



LDC priorities from COP25 to COP26

Unfinished business and pandemic disruption

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The Climate Change Group works with partners to help secure fair and equitable solutions to climate change by combining appropriate support for adaptation by the poor in low- and middle-income countries, with ambitious and practical mitigation targets. The work of the Climate Change Group focuses on achieving the following objectives:

- Supporting public planning processes in delivering climate resilient development outcomes for the poorest
- Supporting climate change negotiators from poor and vulnerable countries for equitable, balanced and multilateral solutions to climate change
- Building capacity to act on the implications of changing ecology and economics for equitable and climate-resilient development in the drylands.

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Cover photo: LDC Chair Sonam P. Wangdi and Bhutan Minister of Foreign Affairs H. E. Tandi Dorji close the Thimphu Ambition Summit, held in Thimphu, Bhutan, on December 9, 2020.
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There are clear challenges and opportunities for getting climate negotiations on track in 2021. After a lacklustre COP25, the vaunted 2020 ‘super year’ designed to reset the UNFCCC process succumbed to the COVID-19 pandemic. However, despite rolling postponements, the UNFCCC process and climate diplomacy has continued, albeit in dramatically altered form. So, what can be done now to ensure ambitious and tangible progress is likely if in-person negotiations are able to resume this year? This paper offers a ‘refresher’ on the context of climate negotiations, unfinished business from COP24 and COP25, and the pandemic’s impact, before exploring practical steps that could help make COP26 a success.

Contents

Summary	4	3 The pandemic: a temporary derailment?	18
		3.1 The pandemic derails the ‘super year’	19
		3.2 Will 2021 be a new super year?	19
		3.3 Green recoveries and climate action	20
1 Context and expectations	5	4 Looking forward: steps for getting negotiations on track	22
1.1 Climate context going into COP25	6		
1.2 Social and political context of 2019 – Summits and Protests	6	Acronyms	24
1.3 LDC Group expectations and key priorities	7	Related reading	25
2 COP25: some steps forward, some back	8	Endnotes	26
2.1 COP24 ‘leftovers’ at COP25	9		
2.2 Priority reviews for the LDC Group	13		
2.3 COP25’s overall outcome: compromising on ambition	17		

Summary

At the end of 2019, the climate community saw its greatest challenge as moving on from the underwhelming outcomes of COP25 in Madrid. Hopes were pinned on 2020 being a 'super year' for international policy on climate change and nature recovery. However, the COVID-19 pandemic rapidly pushed all else aside, and climate negotiations were postponed throughout 2020 and forced into virtual modes for at least the first part of 2021.

With negotiating mandates piling up, and continuing disruption, this paper sets the current challenges in context, and looks for opportunities to move forward. Section One gives an overview of the scientific, social and political context as it was in 2019, going into the December COP. Climate extremes were setting new records, and youth and civil society protests were railing against government inaction. Yet political ambition was lacking amongst developed nations. Despite this, the Least Developed Countries (LDC) Group had presented its 2050 vision and set out its expectations and key priorities for COP25.

Section Two deep dives into the technical negotiations at COP25, recapping why much of the ambition and technical advancement the LDC Group was expecting never manifested. The paper discusses the 'unfinished business' carried over from COP24. This included negotiations on how markets for emissions reductions would work; negotiations to agree common time frames for NDCs (Nationally Determined Contributions) so that emissions reduction ambitions 'ramp up' fast enough; and the Enhanced Transparency Framework, designed to track and increase climate ambition over time.

COP25 also had its own mandates to fulfil, including reviewing several mechanisms or frameworks that the LDC group sees as high priority: the Warsaw International Mechanism on Loss and Damage, the Capacity Building Framework and the Paris Committee on Capacity Building, decisions on the scope of the next Periodic Review of the UNFCCC's Long-term Global Goal, and a new long term finance goal. These are also discussed in Section Two. This paper is not a catalogue of every decision taken in Madrid, nor a play-by-play account of how the negotiations unfolded around every issue. Rather, we prioritise covering some areas in more detail than others in order to give an analysis that represents LDC priorities and perspectives up to the end of 2019.

Section Three recounts how the COVID-19 pandemic affected the climate process from early 2020, derailing hopes for a climate 'super year'. However, some UNFCCC discussions continued, and we

explore whether political changes such as the USA re-joining the Paris Agreement, and the changing presidencies of the G7 and the G20 (to the UK and Italy respectively) could drive climate leadership among the major economies in advance of COP26. China's announcement that it intends to reach carbon neutrality by 2060 is a hopeful sign, although many are hoping that the country will also take ambitious shorter-term targets that involve steep emissions reductions.

The pandemic has both distracted governments from the climate agenda, and also provided a challenging choice. Will they 'build back better', using recovery plans to switch to greener, more resilient economies, or will conventional economic recovery spending lock in high emissions for decades to come? We acknowledge that the pandemic-related delays in updating NDCs and developing mid-century low-carbon climate-resilient plans (known as long-term strategies, LTS) provide countries with the chance to consider their climate action in the context of economic recovery from COVID-19, but we argue governments must make their submissions as soon as possible in order to maintain momentum for climate action. As the Paris Agreement moves into post-2020 implementation, we highlight how harnessing the levers of both national implementation and global decision-making will be important for green recoveries that put the world on track to limit warming to 1.5°C.

Section Four of this paper looks forward, setting out practical steps that should be taken now so that COP26 is as successful as possible. These include:

1. Good preparation ahead of COP26, via virtual meetings.
2. Willing preparation for an extended negotiating schedule at COP26, perhaps with an additional pre-COP session to help address the backlog. It will be important to avoid knock-on effects of the pandemic slowing down negotiations for years to come.
3. Guarding against 2021 becoming another 'lost year' for climate ambition.
4. Ensuring fiscal stimulus packages build back better, creating economic recovery that's compatible with the Paris Agreement, and finally
5. Learning from the enforced virtual engagement in the UNFCCC process, and continuing this to address the Convention's own high emissions footprint.

We present this paper primarily as a refresher: a 'where we're at' summary for the LDC climate community as plans for re-starting climate negotiations in 2021 unfold.

Context and expectations

It has been nearly a year and a half since COP25 (December 2019) failed to fully operationalise the Paris Agreement and address significant climate ambition gaps, despite its record-breaking overrun. This section recaps the scientific, social and political context that fuelled the climate community's disappointment, and reviews what the LDCs wanted from the Conference.



As delegates stumbled out of the COP25 conference centre, reports of an unidentified pneumonia in China had not yet hit international news cycles. Veterans of the climate process expected challenging but not insurmountable negotiations ahead of COP26 in Glasgow, where they hoped to reset the international process.

Many were framing 2020 as a make or break 'super year' because the Paris Agreement's 'ratchet up mechanism', requiring new or revised Nationally Determined Contribution (NDC) every five years, was aligned with a high-level political push by the COP25 and COP26 presidencies for increased ambition and to adopt the Paris Agreement Rulebook.

But formal climate negotiations largely stalled in 2020 due to the pandemic. They now face the challenges COP25 left, plus a host of others, including rapidly growing agendas and ever narrowing windows for finalising the Paris Agreement's rules.

So how are efforts to increase climate ambition progressing, both within and beyond the UN climate process? To explore this, we first look at the climate and political context going into COP25, before discussing its outcomes.

1.1 Climate context going into COP25

Question: In all of recorded history, was 2019...

- (a) The year which had the warmest month ever?
- (b) The second warmest year ever?
- (c) Part of the warmest decade ever?

Answer: All the above^{1,2,3}

Climate records continued to break in 2019. The 2019 UNEP Emissions Gap Report⁴ warned the world is heading for 3.2°C of warming. And the inaugural Production Gap Report⁵ put countries on track to extract 120% more oil, gas and coal in 2030 than is compatible with limiting warming to 1.5°C. Other significant scientific reports published in 2019 paint a grim picture for our planet if business-as-usual continues. Land use practices – for agriculture, livestock, forestry – are contributing to climate change⁶. The oceans and the Earth's frozen regions are deteriorating and melting, with knock-on climate impacts⁷. And nearly one million species are at risk of extinction from human activities, with the loss of biodiversity exacerbating the challenge of limiting climate change⁸.

