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## Policy pointers

**Least Developed Countries (LDCs)** urgently need COP25 in Madrid to keep momentum building towards more ambitious climate action and achievement of the Paris Agreement.

**Parties and non-state actors** need to scale up actions and support to enhance Nationally Determined Contributions (NDCs) that respond to the best available science and a 1.5°C pathway.

**COP25 needs to make progress** on key areas of the operational guidelines for the Paris Agreement, including loss and damage from climate change, market and non-market approaches, and common timeframes for NDCs to support ambition.

**The review of the Warsaw International Mechanism**, which will take place at COP25, must inform robust outcomes on loss and damage to meet the needs of vulnerable countries.

## Ensuring COP25 delivers increased ambition in 2020

The 25th Conference of the Parties (COP25) to the UN Framework Convention on Climate Change in Madrid, Spain, this December will be a turning point for global action towards the Paris Agreement. COP25 must build on the political momentum generated by the UN Secretary-General's Climate Action Summit held on 23 September in New York. To that end, COP25 must finalise rules for the use of carbon markets and common timeframes for submission of Nationally Determined Contributions (NDCs), and successfully review and strengthen the institutional mechanisms to address loss and damage. Adoption of these rules at COP25 will provide much-needed clarity to countries as they revise their NDCs to meet the March 2020 deadline and prepare long-term, low-emission development strategies.

The major climate conference scheduled for December in Madrid, Spain, sits at a critical nexus for the Paris Agreement. Two months earlier in New York, the UN Secretary-General's Climate Action Summit (UNCAS) generated some momentum, but also fell short of expectations (see Box 1). In Madrid, progress is needed in several areas to retain any hope of achieving the Agreement.

Known as the 25th Conference of the Parties (COP25) to the UN Framework Convention on Climate Change (UNFCCC), the Madrid meeting (originally to be held in Santiago, Chile) is the last formal international gathering before countries must submit their revised Nationally Determined Contributions (NDCs). But in all likelihood, not all revised NDCs will be in line with the target to keep global temperatures from increasing to and beyond 1.5°C above pre-industrial levels.

The Least Developed Countries (LDC) Group need other Parties in Madrid to agree on the

necessity for more ambitious action on adaptation and resilience. The Group also needs to push market and non-market approaches to emissions reductions and common timeframes. At the same time, it must ensure that the outcome of the review of the Warsaw International Mechanism (WIM) enables a more robust system for addressing loss and damage. These outcomes will guide action towards achieving targets for the Paris Agreement.

### From science to ambition to action

Commitments to climate action have remained largely unchanged since Parties submitted their Intended Nationally Determined Contributions in advance of COP21 in 2015. But even at the time, they were insufficient to meet the requirements of science. Since then, the science of climate change has only become clearer. In October 2018, the Intergovernmental Panel on Climate Change (IPCC) published a special

report on the devastating implications of global temperatures rising to and beyond 1.5°C.<sup>1</sup> The 1.5°C target is embedded in the Paris Agreement,<sup>2</sup> but more ambitious action is urgently needed to achieve it.

## *The LDC Group has asked the COP Presidency to embed ambition into a formal decision to capture progress made at COP25*

To meet that 1.5°C target, a 45% reduction in emissions by 2030 and a rapid transition to net-zero emissions before 2050 are needed.<sup>1</sup> This goes far beyond the aggregated pledges by Parties in their NDCs. If NDCs remain

inconsistent with the science behind the 1.5°C pathway, they would impede implementation of the Paris Agreement. This, in turn, would lead to increasingly catastrophic climate impacts.

In September, UNCAS generated some political momentum for more ambitious climate action. For example, it called on countries to cut fossil fuel subsidies, implement carbon taxes and eliminate new coal-fired power plants from 2020. As a result of UNCAS, a number of countries plan to increase their ambition through revised NDCs and the elaboration of long-term, low-emission development strategies. But these ambitions also depend on important outcomes at COP25.

Parties and non-state actors urgently need to scale up actions and support to enhance NDCs. Although NDC enhancement is not on the agenda in Madrid, Parties still need to demonstrate their commitments to date. Moreover, they need to show increased ambition that responds to the best available science and the 1.5°C pathway.

LDCs have embraced the use of all available science and should continue to do so, despite opposition by some other countries. For example, the 50th Subsidiary Body of Implementation (SB50) in Bonn further negotiated the final COP24 outcome<sup>3</sup> in Katowice, Poland, in relation to the IPCC report. But, controversially, the Bonn meeting did not welcome the IPCC 1.5°C special report in spite of strong support by the LDC Group and many other negotiating groups. Despite this setback, Parties, including the LDC Group, should continue to make use of the information in the report under all relevant agenda items during the COP25 negotiations.

