

Weekly Focus



Introduction

limate change has been hitting the world with unprecedented ferocity in the past few years - through heat waves, untimely monsoon, storms, floods, droughts, wildfires, rising sea levels, etc. Some researchers have also found linkages between ecosystem stability, the environment, and human health, including into zoonotic diseases like COVID-19. Since climate change is a global emergency that goes beyond national borders it requires coordinated solutions at all levels and international cooperation. Thus, international and intergovernmental negotiations like the landmark Paris Climate Agreement (PCA) of 2015 have been critical to help countries move toward a low-carbon economy to tackle rising temperatures.

But these negotiations have been marked by a lack of progress on major climate issues with countries being unable to reach consensus in key areas like loss and damage, carbon markets, transparency and other technical issues. Given the salience of international negotiations in tackling climate change, let us understand how climate change negotiations emerged and evolved in the global arena? What are the major climate agreements that have emanated from these negotiations? What are the ongoing debates and issues central to the climate change negotiations? And how should we proceed to bolster the negotiations to effectively deal with climate change? In this edition, we will attempt to answer these questions.

CLIMATE

CHANGE

NEGOTIATIONS

How did climate change emerge as an intergovernmental political issue?

Climate Change, though part of Earth's atmospheric cycle, was never seen as an anthropogenic problem up till almost the 20th Century. This was primarily due to two reasons- one, the change in climate happened over centuries and hence was not seen as a threat. Secondly, the link between anthropogenic activities and climate change was not clearly established.

Since the late 19th Century, rapidly increasing populations, industrialization and consequently increasing carbon footprint accelerated the pace of climate change. This link was first identified by Fourier in 1827 in France. This awareness about climate change and its contribution through human activities gave way to following developments:

- C Environmental issues reached the global stage, but not specifically climate change: In 1972, the first international environmental summit took place in Stockholm, Sweden. This UN-convened conference marked a turning point in the development of international environmental politics and led to the creation of the United Nations Environment Programme (UNEP). Climate change, however, just remained a footnote at the Stockholm Conference.
- Concerns regarding Climate change raised globally: It the late 1970s, the World Meteorological Organization (WMO) began to express concern that human activities notably the emission of carbon dioxide might lead to serious warming of the lower atmosphere. The issue however continued to be viewed largely as a scientific concern, and not a pressing political "problem".
- Climate change seen as a political issue: Scientific concerns about global warming started spilling over into political concerns, when some politicians took note of scientists' warnings about the risks posed by increased greenhouse gas emissions (GHGs) and recognised climate change as an issue that needed international cooperation at the First World Climate Conference in 1979, and the Toronto Conference on the Changing Climate in 1988.
- Establishment of IPCC: In 1988, the WMO and the UNEP established the International Panel on Climate Change (IPCC) to investigate and report on scientific evidence on climate change and possible international responses to climate change. The IPCC has gone on to produce five comprehensive assessments since then.
- First global agreement on climate change: The first assessment report of IPCC in 1990 led to the drafting of the United Nations Framework Convention on Climate Change (UNFCCC) in 1991, which was opened for signature at the Earth Summit in Rio de Janeiro in 1992 and came into force in 1994.
 - >> The UNFCCC did not contain any specific national or international targets to reduce GHG emissions, but it contained key points or principles that have been foundational in subsequent international climate change debates and agreements like the Kyoto Protocol and the Paris Agreement.

What are the major International agreements related to climate change?

UN Framework Convention on Climate Change (UNFCCC), 1992: Ratified by 197 countries, the landmark accord was the first global treaty to explicitly address climate change. It established an annual forum, known as the Conference of the Parties, or COP, for international discussions aimed at stabilizing the concentration of greenhouse gases in the atmosphere. These meetings produced the Kyoto Protocol and the Paris Agreement.
 Kyoto Protocol (KP), 2005: The Kyoto Protocol adopted,

• Kyoto Protocol (KP), 2005: The Kyoto Protocol adopted, was the first legally binding climate treaty. It required developed countries to reduce emissions by an average of 5 percent below 1990 levels, and established a system to monitor countries' progress.