In 2019, climate-related disasters across the world claimed more than 11,000 lives⁹ and cost at least US\$120 billion (likely a vast underestimate, with the cost of total damage recorded for less than 25% of disasters). Disasters in LDCs were particularly hard-hitting: Cyclone Idai, one of a record number of Indian Ocean cyclones, swept through south-eastern Africa, killing thousands in what some called the worst weather-related disaster ever to strike the southern hemisphere. In late April to early May, Cyclone Fani lashed Bangladesh, Bhutan and other countries in the region, causing 89 deaths. It capped off a season of atypical cyclones that were likely triggered by uncommonly warm seas.

In the run up to COP25, 'climate change-spiked' weather extremes constantly reminded us of the cost of climate inaction. Yet the political push for addressing climate change remained slow, or even non-existent in some countries.

1.2 Social and political context of 2019 – Summits and Protests

At the same time, political inaction prompted a surge in social mobilisation across the globe for climate action. Social movements – most notoriously Extinction Rebellion and Fridays for Future – captured attention and gained footholds internationally. It seems people pay attention when a child's voice cuts through global discourses and condemns world leaders' failures. Demonstrations by the world's youth and children made an indelible mark, pushing leaders of all kinds (Heads of State, CEOs, and the like) to do more on climate action. Youth protests sent a strong signal to the delayers that the world must move from negotiation to implementation.

Climate inaction also prompted a response at the higher political levels. The UN Secretary General convened a UN Climate Action Summit on 23 September 2019. It was the climate event of the year for diplomats. In its run-up, the Summit appeared to be an opportunity for world leaders to showcase climate leadership and global ambition. Expectations were high, and a record 7 million people across more than 163 countries took to the streets the weekend before the Summit to demand action. Many countries, including LDCs, hoped concrete commitments and clear intentions would ensue.

However, despite raising awareness, the Summit's outcomes were underwhelming. Major emitters, including the USA, Brazil, Canada, Australia, Saudi Arabia, were not there. Others provided empty and

ambiguous statements (including India and China), or offered inadequate incremental change (Germany, France). The absence of widespread announcements on significant, deep and rapid emissions reductions left much to be desired.

Nevertheless, the small developing countries, namely LDCs and small island developing states (SIDS), tried to fill that void. Sixteen LDCs presented plans to increase the ambition of their NDCs and advance implementation. Additionally, the LDC Group presented its 2050 Vision: to be on climate-resilient development pathways by 2030 and to deliver net-zero emissions by 2050, to ensure that their societies and ecosystems thrive.

But beyond the climate debate, other social movements and public protests also grabbed headlines in 2019. The unrest in Santiago, which led to COP25 relocating to Madrid despite Chile holding the presidency, started as a backlash against the government's decision to raise public transport prices.

Chile's situation was not unique. The governments of Ecuador, France, Haiti and Iran also faced strong resistance to changing the status quo on fossil fuel subsidies or to implementing carbon taxes.

Energy policy changes such as these are necessary to put the world on a more sustainable track. But they can't be undertaken without also acting to address the deepening divides in societies. Often, the most vulnerable carry the greatest burdens from change, as well as facing the greatest climate risks. For equitable outcomes, climate justice must also be social justice, and vice versa.

1.3 LDC Group expectations and key priorities

Set against a backdrop of inequality and social concerns, increasingly devastating climate impacts, robust projections of worsening impacts, underwhelming government pledges for climate action and millions taking to the streets demanding more climate action – we went into COP25 in December 2019.

LDCs, led by Chair Sonam P. Wangdi of Bhutan, had the following 'big asks':

- 1. Ambition:** Send a loud and clear signal that solidifies 2020 as the year of increased ambition. In practice, this would have meant an agreed COP25 decision calling for new and enhanced climate pledges by early 2020 that represent the most ambitious national climate actions.
- 2. Loss and Damage:** Undertake an effective review of the international mechanism to address climate-related loss and damage. The LDCs are owed solidarity and dedicated financial support – and they were looking for a ramped-up loss and damage mechanism to deliver it.
- 3. Carbon Markets:** Finalise the rules for carbon markets, ensuring their design is robust, transparent and results in real overall mitigation in global emissions, in line with the goals of the Paris Agreement.
- 4. Scaled up climate finance:** There is a vast gap between support needed and support provided. The cost to LDCs for implementing their NDCs is conservatively estimated to be \$93.7 billion per year¹⁰, and funding requirements for mitigation and adaptation will likely be much higher. Increasingly, loss and damage also brings costs. LDCs must see developed countries deliver their US\$100 billion per year commitment.
- 5. Finalise other necessary rules for implementing the Paris Agreement:** In addition to the negotiations on carbon markets under article 6 of the Paris Agreement, rules around transparency (i.e. reporting around the overall implementation of the Paris Agreement) and common time frames for NDCs (the length of period for implementing NDCs) were on the negotiating table for completion.

However, much of the ambition and technical advancement the LDC Group was expecting at COP25 never manifested. The next section dives deep into the political overlay and technical negotiations at COP25 to explore why.

COP25: some steps forward, some back

COP25 grappled with COP24 unfinished business: on markets and emissions trading, on common time frames for NDCs, and on the Enhanced Transparency Framework. It also discussed several long-established processes and frameworks important to the LDC Group, including arrangements on loss and damage, capacity building, the UNFCCC's long-term global goal and a new long-term finance goal. But overall, much of the ambition and technical advancement the LDC Group was expecting failed to materialise.



