

Fiddling while the planet burns? COP25 in perspective

Article (Accepted Version)

Newell, Peter and Taylor, Olivia (2020) Fiddling while the planet burns? COP25 in perspective. *Globalizations*. pp. 1-13. ISSN 1474-7731

This version is available from Sussex Research Online: <http://sro.sussex.ac.uk/id/eprint/89733/>

This document is made available in accordance with publisher policies and may differ from the published version or from the version of record. If you wish to cite this item you are advised to consult the publisher's version. Please see the URL above for details on accessing the published version.

Copyright and reuse:

Sussex Research Online is a digital repository of the research output of the University.

Copyright and all moral rights to the version of the paper presented here belong to the individual author(s) and/or other copyright owners. To the extent reasonable and practicable, the material made available in SRO has been checked for eligibility before being made available.

Copies of full text items generally can be reproduced, displayed or performed and given to third parties in any format or medium for personal research or study, educational, or not-for-profit purposes without prior permission or charge, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way.

Fiddling while the planet burns? COP25 in perspective

Peter Newell** & Olivia Taylor*¹

Corresponding author:

Professor Peter Newell

Department of International Relations, University of Sussex, Brighton BN1 9SN UK

P.J.Newell@sussex.ac.uk

Key words: climate change; COP; carbon markets; loss and damage; climate justice; Paris agreement

Author bios

Peter Newell is a Professor of International Relations at the University of Sussex. His recent research focuses on the political economy of low carbon energy transitions, but he has undertaken research, advocacy and consultancy work on different aspects of climate change for over 25 years. He is co-founder and research director of the Rapid Transition Alliance and sits on the board of directors of Greenpeace UK. His single and co-authored books include *Climate for Change*; *The Effectiveness of EU Environmental Policy*; *Governing Climate Change*; *Globalization and the Environment: Capitalism, Ecology and Power*; *Climate Capitalism*; *Transnational Climate Change Governance* and *Global Green Politics*.

Olivia Taylor is a doctoral researcher at the School of Global Studies, University of Sussex. Her research focuses on the political economy of climate change adaptation, in particular disaster risk financing and insurance. She holds an MA in Geography from the University of Cambridge and an MA in Environment, Development and Policy from the University of Sussex.

Abstract

With fires, storms, social protests and climate strikes sweeping the world, 2019 should have been a tipping point in how the world responds to global heating. This was the backdrop to the COP25 climate change summit which took place in Madrid in December 2019. This paper assesses the outcomes of the meeting and the path towards the critically important meeting in Glasgow at the end of 2020. It analyses and explains the key points of contention over levels of ambition, the rules which should govern global carbon markets and sensitive issues such as loss and damage associated with the impacts of climate change. The analysis is situated within a broader geopolitical and economic context of right-wing populism, deepening forms of marketisation and financialisation of responses to climate change and against a background of a world increasingly feeling the effects of the climate crisis.

1. Introduction

Every year since the ratification of the UN Framework Convention on Climate Change in 1994, parties to the treaty host a Conference of the Parties (COP) to review progress and chart next steps. Rarely are they considered a success given the increasing shortfall between what the scientific community calls for by way of action and what governments commit themselves to. But hopes for a more positive and ambitious outcome in late 2019 rested on a confluence or growing evidence of the alarming impacts of climate change, waves of protests from the school strikes to Extinction Rebellion, the fact numerous governments and councils around the world have declared a climate emergency, and the publication of a spate of recent scientific reports spelling out what is at stake. As if to underscore the

gravity of the situation and the need for urgent action, the backdrop to the conference was provided by climate chaos sweeping the world. From bushfires in Australia, forest fires in Indonesia and wildfires in California to the deliberate burning of Amazonian rainforests in Brazil, record temperatures in India and record-breaking storms in the Caribbean, the message could not have been clearer. Yet none of this could seemingly shake the world's leaders from their intransigence and collective inability to address arguably the most pressing issue the world faces today (Amen et al 2008; Gills et al 2019).

More than 23,000 people including 8775 observers duly attended the longest-ever UN climate conference (COP25), running past its agreed deadline by two days, mirroring delegates' collective failure to stick to agreed emissions reduction targets. Delegates met amid not only a world on fire, but waves of protest and populism conspiring to make things even more difficult. Although Brazil was the original confirmed host of COP-25, the far-right government of Jair Bolsonaro withdrew the offer to host shortly after the Brazilian election, reflecting Brazil's transition from being an important proponent of climate action to occupying a position of climate pariah. After Brazil withdrew, Chile immediately offered to host the COP in partnership with Costa Rica. But mere weeks before the COP was expected to begin in Santiago, an unprecedented wave of social unrest spurred by rising social inequalities, forced Chilean President Sebastian Piñera to withdraw Chile's offer to host the conference. Spain, a country subject to its own fair share of protests and upheavals in recent years, offered to host at the last minute in Madrid. This last-minute shift of the COP to a new country on a new continent raised additional barriers to participation for both poorer states and hundreds of civil society organizations, including social movements and indigenous peoples that had invested heavily in public mobilizations around the COP. The omens were not good.