 Paris Climate Agreement (PCA), 2015: The agreement presently has 194 countries (USA withdrew from the agreement in 2017). Key aspects of the agreement include-

- Long-term temperature goal: Limiting global temperature increase to well below 2°C above preindustrial levels and pursuing efforts to keep it below 1.5°C.
- Global peaking and 'climate neutrality': Reach global net-zero emissions (or carbon neutrality), where the amount of greenhouse gases emitted equals the amount removed from the atmosphere, in the second half of the century.
- Mitigation: Binding commitments by all Parties to prepare, communicate and maintain a nationally determined contribution (NDC) to achieve above goals, which will be updated every 5 years.
- **Global Stocktake** to take place in 2023 and every 5 years thereafter, to assess collective progress toward achieving the purpose of the Agreement.
- Voluntary cooperation/Market- and non-market-based approaches: PCA establishes a mechanism for any cooperation that involves internationally transferal of mitigation outcomes.
- Addressing Loss and damage associated with the adverse effects of climate change.
- **Framework for Finance, technology and capacity-building support:** This includes the Green Climate Fund (GCF).
- Transparency, implementation and compliance framework which will facilitate implementation and promote compliance in a non-adversarial and non-punitive manner.
- Kigali Amendment, 2016 (to the Montreal Protocol, 1987): The Montreal Protocol originally required signatory countries to stop producing substances that damage the ozone layer, such as chlorofluorocarbons (CFCs). In 2016, parties agreed via the Kigali Amendment to also reduce their production of hydrofluorocarbons (HFCs), which are powerful greenhouse gases that contribute to climate change.

Timeline of Key Events in relation to these agreements

Year	International Events
1979	The first World Climate Conference takes place.
1988	IPCC is set up.
1992	Earth Summit in Rio, Brazil- UNFCCC is opened for signature.
1995	The first meeting of the UNFCCC Conference of Parties (COP 1) takes place in Berlin, Germany
1997	COP 3 in Kyoto, Japan- First legally binding climate treaty, the Kyoto Protocol, is formally adopted.
2005	Kyoto Protocol enters into force.
2007	COP13 in Bali, Indonesia- Bali Action Plan adopted which establishes the goal of drafting a new climate agreement by 2009 to negotiate GHG mitigation actions after the Kyoto Protocol expires in 2012.
2010	 COP 16 in Cancun, Mexico- Countries commit for the first time to keep global temperature increases below 2°C in the Cancun Agreements. The Green Climate Fund, a \$100 billion fund to assist developing countries in mitigating and adapting to climate change is established.
2012	COP 18 in Doha, Qatar- The Kyoto Protocol was extended until 2020 through Doha Amendment which also set targets for the second commitment period.
2013	COP 19 in Warsaw, Poland- The Warsaw International Mechanism for Loss and Damage intro- duced.
2015	COP 21 in Paris, France- A successor agreement to the Kyoto Protocol, the 'Paris Agreement' is adopted, requiring both developed and developing countries to set emissions reduction goals.
2016	 The Paris Agreement entered into force. COP 22 in Marrakesh, Morocco - Parties pledge to move forward on the full implementation of the Paris Agreement and welcome the "extraordinary momentum on climate change worldwide".

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2017	 COP 23 in Bonn, Germany- Countries make significant progress toward clear and comprehensive implementation guide- lines for the Paris Agreement, which will make the agreement operational. Nations agree the next steps towards higher climate action ambition before 2020. 'Talanoa Dialogue' was launched to help set the stage for the revising upwards of national climate action plans needed to put the world on track to meet pre-2020 ambition and the long-term goals of the Paris Agreement.
2018	 COP 24 in Katowice, Poland- Countries adopt a robust set of guidelines for implementing the Paris Agreement. The agreed 'Katowice Climate Package' operationalizes the climate change regime contained in the Paris Agreement, promotes international cooperation and encourages greater ambition. However, countries could not agree on core issues such as global carbon trading system and push these discussions to COP 25.
2019	 COP 25 in Madrid, Spain- All contracting parties agreed to enhance their NDCs for the coming decade and submit a 2050 long-term strategy by COP 26. However, decisions on a global carbon trading system, clarity on concrete emission cuts and a system to channel new finance to the most vulnerable countries are postponed to COP 26.
2020	 The second commitment period of the Kyoto Protocol ended in 2020 and the new international climate regime took effect under the 2015 Paris Agreement. COP 26 of Glasgow, UK postponed to November 2021 due to the COVID-19 pandemic. Wirtual events like UN Climate Change Dialogues, 2020 and June Momentum for Climate Change are held to continue discussions.
2022	IPCC's Sixth Assessment Report (AR6) due for release.

