Energy Transition Diplomacy Climate Diplomacy

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Disclaimer

"The views, information, or opinions expressed during the lecture and the following Q & A session are solely those of Dr Urban Rusnák

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Climate vs. Energy Diplomacy

Energy Security

Forstering various aspects ulletof the Energy Security

Climate Security

Mitigation and Adaptation ٠ to the Climate Emergency



Framework Convention on Climate Change

Energy Diplomacy vs. Climate Diplomacy - different goals

 Climate Security - Mitigation and Adaptation to the Climate Emergency

to combat and prevent dangerous human interference with the climate system and enable suistanable development of nations

• Energy Security -

to secure sufficient, affordable and consistent <u>supply, transit</u> <u>and demand</u> of energy for industrial, transport and military requirements necessary for development of nations

Trilion \$ Question: Is it possible to combine both?

Energy and Climate Policies link

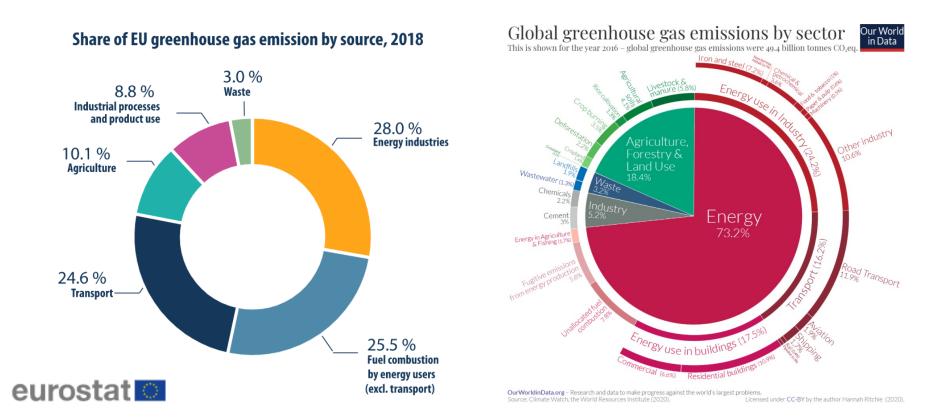
EU vision of coupling both is not necessarily shared by the rest of the world (yet?) Energy Trilemma?

Energy security, Energy equity (accessibility/affordability), Environmental sustainability

or

Trilemma of sustainable development?

Energy security, Energy equity (accessibility/affordability), and Sustainable development



Climate Security & Diplomacy

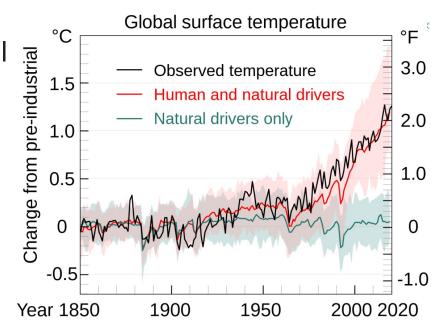
- UNFCCC historical background, evolution, milestones.
- Rio, Kyoto, Paris. UNEP Montreal Protocol. Achievements and its limits.
- SWOT analyses of the Paris Agreement.
- Sustainable Development Goals (SDGs).
- Advocacy & Activism, battle of lobbyists.
- Public opinion and regulatory impact.
- G7, G20, BRICS formats elitist alternatives to the UN or source of synergies?

UNFCCC - Common, but differentiated



United Nations Framework Convention on Climate Change responsibilities

UNFCCC is an international environmental treaty to combat "dangerous human interference with the climate system, in part by stabilizing <u>greenhouse</u> gas concentrations in the atmosphere. It was signed by 154 states at the UN Conference on Environment and Development (UNCED), held in Rio de Janeiro in **June 1992** (Earth Summit).



