

Tyndall°Centre

for Climate Change Research

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COP21 RIPPLES

Year 2 Project Meeting (Institutions and Governance Roundtable)

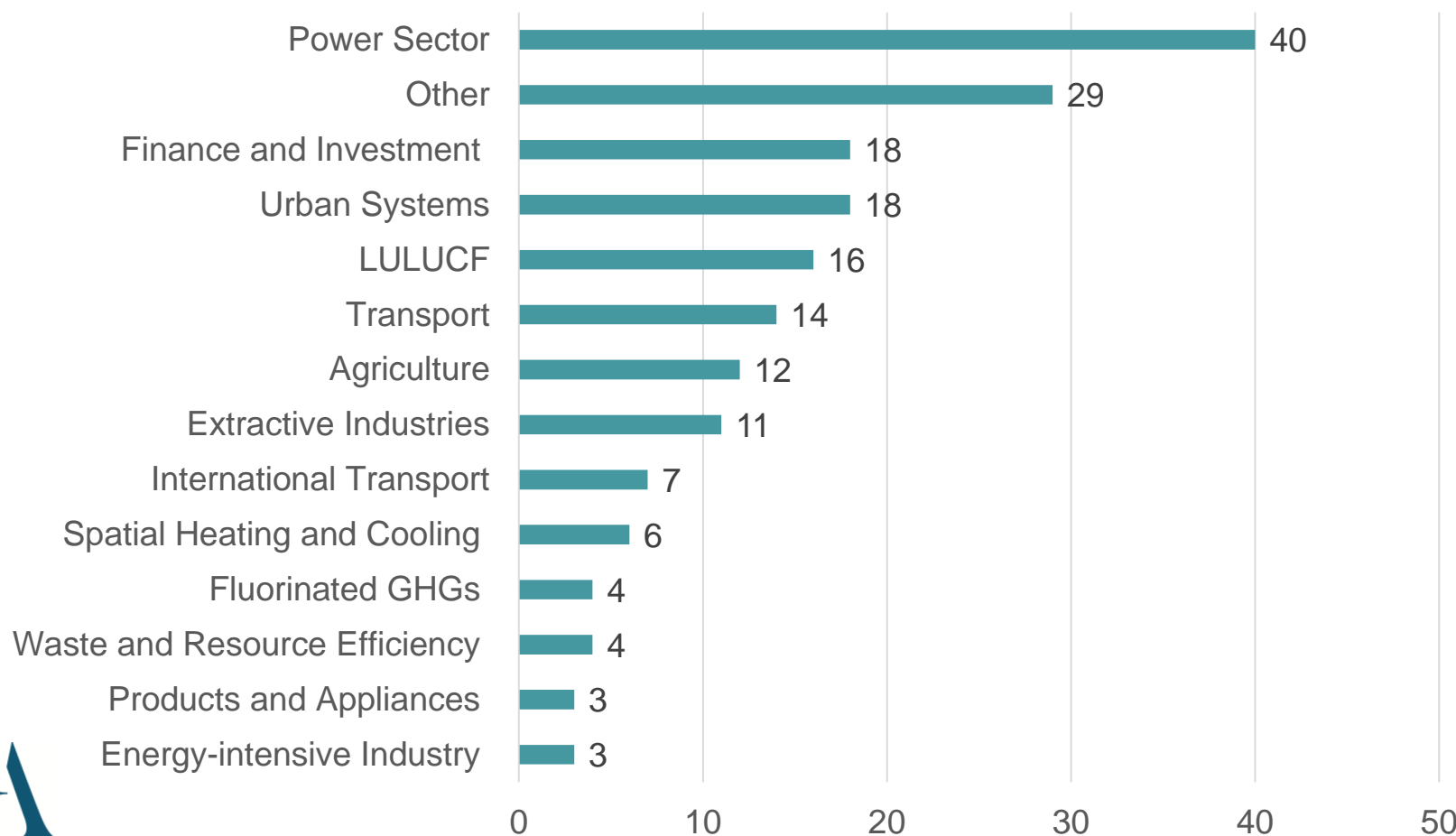
25-6 April 2018, Warsaw

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WP4

- To map broad international governance landscape, identifying the ‘main relevant international and transnational governance fora, regimes and organisations’
- Where are the gaps in terms of [sectoral] governance functions?
- How to address them?

