



Where Are the Leaders?

Analysis of the COP 25 Climate Change Conference

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Executive Summary

◇ The 2019 UN Climate Change Conference, also known as COP 25, delivered disappointing results. Tasked with a relatively modest agenda and set in a time of increasing global isolationism, the conference was not set to result in major changes in global climate policy. However, it failed to even deliver on its original agenda, which was to ensure that the 2015 Paris Agreement on climate change would be fully operational when its implementation starts in 2020.

◇ This EDA Insight explains the significance of COP 25 by placing it in two contexts: first, the context of expectations, both set by science and by the world outside the UN negotiating process; second, that of developed countries' unmet promises and emerging economies' discomfort. It starts with a descriptive analysis of COP 25 outcomes and closes with a list of tasks for 2020.

◇ The Insight addresses three questions: *What were the main outcomes of COP 25, and what failed from a process perspective?* The conference was unable to deliver an agreed outcome on global carbon markets under Paris Agreement Article 6. Some advances were made in the areas of gender, and 'loss and damage', among others. A large number of items to be resolved in the second week of the conference complicated reaching strong outcomes. The Chilean COP presidency, representing a government mainly preoccupied by domestic unrest at the time of the conference, also adopted approaches that most likely delayed deliberations, including how meetings were organised and sequenced, and how time was managed.

◇ *How did COP 25 manage to respond to high external expectations regarding the levels of ambition governments should now be demonstrating?* Apart from the results highlighted above, there were some further small wins on broader issues that partly reflect expectations regarding what the UNFCCC process should deliver for the 'real world'. These included broadening the space to discuss

adaptation – an issue dear to developing countries, and a noticeably stronger discourse in support of a rights-based approach to climate change – which however was not fully supported by everyone. Non-state and subnational actors also delivered ambitious pledges, even if not formally part of the intergovernmental process.

◇ *How successfully did COP 25 balance two divergent worldviews among countries – one looking forward and another focusing on the past?* Reflecting a 'balancing act' between those calling for ambitious action by all and those stressing that this needs to be built on delivering on past promises, language in the COP 25 outcome decisions represent a careful compromise – unfortunately in terms of ambition, they remain close to the lowest possible denominator. Proving the ability of the intergovernmental process to generate the needed ambition now falls heavily on the shoulders of COP 26.

◇ COP 25 lacked leadership. The weak outcomes were to a large extent not attributable to its presidency or the negotiators, but to a weak mandate from most major economies' governments. In 2020, it will be critical to deliver in at least the following areas in order to ensure a future both for the global climate change regime and, by extension, the planet:

- Agreeing on robust guidance under Article 6;
- Advancing on the issue of support for loss and damage;
- Delivering implementable, yet robust, guidelines for reporting and review;
- Helping accelerate climate action by non-state and subnational actors; and
- Achieving the necessary levels of updates to national climate plans under the Paris Agreement (known as NDCs) to signal that governments are serious about preventing a climate disaster.

The Issue

The 2019 UN Climate Change Conference in Madrid, also known as COP 25, delivered disappointing outcomes for science, civil society, developing countries and the global climate change regime. Tasked with a relatively modest agenda and set in a time of increasing global isolationism, the conference was not set to result in major changes in global climate policy.

However, it failed to even deliver on its original agenda, which was to ensure that the 2015 Paris Agreement on climate change would be fully operational when its implementation starts in 2020. More importantly, the outcomes of the 'Chile-Madrid COP' – presided over by Chile but hosted in Madrid – give rise to greater concerns going forward, as the negotiations signalled decreasing levels of determination by governments to collectively address the climate crisis.

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COP 25 Outcomes

The Chile-Madrid Climate Change Conference constituted the 25th session of the Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), which meets annually to develop global governance rules and norms for climate change and review their implementation. Over the past quarter of a century, this 'global climate change regime' has evolved to include three treaties, of which the Paris Agreement is the most recent and most ambitious (see Box 1).