Global greenhouse gas emissions by gas

Carbon dioxide (CO_2)

74.4%

Greenhouse gas emissions are converted to carbon dioxide-equivalents (CO₂eq) by multiplying each gas by its 100-year 'global warming potential' value: the amount of warming one tonne of the gas would create relative to one tonne of CO₂ over a 100-year timescale. This breakdown is shown for 2016.

Our World in Data

F-gases (HFCs, CFCs, SF₆) 2.1%

Methane (CH₄) 17.3%

> Nitrous oxide (N₂O) 6.2%

OurWorldinData.org – Research and data to make progress against the world's largest problems. Source: Climate Watch, the World Resources Institute (2020).

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UNFCCC - Common, but differentiated



United Nations Framework Convention on Climate Change

responsibilities

UNFCCC Protocols and Agreements

1997 Kyoto Protocol established legally binding obligations, <u>for developed</u> <u>countries</u> to reduce their GHG emissions in the period 2008–2012

Parties to the Convention have agreed to further commitments during UNFCCC COPs. These include the Bali Action Plan (2007), the Copenhagen Accord (2009), the Cancún agreements (2010), and the Durban Platform for Enhanced Action (2012).

2015 Paris Agreement established legally binding obligations to prepare Nationally Determined Contributions for <u>all Parties</u> with the aim to limit global warming to less than 2 $^{\circ}$ C, and try to limit the increase to 1.5 $^{\circ}$ C

Different, but still relevant

UNEP - 1987 Montreal Protocol on protection of ozone layer by regulating nearly 100 ozone depleting substances. Universally ratified.

UNFCCC - Common, but differentiated



United Nations

Framework Convention on Climate Change

•198 Parties, including EU

The Convention is the parent treaty of the 2015 Paris Agreement and 1997 Kyoto Protocol. Entered into force in 1994, Secretariat in Bonn.

Annex I: There are 43 industrialised countries and economies in transition (EITs)
Annex II: Of the Annex I, 24 Parties are required to provide financial and technical support to the EITs and developing countries to assist them in reducing their greenhouse gas emissions (climate change mitigation) and manage the impacts of climate change (climate change adaptation).

• Non-Annex I: mostly low-income developing countries. Developing countries may volunteer to become Annex I countries when they are sufficiently developed. Least developed countries (LDCs): 49 Parties are given special status under the treaty in view of their limited capacity to adapt to the effects of climate change.

responsibilities





Promoting renewable

energy and policies

Climate Emergency

not enforceable - voluntary actions

 Climate change mitigation

Nationally Determined Contributions (NDC) - all countries

Climate finance - Preferred by OECD donors (technology & profit) pledges of USD 100 bn by 2020 not honored

Climate action vs. Past emissions vs. • Climate change adaptation

National Adaptation Plans (NAP) – developing nations

Climate finance - Preferred by recipient developing nations (immediate action)

National Development Current /Future emissions



To keep the World to 1,5° C

Cash \$100bn a year in climate finance to the developing world from 2020 (agreed in 2009)

Coal China and India refused to sign up to a "phase-out" of coal, and insisted on changing to "phase-down".

Cars boost for electric cars

Trees A deal to halt global deforestation, signed by China, the US and Brazil among other nations, was the first big "win" of the Glasgow fortnight. Glasgow - COP 26

promises and achievements

6 months later (May 2022)

Not yet, work in progress - fiveyear average from 2020 to 2025 at around \$100bn.

Increasing - coal expansion as recovery from Covid has quickened

Short term up – medium term outlook uncertain. No focus on public transport

Not delivered - Brazil's deforestation has soared to devastating record levels, no actions in Congo, China is postponing the Convention on Biological Diversity due to the COVID



Key takeaways

- 1. Maintaining <u>a clear intention</u> to keep 1.5° C within reach 2.
- 2. Establishing a <u>dedicated fund</u> for loss and damage
- Holding businesses and institutions <u>to account</u>
- Mobilizing more financial support⁴.
 <u>for developing countries</u>
 5.
- Making the pivot toward implementation