Yet three months before the COP, the UN Secretary General Antonio Guterres sought to build momentum for enhanced action by convening a Climate Action Summit in New York in September 2019. Despite the emergence of an 'Ambition alliance' of countries committed to raising their national commitments (Nationally Determined Contributions) or achieve carbon neutrality by 2050, the Summit ended with none of the high-emitting countries committing to increase their ambition prior to the end of 2020. In the meantime, it was reported emissions set a new record in 2018, and again in 2019. Just three years since the signing of the Paris accords, no major industrial nation on Earth is on track to honour the commitments it made in Paris (Spash 2016; Morgan 2016) and yet the widely reported message from the IPCC SR15 was that we have less than a decade to cut global emissions in half to safely avoid catastrophic warming (Wallace Wells 2019). The chasm between what the best available science suggests is required to address the issue and the commitments, currently on the table in countries voluntary Nationally Determined Contributions (NDCs) could not be greater (UNEP 2019).

A quick glance around the world's political leaders charged with tackling this issue gives some indication of why progress is so pitifully slow. We have a conjuncture in which Presidents Trump in the US, Bolsonaro in Brazil, Putin in Russia, and Prime Ministers Modi in India, Morrison in Australia and Johnson in the UK have all either explicitly doubted the scientific basis of climate change, or actively sought to scupper more aggressive action to address it. It is hard to think of a set of leaders less disposed to provide the sort of bold, ambitious, multilateral responses now required of us.

Given this situation, there are legitimate questions being raised about the very future viability of this way of doing climate politics. Besides the general delaying tactics of these leaders which, especially when combined, can serve as a veto coalition on greater ambition, a key issue is how to prevent the more active and explicit sabotage of the process by a small group of oil exporting countries willing and able to hold the world hostage to their desire to protect the profit flows of oil majors such as Saudi's Aramco. Attention has focused on delegates attending UNFCCC negotiations that are in the pay of oil companies and able to stall progress of the negotiations by challenging the science and adopting delaying tactics in bad faith. For example, at COP25 over 40 Gulf state delegates were current or

former employees of fossil fuel companies (Collett-White 2019). In other words, they are using veto power to block progress towards the stated aim of the negotiations and have a clear material interest in slowing progress wherever possible.

This is just one of the procedural inequities which continue to dog the climate regime. Saleem Huq, long-term advisor to the Least Developed Countries grouping, recently declared the negotiations are no longer fit for purpose for developing countries (Huq 2019). There have been long-standing critiques of process inequalities around the unequal size of delegations and sharp inequities in access to scientific and legal expertise, which manifested themselves again in Madrid as some vulnerable and developing countries were excluded from back room discussions on the issue of carbon market rules (see below). But added to this is the politics of brinkmanship which entrenches these inequalities in representation. As Huq (2019) puts it: 'COP25 was the longest COP ever, having gone on for two extra days (and nights) beyond the originally planned twelve days. This tendency, now standard practice at COPs, to take the negotiations into overtime for a day or more is not only extremely inefficient, but is also deeply unfair to the most vulnerable developing countries whose delegates cannot stay on. Thus, the decisions made in the last hours of extra time are invariably detrimental to their interests and by the time they get home and see the final text they see their words have disappeared'. Ensuring that future negotiations ensure an adequate and proper voice from those in the frontline of climate change, without further privileging polluter elites, is a critical challenge to address if the entire COP architecture is not to risk further jeopardy.

2. Raising ambition

A familiar note of disappointment and despondency, as well as increasing anger, surrounded the end of the summit. Countries failed to agree on many of the hoped-for outcomes, including rules to set up a global carbon trading system and the means to channel new finance to countries facing the impacts of climate change, about which more below. The Chilean presidency wanted to use COP25 to galvanise political leadership, but it failed to leverage the biggest emitters into action.

Invigorated by the US withdrawal from the Paris agreement and rising nationalism at home, Brazil, Australia and Saudi Arabia, defended loopholes and opposed commitments to enhance climate action. Countries agreed in Paris in 2015 to revisit their climate pledges by 2020. But many countries were pushing for all countries to submit more ambitious climate pledges before 2020 to improve upon their current pledges. Countries such as China, India and Brazil opposed placing any obligation on countries to submit enhanced pledges, arguing it should be each country's own decision. They also insisted on the delivery of finance and support promised by rich countries before 2020 as a precondition to any discussion on enhancing their current targets.

As talks reached their final days, tensions grew after a draft decision removed any call for countries to "update" or "enhance" their climate plans by 2020. Instead, it only invited them to "communicate" them in 2020 – a far weaker form of language which put no obligation on enhanced ambition. Eventually, pushback led to some stronger language being reinserted which urges countries to consider the gap between existing commitments and what is needed to limit warming "well below 2C," with a view to "reflecting their highest possible ambition". Indeed, 80 countries have already signalled plans to enhance their climate pledges this year. But to put those pledges in context, these countries represent only 8 percent of global emissions (Duyck and Lennon 2019). Likewise, in the final text, countries agreed to hold pre-2020 roundtables. The outcomes of these pre-2020 roundtables will also be rounded up in a report in 2021, which will in turn feed into a review on progress towards meeting the Paris Agreement's goal. But it did not specifically say whether the results of these roundtables would feed directly into the global stocktake set to occur in 2023 under the Paris agreement.

