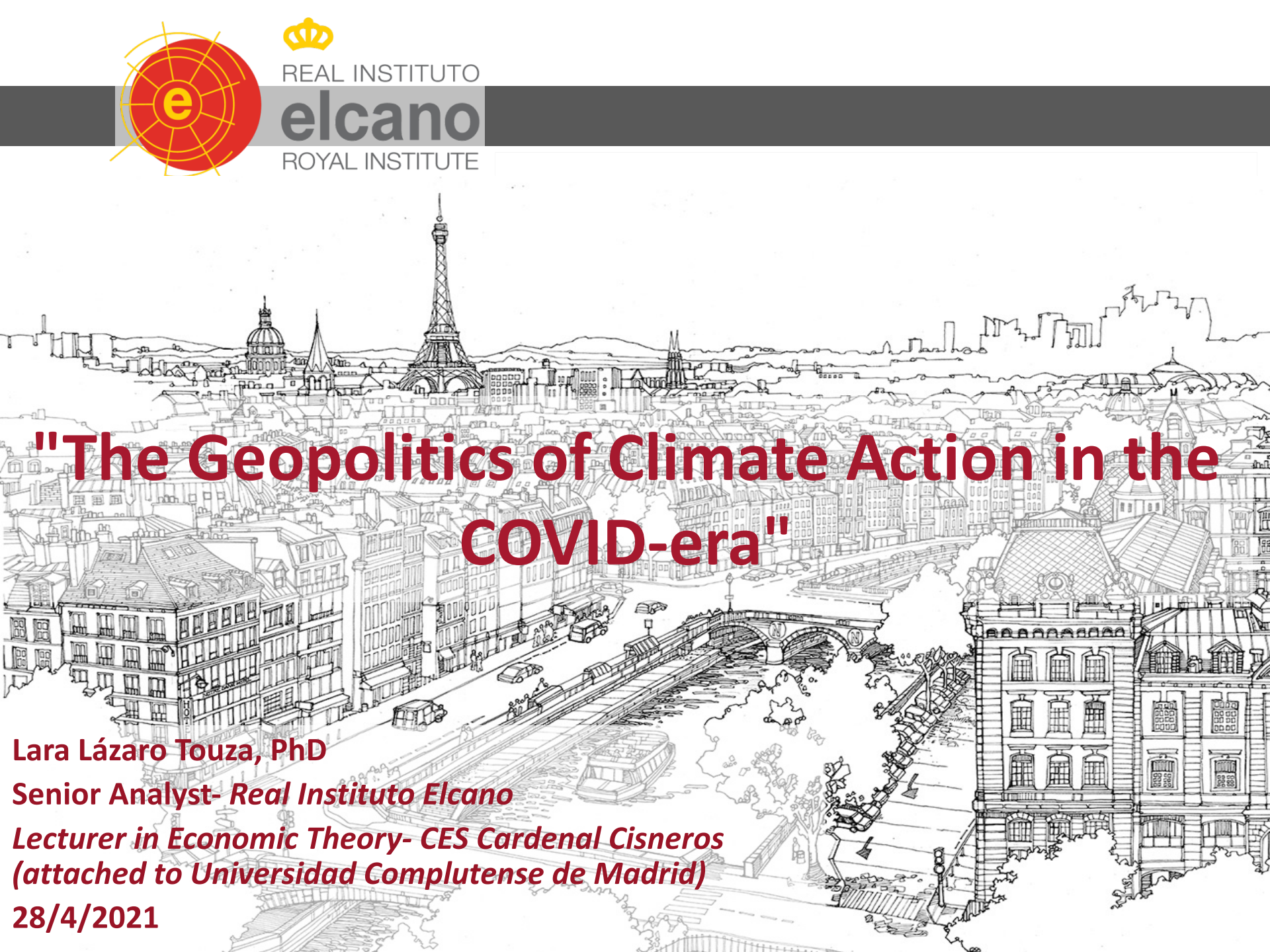




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# "The Geopolitics of Climate Action in the COVID-era"

**Lara Lázaro Touza, PhD**  
**Senior Analyst- Real Instituto Elcano**  
**Lecturer in Economic Theory- CES Cardenal Cisneros**  
**(attached to Universidad Complutense de Madrid)**  
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## 1. The geopolitics of climate action

- Drivers and barriers of action:
  - ❖ Science
  - ❖ Resource endowment
  - ❖ RES costs vs. fossil fuels
- The US, the EU and China
- Africa

## 2. Geopolitics of climate action in the COVID-19 era

# 1. The geopolitics of climate action

## Geopolitics

- Interaction & 'rivalries between states'
- 'The role of geographical settings in human affairs, in international politics in particular'
- 'Modes of knowledge and representation that shape related political discourse and policy formulation' Agnew (2003) in Dalby (2018: 2)

## Past discussions:

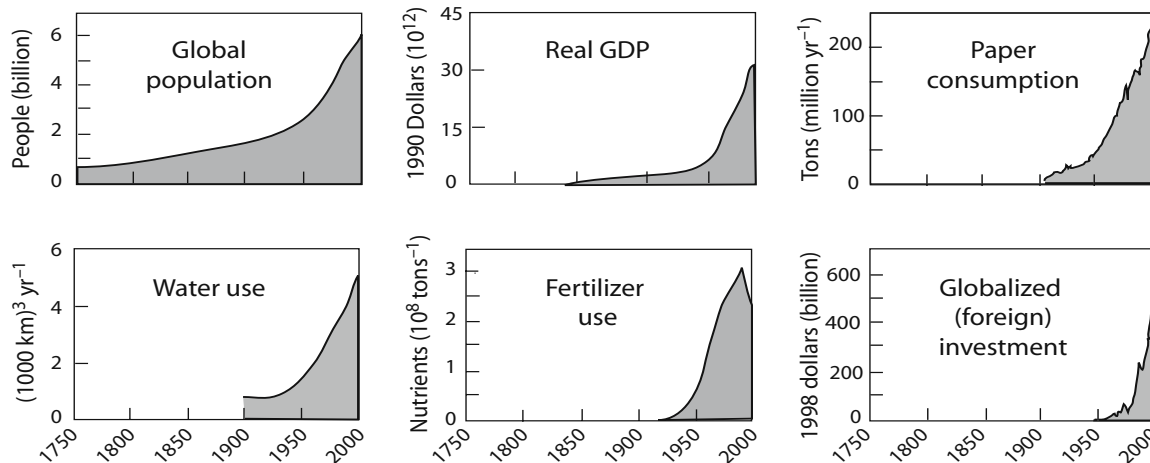
- Climate had a bearing on societies qualities.

## XXI century

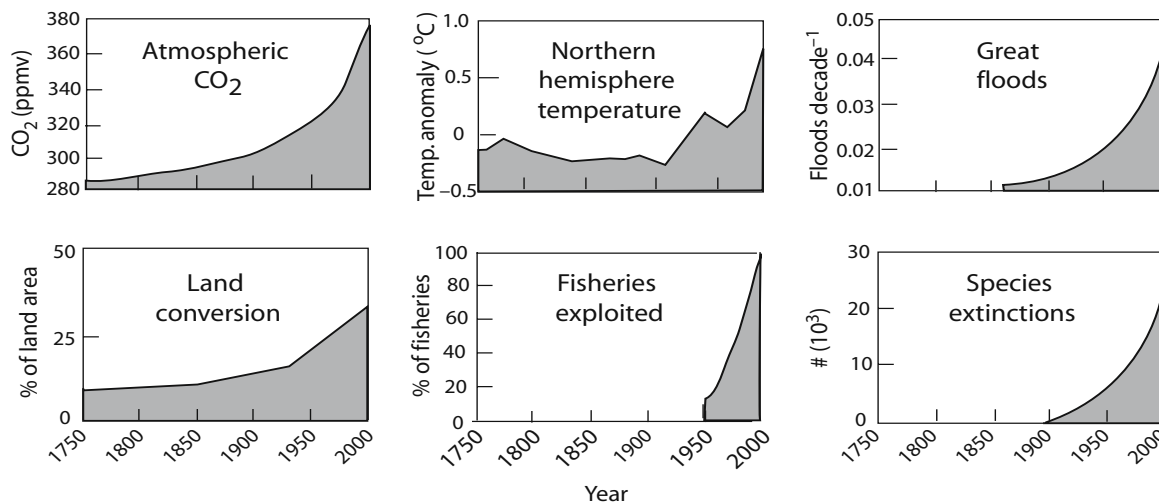
- Humans influence climate: reversing the causal logic of human-nature relations

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## Human Actions



## Earth-System Responses



The Anthropocene: geological era in which humans are the key driver of changes in the Earth (Rockström *et al.* 2009).



- Potential to destabilise critical biophysical systems that allow life on Earth as we know it.
- The industrial society generates global impacts that can limit material gains. (Beck, 1992, 1999; Beck, Giddens y Lash, 1994; Jarvis, 2007).
- The current socioeconomic paradigm ignores the risk of global environmental disasters. (Stern, 2007).

Fuente: Young and Steffen (2009: 300)

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## Geopolitics and climate change

- Industrial powers and the global economy has been fuelled by fossil fuels leading to anthropogenic climate change.
- ‘Geopolitics is now about the struggle to control this process (climate change), evade or accept responsibilities for the changes, and shape international institutions to deal with the consequences’ (Dalby, 2018:3)



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- Climate change:
  - The biggest **market failure** (Stern, 2009)
  - Goliath of **externalities** (Nordhaus, 2013),
  - **Tragedy of the horizons** (Mark Carney, 2014)
  - The **single biggest threat to the global economy** (Paulson, 2014)
  - **Wicked** problem (Jordan *et al.* 2010)
  - **Stretches economics discipline** beyond marginal changes and beyond short-term lifetime of markets.
- Cooperation is needed and difficult!
  - Law of the least ambitious programme...
- Stable climate: **global public good**. Non-rival/non-excludable
  - Free-riders
  - Underprovision

Big scope for **government intervention** if we are to achieve efficiency...  
But...equity, political feasibility, political will and **sufficiency?**

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*Rerum Cognoscere Causas*

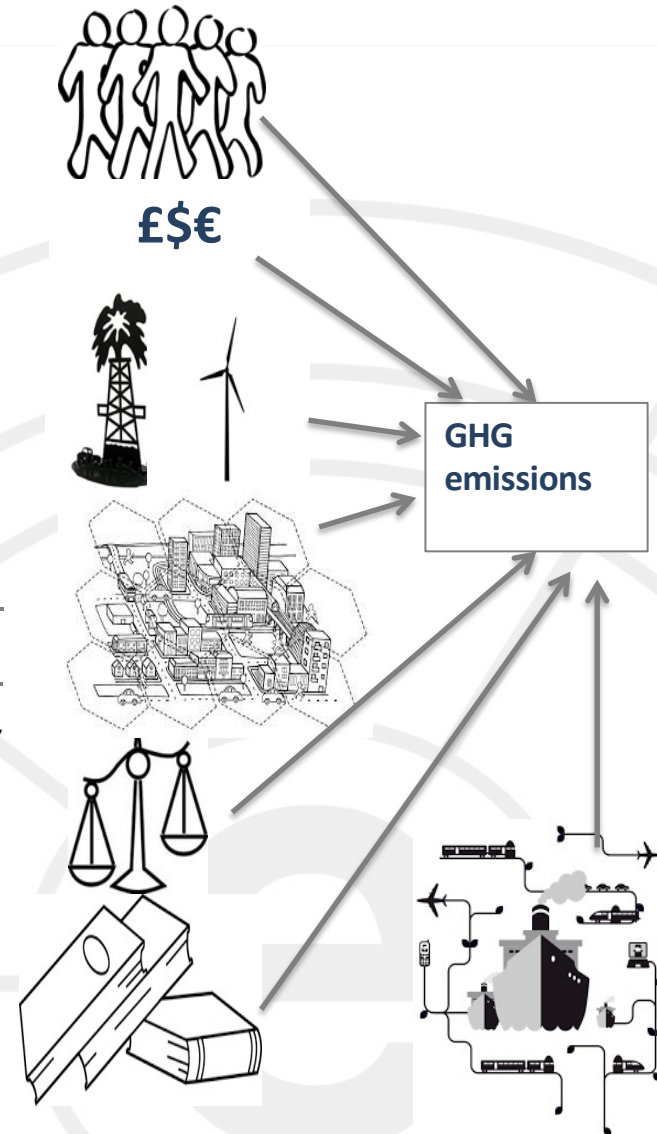
IPAT (Commoner, 1971); (Ehrlich y Holdren, 1971)

*Impact = population \* affluence \* technology*

$$Impact = Population * \frac{GDP}{Population} * \frac{Impact}{Population * \frac{GDP}{Population}}$$