The task of COP 25 was two-fold: to agree on the final piece of implementation guidance for the Paris Agreement's 'rulebook', which was largely completed at COP 24 in Poland; and to send a political signal of commitment to ambitious action to reduce emissions and help vulnerable countries adapt to the negative impacts of climate change.

The conference failed to deliver on both counts. After going 44 hours over time, COP 25 concluded by adopting a series of decisions, which helped avert a total breakdown of the process (only once in the UNFCCC's

history has a COP session been reconvened the following year in a so-called COP bis). However, the results were a disappointment. As tweeted by UN Secretary-General António Guterres after the final gavel had fallen: 'The international community lost an important opportunity to show increased ambition on mitigation, adaptation [and] finance to tackle the climate crisis.'¹

The first question to address is: **What were the main outcomes of COP 25, and what failed from a process perspective?**

Article 6 (market mechanisms and non-market approaches): Both for veterans of the process, as well as many countries planning to use carbon markets to meet their Paris Agreement pledges (NDCs), agreeing on implementation rules for Article 6 of the Agreement was the key focus of COP 25. The only piece left unaddressed in Katowice, Poland, in 2018, much of the success of the Chile/Madrid COP was in many minds pinned on whether this meeting would deliver robust enough guidance for the two market-based mechanisms and a non-market-based framework that were established in Paris under this article.

Countries came to Madrid with a large amount of text containing a significant number of brackets and options, underpinned by several hard-held differences. These differences could in simple terms be described as divergent views concerning the purpose of carbon markets – whether they should be a tool for ratcheting up ambition in emissions reductions, a tool for offsetting emissions in the cheapest possible way, or a way to monetise emissions reductions already delivered pre-2020.

Proponents of the first view include small island developing states (SIDS) and least developed countries (LDCs), who are supporters of strict rules on carbon markets that would help ensure that trading of emissions reductions results in real reductions, or 'overall global mitigation in emissions'. These countries promote stringent rules on the types of credits approved for sale (as well as where they could be sold) and oppose the carryover of credits that pre-date the implementation period of the Agreement.

At the other end are many major economies, most prominently Brazil and Australia, that wish to sell their already-achieved emissions reductions from the pre-2020 era during a transition period under Article 6. Brazil, India and China, for example, have large amounts of uncashed Kyoto Protocol Clean Development Mechanism (CDM) credits, whereas Australia would like to carry over credits that it has generated by overachieving against its current target under the Kyoto Protocol.

Box 1: The Paris Agreement on Climate Change

Implemented from 2020 onwards, the 2015 Paris Agreement has two major characteristics: first, it is universal in the sense that it requires participation by all countries in varying degrees, depending on their historical contribution to global greenhouse gas (GHG) emissions and their present capabilities to reduce emissions and adapt to the negative impacts of climate change; second, the Agreement is based on a bottom-up approach to addressing the challenge, comprised of self-determined national pledges (called NDCs), which are revised upwards and collectively reviewed in five-year cycles (called Global Stocktakes) with the aim of ultimately bringing these pledges to a level commensurate with scientific assessments.

Transparency of countries' pledges and actions also plays a major role in the design of the Agreement: countries report biannually on their progress towards their nationally-determined plans, with developed countries also reporting on their indicative and actual delivery of support to developing countries. This is intended to build trust and confidence among governments to adopt increasingly ambitious policies.

At present, the pledges that countries have submitted to the UNFCCC, which date to 2015, would result in more than 3°C of global warming – far above the limits enshrined in the Paris Agreement of 'well below 2°C' and 1.5°C. The next opportunity for countries to revise their national pledges upwards will be in 2020. Only those containing a target year of 2025 or earlier (such as the UAE, which has a 2021 target) are required to submit a new NDC in 2020, while others are only encouraged to update theirs. Most countries' pledges currently have a 2030 timeframe.

Many consider the year 2020 both a major test of the functionality of the Agreement in helping raise ambition and the last chance to avert the worst impacts of global heating: in order to avoid damage to the most vulnerable, science estimates that global GHG emissions would need to halve from their 2010 levels by 2030. In 2018, however, they reached their highest level to date.

