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An Analysis of International Climate Policy in the Year of the Pandemic

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Climate Diplomacy on Hold, But not Climate Change

An Analysis of International Climate Policy in the Year of the Pandemic

Abstract

2020 was meant to be the year of climate ambition. Then the COVID-19 pandemic struck, the Glasgow conference was postponed to November 2021, and climate policy generally appeared to have been put on the backburner. But towards the end of the year prospects seemed to brighten with a series of zero-emission pledges and the election of Joe Biden as US President. This article analyses what the year of the pandemic achieved in terms of combating climate change. The article first summarizes the virtual events that were organised to substitute for the physical UNFCCC conferences and what progress was or was not made on the outstanding items of the “Paris rulebook”, implementation of the Gender Action Plan, and other items. Subsequently, the article surveys the status of NDC updates and to what extent recovery programmes have been used to advance climate action. Finally, the article takes a closer look at the current dynamics among non-Party actors. In summary, while formal negotiations essentially stopped in the year of the pandemic, the conversation did not. However, implementation is still lagging far behind the ambitious targets that have been set. While implementation is mostly the domain of national policy, the international process has a number of options at its disposal to foster climate action.

I. Introduction

2020 was meant to be the year of climate ambition. So far, most national climate protection pledges, the so-called nationally determined contributions (NDCs), which countries have put forward under the Paris Agreement fall far short of what would be required to achieve the Agreement’s ambitious long-term objectives. In addition, the implementation of NDCs has been lagging.¹ The 26th Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) (COP 26) in Glasgow in November 2020 was therefore meant to be the culmination of an intensive diplomatic process to raise the

¹ Mark Roelfsema, Helen L. van Soest, Michael Harmsen et al., ‘Taking stock of national climate policies to evaluate implementation of the Paris Agreement’ (2020) 11(1) Nature Communications <<https://doi.org/10.1038/s41467-020-15414-6>> accessed 06 July 2021

ambition of NDCs.² Then the COVID-19 pandemic struck, the Glasgow conference was postponed to November 2021, and climate policy generally appeared to have been put on the backburner.

Interestingly, a marked re-acceleration in the diplomatic realm took place already in autumn, despite the absence of a COP as driver of political processes. Surprisingly to most observers, in October, Chinese President Xi Jinping announced to the UN General Assembly that his country would aim to achieve carbon neutrality by 2060.³ This was quickly followed by pledges from Japan and South Korea to achieve greenhouse gas neutrality by 2050. The EU member states had already agreed to aim for neutrality by 2050 at the end of 2019 and there are similar or even more ambitious pledges by a range of small countries.⁴ Further momentum was created by the outcome of the US election. During his election campaign, President Biden had declared that US electricity production should become carbon-free by 2035 and that the US as a whole should achieve GHG neutrality by 2050. Biden signed an executive order for the US to rejoin the Paris Agreement on his first day in office and announced that he would make climate protection a centerpiece of US foreign policy. Other major emitters will therefore now be under strong pressure to also step up. However, these long-term net-zero targets have yet to be translated into short-term actions. Despite much rhetoric about green recovery, several analyses find that only a fraction of recovery spending can be considered “green”. There is a saying, attributed to Barack Obama’s former chief of staff Rahm Emmanuel, that one should never waste a good crisis. So is the pandemic an opportunity to change course that is going to waste? This article seeks to analyse what the year of the pandemic achieved in terms of combating climate change. The article first summarizes the virtual events that were organised to substitute for the physical UNFCCC conferences. Subsequently, the article surveys the status of NDC updates and to what extent recovery programmes have been used to advance climate action. Finally, the article takes a closer look at the current dynamics among non-Party actors. The article concludes with a synthesis and outlook to the Glasgow conference.

II. Virtual “Conversations” instead of Negotiations - The UNFCCC Processes in the Year of the Pandemic

In light of the development of the COVID-19 pandemic worldwide, in a virtual meeting on 1 April 2020, the COP Bureau concluded that it was not possible to go forward with the sessions planned for 2020. The meeting of the subsidiary bodies (SB) was stepwise postponed to October and then to 2021. COP 26 was also postponed to 2021. Instead of the physical meetings, the UNFCCC Secretariat organised the virtual “June Momentum” and

² Wolfgang Obergassel, Christof Arens, Christiane Beuermann et al., ‘COP25 in Search of Lost Time for Action – An Assessment of COP25 in Madrid’ (2020) Wuppertal Institute for Climate, Environment and Energy <<https://wupperinst.org/en/a/wi/a/s/ad/4998/>> accessed 06 July 2021

³ Fiona Harvey, ‘China pledges to become carbon neutral before 2060’ (*the Guardian*, 22 September 2020) <<https://www.theguardian.com/environment/2020/sep/22/china-pledges-to-reach-carbon-neutrality-before-2060>> accessed 06 July 2021.

⁴ Megan Darby, Isabelle Gerretsen, ‘Which countries have a net zero carbon goal?’ (*Climate Change News*, 14 June 2019) <<https://www.climatechangenews.com/2019/06/14/countries-net-zero-climate-goal/>> accessed 06 July 2021

November “Climate Dialogues”. Both events were supposed not to replace the formal negotiations but provide alternative platforms for engagement .

