



E3G

# Building Climate Ambition

## Challenges and Opportunities for EU Climate Diplomacy

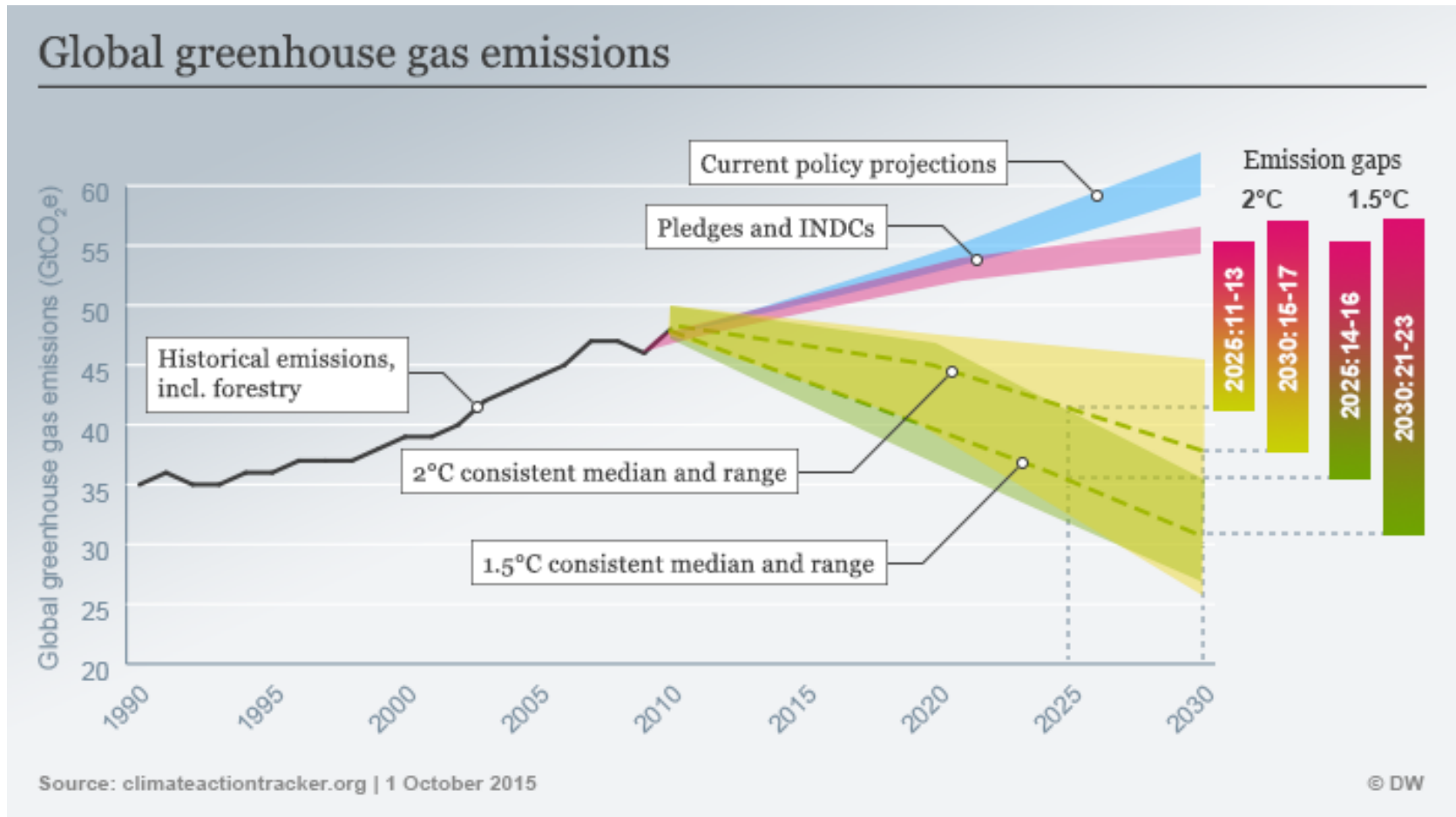
Nick Mabey, E3G, February 2018

# Takeaways



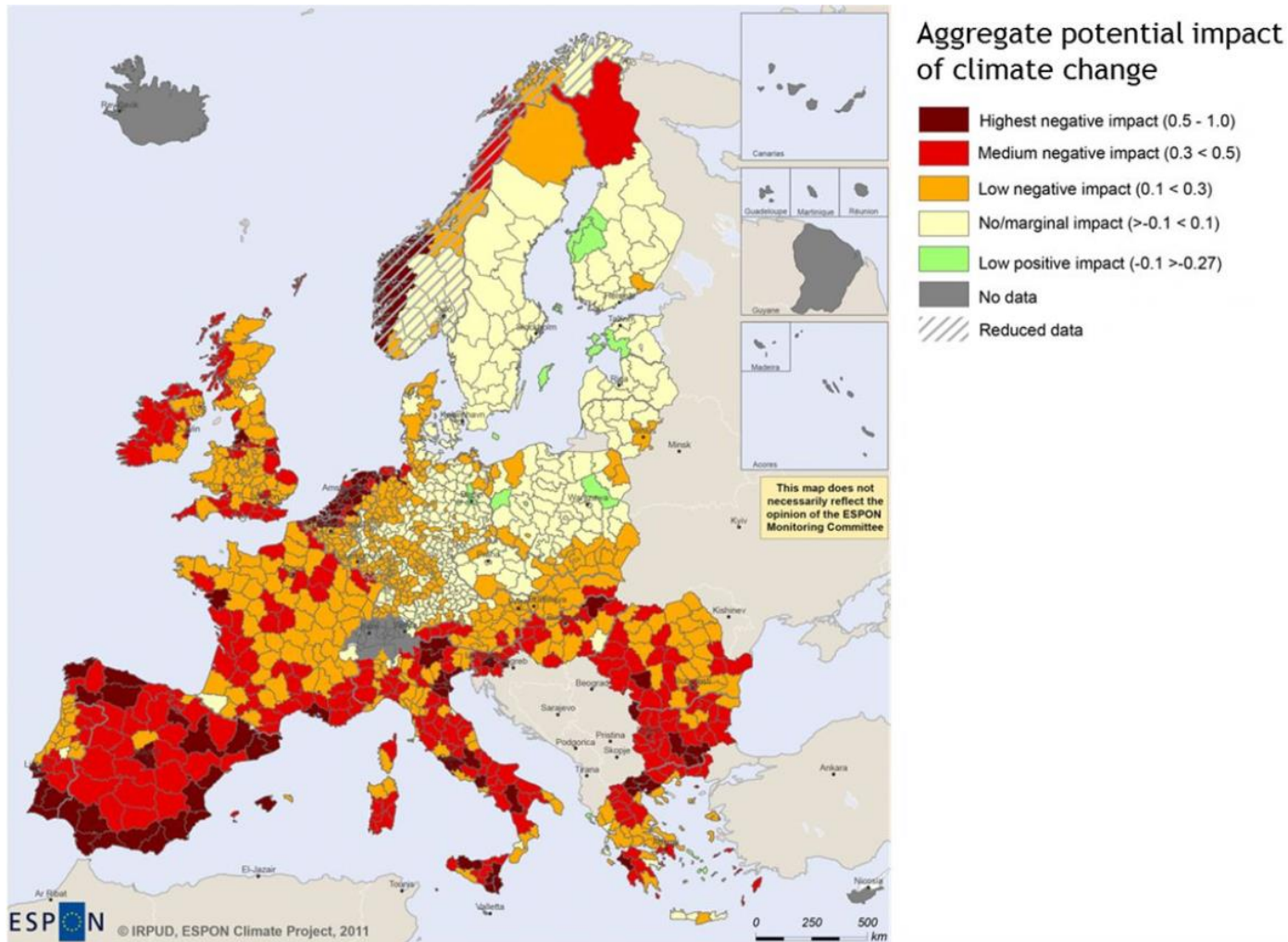
- **Paris made Europeans safer but not safe:** The main task of international climate diplomacy has shifted from developing legal frameworks to driving greater climate ambition at “Paris Moments” in 2020 and 2025.
- **Technology cannot solve political problems:** cheaper clean technology is a key driver of greater climate ambition but its impact will be limited by resistance from domestic incumbents & turbulent geopolitics
- **Europe has a critical role:** Paris was a European success and its citizens expect govts to make it deliver. Europe’s climate allies & potential partners expect it to lead in defining the politics of “shared leadership”.
- **Success requires investment in broader “Team EU” diplomacy:** domestic climate action is a necessary but insufficient foundation for EU global influence. Delivering more impact requires better alignment of MS and EU action and investment in diplomatic capacity, especially post-Brexit.

