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A new dawn for the climate?

UN climate summit in Madrid to show way forward on international climate policy

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Bonn, 25 November 2019. With the dust having settled from the kerfuffle over the last-minute venue change for this year's UN climate summit from Santiago de Chile to Madrid, the negotiating delegations can now get down to business again: concluding preparations for the binding implementation of the Paris Agreement, set to commence in 2020.

Most of the institutional and procedural arrangements for the agreement's implementation have already been made with the adoption of the Katowice Rulebook at COP24, but a number of issues are still contested. For instance, the rules on market-based mechanisms (such as emissions trading) were left out. These concern the disputed Article 6 of the Paris Agreement. Critical observers from research, civil society and the media will quite rightly be most concerned with whether agreement will be reached on this issue.

However, consensus on market-based mechanisms must not become an end in itself. Failure to reach an agreement in Madrid would be the lesser of two evils, the greater being a weak regulation that conflicts with the goals of the Paris Agreement.

After all, the market-based mechanisms under discussion represent promising tools for leveraging an efficient and far more ambitious climate-change-mitigation strategy. They could be especially helpful in maximising emissions reductions while minimising costs, something as much in the interests of numerous companies as in those of national governments. A lax system of rules, euphemistically described as "flexible" by proponents such as Brazil, would encourage free-riding and create perverse incentives, for instance, to use trading in emissions permits primarily as a money-making scheme or to make national climate policies less ambitious. This would effectively undermine the overarching objective of emissions reduction, something which it is essential to prevent.

It is thus necessary to convince Brazil and other countries dragging their feet that carbon certificates cannot be credited twice as emissions reductions, once in the selling and once in the purchasing country. At the same time, international emissions trading should not be turned into a zero-sum game; purchasing countries should only credit a limited number of purchased certificates to their emissions balance. The number of available certificates must be kept small in the first place, in order to achieve substantial net emissions reductions. One key step would be to strictly prohibit the crediting of old

certificates from the time of the overhauled Kyoto Protocol. Last but not least, it is necessary to take account of undesired social and environmental side-effects of the climate-change-mitigation measures, which form the basis for certificate trading, but could adversely affect indigenous people groups and biodiversity in many places. Original Kyoto mechanisms, such as the Clean Development Mechanism (CDM), or mechanisms like REDD+ (Reducing Emissions from Deforestation and Forest Degradation), show major weaknesses in this regard, receiving massive criticism as a result.

Against this backdrop, it is to be welcomed that the EU has positioned itself as a strong advocate of robust, rather than flexible rules, even if this jeopardises a short-term agreement and delays a potential agreement. COP25 thus presents the new European Commission with an opportunity to show that it means business with its promising climate-policy announcements and the European Green Deal touted by Ursula von der Leyen as the EU intends to renew its claim to climate policy leadership, which has lost credibility in recent times.

Moreover, the latest reports by the IPCC are increasingly bringing into focus the urgent need for resilience and adaptation in the face of climate change impacts that are no longer avoidable. In this context, greater political and public attention should be afforded in Madrid to the imminent review of the Warsaw International Mechanism for Loss and Damage (WIM), adopted in 2013, in particular. It should result in the identifiable strengthening of the international community's capacity to address issues of climate-related loss and damage. This is a basic prerequisite in the pursuit of climate justice, not least for the large number of poor developing countries and small island nations, which have barely contributed to climate change yet are hit especially hard by its consequences.

COP25 thus represents the threshold to a new era of international climate policy, which will commence in the coming year, one way or another. It therefore sets the course and sends out the signals for 2020, a milestone year for climate policy, which not only marks the start of the binding implementation of the Paris Agreement, but will also see states submit their improved nationally determined contributions as a result, supplementing them with ambitious, long-term strategies. In short, it is time to act.