

International climate negotiations

Key concepts, state of play and practical application

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Structure of the presentation

1. The international climate policy framework

2. Recent developments in international climate negotiations

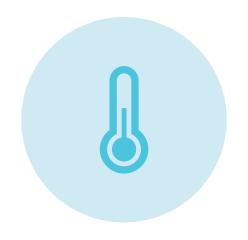
3. Climate negotiations and the future EU external cooperation agenda



1. The international climate policy framework



1. International climate policy framework







THE KYOTO PROTOCOL



THE PARIS
AGREEMENT





- Multilateral agreement with largest coverage (189/197)
- Objectives of the Paris Agreement (mitigation target; adaptation goal; finance)
- Nature of the Agreement (difference with the KP)
- 4 main topics: mitigation, adaptation, support, transparency & compliance





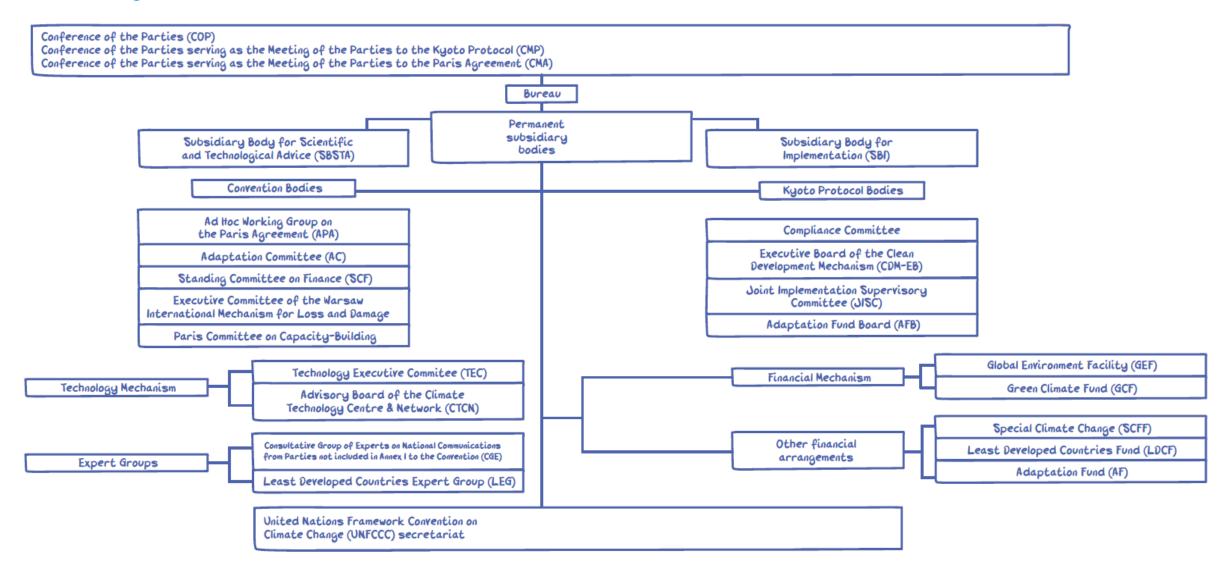
UNFCCC: an intricate decision-making...

- COP(26), CMP(15), CMA(2): what are they about?
- The permanent Subsidiary Bodies: Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA)
- Ad-hoc, temporary bodies (e.g.: Ad Hoc Working Group on the Paris Agreement)
- Convention bodies (AC, SCF, WIM ExCom etc.)
- Expert groups (LEG etc.)



...as images show!