1. June Momentum

The “June Momentum” was a series of virtual events taking place in the first half of June 2020. It aimed at maintaining the momentum in the climate change process and at showcasing progress in climate action despite the COVID-19 pandemic.⁵ Technical bodies provided updates on their work and future plans. Formal meetings also took place, for example lead reviewers of Biennial Reports and National Communications met to share experiences. Other events discussed ongoing and emerging issues, such as the need for a green and sustainable recovery from the pandemic and the role of NDCs as frameworks for such recovery packages.⁶

2. Climate Dialogues

The climate dialogues took place between 23 November and 4 December 2020. They were intended to bridge the time to COP 26 and provide space for an exchange of views on outstanding issues, for holding mandated events and informational sessions. About 60 virtual events took place with nearly 8,000 participants. Technical bodies provided updates on their work and future plans. Parties and non-party stakeholders provided feedback. Although formal negotiations or decision-making were not scheduled, several events on outstanding negotiation issues, for example on Article 6 of the Paris Agreement, NDC time frames and transparency of reporting took place. These party-only events were supposed to increase the common understanding and ensure progress towards COP 26. But progress appeared limited and remained unclear to observers as the sessions were held in a closed format. Overall, the Earth Negotiations Bulletin (ENB) concluded that “in terms of implementing key tasks scheduled for 2020 and reflecting on progress made by the constituted bodies throughout the year, the Dialogues delivered well. The success was less clear on the outstanding issues.”⁷

a. Article 6

Among the highest profile unresolved issues of the overall “Paris rulebook” are the detailed implementation rules for Article 6 of the Paris Agreement. This article establishes three approaches for countries to cooperate with each other: first, Parties may directly engage in ‘cooperative approaches’ and transfer ‘internationally transferred mitigation outcomes’ (ITMOs) under Article 6.2 of the agreement. Second, a new mechanism ‘to contribute to the mitigation of greenhouse gas emissions and support sustainable development’ is established under Article 6.4. Third, Article 6.8 provides for non-market approaches to be used. Crunch issues that prevented Parties from finalizing the Article 6 rulebook include the question of how to ensure robust accounting of transferred mitigation outcomes, the transition of

⁵ UNFCCC, ‘Highlights of June Momentum of climate change’ (UNFCCC, 12 June 2020) <<https://unfccc.int/news/highlights-of-june-momentum-for-climate-change>> accessed 06 July 2021

⁶ ENB ‘Briefing Note of the June Momentum for Climate Change’ (ENB, 10 June 2020a) <<https://enb.iisd.org/climate/june-momentum/>> accessed 06 July 2021

⁷ ENB ‘UN Climate Change Dialogues 2020’ (ENB, 2020) <<https://enb.iisd.org/climate/dialogues-2020/>> accessed 06 July 2021

activities and credits from the Kyoto Protocol to the Paris Agreement and the introduction of levies that generate income for adaptation measures.⁸ In dealing with these and other open questions, Parties generated draft texts for all three approaches for voluntary cooperation which were revised during the negotiations to reflect Parties' views. However, discussions remained at an abstract level, presumably because without a COP there was no pressure to come to a conclusion. As Parties were unable to generate a text version that all Parties could agree to, the last three iterations of the negotiation texts were forwarded to the next session for further consideration.⁹

b. Common Timeframes for NDCs

Common timeframes for NDCs are another aspect of the Paris rulebook that could not yet be completed. So far, there have been no requirements to have common time frames and as result the time frames of current NDCs differ, which for example has an effect on the Global Stocktakes' functions to determine global progress in actions and support. Most NDCs have 2030 as the target date, others 2025, and still others have other years. In the technical discussion on common NDC time frames, the issue was again not resolved and postponed as country groups merely repeated their past positions. While some country groups such as the Environmental Integrity Group¹⁰ and the Least Developed Countries argued for five-year time frames to enable or speed up ambition raising and align with the GST process, the Like-Minded Developing Countries¹¹ and the Arab Group supported optional 5-year or 10-year timeframes for NDCs highlighting the need for flexibility due to different national circumstances. Other options tabled were a 5+5-year solution with a 5-year firm NDC and an indicative 10-year NDC as well as a rolling cycle solution. This item will as well be further considered at the next session.¹²

⁸ For a detailed account of the Article 6 negotiations in Madrid see: Wolfgang Obergassel, Christof Arens, Christiane Beuermann et al., 'COP25 in Search of Lost Time for Action: An Assessment of the Madrid Climate Conference' 14(1) Carbon & Climate Law Review, <<https://doi.org/10.21552/cclr/2020/1/4>> accessed 06 July 2021

⁹ UNFCCC 'Draft Text on Matters Relating to Article 6 of the Paris Agreement: Guidance on Cooperative Approaches Referred to in Article 6, Paragraph 2, of the Paris Agreement Version 1 of 15 December 11:15 Hrs'

UNFCCC 'Draft Text on Matters Relating to Article 6 of the Paris Agreement: Guidance on Cooperative Approaches Referred to in Article 6, Paragraph 2, of the Paris Agreement Version 2 of 14 December 9:15 Hrs'

UNFCCC 'Draft Text on Matters Relating to Article 6 of the Paris Agreement: Guidance on Cooperative Approaches Referred to in Article 6, Paragraph 2, of the Paris Agreement Version 3 of 15 December 00:50 Hrs'.

¹⁰ The Environmental Integrity Group is composed of Mexico, Liechtenstein, Monaco, South Korea, Switzerland and Georgia.

¹¹ This group consists of Algeria, Bangladesh, Bolivia, China, Cuba, Ecuador, Egypt, El Salvador, India, Indonesia, Iran, Iraq, Jordan, Kuwait, Malaysia, Mali, Nicaragua, Pakistan, Saudi Arabia, Sri Lanka, Sudan, Syria, Venezuela and Vietnam.

