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## 13 CLIMATE FUTURES: In conversation with UN Climate Chief Patricia Espinosa

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In December 2016 Luigi Carafa and Jordi Bacaria met Patricia Espinosa, Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), at the UN Headquarters in Bonn. Together, they reflect on the state of climate affairs after the Marrakech COP22 and the crucial factors that can turn the Paris Agreement into a success. This interview is a joint effort of CIDOB and *Foreign Affairs Latinoamérica*.

### Technology and the transformation of society

**CIDOB:** In order to prevent a climate crisis, our economy has to undergo a profound transformation. What is the solution to climate change? Is it all about changing our ways of producing, moving and consuming goods and services as well as the way we move around the world? Can we shift towards climate-resilient patterns of production, consumption, and mobility without compromising economic growth? Are technology and markets ready for such a transformation?

**Patricia Espinosa:** They definitely are. This is a far-reaching structural transformation which means changes in modes of production, lifestyles, and means of mobility. I am very interested in talking about the means of mobility. Some people have even suggested that there should be less mobility and less tourism since all this movement of people is creating a major carbon footprint. Let me dwell on this for a moment. I believe that, in this regard, we have to change the way we go about

things. But it seems to me that mobility itself and interaction between people is something very important, with an intrinsic value which we must safeguard. In other words, exchanges and personal contact between people are irreplaceable and enriching in many ways. So, we should be more concerned with coming to agreement with the aeronautical industry about reducing CO<sub>2</sub> emissions; continuing to invest in research in this area; while the shipping industry can also reduce its greenhouse gas emissions and make greater efforts along these lines. In any case, I am one of these people who think that mobility *per se* is, in fact, something that adds value to our society, rather than taking it away. Certainly, this is a thoroughgoing transformation that will enable us to try to achieve a reduction in greenhouse gas emissions in every one of the activities we engage in and, at the same time, to construct societies that will be resilient to the effects of climate change. This is possible and, fortunately, there are many examples in the world. There are cases of cities and small countries which have managed economic growth and development without increased emissions. These are heartening examples which should inspire us in many other countries.

We also see greatly accelerated development in technologies, much more than was expected just a few years ago, especially in the field of renewable energies. Morocco, for example – now that we have just been in Marrakech for COP22 – is a country which has made great strides in changing its energy sources to renewable energy. For Morocco, wind power is much cheaper than any kind of fossil fuel. I believe that

these are encouraging examples of how creativity and innovation are coming up with solutions. With political will, we can aspire to what can be achieved by this far-reaching transformation.

I have just returned from Mexico after attending the Sixth Biennial Mayors Summit of the Climate Leadership Group (C40) at which the report “Deadline 2020” was presented. This suggests that the 90-plus cities which are members of this coalition are taking on the commitment of reaching “peaking point” before 2020 and starting to reduce their greenhouse gas emissions. There are many examples. This does not mean that it is easy, and neither does it suggest that we are already able to state that we have reached, or are about to reach on such-and-such a date, the goals set in the Paris Agreement. However, there is clear progress and a broad-based response from the social standpoint. There is a will to adapt to a new way of life. I believe that, in this regard, if we are to reach absolutely every citizen on this planet, the challenge has a great deal to do with communication, or how we explain the phenomenon of climate change, and how we explain that the everyday actions of every person have a real effect on this phenomenon. I believe that, in this regard, we are still faced with a challenge.

## Leadership and governance

**CIDOB:** Would you agree with us that there are three crucial factors for the success of the Paris Agreement: Leadership, Capacity (in terms of know-how), and Access to Finance? Would you add anything else?

**Patricia Espinosa:** Certainly finance is a key element and leadership is basic. Without leadership, the process of implementing the Paris Agreement and ensuring it is respected by the different countries would be difficult. In fact, this is a matter of creating a society that will function differently from now on. In this regard, isolated individual projects are good: they benefit certain population groups and demonstrate that there are viable solutions. But if these initiatives do not happen together with thoroughgoing transformation and with the incorporation of these goals and policies into the programming of national plans for development and growth, then these efforts will end up as a very fragile base – one that is tremendously vulnerable to the political and economic swings of fortune in these countries. So I believe that leadership is very important, or I would say leadership and governance. In other words, it means creating the legal and institutional structures necessary for carrying out daily management of these processes and the implementation of consistent, ongoing policies. And then, of course, there is the second element you mentioned, namely capacity, although capacity building is linked with governance.

## Capacities and transparency

**CIDOB:** At COP22, we witnessed the launching of many action-oriented initiatives such as the NDC Partnership, the Capacity-building Initiative for Transparency (CBIT), the 2050 Pathways Platform, and many more. Are institutional

and technical capacities really so important? What is the role transparency can play under the Paris Agreement?

