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Abstract

The Conference of the Parties (COP) has proven a valuable outlet to advance the climate agenda. The combination of high media coverage, extremely high expectations set by influential environmentalists, and unanimity rules has, however, started to limit its effectiveness. Technical issues can legitimately require years to be addressed. Delays on such issues should not lead society to ignore progress in other areas. If anything, defining expectations based on technical issues creates more incentives for unwilling countries to delay action and spread pessimism. The coronavirus is bad news for climate action, but also provides opportunities. The absence of a session of the COP in 2020 gives negotiators additional time to address technical issues behind the scenes, including through club approaches. Virtual forums can be used to increase interactions, also involving top diplomats. The extra time also allows global leaders and influential environmentalists to improve their communication strategies, increasing ambition while effectively managing momentum.

JEL-Codes: D710, D840, F530, Q540.

Keywords: international environmental agreements, cooperation, beliefs, climate change.

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1. INTRODUCTION

The sessions of the COP represent the most well-known negotiating venue on climate change. Since COP1 in 1995, the COP has been meeting every year under the auspices of the United Nations Framework Convention on Climate Change (UNFCCC). Every year since 1995, it has attracted thousands of diplomats and observers from academia, industry, and non-governmental organizations.

For many years, the sessions of the COP received attention mostly from stakeholders directly involved in the negotiating process such as governments and environmental organizations. In recent times, however, media and public attention to the sessions of the COP have increased substantially (see Figure A.1 in the Appendix). Such evolution provides both upsides and downsides, and calls for a reform of the current approach.

Media attention and pressure from environmental organizations can be very helpful to increase ambition, as long as expectations are set reasonably. Over the last few years, climate change has become in many countries one of the top policy issues, thanks in part to Greta Thunberg, the climate strikes, and the Friday for the Future and Extinction Rebellion movements.

However, only every few years the sessions of the COP focus directly on the need for countries to set more ambitious goals. While the goal of climate negotiations is always to work on closing the gap between current emissions goals and the need to prevent dangerous interferences with the climate system, very often delegates meet at the sessions of the COP to discuss mostly technical details. That was the case for both COP24 in Katowice in 2018 and COP25 in Madrid in 2019 (Schneider et al. 2019).

The UNFCCC bases its decisions on unanimity rules. Requiring all countries to agree on climate policies imposes a very high bar. Climate change mitigation is a global public good, prone to potential free riding. Cost and benefits from climate action are also heterogeneous across countries. In this context, the bottom-up approach introduced by the COP in 2015 has provided flexibility to countries on how ambitious they want to be in their emissions goals or pledges (technically known as Nationally Determined Contributions). This solution leaves to countries the decision over individual effort levels, which contributes to relax the constraint of unanimously agreeing on one-size-fits-all measures.

This bottom-up approach largely relies on domestic actors pressuring governments to make ambitious pledges. It also relies on citizens and governments feeling that other countries are also contributing to the same global public good, which is how conditional cooperation works.² So far, this system has been working relatively well. In 2015, it led to a landmark agreement, the Paris Agreement. Its emissions pledges, when summed up, are expected to lead to emissions reductions able to keep temperature increases within 3°C above pre-industrial levels. While environmentalists keep reminding the public that 3°C is way above the window provided by climate scientists to avoid severe climate damages, which is set between 1.5°C and 2°C, other observers would consider 3°C a rather important starting point, compared with the alternative scenarios that were on the table until a few years ago. Indeed, over the last few years, the most pessimistic climate change scenarios have become increasingly less likely, an important progress that we should not dismiss (Hausfather and Peters 2020). Further, during 2019 alone, 60 countries, as well as the states of California and New York, pledged to become carbon neutral by 2050. In 2020, China pledged to become carbon neutral by 2060. These pledges further contribute to reduce the gap with the 1.5°C-2°C goal. The current pledges are only a starting point: countries are expected to continue to regularly increase their ambition. While some scholars are quick to stress that pledges are not policies and that there is no enforcement mechanism in the Paris Agreement, others stress the importance of maintaining some degree of optimism, based on the experience of several decades of negotiations (Sakamoto and Karp 2019; Figueres 2020).

2. UNANIMITY RULES AND HIGH EXPECTATIONS AND MEDIA COVERAGE

Unanimity rules may be especially problematic when it comes to discussing complex technical aspects. We argue that the combination of very technical issues, high media exposure, and unanimity rules is very detrimental to climate cooperation. The main reason is that it is relatively easy for countries opposed to climate change mitigation to delay action and prevent agreement on such technical issues, especially when there are already many legitimate concerns, for instance related to the integrity of carbon trading mechanisms. Several countries took a minority stance and opposed an agreement on the use of Internationally Transferable Mitigation Outcomes (ITMOs) at COP25. A similar process had happened the previous year at COP24.

