

## Update on the May-June 2021 Climate Change Conference on the Road to Glasgow

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### SYNOPSIS

The May-June 2021 Climate Change Conference is the first-time negotiations will take place in a fully virtual and remote setting. The commitment by the UNFCCC to conduct meetings in this format indicates that COP26 is likely to proceed as scheduled from 1 to 12 November 2021 in Glasgow, after a year's postponement due to the COVID-19 pandemic. This meeting is preparatory in nature, giving Parties an opportunity to work on getting to a set of clear options in order to allow political decisions to be taken by Ministers in Glasgow. The road to Glasgow is long, but it is imperative that countries get it right in order to address the climate emergency.

### KEY POINTS

- Advancing work under the subsidiary bodies to the UNFCCC prior to the November 2021 session is crucial to an ambitious and successful outcome at COP26.
- Key items for discussion include fulfilling pre-2020 commitments; support for developing countries; finalising the details that will allow all countries to communicate their climate actions transparently under the Paris Agreement; finalising the details of how the agreement's carbon market and non-market mechanisms will work; and raising ambition on both resilience-building and emission reductions.
- Questions remain over access to COP26, including those relating to the ongoing COVID-19 pandemic and physical access to the COP26 venue, and the participation of observers at various forums at COP26 as well as other mandated events of the UNFCCC.
- With the first global stocktake (GST) due for 2023, COP26 will likely be the last-chance saloon to lock in any new decisions or guidelines in the near-future.

### INTRODUCTION

The May-June 2021 Climate Change Conference held from 31 May to 17 June 2021 signals that COP26 is likely to proceed from 1 to 12 November 2021 in Glasgow, United Kingdom despite the evolving COVID-19 pandemic. A new draft provisional agenda for the subsidiary bodies to the UN Framework Convention on Climate Change (UNFCCC) was published on 27 April 2021, reflecting urgent outstanding work needed to be done ahead of COP26. Countries have met virtually on at least two other occasions amid the COVID-19 pandemic, including at the June Momentum for Climate Change held in June 2020 and the Climate Dialogues that took place in November and December 2020. This meeting comes at crucial time, as global greenhouse gas (GHG)

emissions have started to rebound strongly as countries recover economically from pandemic-induced disruptions, according to a release by the International Energy Agency (IEA) in March 2021.

### ANALYSIS

#### *First remote format negotiations*

This is the first-time negotiations will take place in a fully virtual and remote setting in the history of the climate talks since 1995. The subsidiary body intersessionals are usually held in Bonn, Germany, the seat of the secretariat, over two weeks in May or June to prepare for the COP at the end of the given year. Meetings this year will take place over three weeks and time zone blocks will change by week such that negotiating times will be

equitably distributed across various geographical regions. This was organised based on the principle that no region benefits or will be affected disproportionately.

At the opening plenary held on 31 May 2021, the Chairs of the Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA), Marianne Karlsen (Norway) and Tosi Mpanu Mpanu (Democratic Republic of the Congo) respectively presented the draft provisional agenda (DPA) to Parties to the Convention. It is important to note that the DPA is titled as such because a formal agenda can only be considered and proposed for adoption when the subsidiary bodies meet in person. Furthermore, countries invoked Rule 16 of the UNFCCC rules of procedure in Madrid, meaning that items still unresolved are automatically put on the agenda for the next meeting. As there is currently no consensus on whether decisions can be taken at this meeting, the COP Bureau decided on 15 April 2021 that decisions will only be adopted at the next formal meeting in person, which is scheduled to take place at COP26 in Glasgow. In keeping with past practice, the virtual meetings have also been made open to observers, who can attend the virtual meeting via livestream. State parties are allowed to dial in to a web conferencing platform and actively participate. However, if a single Party vetoes the presence of observers, the chairs of meetings will have to abide and close the meetings to observers, and in this case, remove the observer access to the livestream.