Furthermore, some countries, primarily Brazil, have been promoting an approach to accounting of transfers which the great majority of other countries, experts and civil society view would result in 'double counting' of emissions reductions, further weakening ambition.

Proponents of strong environmental integrity in the design of Article 6 market approaches have estimated that 'nearly 40% of existing ambition outlined by countries in their NDCs would be wiped away' if the available supply from Kyoto Protocol mechanisms was rolled over into Article 6. This alone could result in an additional warming of the planet by 0.1°C.²

Another major Article 6-related debate is around how much global carbon markets should finance adaptation projects in developing countries. The CDM, an offsetting tool under the Kyoto Protocol, was originally designed to generate such funds through allocating a share of proceeds to a dedicated fund called the Adaptation Fund, but the CDM never succeeded in delivering the expected flows, ending up relying on relatively modest voluntary contributions by developed countries – in 2019, it raised just US\$88 million.³

Many developing countries hope that higher flows of financing could now be secured from both Article 6

market mechanisms – namely transactions under the new Article 6.4 mechanism as well as from the trading of Article 6.2 'internationally transferred mitigation outcomes'. Many of the countries likely to be on the buying end, however, including Australia, New Zealand, Japan and Norway, are concerned about higher costs of their carbon offsets.⁴

In the end, negotiations in Madrid failed to deliver agreed texts, instead deciding to continue consideration at the UNFCCC June 2020 intersessional meeting, using as a basis three sets of texts prepared under the leadership of the Chilean COP President in the final days of ministerial consultations. The third area of Article 6 under negotiation, on non-market approaches (Article 6.8), is significantly less developed conceptually and also less contentious as an issue, which meant it received very little attention in the negotiations but will similarly be taken up again in 2020.

Perhaps counterintuitively, many found this outcome better than the alternative, which they felt would have been a text containing possible loopholes undermining the environmental integrity of international markets and failing to secure sufficient resources for adaptation finance through a sufficiently high share of proceeds.

Also providing hope for those fearing an anarchic scenario in the absence of UN oversight, in the final days of the COP a group of 31 countries declared they would unilaterally apply a set of principles called the ‘San Jose Principles for High Ambition and Integrity in International Carbon Markets’, which include delivery of overall mitigation in global emissions, prohibiting use of pre-2020 units, and so-called ‘corresponding adjustments’ applied to avoid double counting of emission reductions – all key demands of those supporting strong environmental integrity under Article 6. Some observers also suggested that bringing in the three iterations of text, and not only the latest ones, kept on board better options for higher shares of proceeds for adaptation finance.

Gender and Loss and Damage: COP 25 delivered some successes, two of which deserve mentioning. The first one, welcomed by many governments, is an enhanced gender work plan, under a decision titled ‘Enhanced Lima work programme on gender and its gender action plan’. This contains a five-year programme and action plan aimed at advancing ‘knowledge and understanding of gender-responsive climate action and its coherent mainstreaming in the implementation of the [Convention], as well as women’s full, equal and meaningful participation in the UNFCCC process’.⁵

The plan contains five priority areas, ranging from capacity building on the ground, to promoting gender-responsive implementation, to ensuring a gender balance in the UNFCCC process.

‘Loss and damage’ is another issue where giving confidence of support is particularly crucial for vulnerable countries, particularly in the current context of low NDC ambition (see Box 2).

In this area, COP 25 delivered better outcomes than many expected. It established the Santiago Network for Averting, Minimizing and Addressing Loss and Damage, dubbed as the ‘implementation arm’ of the Warsaw International Mechanism, as well as a new expert group on ‘action and support’, which many also welcomed. Difficult and long-standing issues around financing for recovery from loss and damage and relating to liability, however, remain unaddressed.

Process management: The Chilean Presidency had to manage a complicated negotiating process: five different negotiating bodies meet over the two-week period, two of which (namely the two subsidiary bodies) only meet for the first week and usually adopt a large number of conclusions and draft decisions for the three governing bodies upon their closure.