# Paris made Europeans safer but not safe. Emissions must be 40GT> by 2030



**Probability of > 4C reduced by 80%; 2.7C-3.5C likely outcome**

# Direct climate vulnerability varies hugely inside the EU; failure will drive divisions.



# Mixed Context for the 2020 & 2025 Politics of Climate Ambition



- **Technology Leads:** global markets have reduced clean energy costs 15 years earlier than anticipated. Countries will deploy clean technology faster for national economic reasons.
- **But politics still matters:** lower costs alone will not retire fossil infrastructure fast enough, or remove the barriers to clean solutions from incumbent interests. Poor social management of transitions will present opportunities for populists to toxify national climate politics.
- **Climate geopolitics become harder:** global politics will continue to fragment into regional blocks with rising security, trade & investment frictions. Stronger state-to-state diplomacy is needed to manage these tensions; keeping climate cooperation strong & markets open.
- **“Success” in 2020 masks risks for 2025:** Cheaper technology, strong energy efficiency – & inflated baselines – likely to deliver aggregate NDC over-achievement 2020. With leadership from key countries & non-state actors this could keep Paris on track politically in 2020.
- **Need to prepare politics of deep decarbonisation now:** in 2023 countries must consider deep cuts in sectors with no easy fixes such as industry & agriculture. Weak US action and “rogue” states will make global alignment on deep decarbonisation much harder in 2025.