What are the ongoing debates and issues central to the climate change negotiations?

- Do ongoing negotiations ensure fairness and equity?: The PCA, 2015 represented a clear shift from the KP framework in its much more symmetrical treatment of all parties, developed and developing alike, diluting the principle of common but differentiated responsibilities.
 - This reduces the responsibilities of developed countries while increasing the responsibilities of the developing world, and passing on the larger share of burden of mitigation to them. Such actions coupled with a lack of adequate finance, technology, and

capacity building, within the context of increasing climate change impacts, adds more strain upon an already struggling set of countries.

- Are climate targets under NDCs ambitious enough?: Present course of NDCs is projected to cause an increase in temperature of 2.8-3°C. But the final declaration of the latest COP25 does not explicitly call on countries to increase their climate pledges made under the Paris Agreement.
 - Also, there is no official body or mechanism under PCA which identifies countries that need to commit to greater reductions in order to achieve the "below 2°C" goal. This is in addition to absence of any



mechanism which can ensure compliance on the currently declared NDCs.



Where will the finances come from?: Effective combatting of climate change requires transferring of adequate financial and technological resources from the developed countries to the developing countries. With this objective, a Green Climate Fund (GCF) was created in 2010 and developed countries had pledged to mobilise US\$ 100 billion per year by 2020 through this fund. However, as of July 2020, only \$10.3 billion had been pledged to the GCF.

- How to establish an effective market and non-market mechanism?: Several contentious issues have emerged in establishing a carbon market for present climate framework, such as-
 - How to account for bilateral trade between countries ensuring only one nation claims credit for emissions cuts and that there is no "double counting".
 - How to ensure an "overall mitigation in global emissions" (OMGE), meaning a net benefit for the atmosphere, rather than just emissions in one place being offset elsewhere.

Voluntary cooperation/Market- and non-market-based mechanisms of the PCA

The Paris Agreement, under **Article 6**, proposes three separate mechanisms for "voluntary cooperation" towards climate goals: **two based on markets and a third based on "non-market approaches"**.

- The first mechanism allows a country to sell any overachievement of the Paris Climate Pledge to an underachiever through bilateral cooperation via "internationally traded mitigation outcomes" (ITMOs).
- The second mechanism would create a new international carbon market, governed by a UN body, for the trading of emissions reductions created anywhere in the world by the public or private sector. This new market is sometimes referred to as the "Sustainable Development Mechanism" (SDM).
 - Carbon credits could, for example, be generated by a new renewable power plant, an emissions-saving factory upgrade or the restoration of an area of forest.
- The third mechanism for "non-market approaches" is less well defined, but would provide a formal framework for climate cooperation between countries, where no trade is involved, such as development aid.

 Who will help vulnerable countries overcome loss and damage caused by climate change?: The 2013 international framework to address loss and damage – known as the Warsaw International Mechanism (WIM) intended

tional framework to address loss and damage that developed countries provide developing countries with finance, technology and capacity-building to help victims of climate change recover after extreme weather events or slower-onset climate disasters such as sea-level rise.

- But developed countries have strongly opposed any commitments to provide new finance to cover losses, rather preferring to encourage the creation of insurance schemes. They have also sought to **avoid any liability and compensation claims** for their historic responsibility in causing climate change.
- A report by a coalition of climate and environmental organizations estimated rich countries should provide an additional \$50 billion per year by 2022 and \$300 billion annually by 2030 to address loss and damage.

How to track progress?: The Paris Agreement provides for several types of international review, including technical expert review, the multilateral consultative process, the global stocktake, and the implementation and compliance mechanism. However, it is yet to be clear how the review processes will proceed since different countries have varying capabilities, technical and financial, to effectively inform the review process.