Box 2: Loss and Damage in the Context of the UNFCCC

‘Loss and damage’ refers to climate change impacts to which countries or communities cannot adapt. Under the UNFCCC, countries have agreed to address ‘loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change’. Impacts are referred to as ‘loss and damage-related’ when they are not preventable through adaptation measures and no longer avoidable through global emission reductions. They can be caused by slow onset events (e.g. sea level rise) or extreme weather events (e.g. hurricanes).

COP 19 in Poland established the Warsaw International Mechanism for Loss and Damage (WIM), described as ‘the main vehicle under the UNFCCC process to avert, minimize and address loss and damage associated with climate change impacts, including extreme weather events and slow onset events’. The Paris Agreement further reaffirmed the WIM as the main vehicle under the UNFCCC to address the issue, and contains a dedicated article (Article 8) on loss and damage, which delegates authority over the WIM to the Paris Agreement’s governing body CMA.

In the UNFCCC, attribution and liability are highly-contentious issues in this context. Countries vulnerable to loss and damage, alongside many civil society advocates, view the issue from a justice perspective, and therefore pursue compensation from the historically-largest emitters – either industrialised countries or fossil fuel companies. Such discussions have been strongly opposed by developed countries, and especially the US. Consequently, the Paris Outcome decision (1/CP.21) states that ‘Article 8 of the Agreement does not involve or provide a basis for any liability or compensation’.

Sources: UNFCCC. 2019. ‘Introduction to Loss and Damage’. Accessed in December 2019; Stockholm Environment Institute. 2019. *Defining loss and damage: The science and politics around one of the most contested issues within the UNFCCC*. Discussion Brief. 2016.

This year, a higher than usual number of agenda items concluded without consensus, meaning these items will be taken up again at the next UNFCCC meeting. However, several issues were also pushed over to the second week ministerial consultations, adding to the Presidency's workload, including the massively complex Article 6 landscape, and the politically-loaded issues of 'loss and damage' and 'response measures'.

Trying to pinpoint the reasons why the conference went 44 hours over time – a record for a UNFCCC COP – before limply concluding at 2 pm on Sunday, 15 December, negotiators pointed to some factors marking the second week of deliberations that may have weakened the end result. Even if based on individual perceptions, meaning that they may not represent the full picture, they can serve as important lessons for the future. They include:

- *Bilateral approach:* Ministerial consultations were initially focused on bilateral meetings with the Presidency, which some felt did not give enough space for exchanges among countries and may also have prevented important cross-issue linkages from being identified and tackled early on.
- *Sequencing of political and technical work:* Some pointed out that allowing technical work (i.e. text-based discussions at technical expert level) to continue in parallel with ministerial consultations created confusion.
- *Small group consultations:* In the final full day of negotiations, ministerial consultations were conducted with small groups of countries, which created a great amount of frustration among smaller and more vulnerable countries' delegates in particular, who felt in many cases left out. Similar frustrations were voiced at the infamous Copenhagen conference of 2009, which ended in a failure to adopt the outcome agreed by a smaller group of countries in plenary.
- *Extensions without clear timeframes:* Some observed that the COP Presidency could have imposed stricter time-management practices on ministerial consultations, in particular in the final days of negotiation. Deliberations were also often extended without clear timelines for reconvening, which many felt did not help with keeping the pressure on countries to conclude in a timely manner.
- *Loss of quorum:* A large number of delegates with tighter budgets and less flexible flight tickets left the conference on Saturday. The UNFCCC rules of procedure being applied establish that 'two-thirds

of the parties to the Convention shall be required for any decision taken'.⁶ While 'the presiding officer has the power to determine the existence of a quorum' as long as the issue is not raised during the meeting,⁷ as the conference extended, many feared it would be unable to adopt decisions, even if they were agreed on, simply due to the lack of a quorum at the venue.

Talk of 'another Copenhagen', speculations over a lack of a sufficient quorum, and rumours of a 'certain COP 25 bis' only subsided when a number of texts were hastily adopted on Sunday morning by a half-empty plenary. While many parties thanked the Chilean Presidency, the general tone of civil society's verdict in the closing plenary was a harsh 'this COP has failed the people and the planet'.

