energy, she urged engagement with all parts of government, as well as sub-national governments, communities, and private sector actors.

National Statements: President Taneti Maamau, Kiribati, sought collective support to ensure that the Paris Agreement Work Programme (PAWP) is completed with dedicated finance for loss and damage, simplified access to climate finance, and a “clear and robust” Article 6.

Prime Minister Pohiva Tu‘i‘onetoa, Tonga, highlighted “essential” synergies between technology, capacity building, and “mandatory financing,” and stressed his country’s commitment to ocean health, including its plan to double coverage of its marine protected areas by 2030.

Prime Minister Kausea Natano, Tuvalu, called for: upscaling climate finance, especially for loss and damage; agreeing on a work programme on the ocean; and ensuring environmental integrity under Article 6. He urged ensuring the active participation of Taiwan in the UNFCCC process.

Prime Minister Frank Bainimarama, Fiji, emphasized: meeting the USD 100 billion goal on climate finance by 2020 and defining the new collective goal after 2025; preventing double counting under Article 6; aligning nationally determined contributions (NDCs) to common five-year time frames; and establishing a window for loss and damage finance under the Green Climate Fund (GCF). Expressing concerns over protracted discussions on climate science, he urged setting a stage “not of ignorance and denial, but of ambition for COP 26.”

Deputy Prime Minister László Sólymos, Slovakia, underlined his country’s efforts to reduce GHG emissions and enact a just transition in its coal mining regions.

Deputy Prime Minister Isabella Lövin, Sweden, highlighted four key areas of action: enhancing ambition; Article 6 guidance of the “highest possible integrity”; the need for an “integrated” response between reducing emissions, preserving biodiversity, and ocean health; and transposing the Paris Agreement into national law.

Minister Jorge Arreaza Montserrat, Venezuela, said that “the planet has been the victim” of neoliberal and capitalist ideologies, and called out some parties’ positions as “profoundly irresponsible.”

Minister Riad Malki, Palestine, for the G-77/CHINA, called on developed countries to enhance their support, and said that climate finance to developing countries “must be depoliticized.”

Minister Omar Antonio Figueroa, Belize, for AOSIS, said that small island developing states (SIDS) will remain a “vanguard of climate ambition” and appealed to all nations to “make 2020 the beginning of a decade of ambition.”

State Secretary Terhi Lehtonen, Finland, and First Vice-President Frans Timmermans, European Commission, spoke jointly on behalf of the EU to call for “a secure outcome for market measures” and the completion of the second review of the Warsaw International Mechanism on Loss and Damage associated with climate change impacts (WIM). They also highlighted the EU’s Green Deal, to be presented shortly.

Ministerial Dialogue on Adaptation Ambition: COP President Carolina Schmidt welcomed participants by noting that progress on national adaptation plans has remained slow, with only 17 countries having submitted one so far. Minister Teresa Ribera, Spain, highlighted the need to work through political barriers to mitigation and adaptation action in order to find synergies. Ovais Sarmad, UNFCCC Deputy Executive Secretary, spoke to the importance of leveraging the UNFCCC process to “catalyze and support ambition.”

COP President Schmidt moderated a panel on adaptation, implementation, and ambition with ministers from Fiji, Botswana, Japan, and Uruguay. Ministers discussed, *inter alia*: the need to mainstream climate change across government ministries; the need for grant-based funding and technical support for developing countries; and the use of ecosystems in promoting disaster risk reduction. The minister from Japan announced that his country contributed USD 1.5 billion in financing for the GCF's first replenishment.

The second panel, with ministers from Bangladesh, Egypt, Republic of Korea, and the Netherlands, on "integration, cooperation, and support," focused on the role of adaptation in development strategies, and cooperation and support for enhanced adaptation. Panelists highlighted, *inter alia*: Bangladesh's multi-donor climate change resilience fund; and the need for momentum at the highest political level; accelerated processes for accessing Global Environment Facility (GEF) support for national adaptation planning; and bankability of projects. They also noted: the Korea Global Adaptation Week, which highlighted the role of blockchain technologies and Internet of Things in adaptation; and work by the Global Commission on Adaptation and its Center on Adaptation to move from "plans and meetings" to action.

Interventions from the floor drew attention to systems thinking in adaptation, vulnerable countries, and mitigation as an adaptation strategy. A representative from the United Kingdom closed the meeting highlighting as takeaways: need for an integrated perspective on environment and development; empowering youth; and turning adaptation into an economic opportunity.