Probable impacts of COVID-19 on Climate change negotiations

- Diversion of funds: The need for more emergency services coupled with a reduction in tax revenue have led to diversion of funding away from climate resilience projects and renewable energy.
- **Scientific research disrupted:** Due to lockdowns and travel bans, environmental research has been disrupted.
- Threats to multilateralism: COVID-19 is reshaping globalization and the multilateral world order, which also holds significant implications for climate change.
 - This is further compounded by lowered confidence in international institutions (in response to the performance in controlling COVID-19) which also affects Climate Change Negotiations and level of compliance by States.
- **Rise in emissions in the Post COVID era:** Although, emissions fell worldwide amid the pandemic, it is expected that they would escalate in a post-COVID world as countries may emit more carbons in the efforts to revive their economies.
- Climate change has taken a geopolitical backseat: Climate has slipped from the top of the global agenda because of political indifference and the need to deal with the immediacies of COVID-19. For instance, COP26 of 2020, in which countries were to announce plans to ratchet up climate actions, has been delayed by a year.

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- Lack of uniform timelines in NDCs, which cover a range of timeframes out to 2025 or 2030 further complicates the process.
- Lack of uniformity in common metrics: Common metrics refer to standard conversion equivalents of CO₂ for non- CO₂ emissions such as methane and Nitrous Oxide (for estimation of emission reductions). Lack of consensus on these common metrics creates ambiguity for estimating non- CO₂ emissions and leads to confusion in the level of progress made by countries.
- When will the negotiations be finalized?: 2020 marks the 5th anniversary of the PCA. Although, countries were successful in settling on the most of the rules for implementing the Paris agreement during the COP24 (2018) and COP 25 (2019), they were still unable to reach consensus in some key areas such as liability under loss and damage and provisions of carbon markets under Article 6. This can be attributed to diverse and seemingly antithetical negotiation interests of various party groupings and

alliances which complicates reaching agreements. Countries often find it more feasible to **push decisions into next year under "Rule 16" of the UN climate process** instead of risking losing out on their interests.

Major Party groupings and their interests regarding climate negotiations

- Group of 77 (G-77) has over 130 developing country members including India and China. The group insists on
 equity, and developed countries taking the lead in mitigation and providing financial support for mitigation and
 adaptation in developing countries.
- Alliance of Small Island States (AOSIS), which is a coalition of 43 low-lying and small island countries whose survival is threatened by rising sea levels. They favor a 1.5°C temperature limit and therefore want all countries to greatly reduce their emissions. They seek support for adaptation and have strongly advocated the creation of the loss and damage mechanism.
- BASIC group (Brazil, South Africa, India and China) advocates common but differentiated responsibilities of developed and developing countries to establish a clear link between the actions of developing countries and support for implementation.
- Least Developed Countries (LDC), which contains 50 countries work together to defend their interests in the areas of adaptation and loss and damage.
- African Group of Negotiators (African Group) is an alliance of African member states which advocate climate finance and mitigation action by developed countries, and has pushed for fulfillment of pre-2020 commitments.
- Umbrella Group is a loose coalition of non-EU developed countries, such as of Australia, Canada, Israel, Japan, Norway, the Russian Federation, and the USA. It advocates for a strong transparency framework for assessing global stocktake and financial support.
- Several other groups also work together in the climate change process, including countries from the European Union (EU), Organization of Petroleum Exporting Countries (OPEC), a group of countries of Central Asia, Caucasus, Albania and Moldova (CACAM), Arab States, the Coalition for Rainforest Nations, the Bolivarian Alliance for the Peoples of our America (ALBA in Spanish), a group of Mexico, Liechtenstein, Monaco, the Republic of Korea and Switzerland named as Environmental Integrity Group (EIG) and an Independent Alliance of Latin America and the Caribbean (AILAC) etc.

Other issues-

- Growing Disconnect: Ongoing negotiations have been criticized due to the disconnect that highlights the difference between the urgency underlined by the latest science, the demands for more ambitious climate targets from activists around the world, and the extremely slow paced nature of the talks.
- Withdrawal of USA: The United States, the history's largest emitter of greenhouse gases, has left the PCA effective from November, 2020. This development can have adverse impacts on the ongoing negotiations since cooperative environmental regimes can be sustained only if parties perceive that other parties are making appropriate sacrifices.