# Ambition Politics will be increasingly driven by Perceptions of Trends and Events



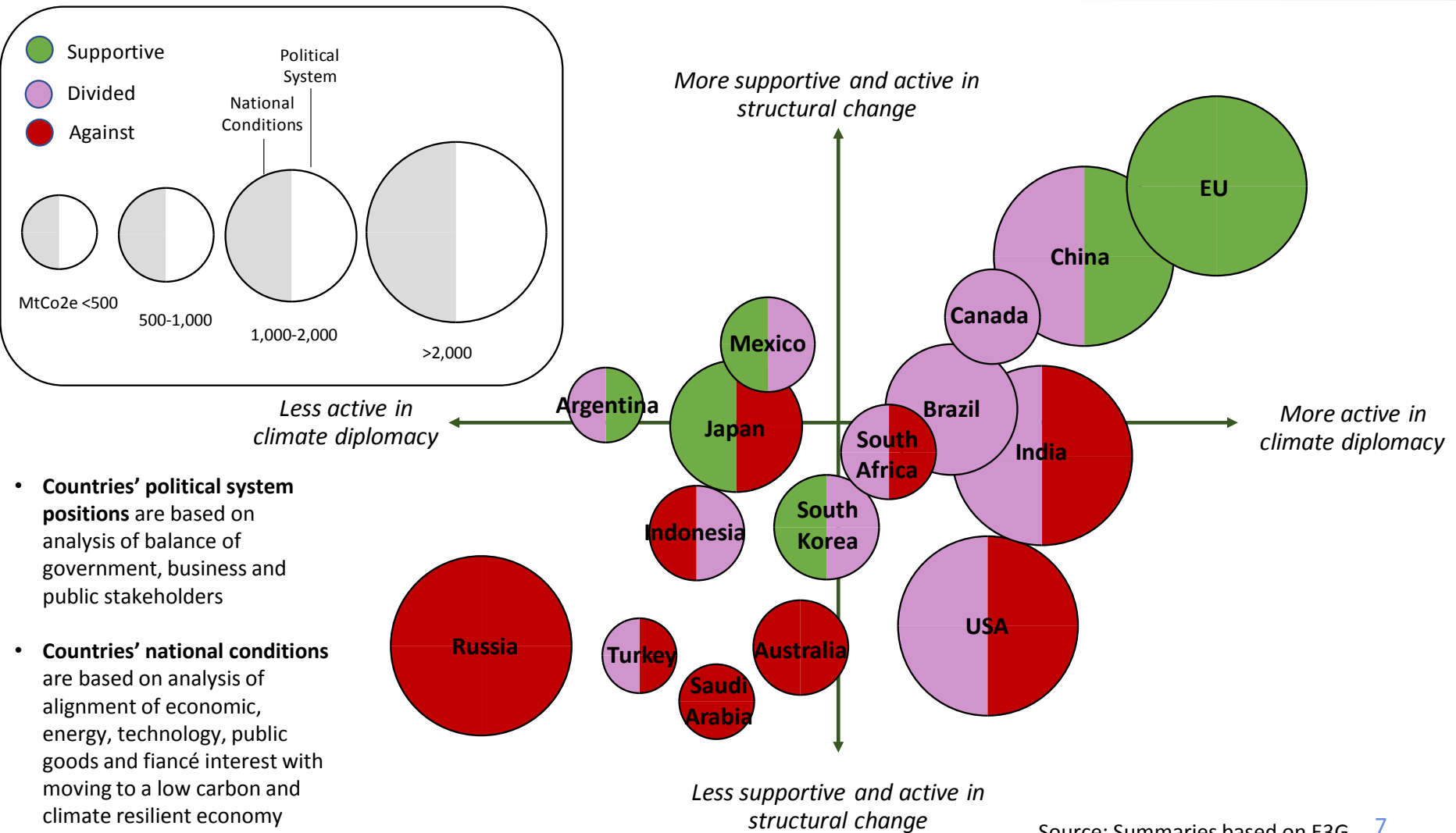
## **Tailwinds**

- Falling technology costs and multiple national/local benefits
- Climate risks integrated into the financial system
- Climate impacts shifting public opinion and growth of attribution science
- Non-state actor commitments and momentum around local coal/ICE phase-outs

## **Headwinds**

- Rising nationalism & instability in fragile regions undermines cooperation and leadership
- Growing authoritarianism suppresses non-state actor influence
- Incumbent asset owners & inertia in regulatory frameworks
- Poorly managed social & industrial transitions & costs/distraction of climate impacts

# Mapping of Major Power Dynamics



- **Countries' political system positions** are based on analysis of balance of government, business and public stakeholders
- **Countries' national conditions** are based on analysis of alignment of economic, energy, technology, public goods and fiancé interest with moving to a low carbon and climate resilient economy

# Business as usual results in little pressure on G20 to increase ambition in 2020. This can be changed.



- **Blocked Greens:** high level political engagement can encourage more leadership from countries who's national interests are aligned with climate ambition but have mixed or negative internal politics; **Japan, South Korea, Mexico** are key G20 targets.
- **Weak Champions:** partnership for low carbon reform and maximising national co-benefits can help shift countries with strong or mixed politics but contested national interests; **China, India, Brazil, Canada, Argentina**. Outliers **South Africa & Indonesia** are dependent on high carbon industries and will need strong support to provide credible low carbon alternatives.
- **Political Blockers:** engagement on broader geopolitical issues – and private sector restrictions on high carbon financing – could help shift countries with negative political views but mixed real economy incentives to a more neutral position; **Turkey, Australia, USA (if a 4 year Trump)**
- **Fossil Rogues:** **Russia & Saudi** are not powerful enough to block progress towards 2C>> on their own. **An active US and/or a Trump re-election** could change this resulting in a coalition of fossil dependent states significantly disrupting progress; **India, Turkey & Japan are at risk.**

**Bigger is not always better. Non-G20 countries are deploying major fossil investments and have key role in demonstrating transformational climate transitions.**



# Stronger climate ambition in 2020 relies on creation of positive feedbacks between real economy progress, political interests and diplomacy



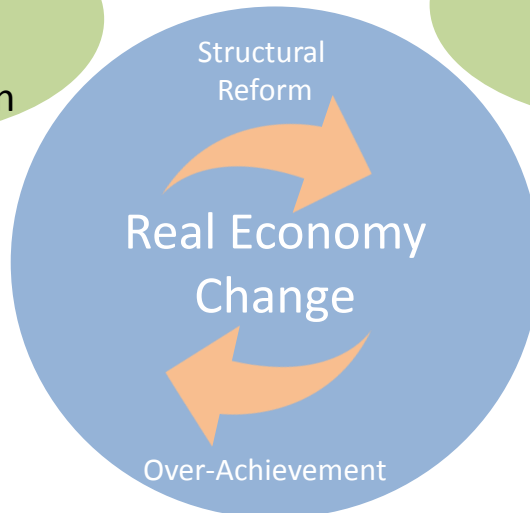
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**How to build national politics for greater action?**

Climate Ambition Politics

Sharing & Supporting Models of Climate Action

**Where can decarbonisation trends be accelerated?**



“Shared Leadership”

