

25th Conference of the Parties to the UNFCCC - Summary

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Briefing note

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Perspectives

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1. Introduction

COP 25 was held in December 2019 with the main objectives of adopting the guidance, rules modalities and procedures for market based cooperation under the Paris Agreement (enshrined in its Article 6), to review the Warsaw International Mechanism (WIM) on loss and damage and to give impetus to the political process of NDC revision in the upcoming year. It ended on Sunday, December 15 with a record delay of more than 40 hours and without result on key issues. This briefing provides an initial analysis of the negotiations and provides an overview of the key results of the negotiations.

2. Main reasons for the limited progress in negotiations

Even though the conference started without procedural delays and with a productive week of work and at a high level of detail, it ended in political failure. Several factors contributed to this:

Reflection of a global polarization in the negotiations without a real leader emerging: The COP was held in the context of a global polarization between populist regimes (Australia, Brazil, United States, Russia) and states recognizing the urgency of climate change action (Europe, but also Canada and New Zealand) which are under increasing pressure from the youth movement (*Fridays for Future*). This trend may have contributed to the difficulty of finding consensus in negotiations. During the negotiations, no country really emerged as a leader, and major countries like the United States and China slowed down the negotiations. Added to this is the continuing obstruction of the oil-exporting countries, led by Saudi Arabia.

Framing of the COP to be an “ambition COP” without keeping this promise: The Chilean presidency declared this COP the “ambition COP” and start of the process of revising and increasing ambition in NDCs by COP 26 next year. This was undermined by the Parties' disagreement on the question of anchoring the principle of increased ambition in the revision of the NDCs in the umbrella decision (see below), but also the fact that Chile could not present its own revised NDC due to persisting social unrest in the country. This framing shifted the necessary political attention away from the key issues Articles 6 and review of the WIM. Ambition was an underlying contentious point in the negotiations.

A leadership in disarray by the Chilean presidency and an unprecedented delay: While the "technical" negotiations during the first week were rather constructive and advanced well, for example concerning the work program on gender and the Article 6 rulebook, the approach taken for high-level consultations lacked transparency and seemed haphazard. On Article 6, for example, the first days of the second week were characterized by uneasy negotiations by technical negotiators in parallel with ministerial consultations. Draft Presidency texts on key topics (WIM and Article 6) were only published on Friday the 13th, the expected closing date of the COP. In addition, several Parties and Party groupings such as SIDS and African countries regretted that they were not consulted enough. This mood, less and less constructive, was aggravated by the delay of more than 40 hours of the COP (during the closing session, most of the delegates were already gone) and technical difficulties in making the draft texts available (delay of several hours).

3. The key decisions taken

The umbrella decisions ([1/CP.25](#) ; [1/CMA.25](#)), entitled “Chile Madrid Time for Action” sparked a lively discussion on the explicit request to Parties to update their NDC while raising ambition in 2020. The final decisions simply urge Parties to consider the gap between needs and commitments in terms of mitigation. This provision was only possible after the establishment of a round table on "pre-2020 ambition and implementation" in order to overcome opposition from India and China. During COP25, the discussions on ambition were informed by technical and high-level meetings on the global stocktake. While a few Parties have increased their contributions to the GCF, no country belonging to the big emitters with an emerging economy has committed to increasing ambition in their NDC. Discussions on the global stocktake and pre-2020 action will continue at COP 26. With regard to adaptation, the wording has been strengthened in the final decision texts, with a reference to the global goal of adaptation and an exploration of how to measure progress in this area. Furthermore, the final decision prolongs the Marrakech Partnership for further five years, while inviting Parties to explore ways how to improve it.

With regard to Article 6, Parties only agreed on a [procedural decision](#) which defers the adoption of the Article 6 rulebook to COP26 and decides that all three Presidency draft text iterations on all three sub-agenda items (6.2, 6.4 and 6.8) shall sever as a basis for further negotiations. In general, progress has been observed in the development of the texts. At the end of the first week, only three key contentious issues remained: the applicability of corresponding adjustments to transfers from “outside” of the NDC, the "share of proceeds" levy for adaptation under Article 6.2 and the transition of activities and CERs from the CDM. The first and second iteration of the Presidency texts presented carefully drafted compromise formulations on these subjects, while the third iteration tried to adjourn most of the contentious points. It should also be noted that - since no agreement could be reached - contentious points can be reopened at the 52nd session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 52) in June 2020 and at COP 26 in November 2020. The penultimate day some thirty European countries, Latin America and Small Island States have - on the initiative of Costa Rica and Switzerland - announced a "non-conventional Group" which has agreed on the [principles of San José](#) to ensure environmental integrity in market mechanisms.

The second major subject of the negotiations was the review – and the implications of that review with regard to a reform- of the Warsaw International Mechanism (WIM) on loss and damage. Addressing loss and damage that result from climate change are of particular concern to the least developed countries (LDCs) and Small Island Developing States (SIDS / AOSIS) which are affected by climate change. They call for an “executive branch” at the WIM to coordination actions and support for loss and damage and the provision of "new and additional" finance in this context. This demand is opposed by industrialized countries, notably the United States, which fear additional financing obligations. During the first week, G77 + China put forward a detailed text proposal which required (i) collaboration between the WIM and the Standing Committee on Finance, (ii) a dedicated group of experts with a clear mandate to work on "action and support" and (iii) the establishment of a “Santiago Network” to widen access to technical expertise and support for implementation. The [final decision](#) remains far behind these requests. It contains no reference to adequate, new or additional

funding and only a general call to increase the scale of finance. A group of experts is established but with a generic mandate and the Santiago network is established with the less clear objective of catalysing technical assistance and support for implementation. The subject of loss and damage will most likely remain a contentious subject for future COPs.

Concerning climate finance, there was no result concerning long-term climate finance and discussions on the next objective were postponed to COP 26. A group of 51 finance ministers (“Coalition of Finance Ministers for Climate Action”) presented a [Santiago Action Plan](#) to integrate climate change considerations into all economic and financial policy decisions. Several other funding initiatives have been announced, such as pledges to the [Adaptation Fund](#) by national and regional governments, the [Partnership for Market Implementation](#) (successor to the PMR), and a new call for projects under the [international climate initiative](#) of the German government.

The [enhanced Lima work programme on gender and its gender action plan](#), is one of the COP's small successes: it aims for the systemic integration of gender into climate policy, full participation of women in UNFCCC processes, gender-sensitive implementation and improved monitoring of the implementation and reporting of the work program. The central contentious issues were a reference to human rights and the funding of the work plan. Both formulations were adopted, but in a weaker wording than initially expected.

4. Outlook for SB52 and COP26

In view of the failure on central negotiating issues, the agenda for the session of subsidiary bodies in June 2020 and for the COP 26 in Glasgow in November next year is packed and the challenges enormous:

- The Article 6 rulebook needs to be finalized and it is likely that contentious issues for which compromises have been reached will be reopened.
- Reporting formats in the context of transparency must be finalized, and an agreement must be found on how to operationalize flexibility in the enhanced transparency framework
- Parties must take stock of the commitments of governments in the revised NDCs and long-term strategies.
- COP 26 will be a finance conference with the start of the process of determining the new long-term goal after 2025.



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