State leadership was thin on the ground. But some European countries, emboldened by the demands of widespread public mobilisations and youth activists, sought to ensure the integrity of the Paris Agreement. The European Commission said it would present a plan to enhance the bloc's 2030 target to at least 55% by summer 2020. Indeed, the European Union was the only major emitter to make a significant announcement during COP-25 as Ursula von der Leyen, the newly appointed President of the European Commission, communicated its vision for the European Green Deal. Released halfway through the COP, the Commission's economy-wide plan includes the ambition to make Europe the first "carbon neutral continent" through a series of measures addressing all key sectors of the economy.

Two small wins perhaps were the approval of a new *Gender Action Plan* and a work plan for the *Local Communities and Indigenous Peoples Platform*. The COP successfully reviewed and renewed the UNFCCC Gender Action Plan, adopting a five-year roadmap to promote gender equality in the implementation of climate action. The new work plan promises to contribute to increasing the mainstreaming of gender across all climate action, including through increased capacity-building and the implementation of climate-just solutions. The Parties also endorsed the initial 2-year work plan of the *Local Communities and Indigenous Peoples Platform*, a body operationalized in 2017 in which representatives from governments and Indigenous Peoples organizations have seats with equal footing. The work plan provides a detailed roadmap for the increased recognition of the value of traditional Indigenous Peoples' knowledge for designing and implementing climate action, as well as how to increase the participation of Indigenous Peoples in climate policies, including in the implementation of NDCs.

Seen in context, however, these were minor victories. Closing the meeting, COP25 President Carolina Schmidt said the agreements reached were "not enough to address the urgency of the crisis on climate change". "The world is watching us," she warned, calling on countries to "strengthen political will and to accelerate climate action at the pace that the world needs.. The new generations are waiting for more from us, we have the obligation of being up to this task," she added (Farand 2019). Yet as Jennifer Morgan, executive director of Greenpeace International reflected: "I have never seen the divide between what is happening between the inside of these walls and the outside so large" (Farand 2019). The UN Secretary General expressed his disappointment regarding the outcomes, by suggesting that "the international community lost an important opportunity to show increased ambition on mitigation, adaptation, and finance to tackle the climate crisis." Even for a diplomat, it is hard to think of a greater under-statement.

3. The strange non-death of carbon markets

As with many other areas of environmental policy, climate policy has since the mid-1990s been increasingly subject to market disciplines and the increasing hegemonic notion that market mechanisms provide the optimal and most effective way of delivering improved environmental outcomes (Newell and Paterson 2010). In 1997 the Kyoto Protocol brought into being a global carbon market mechanism (the Clean Development Mechanism (CDM)) and regional schemes, most notably the EU Emissions Trading Scheme, followed suit. Despite their very limited success, the march towards the expansion of market-based approaches continues unabated. Colin Crouch's (2011) enquiry into the strange non-death of neo-liberalism, could equally apply to carbon markets whose recent 'alive but dead' status has seen them likened to 'zombie markets' (Newell and Lane 2016).

This drive was given a key boost by Article 6 of the Paris Agreement which opened the way for a new wave of carbon market activity. A new Sustainable Development Mechanism will allow emission reduction credits to be traded on an open carbon market across countries, cities and businesses, as in contrast to the current CDM which operates more as an inter-state credit transfer mechanism between countries in the global North and South. Some countries, including Australia, Brazil and India,

want to be able to use old, unspent CDM credits in the new system. But many countries are concerned that allowing CDM carryover could flood the market with cheap credits that do not represent real emissions reductions, undermining the integrity of the entire system. This is because CDM credits represent emissions cuts made well before 2020, the year the Paris Agreement formally begins, and there are serious doubts in any case over whether many CDM-registered projects have even driven real emissions cuts.² The question of how to deal with CDM credits, potentially amounting to more than a billion tonnes of CO₂, became a big point of contention. The lion's share of these carbon credits are held by a handful of countries, particularly China, India and Brazil. China alone has an estimated half a billion tonnes equivalent of credits while India has around 100 million tonnes. Similarly, if Australia, which holds about 400 million tonnes of credits (equivalent to \$100 million) were allowed to count these credits against its Paris target, it will meet half of its Paris target to cut emissions by 26-28% below 2005 levels by 2030 (Bhushan 2019) taking pressure off the need for an urgent move away from coal mining for example.