Decision-making bodies under the UNFCCC



Formulation of the EU position

- 1. Expert groups (Adaptation, NDC, Finance, Transparency, Legal, Budget, Means of Implementation, Cross-cutting and horizontal issues, etc.): prep work on technical issues; organised in issue groups depending on negotiation topics
- 2. EU Team: coordination and oversight; role of lead negotiators
- 3. Council's Working Party on International Environment Issues (WPIEI): approval of negotiation mandate (PP, TWD)
- 4. Council Conclusions (on COPs, climate finance, climate diplomacy)



Q&A







COP24: Katowice rulebook adoption

EU wanted a "rulebook" that is:

- consistent with what was agreed in Paris
- robust and applicable to all Parties with flexibility based on capacity
- tailored to mitigation, support and adaptation
- sufficiently detailed for the Paris Agreement to be operational
- provide for a continuous improvement over time





COP24: Katowice rulebook adoption

Many Parties agreed with EU, but some:

- resist robust rules to protect their sovereignty
- hold on to "bifurcation" between developed and developing Parties based on outdated Annex
- want equivalent rules for tracking finance as for tracking emissions
- require more resources to build their capacity to implement rules





<u>COP25:</u> additional progress on the Rulebook but some key issues pending for the completion of the Paris mandates on:

- Mitigation: rules of the art. 6.2 and 6.4 mechanisms; financing of adaptation via art. 6; emissions from aviation and maritime transport; common NDC timeframes (5 vs 10y)
- Adaptation: funding for loss and damage; WIM governance
- Support: pre- and post-2025 ambition; rules of the financial mechanism; access to existing finance for developing countries
- Transparency and compliance: tracking progress on NDC implementation (MRV)



What now? The bumpy road to COP26

Political issues: ambition

- Updating and communicating NDCs pre-COP26
- Communicating Long Term Strategies
- Progress towards the USD 100bn finance goal

Timing issues – lack of short-term decision-making landmarks



Expectations for COP26 (Glasgow)

	Glasgow	Brussels
Ambition	"Update" of 2030 NDCs Communication of post 2025 NDCs (Brazil [US]) Communication of LTS Thematic action "Campaigns"	"Climate Law" codifying 2050 climate neutrality (Q1) Submission of EU (Q1) and MSs 2050 LTS (Q1-Q4) Commission proposal for new 2030 target (Q3)
Implementation	 Pre-2020 Roundtable Multilateral assessments of pre-2020 progress Global Climate Action Agenda Work of Constituted Bodies and Funds 	 Assess ambition/implementation of NECPs (Q1) EGD Investment Plan (Q1) Just Transition Fund (Q1); Sustainable Finance Strategy (Q3) Non-financial reporting directive (Q4) Climate pact (Q3) Proposals for offshore renewable energy (Q3), forest strategy (Q4) Smart mobility, including aviation and maritime fuels (Q4), etc
Adaptation, L&D	Discussions on Global Goal, Adaptation Finance, Expert Group on L&D Support, WIM governance	New EU Strategy on Adaptation to Climate Change (Q4 2020)
International Finance	 Status of USD 100 bn p/a goal Launch discussion on post 2025 goal 	 Mainstreaming climate change into development assistance (ongoing) International Platform for Sustainable Finance, etc
Transparency	Completion of reporting formats	MS NECPs, Climate Law
Carbon Markets (Article 6)	Decisions on accounting for carbon markets and design of a new offset mechanism, links between Art 6.2 and adaptation finance	 Discussions on expansion of the ambition and scope of the ETS (2021) Discussions on ETS "linking" with CH, etc



Q&A



3. Climate negotiations and the future EU external cooperation agenda





3. Climate negotiations and the future EU external cooperation agenda

Priority setting issues

- Possible mismatch between partners' aspirations and final choices
- Aligning the objectives of EU cooperation portfolios with countries' communicated needs (which may not be climate-oriented)
- Define areas of support (NDCs? NAPs? market readiness?)
- The role of Team Europe Initatives (TEIs)





3. Climate negotiations and the future EU external cooperation agenda

Reporting issues

- On the USD 100bn climate finance goal
- On countries' progress (assistance needed)
- On the impact of our support



Focus on delivery: supporting the implementation of NDCs

- 2019: Based on latest IPCC scientific evidence and COP24 outcomes, DEVCO Senior Management's decision to <u>explore options</u> to support the implementation of the Paris Agreement in partner countries by focusing on NDCs
- Outcome: dedicated methodological note
- Two pillars:
 - Enhance climate and environmental mainstreaming across the EU's policies, strategies, investments and projects
 - Where possible, establish climate change relevant sectors as a bilateral/regional area of cooperation by focusing on the sectors covered by countries' NDCs and beyond.