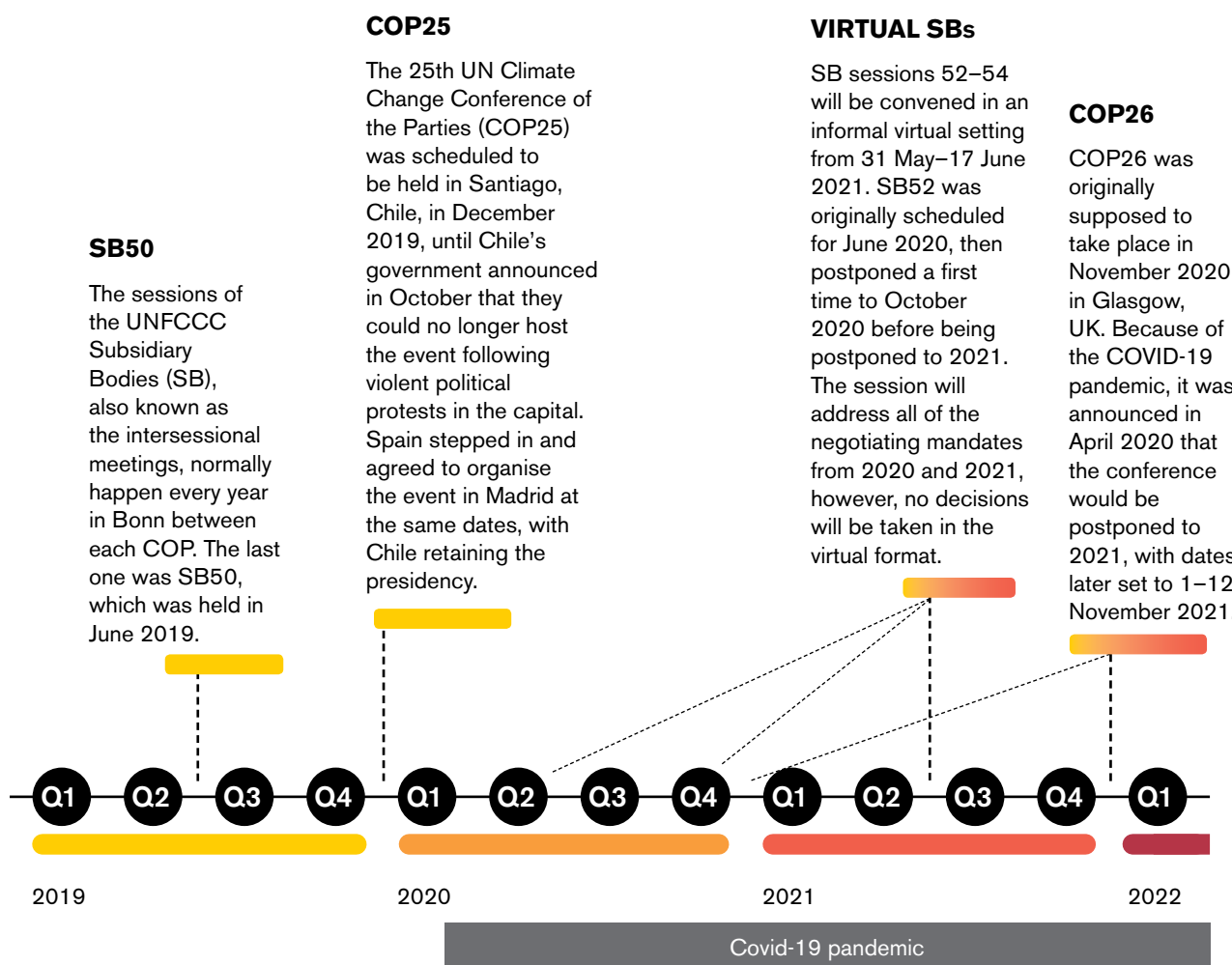


Figure 1. Timeline of UNFCCC climate conferences and sessions 2019–2021.

2.1 COP24 ‘leftovers’ at COP25

COP25 was expected to conclude the negotiations that Parties had failed to agree at COP24 (held in December 2018, in Katowice, Poland). From an LDC perspective, the negotiations on using markets and emissions trading mechanisms (under the cooperative approaches, Article 6 of the Paris Agreement) were among the top priorities. These are the most technically complex of all the implementation guidelines. If designed well, they could increase overall emissions reductions under the Paris Agreement. But COP25 did not achieve this.

Another crucial element for implementing the Paris Agreement, which was similarly ‘left over’ from COP24 and not resolved at COP25, was deciding on a common

time frame for NDC implementation. Resolving these two issues were seen as crucial to underpinning an ambitious outcome in Madrid. Markets and emissions trading mechanisms affect the scale of emissions reductions that might be proposed under new and/or revised NDCs, while the common time frame affects the implementation period of the NDC.

A further failure was the Enhanced Transparency Framework (ETF) – a fundamental piece of the Paris Agreement designed to track countries’ actions and increase ambition over time. ETF implementation rules were largely agreed at COP24, but some methodological aspects were mandated to conclude in 2020, so negotiations continued at COP25. But Parties also failed to reach agreement here.

All three are discussed below.

Cooperative approaches under Article 6

The 'markets negotiations' were never going to be easy to conclude at COP25, given their failure at COP24. There was no broad agenda enabling cross issue compromise: the Parties still had fundamental political differences; and there had been no substantial progress at the 50th session of the Subsidiary Bodies (SB50) in June 2019. For these reasons, the negotiations were almost doomed from the start.

At the end of COP24, the outstanding issues in the final texts were primarily limited to key differences around 'corresponding adjustments', which sunk agreement because they were a red line for Brazil. However, many Parties viewed the extension of the negotiating mandate as an opportunity to revisit issues that had seemed resolved.

Negotiations were relaunched at SB50 in June 2019. Their starting point was both the President's texts and the texts that the Subsidiary Body for Scientific and Technological Advice (SBSTA) negotiated at the end of the first week of negotiations in Katowice, during COP24. Therefore, the draft text at the end of the June 2019 negotiating session contained many issues that required resolution at the political level.

These included several key issues for the LDC Group such as: how to operationalise corresponding adjustment and whether it would apply to Article 6.4 (opposed by Brazil); how to operationalise 'overall mitigation in global emissions' (OMGE); whether the 'share of proceeds' for the Adaptation Fund applies to trading under Article 6.2 and the scale of the share; and whether to allow the use of credits created under the Kyoto Protocol (strongly supported by Australia).

While markets do have the potential to increase ambition under the Paris Agreement and also generate a revenue stream for adaptation in vulnerable developing countries, they could undermine the Paris Agreement. The LDC Group took a strong position that no agreement was better than one that undermined the environmental integrity of the Paris Agreement by allowing double counting of units, or by bringing in 'hot air' from the Kyoto Protocol. This view was supported by an analysis from the NGO Climate Analytics, undertaken during COP25, which demonstrated that carrying over units from the Kyoto Protocol would have profound implications for emissions up until 2050, reducing global ambition by up to 25 % (see Figure 2).¹¹

As negotiations went into overtime in Madrid, they were marked by 'informal informal' discussions that continued long into the night around the carryover of Kyoto units and corresponding adjustments, with Australia, Brazil and others blocking progress towards a robust ruleset that would preserve the integrity of the Paris Agreement.

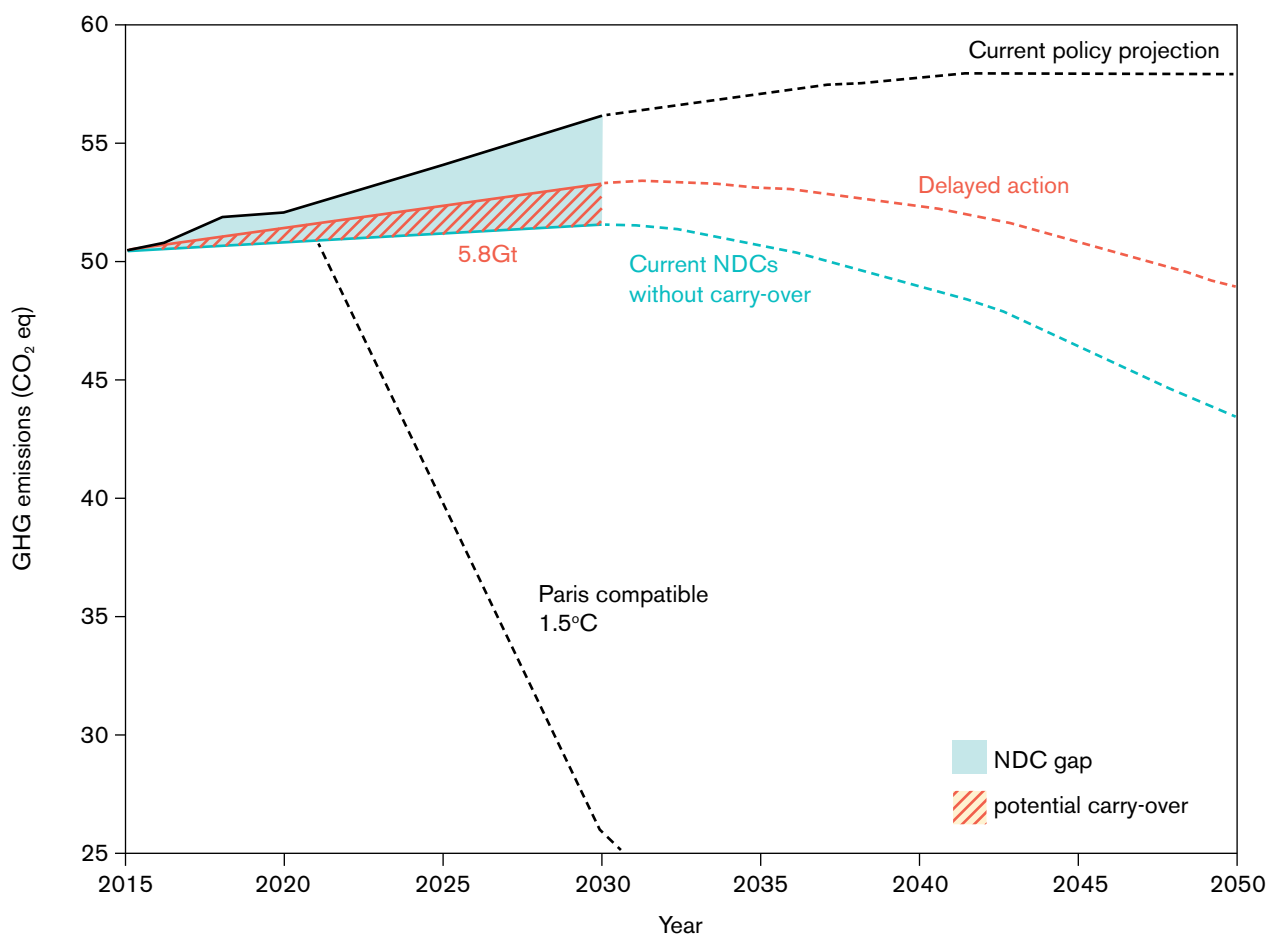
These negotiations were marred by several worrying procedural developments. One such was the Chilean Presidency's attempt to break the impasse in the early morning hours of one of the final negotiating days by excluding Parties, including the LDC Group and the Alliance of Small Island States (AOSIS), from the negotiating room. The exclusion of Parties has a troubling history in the UNFCCC and was a defining characteristic of its most spectacular failure, in Copenhagen at COP15.