Sharm-Al Sheikh COP 27

promises and achievements

3 months later (March 2023)

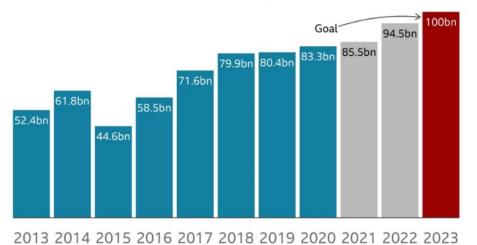
- Declaratory commitment no action of fossil fuels to achieve it agreed or foreseen
 - Dedicated fund to cover loss and damage – global climate insurance? From where the money will come from?
- 3. Accountability of businesses and GOV through legal actions?
 - More financial support 100 bil. in two years as usual since 2009
 - Implementation / are you serious? We need a decision to implement after 27 years of meetings ?



Money matters....

Climate finance

Amount provided and mobilised by developed countries (US\$)



Data for 2021 and 2022 are based on an average of OECD scenarios

Source: OECD

ВВС

67

This chart shows progress towards the existing climate finance target of \$100bn, which was agreed at COP15 in Copenhagen in 2009

Sharm-Al Sheikh COP 27

promises and achievements

Not in the text...

- Emissions peaking before 2025, as the science tells us is necessary.
- Clear follow-through on the phase down of coal.
- <u>But a sharp U-turn</u> on the language around fossil fuels. Text now includes a reference to "low emission and renewable energy".



Dubai COP 28

Outcome of the first global stocktake (28/196)

28. <u>Further recognizes the need</u> for deep, rapid and sustained reductions in greenhouse gas emissions in line with 1.5 ° C pathways and calls on Parties to contribute to the following global efforts, in a nationally determined manner, taking into account the Paris Agreement and their different national circumstances, pathways and approaches:

(a) Tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030;

(b) Accelerating efforts towards the phase-down of unabated coal power;

(c) Accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;

(d) Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science;

(e) Accelerating zero- and low-emission technologies, including, inter alia, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;

(f) Accelerating and substantially reducing non-carbon-dioxide emissions globally, including in particular methane emissions by 2030;

(g) Accelerating the reduction of emissions from road transport on a range of pathways, Including through development of infrastructure and rapid deployment of zero and low-emission vehicles;

(h) Phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible;



Dubai COP 28

Other key takeaways

- 1. The loss and damage fund designed to support climate-vulnerable developing countries was brought to life on the first day of the COP. Countries have pledged hundreds of millions of dollars so far for the fund;
- 2. Commitments of worth \$3.5 billion to <u>replenish the resources</u> of the Green Climate Fund;
- 3. New <u>announcements</u> totaling over \$150 million for the Least Developed Countries Fund (LDC) and Special Climate Change Fund (SCCF)
- 4. An increase of \$9 billion annually by the World Bank to <u>finance climate-related</u> <u>projects</u> (2024 and 2025);
- 5. Nearly 120 countries backed COP28 UAE <u>Climate and Health Declaration</u> to accelerate actions to protect people's health from growing climate impacts;
- Over 130 countries have signed up to COP28 UAE <u>Declaration on Agriculture</u>, <u>Food, and Climate</u> to support food security while combatting climate change; and
- 7. <u>Global Cooling Pledge</u> has been endorsed by 66 countries to reduce cooling related emissions by 68% from today.
- 8. <u>Nuclear Pledge</u> to triple nuclear energy by 2050 by 22 countries



Baku COP 29

what next in the climate diplomacy?