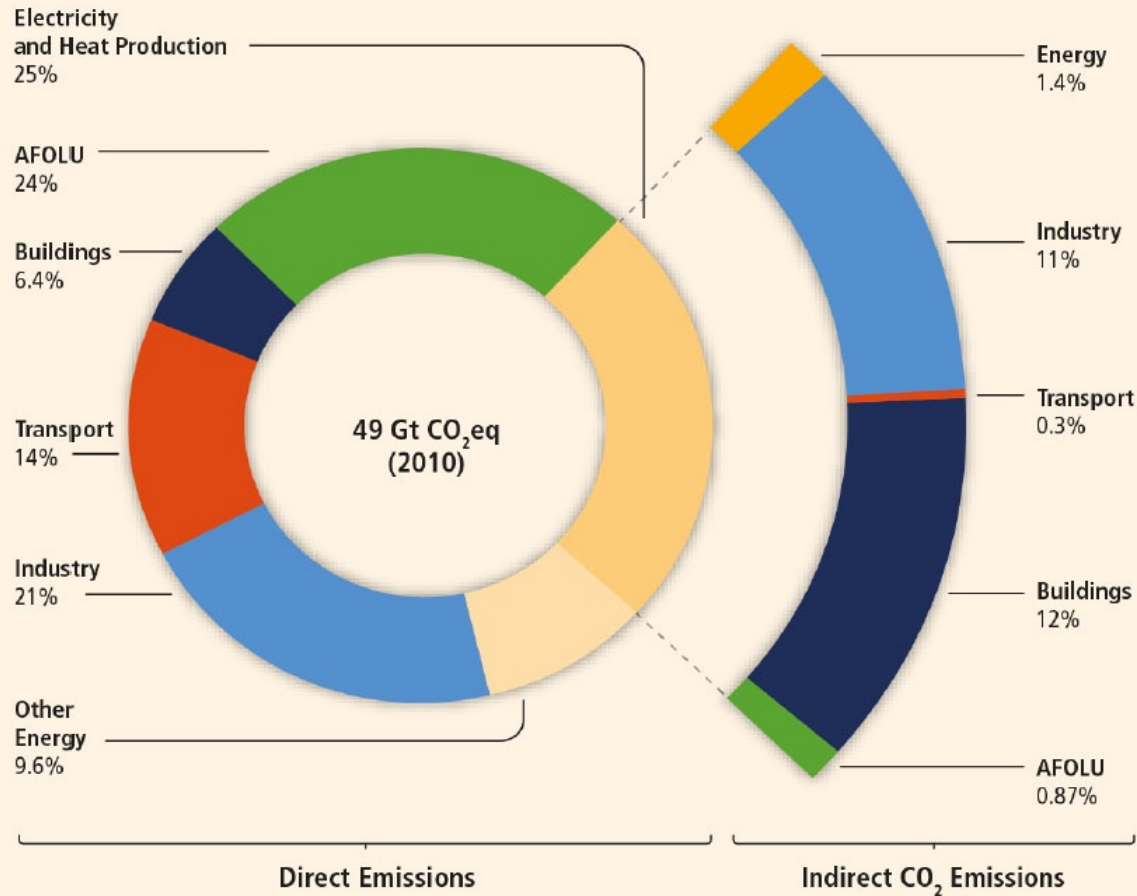
Kaya Identity (Kaya, 1990)

$$Emissions = Population * \frac{GDP}{Population} * \frac{Energy}{GDP} * \frac{Emissions}{Energy}$$



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## Global greenhouse gas emissions by economic sectors, 2010



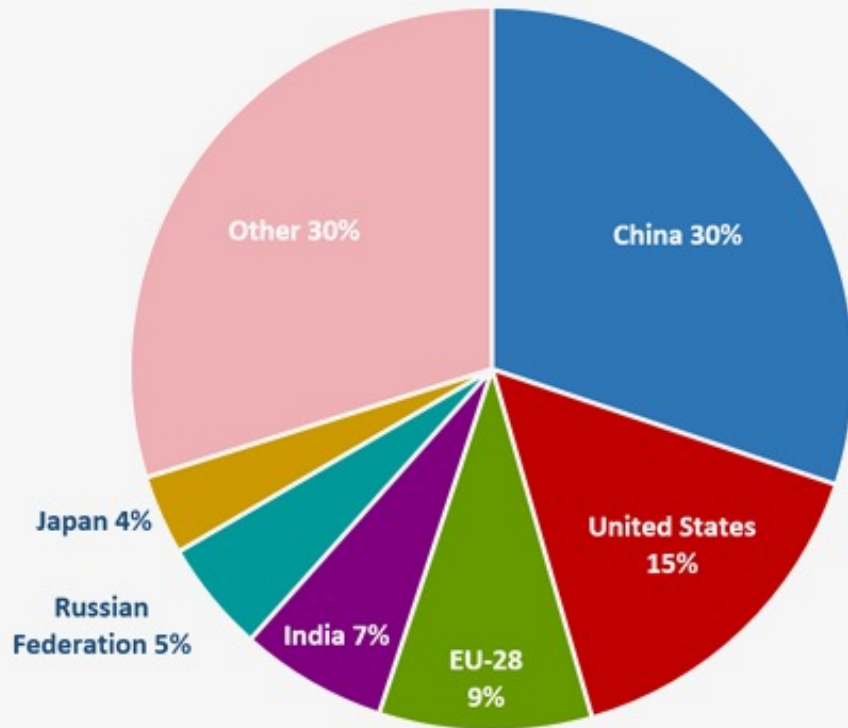
Climate Change 2014: Mitigation of Climate Change, IPCC Working Group III

**59.1 Gt CO<sub>2</sub>e in 2019!**  
**UNEP (2020)**



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2014 Global CO<sub>2</sub> Emissions from Fossil Fuel Combustion and Some Industrial Processes



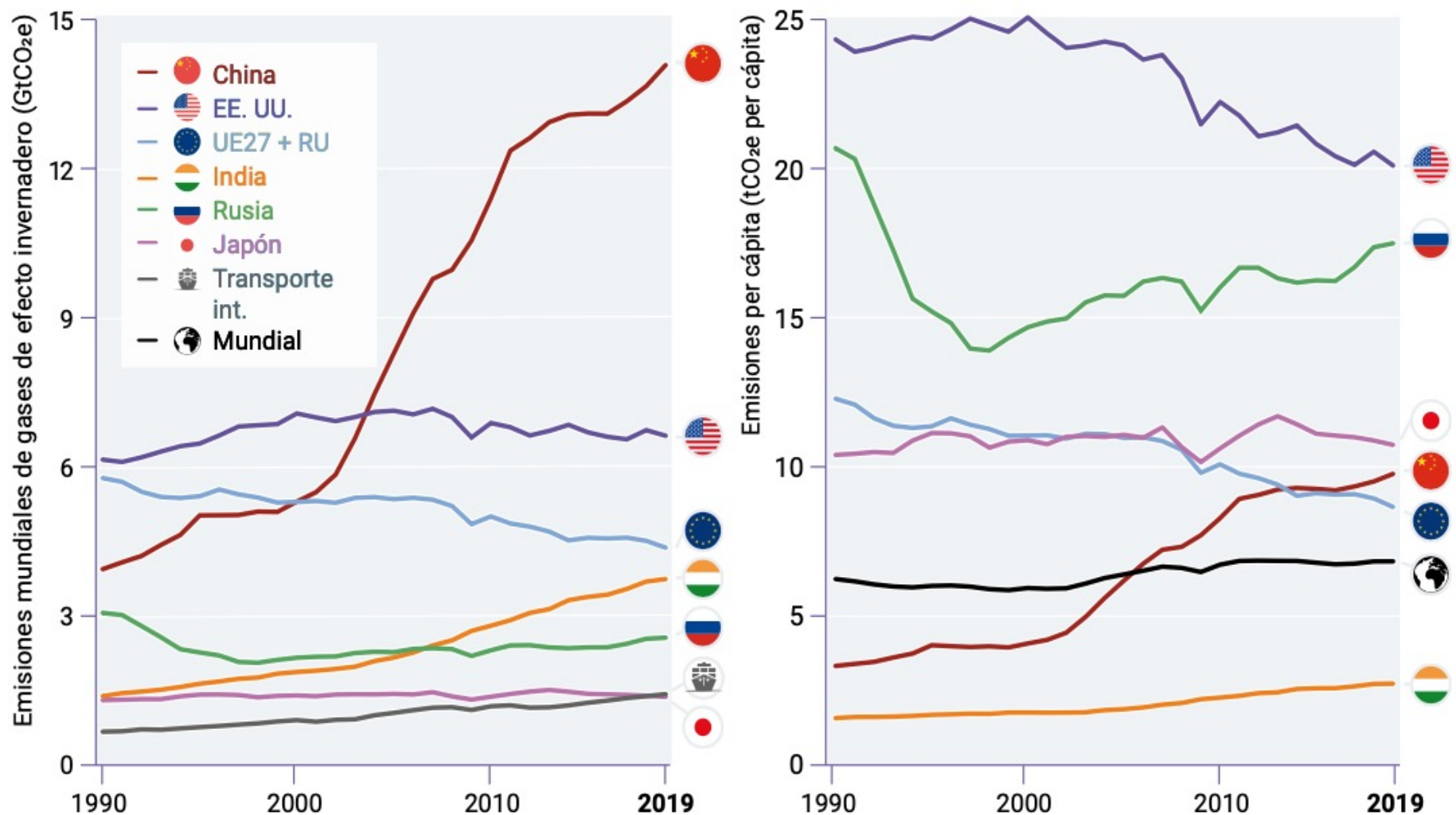
Source: Boden *et al.* (2017)

Beware...

- Static *versus* dynamic (historical) analyses
- Cumulative vs. per capita emissions
- Equity considerations
- Negotiating positions in the international climate arena!

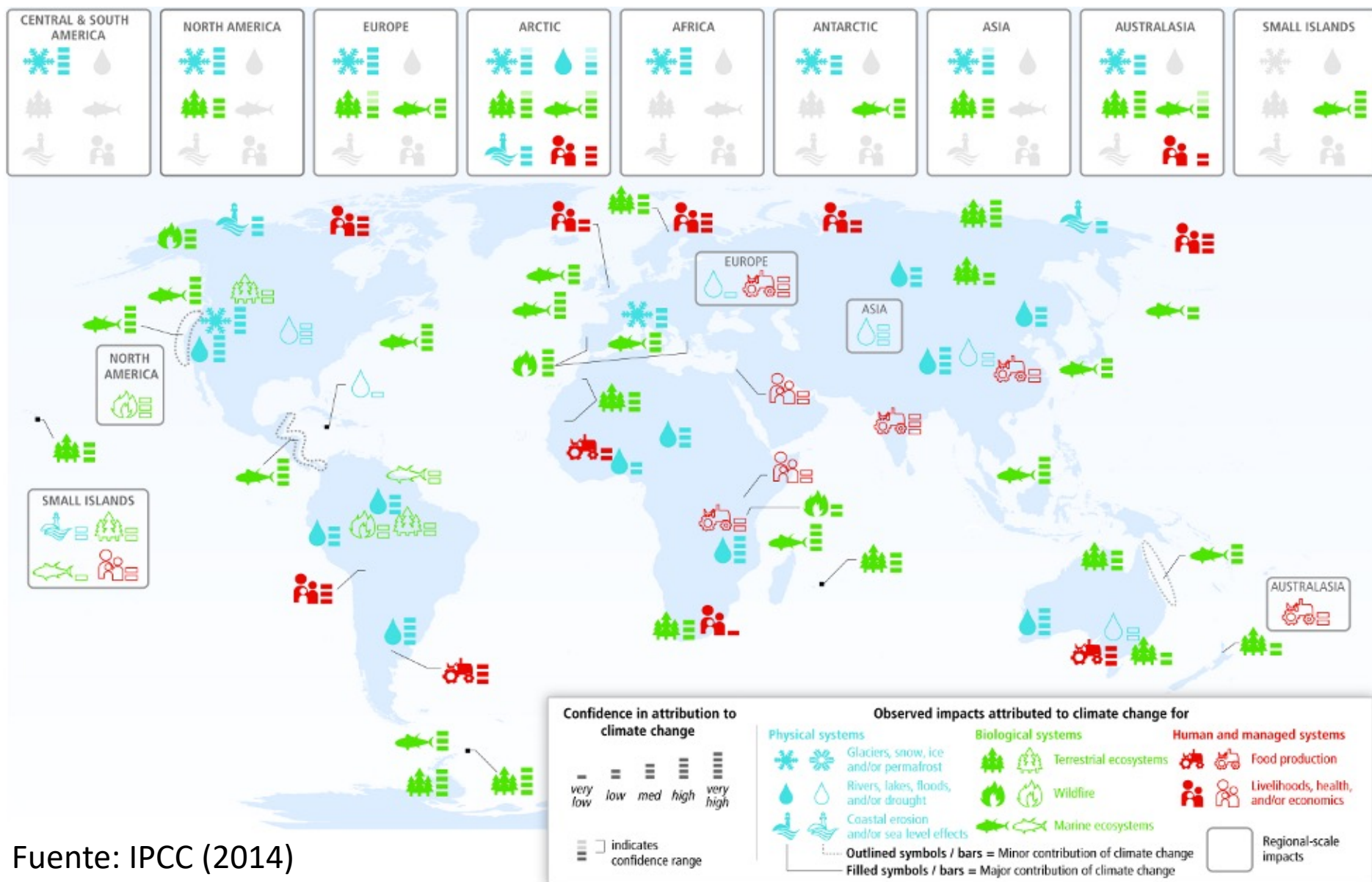
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**Gráfico ES.2:** Emisiones de GEI en términos absolutos de los seis emisores principales (sin contar las procedentes del cambio de uso de la tierra) y el transporte internacional (izquierda), y emisiones per cápita de los seis emisores principales y promedio mundial (derecha)



Fuente: UNEP (2020: vi)

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Fuente: IPCC (2014)



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## Arctic

- Temperature rise much larger than global average
- Decrease in Arctic sea ice coverage
- Decrease in Greenland ice sheet
- Decrease in permafrost areas
- Increasing risk of biodiversity loss
- Intensified shipping and exploitation of oil and gas resources

## Coastal zones and regional seas

- Sea-level rise
- Increase in sea surface temperatures
- Increase in ocean acidity
- Northward expansion of fish and plankton species
- Changes in phytoplankton communities
- Increasing risk for fish stocks

## North-western Europe

- Increase in winter precipitation
- Increase in river flow
- Northward movement of species
- Decrease in energy demand for heating
- Increasing risk of river and coastal flooding

## Mediterranean region

- Temperature rise larger than European average
- Decrease in annual precipitation
- Decrease in annual river flow
- Increasing risk of biodiversity loss
- Increasing risk of desertification
- Increasing water demand for agriculture
- Decrease in crop yields
- Increasing risk of forest fire
- Increase in mortality from heat waves
- Expansion of habitats for southern disease vectors
- Decrease in hydropower potential
- Decrease in summer tourism and potential increase in other seasons