**Patricia Espinosa:** I think that all these elements are fundamental. First of all for the countries: we are talking about almost 200 countries which have really different realities. Experiences that are useful in one country can also be implemented in another. Yet we must be very aware that, in fact, every country is a different world and each one functions differently. Every country has its own economic, social, political and historical background which makes it truly unique. Hence, we need to search for a way of supporting the process of implementing national climate change programmes, the famous NDCs, but in accordance with the conditions of each country. We must do this in such a way that enables us to have a good assessment of the progress that is being made in every case. It was in the Paris Agreement that unanimous approval was achieved, and acceptance by all those present that they have an obligation. We all have the obligation to participate. This in large part occurs because some flexibility is allowed with regard to the goals that each signatory is going to be able to present. We are only just beginning with the process of defining what the transparency rules are going to be, but I hope that this feature will help us to construct mechanisms that produce transparency and that will enable proper assessment of what is really happening, without this being interpreted as a mechanism of supervision and control in the negative sense.

My impression is that we are certainly going to embark on a process that is not going to allow us to have immediate comparison of all the national dynamics, for example by unifying indicators. To begin with, each of the NDCs covers very different sectors. Many of them, of course, are going to refer to the energy sector and not so many to infrastructure. I think this is going to be a gradual process and what we must try to do is to enter a little more into the reality of each of the countries so as to have a more accurate idea and more elements for a real assessment of where we stand. Even though we have put a number on everything (and, in fact, the goals of mitigation are expressed in quantitative terms), we must produce a somewhat broader, more comprehensive, and more flexible framework if we are to work out clearly where we are. Numbers alone are not going to give us a precise account of what is being done.

## The great challenge of climate finance

**CIDOB:** At present, almost two-thirds of carbon emissions come from developing countries. As Lord Nicholas Stern said in the COP22 plenary session, the next twenty years will be crucial for climate change. Global economic growth will double, requiring a massive shift to low-carbon infrastructure. According to the IEA, we will need \$53 trillion to meet the rising global energy demand with low-carbon technologies by 2035.

How are we going to finance this transition to low-carbon infrastructure, especially in developing countries? COP23 and COP24 will have to find a solution to the problem of climate finance.

## The Paris Agreement

In December 2015 at the Paris Climate Conference (COP21) almost 200 nations unanimously approved a historic agreement to limit global warming by keeping the rise in temperature beneath 2°C above preindustrial levels, and to do everything possible to keep it below 1.5°C.

The Paris Agreement represents a U-turn in global climate governance. This is a worldwide regime based on voluntary national actions, namely the “Nationally Determined Contributions” (NDCs), which detail goals for emission reductions, domestic action and commitments to international cooperation. Several reports evaluating the global effect of the NDCs indicate a rise in temperature of between 2.7°C and 3.7°C.

The Paris Agreement includes a mechanism for revising pledges every five years, starting in 2018, and it does not permit backsliding. The agreement aims by this means to reduce the existing gap in emissions and to raise the bar for the ambition of the NDCs.

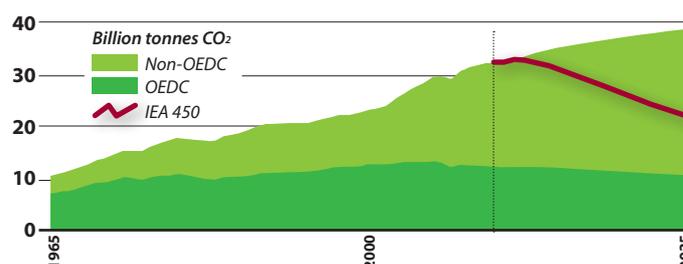
The Paris Agreement represents a new beginning for truly global climate governance. After two decades of multilateral negotiations, the international community has finally been able to reach an inclusive, flexible and universal climate agreement – going beyond the dividing line between developed and developing countries. The Paris Agreement entered into force on November 4th 2016, at an unprecedented speed in the recent history of international agreements.

However, fossil fuels are still being used for more than 80% of our production, consumer and transport patterns. Implementing the Paris Agreement is the next great challenge we must face.