11.-22. NOV 2024 Baku, Azerbaijan

Financing climate

- Review of the implementation of COP28 pledges:
- To mobilize \$ 300 bn annually for developing nations by 2035 (triple the current commitments) /\$ 1.3 tr in PPP
- Decision about financing the Loss and Damage Fund
- Pledges \$ 730 m
- Just energy transition
- Standards for international carbon markets agreed (Art. 6, Paris Agreement Crediting Machanism)
- Biennial Transparency Reports

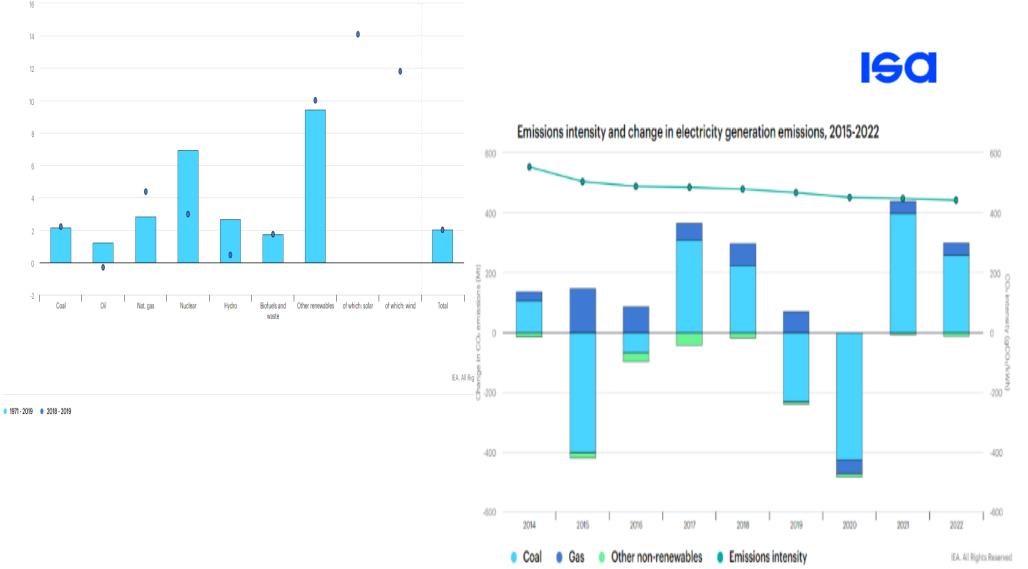
From Baku to Belen COP 30

COP 29 > Diplomatic criticism from both sides: **Papua-New Guinea** canceled participation – too little **Argentina** left after 3 days – too much **New U.S. administration is expected to withdraw from the UNFCCC**

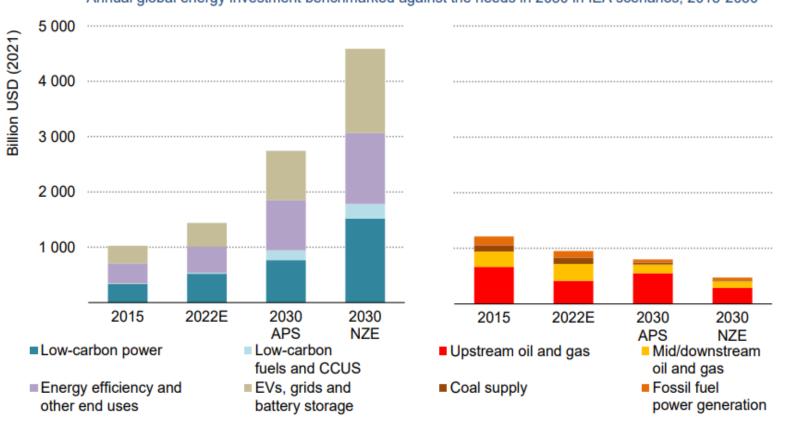
COP 30 10.-22. NOV 2025 Belen, Brazil

• ???

Global annual change in energy production and emissions



Investments trends are off-track



Annual global energy investment benchmarked against the needs in 2030 in IEA scenarios, 2015-2030

IEA. All rights reserved.

Notes: APS = Announced Pledges Scenario, the spending required to meet all country and regional climate pledges on time and in full. NZE = Net Zero Emissions by 2050 Scenario, the spending required to get the global energy sector to net zero by mid-century.