Climate & Energy Diplomacy

Showing Progress in the Real Economy

**How can collective action make countries do more?**

**What changes are needed now to support deep decarbonisation?**

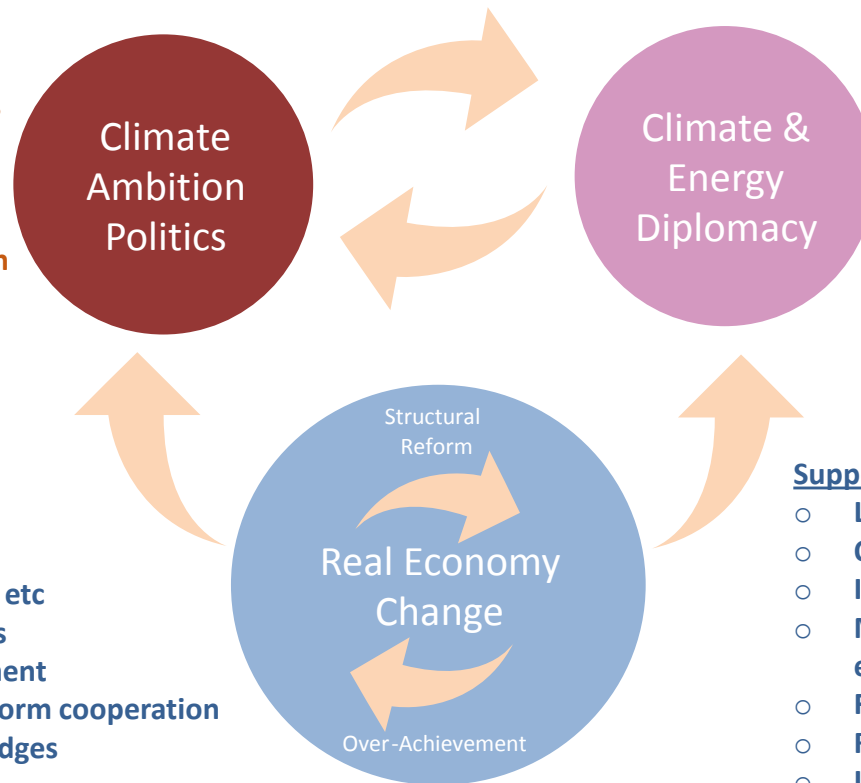
# Wide range of interventions. EU & MS need to align around the most impactful areas.

## Climate Politics

- Aligning climate with geopolitical interests e.g. security, trade, investment, SDGs etc
- Aligning national climate goals with broader development debates and objectives
- Managing transition politics
- Aligning regional interests with climate change, including energy security

## 2020 Ambition Coalitions

- NDC Delivery Support
- Coal Phase Out/Moratoria
- Public climate funding/GCF etc
- Development Bank Reforms
- Climate Disclosure/Divestment
- National Green Finance Reform cooperation
- City and Company 2C>> Pledges
- Kigali implementation
- Implementation of avoided deforestation



## Climate and Energy Diplomacy

- Building stronger diplomacy around climate risk
- UNFCCC Rulebook and Ambition Process
- High Ambition Coalition 2.0
- Technical assistance and financial support
- Building sub-national ambition diplomacy
- Common approach for dealing with low ambition states
- Regime for geo-engineering & negative emissions

## Support for Deep Structural Change

- Long term strategy e.g. 2050 Roadmaps
- Oil & Gas orderly decline strategies
- ICE phase-out
- Mission Innovation/CEM focused on energy intensives
- Food, diet and land use reforms
- Regulatory cooperation
- Learning and capacity building
- Deep resilience cooperation
- Clean energy integrated into trade and investment agreements

# Success in 2020 is not enough. Strategies must also build foundations of deep decarbonisation in 2025.



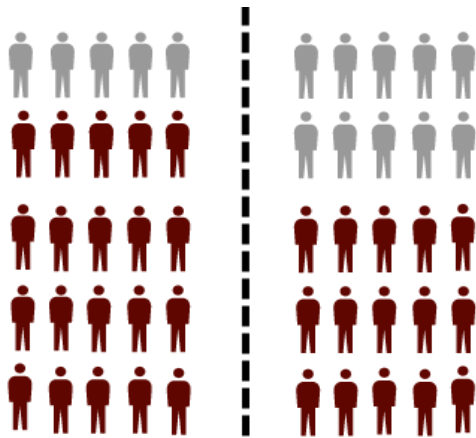
1. **Beyond NDCs:** building confidence in developed & emerging economies to both exceed their NDCs & undertake reforms to gain the benefits from clean, smart and efficient technology. This requires deeper “real economy diplomacy” & smarter technical assistance to co-develop systemic energy, infrastructure & financing reforms.
2. **Building Shared Leadership:** State-to-state diplomacy between major powers to put global climate action, along with open markets, at the core of international cooperation.
3. **Blocking the Coal Pipeline:** the biggest threat to reaching the 2C>> pathway is failing to phase out OECD coal power & the coal power project pipeline outside the OECD. Momentum against coal is accelerating but requires greater cooperation to resist push back & inertia.
4. **Step-Change in Clean Finance:** tackling countries’ infrastructure financing gap by reforming public & private finance systems to make clean infrastructure more attractive & deliverable at scale; while internalising fossil investment risks.
5. **Empowering Decentralised Decision Makers:** incumbents are powerful in blocking climate action in central governments. Reforms of infrastructure, market & financing systems can outflank this by releasing the power of sub-national actors to accelerate clean investment.
6. **Tackling Hard to Change Sectors:** many sectors vital for delivering deep decarbonisation to 2040 need significant additional investment to generate credible & scalable solutions.