¹² ENB, 'UN Climate Change Dialogues 2020' (ENB, 2020) <<https://enb.iisd.org/events/un-climate-change-dialogues-2020>> accessed 06 July 2021

c. Gender Action Plan

At COP25 in Madrid, Parties had agreed to a 5-year enhanced Lima work programme on gender (LWPG) and its gender action plan (GenderAP).¹³ The enhanced gender action plan establishes objectives and activities under five priority areas with the objective to advance knowledge and understanding of gender-responsive climate action and its coherent mainstreaming in the implementation of the UNFCCC and the work of Parties, the Secretariat, United Nations entities and all stakeholders at all levels, as well as women's full, equal and meaningful participation in the UNFCCC process. The five priority areas are: A. Capacity Building, knowledge management and communication, B. Gender balance, participation and women's leadership, C. Coherence, D. Gender responsive implementation and means of implementation, and E. Monitoring and reporting.¹⁴

In October 2020, due to the pandemic, the UNFCCC secretariat merely published the annual report on 'gender composition', focussing on annual comparative data on sexus of members in the constituted bodies established under the Convention, and of Party delegations to sessions.¹⁵ As an annex, some information was provided on the secretariat's implementation of "decisions that include a gender approach in keeping with applicable gender-related policies under the Convention".¹⁶ Concerning the central activity A.2 to "Discuss and clarify the role and work of the national gender and climate change focal points" (NGCCFPs), "including by providing capacity-building, tools and resources", the mandated deliverables are an in-session workshop (at SB 52) and a paper with recommendations. Owing to the COVID-19 pandemic, SB 52 was postponed to 2021 and the secretariat launched a "virtual preparatory strategy (survey, virtual workshop, informal document)"¹⁷ "to prepare for and facilitate discussions during the in-person, in-session workshop".¹⁸

An intermediate review of implementation of the gender action plan is agreed for 2022. Two main points are still missing.¹⁹ First, the gender action plan lacks quantifiable indicators and targets for measuring its progress. Second, the financial commitments called upon in the Lima work programme, although urgent to be effective, are till now not translated into concrete means to implement the GenderAP.²⁰ On the other side, the COP25 decisions on the enhanced LWPG and GenderAP are unfolding a dynamic of active and powerful further development and institutionalisation of gender responsiveness, in form e.g. of developing a

¹³ UNFCCC Decision 3/CP.25, Enhanced Lima work programme on gender and its gender action plan, FCCC/CP/2019/13/Add.1, 16 March 2020.

¹⁴ UNFCCC, 'The Gender Action Plan' (UNFCCC, 2020)

<<https://unfccc.int/topics/gender/workstreams/the-gender-action-plan>> accessed 31 March 2021

¹⁵ UNFCCC 'Gender composition. Report by the secretariat' (UNFCCC, 07 October 2020)

<<https://unfccc.int/documents/254399>> accessed 06 July 2021

¹⁶ UNFCCC 'Gender composition. Report by the secretariat' (2020)

<https://unfccc.int/sites/default/files/resource/cp2020_03_adv.pdf> accessed 06 July 2021

¹⁷ *ibid*, p.15.

¹⁸ UNFCCC 'Virtual workshops - Role of national gender and climate change focal points' (UNFCCC, 2020) <<https://unfccc.int/topics/gender/events-meetings/workshops-dialogues/virtual-workshops-role-of-the-national-gender-and-climate-change-focal-points-0>> accessed 06 July 2021

¹⁹ Wolfgang Obergassel, Christof Arens, Christiane Beuermann et al., 'COP25 in Search of Lost Time for Action: An Assessment of the Madrid Climate Conference'. 14(1) Carbon & Climate Law Review, <<https://doi.org/10.21552/cclr/2020/1/4>> accessed 06 July 2021

²⁰ Nanna Birk, Patricia Bohland, Isadora Cardoso 'No Gender Justice on a Dead Planet! A brief analysis of strengths and weaknesses of the COP25 gender decision.' (RLS, February 2020) <<https://www.rosalux.de/en/publication/id/41624/no-gender-justice-on-a-dead-planet>> assecced 31 March 2021

NDC Partnership Gender Strategy²¹, an initiative by the European Capacity Building Initiative towards 'International gender commitments to national action - Integrating gender in climate change policies and processes'²², or in implementing gender responsiveness in discussing methods for assessing impacts of response measures.²³ Parties such as Germany subjected their national climate strategies to an analysis of how these should be systematically revised so that they comply with the UN, EU and national gender mainstreaming requirements of active professional climate policy contributions to improving gender equality in society.²⁴

d. Climate Finance

Financing remains crucial for progress in international climate negotiations. In 2009, developed countries had agreed to mobilise USD 100 billion per year from 2020 onwards. At COP 21 in Paris, the pledge had been extended to 2025, and in Katowice, Parties had decided to initiate deliberations on a new collective quantified finance goal for the period after 2025 at the CMA's third session in Glasgow, which was subsequently postponed from 2020 to 2021²⁵. Therefore, at the climate dialogues, the least developed countries (LDCs) demanded that discussions on a new climate finance goal really needed to start in 2021, and the Bolivarian Alliance for the Peoples of Our America (ALBA) pointed out that developed countries had to increase their post-2025 finance goal in order to make good for the financing gap in the pre-2020 period. Other groups, in contrast, cited a recent OECD report as evidence that developed countries are on track to deliver on their pledge.²⁶ Again, the climate dialogues showcased Parties' differing views on finance issues, including on modalities for climate finance accounting. Stating that nearly 80% of climate finance are loans, the Independent Association of Latin America and the Caribbean (AILAC) pointed out that this only raises the debt burden in the Global South. Lately, donor countries increasingly acknowledge the issue of loan concessionality, in particular for vulnerable countries.²⁷

e. Loss and Damage

In international climate negotiations, the topic "loss and damage" deals with the response to impacts of climate change that are beyond those that can be adapted to, such as the loss of land due to rising sea levels. While the topic is of utmost importance for vulnerable developing countries and in particular small island states, developed countries fear and

