Still on track?

The UN Climate Conference has to prove that the Paris Agreement is working

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Five years after the Paris Climate Agreement entered into force and one year after the COVID-enforced hiatus, the 26th Conference of the Parties to the UN Framework Convention on Climate Change ("COP26") will convene in the Scottish city of Glasgow on 31 October. At long last! Amongst its most important tasks will be advancing the implementation of the Paris Agreement by resolving the remaining issues surrounding its rules for implementation.

The COVID-19 pandemic invariably protracted international negotiations. Even before the pandemic, however, there had been no time to lose. The valiant makeshift attempts made to keep the multilateral climate process on track through virtual forums and digital formats have shown that the annual COP gatherings are perhaps not so dispensable as the critics and downright opponents of multilateralism would have us believe.

Of course, the processes of international climate policy are laborious and cumbersome. And their institutional complexity is virtually impenetrable. Nevertheless, it is precisely these regular, multilateral negotiations that lay the political and institutional foundations for forward-looking and practicable international cooperation. Nowhere is this more urgently required than in view of the global climate crisis – not least on account of the pervasive importance of international climate politics for global justice and sustainable development. When the 197 Parties to the UNFCCC finally reconvene in Glasgow, they will have the opportunity and the responsibility to demonstrate exactly that.

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The items on the agenda in Glasgow relate to major framework conditions for international climate cooperation. In particular, these include an overdue solution for the rules governing the implementation of Article 6 of the Paris Agreement, on so-called market mechanisms, as well as the further development of international climate finance, including striking a sensible balance between funding provided to curb greenhouse gas emissions and that geared towards adapting to climate change impacts.

Thus far, consensus on regulating market mechanisms, such as emissions trading, has been prevented by a few countries like Brazil, who call for "flexible" rules. Such flexibility, however, would allow for loopholes like double counting. This would undermine the ultimate objective of market mechanisms that is to bring down global emissions. In the other corner are the majority of states, who are insisting on "robust" rules exactly to prevent such loopholes. Accordingly, Germany and other champions of robust regulation won much respect, including from civil society, for their uncompromising stance at COP25 in Madrid in 2019. Yet, market mechanisms are considered a major lever to achieve the necessary reductions in global emissions. Hence, an agreed set of regulations that applies to all parties is still desirable. High hopes rest on the UK's COP presidency in terms of bringing about a feasible solution.

In addition, making a breakthrough here would pave the way towards releasing significant additional funding, meaning that Article 6 is also important with regard to negotiations over the long-term financing of international climate cooperation. This is about getting developed countries to deliver on their as yet unfulfilled promise to provide USD 100 billion a year for climate policy measures in developing countries from 2020 onwards. Moreover, it is about clarifying expectations regarding a further expansion of international climate finance from 2025 as well as mobilising additional funds for handling climate-related loss and damage.

As a generous provider of multilateral climate funding, Germany is in a good negotiating position here compared to other countries. All the same, Germany too must gear itself up for a further increase in climate funding. It is therefore unfortunate that, in this critical phase of the international climate talks, the outgoing German government is merely keeping the seat warm for its successor while German politics is concerned mainly with itself as coalition negotiations continue.

Yet, the signals that will come out of Glasgow must not be overlooked in Berlin. Whatever Germany's next ruling coalition ends up looking like, all the actors involved should be clear on two things: firstly, market-based and regulatory instruments need not be mutually exclusive when it comes to shaping ambitious climate policy. Secondly, national climate policy – just like the international climate cooperation that is unquestionably required – calls for substantial investment and a long-term increase in the corresponding funding. Germany's partner countries will not care about the fiscal policy details by which this will be achieved. And the climate certainly won't.

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