## Northern Europe

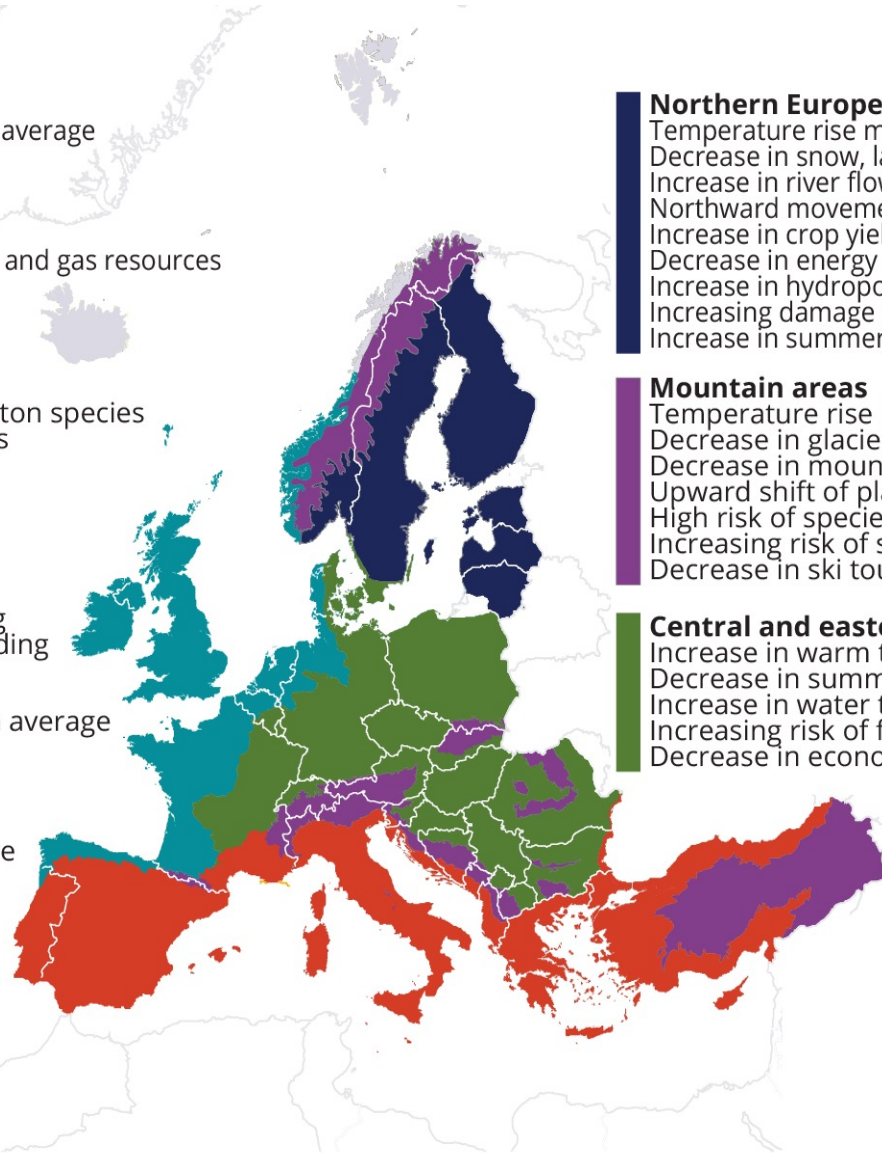
- Temperature rise much larger than global average
- Decrease in snow, lake and river ice cover
- Increase in river flows
- Northward movement of species
- Increase in crop yields
- Decrease in energy demand for heating
- Increase in hydropower potential
- Increasing damage risk from winter storms
- Increase in summer tourism

## Mountain areas

- Temperature rise larger than European average
- Decrease in glacier extent and volume
- Decrease in mountain permafrost areas
- Upward shift of plant and animal species
- High risk of species extinction in Alpine regions
- Increasing risk of soil erosion
- Decrease in ski tourism

## Central and eastern Europe

- Increase in warm temperature extremes
- Decrease in summer precipitation
- Increase in water temperature
- Increasing risk of forest fire
- Decrease in economic value of forests



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## Selected Effects of Climate Change on Africa

Fish catches off the coast of West Africa are likely to drop by as much as 50% by 2050 due to **rising ocean temperatures**. Fish accounts for half of the animal protein consumed in the region.

The Sahel has seen a 25% **decrease in rainfall** over the past 30 years. Populations have migrated to the region's few permanent water points, substantially altering the social system.

Since 1990, atmospheric influences have driven rapid rises in **sea level**, which has in some seasons increased up to 10 cm above average in parts of the Mediterranean.

Due to environmental degradation caused by lower rainfall and higher temperatures, by 2050, **crop yields** in several countries including Ethiopia, Nigeria, and Sudan are expected to drop by 20% by 2050.

Since 1912, 82 percent of the icecap of Mount Kilimanjaro has disappeared. As a result, several **rivers** at the base of the mountain have dried up, causing tensions over scarce water.

**Weaker trade winds** have disrupted agricultural calendars and resulted in crop failures in coastal West Africa.

Southern Africa is experiencing its worst **drought** in 50 years. Zimbabwe's maize harvest was down 35% in 2015.

Crop and livestock losses, displacement, and an outbreak of cholera caused by **floods** in Mozambique affected nearly a quarter of a million people in 2013.

**Rising sea levels** are expected to inundate coastal cities including Cape Town, Maputo, and Dar es Salaam. By 2030, Tanzania's coastal areas could lose more than 7,600 km<sup>2</sup> of land, and 1.6 million people will experience annual flooding.



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## CLIMATE CHANGE AMPLIFIES INSTABILITY IN AFRICA



### **Sahel-Sudanian Bioclimatic Zone: Herder-Farmer Conflict.**

Pastoralist systems—which provide livelihoods for 20 million people in the Sahel—are becoming more precarious as the amount of grazing land shrinks. Such land pressures are leading to an increase in clashes between farmers and herders.



**Sudan: Displacement.** Climate-induced disasters force mass displacement into often unstable areas, disrupting traditional social structures, dispute resolution mechanisms, and food production. Sudan saw its worst flooding in 60 years in 2020. Over 100 people were killed and 500,000 were displaced. Nearly 5.5 million acres of farmland—an area the size of Djibouti—were submerged.



**Congo Basin: Carbon Emissions.** Increasing heat and drought are hobbling tree growth in the Congo Basin, which reduces their capacity to absorb greenhouse gases. The Basin, the second largest rainforest in the world and the main source of rainfall for the Sahel and beyond, is projected to go from being a global carbon sink to a source of carbon emissions by 2050.

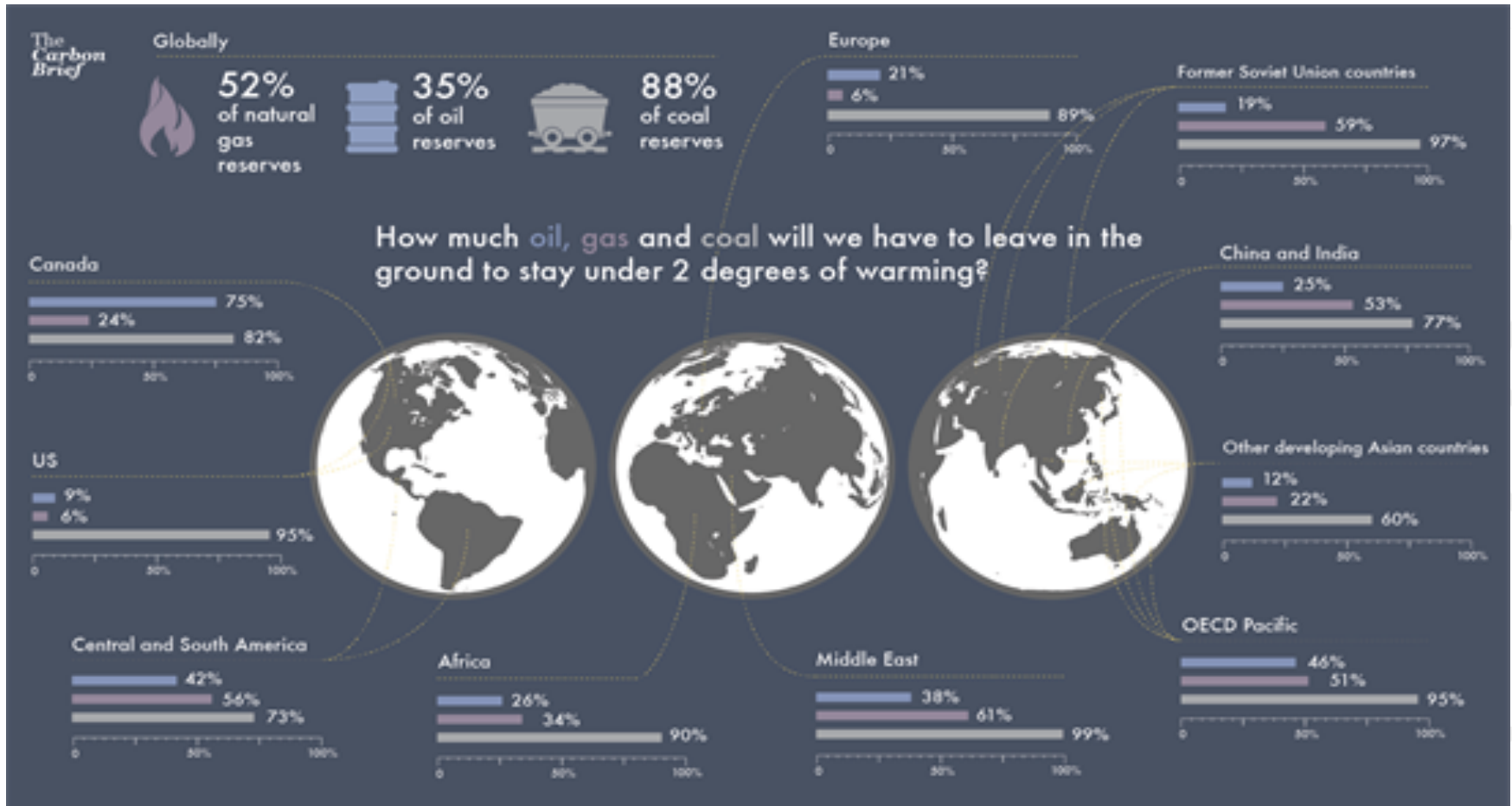


**Gulf of Guinea: Illegal Fishing.** Ocean warming and acidification have decimated fish stocks, increasingly forcing boats illegally into foreign waters. In 2017, 97 Nigerian fishers were killed by Cameroonian forces in long-running dispute over access to water around Bakassi. In another confrontation, a Senegalese fisher was killed when his trawler clashed with the Mauritanian Coast Guard. Fish stocks are expected to drop by roughly 26 percent across West Africa by 2050—and up to 60 percent in some places along the equator—further increasing competition.



**Mozambique: Infrastructure.** Three of the five most severe cyclones to hit Mozambique have occurred in the last two years. In 2019, the back-to-back Cyclones Idai and Kenneth destroyed a quarter million homes and killed hundreds of people. In January 2021, Cyclone Eloise struck the same location, followed by weeks of torrential downpour. Flooding damaged 30,000 more houses, schools, and clinics, as well as thousands of shelters that had been set up for those who lost their homes in Idai.

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Sources: The Carbon Brief (2015) based on McGlade y Ekins (2015)

Transition will be gradual:  
Winners: RES, EE, Clean tech.

Losers: high cost oil companies & oil exporting countries (BlackRock, 2015)

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Producers	Mt	% of world total
United States	742	16.7
Russian Federation	560	12.6
Saudi Arabia	546	12.3
Canada	265	6.0
Iraq	234	5.3
People's Rep. of China	192	4.3
United Arab Emirates	189	4.3
Islamic Rep. of Iran	146	3.3
Brazil	145	3.3
Kuwait	144	3.2
Rest of the world	1 276	28.7
<b>World</b>	<b>4 439</b>	<b>100.0</b>

2019 provisional data

## Oil

Net exporters	Mt
Saudi Arabia	368
Russian Federation	260
Iraq	190
Canada	148
United Arab Emirates	125
Islamic Rep. of Iran	106
Kuwait	105
Nigeria	93
Kazakhstan	70
Angola	67
Others	550
<b>Total</b>	<b>2 082</b>

2018 data

Net importers	Mt
People's Rep. of China	459
United States	292
India	226
Korea	151
Japan	151
Germany	85
Spain	67
Italy	63
Netherlands	61
Singapore	55
Others	525
<b>Total</b>	<b>2 135</b>

2018 data

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## Gas

Producers	bcm	% of world total
United States	955	23.4
Russian Federation	750	18.3
Islamic Rep. of Iran	232	5.7
People's Rep. of China	178	4.4
Canada	177	4.3
Qatar	168	4.1
Australia	142	3.5
Norway	119	2.9
Saudi Arabia	98	2.4
Algeria	91	2.2
Rest of the world	1 179	28.8
<b>World</b>	<b>4 089</b>	<b>100.0</b>

2019 provisional data

Net exporters	bcm
Russian Federation	265
Qatar	124
Norway	113
Australia	95
United States	54
Turkmenistan	52
Canada	51
Algeria	43
Nigeria	29
Malaysia	24
Others	203
<b>Total</b>	<b>1 053</b>

2019 provisional data

Net importers	bcm
People's Rep. of China	122
Japan	105
Germany	103
Italy	71
Mexico	57
Korea	54
Turkey	44
France	44
United Kingdom	39
Spain	36
Others	324
<b>Total</b>	<b>999</b>