Some years ago, lack of agreement on such technical issues would not have caused much despair. ITMOs affect ambition only indirectly, by lowering the cost of reducing emissions. As long as there is enough pressure on domestic governments to increase ambition, delay on technical issues affects only the cost of achieving emissions goals. Costs matter, because they affect households and eventually the ability of governments to increase their pledges. However, there are many other situations in which the costs of climate policy could be drastically reduced. Transitioning from command and control and subsidies to renewable energy to carbon pricing is a case in point, which can be done unilaterally without international policy coordination (World Bank 2020).

Media attention to the sessions of the COP has, however, steadily increased in recent years. In 2019, media attention and expectations were so high that, at its end, COP25 was considered by commentators as a failure (e.g. Streck 2020). Given the relatively small importance, when considering the broader picture, of the technical issues discussed at COP25, the major victory of countries opposing ambitious climate mitigation was not to fail climate action, but to give the world the *perception* that climate action was failing. In reality, the launch of the Coalition of Finance Ministers for Climate Action may be much more important in the long run than the delay in agreeing on the rules on ITMOs.

3. A CLUB APPROACH FOR 2021

Some important lessons follow from this experience, which could be addressed in the moment of reflection created by the ongoing pandemic. To be clear, the coronavirus is no good news for climate change mitigation. Even during “normal” recessions, climate change drops in importance among the general public (Kahn and Kotchen 2011).

At the same time, however, the coronavirus offers a window of opportunity to climate negotiators to figure out the next steps and try new approaches. The absence of a session of the COP in 2020 gives negotiators additional time to address technical issues behind the scenes, including through club approaches. COP26 will focus on ambition, for which high media exposure and attention by the public are important, if combined with plausible expectations. With COP26 postponed by one year, policymakers and negotiators have more time to act and prepare accordingly. Governments should also be given extra time to release their updated pledges or to revise the ones that were released in the midst of the pandemic, as it happened with Japan.

In the meantime, climate negotiators have time to expand the use of alternative settings to work out the differences across countries on most technical issues. Using a high-level event that attracts enormous attention and happens only once a year to negotiate over technical details is a wasted opportunity, and can also send misleading signals about lack of progress on actual climate action. These alternative settings include the Subsidiary Body for Scientific and Technological Advice, where the talks on ITMOs are currently taking place, as well as the World Economic Forum. Most importantly, meetings can also occur more frequently, as

they all moved online, and ministers can be more flexible and participate whenever high-level decisions are needed. The Intergovernmental Panel on Climate Change (IPCC), the large United Nations body tasked to condense in regular reports the scientific evidence on climate change, has already experimented with biweekly, rather than biannual meetings, bringing on the same online platform hundreds of researchers from all over the world to write its 6th assessment report.

Alternatives to unanimous consensus should be identified and made known to all countries, including recalcitrant ones, before negotiations on technical issues even start. Negotiations on technical issues could drag for years, but incentives to reach a compromise may be stronger if recalcitrant countries knew that most other countries would move on with temporary measures absent an unanimous agreement, unless there is a specific need for a uniform rule. Hence, club approaches could be used to devise such alternative solutions (Keohane and Victor 2016). Those clubs would have like-minded countries as members, along the lines of the meeting called by French President Emmanuel Macron in December 2017, and should also serve the interests of the least developed countries and small island developing states. Club approaches can be especially effective at times in which global leadership may be lacking. Club approaches can also provide signals of cooperation in periods in which unanimity-based approaches may not. Additional clubs could emerge around carbon pricing, which, coupled with border tariffs, has the potential to lead to emissions reductions not only among the club members, but also among outsiders (Nordhaus 2015; Carattini, Kallbekken, and Orlov 2019). Club approaches can also be used to fast track negotiations on items requiring uniform rules, although success may be only partial, as with the pre-COP25 meeting organized under the Costa Rican leadership and leading to the San José Principles, a set of rules on ITMOs to which 32 countries agreed. Switzerland and Peru, for instance, recently entered into a bilateral agreement for carbon offsetting in Peru to count as reductions for Switzerland under the Paris Agreement, without double counting. The World Bank-led Climate Market Club has a similar aim.

With this approach, many of the interrelated issues that influence ambition may be addressed in large part before COP26, which could thus focus on increasing, and homogenizing, pledges. Policymakers around the world need to respond to the urgent demands of their citizens. Resources and high-level governmental attention are limited. Increasing ambition is compatible with recovery programs and so is carbon pricing, especially if it provides dividends to citizens (Carattini, Kallbekken, and Orlov 2019).