²¹ NDC Partnership, *NDC Partnership Gender Strategy* (Washington/Bonn 2019)

²² Margaux Granat, Emilia Reyes, Bridget Burns, *International gender commitments to national action Integrating gender in climate change policies and processes* (European Capacity Building Initiative 2020)

²³ Spitzner, Meike 2021. Gender Impact Assessment (GIA) as a qualitative impact assessment method, presented at the "Informal Technical Meeting on tools and methodologies for assessing the impacts of the implementation of response measures", May 18th 2021, organised by the UNFCCC Climate Secretary. https://unfccc.int/sites/default/files/resource/presentation_Meike.pdf (Programme: <https://unfccc.int/event/TEM-SBSTA-chair-assessing-impacts-RM>).

²⁴ Meike Spitzner, Diana Hummel, Ulrike Röhr et al., *'Intersectional Gender Aspects of Climate Policy. The contribution of gender justice to successful climate politics: Impact assessment, social intersectionalities, methodological aspects and options of political actions.'* (Federal Environment Agency (UBA), Berlin 2020)

²⁵ UNFCCC Decision 14/CMA.1, Setting a new collective quantified goal on finance in accordance with decision 1/CP.21, paragraph 53, FCCC/PA/CMA/2018/3/Add.2, 19 March 2019.

²⁶ ENB, 'UN Climate Change Dialogues 2020' (ENB, 2020) <<https://enb.iisd.org/events/un-climate-change-dialogues-2020>> accessed 06 July 2021

²⁷ *ibid.*

fiercely oppose any liability and compensation claims that could result from climate change impacts. In 2013, the COP had established the Warsaw International Mechanism (WIM) for Loss and Damage to deal with climate induced impacts. In Madrid, the COP decided to install a new expert group on action and support to find ways to enhance the provision of support for dealing with loss and damage and facilitate developing country's access to it by, inter alia, engaging with existing financial institutions under the UNFCCC.²⁸

During the climate dialogues 2020, some countries worried about progress in negotiations on loss and damage, in particular regarding the adoption of a plan of action for the new expert group on action and support.²⁹ In the end, the first meeting of the expert group took place in May 2021, five months later than originally envisaged.³⁰ Strengthening the WIM, the Santiago Network on Loss and Damage (SNLD) was established at COP25 in Madrid to catalyse technical assistance on loss and damage in vulnerable developing countries. Discussions at the climate dialogues 2020 centred on, inter alia, the function and structure of the SNLD, and finance for loss and damage. Regarding the SNLD opinions differed regarding what specific technical assistance the SNLD should offer. While developing countries favoured a facilitative and networking platform that would connect them with experts and technical assistance providers, developed countries supported using existing structures and bodies.³¹

The issue of finance for loss and damage came up over and over again during the climate dialogues. In particular the Alliance of Small Island States (AOSIS) as well as the Group of 77 and China demanded anchoring the need for action and support for loss and damage as a deliverable for COP 26. The UK noted that both adaptation and loss and damage are important to the Presidency's planning for the Glasgow Climate Conference, raising hopes for progress on the issue.³²

f. Adaptation

Adaptation remains a priority issue for many of the developing country Parties and will be one of the Presidency's priorities for COP 26.³³ At the climate dialogues 2020, SBI Chair Karlsen pointed to the Adaptation Fund (AF) having become an important vehicle for supporting adaptation projects by using innovative funding modalities, including the pioneering of direct access. Further speakers complemented the AF's track record in implementing successful projects in a timely manner, and called for developed countries to scale up finance for adaptation, in particular as grants.³⁴

²⁸ UNFCCC Decision 2/CMA.2, Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts and its 2019 review' Advance unedited version.

²⁹ ENB, 'UN Climate Change Dialogues 2020' (ENB, 2020) <<https://enb.iisd.org/events/un-climate-change-dialogues-2020>> accessed 06 July 2021

³⁰ UNFCCC, 'Constituted Body Meetings and Events' (UNFCCC, 2021) <<https://unfccc.int/event/ASEG1>> accessed 06 July 2021

³¹ Yamide Dagnet, Mima Holt, Nathan Cogswell, Lorena Gonzalez, Joe Thwaites, 'INSIDER: 4 key topics climate negotiators must resolve by COP26' (*World Resources Institute* 11 December 2020), <<https://www.wri.org/insights/insider-4-key-topics-climate-negotiators-must-resolve-cop26>> accessed 06 July 2021

³² ENB, 'UN Climate Change Dialogues 2020' (ENB, 2020) <<https://enb.iisd.org/events/un-climate-change-dialogues-2020>> accessed 06 July 2021

³³ *ibid.*

³⁴ *ibid.*

The Adaptation Committee provided information on its achievements in 2020 and sought input from participants on its ongoing work. Inputs focused, inter alia, on privileging approaches that do not create additional burdens for developing countries, and self-assessment measures. Furthermore, participants pointed to the importance of transboundary risks and impacts for adaptation.³⁵

g. Raising Ambition

The topic climate ambition was exceedingly present in the Climate Dialogues. With the growing number of net-zero or carbon neutrality announcements, the need for new and enhanced NDCs was increasingly apparent. In addition, the UK COP 26 Presidency highlighted the Race-to-Zero campaign initiated at COP 25 and launched at the June Momentum. To further highlight the need to raise ambition, the UK, France and the UN Secretary-General organised a virtual “Climate Ambition Summit” in December.