2019 provisional data

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Producers	Mt	% of world total
People's Rep. of China	3 693	46.6
India	769	9.7
United States	640	8.1
Indonesia	616	7.8
Australia	503	6.4
Russian Federation	418	5.3
South Africa	254	3.2
Germany	131	1.7
Poland	112	1.4
Kazakhstan	105	1.3
Rest of the world	680	8.5
<b>World</b>	<b>7 921</b>	<b>100.0</b>

2019 provisional data

## Coal

Net exporters	Mt
Indonesia	448
Australia	393
Russian Federation	189
South Africa	78
United States	78
Colombia	71
Mongolia	28
Canada	28
Kazakhstan	25
Mozambique	10
Others	4
<b>Total</b>	<b>1 352</b>

2019 provisional data

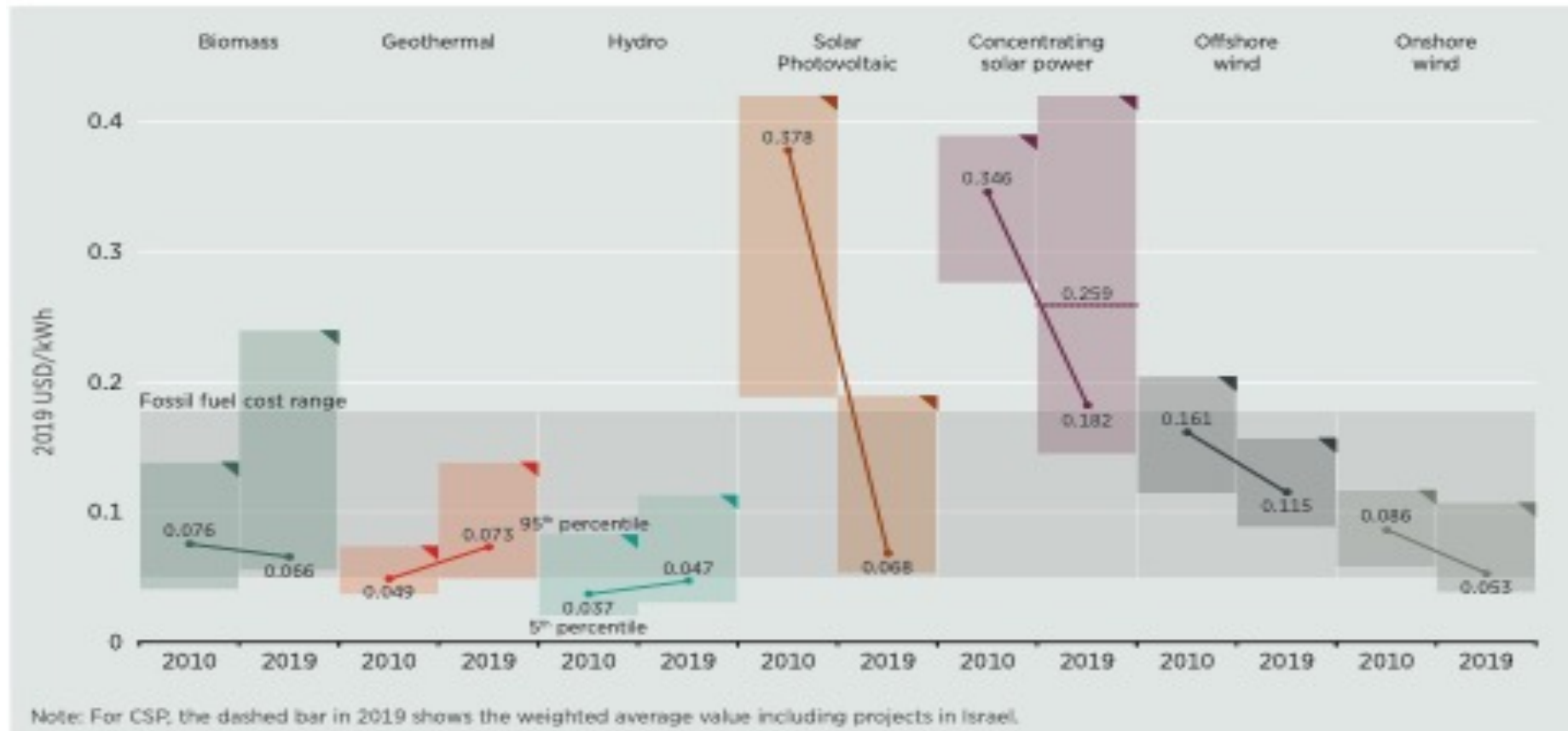
Net importers	Mt
People's Rep. of China	296
India	246
Japan	185
Korea	130
Chinese Taipei	67
Viet Nam	43
Germany	41
Turkey	38
Malaysia	35
Thailand	23
Others	235
<b>Total</b>	<b>1 339</b>

2019 provisional data



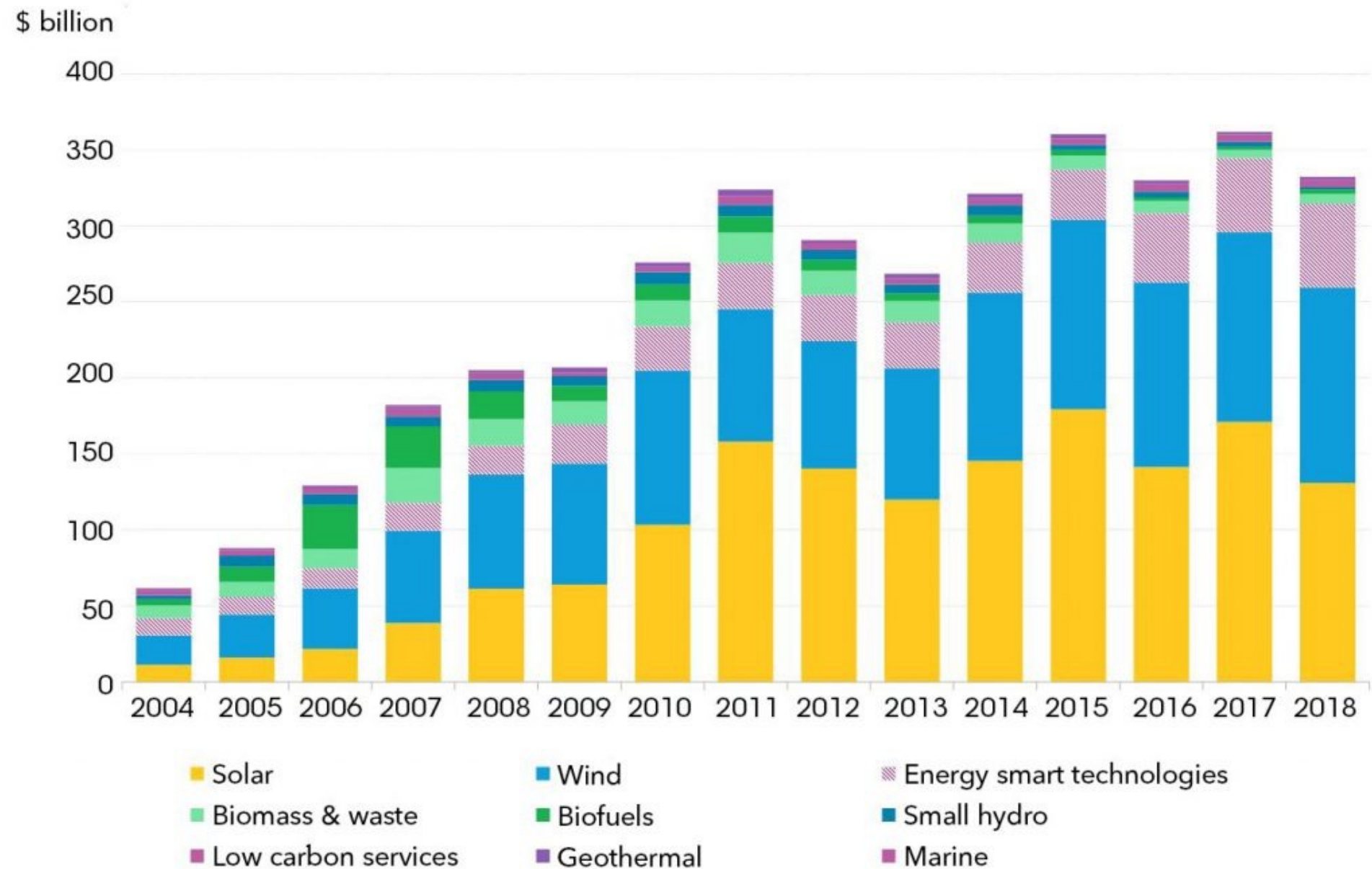
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**Figure ES.1** Global weighted average levelised cost of electricity from utility-scale renewable power generation technologies, 2010 and 2019



Source: IRENA (2020: 13)

# Global new investment in clean energy

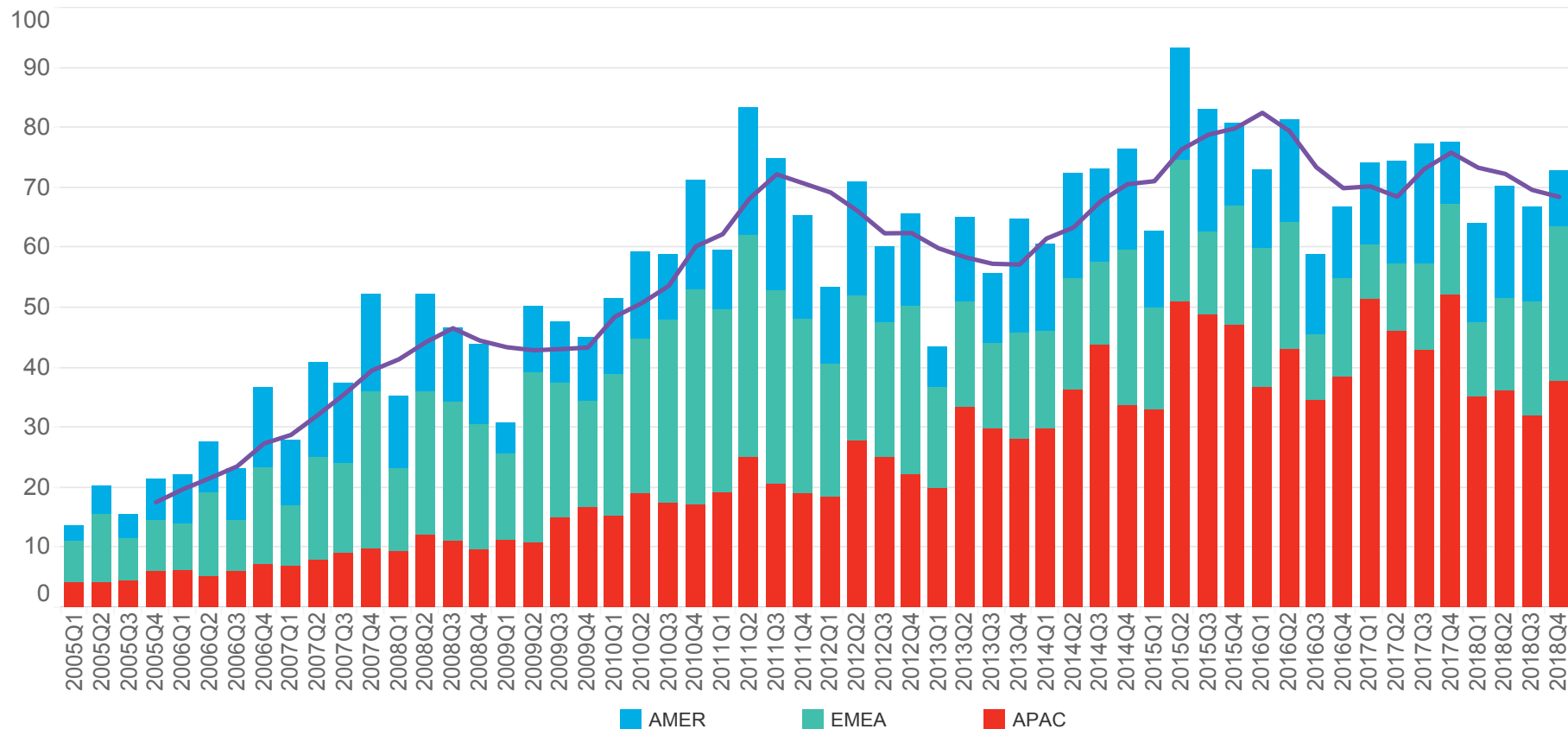


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## Global New Investment in Clean Energy, by Region