COP 25

Matters Relating to Finance: Report of, and guidance, to the GEF: In informal consultations co-facilitated by Amena Yauvoli (Fiji), parties exchanged views on the Co-Facilitators' draft decision text, noting the need for further streamlining and shortening. Views diverged on, *inter alia*: noting concerns over co-financing policies; requesting the GEF to support loss and damage activities; and references to the GEF's eighth replenishment, with developed countries considering it premature to address this. Several developed countries called for deleting a request to the GEF to continue mainstreaming adaptation across projects, referring to the objective of the GEF as "the delivery of global environmental benefits." Developing countries and several developed countries objected, underscoring that adaptation as such an environmental benefit. Several developed countries called for the GEF to clarify whether there are approved proposals that have not been funded.

Regarding updates to the System for Transparent Allocation of Resources (STAR), developing countries underscored the GEF, as an operating entity of the Convention's financial mechanism, has to communicate any such changes to the COP. Beyond process, several developing country groups lamented changes to STAR eligibility criteria from a substantive perspective. The Co-Facilitators will prepare revised draft text, and consultations will continue in informal-informals.

CMA 2

Matters Relating to Finance: Matters relating to the Adaptation Fund: In a contact group co-chaired by Amjad Abdulla (Maldives), parties exchanged views on how to proceed with this item. Co-Chair Abdulla proposed a procedural decision in which the CMA takes note of the Adaptation Fund's report and its addendum. Several developed countries called for time to engage in substantial discussions on this item and made textual proposals that reflect that the CMA is in a position to give guidance to the Fund, including on sources of funding. A developing country group proposed for the CMA decision to confirm the CMP decision *mutatis mutandis*, meaning as it applies to the CMA. Another developing country group emphasized that

until the Fund exclusively serves the Paris Agreement, it is up to the CMP, not CMA, to make arrangements with the World Bank and GEF for the functioning of the Fund. A developed country proposed that the CMA decide to consider board membership modalities for when the Fund exclusively serves the Paris Agreement at CMA 3. Several developing country groups underscored they considered no action, or only a procedural decision as proposed by the Co-Chair, was needed for this item. Observing no consensus, they urged closing the meeting, opposed by several developed countries. Discussions will continue informally.

CMP 17

Matters Relating to the Adaptation Fund: In a contact group co-chaired by Fiona Gilbert (Australia), parties reviewed draft decision text with updated figures on financial pledges to the Adaptation Fund. Parties reported back on constructive discussions held in informal informals, noting no agreement could be found on the question of board membership. Many developing and developed countries emphasized their willingness to ensure a smooth transition of the Fund towards exclusively serving the Paris Agreement. The text will be forwarded to the CMP for consideration and adoption.

In the Corridors

Returning to the conference venue after what seemed to many like too few hours of sleep—especially for those that stayed to hear the Presidency's stocktaking at 2:30 am—delegates were greeted by a change of pace. While the halls bustled, an empty schedule scrolled, void of its usual consultations and contact groups. With the remaining negotiations either with the COP Presidency or in closed rooms, there was ample space for reflecting on progress made so far.

Several worried delegates observed that the SBSTA and SBI merely "waved through" many items which had failed to reach proper agreement. One tallied the outcomes, counting more "Rule 16 items," postponed to future discussions, or procedural conclusions, than substantive outcomes. Six items were also forwarded to further consultations in the second week.

With the technical bodies closing later than usual, some experienced negotiators wondered how the new timeframe might affect negotiations in the final week. "In the past, with the SBs closing in the first week, we used to get at least a day to sleep off the damage," one explained. "Now ministers have one less day to work through a large number of sticky issues." Others shared this worry, wondering if negotiators had "written a cheque that the process can't cash." One negotiator even relayed that the word "Copenhagen" loomed in some discussions, a ghost of failed COPs past. But, he thought that perhaps the "process needs a failure, to re-motivate everyone to do better."

Other observers suggested that shifting items away from the SBs is unlikely to resolve them, noting the persistence of human rights as a deadlock issue across processes, including in gender discussions and protracted market rules deliberations under the Article 6 negotiations. A human rights lawyer cautioned that "if there's one thing we've learned from Kyoto, it's that we need safeguards for human rights; we can't backslide from what we have elsewhere, like at the Green Climate Fund and the World Bank." Delegates dealing with adaptation issues also shared similar concerns about backsliding: "I can't believe we're now debating the fact that adaptation has to be mainstreamed," one deplored.

As the high-level segment continued into the evening, one seasoned observer recalled the theme of this COP, "Time for action," wondering if, with three days left, "will ministers be able to agree on an outcome by Friday, and will that outcome be able to demonstrate governments' seriousness about taking action?"