DEFINITIONS BOX

- **Article 6 of the Paris Agreement** enables Parties to cooperate in implementing their NDCs towards emissions reduction. Among other things, this means that emissions reductions can be transferred between countries and counted towards NDCs. The text contains three separate mechanisms for "voluntary cooperation" towards climate goals: two based on markets (6.2 and 6.4) and a third (6.8) based on "non-market approaches" (the Sustainable Development Mechanism, SDM). The text outlines requirements for those taking part, but leaves the details – the Article 6 "rulebook" – undecided.
- Avoidance of **double counting of units** means that emissions reductions must only count towards one country's targets, with **corresponding adjustments** reflecting the trade.
- **Hot air credits** do not deliver real CO₂ cuts.
- **Share of proceeds (SOP)**: a fraction of revenue from trading is to be set aside for administration and the Adaptation Fund.
- **Overall mitigation in global emissions (OMGE)** means a net increase in ambition, rather than shifting CO₂ from one place to another.

Source: adapted from Carbon Brief, <https://www.carbonbrief.org/in-depth-q-and-a-how-article-6-carbon-markets-could-make-or-break-the-paris-agreement>

Figure 2. Projected GHG emissions with the carry-over of credits from the Kyoto Protocol. (Climate Analytics, 2019)



Negotiations are expected to resume in 2021 on the basis of the 'draft decision texts' prepared by the Presidency (UNFCCC, 2019, FCCC/CP/2019/L.9). However, these include three iterations of each of the texts issued from 13–15 December 2019. Putting multiple iterations on the negotiating table could trigger extended debates around which texts should serve as the basis for discussions, and could reintroduce options that have already been eliminated. Informal discussions, under the aegis of the SBSTA Chair, have already commenced, along with Head of Delegation-level engagement to advance discussions virtually.

It is clear that maintaining momentum on the issue is critical and it is imperative that by the time Parties arrive in Glasgow clear options, enabling political decision-making, are on the table. Ultimately, all Parties need to commit to ensuring the environmental integrity of markets under the Paris Agreement. Until that happens, it will remain in the interest of progressive Parties supporting ambitious climate action to block a ruleset that would undermine the Paris Agreement.

Common time frames for NDCs

The first round of NDCs, most of which were submitted before the Paris Agreement was adopted, saw countries using either a five or ten year implementation time frame, with targets set for either 2025 or 2030 (from a 2020 start year). The Paris Agreement recognised the importance of a common time frame for NDC implementation, and called for this to be agreed by its first session (i.e. CMA1/COP24).

While some progress was made, agreement was not achieved at COP24. Negotiations spilled over to COP25, and what once seemed a simple choice between five or ten years has mutated into a politicised, overly complicated issue.

During four years of negotiations, countries expanded the list of options for common time frames to 12 possible formulations¹² at the end of COP25. This list includes the original five and ten year options, as well as hybrid and sometimes puzzling combinations thereof. A clear-cut definition of 'common' continues to be challenged as well. Some countries are pushing to have separate common time frames for developing and developed country NDCs.

Informally, outside the negotiating room, most countries have shifted towards aligning NDC implementation timelines with the five year Paris rhythm: a position long held by the LDC Group. Agreeing on a single five year common time frame for NDCs, which would allow Parties to keep up with changing economies, technologies and emerging science – in sync with the global stocktake (GST) – is crucial to increasing collective ambition. Conversely, a ten year cycle is undesirable because it could result in long time lags in ‘ratcheting up’ ambition. This is a particular worry because the gap between ambition and what science says is necessary continues to grow as analyses become more certain.

Since agreement was not reached in Madrid, Rule 16 was applied. This means that the matter will automatically be taken up at the next intersessional meeting (planned to take place virtually in June 2021). In practice, it is being taken up in informal virtual meetings led by the COP Presidencies and the Subsidiary Body Chairs. However, technical understanding is not the issue, so further ‘exchanges of views’ through virtual sessions are unlikely to advance positions. Political intervention and leadership are urgently required to break the deadlock. But it is not clear whether countries will feel political impetus to come to a final decision by COP26.

The EU, for example, is known to oppose a five year common time frame, in part because they believe businesses need 10-year signals to make Paris-aligned changes. At present, the EU has a ten year NDC to 2030 and has been slow to begin the formal internal process of agreeing an update. The EU, the less progressive ‘Like-Minded Developing Countries’ Group, and Saudi Arabia, are not in a rush to make a decision, suggesting it doesn’t need to be taken until 2022 or 2023. The fact the COP26 has been postponed to 2021 works to their advantage. But as ECO, a popular civil society daily newsletter at COP, said, “Do we really need five years to decide on five year common time frames?”¹³.

Enhanced Transparency Framework

The rulebook on the Enhanced Transparency Framework was adopted at COP24 in Katowice. However, additional negotiating mandates were created at that time, to be concluded at COP26, initially timetabled for 2020. These included launching negotiations on Common Tabular Formats, the Structured Summary, and Common Reporting Tables. These tables are needed to operationalise reporting on National

Greenhouse Gas (GHG) Inventories, on NDCs, and on climate finance provided, mobilised, needed and received. Mandates were also adopted to negotiate the outlines of the National Inventory Reports, Biennial Transparency Reports (BTRs) and the Technical Expert Review Reports, as well as on development of a training programme for technical expert reviewers.

Work on the outlines and the training programme should be relatively straightforward. But the Tables require deep and detailed line-by-line technical negotiations, which take a long time. SB50 made some progress on all aspects of the transparency mandate captured in informal notes, however, China and the Arab Group blocked intersessional workshops that could have advanced formal technical negotiations.

COP25 itself then also failed to substantially advance transparency. Negotiations made incremental progress and there was a sense that the Secretariat might be requested to begin developing the training programme and to produce outline drafts of the BTRs, National Inventory Reports and the Technical Expert Review Reports, but Parties failed to adopt such conclusions during the closing plenary (after strong opposition to intersessional workshops). Rule 16, which allows for pending issues where Parties fail to agree to ‘be included automatically in the agenda’ of the following session, was applied. This effectively sent Parties into 2020 with extremely limited progress on transparency. Yet the ruleset urgently needs to be finalised so that Parties can submit their first BTRs by 2024. Countries will need time to familiarize themselves with the data and indicators required and enough time to develop associated software.

Discussions on transparency took place intermittently during 2020, including general exchange of views during the June Momentum event and the November Climate Dialogues organized by the UNFCCC. By early 2021 there was a recognition that work on transparency would need to progress rapidly and the SBSTA Chair launched a series of workshops and the COP Presidencies convened a meeting of the Heads of Delegation to address how to make progress on transparency.

While early sessions comprised exchanges of views, deepening Parties’ understanding of their positions, upcoming work is expected to be captured in informal notes. This may allow negotiations to progress quickly once in-person meetings become possible so decisions can be finalised at COP26.

2.2 Priority reviews for the LDC Group

In addition to the spill-overs from COP24, COP25 in Madrid had its own mandates to fulfil, including reviewing a few long-established processes on which the LDC Group take a strong stand. Regular reviews of the mechanisms, frameworks and bodies under the UNFCCC are part and parcel of the climate negotiations – a necessary function to keep up with the rapidly changing context of the climate crisis and response approaches. Circumstance made COP25 the centre point for reviews relating to loss and damage, capacity building and the overarching temperature goal of the UNFCCC.

