



A L L I A N C E O F S M A L L I S L A N D S T A T E S

Statement on behalf of the Alliance of Small Island States (AOSIS) at the joint SBSTA and SBI Opening Plenary

31 May 2021

Madam President, Chairs of the Subsidiary Bodies, Excellencies and Colleagues,

I have the honor to deliver this statement on behalf of the Alliance of Small Island States (AOSIS), in alignment with the statement delivered by the Group of 77 & China.

Introduction

The COVID-19 pandemic has devastated the world, claiming millions of lives, and plunging the global economy into a recession. It has also placed our collective journey towards a net zero and climate resilient world in uncharted territory, which we are now trying to navigate.

One thing is clear: we cannot afford to lose the momentum we gained in Paris. We must find new pathways, in the context of sustainable recovery, to reach our 2030 targets.

Science + SIDS Impacts

The latest science makes it clear that we are far off track from keeping average global temperatures rise to 1.5 degrees, as enshrined in the Paris Agreement. Global average temperatures reached 1.2 degrees Celsius last year and, unsurprisingly for us on the frontlines, the brutal impacts of climate change have also intensified.

During the Atlantic hurricane season last year, there were over 30 storms and 19 hurricanes – the highest on record. In the Pacific, the Solomon Islands, Vanuatu, Tonga and Fiji were hit severely, causing loss of lives and widespread destruction of critical infrastructure, even as they were already struggling to meet the humanitarian needs arising from the pandemic. Multiple threats on multiple fronts. This is the new normal, and we need to be prepared.

Ambition

“1.5 to Stay Alive” – this was our message to the rest of the world in Paris, and it is still just as relevant today. AOSIS has consistently kept the drumbeat of ambition alive since then, but we can no longer bear this burden alone. Not at this juncture. Because there has been so much delay in real climate action, we have to act now. The challenge is to halve emissions by 2030 and this

will take a massive global effort. However, make no mistake: it is still possible to reach our crucial 1.5-degree target, and we need to urgently steer onto the right course, or risk what is effectively a death sentence for vulnerable communities.

So, while we welcome the latest announcements of new 2030 Paris Agreement targets and submissions of long-term strategies, and even more encouraging recent pronouncements out of the Leaders' Summit on Climate and the G7, please forgive us if we do not breathe a sigh of relief just yet. The emissions gap remains worryingly large, and for all the pats on the back, we note that no major emitter is as yet compatible with 1.5-degree pathways.

We urgently need greater collective ambition to close this gap, reflected in new or updated NDCs and ambitious long-term strategies. We also need to transform the ambition in our pledges and targets into concrete policies to deliver actions on the ground.

Full implementation mode

In short, we are entering the 'age of implementation', and in order to drive this transformation, AOSIS is now in **full implementation mode**. This entails:

1. Completing and adopting the outstanding issues under the Paris Agreement Work Programme (PAWP) at COP 26 this year, and
2. Shifting the focus of discussions at the UNFCCC from treaty negotiations to enhancing operationalization as we move forward. This means focusing our collective efforts on the "plan – implement – review" cyclical process that will change the world.

In this context, there are some key deliverables which are essential for closing out the Work Programme, and for ensuring a successful outcome at COP 26:

Mitigation

Given the importance of climate ambition, we believe that the findings of the upcoming NDC Synthesis Report, and potential actions to address the emissions gap should be examined in an official setting. As there is currently no formal agenda item for this dialogue, a suitable platform should be provided at COP 26 and AOSIS expects this to be captured by the outcomes of COP26.

Recognizing the importance of providing clarity to guide Parties to plan for their NDC submissions and to enable the effective operationalisation of the Paris Agreement, including ramping up of ambition in response to the upcoming global stock take, we must also reach a unified agreement on the issue of common time frames.



Global Stocktake and Periodic Review

This global stock take is the first opportunity to review collective progress towards achieving the long-term global goal of the Paris Agreement. In the lead up to the GST, there is need for a better understanding of the global actions that must be implemented for achieving this goal. The success of the Paris Agreement is contingent on the scale and urgency of action. Therefore, we believe it is instrumental for the Structured Expert Dialogue to continue, as mandated by the COP.

Finance

The most critical element underpinning full implementation mode is adequate, predictable and accessible financing for mitigation and adaptation as well as loss and damage. SIDS have fulfilled our end of the bargain; our demonstrated political will for the climate transition cannot be questioned. However, the commensurate means of implementation have not been delivered as promised. Financial flows must be made consistent with low emission and climate resilient development. Even the IEA has recognised that new investments in fossil fuels can no longer cut it.

Taking into account the widening climate finance gap, we need to initiate discussions on a new global finance goal in Glasgow. However, we must also recognize that more climate finance does us no good without better access to it. Too often for SIDS, our only recourse to climate finance is the form of onerous loans that we simply can no longer afford. COVID-19, hurricanes, floods, drought, and other threats have placed exceptional demands for spending, resulting in economic contraction and increasing levels of poverty and abject poverty. Servicing existing debt is rendered impossible. Aside from a larger share of grant-based and concessional financing, we should more seriously consider the potential of utilising sustainable and innovative financial instruments, such as debt-for-climate swaps, equity and other risk-sharing instruments.

On the ground, there needs to be a transition from project-based to programmatic financing. Longevity of financing through institutions must be aligned with the goals of the Paris Agreement, and thus requires necessary reform of policies and procedures, including multilateral institutions. Therefore, our actions must extend beyond just the UNFCCC. AOSIS calls upon all Member States to collectively ensure that all policy, investment, and budget decisions contribute to climate resilience and support a 1.5 pathway.