3. Climate Ambition Summit

On 12 December 2020, the Climate Ambition Summit virtually celebrated the 5th anniversary of the adoption of the Paris Agreement. The aim was to mobilise government and non-governmental leaders to demonstrate their commitment to the Paris Agreement and the multilateral process.³⁶ Only countries and stakeholders making new and ambitious announcements had the opportunity to speak. This led to the absence of countries like Brazil, Australia, New Zealand, the Russian Federation and the United States as well as of fossil fuel industries.

New announcements at the summit included 45 relating to updated NDCs, 24 relating to net zero emissions commitments, and 20 relating to adaptation and resilience plans, including.³⁷

- China’s NDC-related commitment (-65% CO₂ emissions/unit GDP by 2030),
- The European Union’s NDC-related pledge (-55% GHG emissions by 2030),
- The UK’s NDC-related target (-68% GHG emissions by 2030),
- Various announcements of higher NDC targets by developing countries;
- Net zero-related pledges by developed and developing countries, and subnational and non-state actors ,
- Announcements on adaptation plans by a number of developing and developed countries,
- Climate finance pledges from developed countries and international financial institutions,
- Leaders also highlighted green recovery plans.

However, many of these announcements were not new but represent policies already agreed upon earlier. Hence, it is difficult to distinguish old from new announcements and determine progress in ambition raising. Moreover, ambitious mitigation commitments of developing countries are still conditional on support by developed countries regarding technology transfer, capacity building and particularly keeping their financial promises.³⁸

³⁵ *ibid.*

³⁶ ENB ‘Summary of the Climate Ambition Summit 2020’ (ENB, 15 December 2020) <<https://enb.iisd.org/climate/ambition-summit-2020/>> accessed 06 July 2021

³⁷ *ibid.*, p. 8

³⁸ *ibid.*, p. 8

III. NDC Revisions

The Paris outcome requires the Parties to the Paris Agreement to produce new or updated contributions by 2020. While the Paris Agreement mandates that NDCs should reflect a Party's "highest possible ambition", many Parties in the past disputed that the 2020 round of re-submitting NDCs entailed a requirement to increase ambition.

According to Decision 1/CP.21, paras. 23–24³⁹ Parties with a timeframe up to 2025 in their initial NDCs were requested to submit a new NDC, whereas Parties with a timeframe up to 2030 simply had to update their NDCs. At the time of writing, only 65 new or updated NDCs were submitted, representing about 42% of global emissions⁴⁰.

Despite the few submissions, one recent highlight certainly is the strengthened US NDC. The United States of America submitted its NDC to the UNFCCC on 21 April 2021. It sets an economy-wide target of reducing its net greenhouse gas emissions by 50-52 percent below 2005 levels in 2030. Compared to the previous US target of 26-28% below 2005 by 2025, the new target is far more ambitious. Of the other major emitters, the EU, Russia, Japan, South Korea, Mexico, Brazil and Australia provided submissions of an updated or new NDC. China is among the countries that did not submit an updated NDC yet. The Chinese President Xi Jinping however announced in a speech to the UN General Assembly on 22 September 2020 that China will scale up its NDC. China intends to peak carbon dioxide emissions before 2030 and reach carbon neutrality before 2060, setting for the first time a concrete long-term target.⁴¹

However, further strengthening of NDCs will be needed to achieve the Paris temperature limits. The Climate Action Tracker estimates that while the recent NDC revisions mark a substantial step forward, global average temperature increase by the end of the century will still attain 2.4°C.⁴²

IV. Green or Brown Recovery?

Governments are mobilising unprecedented amounts of money to deal with and recover from the pandemic. This spending will have a long-lasting impact. It can either be used to chart a new sustainable course or further cement existing high-emission pathways, putting the Paris Agreement objectives out of reach. When the pandemic struck, many international institutions therefore quickly highlighted that it was imperative to explicitly gear the recovery packages to supporting the long-term transformations that are necessary to achieve these objectives. For example, already in April 2020, the Finance Ministers of the G20 called for an

³⁹ UNFCCC, 'Report of the Conference of the Parties on its twenty-first session, held in Paris from 30 November to 13 December 2015' (United Nations 2016)

⁴⁰ Climate Watch NDC Content. 2020. Washington, DC: World Resources Institute. Available online at: <https://www.climatewatchdata.org>

⁴¹ Fiona Harvey, 'China pledges to become carbon neutral before 2060' (*the Guardian*, 22 September 2020) <<https://www.theguardian.com/environment/2020/sep/22/china-pledges-to-reach-carbon-neutrality-before-2060>> accessed 06 July 2021.

⁴² Climate Analytics and NewClimate Institute, 'Climate Action Tracker. Warming Projections Global Update. May 2021' <https://climateactiontracker.org/documents/853/CAT_2021-05-04_Briefing_Global-Update_Climate-Summit-Momentum.pdf> accessed 8 July 2021.