High Expectations

COP 25 took place in a world very different from just a few years ago: messages from science have been getting increasingly urgent, as have calls from youth and civil society to step up action.

So the second question to ask is: **How did COP 25 manage to respond to these higher external expectations?**

The year 2019 heard bleak messages from science: carbon dioxide (CO₂) emissions worldwide had reached a record high in 2018. Two Intergovernmental Panel on Climate Change (IPCC) reports found increasingly accelerating social impacts of a changing climate on food security, desertification, land degradation, and coastal ecosystems and infrastructure. Calls from civil society also grew louder, culminating in millions marching around the world in September around the UN Secretary-General's Climate Action Summit, itself intended as a call for further ambition on emission reduction pledges by the world's governments ahead of the important milestone year of 2020 when the first updates to countries' Paris pledges will be due.

COP 25 found itself in a difficult position, it had to both build momentum within the UN process for a successful year 2020, and it had to signal to the world that governments were serious about tackling the climate crisis.

The conference took place in Madrid, Spain, organised in record time after mass protests had led to the Chilean government deciding to cancel hosting the conference only a month before its scheduled start. Given the less

remote location, Madrid also attracted a significant number of participants: more than 22,000 individuals and 1,000 civil society organizations attended, with many marching on the streets and some protesting at the venue, calling for ambitious action and climate justice.

At COP 24, the Polish host government had sought to position the issue of 'just transition' among the key themes of the conference, but only partly succeeded, as the Paris Agreement rulebook drew most of governments' attention that year. Since 2018, however, the social dimension of climate change has risen significantly on the global agenda. It was also firmly on the Chilean government's mind. The Chilean Environment Minister Carolina Schmidt, who served as COP 25 President, opened the conference calling for a just transition and noting that 'the social and environmental crises are two faces of the same coin.'⁸ To this end, she called for making more ambitious commitments that include all aspects of climate action.

This was a tall order, however: at the September Climate Action Summit, 67 countries announced their intention to enhance their NDCs in 2020. But combined these countries only represented 8% of total global greenhouse gas emissions.⁹ By the end of COP 25, this number had risen to 73 countries, and still excluded all major economies except the EU.¹⁰ In one of the few further announcements of ambition during the COP, EU leaders endorsed the European Commission's 'European Green Deal', which contains a target of carbon neutrality by 2050 and mechanisms for mobilizing US\$100 billion to finance the transition.¹¹

Also, in November 2019, moving in the opposite direction, the United States, which has emitted 25% of CO₂ emissions to date (twice as much as China),¹² initiated the year-long process of withdrawal from the Paris Agreement on the earliest date allowed, namely on the day following the third anniversary of the entry into force of the Agreement.

Finance pledges for developing countries, important for raising ambition, were also a source of higher expectations: in 2014, the Green Climate Fund's (GCF) initial resource mobilization conference garnered US\$9.3 billion in pledges, and was celebrated as a positive boost for the Lima COP.¹³ Five years later, the October 2019 GCF first replenishment conference raised US\$9.7 billion even with the absence of two major developed countries, namely the United States (which pledged US\$3 billion in the initial replenishment) and Australia.¹⁴ Still, with the Global Commission on Adaptation estimating adaptation costs alone at US\$80

billion per year from 2020,¹⁵ NGOs and many others hold a doubling of previous pledges as the benchmark.

Apart from those highlighted above (gender workplan, and loss and damage), there were some further small wins at COP 25 on broader issues that partly reflect expectations regarding what the UNFCCC process should deliver for the 'real world'.

The first of these was on adaptation. Calls by the African Group to increase the prominence of adaptation on the negotiating agendas were heeded in the form of a ministerial dialogue on adaptation ambition and an informal meeting on the Agreement's 'global goal on adaptation', even if discussions and text in the final outcome decision under the Paris Agreement left some disappointed, with the African Group indicating it would be returning in 2020 with a call for a process to operationalize and identify the global goal.