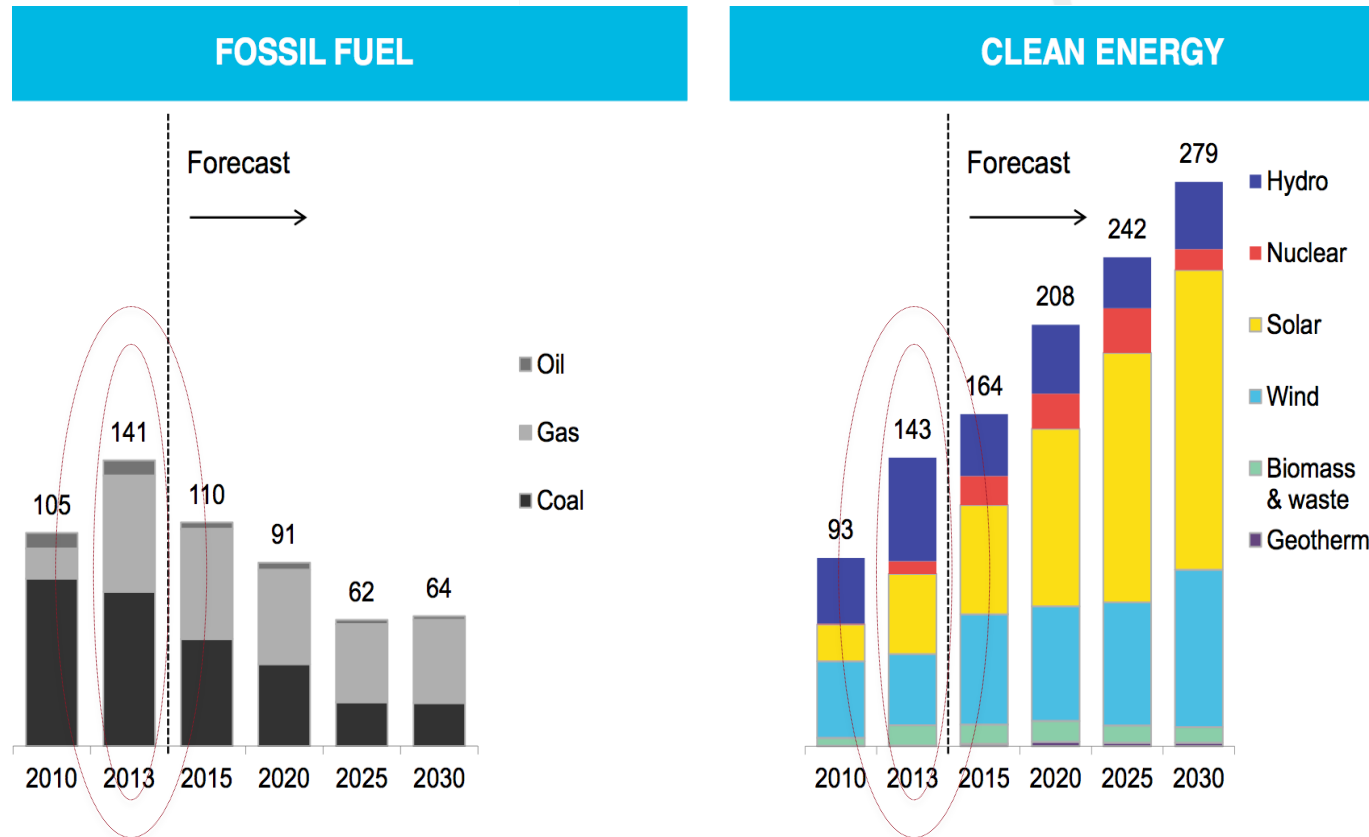
1Q 2005 - 4Q 2018

\$bn



Source: BNEF (2018: 5)

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Power generation capacity additions (GW)  
Bloomberg New Energy Finance

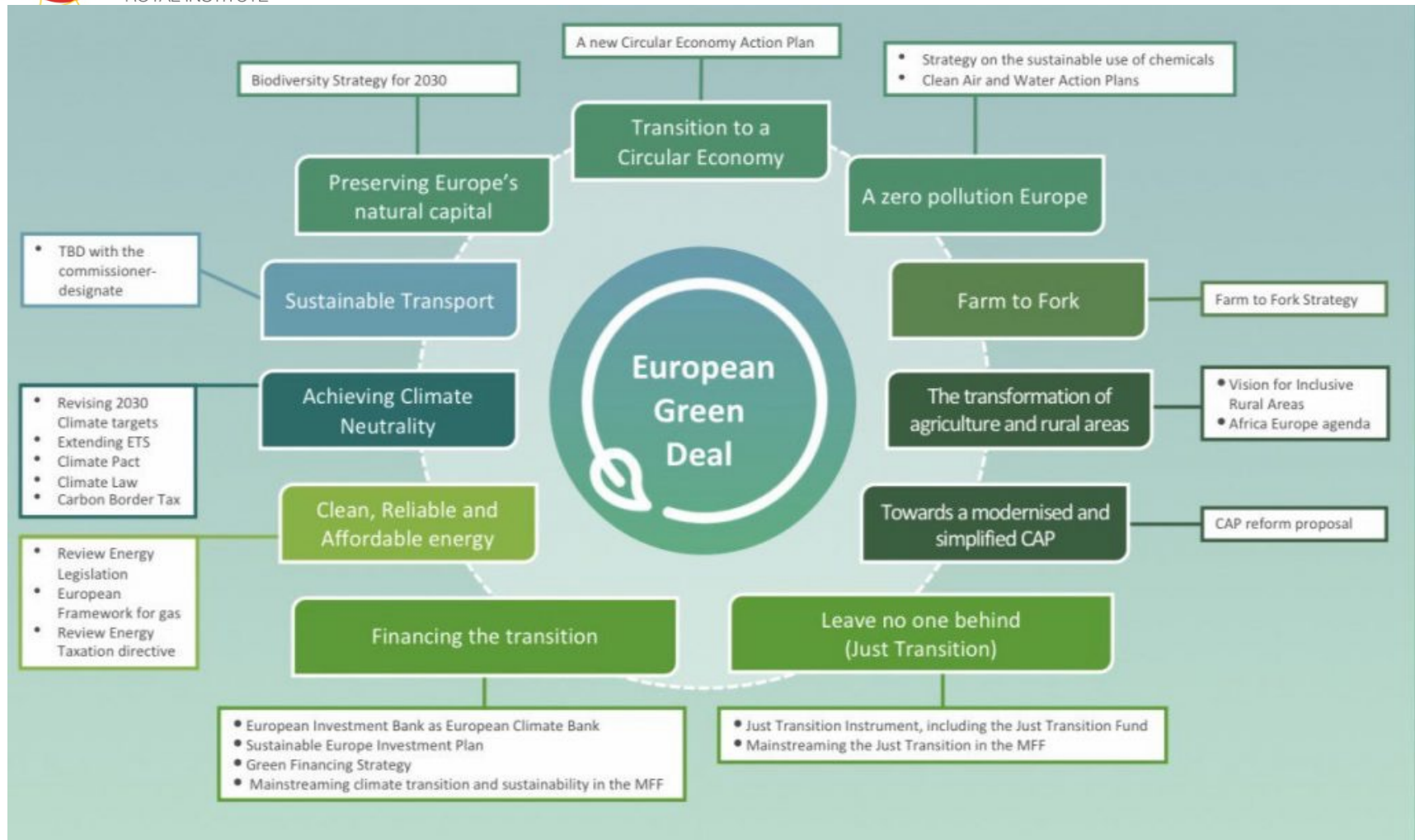
*'The question is no longer if the world will transition to cleaner energy, but how long it will take'. Randall (2015)*

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	China	EU	US
<b>Key climate policies and legislation</b>	<p>No dedicated climate change law (but in progress). Climate-relevant policies and measures:</p> <ul style="list-style-type: none"> <li>• Air Pollution Prevention and Control Plan (2013)</li> <li>• Several targets set in Five-Year-Plans (esp. 2011-15; 2016-20)</li> <li>• Pilot carbon emissions trading schemes</li> <li>• Moratorium on new coal mine and possibly coal-fired power station approvals (2016); plan to eliminate 500 million tonnes of coal capacity</li> </ul>	<ul style="list-style-type: none"> <li>• 2020 Climate and Energy Package (2009);</li> <li>• 2030 framework for climate and energy policies (2014)</li> <li>• EU Emissions Trading System (2005)</li> <li>• <b>2030 targets</b>  <ul style="list-style-type: none"> <li>• <math>\geq -55\%</math> GHG (1990)</li> <li>• 32% RES</li> <li>• 32.5% EE (BAU)</li> </ul> </li> <li>• 2050 climate neutrality</li> <li>• EU CL</li> <li>• European Green Deal</li> <li>• MFF 2021-2027 + NGEU = €1.8 trillion</li> <li>• Mainstreaming CC</li> <li>• 'Fit for 55'</li> </ul>	<p>No dedicated climate change law. Relevant legislation:</p> <ul style="list-style-type: none"> <li>• Clean Air Act (1963, interpreted in 2009 to apply to greenhouse gases)</li> <li>• Climate Action Plan (2013)</li> <li>• Clean Power Plan (proposed 2015, awaiting legal ruling)</li> <li>• <b>Biden-Harris</b></li> <li>• -52% GHG emissions in 2030 vs 2005 levels</li> <li>• 100% RES power 2035</li> <li>• CN 2050</li> <li>• Green recovery</li> </ul>
	<ul style="list-style-type: none"> <li>• Peak ahead of 2030</li> <li>• Reach CN before 2060</li> <li>• 'Phase down' coal in the XV-FYP</li> <li>• Green the Belt and Road</li> </ul>		

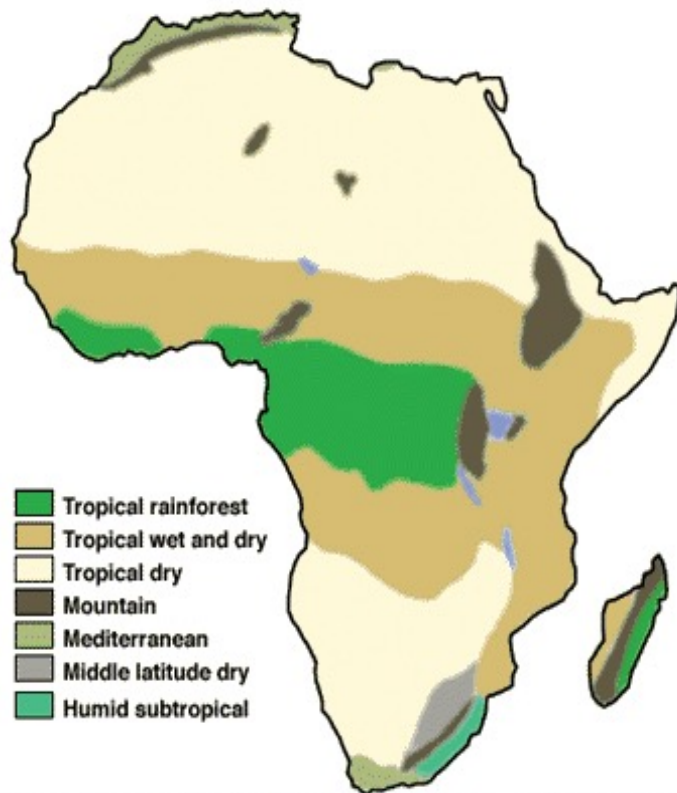


# The geopolitics of climate action



- European Green Deal: from human security to ecological security under a strong sustainability paradigm?
- Green Deal Diplomacy: 'convince & offer support to those who promote sustainable development'
- Staunch support of multilateralism

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© Natural History Museum of Los Angeles County Foundation by Jim Angus 1997

Continent with smallest contribution to GHG 3.8% (Sy, 2016) - 7% (GRI, 2019; )

1.3 bn. 17% Pop

Vulnerability: Asymmetry

- High exposure
- Low adaptability
- Pre-existing socioeconomic conditions
- Impacts: +0.5°C in past 50-100 years
- Future:
  - +2°C. RCP 4.5
  - 3°C to 6°C. RCP 8.5
  - Precipitation: greater uncertainty

- Changes in species ranges
- Less water availability
- Food security
- Debate on socially contingent outcomes (migration and conflict)

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**Anticipated climate change-induced GDP losses by 2030 for temperature increases of between 1°C and 4°C**

	<b>GDP (% change/year) at temperature increases of between 1°C and 4°C</b>			
<b>African subregion</b>	1°C	2°C	3°C	4°C
<b>Northern (7 countries)</b>	-0.76 ± 0.16	-1.63 ± 0.36	-2.72 ± 0.61	-4.11 ± 0.97
<b>Western (15 countries)</b>	-4.46 ± 0.63	-9.79 ± 1.35	-15.62 ± 2.08	-22.09 ± 2.78
<b>Central (9 countries)</b>	-1.17 ± 0.45	-2.82 ± 1.10	-5.53 ± 1.56	-9.13 ± 2.16
<b>Eastern (14 countries)</b>	-2.01 ± 0.20	-4.51 ± 0.34	-7.55 ± 0.63	-11.16 ± 0.85
<b>Southern (10 countries)</b>	-1.18 ± 0.64	-2.68 ± 1.54	-4.40 ± 2.56	-6.49 ± 3.75
<b>Africa as a whole (55 countries)</b>	-2.25 ± 1.52	-5.01 ± 3.30	-8.28 ± 5.12	-12.12 ± 7.04

Source: ECA and African Climate Policy Centre (2014), *Loss and Damage in Africa*<sup>27</sup>

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Top 10 GHG emitters in Africa (in MtCO<sub>2</sub>e) including all sectors and gases except f-gases

Rank	Year - 2016		Year - 2018	
1	DRC	685.22	DRC	681.67
2	South Africa	508.24	South Africa	520.50
3	Nigeria	330.64	Nigeria	357.52
4	Egypt	315.96	Egypt	329.40
5	Algeria	210.03	Algeria	219.11
6	Ethiopia	199.92	Ethiopia	204.67
7	Angola	138.85	Sudan	130.64
8	Sudan	130.01	Angola	124.59
9	Cameroon	122.84	Cameroon	123.33
10	Zimbabwe	116.52	Zimbabwe	118.77

Source: CAIT –Climate Watch (2021)