# European citizens support climate leadership & action to make Paris work



**91%** of citizens see climate change as a serious problem

Climate impact experiences increase citizen concern



Southern MS

Northern MS

**+90%**



Support ↑ national low carbon action by 2030

**+80%**



Agree tackling climate change boosts economic growth

**93%**



**Think fighting climate change will only be effective if all countries act together**

# Interviews with 30 stakeholders from across the world gave these elements of European leadership



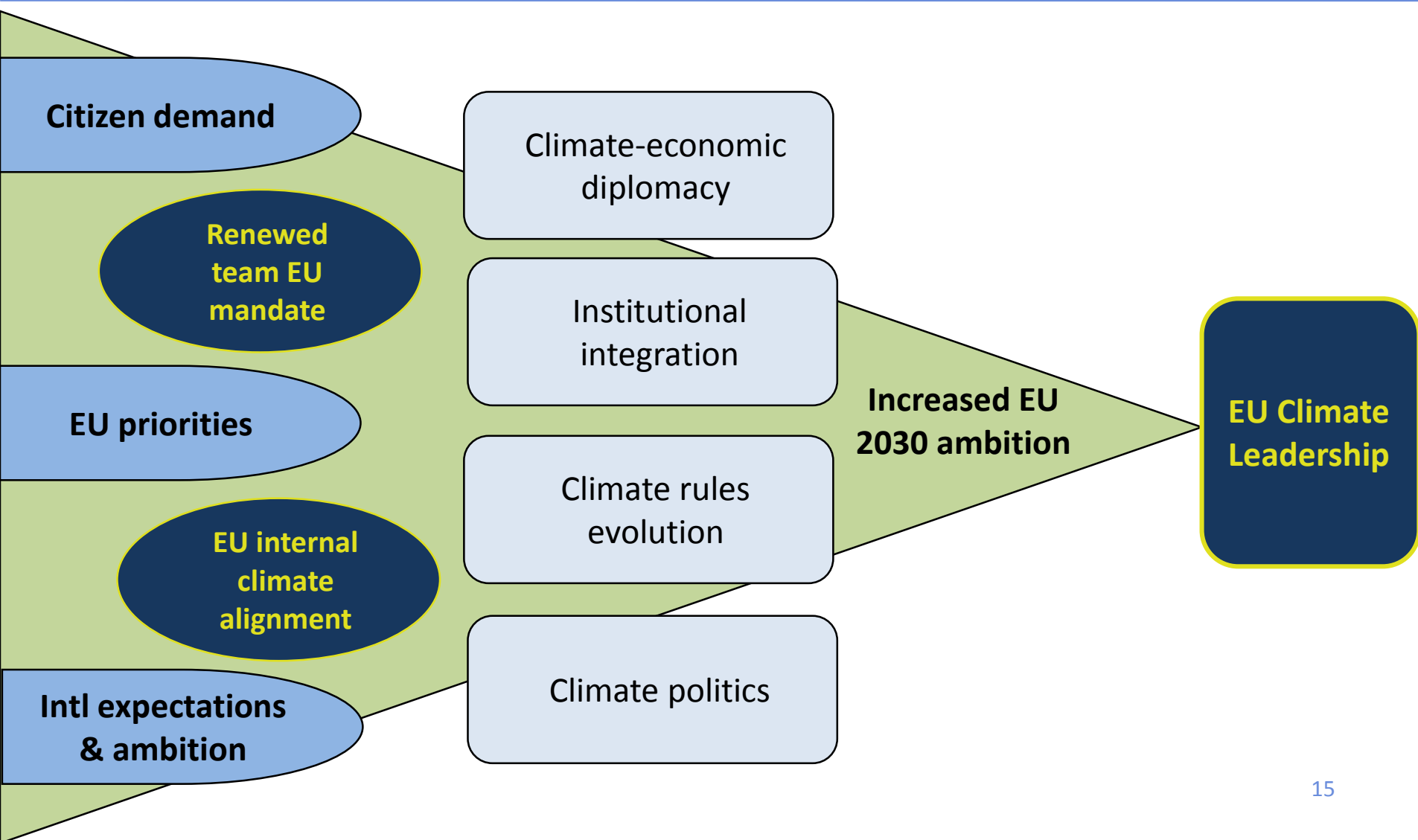
<p><b><u>Emerging Economies</u></b></p> <ul style="list-style-type: none"> <li>• Economic cooperation</li> <li>• MS Statesperson engagement (MS)</li> <li>• Co-creation &amp; mutual learning</li> </ul>	<p><b><u>Common Priorities</u></b></p> <p><b>Increase 2030 NDC</b></p> <p><b>Communicate the tough reality of decarbonisation &amp; resilience</b></p> <p><b>Help fill US vacuum</b></p> <p><b>Maintain Paris credibility</b></p> <p><b>Set intl agenda on climate</b></p> <p><b>Climate finance</b></p> <p><b>Support non-state action</b></p> <p><b>Propose new regime policy</b></p>	<p><b><u>Business &amp; investors</u></b></p> <ul style="list-style-type: none"> <li>• Transparency, rules &amp; legislation</li> <li>• 2050 plans</li> <li>• Financial reform</li> </ul>
<p><b><u>Vulnerables</u></b></p> <ul style="list-style-type: none"> <li>• Prevent backsliding</li> <li>• Paris transparency, adaptation, L&amp;D</li> <li>• Climate integration</li> </ul>		<p><b><u>Cities &amp; regions</u></b></p> <ul style="list-style-type: none"> <li>• Domestic resilience</li> <li>• Capturing non-state action</li> <li>• Access to finance &amp; econ cooperation</li> </ul>
<p><b><u>Developed</u></b></p> <ul style="list-style-type: none"> <li>• G7/G20 leadership</li> <li>• Help capture overachievement</li> <li>• Adopt emergent issues</li> </ul>	<p><b><u>Europeans</u></b></p> <ul style="list-style-type: none"> <li>• Transparency &amp; science</li> <li>• Climate integration</li> <li>• Respond to citizen demand</li> <li>• Internal diplomacy</li> </ul>	<p><b><u>Civil society</u></b></p> <ul style="list-style-type: none"> <li>• Capture overachievement</li> <li>• Communicating transition benefits</li> <li>• Science &amp; integration</li> </ul>