Loss and damage, and the review of the Warsaw International Mechanism

Arguably one of the most important issues for the LDC Group at COP25 was the review of the Warsaw International Mechanism (WIM) on Loss and Damage associated with Climate Change Impacts. Indeed, COP25's overall success for LDCs would be mostly judged by the outcome of the WIM review.

Established in 2013, the WIM aims to address developing countries' needs when it is beyond their capacity to adapt to the adverse effects of climate change. Its three pillars of work focus on:

- enhancing knowledge and understanding of risk management approaches;
- strengthening dialogue, coordination, coherence and synergies among stakeholders; and
- enhancing action and support, including finance, technology and capacity-building, to address loss and damage.

The review was mandated to take stock of the WIM's progress on achieving its long-term vision, its performance and its three functions.

At COP24, LDCs and other vulnerable groups were fairly successful in ensuring considerations for loss and damage were woven throughout the Paris Agreement's implementation guidelines. However, there is still no requirement for Parties providing climate finance to include information on loss and damage-specific support.

In part, this gap fuelled the LDC Group's approach to the WIM review at COP25. LDCs, with support from a broad coalition of developing countries, ensured the

review accurately reflected the failing of the WIM to provide financial and other support to help countries recover from the devastating impacts caused by climate change. For the first time, developing countries across the board found a common position on their 'asks' regarding loss and damage. Coming together under the G77+China umbrella, they were able to get final text with important references to finance and with acknowledgement that the support-related function of the WIM wasn't being delivered. Had it not been for the G77+China common position, it's unlikely such a result would have been achieved.

Identifying this under-delivered pillar of the WIM also triggered intense negotiations around finance for loss and damage. The LDCs' main push – separate and in addition to the G77+China asks – was on establishing a new financial facility to channel new and additional loss and damage finance to countries at the frontlines of the climate emergency. Whereas developed countries argue existing funding channels already cover this, LDCs don't agree. Indeed, funds earmarked for adaptation don't adequately address loss and damage, and finance for disaster risk reduction doesn't adequately take into account uncertainty around non-economic losses and slow onset events.

Even though developed countries are historically against creating new finance streams, there was a welcome shift from some, showing willingness to engage around the idea. Those countries, however, did not include the USA, which is known for resisting any discussion about finance for loss and damage as well as about new areas of work for existing funds. In the end, as a compromise, Parties agreed that an expert group would be established for the action and support pillar (the only pillar that did not yet have an expert group). The group will look at options and opportunities to finance loss and damage beyond insurance. Parties also agreed to create stronger connections with the Standing Committee on Finance (SCF) and the Green Climate Fund (GCF). The LDC Group see this as a way forward, as it helps to make loss and damage more visible in the operating entities of the UNFCCC's Financial Mechanism.

The LDCs also called for an implementation arm under the WIM with responsibility for facilitating finance and technical support to nations needing to respond to real-time, on the ground losses and damages. In the end, a watered-down compromise established the 'Santiago Network of Experts', which aims to provide technical support directly to developing countries for addressing loss and damage.

Table 1. G77+China's wins and losses in the final decision of the WIM review

REQUESTS BY G77+CHINA	ACHIEVEMENTS	SHORTCOMINGS
Call for urgent, scaled up, new and additional finance by developed countries	<ul style="list-style-type: none"> • Several paragraphs on finance are included in the decision • Closer linkages of the WIM ExCom to the SCF • Entry point for ExCom to work with GCF to include loss and damage • Recognition of the urgency of enhancing the mobilization of action and support, including finance, technology and capacity-building, for developing countries. • Inclusion of a broad range of players¹ in the need to scale up support for loss and damage 	<ul style="list-style-type: none"> • Non-consensus to specifically reference the developed country obligation to provide new and additional finance
Establishment of an expert group on action on support	<ul style="list-style-type: none"> • Establishment of the expert group under the WIM ExCom by the end of 2020 • Expert group charged with following up on the provisions relating to the SCF and the GCF • Inclusion of tasks of expert group of collection, compilation and dissemination of information on the available sources of support under and outside the Convention, facilitates the distilling of the various finance-related papers produced through the ExCom between 2016 and 2019, with a view to making recommendations for focused action 	<ul style="list-style-type: none"> • Shortcoming of task list in covering all desired asks for the expert group, such as facilitating a needs/gap analysis
Establishment of the Santiago Network for Averting, Minimizing and Addressing Loss and Damage	<ul style="list-style-type: none"> • Provision of technical assistance to developing countries through a network of relevant bodies, institutions and organizations 	<ul style="list-style-type: none"> • No concrete timeline agreed for operationalizing the network
Dual governance of the WIM under the Convention and the Paris Agreement	<ul style="list-style-type: none"> • Clear signalling, through appropriate wording, of no resolution to the governance issue and that issue will be further discussed next year 	<ul style="list-style-type: none"> • WIM review decision under Paris Agreement

Source: Climate Analytics, "Loss and Damage at COP25 – a hard fought step in the right direction", <https://climateanalytics.org/blog/2019/loss-and-damage-at-cop25-a-hard-fought-step-in-the-right-direction/>

Governance of the Warsaw International Mechanism

In parallel to all this, an uneasy undercurrent stirred throughout the COP25 negotiations, nearly sinking the decent outcomes of the review and the establishment of the Santiago Network. The issue is whether the WIM should be governed under both the UNFCCC and the Paris Agreement processes, or only under the Paris Agreement. If governed under the Convention, decisions would be taken at the COP. If governed only under the Agreement, the decision body would be the CMA (the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement).

This issue has been bubbling for some time. The WIM was established before the Paris Agreement was adopted, so by default it was governed under the UNFCCC. Come 2015, this default arrangement came into question. The LDC Group believe the WIM must be governed by both because:

- the functions of the WIM, and the UNFCCC's work on loss and damage more broadly, are laid out in decisions under the Convention, and the WIM will be unnecessarily constrained if it is governed only by the Paris Agreement
- countries that are Party to the convention, but not the Paris Agreement, would be able to sidestep responsibility for action and support on loss and damage

There were efforts to separate negotiations on the WIM governance from the substantive work of the WIM review, but the former seeped into the latter. Procedurally, the question of where to capture the WIM review outcomes (i.e. under the decision texts of the COP or the CMA) meant the governance issue held the WIM review hostage.

Many developed countries oppose a dual governance arrangement, a position led in full force by the USA. The significance is not lost on developing countries. The USA, which left the Paris Agreement under President Trump before re-joining under President Biden, has pushed hard for loss and damage obligations to only be tied to the Paris Agreement. Tuvalu, a nation besieged by the dual challenge of being a LDC and a SIDS, made an impassioned and frank comment at COP25, which drew applause: “If they get their way on the governance of the WIM, they will wash their hands of any actions to assist countries which have been affected by the impacts of climate change... There are millions of people all around the world who are already suffering from the impacts of climate change. Denying this fact could be interpreted by some to be a crime against humanity”¹⁴.

The issue was not resolved by the end of COP25. Although the outcomes of the WIM review landed under the Paris Agreement, caveats in the COP and CMA final texts were included to say this placement did not prejudge further consideration of the governance of the WIM. This sets up COP26 as the place for continued discussions.

Indeed, there is much yet to be done. Due to the pandemic, lots of work expected in 2020 did not progress. While the twelfth meeting of WIM's Executive Committee (ExCom) took place virtually 12–16 October 2020, it is yet to start forging links with the SCF and GCF. Further, the Santiago Network is not yet operationalised and the expert group on action and support is still to be established.

It's also worth noting that work around loss and damage under the UNFCCC extends beyond the WIM. It is important not to restrict efforts, and expectations for substantive results, to the WIM. As the impacts of climate change increase in frequency and severity, the issue of loss and damage must be approached with an evolving and innovative lens. Loss and damage must be seen as separate to adaptation, both in terms of work in the UNFCCC and within implementation of the Paris Agreement.