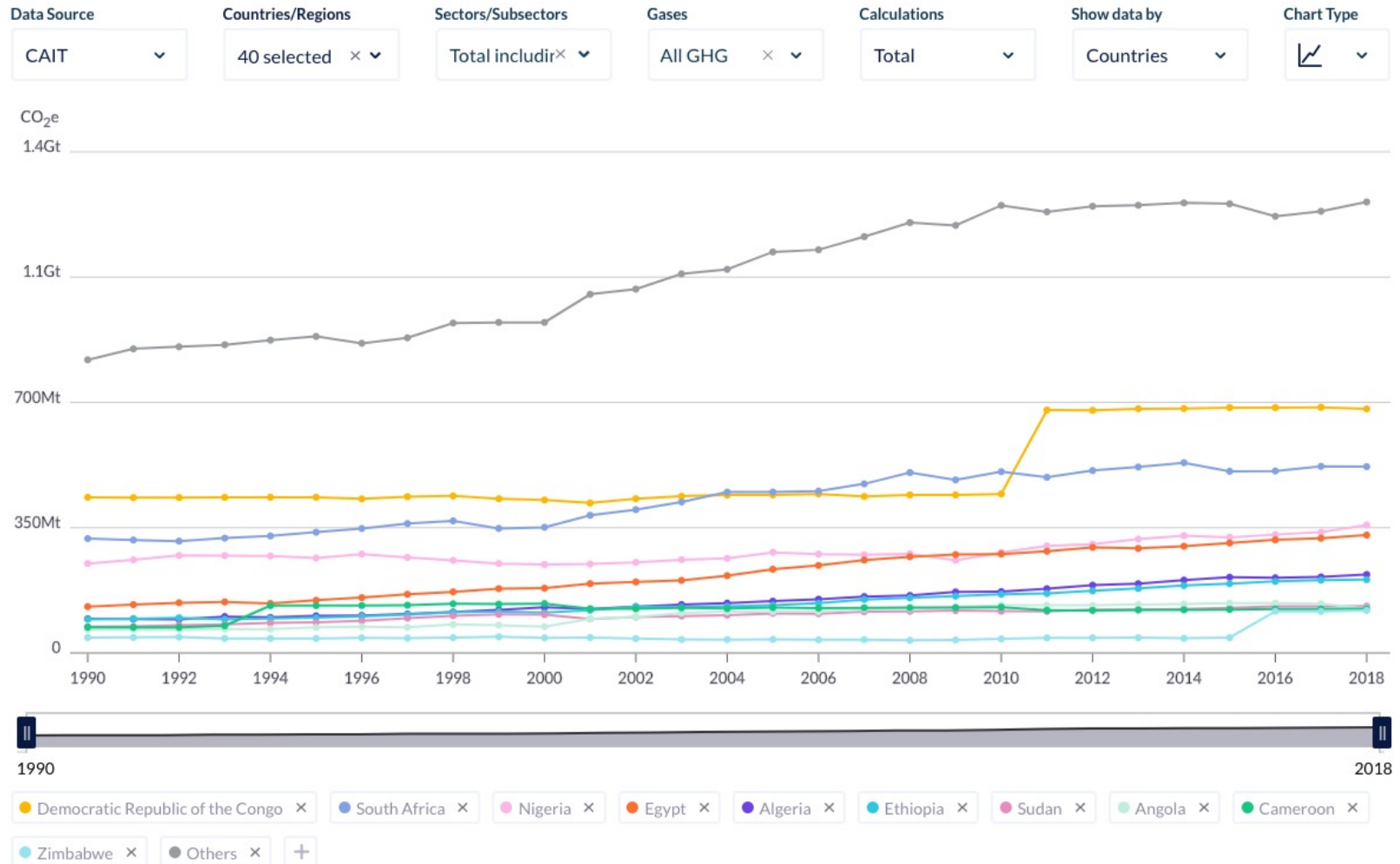
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## Global Historical Emissions



Share

Explore GHG emissions from multiple data source (CAIT, PIK, UNFCCC, GCP) and understand their differences in the [FAQ](#)





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- African NDCs
  - Heterogenous: content, structure and format
    - Reflecting African heterogeneity
    - Lack of NDC guidelines, methodologies and templates
    - Negotiating strategy (first NDCs presented ahead of COP21)
    - Potential lack of coordination among countries
  - CAT analysis: **Morocco (1.5°C compatible) & Ethiopia (2°C compatible)** vs. **SA (highly insufficient)**
  - RES in NDCs (lower bound estimate)
    - Mitigation.- As expected
    - Adaptation (Nigeria, Tanzania, Mali, Uganda).- Preparedness for
      - Greater demand for electricity
      - Reductions in thermal efficiency, hydro.

NDCs Non-comparable  
Adaptation key  
CBDR-RC  
Conditionality. Fin, tech

RES addition in 1<sup>st</sup> NDCs in Africa

Technology	MW
Solar PV	34160
Hydro	26443
Wind	25739
Geothermal	7427
CSP	3310
Biomass	1123

+102GW  
I=241bn  
Feasible?

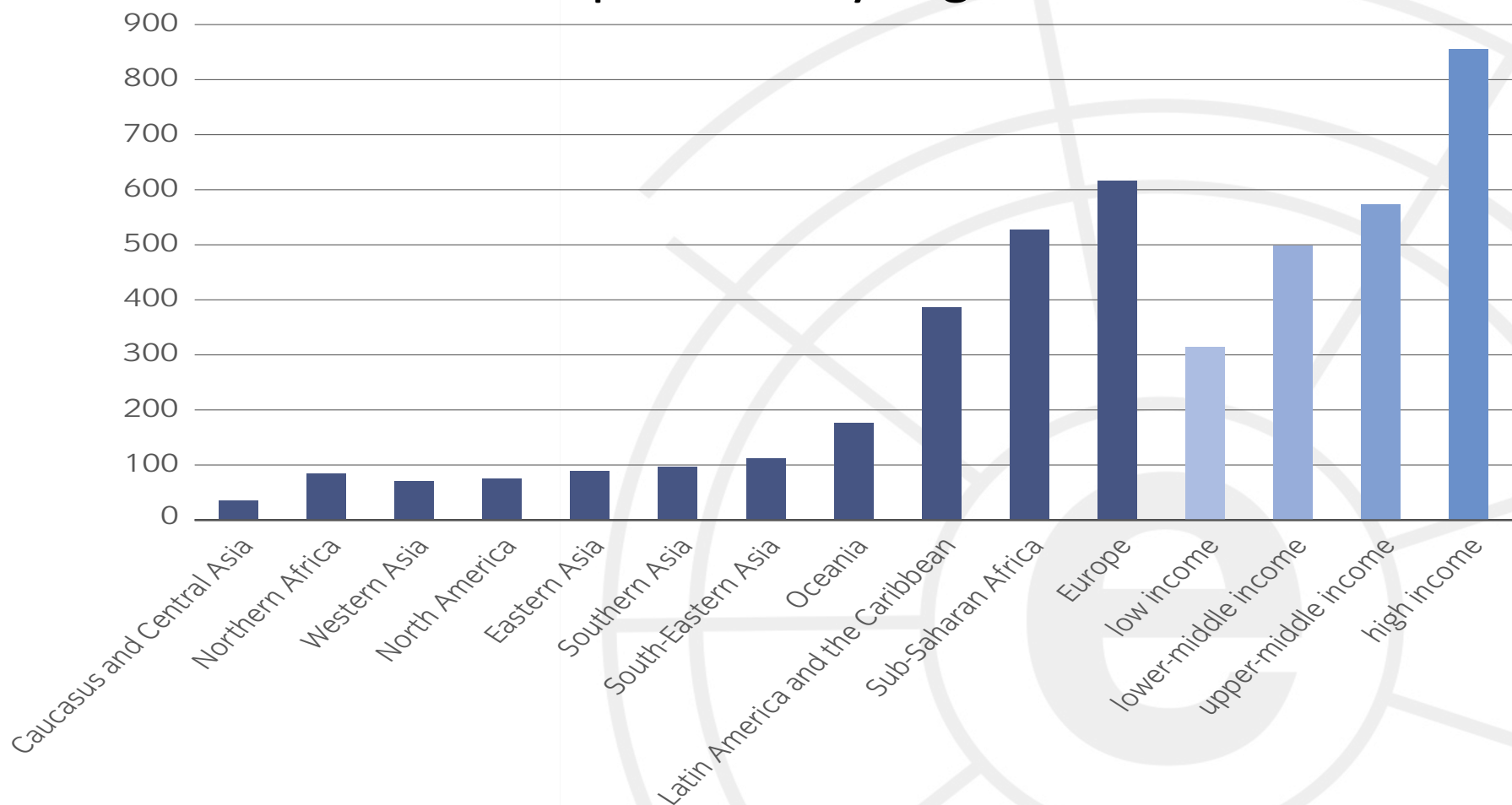
Source: Muñoz and Sokona (2016)

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Party	Most Recent NDC Submission	Share of global GHG* (%)	Reference Point	Time Frame	GHG Target Type	Mitigation Target	Adaptation Target	Total Estimated Cost of Target Implementation (\$)
DRC	First NDC 13/12/2017	1.39	2000 BAU scenario	2021-2030	Baseline scenario target	Emission reduction of 17% (~70 Mt CO <sub>2</sub> eq) by 2030	Plant 3 million hectares of forest/ sequester 3 million tonnes of CO <sub>2</sub> by 2025	21.622 billion
South Africa	First NDC 01/11/2016	1.06	2020 (year-end)	5-yr periods; peak (2025), plateau (10 yr.), decline after	Trajectory target	Emissions at 398 and 614 MtCO <sub>2</sub> eq by 2025/2030	Operationalize a National Adaptation Plan by 2020/2025; develop an early warning and monitoring system by 2030	1.688 trillion
Nigeria	First NDC 16/05/2017	0.73	2010-2014 BAU scenario	2015-2030	Baseline scenario target	Emission reduction 20% (unconditional) to 45% (conditional) by 2030	Improve awareness, mobilize communities, build sectoral capacity	142 billion
Egypt	First NDC 29/06/2017	0.67	N/A	2020-2030	N/A (actions only)	General emission reduction by 2030 (conditional)	Promote coastal, water resource, and agricultural resilience	73.04 billion
Algeria	First NDC 20/10/2016	0.45	BAU scenario	2021-2030	Baseline scenario target	Emission reduction 7% (domestic) to 22% (conditional) and renewable energy at 27% of electricity by 2030	Develop a national plan of adaptation for ecosystem resilience, sectoral strategies, and national security	N/A
Ethiopia	Updated First NDC 31/12/2020	0.42	2010 BAU scenario (412.1 MtCO <sub>2</sub> eq)	2030 target year with 2025 scenario	Baseline scenario target	Emission reduction of 220.59 MtCO <sub>2</sub> eq by 2030, a 12.4% (unconditional) and 41.1% (conditional) reduction	45 interventions with the consideration of 20% (unconditional) and 80% (conditional) contributions	294.7 billion
Sudan	First NDC 02/08/2017	0.27	N/A	2030	N/A (actions only)	Renewable energy at 20%, forest coverage at 25%, and energy efficiency savings at 6500 GWh by 2030	Strengthen capacity in agriculture, water, coastal zone, and health sectors	12.88 billion
Angola	First NDC 16/11/2020	0.25	2005 base year as BAU scenario	2021-2030	Baseline scenario target	Emission reduction up to 35% (unconditional); 50% (conditional) and increase carbon sequestration from forestry to 5 million tons of CO <sub>2</sub> e/yr. by 2030	Enhance technical capacity; Unconditional (\$500 million) and conditional (\$500 million) sectoral capacity building	15.7 billion
Cameroon	First NDC 29/07/2016	0.25	2010 baseline scenario	2035	Baseline scenario target	Emission reduction of 32% for 2035	Improve public awareness and sectoral capacity by 2020	1.815 billion
Zimbabwe	First NDC 07/08/2017	0.24	BAU scenario starting in 2000	2020-2030	Baseline scenario target	Reduction in energy emissions per capita of 33% by 2030	Strengthen agricultural and water resource capacity and resilience	90.796 billion

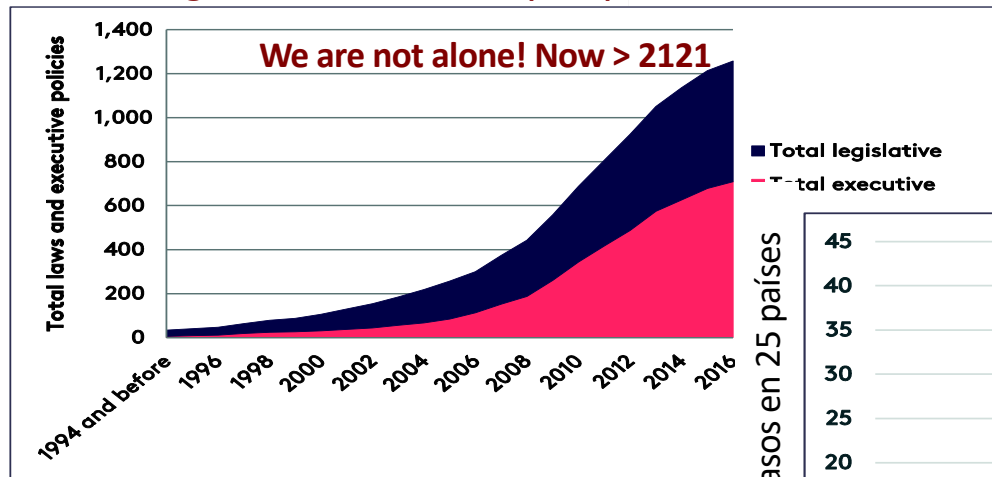
# 1. The geopolitics of climate action

## Non-state Climate action implemented or planned by region



# 1. The geopolitics of climate action

## Climate legislation 1994-2016 (x 20)



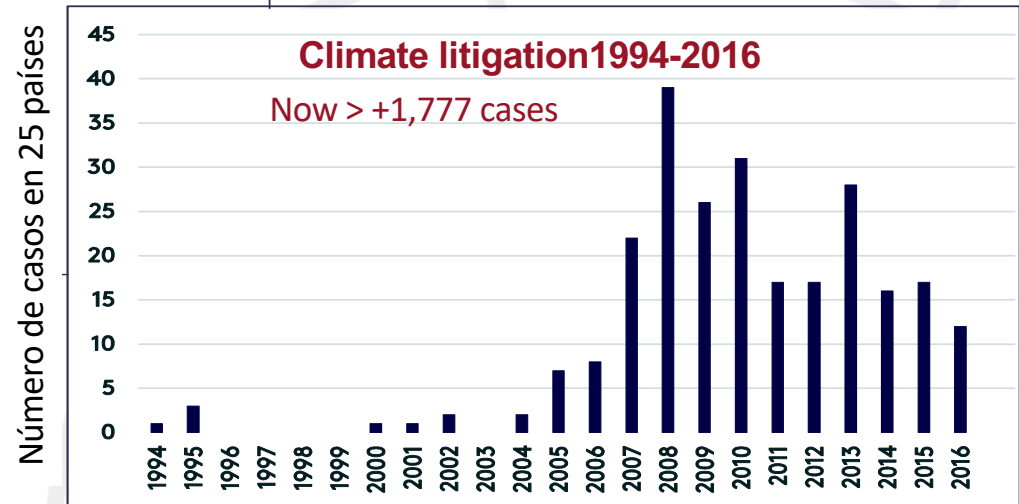
Source: Climate Change Laws of the World

## Towards greater litigation

- Attribution EWE (EUPHEME, MET Office):
  - $\Delta$  Probability
  - $\Delta$  Severity
- Changes in science leading to changes in the duty to protect.