Clarifying concepts

• Climate change is not a stand-alone policy area that is separate from the ones we traditionally work on. Focusing on climate change will not divert resources from our usual operations in agriculture, transport, energy, forestry, industry, water management, waste etc.

 These sectors (included in a country's NDC or not) have greenhouse gas emission reduction potential that have to be exploited so that they can contribute to a country's effort on climate change (tracking/accounting methodology needed!). Climate change could be the umbrella under which existing operations would be grouped.

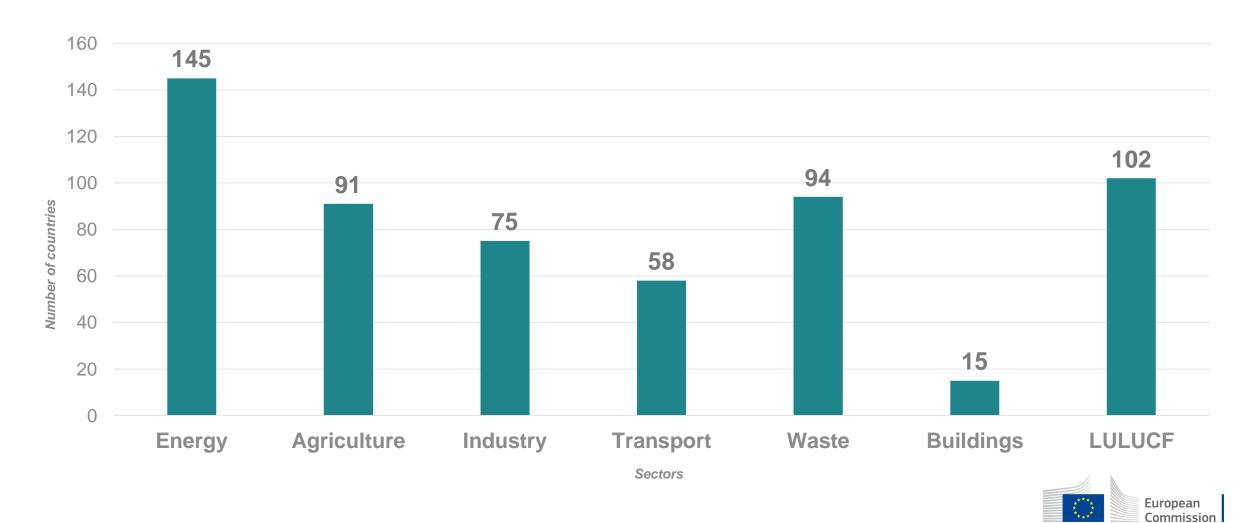


Step 1: Analysing a country's NDC

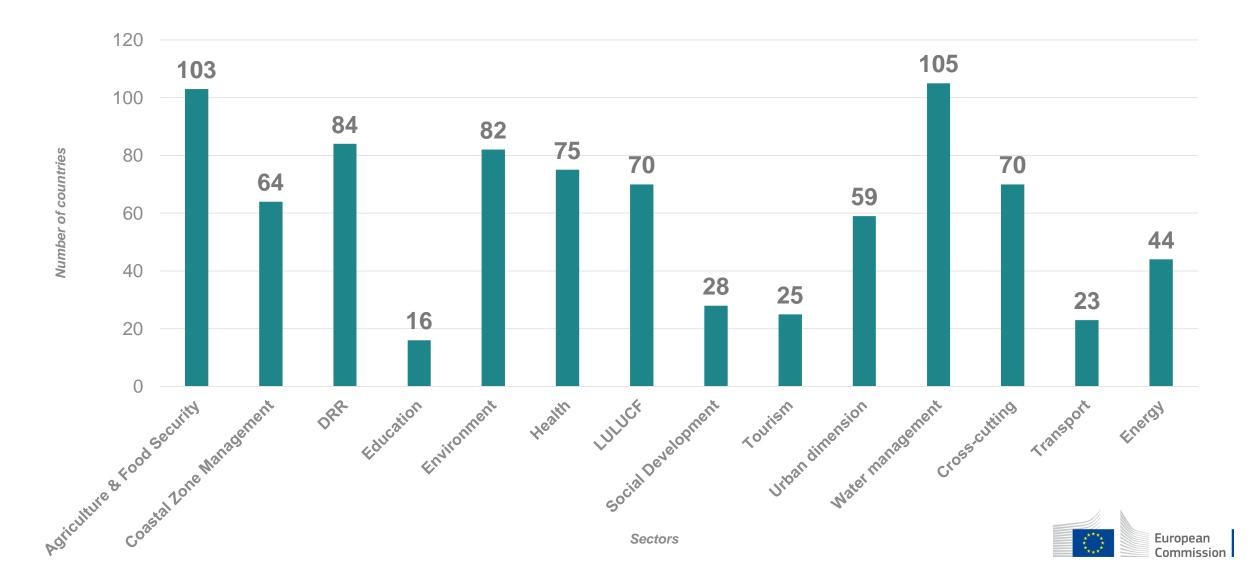
- ✓ Use the official version (UNFCCC registry) revised versions upcoming!
- ✓ What are the baselines and targets?
- ✓ Consider relevant climate change adaptation planning documents as a source of complementary information (may be part of the NDC)
- ✓ Does my Delegation need help?



<u>Mitigation</u> sectors covered by the 153 NDCs of the Parties to the Paris Agreement (EU28 excluded)



Adaptation sectors covered by the 153 NDCs of the Parties to the Paris Agreement (EU28 excluded)



Step 2: Defining the type of country

- ➤ Compiling information from NDCs, adaptation documents, Country Assessments, other socioeconomic data to help define a country's profile
- 3 broad <u>groups of countries</u> (not prescriptive):
 - ✓ **Group 1**: major economies and countries accounting for increasingly large shares of global emissions (e.g.: China, India, Brazil, South Africa, Mexico, USA, etc.).
 - ✓ **Group 2**: emerging economies whose ascending emissions patterns can turn them into future large emitters behind the countries of the first group (e.g.: Indonesia, Iran, Thailand, Nigeria, etc.);
 - ✓ **Group 3**: countries with low global shares of greenhouse gas emissions that are particularly vulnerable to the effects of climate change, whose capacities to cope with these risks are limited, and where the impacts already are or may become conflict or migration root causes (e.g.: LDCs, SIDS, etc.).



