

Co-Chairs' Conclusions

Petersberg Climate Dialogue XII Berlin, 6-7 May 2021

On 6-7 May 2021, 39 ministers and high-level representatives, including the UNFCCC Executive Secretary, met virtually for informal discussions on the invitation of Federal Minister for the Environment of Germany, Svenja Schulze, and COP 26 President Designate, Alok Sharma MP, of the United Kingdom.

The ministerial discussions focused on preparing for successful negotiations at COP 26 in Glasgow. Each session was preceded by valuable contributions from stakeholders who provided insights to prompt the discussion. Ministers discussed how substantive outcomes at COP 26 can contribute to enhancing ambition on mitigation, adaptation and finance, and the importance of finalising the outstanding elements of the Paris Rulebook. The co-chairs were encouraged by the willingness ministers expressed to compromise and to work together over the next six months to find solutions to the range of negotiations issues to be addressed in Glasgow, and to ultimately ensure COP 26 delivers for people and the planet.

The ministerial discussions were enriched by keynote speeches from the Secretary General of the United Nations, António Guterres, Prime Minister of the United Kingdom, Boris Johnson, and the Federal Chancellor of Germany, Dr. Angela Merkel. Chancellor Merkel announced that in order to increase intergenerational justice, Germany will further enhance its emissions reduction target for 2030 by 10 percentage points to 65 percent compared to 1990 levels and aim to achieve climate neutrality by 2045. Both UNSG Guterres and PM Johnson warmly welcomed this announcement. UNSG Guterres warned that while the world has made progress on climate action over the last year, we are still heading for a disastrous temperature rise of 2.4 degrees above pre-industrial levels by the end of the century, moving us to the edge of the abyss. The UNSG stressed that the success of COP 26 now rests on achieving a breakthrough on adaptation and finance; this is a matter of urgency and trust. Prime Minister Johnson stressed the importance of achieving net zero emissions and limiting the global temperature increase to 1.5 degrees, and the critical need for developed countries to meet and go beyond their collective USD 100bn per year climate finance mobilisation goal. He made clear that COP 26 must be a summit of deeds and not words, and that Parties must use the coming six months productively to unlock issues in advance of meeting in Glasgow.

Adaptation

Ministers highlighted the political importance and the necessity of urgent action on adaptation, recognising the costs of inaction are far higher than those associated with taking early action, particularly for those most vulnerable. They reinforced the context-specific nature of adaptation challenges, the need for planning to be driven at the local and national levels, and the merits of utilising nature-based solutions and ecosystem-based approaches for both adaptation and mitigation. Ministers highlighted the importance of National Adaptation Plans (NAPs), Adaptation Communications and/or Nationally Determined Contributions (NDCs) as tools through which to integrate adaptation into broader development and economic planning processes, support the recognition of adaptation action, share lessons learnt, understand progress and results achieved, and ensure international support for adaptation is guided by developing country needs.

Ministers highlighted the importance of the Global Goal on Adaptation, the need for further discussions to better understand it, to facilitate action and support towards achieving it, and to assess and demonstrate collective progress towards it. They recognised the fundamental need to scale up adaptation finance from a variety of sources guided by country priorities, and the importance of improving the predictability, accessibility, quality and effectiveness of adaptation finance. A number of ministers also raised the critical importance of taking action to avert, minimise and address loss and damage, noting the impacts of climate change already being faced. Ministers reinforced the role they had to play in championing ambitious adaptation outcomes in Glasgow, and in ensuring ambitious adaptation action is reflected in their respective Adaptation Communications, NAPs and/or NDCs ahead of COP 26.

Finance

Ministers agreed that climate finance is key on the road to COP 26, and vital for enabling enhanced ambition and a successful outcome of the negotiations in Glasgow. Ministers emphasised the crucial importance of meeting the USD 100bn per year by 2020 mobilisation goal developed countries committed to in 2009, and of developed countries doing more to make sure this is delivered through to 2025. Many ministers expressed concern about relatively low levels of finance for adaptation, whilst noting that an increase in adaptation finance should not be at the expense of mitigation. Some ministers also mentioned the need for finance related to loss and damage.

Ministers considered transparency on finance mobilised to date and drawing lessons learned from the USD 100bn goal to be crucial in the context of initiating deliberations on the new post-2025 collective quantified finance goal. Noting that this new goal must be agreed prior to 2025, ministers highlighted that it should be seen as a driver for the transformation to green and resilient development pathways. In the context of the new

goal, the importance of the following were mentioned: the operationalisation of Article 2.1c of the Paris Agreement, for the goal to be set with the needs of developing countries in mind, the accessibility of finance, the effectiveness of finance, and the importance of a transparent and inclusive process with both high-level and technical discussions. With regards to a successful initiation of the deliberations of the new goal at COP 26, ministers noted the need for sufficient space for discussions and the need for clarity on the way forward, possibly in the form of a roadmap. Some ministers also noted the importance of ministerial discussions on this issue at COP 26, to provide political direction for discussions.

