

Climate summit stalls over huge gaps that all boil down to one thing -- who should pay for the crisis?

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Updated 1915 GMT (0315 HKT) November 11, 2021

Source: CNN

What does COP stand for? And your other burning questions answered 03:25

Glasgow, Scotland (CNN)After [11 days of climate talks](#) that have included progress on protecting forests, phasing out coal and transitioning to electric cars, the future of our planet has boiled down to one key thing: who's going to pay for the mess we're in?

On Thursday afternoon, the eve of the final day of COP26, [huge gaps remain between what different countries want on key issues](#), including how ambitious the world should be in slashing greenhouse gas emissions, all part of what climate folks call "mitigation."

In what has been the fiercest opposition to the [summit's draft agreement](#) published Wednesday, Bolivia's chief negotiator Diego Pacheco said his country and 21 other allied nations -- including major emitters like China, India and Saudi Arabia -- would oppose the entire section on climate change mitigation.

China, India and Saudi Arabia are all part of the Like-Minded Developing Countries group Pacheco was speaking for. None have replied to CNN's request for comment on their stance.



Takeaways from Thursday at COP26: A fight is brewing over a critical piece of the final agreement

That section contains all of the agreement's language around reducing emissions, including the recognition that the world should aim to limit global warming to 1.5 degrees Celsius, which is what scientists say is [necessary to avert the worst climate impacts](#). The countries' biggest point of contention, Pacheco said, was urging everyone to ratchet up their ambitions on emissions by the end of 2022, for COP27.

He argued developing nations should have the same targets as rich ones who have had a greater historical role in the climate crisis. And he accused rich nations of trying to "transfer responsibility" to the Global South.

"History matters and history is very important to understand and to put in the context in the discussion on ambition," he said. He added that it would be impossible for many countries in the group to achieve net-zero emissions by mid-century.

The issue at the heart of this sentiment is money. He made clear that making such a transition would be impossible if rich nations didn't start paying their fair share -- including for developing countries to adapt to the impacts of the crisis. Developing nations have repeatedly complained about so-called climate finance this week, and it and has emerged as the biggest sticking point stalling the talks.



US vs. China: How the world's two biggest emitters stack up on climate

Catherine Abreu, founder of the non-profit Destination Zero, which works on climate justice issues, said that Bolivia's announcement was essentially a negotiation tactic and the underlying issue was more to do with demands for more funds.

"The draft of the text was so mitigation focused, so I think that announcement was a play," Abreau told CNN, saying that the countries' message meant other parts of the agreement would "get held hostage." The suggestion to delete the mitigation section "is clearly a punch in the face of people suffering from the climate crisis," said Teresa Anderson, a climate policy coordinator for Action Aid International.

Frans Timmermans, the EU Commission's vice president, ridiculed the call as illogical, saying there's "no amount of money on the planet" that

could develop adaptation to withstand the extreme temperature rise that would come if mitigation were scrapped.

Rich world still short in funding promise

In a conference that is trying desperately to close gaps, the most important gap is really the one between what humans are willing to do and what's actually required to avert catastrophic climate change.



The world is not adapting fast enough to the climate crisis, UN reports. A report published this week by Climate Action Tracker found that even with all the pledges made at COP26, the world is [on track for 2.4 degrees of warming](#). Closing that gap will require deep and sustained cuts to greenhouse gas emissions over this decade, the [latest UN climate science report](#) showed.

But that costs money, and there is good reason for developing nations to be dissatisfied.

More developing countries are on the frontlines of climate change than wealthy ones, and they collectively have had a much smaller role in creating this crisis.

And the money already promised hasn't even flowed in full.

Rich countries agreed more than 10 years ago to transfer \$100 billion a year to developing nations to help their transformation to low-carbon economies and to adapt to the climate crisis. Adaptation can involve

anything from building sea walls to prevent flooding, to moving communities back from the coast and retrofitting homes to better withstand extreme weather events.

Not only has the rich world failed to deliver the \$100 billion by the 2020 deadline, developing nations say [it's nowhere near enough](#) in the first place. They also want a 50-50 split between mitigation -- measures to reduce emissions -- and adaptation. Far more money has flowed to measures focused on cutting emissions.

Anger against the US brews

On top of the money for adaptation, developing countries want new systems to pay for "loss and damage," which essentially involves wealthy countries being held financially liable for the impacts of the climate crisis. It's the idea behind the concept of climate reparations.



While countries wrangle over who should pay for the climate crisis, this community is being swallowed by the sea

A senior US official said one idea being considered is funding the Santiago Network, a UN body set up to give technical assistance to countries trying to rebuild from the impacts of the climate crisis.

But the US is otherwise closed to the idea of a new loss-and-damage fund, which is what many developing nations want. The European Union has said the same thing.

There is growing anger, too, towards the United States. A representative of the Climate Vulnerable Forum -- a group of around 50 nations -- said Thursday that the Biden administration was under-delivering on finance. He praised Nicola Sturgeon, the leader of Scotland, the only country that has committed any money to a loss and damage fund, with £2 million Scottish pounds (\$2.7 million). It's a small but symbolic figure that shows such a fund may be possible.

"The true leader that has emerged here at COP26 is not a party to the convention. She is our host, she is the First Minister of Scotland," Saleemul Huq, the forum's expert advisory chair told journalists.

"Just before the COP started she put a million pounds of Scottish money on the table for a new fund on loss and damage and challenged all the other leaders to match it. Yesterday, she doubled the amount. So she is the true leader who is putting money on the table for loss and damage. The US is giving us zero dollars. Europe is giving us zero euros. But Scotland has given us two million."

Behind him was sign picturing Biden with the message "Has the US kept it's \$100 billion promise? NOPE!"

'You can't say no to everything'

European lawmaker Bas Eickhout from the Netherlands said that US was not showing flexibility on several matters, and that its fair share on funding for the developing world would be closer to \$40 billion [than the \\$11.4 billion pledged](#).

"The developing countries are coming here with a couple of demands, and climate finance and loss and damage are the most important," he told CNN. "If the US is going to say no to everything, that will be a problem. And this will feed into what China wants. The more there is a battle between developing countries and the developed countries, the more China can sit back and relax."

Eickhout added: "You can't say no to everything. And if you want a review mechanism on accelerating mitigation, then of course, the question will be 'OK, but is finance developing?' And if you then don't deliver on loss and damage, and you haven't delivered your \$100 billion, well what are we getting in return?"

Underpinning all of this is humans continued use of fossil fuels. Two sources familiar with the negotiations told CNN that Saudi Arabia, Russia, China and Australia were opposed to an article in the draft agreement calling for the phaseout of coal and fossil fuel subsidies. Any reference to fossil fuels in the agreement would be a first and a breakthrough for the COP climate process.

Saudi Arabia is one of the world's biggest oil producers, Australia is a major coal producer, and Russia is a big producer of coal, oil and gas. China is the world's biggest producer and consumer of coal. None of those countries have responded to CNN's request for comment.

- China is also unlikely to support the language on fossil fuels, the sources told CNN. Climate envoy Xie Zhenhua was asked by reporters on Wednesday whether it would support the section, but he did not answer directly and simply listed all of China's plans for coal and finance. Saudi Arabia's Energy Minister Prince Abdulaziz bin Salman Al-Saud said on Wednesday that the world should recognize "the diversity of climate solutions ... without any bias towards or against any particular source of energy." Reuters reported that he responded to accusations that his country was blocking process as "lies and fabrications."