In 2018...106 new legislations since the Paris Agreement, 28 refer to the Paris Agreement

**Africa: 409 laws & policies; 27% of current CC legislation**



Source: Climate Change Litigation of the World  
source: Nachmany et al. (2017)

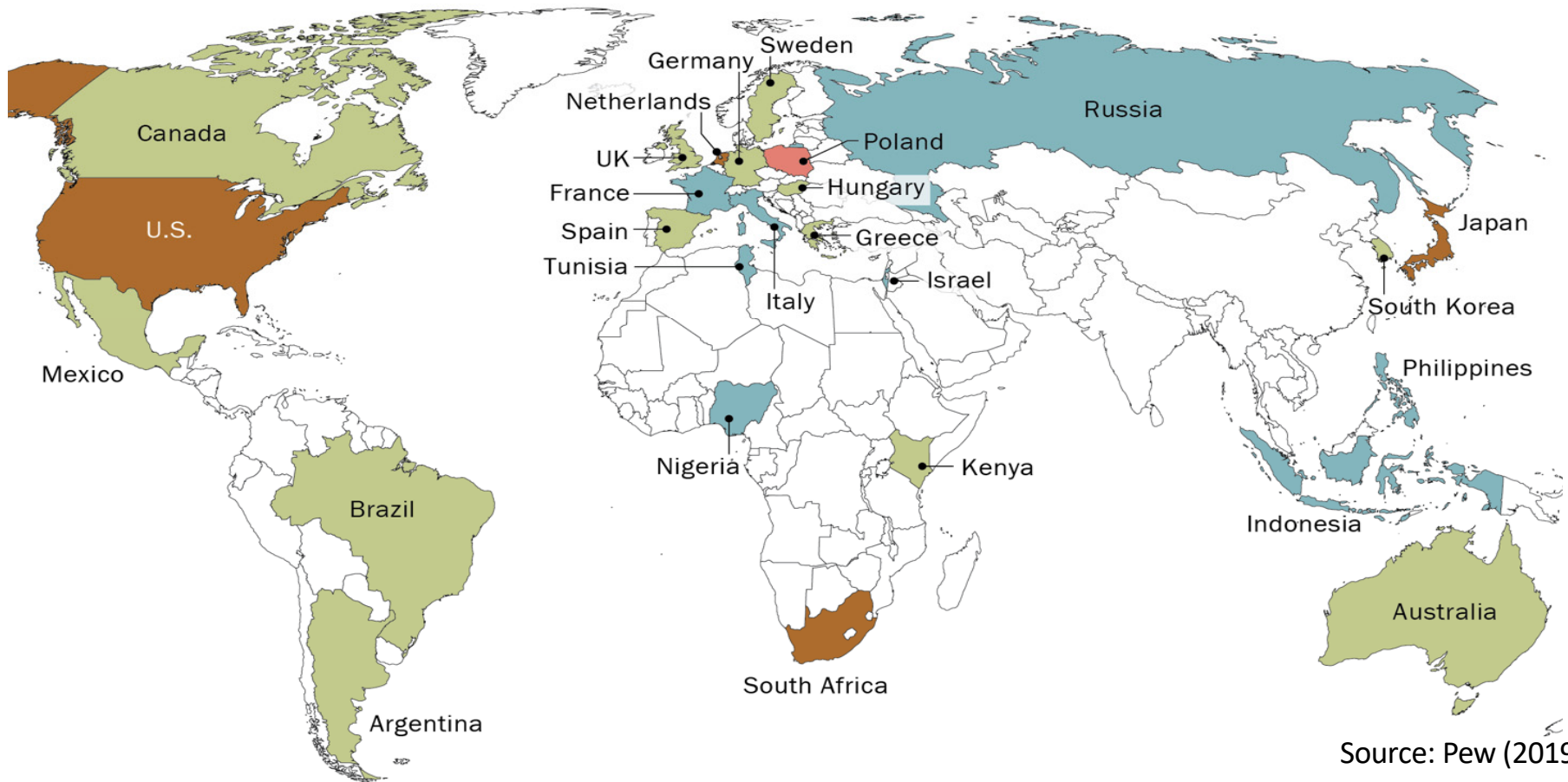
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## Survey: The biggest threat to your country

TOP CHOICE IS ...

# OF COUNTRIES

Global climate change	13	Cyberattacks from other countries	4
The Islamic militant group known as ISIS	8	Russia's power and influence	1



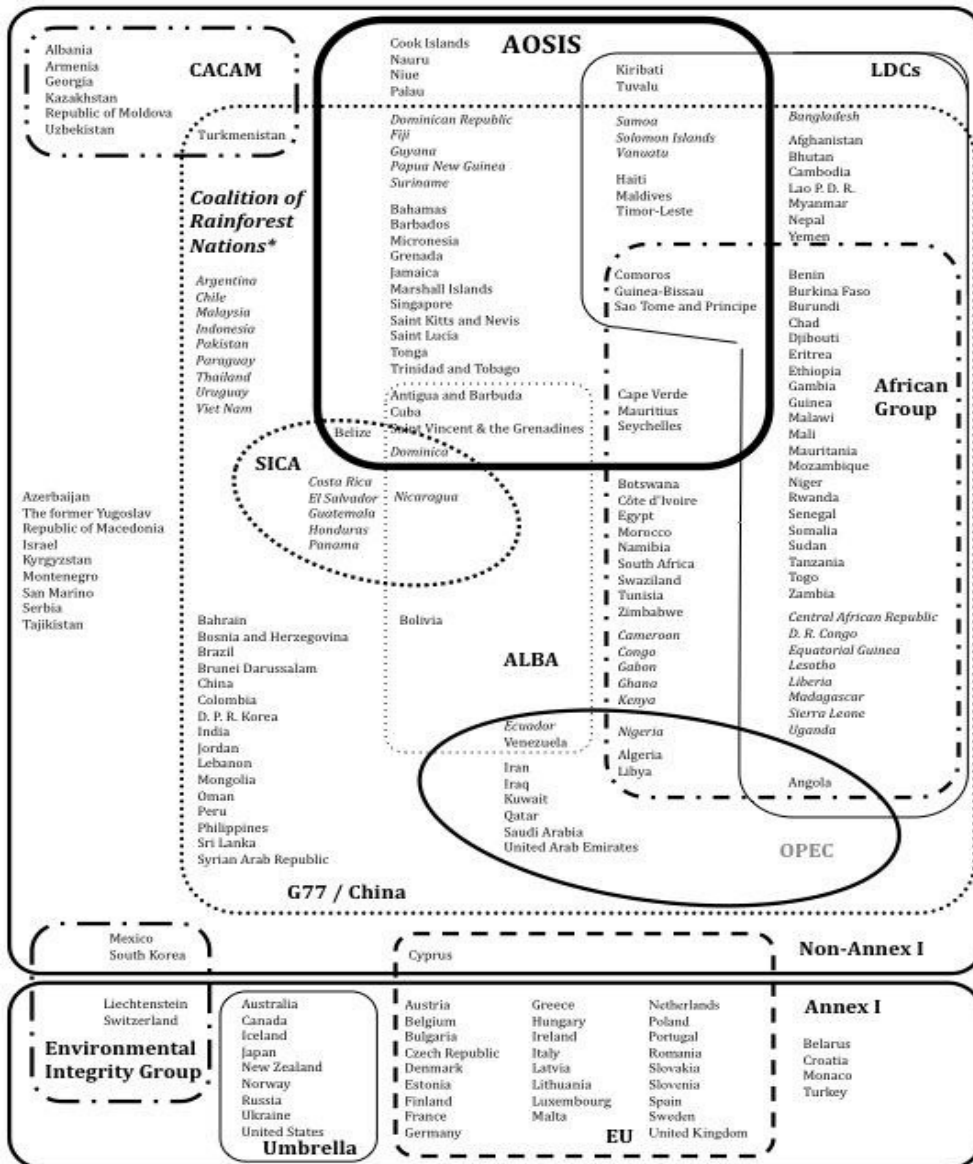
Source: Pew (2019)

Note: U.S. power and influence question not asked in the U.S., and Russia's power and influence question not asked in Russia.

Source: Spring 2018 Global Attitudes Survey. Q22a-h.



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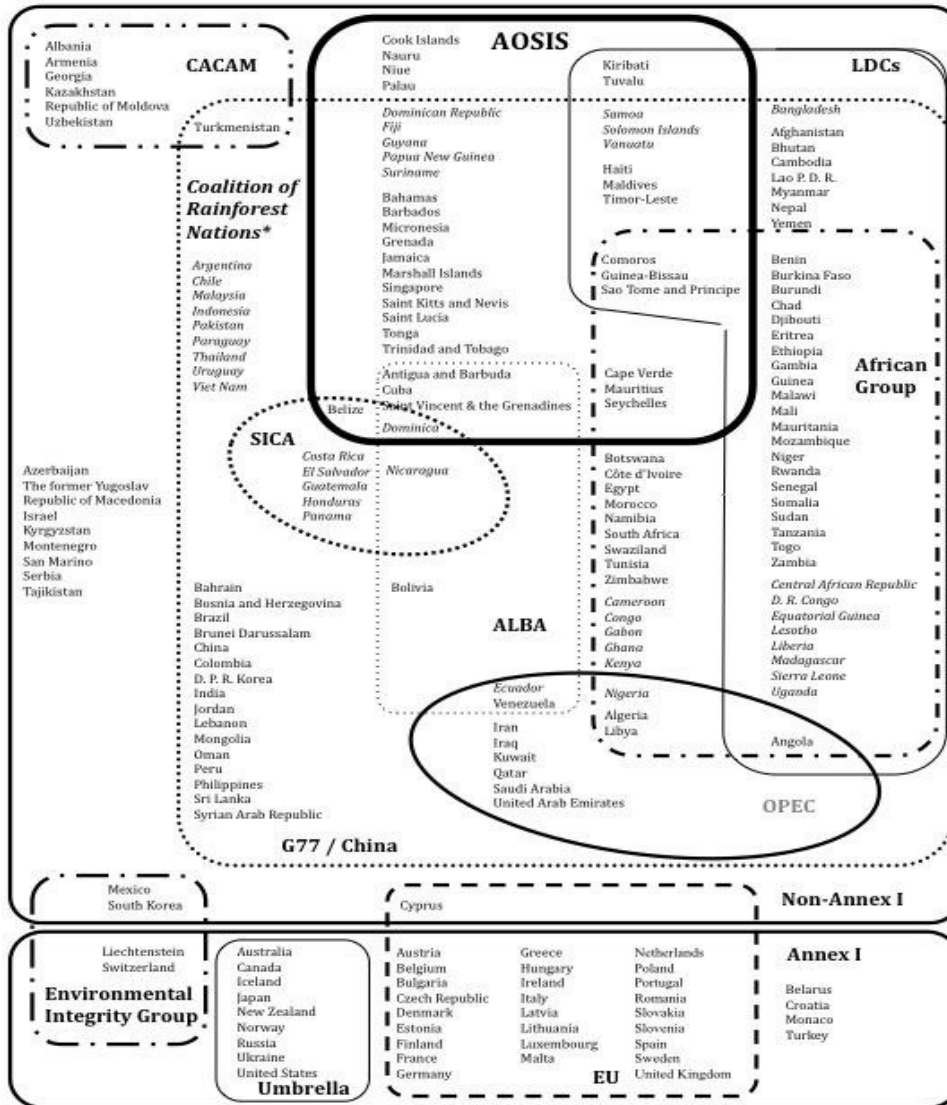


- Engaged in different negotiating blocks since the 90's: G77/China, BASIC, AGN
- Within G77 - Follower
- Limited impact in earlier stages
  - Lack of interest
  - Lack of personnel
  - Lack of trained negotiators
- COP 12 in Kenya 2006, turning point
  - Increase in number of submissions
    - Fast-start finance and long term finance COP 15
    - Second KP commitment period.

Source: Roger and Belliethathan (2014)

\* countries in italics form part of the Coalition of Rainforest Nations.

# 1. The geopolitics of climate action



\* countries in italics form part of the Coalition of Rainforest Nations.

- **Proposal/idea:** From the Iberoamerican network of climate change offices (*RIOCC*) to a Network of African and European Climate Change Offices (*NAECCO*)?
- **Rationale/advantages** of such a network:
  - Foster dialogue
  - Share experiences
  - Help build trust
  - Address joint challenges: adaptation, loss and damage (L&D), socially contingent outcomes such as migrations and conflict that can be indirectly exacerbated or ignited by climate change.