Progress will be captured in informal documents that the Subsidiary Body (SB) Chairs will prepare under their own authority, and published well before the final closing plenary where the SB session will be suspended ahead of COP26. This step is important, as it is difficult to envisage a successful outcome at COP26 if Parties arrive in Glasgow without any progress since COP25 in Madrid from December 2019 and with no prepared material to work with. Given the size of the agenda, the Chairs have identified a list of co-facilitators to assist in informal consultations with various groups of countries. The role of co-facilitators is to listen to the concerns and views of the Parties on important issues being negotiated, and to work

collectively towards compromise and bridging solutions. Singapore is playing no small role at this meeting. Under the SBI, Cheah Sin Liang of the National Climate Change Secretariat, Strategy Group under the Prime Minister's Office is co-facilitating informal consultations on the Terms of Reference of the Consultative Group of Experts. His colleague, Anshari Rahman, is co-facilitating SBSTA informal consultations on Matters relating to Article 6 of the Paris Agreement. In early May, the Singapore Minister for Sustainability and the Environment, Grace Fu accepted an invitation by UK COP26 President-designate Alok Sharma to co-facilitate ministerial consultations on Article 6 of the Paris Agreement with Japanese Minister of the Environment, Shinjiro Koizumi.

### ***Strengthening and Fulfilling Commitments***

Nationally Determined Contribution (NDC) updates submitted in 2020 have not delivered the necessary mitigation ambition required by science. Based on the NDC Synthesis Report released by the UNFCCC secretariat on 26 February 2021 and estimates by the UN Intergovernmental Panel on Climate Change (IPCC), the current set of targets will take the world towards a 2.4°C world instead of a 1.5°C trajectory needed to avoid the worst effects of global warming. The pandemic has put a dampener on some countries' plans to submit more ambitious targets, as governments may be concerned about the evolving pandemic situation and on economic recovery priorities. Total GHG emission levels resulting from the implementation of the updated NDCs that were communicated until the end of 2020 will be 2 per cent higher by 2025 than the 1990 level, and that by 2030, a reduction of just 0.7 per cent compared to 1990 will be achieved. The IPCC 1.5 Special Report 2018 stated that pathways for the 1.5°C target require 45 per cent emission reductions by 2030 compared with 1990 levels. Strong international action is required to address the emission and adaptation gaps that will arise from this ambition shortfall. UNFCCC Executive Secretary Patricia Espinosa, reiterating her notification to Parties dated 4 March 2021, reminded member states to submit their new or updated NDCs as soon as possible. The finalised NDC synthesis report, to be presented at COP26, will be prepared on the basis of the

NDCs recorded in the interim NDC registry as at 30 July 2021.

### ***Support to Developing Countries***

Developing countries have called on developed countries to honour their commitment to provide support for them, particularly since talks on long-term climate finance fell through at COP25. At COP21, it was decided that developed countries will continue their existing collective mobilisation goal through 2025 in the context of meaningful mitigation actions and transparency on implementation. In addition, prior to 2025, the Conference of the Parties serving as the meeting of the Parties (CMA) to the Paris Agreement shall set a new collective quantified goal from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries. Apart from achieving a clear definition of climate finance, there is urgency for new, predictable and adequate financing for adaptation beyond voluntary donor assistance, since such support are essential for the full implementation of the Paris Agreement. In the midst of a global pandemic whose effects will be felt for years to come, the talks must ensure far greater progress in this area. Developing countries also called for more support and capacity-building for transparency related work.

### ***Common Time Frames***

The common time frame is an essential part of ensuring the robustness of the Paris Agreement. According to decision 6/CMA.1, Parties shall apply common time frames to their NDCs to be implemented from 2031 onwards, and discussions at subsequent SBI sessions have resulted in 10 potential proposals for consideration. But Parties need clarity on starting points, communication dates, and end points. A decision on this issue by COP26 is imperative so that future NDCs can be aligned with the five-year cycle of the global stocktake (GST) under Article 14, paragraph 2 of the Paris Agreement. At this SBI session, Parties will engage in technical discussions and work on consolidating options to allow for political resolution at COP26.

### ***Transparency***

Transparency is a highly technical and politically sensitive issue for many countries, since it involves potentially sharing

information about emissions from strategic sectors, and has and can be used as a bargaining tool for more support. At the Transparency Opening session held on 1 June 2021, developing countries expressed concern about capacity issues given that informal consultations were scheduled in conflict with mandated events, including the Multilateral Assessment and Facilitative Sharing of Views which are current processes to evaluate transparency reporting under the UNFCCC.

