

FROM DUBAI TO BAKU

IS THERE A REALISTIC APPROACH TO REFORMING THE GLOBAL GOVERNANCE OF CLIMATE CHANGE?



THREE IDEAS TO KICK START A DEBATE¹

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The Dolomite Conference on Global Governance of Climate Change. This is the title of the Dolomite Conference that Vision convenes annually in Trento. It is, thus, clear that the entire endeavour starts from the belief that

1. not only we need climate change's challenge requires decision making mechanisms that must be much more efficient (and fast) as well as more inclusive (i.e. capable to mobilize everybody in the vast transformation that both mitigation and adaptation imply).
2. but also, that climate change may provide the best opportunity² to reform a global governance infrastructure that was designed for a totally different century.

And Vision's "stocktake" of the latest COP in Dubai calls for an urgent reform of the mechanism through which the world has tried to govern a crisis which is proceeding at a much faster speed than institutions.

The President of COP28, Sultan Al Jaber rightly said in his final speech at Dubai, "an agreement is only as good as its implementation. We are what we do, not what we say". As a businessman turned into a hard-working diplomat, he pragmatically achieved the best possible deal from a suboptimal setting. That deal, however, is far from being enough, as our assessment of its impact shows³.

How can we change that setting? This is the first reflection that Vision will try to develop into the months before the next Dolomite Conference (from the 17th to the 19th of October 2024).

The proposal is articulated in three parts: (1) the money as catalyst of governance; (2) the decision making; (3) the COP as the global platform for problem solving on climate.

The money.

The most frequent critique to COPs is that it tends, indeed, to produce words with very little "means for implementation". This means more crudely that promises are often not followed up by cheques.

We believe that money can be the lever for giving to COP not only the financial muscle that it badly needs, but also the **continuity** that is grossly missing in the climate governance

² Indeed, climate change is arguably both less divisive than war (hence the near impossibility to change composition and procedures of the UN Security Council) and less uncertain (in terms of definitions) than artificial intelligence. Being probably war and digital technologies the two other most pressing global problems.

³ <https://www.thinktank.vision/en/media-en/publications/stocktake-of-cop28-global-stocktake>

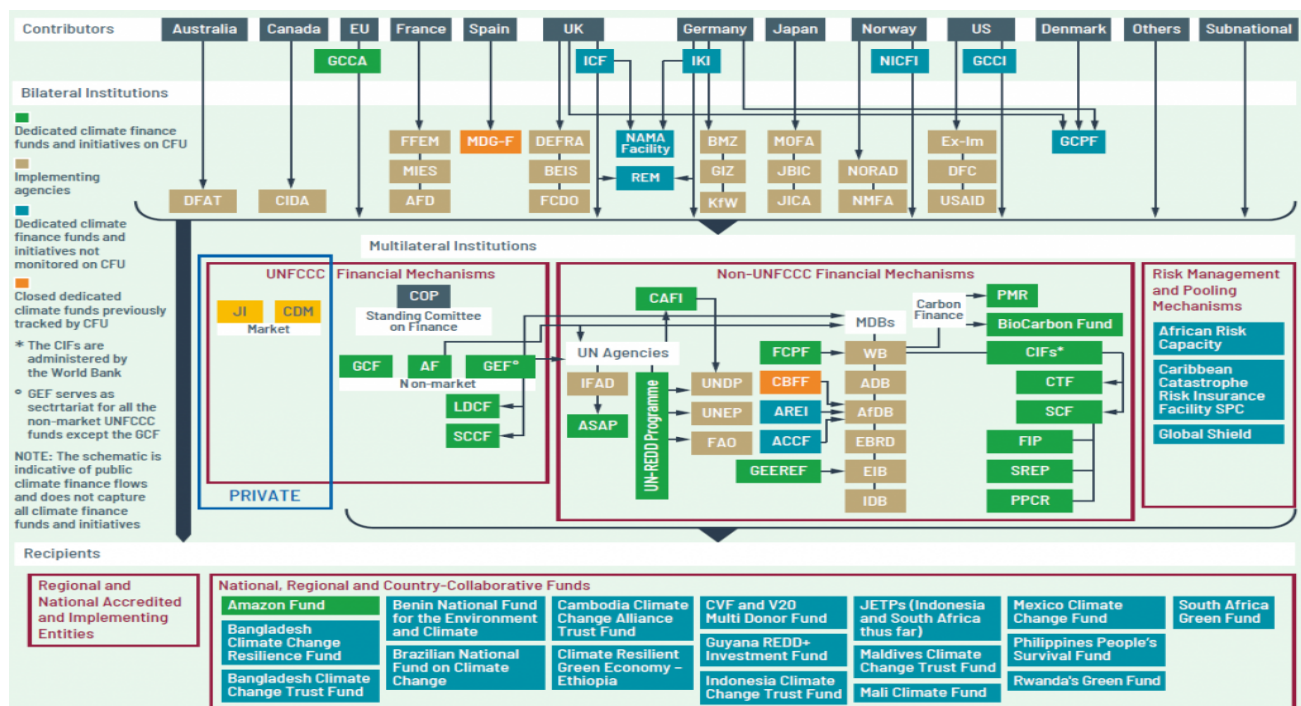
machinery. By that, we mean that COPs are still a huge yearly gathering, (in addition to a climate action summit at the UN's headquarters in New York,) with relatively little happening in between: yes, there exists all sorts of research groups, (being the most important the Intergovernmental Panel on Climate Change) but there is not a proper executive body managing climate policies in the interim.