“environmentally sustainable and inclusive recovery”.⁴³ UN Secretary-General Guterres repeatedly called on countries to use the opportunity to “build back better”⁴⁴. Japan hosted an online ministerial meeting on sustainable recovery in September 2020 and established the “Redesign 2020” online platform. The platform is an invitation to governments to showcase information on their policies and actions to achieve a sustainable and resilient recovery from COVID-19.⁴⁵

There was a lively debate across academia, national governments and international institutions on the details of how to design sustainable recovery packages. Several international institutions developed relevant guidelines. For instance, the World Bank⁴⁶, International Monetary Fund (IMF)⁴⁷, the International Energy Agency (IEA)⁴⁸ and the International Renewable Energy Agency (IRENA)⁴⁹ all developed some form of recommendations for sustainable recovery programmes. Moreover, in line with the UNFCCC Gender Action Plan imperatives, highlighting the climate change-gender interrelationships, and due to the fact “women have borne the economic and social brunt of the pandemic”⁵⁰, which means sustainability and inclusivity of recovery is particularly relevant here⁵¹, UN organisations, IMF and others⁵² have provided timely guidance for policies and measures for

⁴³ G20 Research Group, ‘Communiqué of the G20 Finance Ministers and Central Bank Governors Meeting 15 April 2020’ (G20, April 2020) <<http://www.g20.utoronto.ca/2020/2020-g20-finance-0415.html>> accessed 06 July 2021

⁴⁴ United Nations, ‘Climate Change and COVID-19: UN urges nations to ‘recover bet-ter’ (*United Nations* 2020a) <<https://www.un.org/en/un-coronavirus-communications-team/un-urges-countries-%E2%80%98build-back-better%E2%80%9999>> accessed 06 July 2021

⁴⁵ Platform for Redesign 2020, ‘PLATFORM for REDESIGN 2020. PLATFORM for REDESIGN 2020’ (*Platform for Redesign* 2020) <<https://platform2020redesign.org/>> accessed 06 July 2021)

⁴⁶ World Bank, ‘Sustainability Checklist for Assessing Economic Recovery Investments [Discussion Paper]’ (The World Bank 2020)

⁴⁷ IMF, ‘Greening the Recovery’ (International Monetary Fund 2020)

⁴⁸ IEA, ‘Sustainable Recovery’ (International Energy Agency 2020)

⁴⁹ IRENA ‘The Post-COVID recovery: An agenda for resilience, development and equality’ (International Renewable Energy Agency 2020)

⁵⁰ IMF, ‘Engendering the Recovery: Budgeting with Women in Mind’ (International Monetary Fund 2021) - Examples abound of the disproportionate impact of lockdown policies on women and girls: one million Japanese women left the labor market when the pandemic hit, while labor force participation by men changed far less. In Chile, 76 percent of women reported spending more time on domestic chores since COVID-19 began. Mexico saw a 53 percent increase in emergency calls related to violence against women. The Malala Fund estimates that 20 million girls in developing countries may never return to the classroom after pandemic-related school shutdowns.

⁵¹ The UN installed a COVID-19 Global Gender Response-Tracker, which monitors policy measures enacted by governments worldwide to tackle the COVID-19 crisis, and highlights responses that have integrated a gender lens. It includes national measures that are directly addressing women’s economic and social security, including unpaid care work, the labour market and violence against women. The tracker is coordinated by UNDP with substantive leadership and technical contributions from UN Women, and provides guidance for policymakers and evidence for advocates to ensure a gender-sensitive COVID-19 policy response. UNDP, ‘COVID-19 Global Gender Response-Tracker’ (UNPD 2021)

⁵² Cf. also: Brettenwoodsproject, ‘Building a feminist recovery for all: Gender transformative policies are more urgent than ever’ (*Brettenwoodsproject* 1 October 2020) <<https://www.brettonwoodsproject.org/2020/10/building-a-feminist-recovery-for-all-gender-transformative-policies-are-more-urgent-than-ever/>> accessed 06 July 2021

Meike Spitzner, ‘Für emanzipative Suffizienz-Perspektiven. Green New Deal statt nachhaltiger Bewältigung der Versorgungsökonomie-Krise und Verkehrsvermeidung? (For emancipative sufficiency perspectives. Green New Deal instead of a sustainable overcoming of the care economy crisis and transport avoidance?)’[2021] Prokla 202

GenderCC, LIFE e.V., ‘How to cope with the corona and climate crises in a gender-just way.’ (2020)

governments how to design gender responsive recovery and fulfill UNFCCC Gender Action Plan requirements.

In practice, however, recovery seems to be brown rather than green in many countries. According to the “Greenness of Stimulus Index” by Vivid Economics, which analyses the recovery packages of the G20 countries plus 10 other large economies, as of February 2021, 20 of the 30 countries had recovery programmes that on balance are harmful for the climate and the environment. Out of a total of about US\$15tn, only 40% are classified as “green”, the rest is classified as harmful. An analysis of recovery spending by the 50 largest economies led by Oxford University’s Economic Recovery Project and the UN Environment Programme (UNEP) comes to an even harsher verdict, finding that only 18.0% of announced recovery spending totalling US\$14.6tn can be considered ‘green.’⁵³

As result, despite the pandemic global CO2 emissions in December 2020 were actually 2% higher than they had been in December 2019. The International Energy Agency summarises that this development was driven by global economic recovery and lack of clean energy policies.⁵⁴