Article 6 was then the hot topic of COP-25. As the main unfinished piece of the Paris Rulebook on how the markets will function in practice following COP24 in Katowice, the Chilean Presidency and Parties arrived in Madrid keen to finish Article 6 as the primary outcome of this COP. Negotiations largely focused on two concerns: avoiding double counting through the application of adjustments and strong accounting rules, and disallowing the carryover of Kyoto Protocol credits to countries' commitments under Paris. With tensions breaking out yet again on different parts of the rulebook, however, no outcome was agreed. In the end, a mere two paragraphs summed up plans to continue talks in 2020. These acknowledged the draft texts from this year's negotiations as a basis for future talks, meaning countries will not have to start from scratch. However, none of the texts secured a consensus. Australia and Brazil continued to push for a system with loopholes which allowed initial double counting of emissions reductions and the trading of Kyoto-era credits, while others suggested this would undermine the entire market. Indeed, a group of 31 countries led by Costa Rica signed up to the 'San Jose principles', a set of minimum standards for ensuring the integrity of the global carbon market. Negotiated at pre-COP discussions, these eleven principles set forth minimum standards to be met by the Article 6 rules centred on preserving environmental integrity and emphasizing the need to ensure that Article 6 activities actually increase ambition and lead to emissions reductions.

Amid long-standing controversies over the social and environmental impacts of previous projects supported under the CDM, indigenous and human rights groups have long called for the new mechanism to ensure that the projects it funds do not harm local communities (Newell 2014). They have pushed for the new carbon market rules to require projects to respect human rights, protect indigenous peoples and other vulnerable groups, consult meaningfully with local communities and set up an independent grievance program for projects that fail to do these things. While elements of these were in initial drafts discussed at the beginning of the talks, successive drafts removed several of them. The current draft text has no mention of human rights, asking only that projects shall "avoid negative environmental and social impacts". Incredibly, it merely states that consultations should take place "where consistent with applicable domestic arrangements" and that further safeguards could be reviewed by 2028. As Erika Lennon, senior attorney at the Center for International Environmental Law (CIEL) put it, the texts are "woefully inadequate" in regards to protecting people on the ground from harm caused by activities under the new market mechanisms" (Timperley 2019). Strategically, this outcome might constitute a partial short-term victory, however, because the creation of bad rules would have left open the possibility of accounting loopholes leading to double counting of emission reductions, carryover of previous Kyoto credits, and human rights abuses. These have been avoided, for now. Experience from the Kyoto mechanism demonstrates that once rules are developed, governments rarely, if ever, upgrade them later to fix loopholes. Thus, if bad rules had been adopted, they would have locked in very weak forms of safeguards of social and environmental integrity (Dyck and Lennon 2019). Former UK clean energy minister Claire Perry O'Neill, who will lead the talks at

the next COP in Glasgow said “We will pull no punches...in getting clarity and certainty for natural carbon markets and will work with everyone including the private sector for clear rules and transparent measurement” (Timperley 2019). Yet most of the contentious issues look likely to be re-opened at the Glasgow COP in 2020.

4. New sites of financialisation

Finance, and who pays for what and from which sources, has been a mainstay of climate change negotiations from the very start. Battles over ‘new and additional’ finance for mitigation and adaptation and increasingly loss and damage (as we will see below) are nothing new (Timmons Roberts 2008; Bulkeley and Newell 2010). What has come to the fore, however, are growing attempts to financialise responses to address climate change. From crop insurance to weather derivatives and catastrophe bonds, there are now a number of initiatives aimed at creating financial opportunities out of markets for adaptation and resilience (Isaksen 2016).

Indeed, insurance programmes have become a rare site of consensus as an avenue for delivering finance, in part because of a preference for insurance-based approaches among G7 governments, and in part because a focus on existing channels neatly avoids the controversial topic of new and additional finance. Between negotiators from Japan, Norway and the US there was agreement that sovereign risk transfer facilities, such as CCRIF (the Caribbean Catastrophe Risk Insurance Facility), which mixes parametric insurance and regional risk pooling across governments, could be scaled up. The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions is also seen as a key avenue for scaling and delivering finance that was particularly supported by Japan during the negotiations. The InsuResilience partnership was launched in 2017 by the G7 countries to provide climate risk insurance for 400 million people in developing countries by 2020, through a range of existing insurance schemes at all levels (such as CCRIF) and supporting research and delivery projects.³ The partnership held its 3rd annual forum at COP, this year with a particular focus on the Caribbean and Latin American. Supporters contend that initiatives such as sovereign risk transfer can help countries to manage their risk to climate extremes and disasters by spreading risk over a long period of time and pooling risk within regions. Moreover, it is argued that the process of generating an insurance product can be useful in identifying areas of climate risk, while localised pricing structures can signal areas of unsustainable development, for example where properties in risk areas become too expensive to insure (Jarzabkowski et al.2019).