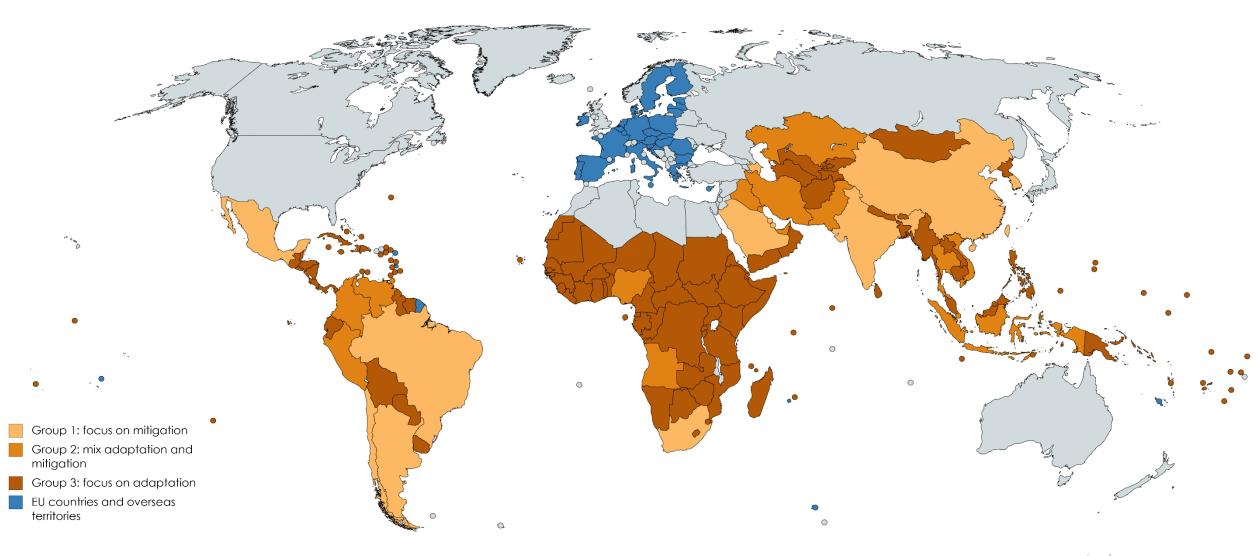
Step 3: Identifying potential areas of intervention

✓ Maximise emissions reduction and opportunities to shift to low-carbon, environmentally sustainable development. Other considerations (EU interests, financing, resilience, priv. invest.)

Step 4: Defining which component of the NDC intend to support

✓ Most developing countries do not contribute significantly to greenhouse gas emissions, but targeting mitigation makes sense as low-carbon development offers multiple opportunities for economic growth, job creation, reducing energy dependence and tackling pollution







Step 5: Defining the potential role of sectors not listed in the NDCs in supporting NDC-related climate and environmental objectives

✓ E.g.: Green economy and private sector development, urban agenda, governance, health, education, social protection, PFM, etc.



Step 6: Defining the interventions to support NDC implementation

✓ Group 1:

political dialogues
(green/climate
diplomacy); policy
dialogue and technical
cooperation to define, for
instance: policies,
legislation, trade
agreements, production
and environmental
standards that help meet
the climate challenge.

✓ Group 2:

sectorial policy dialogues; technical assistance on mitigation and adaptation; mitigation-based project-type interventions to make countries' development path less carbon intensive at an early stage (economic diversification) while also supporting adaptation.

✓ Group 3:

focus on adaptation and risk reduction initiatives without neglecting mitigation as a key step on the way to economic development.



Example: Bangladesh

Unconditional	Contribution assuming	Bangladesh will reduce its GHG emissions in the power,
contribution	no additional	transport, and industry sectors by 12 MtCO2e by 2030
	international support	or 5% below BAU emissions for those sectors.
Conditional	Contribution assuming	Bangladesh will reduce its GHG emissions in the power,
contribution	additional	transport, and industry sectors by 36 MtCO₂e by 2030
	international support	or 15% below BAU emissions for those sectors.

Appropriate international support in the form of finance, investment, technology development and transfer, and capacity building.

Adaptation contribution

An outline of what Bangladesh has already done on adaptation and what the next steps are, including the long-term vision for adaptation in Bangladesh and synergies with mitigation measures

Table 4: Possible mitigation actions to deliver the conditional contribution

Conservation Masterplan

Sector	Description	Objectives of the activity by 2030
Power	Ensure all new coal generation uses super-critical technology Increased penetration of wind power Implement grid-connected solar plant to diversify the existing electricity generation mix	plants use super-critical
Transport	 Modal shift from road to rail, delivered through a range of measures, including underground metro systems and bus rapid transit systems in urban areas. Co-benefits will include reduced congestion, improved air quality and improved traffic safety. Reduced congestion and improved running of traffic. This will be achieved by a number of measures, including building of expressways to relieve congestion and public transport measures. 	traffic from road to rail of up to around 20% by 2030 compared to the business as usual. • 15% improvement in the
Industry (energy-related)	 Carry out energy audits to incentivise the uptake of energy efficiency and conservation measures in the main industrial sectors based on the Bangladesh Energy Efficiency and 	10% energy consumption reduction in the industry sector compared to the business as usual