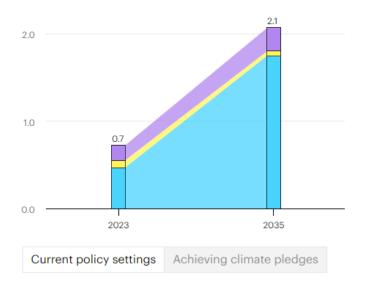
Clean Energy Technology perspectives

Market size of key clean energy technologies and components by region and scenario



3.0

- Other key clean energy technologies
- O Solar PV
- EVs & batteries



Market size of key clean energy technologies and components by region and scenario



Key clean energy technologies:

solar PV wind turbines electric cars batteries electrolysers heat pumps

IEA, 2024



Sustainable Development Goals

Agenda 2030 "A shared blueprint for peace and prosperity for people and the planet, now and into the future" /UNGA Resolution, 2015

SUSTAINABLE DEVELOPMENT GOALS



UN Sustainable Development Goals



Ensure access to affordable, reliable, sustainable and modern energy for all

Take urgent action to combat climate change and its impacts

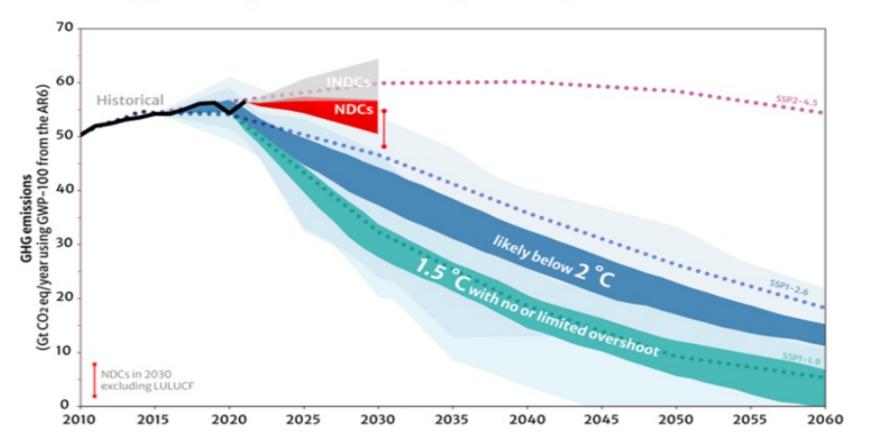
Tracking SDG 7 (2022)

At today's rate of progress, **the world is still not on track to achieve the SDG#7 goals by 2030.** Advances have been impeded, particularly in the most vulnerable countries and those that were already lagging



UNFCC: Global Stocktake 2023

Historical and projected total global emissions according to nationally determined contributions



Credit: UN Climate Change

14 NOV 2023: We are off the track

COP21 Paris Agreement

UNFCCC Paris Agreement 2015 is an international treaty in line with the Vienna Convention on the Law on Treaties.

MITIGATION

Legally binding Parts:

- Prepare, communicate and maintain NDC

- Pursue domestic mitigation measures

- Provide information necessary for clarity, transparency and understanding

- Communicate successive NDC every 5 years
- Provide information necessary to track progress in implementing NDC

Developed country parties *should* take
 the lead by communicating economy wide absolute emission reduction targets

Politically binding Parts:

- Successive NDCs *will* represent a progression and reflect highest possible ambition
- All parties *should* strive to formulate and communicate long-term low emission strategies

But ! NDCs not legally-binding: No obligation to implement/achieve !

COP21 Paris Agreement

Legally binding Parts:

Politically binding Parts:

 Developed country parties shall provide financial resources "in continuation of their existing obligations" under the UNFCCC, and shall report biennially - Developed country parties *should* continue to take the lead in mobilizing climate finance

- Other parties *encouraged* to provide financial resources voluntarily

INVESTMENT

There is no mention of investment in the Paris Agreement, it is about climate goals, not energy policies !!