In practice though, there is very limited evidence that insurance schemes incentivise risk and vulnerability reduction in developing countries. There are a number of serious limitations to insurance-based approaches, in particular, the costs of premiums in the face of escalating severity and frequency of extreme events. Insurance has always been an expensive climate risk management intervention, more so than either credit or savings schemes, while the level of pay-out is inherently constrained by the premiums that countries or donors can afford (Hillier, 2018). However, during COP25 this was brought into particularly sharp focus by the recent pay-out of the CCRIF scheme after Hurricane Dorian hit the Bahamas in September¹. The total amount paid to the government of the Bahamas was \$12.8 million USD, a drop in the ocean in comparison to estimates of total damage - at \$3.4 billion USD.²

It is particularly striking that during the same week as insurance-based approaches were being praised at the COP, the UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, Mark Lowcock, was sounding a note of caution on insurance-based approaches, citing the meagre pay-out received in the Bahamas, as well as failures to incentivize risk reduction.⁴ Thus, regardless of whether or not new and additional finance can be provided, discussions about whether

¹ <https://www.ccrif.org/news/bahamas%E2%80%99-insurance-policy-ccrif-triggers-following-hurricane-dorian>

² <https://www.climatechangenews.com/2019/12/03/cop25-bulletin-tuesday-3rd-december/>

existing delivery systems are suitable for the climate emergency should also have been on the agenda. Can systems such as CCRIF be usefully scaled up, from what is effectively a small-scale fiscal resilience system for governments, to a climate risk management system? Or should we instead be looking to grant and aid-based approaches, or alternatives such as regional solidarity funds? Unfortunately, the negotiations failed to deliver substance on these issues: political expediency won out over reflection about the effectiveness of the initiatives being proposed.

Another feature of the growing financialisation of responses to climate change is the shift, notable in the lead up to COP-25, towards 'nature-based solutions' as a way of addressing the climate crisis. These even received their own track for discussion at the UN Secretary General's summit in September 2019. COP-25 saw numerous side events on both land and marine "nature-based solutions", hence this being dubbed the 'blue COP': a reference to 'blue carbon' and the role of marine ecosystems in storing and regulating the flow of carbon. However, what began as a term used to acknowledge the very real and important linkages between biodiversity and climate change, and to acknowledge the critical role that land and ecosystems can play in solving the climate crisis, has started to become co-opted. This was most evident at an event featuring speakers from large oil companies discussing the importance of nature-based solutions. These developments demonstrate the increasing risk that the term "nature-based solutions" promotes both an agenda linked to the further commodification of nature, while also being used by fossil fuel industries as a way to avoid transforming their business models. This concerning shift will have to be carefully monitored as the Standing Committee on Finance considers funding for nature-based solutions, and as the Green Climate Fund, the main body for overseeing the multilateral financing of climate change, develops guidance for its land and forestry sectors, and as the negotiations on Article 6 continue with the potential for land to be used for offsets as part of the market mechanisms (Guyct and Lennon 2019; Newell and Taylor 2018).

5. Justice for current and future damage

For many least developed countries in the frontline of the effects of climate change, despite having contributed very little to the problem, discussions about loss and damage assume ever growing importance (Roberts and Huq 2015). The collective failure of the international community to bring down greenhouse gas emissions over the previous decades means we are now entering a world of real loss and damage due to human-induced climate change that is clearly attributable to the emissions of greenhouse gases.

A Warsaw International Mechanism on Loss and Damage (WIM) was established in 2014, but has never garnered momentum to provide new finance to cover climate losses. COP-25 was mandated to conclude the review of it. Yet as Huq (2019) argues, 'The failure of COP25 ..to allow the Warsaw International Mechanism on loss and damage to have an implementation and financing arm as demanded by the vulnerable developing countries, was an indicator of how out of touch with reality the negotiations have now become'. Vulnerable countries were seeking the establishment of a new financial facility under the WIM to channel new and additional loss and damage finance to countries facing climate emergency. However, richer countries that bear most historical responsibility for climate change are extremely wary of language around loss and damage finance for obvious reasons. The US was particularly resistant to any discussion about new areas of work, even for existing funds. Moreover, the key issue of whether the WIM should be put under the Paris Agreement body or the general COP was resolved in favour of the US. The US pushed strongly for it to remain outside the COP, which it does in the current draft. This means the US is not affected by the WIM after it leaves the Paris Agreement while continuing to remain a party to the convention and shaping its development.

This move to slow discussions of loss and damage assumed particular irony against the background of the declarations from a number of governments around the world of a climate emergency, which

acknowledge that the mitigative measures taken up to this point are not sufficient to limit climate impacts. In fact, the frequency and severity of extreme climate events experienced this year led some to argue that this COP was the year in which disaster risk reduction (DRR) and humanitarian sectors should meet to find solutions together, having now surpassed the limits of mitigative and adaptive action. As Harjeet Singh from Action Aid put it; ‘What we call loss and damage in climate parlance is nothing but humanitarian situations that are being created by climate change..... In fact, this particular COP is largely for the humanitarian community.’⁵ Indeed, there were hints of progress around the creation of an expert group which could allow space for more conversations on how and by what means loss and damage funding could be provided and a newly formed “Santiago network” will lead more work on how to minimise, avoid and recover from loss and damage catalysing the initiatives already taking place. Yet with neither a fund nor a financial mechanism established to channel support for loss and damage, developing countries have been left without remedy as they face the mounting costs of climate inaction by the largest emitters.