4. LESSONS FOR GLOBAL LEADERS AND INFLUENTIAL ENVIRONMENTALISTS

United Nations leaders have now time to work on their ability to manage expectations, which may also include downplaying the importance of some rounds of negotiations, when these focus mostly on issues of technical nature. Countries whose interest is in delaying climate action have all the incentives to make sure that global citizens' perception is that of faltering cooperation and United Nations leaders have the responsibility to manage expectations and align perceptions with actual progress. While sessions of the COP also serve as venues for exchanging ideas and for networking, a more austere and insulated setting may be more conducive to actual progress when the focus of the negotiations is represented by tedious and technical aspects of climate change mitigation. Moreover, when setting expectations, it would also be useful for United Nations leaders to communicate how much has already been achieved with respect to business as usual, and not only how much remains to be done. The IPCC can offer again an example, with its outreach activities. Virtual forums allow the UNFCCC to engage more with stakeholders, to educate them on the functioning of negotiations, to report on progress, as well as to receive feedback.

Influential environmentalists also have a role to play. For instance, they could get more accustomed with the functioning of the sessions of the COP, so to inform the general public when stakes are high and when they

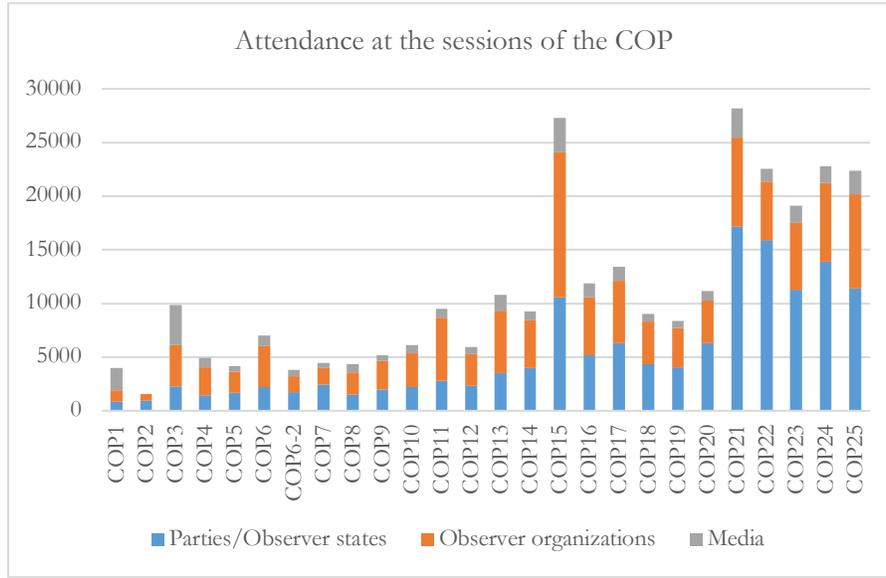
are not. At COP26, they will be. They could also become more experienced at walking that thin line between putting pressure on negotiators and policymakers to increase ambition and making sure that immediate expectations are not unattainable. Observers at COPs like us have witnessed first-hand the dedication of climate negotiators and their exhaustion when negotiations extend throughout the night for several days in a row. Praising achievements by negotiators, and by governments on domestic action, can be as important as reminding them that more needs to be done. Policymakers may not have strong incentives to act if they feel that environmentalists are never happy and that they would not be politically rewarded for their actions. Further, environmentalists could improve their ability to mobilize voters in recalcitrant countries, including countries with formal democratic institutions such as Australia and Brazil, which is where they could make a real change right now, but are currently not. Social distancing is currently challenging environmentalists' standard approach to mobilize young citizens, but also offering opportunities to extend their outreach to new countries, traveling to which by sea would take a long time.

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APPENDIX

FIGURE A. 1 – ATTENTION TO THE SESSIONS OF THE COP HAS KEPT INCREASING IN RECENT YEARS



Note: number of attendees at the sessions of the COP by status: parties and observer states; observer organizations; media. The number of attendees at the COP has massively increased over time, from a few thousands in the 1990s, when many stakeholders would know each other personally, to around 10,000 in the following decade (with the exception of COP15 in 2009), and more than 20,000 in most recent years. The figure also shows that not all sessions of the COP are the same. COP15 in Copenhagen, with 27,294 attendees, was expected to lead to a landmark agreement. COP21 in Paris too, and it did. Such peaks in importance may, however, not be that well reflected in people’s attention or expectations, which may reflect the divergence between the “climate emergency” rhetoric and the need for climate negotiations to work in cycles. Source: UNFCCC statistics and yearly lists of participants.