The second bright spot was on the rights-based approach. The COP saw the emergence of a holistic version of climate action, which included human rights, gender equality, indigenous peoples' rights, and a just transition. The Chilean Presidency championed the idea of a just transition given the unrest in Chile, partly stoked by higher public transit fares, partly by protracted frustrations about social inequality. But other countries were similarly experiencing popular backlash from climate-related policies, such as the 'yellow vests' movement in France, sparked by fuel price hikes.

Recognition that climate change is a social issue resonated at COP 25 perhaps more than ever, but created new wedge issues, as one observer put it, between those seeking recognition of the universal nature of human rights, and those seeking admissions of their 'national circumstances' when discussing social equities. In the end, language on social rights found its way into the decision on the gender work programme but was removed from the final iterations of Article 6 draft text.¹⁶

Beyond the attempts to deliver on the in-process expectations, the COP Presidency also sought to deliver messages to the broader audiences outside the process through 'ambitious' language in the two so-called 'outcome texts', which generally carry the main high-level messages and often also the main decisions of the COPs. Despite numerous pleas for including a clear call for countries to update their NDCs in 2020, this was difficult for some to accept given the lack of commensurate ambition on climate finance for developing countries.

The final outcome text¹⁷ contains jargon-filled references to the emission gap (effect of mitigation efforts

by 2020 versus what should be done) and the Paris Outcome (UNFCCC decision 1/CP.21). It merely 'urges parties to consider the gap ... with a view to reflecting their highest possible ambition' – far from the clear, robust signal many were hoping for.

In the absence of strong signalling-power from the intergovernmental process, many are turning to non-state actors with their hopes: even before the Paris Agreement, it was recognised that the intergovernmental process alone was unlikely to deliver the needed levels of emission reductions, adaptation solutions and financing, fast enough.

In 2014, the Lima and Paris COP presidencies recognised that non-state actors, including cities, regional governments, businesses and investors were already taking action and some were using the COPs as their annual get-together. Building on this, they established the 'Global Climate Action Agenda' (later renamed as Marrakech Partnership) as a process around which sectoral coalitions and networks could coalesce and build ambition in the pre-2020 period in which additional action was seen as crucial to compensate for the lack of short-term ambition by governments. Until now, the Agenda had served to articulate and structure many non-state actors' participation in the COPs, but its continuation was in some minds a question mark, given its time-bound mandate.

Continuing a trend from previous years, COP 25 attracted strong participation by non-state actors, and the Chilean High-Level Champion – a rotating title instituted in Paris to link the Marrakech Partnership more closely to the UNFCCC – successfully rallied around the Chile-led 'Climate Ambition Alliance' initiative, launched at the September UN Climate Action Summit as an alliance of countries and non-state actors 'determined to follow the recommendations of science.'¹⁸ Deliverables from the Alliance announced at the COP included a 2050 net-zero CO₂ emission target by 14 regions, 398 cities, 786 businesses and 16 investors.

A further innovation by the Chilean COP Presidency aimed at fostering ambition in new places was to convene ministers from various sectors, namely science, agriculture, finance, transport and energy at the COP. In the closing meeting of the Marrakech Partnership at COP 25, many countries voiced their support for its continuation in the post-2020 period, and the COP outcome decision consolidates this by extending the mandate of the High-level Champions and improving the Partnership.

Unmet Promises

With the global climate regime transitioning from the bifurcated Kyoto era into the universal Paris era, for many now was a time to focus on higher ambition by all countries. For others, it was a moment to look back and reflect on progress made and assess if the process was providing the necessary means for all countries to step together into the post-2020 period.

The third question, therefore, is: **How successfully did COP 25 balance these two worldviews?**

The Kyoto Protocol, which only required binding emissions reduction commitments from developed countries, is coming to a close, with its second commitment period ending in 2020. The Paris Agreement, which kicks in in 2020, is based on a less bifurcated system, which still includes some binary provisions – most importantly that 'developed country parties shall provide financial resources to assist developing country parties with respect to both mitigation [emission reduction] and adaptation'.

However, under the Agreement, all countries are expected to pursue domestic mitigation measures, and many provisions allow countries to 'self-differentiate' based on their perceived capabilities. Only LDCs and SIDS are given explicit flexibilities.