Table 5: Possible conditional action-based contributions

Sector	Description	Objectives of the activity by 2030	4
Households	 Put in place policy mechanisms to incentivise the uptake of improved (more efficient) gas cookstoves Support the replacement of biomass with LPG for cooking purposes Promoting policies to induce greater level of energy efficiency and conservation in the household sector based on the Bangladesh Energy Efficiency and Conservation Masterplan 	gas cookstoves 10% market switch from biomass to LPG for cooking	
Commercial buildings	 Promote policies to induce greater level of energy efficiency and conservation in the commercial sector based on the Bangladesh Energy Efficiency and Conservation Master plan Incentivise rainwater harvesting in commercial buildings as a form of water and energy conservation 	25% reduction of overall energy consumption of the commercial sector compared to the business as usual	

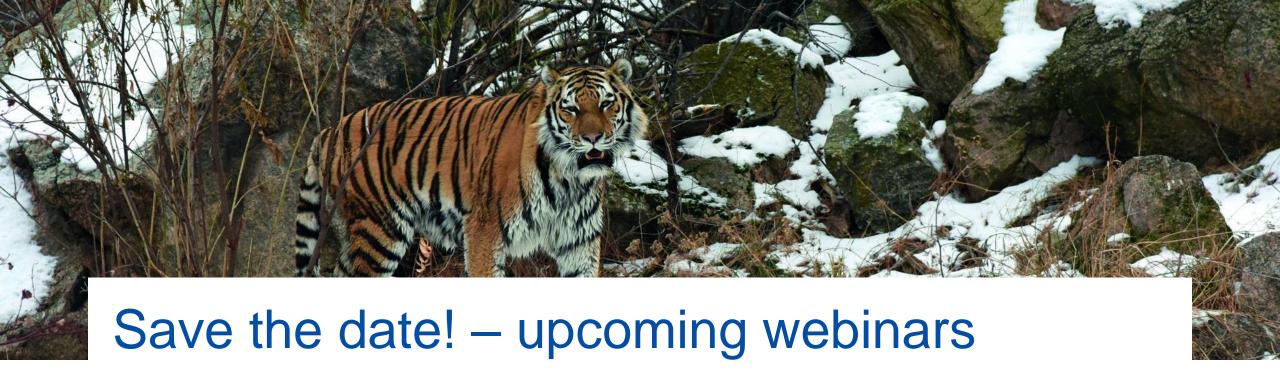


Adap	Adaptation Priorities for Bangladesh		
i.	Improved Early warning system for tropical cyclone, flood, flash flood and drought		
ii.	Disaster preparedness and construction of flood and cyclone shelters		
iii.	Tropical cyclones and storm surge protection		
iv.	Inland monsoon flood-proofing and protection		
V.	Climate resilient infrastructure and communication		
vi.	Climate resilient housing		
vii.	Improvement of Urban resilience through improvement of drainage system to address		
	urban flooding		
viii.	River training and dredging (including excavation of water bodies, canals and drains)		
ix.	Stress tolerant (salinity, drought and flood) variety improvement and cultivation (including		
	livestock and fisheries)		
X.	livestock and fisheries) Research and knowledge management		
X. Xi.	•		
	Research and knowledge management		
xi.	Research and knowledge management Adaptation on local-level perspectives etc.		
xi. xii.	Research and knowledge management Adaptation on local-level perspectives etc. Adaptation to climate change impacts on health		



Q&A





- Introduction to the circular economy 6 Oct 2020
- Greening EU Development Cooperation: Crash course for top management 13 Oct 2020
- Updates on international biodiversity and desertification negotiations dates tbd



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