Two further IPCC special reports (on land use, and on ocean and the cryosphere) amplify the messages of the IPCC 1.5°C special report. They underscore the impacts of climate change on the most vulnerable countries, including LDCs and Small Island Developing States. These reports also provide the LDC Group with an important evidence base to generate and build momentum for increased climate action, in particular by high-emitting countries. In other words, they ensure the robust scientific basis of negotiations is a critical foundation for discussions on increasing ambition.

Negotiations on the finalisation and adoption of the “scope of the next periodic review of the long-term global goal” will also take place at COP25. This periodic review is an opportunity to discuss the long-term global goal under the UNFCCC, which seeks to avoid “dangerous anthropogenic interference” in the climate system. The review will allow reflection on the scientific basis underpinning the achievement of the long-term global goal. The negotiations on the review should capture 2020 as the start date under its mandate. Timing should allow for inclusion of all IPCC reports that will be released during the sixth assessment report cycle, in addition to the already released special reports.

The review must also address concerns regarding duplication with regards to the Global Stocktake. The scope must also ensure that any outcomes of the review (that is, the technical report of the Structured Expert Dialogue) can be used as inputs into the Global Stocktake. The long-term global goal under the Convention is less concrete than the goal contained within the Paris Agreement. Still, the review provides a critical opportunity to synthesise the scientific basis for climate ambition.

To capture progress at COP25 on ambition and to further momentum as countries finalise their NDC revisions in advance of their submission by March 2020, the LDC Group has asked the

### **Box 1. The backdrop to COP25**

COP25 is set against the backdrop of the UN Secretary-General's Climate Action Summit (UNCAS), held on 23 September in New York. The LDC Group proposed this summit in 2018 to leverage increased ambition in advance of the submission of revised NDCs in 2020.

Despite high expectations for the summit, the result was mixed. Governments largely failed to collectively deliver pathways consistent with the 1.5°C goal and in line with science. But some did commit to net-zero by 2050. Some also committed to targets consistent with the IPCC 1.5°C special report (over 45% emission reductions by 2030). And some stepped up with enhanced climate finance commitments.<sup>1</sup>

The LDC Group itself presented an ambitious vision. This is reflected in three LDC-led initiatives: the Renewable Energy and Energy Efficiency Initiative (REEEI), the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR) and the LDC Universities Consortium on Climate Change (LUCCC).<sup>7</sup> This vision aspires to a rapid transition to low carbon climate-resilient economies and looks to the international community for support to achieve it.

Presidency to embed ambition into a COP decision. This will provide a final push towards increased ambition, which is critical as COP25 has no single agenda item on ambition.

That said, a number of agenda items can also be used to leverage increased ambition if progress is made on them at COP25, including finalising the operational guidelines for the Paris Agreement (or 'rulebook').

### Finalising the Katowice rulebook

COP25 urgently needs to make progress on key areas of the rulebook that failed to reach consensus at COP24 in Katowice. These include negotiations on loss and damage, market and non-market approaches (Article 6 of the Paris Agreement) and common timeframes for NDCs.

**Loss and damage.** For LDCs, loss and damage is a key priority as they are already suffering the excruciating and unavoidable impacts of climate change. The prediction of impacts at national and local levels remains challenging. But the IPCC 1.5°C special report highlights that climate change is already having significant impacts on vulnerable developing countries, which will increase substantially above 1.5°C.

The WIM was established in 2013 to address the loss and damage needs of developing countries, which are particularly vulnerable to the adverse effects of climate change. The WIM review in 2019 will look at progress on achieving its long-term vision, performance and function. Specifically, it will deal with the structure of its executive committee (ExCom), the source of finance for loss and damage, and the report of the ExCom10.

The 2019 review provides an opportunity to recall, reiterate and operationalise the WIM's long-term vision, including meeting the needs of vulnerable countries. Its structure should be enhanced so it can address loss and damage more effectively,<sup>4</sup> particularly functions related to finance, technology and capacity building. One immediate step Parties can take is to set up a task force to look at options and opportunities to finance loss and damage beyond insurance, similar to the valuable work of the task force on displacement previously.

SB50 adopted terms of reference that set out the scope, inputs and other aspects of the WIM review, a mechanism important to developing countries. Nevertheless, the negotiations on governance of the WIM, one of the contentious issues, did not progress.

The LDC Group is strongly advocating for a decision at COP25 that provides for joint

governance of the WIM by both the COP and the meeting of the Parties to the Paris Agreement, since Parties have important obligations to address loss and damage under both the Convention and the Paris Agreement. However, the WIM review must progress without tying outputs to the decision on governance. The LDC Group strongly supports both a decision on governance at COP25 and a robust outcome of the WIM review.