**Patricia Espinosa:** This has always been one of the bones of contention. After the United Nations Framework Convention on Climate Change was ratified, the developed countries agreed that they had to take greater responsibility for this historic burden in terms of providing funds. When it comes to translating this into specific action there is always a problem, and it is not only because the will to act is or is not present, and neither is it a question of whether the funds are available or not. In the world of finance, on the global level, these resources exist and they are resources which are normally on the lookout for places where they might be invested in order to obtain some kind of profit. I believe that there is certainly commitment among the developed countries with regard to mobilising \$100 billion per year after 2020 as a key issue, especially in order to create trust. And also to demonstrate the desire to meet the commitments they have undertaken since Cancun, which was when this figure was set for the first time. Fortunately, I believe that the roadmap that has now been presented at COP22 was a positive development which demonstrated this desire to honour a commitment which is known to be very significant for developing countries. But this is not going to resolve the matter of funding needs. Nevertheless, we do see that, in effect, the growth of developing countries is going to be to a large extent the strength of the world economy, and that this is going to represent an opportunity for companies around the world. The critical point is going to be that the developing countries must manage to implement these national development strategies which incorporate all these goals. When we speak of the struggle against climate change and for renewable energies, we are basically talking about development and wellbeing: development for countries and wellbeing for people. For example, if we refer to access to electricity, this belongs in the realm of social

and cultural human rights because it means people will be given a great number of opportunities, both to enrich their lives and to have better chances for personal development. Speaking of financing climate initiatives is a good thing because there are some resources that see it as a priority, for example The Green Climate Fund, or that give emphasis to funding for projects that have a positive effect with regard to the struggle against climate change. However, all this funding must bear in mind everything that is going to be financed, whether it is infrastructure, housing, energy, and so on. They must all take into account the variable of the struggle against climate change. The case of infrastructure is especially critical, not only because infrastructure is not low-carbon, even when appropriate materials are used, but because it leaves a carbon footprint which will extend for decades and, moreover, it is not always going to be resilient. Hence, very often you see the situation of a newly constructed bridge and, with the first rains, it is swept away. This all represents a great cost and huge effort.

**Figure 1. Carbon emissions in OECD and non-OECD countries (1965-2035)\***



\* British Petroleum, BP Energy Outlook 2035, London: British Petroleum, 2016.

## NDCs and private financing

**CIDOB:** The cost of low-carbon technology has been dropping significantly over the last decade and it will continue to do so. At COP22, 47 developing countries announced that they will go to 100% renewable energy.

Nonetheless, there is a great challenge ahead. In developing countries, the costs of low-carbon infrastructure projects are up to 46% higher than in developed countries. Greater policy and financial risks drive project costs up for private investors. How can we close this gap in project costs between developing and developed countries and thus save millions of dollars?

Can NDCs help countries to reduce investment risks and mobilise greater private investments, especially in developing countries?

**Patricia Espinosa:** The NDCs are crucial. These national programmes of struggle against climate change must be translated into true “development strategies and investment plans”. This entails, for example, having a legal basis providing guarantees to investors that offers incentives and that also permits participation by local communities. All of these represent investment risks. It will be necessary to see what has happened in some countries, including Mexico, with some mining investments. I mean, it is not that we want investment in mines to continue, but some amount of metals and raw materials will continue to be extracted and, that being the case, it must be done better. There must also be a basis for being able to consult with local communities as well.

## The new proposals of the UNFCCC secretariat

**CIDOB:** Speaking of the role of the secretariat, is there any plan to use the whole debate about the 2018/19 budget to empower the secretariat or change its structure?

**Patricia Espinosa:** The secretariat is changing from being one that is more focused on seeking agreements in the process of negotiation to another stage where we must see how we can help countries to comply with these commitments, as well as continuing to support negotiations about the whole technical part we have to complete. This also represents a big challenge for us from the very beginning because there is much work to be done but this, too, is a new path. How are we going to do it? The characteristics of the secretariat also raise a challenge since it is not a secretariat like those of UNEP or UNDP, which have the authority and the capacity to work on projects *in situ*, in the countries concerned. In this regard, I see the role of the secretariat as one of facilitating contacts and building networks in order to help with the implementation of actions that will enable countries to comply with their commitments. This is essentially a diplomatic task.

As for the new 2018/19 budget, it is true that I have initiated a much more open and transparent process in the preparation of this budget because we have a problem at the outset. In recent years there has been a dwindling of the

resources that are made available to the secretariat. And it is happening in this new phase when we are continually engaged in negotiations. It is not as if we have concluded the negotiations. We will still be holding all the meetings. The need to support all the organs working on technical matters will still be there. Furthermore, the way I see it, we must be proactive in finding out what we can do to help countries to meet their commitments. For example, in 2018 we are going to have the “facilitative dialogue”, which is the first pre-assessment of how we are going. If we just sit at our desks waiting for governments to send us reports of what they have done, this is going to be a very limited approach, I believe. At the same time, we are going to need resources for our work. Then, it seems to me, it would be in the interests of the institution to be very clear on this point