Markets

Another key element of increasing ambition lies in the implementation of Article 6. While the Clean Development Mechanism was operationalized one year after the Kyoto Protocol, here we are, five years after the Paris Agreement and the markets mechanism is still open. Article 6 must be finalized this year. Credible rules will help ensure that international cooperation can deliver



higher ambition in both mitigation and adaptation. Any further delays will also result in missed opportunities to generate revenue for the Adaptation Fund. AOSIS supports the use of the third iteration of the Madrid Text produced by the COP Presidency as a basis for discussion. There is, however, merit in considering options from previous iterations for unresolved issues. For AOSIS, there are four priority issues for Glasgow:

1. First, protecting environmental integrity – in our desire to land a rule set in Glasgow, we cannot afford to adopt rules that undermine NDC ambition in connection with accounting or CDM transition.
2. Second, adoption of a substantial cancellation rate for the delivery of an overall mitigation in global emissions is needed, to ensure that Article 6 now moves beyond offsetting to deliver net global emission reductions. We feel the range of rates captured in the earlier iterations of the Presidency text, including the upper end of this range, warrants discussion.
3. Third, adoption of a substantial rate for the share of proceeds – AOSIS has called for a 5% share of proceeds to provide significant resources for vulnerable countries under the Adaptation Fund.
4. Fourth, the extension of OMGE and SOP to Article 6.2 approaches, to create a level playing field and minimise perverse incentives.

We look forward to the technical expert dialogues to be held at this session. We hope they will provide clarity as to which policy options, if chosen, would undermine environmental integrity and ambition, and which, if chosen, will enhance environmental integrity and ambition, so that wise policy decisions can be taken in Glasgow.

The Supervisory Body should begin its work this year, to provide the necessary oversight and enable Parties to delegate the relevant work.

Adaptation

We need to look for other concrete ways to close the large adaptation funding gap. We reiterate that 50% of the total share of climate finance must be used to adapt to climate change and build resilience in developing countries.

SIDS are amongst the most climate vulnerable countries, yet we received only 2% of global climate finance between 2016 and 2018. Again, mobilization will never be effective unless we overcome the persistent barriers that SIDS face in accessing financing. Gross National Income or Gross Domestic Product per capita are relics, and can never fairly account for the multitude of environmental and systemic vulnerabilities we face.

Loss and Damage



The Santiago Network, among the outcomes of the Madrid decisions, is to be fully operationalized and this we welcome; we are keen on having our collective views and those of other developing countries contributing to how the Network will function to meet the needs of those who need it. Similarly, we also want to explore ways how financing can be mobilized for loss and damage, following the Review of the Warsaw International Mechanism at COP 25. We also emphasize that the COP has an ongoing role in the governance of the WIM, in order to ensure that the full work programme of the WIM can be operationalized.

Transparency

AOSIS is calling for finalising discussions on the common tabular formats and reporting tables, as well as on the reporting outlines and training programmes for reviewers. Further delay will only result in widening the gulf that developing countries, especially SIDS and LDCs, must bridge in the implementation of the enhanced transparency framework (ETF).

We do not expect that Parties will be reporting on the use of market mechanisms in the absence of final agreement on Article 6. As such, we must continue our work in both areas in parallel for now, with the relevant Article 6 placeholders to be maintained in the transparency discussions.

In completing our work, we must continue to ensure that TACCC principles are respected; we must ensure that developing countries are provided with the resources they need for capacity building; and we must respect the spirit and nature of the guidance that has already been agreed.

Capacity Building

As Parties begin to make the pivot into full implementation of the Paris Agreement, more time, attention and resources should be allocated to ensure that all Parties are able to meet their reporting obligations under the enhanced transparency framework.

The Framework needs to enhance capacity building for SIDS and LDCs, particularly for reporting on support needed and received in terms of finance, capacity building and technology.

Technology

We need to consider more broadly how the technology mechanism can be enhanced to deliver targeted support. SIDS have a high landed cost of technology that can be roughly 3 times that of major economies, which is a barrier to climate technology transfer. SIDS are also calling for a global lifecycle approach to technology that includes safeguards for decommissioning emissions-intensive technologies *in situ*, so that these soon-to-be-obsolete technologies are not sold cheaply through exports to developing country small island markets. This is a reality for our countries



that can lock us into a development pathway that maintains the inequality of rich and poor countries in the climate transition.

Response Measures

No one should be left behind: ambition and a just transition are two sides of the same coin, and measures to rapidly respond to climate change must equally take into account potentially affected workforces. Full implementation requires taking holistic and practical actions, that will enable an equitable and just transition to low carbon, climate resilient economies.

Conclusion

AOSIS will approach the virtual negotiations during this session with a constructive spirit, and we encourage all Member States to do the same. We underscore the importance of capturing progress in writing to enable the effective participation of capacity-constrained delegations during this challenging time. We have already lost a year of progress due to COVID-19, while the impacts of climate change have continued to intensify across the globe. We cannot afford to lose any more time.

This is why AOSIS is striving to fully operationalize the Paris Agreement, by sewing up loose ends in Glasgow, and commencing with full implementation mode. We will continue to work closely with the UK as the incoming COP President to deliver these outcomes. Ensuring the full participation of AOSIS at COP26 is paramount; in this regard, the still unequal COVID-19 vaccination distribution is likely to impact the participation of AOSIS countries at an in-person COP. And yet, without a real face-to-face meeting, it will be challenging to deliver a proper conclusion to all the pending issues.

While we have come a long way on this collective global journey, we still have a long way to go. We cannot rest on our laurels until we have corrected our course towards a 1.5-degree, resilient world.