This void can be filled by the operations funds meant to mobilize enough public and private resources to fill the (huge) financing gap we still have vis-à-vis 4–5 trillion USD needed per year.

On this, however, we both have too many facilities operating in this area; and too little money. We need to simplify, clarify, and strengthen the climate finance package.

The map below gives a preliminary map drawn by the Climate Funds Update⁴. We are talking about 29 institutions operating with multilateral arrangements; and 6 within the UNFCCC framework; and only 3 have disbursed effectively more than 1 billion USD. There're around 3,500 active projects, financed for just 13 billion USD.

FIGURE 1 – THE CLIMATE FINANCE MAP



SOURCE: VISION ON IEA, WORLD BANK AND STANFORD UNIVERSITY DATA

⁴ <https://climatefundsupdate.org/the-funds/>

We believe that:

- a) it would be wise to **reduce** the number of funds (and we are still waiting for the operationalization of the “loss and damage” fund) so as to give greater visibility to the facilities, and to encourage accountability and debate.

One extreme possibility would be to have only two main funds – one for the energy transition and one for adaptation (one possibility would be that this could even be a “loss and damage” fund with a broader scope); and two additional smaller funds: one for R&D and one for experimentations (of already existing technologies).

- b) We would also favour a review of the approach to the design of these facilities. In our opinion, the brutal distinction in “developed” (donors) and “developing” (beneficiaries) is politically self-defeating: as per our proposal on “NEXT GENERATION PLANET”⁵, we would propose a mechanism by which **all countries contribute according to GDP (and emissions); but that all local communities are protected and helped in adapting measures** (up to the extent “markets fail to do it”).

- c) **Not less importantly, the “north star” of these facilities is to fund projects with a sum of money that is exactly needed to move back that project to being “marketable”. Impact finance would, instead, be indispensable for all projects that present a rate of return below the one needed for capturing return seeking investors.**

The monitoring of the strategies of these funds, as well as their outcomes should be the core of an executive body of COP which is still missing.

The decision making.

It is the heart of COPs, and it is pursued through a consensus that is meant to be unanimous.

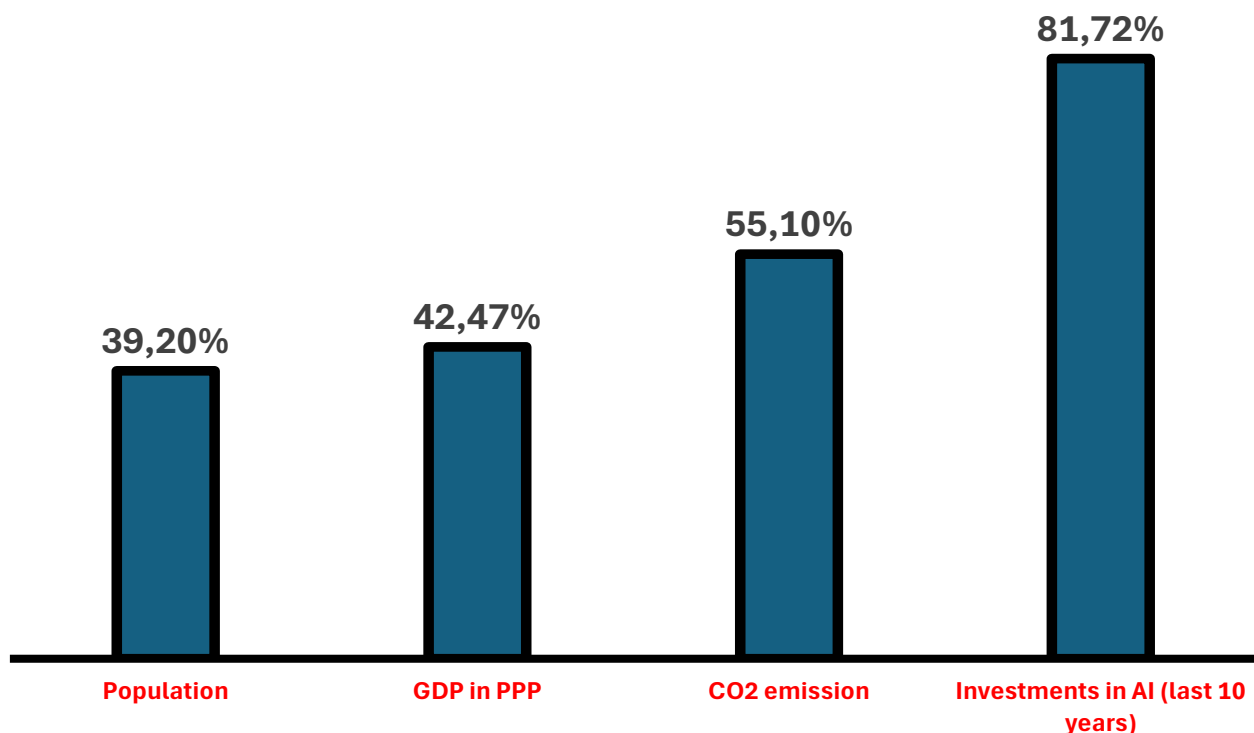
The paradox again is that this mechanism is neither efficient nor inclusive enough.