Alignment of the International Framework with Paris Agreement

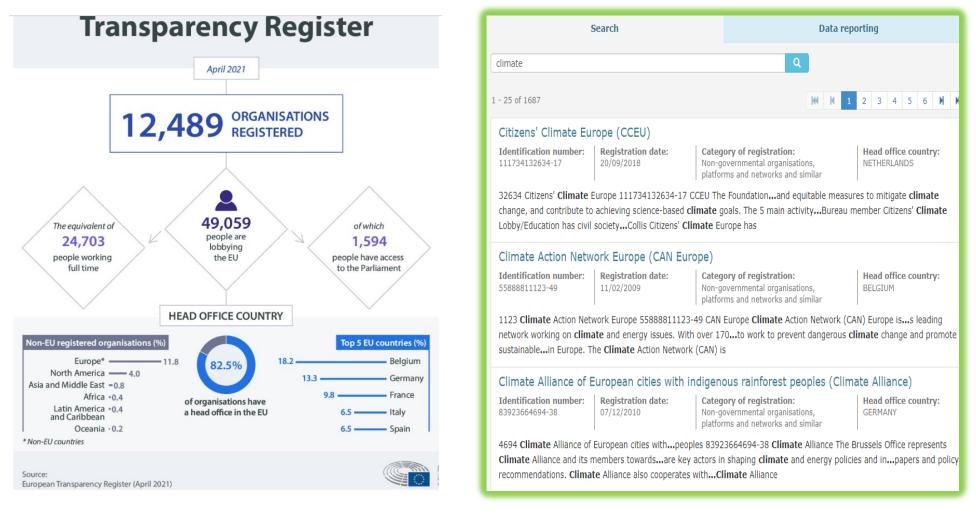


- Energy Charter Treaty (1994)
- On 24 June 2022 amendments 'agreed in principle', approval is expected on 22 Nov 2022
- First generation investment protection treaty update of investment provisions
 - Definition of 'economic activity in the energy sector' Alignement with Paris Agreement (flexibility)
 - 3. Outdated language



With 50 contracting parties and the EU/Euratom, the ECT is the world's largest existing agreement that contains BIT-like investment protection provisions and ISDS. It protects a large part of foreign investments in the energy sector. The modernization of the ECT is of systemic relevance for IIA reform and climate action. (IIA Issues, 09/2022)

Lobbying and the public opinion



EU Transparency register (updated 7/2/2023)

1687 entries key word **CLIMATE** 24 entries for **ENERGY INDUSTRY**

G7 - G20 - BRICS - (G2) formats

G7

<u>Canada, France, Germany, Italy, Japan</u>, the <u>United Kingdom</u> and the <u>United States</u>; additionally, the <u>European Union</u> (EU) is a "nonenumerated member"

G20

Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indo nesia, Italy, South Korea, Japan, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States, and the European Union.

BRICS

Brazil, Russia, India, China, and South Africa.

BRICS + ?

(G2 - China, the United States)

Elitist alternatives to the UN or source of synergies?

??? Questions for Participants ???

What are key climate and environmental political and legal frameworks?

What are the SDGs? Do they matter? Explain, please.

What are weak and strong points of Paris Agreement?

Are formal structures indispensables in the fight against climate emergency? Can they be replaced by informal clubs of the most powerful nations?

Key Takeaways

- We are not on the track in global climate and energy targets
- We have treaties which are not substantially legally binding
- According to the latest science and real word evidence we will not ne able to prevent the heating above 2 C by the year 2100
- Climate Diplomacy is not strong/good enough to put us on track to avoid climate emergency
- Available technology and investment done do not match stated goals

People in the Energy Transition Diplomacy



UNFCCC COP 23, Fiji Bonn, 2017

The End

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LESSON 7 – CLIMATE DIPLOMACY

LESSON 8 – ENERGY TRANSITION DIPLOMACY