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Commitments made under Kyoto still incomplete: Only 37 of the nearly 200 participating countries were willing to bind themselves to reducing their GHG emissions in the framework of the second Kyoto phase until 2020. These 37 countries currently emit only 15% of the world's GHGs. India has been vocal about the need for an examination of whether richer countries have done enough in the years running up to 2020.

Some Positive Developments in Climate change negotiations

- **PCA honors differentiated responsibilities in other forms:** For example, the agreement requires that developed countries "shall provide financial resources" for mitigation and adaptation in developing countries, and that the needs and capacities of particular categories of parties, such as least developed and small island countries, should be taken into account.
- Possibility of return of USA: The new government in USA under Joe Biden might favour rejoining the Paris Agreement which would help bridge the emission gap and bring the US back to the GCF fund.
- C Enhanced commitments by some parties: The European Union, Japan, and South Korea, for example, aim to be climate neutral by 2050, while China has pledged to reach that goal by 2060. Well over a third of global emissions will be covered by new tougher commitments from the EU and China.
- Efforts from non state actors: Under Business Ambition for 1.5°C Our Only Future campaign, around 177 companies spanning 36 sectors have pledged to set climate targets that align with limiting global temperature rise to 1.5°C above pre-industrial levels and reaching net-zero emissions by no later than 2050.

How should we proceed to bolster the negotiations to effectively deal with climate change?

- Emphasizing North-South cooperation: Mechanisms like the Climate Action Summit of 2019 can be used to generate a facilitative dialogue between parties with conflicting interests in a direction that ensures ambitious targets for climate change action.
- Scaling efforts from developing countries: Although its necessary for developed countries to acknowledge their responsibility for the current situation, developing countries should not repeat the environmental trajectory taken by the developed countries. Instead, they must aim towards sustainability by balancing environmental concerns with developmental needs.
- Synchronization of rules: Rules relating to information, accounting and transparency (of action and support) could be synchronized to ensure a smooth and coherent flow of information to the global stocktake and to the compliance and implementation mechanism. For example, parties could also develop common time frames and harmonized metrics for NDCs to enhance consistency, comparability and transparency in information flows.
- Encouraging ambitious targets: Countries should be encouraged to enhance their commitments to align with the goal of limiting global temperature rise to 1.5°C. This can be achieved by incorporating strong language, setting out a clear timeline for nations to continuously update their NDCs and by setting baseline targets on which governments can base their climate policies.
 - Many vulnerable countries have also argued for **shorter terms in NDCs**, so that plans can be updated in light of falling technology costs and the continuing gap between collective ambition and global goals.
- Climate negotiation outside of the Paris Agreement: Alternative treaties that apply to specific emissions or sectors can be established to complement the Paris Agreement. This could happen within industries, such as the aviation or steel industries; bilaterally, such as between the United States and China; or through intergovernmental organizations, such as the Group of Twenty (G20).
 - For example, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) scheme of the International Civil Aviation Authority (ICAO) aims to make all growth in international flights after 2020 "carbon neutral".
- **Strong market mechanisms:** Carbon markets should be open for the countries with ambitious targets, efforts should be made to avoid double counting and it should be ensured that the reductions are permanent.
- O Developing additional funding mechanisms to compensate for loss and damage: GCF already supports activities that can be defined as relating to "loss and damage". Its efforts can be facilitated by establishing other funds that can pool private and public investments from developed nations and global insurance mechanisms to compensate for loss and damage.

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Opportunity for building resilience for a sustainable future: The stimulus packages announced to overcome the COVID-19 crisis provides an opportunity to embed resilience to climate change in the economic structure itself. This can be achieved by-

- Encouraging investment in sustainable sectors and projects that help the environment to deliver green jobs and businesses.
- Climate risks and opportunities can be incorporated into the financial system as well as all aspects of public policy making and infrastructure.