While developed countries often point to humanitarian assistance as a means to provide support for the damages caused by extreme weather events, this support remains grossly inadequate and fails to cover the costs associated with slow onset events. The decision adopted in Madrid reflected this, with the inclusion of several references to the “importance of scaling up the mobilization of resources to support efforts to avert, minimize and address loss and damage associated with the adverse effects of climate change”. Additionally, the decision also mandates the WIM to work with relevant bodies including the Green Climate Fund to facilitate access to international finance for projects addressing loss and damage and mandated the establishment of a WIM expert group on action and support. But with no reference to adequate, new or additional funding, the call to scale up finance was considerably weakened and the final text removed all reference to any developed country obligations on finance. With no outcome on long term finance, discussion of the next long-term goal is scheduled to start at COP 26.

Beyond the narrower but critical question of loss and damage, the need for more adaptation finance was a constant theme as countries work to adapt to the rapidly changing climate. The link to the negotiations was most closely seen in the discussion around the share of proceeds of Article 6 carbon trading activities that would go to the Adaptation Fund. While Parties largely agreed on having a share of proceeds from the mechanism going to the Adaptation Fund (in a similar manner to what the CDM currently does), they debated how much this contribution should be. Ultimately, the final text put forward included a share of proceeds at the same 2 percent rate as the CDM currently has going to the Adaptation Fund. During COP25, the Adaptation Fund also received almost USD 90 million in pledged funding with new pledges from Germany, Switzerland, Norway, Poland, Ireland, and the three regional governments of Belgium that joined Sweden, Spain, and Quebec who had previously announced contributions.

Justice issues were not only addressed inside the negotiating rooms of the Madrid COP, however. There were vibrant and sustained protests inside and outside the negotiations. Hundreds of people, including many youth strikers, occupied the main plenary hall to highlight the inadequacy of climate negotiations. Together with Indigenous leaders and other civil society groups, they demanded that richer industrialised countries “step up and pay up” for the damage caused to communities suffering from increasingly severe climate disasters. Following the protest, security barred civil society members from the UN Climate Talks and de-badged Observers (3-50.org 2019). We can expect many more such protests in the run up to and during this year’s Glasgow COP.

6. Towards Glasgow

With so little agreed in Madrid, the stakes will now be even higher for the Glasgow COP. This will now have the challenge of finding a resolution to the rules which will govern future carbon markets at the same time as galvanising countries to submit upgraded climate pledges. Moreover, another discussion is set to begin on the promised new global climate finance goal to be made by 2025 which has to be higher than the \$100bn per year promised from 2020-2025. In the light of the lack of progress on additional finance described above, this is a tall order.

Let us end though with one or two glimmers of hope amid the stalemate, delaying tactics, leadership failures and a desperate commitment to business as usual by the world's most powerful states.

The first is the growing momentum around what is referred to as supply-side policy: policies which actually get to the root of the problem by leaving fossil fuels in the ground (Eriksen et al 2018). In the run up to the COP moratoria were announced on new oil exploration and production by a number of countries including New Zealand, France, Costa Rica and Belize. In November 2019, California, the third largest oil producing state in the US, blocked new fracking pending further scientific review. Leading Democratic candidates for President have also put forward plans to ban fracking and stop coal, oil and gas production on public lands. The wave of divestment from fossil fuels also grows ever bigger. On December 9, the \$24 billion Norwegian insurance giant Storebrand divested from fossil fuels, joining more than 1,000 institutions worth over \$17 trillion who have made some form of fossil fuel divestment commitment and in December 2019 the Swiss parliament announced it would be looking at divesting the \$800 billion Swiss National Bank. The European Investment Bank announced that it will cease all fossil fuel financing including gas from 2022 onwards. And in the wake of the COP, ex-Irish Prime Minister Mary Robinson⁶ in a speech to the UN Security Council backed calls for a Fossil Fuel Non-Proliferation Treaty (Newell and Simms 2019) that have gained the support of a number of politicians and civil society leaders.

Though not on the official agenda, therefore, fossil fuel production and fossil fuel companies were the elephant in every room at COP25. As some activists noted, 'for the first time in the United Nations space you can say the f-words in polite company. We're of course talking about "fossil fuels." The 2015 Paris Climate Agreement ran 16 pages, but didn't mention the words "fossil fuels" "coal," "oil," or "gas" once. That's a striking omission considering the central role that fossil fuels play in contributing to the climate crisis' (Abreu and Henn 2019). Indeed, nearly two-thirds of the greenhouse gas emissions contributing to global warming come from the production and burning of coal, oil and gas. This glaring omission is perhaps less surprising in light of decades of sustained lobbying by some of the most powerful companies in the world (Newell and Paterson 1998). Even the Madrid COP was sponsored by major companies with direct fossil fuel ties, including Iberdrola and Endesa (Spain's biggest corporate greenhouse gas polluter). But the demand coming from civil society and indigenous groups that we must "keep it in the ground," is finally penetrating the political process, evidence perhaps of the increasing traction of what some scholars call 'anti-fossil fuel norms' (Green 2018). When the UN secretary general opened COP25 he said, "we simply have to stop digging and drilling," 'something that would have gotten him thrown out of the building just a few years ago' (Abreu and Henn 2019).