# The EU's state and non-state allies want the EU to lead but are unclear if it will



- ***“the EU should not follow [Trumps] agenda, set your own. It really is about Europe realising that it needs to step into that space.”*** NGO expert
- ***“the EU...stands at a juncture where its strength or weakness would have positive or negative implications...its only the EU that is potentially capable to send a good diplomatic signal”*** Vulnerables negotiator
- ***“The EU is no longer seen as a leader in implementation, which diminishes its credibility”*** NGO expert
- ***“The more volatile the international political landscape the more important non state activities, economic lobbyists, civil society become to drive the agenda”***  
EU MS official
- ***“EU needs to be committed to extending the regime; committed to the goal of raising ambition; committed to having rules”*** former US negotiator

# Components for EU climate leadership



# Possible priorities for EU climate diplomacy

## Climate-Economic Diplomacy

1. Sub-national EU-emerging economies economic cooperation
2. Econ & tech dialogue on transition and resilience solutions/reforms
3. Support vulnerables to leverage private sector investment
4. Agree team EU approach for low carbon economic relations
5. Showcase EU sustainable finance reform

## Institutional Integration

1. Learning platforms for countries to increase understanding of benefits e.g. MDBs, OECD. And communicate benefits of transition
2. Advocate for multilateral climate integration
3. Support ACP integration in regional institutions
4. Annual climate risk assessment w vulnerables
5. Joint campaigns on major aligned benefits e.g. air pollution, health