V. Gathering Pace? The “Race to Zero” and other Non-Party Action

In the past few years, the UNFCCC and the annual COPs were key “orchestrators” for climate action of non-state and subnational actors. But in 2020 the orchestra kept on playing without direct influence of the conductor (UNFCCC Secretariat) or a concert (COP26) in sight. The UNFCCC Secretariat under the auspices of the High-Level Climate Champions for Climate Action – Nigel Topping and Gonzalo Muñoz – maintained the “Race to Zero” campaign that had been initiated at COP25 throughout 2020 contributing to a surge of new net-zero commitments⁵⁵ on the part of non-state and subnational actors. By March 2021, the campaign had recorded net-zero initiatives of 471 cities, 23 regions, 1,675 businesses, 85 of the biggest investors, and 569 universities.⁵⁶

Our own analysis of large companies with annual revenue of more than 1 billion US-Dollar lists 482 companies with some form of net-zero pledge by 2050 or earlier.⁵⁷ Collectively, these companies account for annual revenues of more than 16 trillion US-Dollar, exceeding

⁵³ Brian J. O’Callaghan, Em Murdock, ‘*Are We Building Back Better? Evidence from 2020 and Pathways for Inclusive Green Recovery Spending.*’ (Geneva, United Nations Environment Programme 2021).

⁵⁴ IEA, ‘Global Energy Review: CO2 Emissions in 2020, Understanding the impacts of Covid-19 on global CO2 emissions’ (IEA, 2 March 2021) <<https://www.iea.org/articles/global-energy-review-co2-emissions-in-2020>> accessed 06 July 2021

⁵⁵ These commitments vary significantly with respect to their time horizon, greenhouse gases covered, scope of emissions covered (only direct and indirect emissions under their control vs. all emissions across their respective value chain), and intended use of offsets. See also Joeri Rogelj, Oliver Geden, Annette Cowie, Andy Reisinger, ‘Net-zero emissions targets are vague: three ways to fix.’ [2021] *Nature*, 591(7850)

⁵⁶ UNFCCC, ‘Climate action: road to zero campaign’ (UNFCCC, March 2021) <<https://unfccc.int/climate-action/race-to-zero-campaign>> accessed 06 July 2021.

See also the Energy & Climate Intelligence Unit and Oxford Net Zero, *Taking Stock: A global assessment of net zero targets* (The Energy & Climate Intelligence Unit and Oxford Net Zero Energy & Climate Intelligence Unit and Oxford Net Zero 2021)

⁵⁷ Nicolas Kreibich, Lukas Hermwille (in press), ‘Caught in Between: Credibility and Feasibility of the Voluntary Carbon Market post-2020’ [2020] Climate Policy.

China's GDP of 2020. The list covers a wide spectrum of different industries, from financial industry to mining, from aviation to oil & gas majors, and from suppliers of technology hardware and equipment to information and communication technology giants. While the overall numbers are impressive, the commitments need to be considered with caution. Not all of them are backed by credible policies and plans to achieve the ambitious targets. Tong and Trout have analysed the net-zero commitments of several major oil and gas companies and find that their climate plans are by and large “grossly insufficient” with respect to their ambition, integrity and transition to alternative business models.⁵⁸ On the other hand there are other companies that have backed their commitments with more credible action. For example several major steel companies including ArcelorMittal, Bauwu Steel, POSCO, Nippon Steel, Liberty Steel, SSAB, Salzgitter and ThyssenKrupp Steel have announced multi-billion US-Dollar investments in fossil free steel production facilities.⁵⁹ Still, the majority of companies in the dataset rely on some form of offsets to achieve their targets. Hence, the proliferation of net-zero targets could lead to an unprecedented demand for carbon credits generated by the voluntary carbon market. Initiatives such as Mark Carney's Taskforce for Scaling the Voluntary Carbon Markets are exploring ways on how this market could grow to another order of magnitude, significantly larger than 15-fold.⁶⁰ On the supply side, though, this market is confronted with specific challenges. Despite the voluntary carbon market being subject to private governance and not formally linked to the international climate regime, the Paris Agreement fundamentally alters the context and legal architecture under which the voluntary carbon market operates. The Paris Agreement requires all Parties to “prepare, communicate and maintain successive nationally determined contributions [and to] pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions” (Article 4.2, PA, UNFCCC, 2016b). This will limit the size of the ‘uncapped environment’, which has in the past been the main source of credits from the voluntary carbon market. Questions on how to address double counting, where one mitigation outcome is claimed by both, the government of the country in which the mitigation activity takes place and the company buying the carbon credits, have sparked a fierce debate.⁶¹

In light of the challenges the voluntary carbon market is confronted with on the supply side, alternative approaches to traditional offsetting are gaining traction: WWF and BCG, for instance, are suggesting that companies should quantify the social and environmental costs of their residual emissions and use this figure as a basis for making additional climate investments. As these investments are not used for offsetting, an immediate mitigation impact is no longer required, potentially allowing companies to invest in activities with a more systemic transformational impact.⁶² These new approaches are also being taken up by some

⁵⁸ David Tong, Kelly Trout, Hannah McKinnon, Lorne Stockman, ‘*Big Oil Reality Check – Assessing Oil and Gas Company Climate Plans.*’ (Oil Change International 2020)

⁵⁹ Leadit, ‘Green Steel Tracker: Tracking announcements of low carbon investments in the steel industry’ (Leadit) <<https://www.industrytransition.org/green-steel-tracker/>> accessed 06 July 2021