The case for such policies, scientifically and morally, seems unquestionable. A series of important new reports were released at the talks in Madrid showing why this is the case. According to the *Production Gap Report* by the UN Environment Programme and leading research institutions (SEI et al 2019), governments are planning to produce 120% more fossil fuels by 2030 than would be consistent with limiting warming to 1.5C. That conclusion was backed up by the report *Oil, Gas, and Climate: An Analysis of Oil and Gas Industry Plans for Expansion and Compatibility with Global Emissions Limits*, also released at COP25, that showed how oil companies are planning to invest \$1.4 trillion in new oil and gas extraction projects between 2020 to 2024. 85% of the expanded production is slated to come from the US and Canada. This would lock in 148 gigatonnes of cumulative carbon dioxide emissions,

equivalent to building over 1,200 new coal-fired power plants. Combined with increasingly vocal civil society demands to address this obvious anomaly, an accelerating wave of climate litigation, and support from the UN Special Rapporteur on Human Rights and the Environment and other leading international figures, supply-side climate policy may finally have arrived.

A second ground for hope, is the momentum from below (Bond 2012) and beyond the UN which is seeking to bridge the gaping disconnect between the world of climate negotiations on the one hand, characterised by vested interests, political intransigence and sharp inequities in participation and representation and mired in bureaucracy and, on the other, the actions of cities, communities, social movements and businesses in acting in spite of government inaction. The UN climate regime's Global Climate Action lists 17,284 actors representing 25,961 actions on climate change.⁷ This includes initiatives such as C40 and the Carbon Neutral Cities Alliance, the Transition Town movement and the growth of community energy and the work of businesses adopting 'science-based targets' to align their corporate strategies with the goals of the Paris agreement.⁸ Indeed, some of the main drivers of the transition to a zero carbon economy may come from factors like the falling costs of solar energy and the un-affordability of fossil fuel subsidies as much as from conscious climate policy interventions on the part of states.

Momentum for strengthened forms of transnational climate governance has been growing over the last decade (Bulkeley et al 2015) and often seeks to fill governance gaps left by state inaction. Though it is important not to romanticise this, or suggest in any way that it offers a substitute for state action, when governments often still play a key role in orchestrating such initiatives (Hale and Roger 2014), in so far as this generates pressure, raises ambition and shares and socialises the collective responsibility for addressing climate change, it can form an important part of the overall puzzle.

In the end though, broader forms of public and social pressure will be key to raising the ambition of governments, corporations and cities. It will determine whether climate change becomes an electoral issue and a focus for media and public debate, whether the fossil industries continue to see their social license to operate diminish and whether social mobilisation is able to penetrate elite politics and push back against incumbent actors and interests. The likelihood it can do this of course will be magnified by the way the climate crisis continues to draw attention to itself through extreme weather events and disruptions to everyday life that increasingly and unfortunately constitute the 'new normal'.

References

350.org (2019) 'Protesters kicked out of COP25, stripped of badges' <https://350.org/civil-society-kicked-out-of-cop25/?akid=109819.1099932.8U6lmk&rd=1&t=7>

Abreu, C. and J. Henn (2019) 'Finally saying the F-words at UN climate talks' December 16th <https://www.climatechangenews.com/2019/12/16/finally-saying-f-words-un-climate-talks/>

Amen, M., M. Bosman and B. Gills (2008) 'The urgent need for global action to combat climate change' *Globalizations* 5(1): 49-52.

Bhushan, C. (2019) 'COP 25: Failure of talks shows countries willing to sacrifice future of planet' December 18th <https://www.financialexpress.com/opinion/cop-25-failure-of-talks-shows-countries-willing-to-sacrifice-future-of-planet/1797038/>

Bond, P., (2012) *Politics of Climate Justice: Paralysis Above, Movement Below*. University of KwaZulu-Natal Press, Scottsville.