India and International Climate Change Negotiations

- India's Interests: India supports early and ambitious global climate action through international negotiations given its intrinsic vulnerabilities on this issue—be it the potential impacts of climate change on India's monsoon-dependent agriculture, or its glacier-fed river systems among others. However, it also desires to secure enough 'policy space' and 'carbon space' within it to ensure its future development.
- India's Position: India's positions in global climate negotiations can be illustrated by:
 - Continued support to international negotiations: India is a party to the Paris Agreement and Kyoto Protocol and more recently has signed the Kigali Amendment to Montreal protocol as well.
 - Belief in common but differentiated responsibility (CBDR) and awareness about its responsibilities: India has showed flexibility in its stance towards CBDR by putting forth voluntary commitments while opposing moves to dilute the concept of differentiated responsibility and pushing for clear commitments from developed countries on pre-2020 actions, emission reduction, finance, and technology transfers.
- India's Role in Shaping Climate Change Negotiations:
 - Leading as a role model: India is the only major emitter in the world where actions to combat emissions are compatible with the goal of limiting global warming to an average of 2°C. Over the years, India has also strengthened its domestic policies to tackle climate change.*
 - Representing interests of developing nations: The original draft of the First Assessment Report of the IPCC had noted that both developed and developing countries had 'common responsibilities' on climate change. However, India worked closely with other developing nations to ensure that this was amended to become the CBDR of industrialized and developing countries.
 - At the 'Conference of Select Developing Countries on Global Environmental Issues' convened in New Delhi in 1990, India succeeded in securing the general support of the developing world for its basic international positions on climate change.
 - □ India, in concert with other members of the alliances like **G77**, **BASIC and LMDC**, played a key role in ensuring that ideas of 'equity' and 'differentiation' remained registered in different operational parts of the PCA.
 - Providing alternate channels to fight Climate Change: As a mark of its global commitment towards addressing climate change, India launched an initiative together with France—the 'International Solar Alliance'—aimed at significantly expanding the global adoption of solar energy.
- Future Potential: India could become a global climate leader with a "1.5°C compatible" rating if it enhances its NDC target, abandons plans to build new coal-fired power plants, and instead develops a strategy to phase out coal for power generation before 2040. Moving to an absolute target instead of the GDP intensity target would enhance transparency and certainty.

* Refer to the Weekly Focus document titled- 'Climate Change and its impact on Indian Region' to see in detail the actions taken by India towards combating and adapting to changing climate.

Conclusion

Climate change poses an urgent threat to the world with majority of countries already experiencing its effects. The issue of climate change being a collective-action problem demands decisive action at the global scale. For reaching consensus, reprioritizing issues, fixing climate targets and framing climate adaptation strategies and at last for ensuring climate change cooperation transnationally, multilateral mechanisms need to be strengthened. With COP26 delayed for a year, governments must use this time to ramp up their national plans to reduce emissions and climate proof their policy action. Without drastic action today, adapting to impacts of climate change in the future can turn out to be more difficult and costly.



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TOPIC AT A GLANCE



- Emphasizing North-South cooperation through mechanisms like the Climate Action Summit of 2019.
- Scaling efforts from developing countries.
- Synchronization of rules by developing common time frames and harmonized metrics for NDCs.
- Encouraging ambitious targets by setting baseline targets or shorter terms in NDCs or clear timeline for updating NDCs.
- Climate negotiation outside of the Paris Agreement, e.g. Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) scheme.
- Strong market mechanisms that avoid double counting and ensure permanent reductions.
- O Developing additional funding mechanisms to compensate vulnerable countries for loss and damage.
- Embedding resilience to climate change in COVID-19 stimulus packages.

India and International Climate Change Negotiations

- Interests: Early and ambitious global climate action with enough 'policy space' and 'carbon space' for domestic development.
- Position: Continued support to international negotiations and belief in common but differentiated responsibility (CBDR) with awareness about its responsibilities.
- Role in Shaping Climate Change Negotiations: India leads as a role model, represents interests of developing nations and is providing alternate channels to fight Climate Change.
- **Future Potential:** India can become "1.5°C compatible" if it enhances its NDC target, abandons plans to build new coal-fired power plants, and phases out coal for power generation before 2040.