**Market and non-market approaches.** The Paris Agreement, through Article 6, enables Parties to work voluntarily towards more ambitious climate action. But robust rules on carbon markets are essential to support the elaboration of new and revised NDCs. This ruleset on carbon markets requires proper design for two reasons: it must live up to the principles and attributes of the Paris Agreement, but it must also overcome challenges and avoid the failures of the Kyoto Protocol market mechanisms.

COP24 failed to reach an agreement on carbon markets, but Parties did leave the session with a single negotiating text. This was a key step towards adoption of the rulebook at SB50 in June 2019.<sup>5</sup> Still, significant issues in the text remain unresolved after SB50, creating high expectations for COP25. Key unresolved issues include definitions, governance of carbon markets, tracking and accounting for transactions, and share of proceeds to support adaptation, among others. For the LDC Group, resolving these issues rests squarely on the principle of environmental integrity. Decisions need to ensure that carbon markets increase overall mitigation of global emissions and support achievement of the objectives of the Paris Agreement. Therefore, a strong set of primary rules that fully incorporate environmental integrity must take priority.

LDCs want to be part of the global market. To help make this happen, rules need to be carefully crafted to recognise the specific needs and circumstances of LDCs. These vulnerable countries will also need access to capacity building to ensure they can fully meet the criteria necessary to participate in both Articles 6.2 and 6.4 market instruments.

Another critical issue for LDCs is the share of proceeds to support adaptation in vulnerable countries. A share of proceeds for the Adaptation Fund must be included for transactions under both Article 6.2 and Article 6.4.

**Common timeframes.** COP25 needs to resolve the issue of common timeframes for NDCs. As the negotiation stands, three options

are being discussed: a five-year cycle, a ten-year cycle, and a five-plus-five cycle (consistent with options offered in paragraphs 23 and 24 of Decision 1/CP.21).<sup>6</sup> The LDC Group had been pushing for a dynamic NDC cycle of five-plus-five years. In this option, Parties would commit to an NDC for an upcoming five-year implementation period, as well as an indicative NDC for the second five-year period.

Common timeframes are essential to ensure clarity, transparency and understanding of NDCs. Different timeframes and interpretations could add complexity in the technical expert review process and detract from the ambition-raising cycle of the Paris Agreement. This, in turn, could deter efforts to track progress. Thus, Parties need to weigh the three options, choosing a common timeframe that gives more guidance to those wishing to revise their NDC before 2020.

## A critical touchstone

COP25 is the final negotiation and opportunity for high-level engagement to build momentum towards increased ambition. As such, it will serve as a critical touchstone to achieve the 1.5°C target embedded in the Paris Agreement. The outcomes will help determine whether the world still has a chance to fully implement the Agreement and its rulebook. This progress is essential to protect humanity and nature from the worst impacts of climate change.

### Gabriel Kpaka, Caroline Dohl Prolo, Anna Schulz and Binyam Yakob Gebreyes

Gabriel Kpaka is deputy director-general of the Sierra Leone Meteorological Agency and UNFCCC National Focal Point, Sierra Leone. Caroline Dohl Prolo is a consultant with IIED, specialising in climate change negotiations. Anna Schulz is a principal researcher in IIED's Climate Change Group (Global Climate Law, Policy and Governance Programme). Binyam Yakob Gebreyes is a researcher in IIED's Climate Change Group (Global Climate Law, Policy and Governance Programme).



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### Contact

Anna Schulz  
anna.schulz@iied.org

80–86 Gray's Inn Road  
London, WC1X 8NH  
United Kingdom

Tel: +44 (0)20 3463 7399  
www.iied.org

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## Notes

<sup>1</sup> IPCC (2018) Summary for Policymakers: IPCC Special Report on Global Warming of 1.5 degrees. IPCC, Geneva. / <sup>2</sup> UNFCCC (2015) Decision 1/CP.21, Adoption of the Paris Agreement. UN Doc. P/2015/10/Add.1. COP21, Paris. / <sup>3</sup> UNFCCC (2018) Decision 1/CP.24. COP24, Katowice. / <sup>4</sup> UNFCCC (2013) Decision 2/CP.19, Warsaw International Mechanism for Loss and Damage Associated with Climate Change Impacts. UN Doc. FCCC/CP/2013/10/Add.1 COP19, Warsaw. / <sup>5</sup> UNFCCC (2019) Draft CMA decision on the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement. SB50, Bonn. [https://unfccc.int/sites/default/files/resource/SBSTA50.DT\\_i11b.clean\\_.pdf](https://unfccc.int/sites/default/files/resource/SBSTA50.DT_i11b.clean_.pdf) / <sup>6</sup> UNFCCC (2019) Draft conclusions FCCC/SBI/2019/L.10. SB50, Bonn. / <sup>7</sup> LDC Group (2019) LDC 2050 Vision. [www.iied.org/ldc-2050-vision-for-climate-resilient-future](http://www.iied.org/ldc-2050-vision-for-climate-resilient-future)