⁶⁰ TSCVM, ‘*Final Report. Taskforce on Scaling Voluntary Carbon Markets.*’ (TSCVM January 2021)

⁶¹ See inter alia: Nicolas Kreibich and Lukas Hermwille, ‘Caught in Between: Credibility and Feasibility of the Voluntary Carbon Market post-2020’ [2020] Climate Policy <<https://doi.org/10.1080/14693062.2021.1948384>>, and Harry Fearnough, Aki Kachi, Silke Mooldijk, Carsten Warnecke, ‘*Future role for voluntary carbon markets in the Paris era.*’ (German Environmental Agency 2020)

⁶² : Brad Schallert, Martha Stevenson, Chris Weber, Alex Farsan, Jesper Nielsen, Paulina Ponce de León, Nicholas Collins, ‘*Beyond Science-Based Targets: A Blueprint for Corporate Action on Climate and Nature.*’ (WWF and BCG 2020).

private certification standards: The Gold Standard, one of the most renowned standards in the voluntary carbon market, is considering the introduction of credits that certify a contribution to the host countries NDC and the Paris Agreement.⁶³ By introducing these new types of credits that cannot be used for offsetting and claiming carbon neutrality but instead allow the investor to claim a contribution to the Paris Agreement, the voluntary carbon market is entering uncharted territory. It remains to be seen whether there will be actual demand for these new units as they require companies to rethink how they communicate their engagement in climate change mitigation. If there is openness among private sector investors towards these new products, the voluntary carbon market could in the future provide a relevant contribution towards closing the ambition gap.

VI. Conclusions and Outlook

In summary, the pandemic overshadowed climate change as a political topic in 2020 and brought the formal negotiation process to a near complete standstill. While there were virtual discussions on the outstanding items of the “Paris rulebook”, notably Article 6 and common timeframes for NDCs, Parties hardly budged from their positions. Progress on other issues such as the gender action plan, climate finance, adaptation and loss and damage was also limited to non-existent. As there was no COP to actually take decisions, there was no pressure on delegates to make progress.

Nonetheless, climate change was not completely gone as a topic. The UNFCCC process has proven to be creative in trying to find ways to keep going despite the impossibility of organising physical meetings. The UNFCCC Secretariat organised two large-scale virtual conferences with thousands of participants and rich discussions. Further public and political attention was generated by the Paris Anniversary event organised by the UK, France, and the UN Secretary-General.

And while there was no progress in the formal negotiations, progress was made at a higher political level. The series of net-zero pledges that were announced by a number of heads of state and government in late summer and autumn generated a new dynamic, which was further strengthened by the Biden victory in the US. So one may summarise that while the formal negotiations essentially stopped in the year of the pandemic, the conversation didn't. However, the adoption of long-term net-zero targets must be followed up by commensurate short-term action, not substitute for it. Most countries' NDCs are still far weaker than what would be required to meet the Paris objectives. And most countries seem to miss the opportunity of using their economic recovery programmes to chart a course towards decarbonisation. So while the announcement of net-zero targets may be an indication that a paradigm shift towards decarbonisation may be underway, it is clearly far from complete. It is currently unclear if the Glasgow COP can go forward in November 2021, and if yes, under which conditions. The annual sessions have at least two functions, they are not only a diplomatic conference but also an event for the wider community to meet and exchange. On the former function, if Glasgow does go forward as a decision-taking conference, it must be as inclusive as possible. Not only government delegates from all Parties must be vaccinated but also media representatives and non-governmental observers should have the

⁶³ Gold Standard, ‘CONSULTATION – Integrity for Scale: Aligning Gold Standard-certified projects with the Paris Agreement’ (Gold Standard 2020)

opportunity to get vaccinated in order to be able to participate and provide a sufficient level of public scrutiny.

On the latter function, there is a strong tendency to shift the annual “climate trade fair” mostly to virtual formats. While the world has been on a steep learning curve regarding digitisation, it remains to be seen whether virtual events can indeed fully replace physical meetings. In particular developing country delegates have in the past appreciated the capacity building effect of the “trade fair” with its exhibits and side events. It also remains to be seen whether a conference that is mostly virtual will be able to garner as much public attention as a physical conference. Arguably, the public attention that has so far been generated by the annual COPs has been a key driver for national discussion on climate change.

In terms of content, if Glasgow succeeds in closing the remaining chapters of the “Paris rulebook”, it may be the last COP with a large negotiation component. While there will always be a need to negotiate further details on implementation, the closing of the Paris rulebook should free up a significant amount of time and capacity. In our view, this time and capacity is best utilized promoting implementation. For example, the COP could give higher priority to its transparency and accountability function, i.e. undertake more detailed scrutiny of Parties’ efforts to achieve their NDCs. It could also undertake efforts to integrate non-Party actors more strongly into the formal process in order to harness the current net-zero dynamic and provide a space where it may resonate with governmental discussions. So even if there is no further need for large-scale negotiations after the closing of the Paris rulebook, there is a number of directions the COP could pursue to promote climate action and stay relevant.⁶⁴

⁶⁴ Bauer, Steffen, Sander Chan, Lukas Hermwille, Wolfgang Obergassel, ‘It’s the End of the COP as We Know It!’ (*Deutsches Institut für Entwicklungspolitik*, June 2020) <<https://www.die-gdi.de/veranstaltungen/details/its-the-end-of-the-cop-as-we-know-it/>> accessed 06 July 2021