We would both reduce the number of parties and include some that are not currently at the official table where decisions are taken. Countries should be robustly encouraged to pool themselves into groups characterized by common geographies or interests.

⁵ The proposal is available at <https://www.thinktank.vision/en/media-en/publications/next-generation-planet>

The exception could be India, China and USA - and it is indeed enough to count these three (out of 198 COP's parties) to have a strong concentration of “problems” like climate change and of the technological means to possibly solve it.

GRAPH 1 – SHARE OF USA, CHINA AND INDIA ON SOME OF THE MOST SIGNIFICANT WORLD TOTALS (% , 2023)



SOURCE: VISION ON IEA, WORLD BANK AND STANFORD UNIVERSITY DATA

It is enough to put around a table, the three (out of 198 “parties”) largest UN members, to count the 47% of world GDP, 39% of the world population and 55% of CO₂ emissions. Plus. more than 80% of the investments in Artificial Intelligence which is the possible technological game changer.

Of course we do not recommend replacing multilateralism with some G3.

To this, however, one could streamline decision making by adding the EU (and we believe that the EU has got the institutional capability to get the leadership of the reform process by setting the example); the African Union; the Community of Latina America and Caribbean States; the Gulf Cooperation Council; the ASEAN (plus Japan, Australia and New Zealand); and some of

the central Asia block (plus Russia); and the AOSIS (the Alliance of Small Island States) that is small and yet has been key to much of the climate policies.

This would sum to 10 parties and the scheme will be different from G20 because it would deliberately seek a departure from “nation states” representation that may have grown obsolete.

Some countries (including Canada) may have to regroup themselves with other blocks (and this may even be a good test of a different kind of enlargement for the European Union partnering with, for instance, Canada and the UK) and yet, the scheme would be much more efficient.

At the same time, the reduction of the parties could open space for relevant (and legitimate) interests:

- (a) the **cities** of C40 may have a formalization of their role. Likewise, it would be interesting to have at the table somebody defending the very interesting point of
- (b) the regions of the world – **the poles and the oceans** – that are beyond the remit of any state and yet are the place where most of the climate change battle is played. Another very important party to which a seat should be assigned would be some form of
- (c) **citizens’ assembly** (where young generation’s voice would be central).

Finally, Vision would also argue that the

- (d) **scientific community** should have an institutionalized role. One additional possibility is to have a rotational seat assigned to an industry (agrifood, for instance) or to be representative of workers in industries that may suffer from adaptation.

The new “climate government” would have not more than fifteen members, and it may well be both quicker and more democratic than the one that was constructed to govern a totally different, more stable century. This new government may meet more than once, although we still see merit in an annual gathering with thousands of activists, companies, and entrepreneurs.

The COP itself.

One hundred thousand people flocked into Dubai for the largest political gathering in history. The cost of their stay can be estimated to be around US\$250 million; and – if we only consider the CO₂ emissions of their flights taking them to and from DUBAI - their footprint has been four

times bigger than the one that habitants of the Vanuatu islands that are at risk of disappearing shortly.

And yet, the COP has got a value especially for the young people. The atmosphere is truly global (similar to the one you have at the athletes' village of the Olympic Games) and you really find a lot of enthusiasm and motivation to meet people to share your ideals.

The costs may be lowered by extending the duration of the event. The emissions can be reduced by choosing places that can be more efficiently. The organization of the event can also be changed: national pavilions are likely redundant if it is the global exchange that want leverage upon.

It would instead be interesting to transform the hearth of the gathering into a knowledge management place organized around problems to be solved (how do I develop energy grids which are affordable? How can I transit away from lithium batteries? How can technologies help to reduce the food that is wasted?).

These first ideas will be open to debate and will be a core part of the Dolomite Conference.

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