For many countries, COP 25 was an 'all hands on deck' moment. In addition to the calls from science and civil society, the conference took place a month before the Paris Agreement would become operational, and its universal character would start applying. Standing on the doorstep of the post-2020 world, some countries looked backward and pointed at a 'lost decade' of insufficient action by developed countries who they feel now want to forget about history and the principle of equity. Both sides – those looking forward and those focusing on the past – were in their right to do so. Balancing the priorities and concerns of these two visions in a way that would allow everyone to move forward together, therefore, became a further measure of success for COP 25.

Many developed and developing countries, often referred to as 'progressive', had their eyes firmly fixed on the future. These include European Union countries, LDCs and SIDS. They emphasised the need to focus on raising ambition in all NDCs in 2020, to both ensure the necessary emissions reductions but also send a strong signal to the world that the Paris Agreement was well and working.

Whereas only a year earlier most still considered the staying below 1.5°C target as mainly a ‘token issue’ for vulnerable developing countries and small island states, owing to efforts by UN Secretary-General António Guterres, but also the Fridays for Future movement led by Swedish youth activist Greta Thunberg, by COP 25 it had become a central rallying point for all progressive countries. These calls were not only heard in multiple plenary statements and high-level meetings, but they culminated in cries in the final days’ stocktaking plenary to ‘look forward instead of backward.’¹⁹

A large number of developing countries, mostly emerging economies and other middle-income countries, are faced with a difficult situation: they regard the onus should be on developed countries to lead in emission reductions and provide support to developing countries. At the same time, they experience the highest emissions growth at present and going forward. Many of these countries stressed in Madrid that their ability to implement the Paris Agreement is already hindered by the lack of ‘means of implementation’ (finance, technology and capacity building) support in the pre-2020, and pointed to the fact that between 1990 and 2017, OECD countries decreased their greenhouse gas emissions by only 1.6%.²⁰ Also, they stressed that post-2020 action will hinge on commensurate support.

A failure to reach conclusions at the end of the first week in discussions on detailing guidance on how parties should report on their emissions and support under the Paris Agreement was perhaps the most obvious signal of this discontent boiling over. Transparency (namely how countries report on their emissions and related actions taken) is an issue dear to developed countries, especially the US, which has long demanded similar reporting requirements for all.

In 2007, compromise on the issue of transparency led to the Bali Action Plan – a landmark agreement that ultimately paved the way for the Paris Agreement, which created a system of reporting that was bifurcated but robust for all countries. In Paris, this transparency framework was made universal, with some in-built flexibility for developing countries. At COP 25, progress on the more detailed rules for reporting was prevented by the Like-minded Developing Countries group and the African Group, which cited a lack of equal levels of attention to their priority issues, namely adaptation and finance, elsewhere on the agenda.²¹

Many deeply-held sensitivities around financing, which were somewhat subdued after Paris, also resurfaced in

COP 25 finance negotiations, for this same reason. This was evident in how developing countries made various proposals that would help hold all developed countries accountable, including: extending discussions beyond 2020 on a COP agenda item on ‘long-term finance’ that was originally planned to conclude in 2020; calling for a forum for discussing climate finance from a strategic perspective; requesting a status report on the developed countries’ ‘US\$100 billion per year by 2020’ financing goal; and promoting the idea of a work programme to ‘close the pre-2020 ambition and implementation gaps’.²²

Developing countries also called for an early start for work on a new collective finance goal from 2025, which parties had agreed in Katowice would start at the end of 2020. The COP finance draft text containing these notions, however failed to reach consensus in the closing plenary due to a disagreement over whether to continue discussions on ‘climate finance’ under the COP or discuss ‘long-term climate finance’ at COP 26. The former would have implied the end of the ‘long-term climate finance’ item under the governing body of the Convention, which was unacceptable to developing countries. The US, in turn, did not support either formulation.

Reflecting a ‘balancing act’ between those calling for ambitious action by all and those stressing that this needs to be built on delivering on past promises, language in the COP 25 outcome decisions represents a careful compromise. In addition to the references to higher NDC ambition in 2020 discussed above, the decisions mandate a roundtable for COP 26 on ‘pre-2020 implementation and ambition’.