Article 6

Ministers were clear on the importance of resolving Article 6 at COP 26 as part of a balanced negotiated package, and the role Article 6 can play in raising ambition in both adaptation and mitigation actions. In reflecting on the main issues that ministers will need to consider this year, ministers had a rich exchange on the merits of different options in three key areas: the accounting treatment of emissions reductions under the Article 6.4 mechanism; the transition between the Clean Development Mechanism and the Article 6.4 mechanism; and the generation of finance for adaptation from both Article 6.2 and 6.4. Many ministers highlighted the need for compromise on these and other issues to reach an agreement.

To make progress ahead of COP 26 by bridging the remaining substantive differences in positions, ministers agreed that negotiators will need to be empowered to go beyond existing positions. They will also need to engage proactively with those with whom they do not necessarily agree to find compromise. Many ministers also suggested continued ministerial engagement ahead of COP 26, including in-person meetings. In light of this, COP President Designate Alok Sharma MP asked Minister Fu of Singapore and Minister Koizumi of Japan to lead a series of informal discussions on Article 6 with interested ministers, to report back to him ahead of an intended in-person ministerial meeting hosted by the UK in July. Minister Fu and Minister Koizumi agreed to take these discussions forward.

Common Time Frames for Nationally Determined Contributions (NDCs)

Most ministers agreed on the need to agree on the issue of common time frames for NDCs at COP 26, and well-ahead of the next NDC cycle in 2025. Ministers highlighted a range of options for the length of common time frames and expressed different preferences according to the risks and opportunities associated with each of them. On the role that ministers can play in supporting efforts to converge and resolve common time frames for NDCs, many noted the political nature of this issue and called for further political engagement, with some specifically calling on the Presidencies to

consider ministerial consultations ahead of and at COP 26, and for increased engagement between Parties on this issue above the technical level. Some ministers provided a clear mandate to technical negotiators that progress needs to be made at the upcoming June session by consolidating the options for consideration.

Many ministers highlighted the benefits of a single time frame alongside many also calling for a solution that caters to national considerations. Ministers highlighted the importance of ensuring the outcome enables greater ambition by being compatible with the 'ambition cycle' of the Paris Agreement and the Global Stocktake, with some mentioning the need to respond to the latest science and technological advances.

Transparency

Ministers agreed that the Enhanced Transparency Framework is central to the Paris Agreement. Transparency reporting enables Parties and the public to understand how others are acting on their commitments - both on action and support - which builds confidence in the system, facilitates the exchange of experiences, and promotes progress towards shared goals. They highlighted that adopting the necessary transparency tables and outlines is a critical part of finalising the outstanding elements of the Paris Rulebook at COP 26. Some ministers set transparency in the context of the wider political package in Glasgow.

Many ministers recognised that reaching agreement on a balanced package requires the necessary groundwork to be laid in advance. In that context, ministers highlighted the extensive amount of technical work still to be done ahead of Glasgow, and the need for negotiators to use all the tools available to them to expedite progress well ahead of Glasgow. Ministers welcomed ongoing initiatives led by the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and agreed to instruct their negotiators to engage constructively with a view to compromising in working up consolidated proposals and solutions ahead of Glasgow. Many ministers noted the importance of capturing in written form progress made in informal discussions, such as those led by the SBSTA Chair. Ministers recognised the importance of capacity building, to ensure all Parties are able to fulfil common reporting obligations under the Paris Agreement.

Concluding remarks and next steps

Concluding the two-day meeting, State Secretary Jochen Flasbarth, on behalf of Minister Svenja Schulze, and COP 26 President Designate Alok Sharma MP acknowledged the frank and constructive discussions on each of the topics, and thanked ministers for their commitment to reaching a successful outcome at COP 26. In her reflections on what she gathered from the discussions, UNFCCC Executive

Secretary Patricia Espinosa pointed out that agreement was within reach, if all parties are ready to compromise.

The COP 26 President Designate reinforced the need to maintain the momentum generated during the Dialogue, whilst pushing for further convergence well ahead of COP 26. In that context, he set out the importance of the June intersessional and his intention to convene ministers in-person in July, to shape the Glasgow outcome and make further progress on key issues requiring a political resolution. In addition to inviting Minister Fu and Minister Koizumi to take forward informal discussions on Article 6, the COP President Designate indicated his intention to take a similar approach on other issues indicated as requiring political attention in due course.

Building on last year's virtual approach, various satellite events, taking place from May 3 to May 10, accompanied this year's ministerial segment. These involved a range of government and non-state actors and over 3,700 registered participants from around 80 countries, focusing on topics such as net zero transformation, biodiversity, and adaptation action.