Reviews of the Capacity Building Framework and the Paris Committee on Capacity Building (PCCB)

LDCs have long held capacity building to be crucial for fulfilling their commitments under the Paris Agreement and making the national changes necessary for achieving low-carbon, climate-resilient development. Several institutional bodies and arrangements have been created under the UNFCCC to help with capacity building. Central among them are the PCCB and the Framework for Capacity Building.

At COP25, the Capacity Building Framework had its fourth review, and a review of the PCCB's mandate and institutional arrangements was also concluded. This considered the PCCB's effectiveness and the need for extension and enhancement. Both reviews were to report on unaddressed needs and emerging gaps in capacity building, thereby informing and enhancing the institutional arrangements for capacity building under the Paris Agreement (i.e. mandates, funding and activities).

Created in 2015, the PCCB has focussed on providing technical advice and guidance on climate capacity building; on supporting greater coherence and coordination of capacity-building action under and outside the Convention; on raising awareness of key capacity-building issues and facilitating information exchange and knowledge sharing; and on identifying methods of bringing together stakeholders.

The review was mostly favourable for the LDCs. The PCCB was extended for another five years, and it has had new priority areas defined, focusing on strengthening the coherence and coordination of capacity-building activities designed to help implement NDCs. The committee will continue to identify current and emerging capacity gaps and needs; will promote stakeholder engagement under and outside the Convention; and will oversee coordination efforts to make capacity building activities coherent. The PCCB will also develop a workplan for its five year extension, based on priority areas and activities.

However, the review was vague on how “to avoid duplication of coherence and coordination efforts” and gives no mention of direct interaction with stakeholders. This could limit the PCCB's mandate and ability to effectively scope all needs and gaps nationally.

Given the postponement of COP26 by one year, members of the PCCB have questioned the starting point for implementing its 2021–2024 workplan. Nevertheless, a virtual event series on “Capacity-building Momentum to Recover Better” took place throughout November 2020, culminating at the Climate Dialogues. Here, it was noted the PCCB advanced in several areas, including: holding its annual meeting virtually; the development of the PCCB’s second workplan; and the launch of the PCCB Network.

As for the review of the Capacity Building Framework, it also proved useful for developing countries. The framework was adopted in 2001 and highlights 15 priority areas, all of which remain in place. However, the review said that the scope of the framework should also consider “current and emerging areas” in the context of the Convention and the Paris Agreement. It noted a number of gaps and needs for addressing the 15 priority areas, as well as a need to monitor and review the impacts of capacity building.

Scope of the Next Periodic Review of the Long-term Global Goal under the Convention (LTGG) and overall progress towards achieving it

At COP25, countries had to decide the parameters, or scope, for the next periodic review of the Convention’s long-term goal. While technically not the review itself, defining the scope is a necessary first step and of central importance for the UNFCCC’s science-policy interface.

The first long-term global goal (LTGG) was agreed in 2010, to give more specificity to the overall objective of the Convention. The 2010 agreement was to hold global average temperature increase below 2°C above pre-industrial levels and was accompanied by a decision to periodically review that goal. The first review, concluding in 2015, led to a new, stronger LTGG: to keep global temperature increases to **well below** 2°C above pre-industrial levels **and aim for 1.5°C**. This is the same as the mitigation long-term goal of the Paris Agreement.

Another periodic review of the LTGG was mandated to start in 2020, so Parties discussed at COP25 what the scope for that next review would be, i.e. would science be part of the discussions, how will the periodic review differ from / overlap with the GST, should the current LTGG be amended as a result, and so on.

Developed countries viewed the review as a duplication of efforts with the GST and pushed to cut the review all together. However, the LDC Group and other developing countries were in full support of the

periodic review going ahead. For LDCs, the review is an important science-based process that sits under the Convention, while the GST sits under the Paris Agreement and will only assess efforts by countries Party to the Paris Agreement. Had the USA permanently left the Paris Agreement (while remaining a Party to the UNFCCC), the periodic review would have become the only way to ensure the country’s efforts for achieving the LTGG are assessed.

In the end, Parties agreed that the second periodic review will take place over 2020–2022, primarily through three Structured Expert Dialogues (SEDs), but the review will not alter or redefine the LTGG. Parties will use the review as a space for discussing best available science and what it means for climate-safe GHG levels, including scenarios for achieving the LTGG, and the review will assess Parties’ overall aggregated effect of steps taken to achieve the LTGG.

The pandemic has disrupted arrangements for the SEDs, which should have started at SB53 (originally timetabled for November 2020). Nevertheless, the first session of the SED was held virtually during the November 2020 Climate Dialogues hosted by the UNFCCC (scheduled when COP26 would have originally taken place). This should make it possible to meet the envisaged conclusion date of 2022. Moreover, as governments think through long-term economic responses to COVID-19, the LTGG review provides an important backdrop.

Setting a new long-term finance goal

As ever, finance was a major topic at COP25. There was discussion about creating a new climate finance goal, to follow on from the commitment to deliver US\$100 billion annually by 2020 (agreed in 2009 at the Copenhagen COP). Another issue was the long-term climate finance (LTF) work stream, which was mandated by COP20, with an end date of 2020. Its role has been to examine progress on, and scaling up of, climate finance.

The workstream involved annual in-session workshops, with the Secretariat preparing summary reports for consideration by the COP, and biennial high-level ministerial dialogues on climate finance. The discussions under these negotiations have underscored the mistrust developing countries feel over climate finance flows, and whether these meet the ‘US\$100 billion annually’ commitment by 2020. Disagreements include what constitutes climate finance, in part due to the lack of an agreed definition of the term, as well as concern that developed countries are not scaling up climate finance quickly enough.

The workstream has provided an important venue for developing countries to raise their concerns. However, developed countries opposed extending the mandate, citing that developed countries would be providing biennial climate finance communications from 2020. In the final hours of COP25, Parties appeared to agree to extend the negotiating mandate of the existing long-term climate finance agenda. However, during plenaries developed countries said there was no agreement. As a result, Rule 16 of the draft rules of procedure were applied and Parties will continue consideration of whether to extend the mandate at COP26. Many developing countries expressed deep disappointment in the failed negotiations.

This issue seems likely to remain contentious at COP26, particularly as evidence has emerged that developed countries have not met their funding commitment¹⁵. Disagreement about the definition of climate finance and methodologies for assessing international climate finance flows is likely to continue. This could also be exacerbated by COVID-19 recovery plans – particularly if these shift money away from climate action or are double counted as climate finance and as part of a pandemic recovery.

Alternatively, if developed countries can credibly demonstrate that they have met their 2020 goal and if negotiations on a new long-term climate finance goal are successfully and constructively launched at COP26, the issues could be defused. Informal fora can help progress these discussions. A workshop on the long-term goal was held during the November Climate Dialogues and is set to continue before COP26. This is positive and necessary as time at COP is very limited. However, retaining space within the COP to discuss issues around long-term climate finance in the longer-term will remain incredibly important because it enables Parties to identify challenges related to international climate finance flows, and address how to resolve these.

2.3 COP25's overall outcome: compromising on ambition

Countries had an uphill battle to inject any sort of momentum into the COP25 process or outcomes. Going into the last hours of COP25, it was a hard fight to make sure the final decision text at least 'held the line' on ambition and did not water down expectations for 2020. Iterative drafts of the decision text ebbed and flowed on ambition, as the Chilean Presidency swayed with the tide of countries' positions – progressive and non-progressive alike – and negotiated trade-offs across the board.

The compromise was two-fold. First, Parties were divided on whether to introduce a pre-2020 work programme. COP25 agreed a strengthened pre-2020 provision (instead of a work programme) in the form of round-tables with Party and non-Party stakeholders under a bounded and purposeful work programme (i.e. 2020–2022), resulting in a synthesis report that would feed in as input to the GST and the second periodic review of the long-term global goal.

Second, the final decision text – while remaining weak on NDC enhancement – went beyond a simple restatement of the Paris request to update or revise NDCs. Instead, it said revisions should happen in light of the urgent need to close the emissions gap: and that successive NDCs should represent a progression and reflect countries' highest possible ambition. For LDCs, while supportive of pre-2020 action in general, higher ambition from all countries was – and remains – the priority.