However, it is fair to argue that the overall outcome is closer to the lowest possible denominator than the highest possible compromise: achieving an ‘overall balance’ – citing the words of COP President Schmidt – will not help keep the world under 2°C, let alone 1.5°C. What most participants at COP 25 agreed on is that proving the ability of the intergovernmental process to generate the needed ambition now falls heavily on the shoulders of COP 26.

Calling for Leaders

COP 25 lacked leadership. The weak outcomes were to a large extent not attributable to its presidency or the negotiators, but to a weak mandate from most major economies’ governments.

The conference took place in a global context of rising populism and inward-facing policies. Particularly observable was the domino effect on ambition of the imminent withdrawal by the US from the Paris Agreement. The initiation of the country's one-year withdrawal process in November confirmed to other countries that the current administration is determined not to implement the previous administration's 2015 pledge under the Paris Agreement,²³ let alone submit a new NDC in 2020.

It remains unclear even whether another administration would be able to bring the country back to the Paris Agreement, as some speculate that a future administration might not be able to use the same domestic procedure for joining, namely an executive order, as President Barak Obama did in 2016.²⁴ In technical terms, however, readmission only takes 30 days, as per the Agreement's Article 21.

The November 2020 US presidential elections will therefore have a significant impact on not only US domestic climate change policy but also on the global climate change regime. Some speculate that the EU-China Summit, which is scheduled to take place in Germany in September 2020, could secure an ambitious NDC update from the world's biggest emitter, China (currently responsible for about a fourth of total global GHG emissions²⁵) in exchange for a 5% increase in the EU emissions reduction target, to 55% below 1990 by 2030, as well as a legally-formalised commitment by the EU to achieve net-zero emissions by 2050.²⁶ A similar bilateral agreement was largely behind the success of the Paris Agreement in 2015.

The next COP presidency, held by the United Kingdom, faces a significant amount of work in 2020 both in delivering on the items carried over from the Chile-Madrid COP but most importantly in convincing all major economies on the urgent need to raise ambition through tabling significantly more ambitious NDCs, as well as through reasonably-high signals of support from developed countries.

Global emissions continue to rise, and the negative impacts of climate change are materialising faster than previously expected. The world is faced with a crisis and, as expressed by Secretary-General António Guterres: 'the point of no return is no longer over the horizon. It is in sight and is hurtling towards us'.²⁷

In 2020, it will be critical to deliver in at least the following areas in order to ensure a future both for the global climate change regime and, by extension, the planet:

- **Article 6:** Achieve agreement by the end of 2020 on Article 6 rules that do not compromise on environmental integrity and that ensure a reasonably-high share of proceeds for adaptation financing.
- **Loss and damage:** Find a politically-acceptable way to ensure that countries that are most vulnerable to loss and damage receive sufficient levels of multilateral financing.
- **Transparency:** Agree by the end of 2020 on reporting rules for the Paris Agreement that are robust and ensure meaningful comparison and aggregation of countries' pledges and actions, while being implementable by all; and ensure sufficient support is made available for developing countries to meet these reporting obligations.
- **Non-state actors:** Continue to innovate in engaging non-party stakeholders – non-state and subnational actors – in the process, and build on, rather than continuously change, existing processes in this area. Focus in particular on target-setting and development of related reporting, aggregation and accountability processes and mechanisms.
- **NDC enhancement:** The aggregate global heating effect of current NDCs is approximately 3.2°C by the end of the century. Global GHG emissions have risen 1.5% per year over the past decade. In order to stay well below 2°C, the NDCs' collective ambition needs to increase threefold. In order to stay below 1.5°C, this increase should be at least fivefold.²⁸

In 2020, governments around the world must pull out all the stops to support the UN Secretary-General and the incoming COP 26 presidency to achieve the necessary levels of NDC updates to signal to the world that governments are serious about preventing a climate disaster. As often noted, while humans negotiate, nature does not.

Endnotes

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