## Whole of government climate diplomacy

## Climate Rules

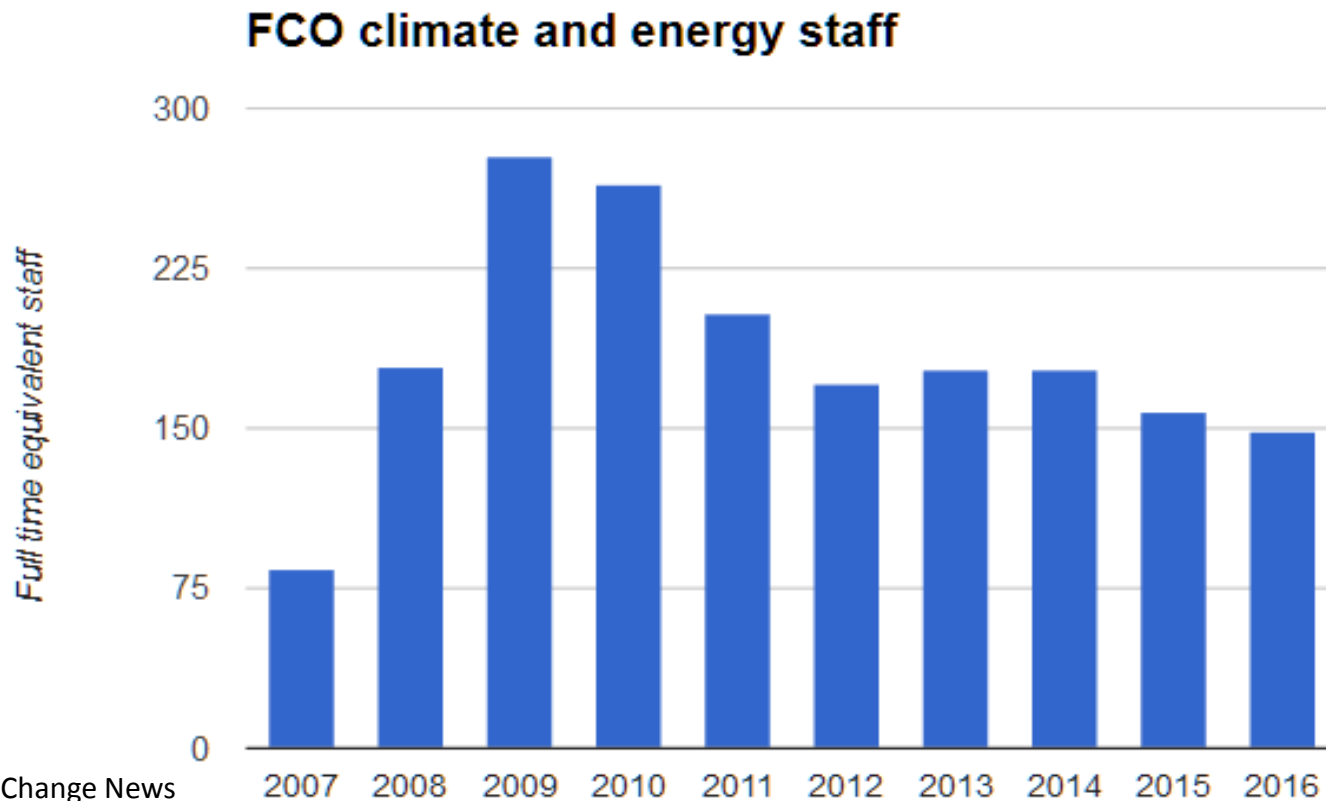
1. Uphold commitment to transparency and propose & build consensus for robust Paris rules
2. Capture & assess non-state action
3. Provide climate finance, strengthen regime
4. Frame emergent issues e.g. geoengineering
5. Capture overachievement in regime
6. Renew approach to adaptation & L&D

## Climate Politics

1. EU-China 2030 ambition package
2. Set the climate agenda in international fora
3. Hold the line & prevent backsliding
4. Annually communicate progress in real economy
5. Maintain HAC but allow for plural high ambition alliances



# Delivery requires better “Team EU” cooperation & more diplomatic capacity



Source: Climate Change News

**Brexit means EU “loses” 147 FTE UK Climate & Energy  
diplomats. EEAS has 1.**

# Thank You & Further Information

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## Understanding Climate Diplomacy

Building diplomatic capacity and systems  
to avoid dangerous climate change

Nick Mabey, Liz Gallagher and Camilla  
Born

October 2013

[https://www.e3g.org/docs/E3G -  
\\_Understanding\\_Climate\\_Diplomacy.  
pdf](https://www.e3g.org/docs/E3G_-_Understanding_Climate_Diplomacy.pdf)



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ate - June 16.pdf](https://www.e3g.org/docs/E3G_-_EU_foreign_policy_in_a_changing_climate_-_June_16.pdf)

## Degrees of Risk

Defining a Risk Management  
Framework for Climate Security



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