## 2. Geopolitics of climate action in the COVID-19 era



- **GHG emissions down 4% to 7% in 2020...for the wrong reasons!** Pandemic & econ downturn and NOT due to structural change in our development model.
- **Last chance to turn the tide?**
  - Unprecedented stimulus packages
  - Low interest rates
  - Increasing preferences for sustainable investments (BlackRock, 2021)

### Stimulus packages

Up to Feb 2021(G20 Economies + Spain, Philippines and Singapore...) (Vivid economics, 2021)

- US\$ 14.9 trillion- US\$ 4.6 to GHG relevant sectors (energy, transport, land use, waste) 1.8'Green recovery' (12.08% which is less than the 15% allocated after the 2008 Global Financial Crisis, Barbier, 2010 out of a total of US\$ 3 trillion!)
- US\$ 195 – Harmful but beware of deregulatory spree! (Vivid Economics, 2020)

Earlier analysis (Oxford- Hepburn *et al* 2020)

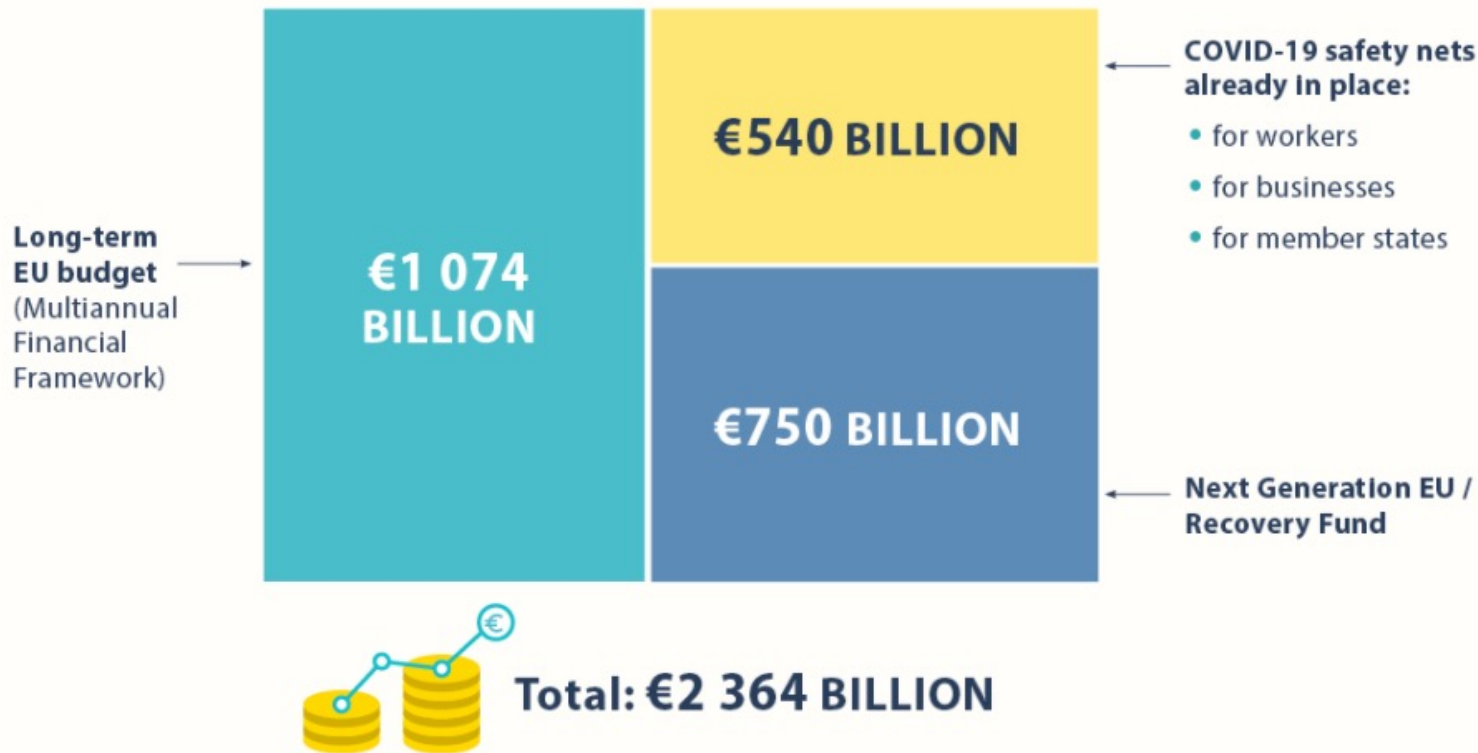
- 4% Green, 4% Brown, 92% colourless!

Need to align financial flows with climate goals (art 2.1.c of the Paris Agreement)

## 2. Geopolitics of climate action in the COVID-19 era

EU recovery: 30% Green MFF & NGEU (37% RRM: 90% NGEU funds) & do no harm

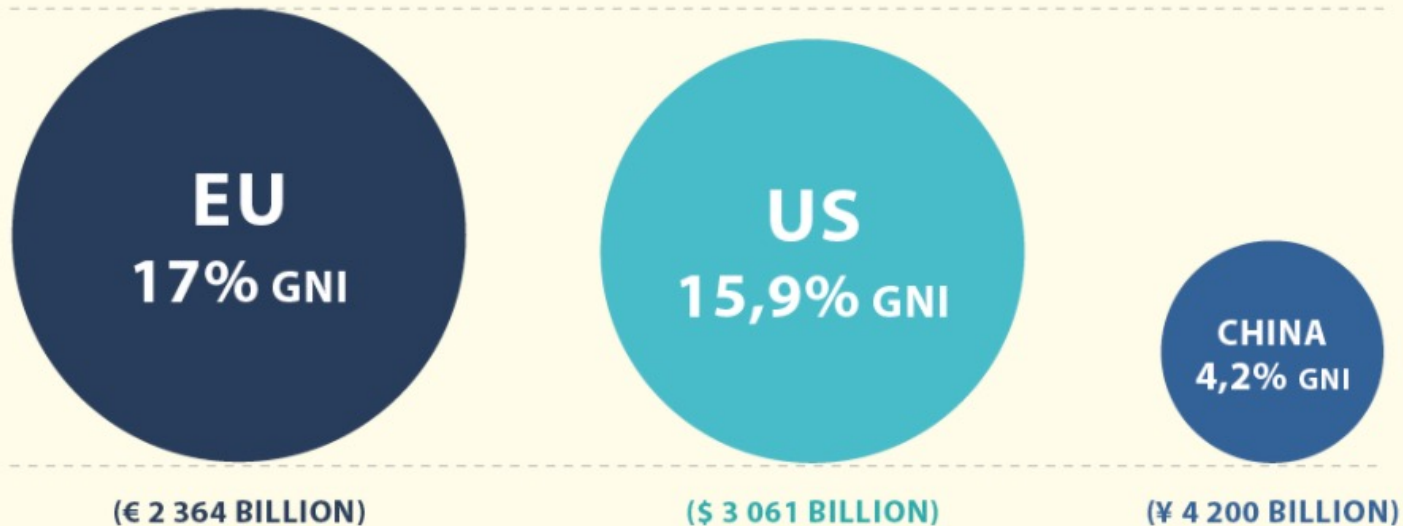
### Overall architecture





## 2. Geopolitics of climate action in the COVID-19 era

### The EU's response: a comparison with the US and China



**Data sources:** Bruegel, IMF, World Bank

Measures taken by EU member states, the ECB and national central banks are not included.

Data for China may be incomplete

Currency conversion: InforEuro



## 2. Geopolitics of climate action in the COVID-19 era

### Own resources

Four-phase approach:

**1** Plastic-waste based levy



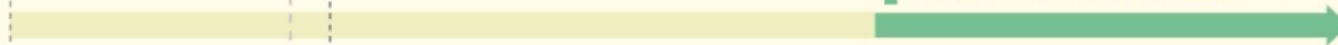
**2** Carbon border adjustment mechanism and digital levy



**3** Emission trading system  
(possible extension to aviation and maritime)



**4** Working on introducing other new own resources

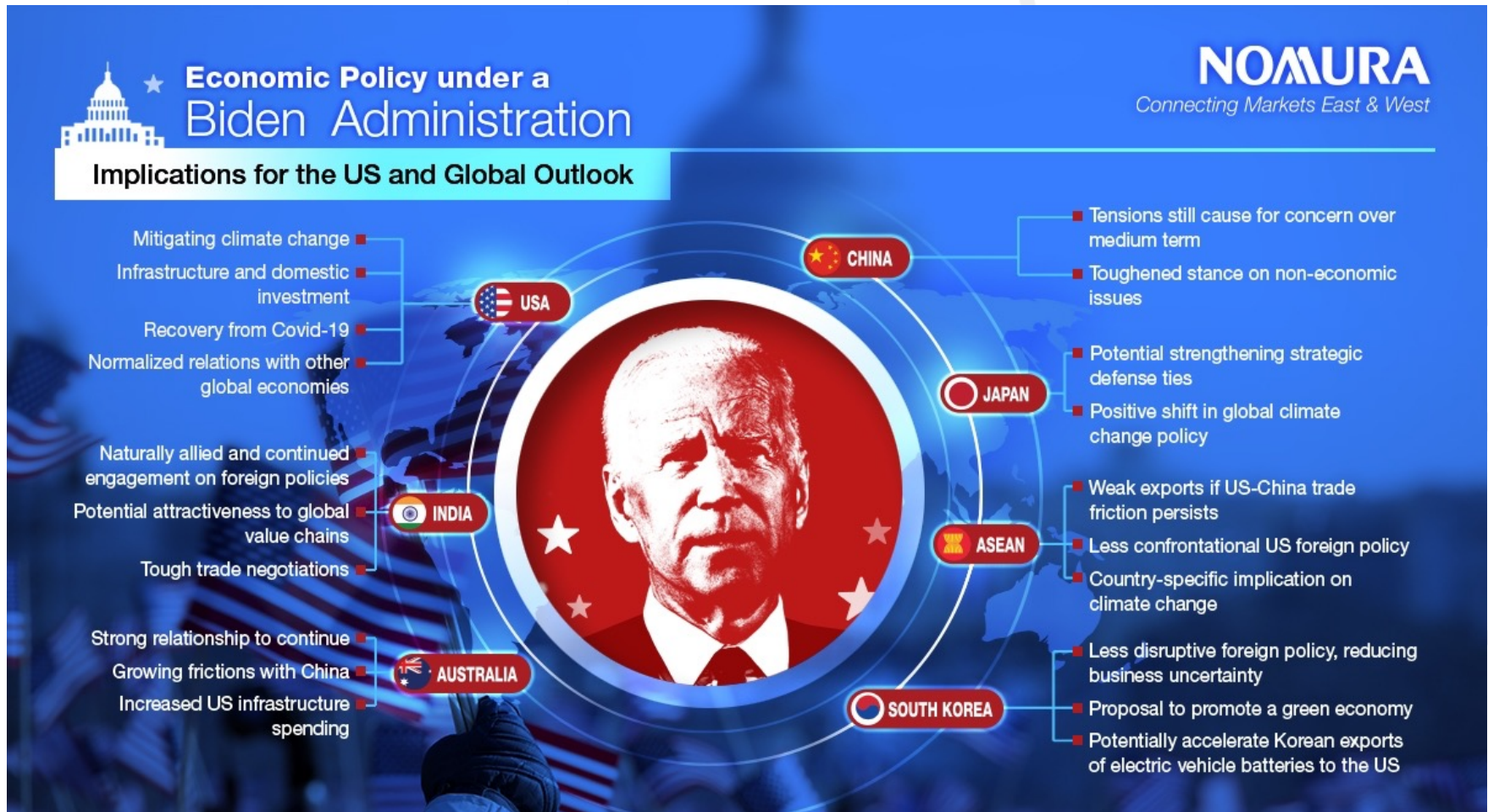


• 1 January 2021

• by 1 January 2023

EARLY REPAYMENT OF NEXT  
GENERATION EU

## 2. Geopolitics of climate action in the COVID-19 era



## 2. Geopolitics of climate action in the COVID-19 era

Party	Commitment/statements
<p><b>China</b> ‘Mountains and rivers green are mountains of silver and gold’. (Xi Jinping)</p>	<p>The world should close ranks as regards climate cooperation. We should increase ambition and support, subject to the principle of common but differentiated responsibilities and respective capabilities in the light of national circumstances. Green recovery should be fostered.</p> <p>China’s pledges:</p> <p>Peaking of CO<sub>2</sub> emissions will be reached ahead of 2030. Carbon neutrality will be achieved before 2060. China will lower its CO<sub>2</sub> emissions per unit of GDP by over 65% from 2005 levels by 2030. It will also increase the share of non-fossil fuels in primary energy consumption to around 25%. The forest stock volume will be increased by 6 billion m<sup>3</sup> from 2005 levels. China’s level of installed capacity of wind and solar capacity to 1.2 billion kilowatts.</p>
<p><b>EU</b> ‘Climate change is more than a European issue. It is a human issue... Let’s walk this road together’. (Ursula von der Leyen)</p>	<p>GHG emissions reductions of at least 55% versus 1990 levels by 2030 and become climate neutral by 2050 with 30% of the EU’s recovery package allocated to green projects.</p>
<p><b>India</b> ‘We must not only revise our ambitions but also review our achievements against the targets already set. Only then can our voices be credible for future generations.’ (Narendra Modi)</p>	<p>450GW of renewable energy capacity will be installed by 2030.</p>

## 2. Geopolitics of climate action in the COVID-19 era



- Green recovery as a key theme
- Governance of green recovery
  - Define Green! Taxonomy?
- Shovel-ready projects
- Implementation guidelines to be finished
  - Article 6 on market and non-market mechanisms
  - NDCs- 2<sup>nd</sup> round
  - Long Term Decarbonisation Strategies

Thank you!

[llazaro@rielcano.org](mailto:llazaro@rielcano.org)

T.- +34917816770

@lazarotouza 