Due to the technical nature of work on Common Reporting Tables (CRT) and Common Tabular Formats (CTF), countries are expected to rely on the SBSTA Chair and co-facilitators to provide questions and inputs for discussions. However, the main challenge would be giving countries time to consider the tables and to circulate views back to others ahead of the scheduled meetings given that the talks are held remotely and across various time zones around the world. In general, Parties have called for the design of CRT for inventories to be aligned with data quality principles of Transparency, Accuracy, Consistency, Completeness, and Comparability, known as the TACCC principles. Essentially, national GHG inventories must produce high quality data of anthropogenic emissions and removals of GHG, that is credible and traceable. A major challenge at these talks is how to approach and allow countries to implement flexibility. Since countries decide their NDCs, CTF must be designed to fit the range, but they must also facilitate assessment of individual and collective progress.

Another contentious issue is the linkage between Article 6 and Article 13. This will require strong coordination, since some groups of countries have insisted that work under Article 6 be concluded before work on paragraph 77d begins, but others have expressed the importance of continuing work in parallel, while being open to amendments following the Article 6 conclusion. Likewise, for the training programme, countries differ on whether to start the process of negotiations without a clear idea of what the CRT and CTF look like and the impact this has on the design and usability of existing UNFCCC GHG inventory software.

## Article 6

The Paris Agreement's Article 6 on carbon markets and other forms of international cooperation is one of the remaining pieces of the rulebook to be resolved since countries were unable to reach a deal in Madrid. At the end of COP25, a group of 32 countries rallied around the San Jose Principles for High Ambition and Integrity in International Carbon Markets, under the leadership of Costa Rica.

Four issues remain in contention:

- providing a share of proceeds/levy for climate adaptation and accelerating overall mitigation in global emissions;
- adopting common accounting guidelines for mitigation outcomes, including questions on how to translate non-CO<sub>2</sub> units and outcomes into CO<sub>2</sub> units, or to adopt some other accounting method;
- avoiding double counting of mitigation outcomes;
- accelerating the operationalisation of the mechanisms, including the possible transition of Clean Development Mechanism projects and credits into Article 6 mechanisms.

Due to the technical nature of each of the three issues, as well as relentless external pressure by non-state actors on them, these issues may well be “concluded” by referring them to the Article 6 supervisory body instead.

## CONCLUSION

The rulebook to the Paris Agreement was supposed to have been concluded 3 years ago at COP24 in Katowice. It is therefore imperative that countries make the best use of their time to conclude negotiations on outstanding issues. There is concern both from developing countries and non-governmental organisations on lack of balance in the agenda, in that adaptation, loss and damage, finance, and technology development/transfer do not seem to feature heavily at this meeting. To this point, the SBI Chair, Marianne Karlsen explained at a briefing to observer organisations to the UNFCCC that the DPA reflects views that Parties provided through consultations and submissions, and trusted SBs to work on in 2021. Archie Young, the UK's Lead Climate Negotiator since 2016 said that the mobilisation of finance is one of the 4 goals set by the UK COP26 Presidency, and assured

that there will be dedicated meetings ahead to work on adaptation, finance and loss and damage ahead of and at COP26. Questions remain over access to COP26, including those relating to the ongoing pandemic and physical access to the COP26 venue, and the participation of observers at various forums at COP26, as well as other mandated events of the UNFCCC. With the first GST due for 2023, COP26 will likely be the last-chance saloon to lock in any new decisions or guidelines in the near-future.

## WHAT TO LOOK OUT FOR

- The G7 Leaders' Summit planned to take place from 11–13 June 2021 in Cornwall, UK, which aims to unite leading democracies to help the world build back better from the pandemic and create a greener, more prosperous future.
- The Pre-COP Summit in Milan from 30 September–2 October 2021 and the Summit of the G20 Heads of State and Government, to be held in Rome, Italy from 30–31 October 2021 as key political spaces get closer to consensus ahead of COP26.
- The 26<sup>th</sup> UN Climate Change Conference of the Parties (COP26) in Glasgow, UK on 1–12 November 2021, where Parties aim to capture progress on remaining agenda items to fully operationalise the Paris Agreement.

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