In the final hours of COP25, the outcome walked a fine line between 'salvageable' and 'failed'. Major economies' lack of clear and consistent political investment in climate action set the stage for a stale, lacklustre COP25. But it is important to note that it wasn't only the rich countries – rogues came from across the board, entrenched in their positions and refusing to give any political space for movement on negotiating positions. António Guterres, UN Secretary-General, summed up:

"I am disappointed with the results of COP25. The international community lost an important opportunity to show increased ambition on mitigation, adaptation and finance to tackle the climate crisis. But we must not give up, and I will not give up. I am more determined than ever to work for 2020 to be the year in which all countries commit to do what science tells us is necessary to reach carbon neutrality in 2050 and a no more than 1.5-degree temperature rise."¹⁶

The pandemic: a temporary derailment?

After a lacklustre COP25, the vaunted 2020 'super year' succumbed to COVID-19. However, despite rolling postponements, the UNFCCC process and climate diplomacy has continued, in virtual form. Could 2021 now become the 'new super year' for climate, picking up some of the challenges while capitalising on political change and influencing investments in economic recovery plans?



3.1 The pandemic derails the ‘super year’

Dubbed as a super year for both climate and nature, by activists and world leaders alike, 2020 offered a confluence of various progress points in multilateralism for the environment and development. Nations were to deliver NDCs and Long-Term Strategies (LTS) ahead of COP26. Developed countries were to make good their US\$100 billion per year promise for climate finance, and the Paris Agreement rule book was to be finalised. Meanwhile, the Convention on Biological Diversity (CBD) was set to agree a new framework and new targets. Several rounds of negotiations were on track to set the first legally binding international agreement to protect ocean health. And several targets under the Sustainable Development Goals (SDGs) were to reach their maturation.

But hopes faded early in 2020 as the pandemic took hold. Major international meetings were postponed into 2021. Over 100 countries had signalled their intent to submit new/updated NDCs in 2020. Even before the pandemic, many experts doubted whether these would get the world on a 1.5°C pathway. The question of ‘how ambitious will NDCs be in 2020?’ quickly turned into ‘will any NDCs be submitted in 2020?’ The answer it turned out, was not many, and certainly not the at the level of ambition required.

Government focus – already limited on climate action – turned to controlling the spread of COVID-19 through lockdowns and to providing immediate medical and income support during the health emergency. Many plans were put on hold, and some countries delayed stakeholder consultations and processes needed to prepare enhanced NDCs. A cloud of uncertainty formed over whether countries would still deliver on their 2020 commitments.

Despite the challenges of the pandemic, a number of events were held. They were critical to maintaining some momentum in 2020 and in laying the groundwork for an ambitious process towards COP26, rescheduled for 2021. They included the Placencia Ambition Forum, hosted by AOSIS, the Thimphu Ambition Summit, hosted by Bhutan on behalf of the LDC Group, and the Climate Ambition Summit, hosted by the United Kingdom to coincide with the anniversary of the Paris Agreement’s adoption.

These events provided important moments for countries to reiterate their commitment to addressing climate change. The Thimphu Ambition Summit, in particular, provided essential space for vulnerable countries to articulate their needs and priorities, while underscoring the need for increased ambition on mitigation, adaptation, and climate finance. In addition, Japan, Germany and the EU stepped forward either with new

virtual events or virtual versions of planned events to help drive forward high-level political leadership.

The UNFCCC made its first foray into virtual meetings with its Momentum for Change event in June 2020, then again with the Climate Dialogues in November 2020, during which several constituted bodies met and virtual fora discussed issues ranging from climate finance to loss and damage. While there remains much to learn about hosting effective virtual sessions, this and other events ensured 2020 was not a completely ‘lost year’ for climate action.

These steps forward might not be propelling action fast enough to address climate change, but they do demonstrate that progress is possible, and they helped set the stage for what might become a new ‘super year’ in 2021. All eyes are now on the UK to lead a high-ambition campaign in the run up to COP26. If the UK is to bring any credibility to its COP26 Presidency, it must successfully navigate its own complex and sometimes conflicting domestic agendas – from Brexit to COVID recovery – while keeping climate a paramount priority.

3.2 Will 2021 be a new super year?

2021 retains many of the elements that the 2020 super year was expected to have – unless these are similarly derailed by the pandemic. Many of the negotiation challenges, including finalisation of the Paris Agreement Rulebook, could be addressed this year. Additionally, a strong biodiversity focus remains, with China hosting the CBD COP in Kuming now in October 2021. This could be used to encourage increased momentum on climate ambition, including through significantly enhanced nature-based solutions to climate change. Additionally, several new elements could drive higher ambition and/or deeply alter political dynamics.

The USA’s election of President Biden has increased hope for a successful COP in Glasgow later this year. The US re-joined the Paris Agreement in February 2021, and has reinstated many Obama-era climate and clean air protections, as well as rolling back Trump-administration actions that stymied federal climate action. Biden secured a majority in both houses of congress that, while narrow, may make it possible to legislate further ambitious climate actions. He is relaunching US diplomatic leadership on climate change through the Major Economies Forum, which served under President Obama to increase climate ambition among the major economies. The commitments made at the US Leaders’ Summit on Climate, held on 22 April 2021 to coincide with Earth Day, dropped the projected increase in temperature from 2.7°C–3.1°C by the end of the century.¹⁷ The USA also released a revised NDC during that event.

This year, the UK holds the COP26 Presidency. It has also assumed leadership of the G7 – the Group of Seven largest economies – taking over from the USA. Meanwhile, Italy, which will host the pre-COP meeting in advance of COP26, has become Leader of the G20, taking over from Saudi Arabia. The UK and Italy could use these roles to drive climate leadership among the major economies in advance of COP26.

Indeed, the UK used the Climate and Development Ministerial Meeting it organised in March 2021 as a platform where vulnerable countries could advance key priorities around adaptation, loss and damage and climate finance. However, it will be critical that the UK now carries those messages forward into the high politics of the G7 and G20, as well as through the UN General Assembly. This would build trust and demonstrate that change is possible, while building political momentum towards successful outcomes at the COP.

It seems the new COP26 dates for November 2021 have been implicitly adopted as the revised deadline for NDCs and LTS. At time of writing, 84 countries (including nine LDCs) had submitted an updated NDC and 29 had submitted their Long-Term Strategy (LTS) (including one LDC) – with mixed results. In 2020, New Zealand (normally hailed as a climate leader) and Japan (a major G7 coal producer) submitted NDCs without an enhanced target, even though the Paris Agreement suggests that countries ramp up their ambition in successive NDCs.

Nonetheless, others showed leadership in 2020. In September, President Xi Jinping pledged at the UN General Assembly that China would become carbon neutral by 2060. Analysis by the Climate Action Tracker indicates that this commitment alone would reduce global warming by 0.2–0.3°C¹⁹. However, China has yet to release an updated NDC with new shorter-term commitments. Emissions pathways are critically important, and many are hoping China will take ambitious shorter-term targets that involve steep emission reductions.

However, there are signs that the drumbeat on ambition, as well as transformative announcements from the likes of China and positive geopolitical movements such as the shift in political power in the USA are beginning to shift ambition and associated commitments in the right direction. Japan has since made a new 2030 target at the US Summit of 46% below 2013 levels by 2030 – which while also below the level necessary – does at least ratchet their ambition upward. New Zealand and South Korea, among others, have signalled that they will submit new more ambitious NDCs in 2021, and China has begun providing critical

and positive detail to their net zero commitment, including a timeframe for peaking coal. The new NDC presented by the USA also serves as a dramatic shift in the right direction, with a 50–52% reduction by 2030; however, it still fails to put the USA on a 1.5°C pathway.²⁰

The COP 25 and 26 Presidencies, as well as the Secretariat, have been working intensively to restart the UNFCCC process. Their aim is to advance the negotiating mandates that have accrued after postponing both SB52 and COP26. It is critical that the remaining months of 2021 are used to carefully lay the groundwork so that when negotiators are finally able to reconvene (if indeed they can) they rapidly move towards agreement on key issues. These include operationalising the Santiago Network to achieve a more robust framework on loss and damage, resolving governance issues for the WIM, finalising the Paris Agreement rulebook – namely rules on Article 6, common timeframes for NDCs, and transparency – reviewing the LDC Expert Group (LEG), and launching the negotiations on a new long-term climate finance goal, as well as increasing climate ambition and enabling climate-resilient green economic recoveries.