- Bulkeley, H. and P. Newell (2010) *Governing Climate Change* Abingdon: Routledge.
- Bulkeley, H. et al (2014) *Transnational Climate Change Governance* Cambridge: CUP.
- Collett-White, R. (2019) 'COP25: Over 40 Gulf State Delegates Are Current or Former Employees of Fossil Fuel Companies' December 13th 2019 <https://www.desmog.co.uk/2019/12/13/cop25-over-40-gulf-state-delegates-are-current-or-former-employees-fossil-fuel-companies> Accessed January 14th 2020.
- Crouch, C. (2011) *The Strange Non-Death of Neoliberalism* Cambridge: Polity.
- Duyck, S. and E. Lennon (2019) 'A Process on the Brink of Collapse Confronts a World on the Move'
- Erickson, P., Lazarus, M., & Piggot, G. (2018). 'Limiting fossil fuel production as the next big step in climate policy'. *Nature Climate Change*, 8, 1037–1043.
- Farand, C. (2019) 'Irreconcilable rift cripples UN climate talks as majority stand against polluters' <https://www.climatechangenews.com/2019/12/15/irreconcilable-rift-dominates-un-climate-talks-majority-stand-polluters/>
- Hale, T. and C. Roger (2014) 'Orchestration and transnational climate governance' *Review of International Organizations* 9:59–82.
- Hillier, D. (2018). 'Facing Risk: Options and challenges in ensuring that climate/disaster risk finance and insurance deliver for poor people'. *Oxfam Briefing Paper*. Available online at: <https://oxfamlibrary.openrepository.com/handle/10546/620457>
- Huq, S. (2019) 'For the vulnerable, UN climate talks are no longer fit for purpose' *Climate Home News* 17/12/2019 <https://www.climatechangenews.com/2019/12/17/vulnerable-un-climate-talks-no-longer-fit-purpose/>
- Gills, B. and J. Morgan (2019) 'Global climate emergency: After COP24, climate science, urgency and the threat to humanity' *Globalizations* DOI: 10.1080/14747731.2019.1669915
- Green, F. (2018). 'Anti-fossil fuel norms'. *Climatic Change*, 150, 103–116.
- Isakson, R. (2015) 'Derivatives for development? Small-farmer vulnerability and the financialization of climate risk management'. *Journal of Agrarian Change* 15, no. 4: 569–80.
- Jarzabkowski, P., Chalkias, K., Clarke, D., Iyahan, E., Stadtmueller, D., & Zwick, A. (2019). *Insurance for climate adaptation: opportunities and limitations*. Rotterdam and Washington, DC. Available online at www.gca.org.
- Morgan, J. (2016) 'Paris COP21: Power that speaks the truth'? *Globalizations* 13(6): 943-51.
- Newell, P. (2014) 'Dialogue of the Deaf? The CDM's Legitimation Crisis' in Stephan, B. and R. Lane (eds) *The Politics of Carbon Markets* London: Routledge, pp. 212-236.
- Newell, P. and R. Lane (2016) 'The political economy of carbon markets' (with Richard Lane) in Van de Graaf, T., B. Sovacool, F. Kern, M. Klare (eds) *The Palgrave Handbook of the International Political Economy of Energy* London: Palgrave, pp. 247-269.
- Newell, P., & Paterson, M. (1998). 'A climate for business: Global warming, the state and capital'. *Review of International Political Economy*, 5(4), 679–703.
- Newell, P. and Paterson (2010) *Climate Capitalism* Cambridge: CUP

Newell, P. and O. Taylor (2018) 'Contested landscapes: The Global Political Economy of Climate Smart Agriculture', *Journal of Peasant Studies* 45(1): 80-88

Northrop, M. (2019) 'The most courageous climate action isn't national, it's in the cities and streets' December 17th <http://news.trust.org/item/20191217144047-eb34p>

Roberts, E., & Huq, S. (2015). Coming full circle: the history of loss and damage under the UNFCCC. *International Journal of Global Warming*, 8(2), 141-157.

SEI, IISD, ODI, Climate Analytics, CICERO, and UNEP. (2019). The Production Gap: The discrepancy between countries' planned fossil fuel production and global production levels consistent with limiting warming to 1.5°C or 2°C. <http://productiongap.org/>

Spash, C.L. (2016) 'The changes nothing: The Paris agreement to ignore reality' *Globalizations* 13(6) 928-933.

Timperley (2019) 'Cop25: What was achieved and where to next?' <https://www.climatechangenews.com/2019/12/16/cop25-achieved-next/>

UNEP (2019) *Emissions Gap Report* Nairobi: UNEP.

Wallace-Wells, D. (2019) 'U.N. Climate Talks Collapsed in Madrid. What's the Way Forward?' December 16th <http://nymag.com/intelligencer/2019/12/cop25-ended-in-failure-whats-the-way-forward.html>

** Professor of International Relations, University of Sussex P.J.Newell@sussex.ac.uk

* Doctoral candidate, Department of Geography, University of Sussex O.G.Taylor@sussex.ac.uk

¹ We are grateful to the editor and reviewer of an earlier version of this article.

² The technical term is additionality: whether the paid for emissions reductions are 'additional' to those which could have occurred without the project.

³ <https://www.insuresilience.org/about/>

⁴ <https://reliefweb.int/report/world/mark-lowcock-under-secretary-general-humanitarian-affairs-and-emergency-relief>

⁵ Action Aid – Harjeet Singh - <https://www.thenewhumanitarian.org/news/2019/12/02/why-cop25-matters-emergency-aid-sector>

⁶ <https://www.theelders.org/news/multilateral-solutions-are-vital-tackling-global-challenges-we-face>

⁷ <https://climateaction.unfccc.int/>

⁸ <https://sciencebasedtargets.org/>