3.3 Green recoveries and climate action

Unless rigorous efforts are made to ‘build back better’, COVID-19’s huge impacts on livelihoods, economic growth, fiscal space, investment, and financial and human capital will also exacerbate the direct uncertainty the pandemic is causing to international climate change action.

LDCs are dealing with multiple shocks from climate and COVID-19. Indeed, exposure to climate impacts grows rapidly as other vulnerabilities increase. Countries’ ability to deal with this exposure is a function of capacity: in terms of access to financial, technical, educational, infrastructure and community resources. It is crucial that all countries have green economic recoveries, but especially so for climate-vulnerable countries with limited capacity for more standard fiscal stimuli.

It is worth emphasising that the pandemic-related delays in updating NDCs and developing LTS provide countries with the chance to consider their climate action in the context of economic recovery from COVID-19. Green economic recovery could enable countries to achieve their NDC targets and increase their climate ambition. But equally, it remains critical that governments make their submissions as soon as possible in order to maintain momentum for climate action.

To transition to just and climate-resilient green economies, governments must embed environmental considerations and robust public health systems into COVID-19 recovery measures. Vulnerable countries should prioritise climate-aligning all recovery plans (short, medium and long term) to avoid the risk of locking high-carbon and mal-adapted development into recovery packages.

Green recoveries offer governments an opportunity to innovate, restructure critical sectors, accelerate existing environmental plans, and make use of environmentally sustainable project pipelines. Climate-friendly action can sustain growth and provide multiple co-benefits. For example, improving access to renewable energy can also lead to better and green jobs, supporting sustainable livelihoods and building long-term resilience.

The global financial system needs to actively support green recoveries. Investors should use capital in such a way to ensure economic and social systems become more dynamic and able to withstand external shocks. Building resilience to climate-associated risks is sensible because, beyond the pandemic, these are perhaps the most pressing challenges to financial stability.

The international climate regime must also actively and deliberately respond to COVID-19. Policies that both offer early assistance to affected populations and promote global climate action can provide a helpful mandate for ensuring robust outcomes at COP26. As the Paris Agreement moves into post-2020 implementation, harnessing the levers of both national implementation and global decision-making will be important for green recoveries that put the world on track to limit warming to 1.5°C.

Looking forward: steps for getting negotiations on track

There are clear challenges and opportunities to getting climate negotiations on track. So, what can be done in the interim to ensure ambitious and tangible progress once in-person negotiations can resume?



Despite the uncertainty about when negotiations can resume in person, **good preparation is an essential first step.** Negotiators need to be ready to enter negotiations and to progress these rapidly once they are possible. Virtual meetings of the UNFCCC need to continue, similar to the June Momentum event, the November Climate Dialogues (which included virtual meetings of the Constituted Bodies) and the virtual session of the UNFCCC Subsidiary Bodies taking place in June 2021. This will keep routine business moving forward as far as is possible, and will reduce the number of issues piling up on the COP agenda.

But since there is already a backlog, an essential second step will be for **COP26 to address all 2020 and 2021 mandates and ensure negotiating schedules do not suffer knock-on effects for years to come.** Negotiators must arrive in Glasgow prepared for a significantly heavier negotiating load than usual. Virtual sessions such as the Presidencies' and Heads of Delegation meetings can provide necessary space to discuss key political issues, while informal events convened under the aegis of the Chairs of the Subsidiary Bodies can advance technical work. This will be complimented by the June 2021 virtual session of the Subsidiary Bodies, which will take up a number of agenda items to advance technical work, which will be captured in informal notes. There is currently broad consensus that virtual spaces are not sufficient for decision-making, making an in-person COP essential. But virtual spaces will support negotiators to advance towards agreement in the interim. However, it is critical to ensure that these spaces are inclusive by ensuring that delegates from countries with weaker internet infrastructure are able to access them.

Third, **nations must guard against 2021 becoming a 'lost year' for climate ambition.** It is likely that the IPCC sixth assessment report, initially to be completed in 2021 but now postponed, will again say the world is not acting fast enough in combatting climate change.

National commitments must rapidly come in line with the 1.5°C goal, despite delays caused by the pandemic. Additionally, developed countries must demonstrate that they have delivered the promised US\$100 billion per year of climate finance by 2020. It cannot be overstated how crucial both are to restoring faith in the UNFCCC process.

While COVID has devastated economies, particularly those of developing countries, it has also demonstrated that rapid transformations in response to crises are possible, and that governments can deploy large budgets to meet urgent challenges. So, a fourth step is to **ensure that fiscal stimulus packages in developed and emerging economies 'build-back better' and create economic recovery initiatives compatible with the Paris Agreement.** If new spending props up the status quo, emissions will be locked into the system for decades to come. Conversely, if spending supports a greener and climate friendly economy to emerge from the disruption, steep emissions reduction pathways can be locked-in instead. Green recovery strategies would bolster emissions reductions promised in NDCs and LTS, and encourage greater ambition from countries. It is also crucial to enable green economic recoveries in LDCs and other developing countries.

Fifth, **the climate process needs to continue learning about virtual engagement.** The UNFCCC process, and climate diplomacy more generally, have been horrifically high emissions affairs. While it is clear face to face negotiations are critical to advancing international agreement, it is also essential that the process begins bringing down its high emissions. Virtual engagement can and should remain an integral part of the UNFCCC process, and climate diplomacy as well, with all due consideration to full inclusion and representation. This will require capturing what has worked well during the pandemic and understanding what can and cannot be accomplished in virtual fora.

Acronyms

AOSIS	Alliance of Small Island States
BTR	Biennial Transparency Report
CBD	Convention on Biological Diversity
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (i.e. the governing body)
CO ₂	Carbon dioxide
COP	Conference of the Parties (to the UNFCCC)
ETF	Enhanced Transparency Framework
G77+China	Group of 77 and China (a negotiating bloc of developing countries only)
GCF	Green Climate Fund
GHG	Greenhouse gas
GST	Global stocktake
IPCC	Intergovernmental Panel on Climate Change
LDCs	Least Developed Countries
LEG	LDC Expert Group
LTF	Long-term finance
LTGG	Long-Term Global Goal
LTS	Long-term, low greenhouse gas development strategy or Long-term strategy
NDC	Nationally Determined Contribution
OMGE	Overall Mitigation in Global Emissions
PCCB	Paris Committee on Capacity Building
SB	Subsidiary Body (permanent bodies established by the COP to address specific issues)
SBSTA	Subsidiary Body for Scientific and Technological Advice
SCF	Standing Committee on Finance
SDGs	Sustainable Development Goals
SED	Structured Expert Dialogue (for the Second Period Review of the Long-Term Global Goal)
SIDS	Small Island Developing States
SOP	Share of Proceeds
UNFCCC	United Nations Framework Convention on Climate Change
US\$	United States dollar
WIM	Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts
WIM ExCom	Executive Committee for the Warsaw International Mechanism for Loss and Damage

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There are clear challenges and opportunities for getting climate negotiations on track in 2021. After a lacklustre COP25, the vaunted 2020 ‘super year’ designed to reset the UNFCCC process succumbed to the COVID-19 pandemic. However, despite rolling postponements, the UNFCCC process and climate diplomacy has continued, albeit in dramatically altered form. So, what can be done now to ensure ambitious and tangible progress is likely if in-person negotiations are able to resume this year? This paper offers a ‘refresher’ on the context of climate negotiations, unfinished business from COP24 and COP25, and the pandemic’s impact, before exploring practical steps that could help make COP26 a success.

IIED is a policy and action research organisation. We promote sustainable development to improve livelihoods and protect the environments on which these livelihoods are built. We specialise in linking local priorities to global challenges. IIED is based in London and works in Africa, Asia, Latin America, the Middle East and the Pacific, with some of the world’s most vulnerable people. We work with them to strengthen their voice in the decision-making arenas that affect them – from village councils to international conventions.



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