- Institutions governing **mitigation**, meeting 4 criteria (cf. Widerberg *et al* 2017):
 - (i) international or transnational;
 - (ii) display intentionality to steer the behaviour of members;
 - (iii) explicitly mention a common governance goal related to CC mitigation [*subsequently treated flexibly*]; and
 - (iv) serve identifiable governance functions.

- Database containing ~152 climate governance initiatives across 13 sectors, with a number spanning multiple sectors



7 sectoral systems chosen (from 14):

Power, energy intensives, extractive industries, finance, int. transport, transport, buildings.

- High Contribution to global emissions
- Potential to be governed at inter-/transnational level
- Avoiding too much overlap between systems
- Where finance and tech issues are prominent
- Potential relevance for EU.

- International shipping: 2-3 % of global CO2 emissions (in top ten).
- (International) aviation: ~ 2% of global CO2 (but impacts greater)
- Share of both likely to increase significantly if no bold action is taken.

Barriers to decarbonisation (see D4.1)

Sectors	Financial and Economic	Institutional and Political	Technological	Awareness/Inform./Capacity
International transport	<ul style="list-style-type: none">• No taxation of aviation and shipping fuels• Split incentives between ship owners and hirers• High price of biofuels	<ul style="list-style-type: none">• Effort sharing controversy• Power of incumbents• Low public profile of shipping sector (lack of pressure)	<ul style="list-style-type: none">• Technical problems regarding use of biofuels, hydrogen, electricity• Insufficient R&D spending	<ul style="list-style-type: none">• Lack of information on reduction potential• Perceived 'right to fly'
		<ul style="list-style-type: none">• Restructuring of supply chains needed for slow steaming		

International transport governance needs

	Guidance and Signal	Setting Rules	Transparency and Accountability	Means of implementation	Knowledge and Learning
International transport (aviation and maritime)	High	High	High	Medium (aviation) Medium-high (shipping)	Medium (aviation) Medium-high (shipping)
	<ul style="list-style-type: none"> - Global limits and phase-out of (net) emissions 	<ul style="list-style-type: none"> - Global limits on emissions - Internalisation of externalities in fuel prices /carbon pricing/ trading - Operational prescriptions (e.g. speed limits) - Technological prescriptions/ standards (eg for new fuel types). - Phase-in periods for developing countries/ compensation for cost-raising measures. 	<ul style="list-style-type: none"> - To ensure effective implementation of international rules 	<ul style="list-style-type: none"> - Access to capital/ finance, e.g. to implement retrofits (shipping) - Technical cooperation/ technology transfer (shipping) - Incentivising of early technology adoption - Institutional capacity building 	<ul style="list-style-type: none"> - (Joint) R&D for low-carbon technologies - Improved information on costs/ savings/ correct operation of new technologies and operational measures (shipping). - Sensitising opinion in developing/ emerging economies to significance of CC and policy co-benefits

Current governance 'landscape' (int. transp)

International aviation and shipping										
Governance Functions		UNFCCC/ Paris Agreement (inter-gov)	IMO (Marpol), (inter-governmental/ Public)	ICAO (Intergovernmental/public)	ATAG (private)	Clean Cargo Working Group (CCWG) (private)	Sustainable Shipping Initiative (SSI) (private/civil society)	RightShip/Carbon War Room (CSO/private)	The Clean Shipping Index (private*)	EU (public)
Guidance and Signal	<ul style="list-style-type: none">Global limits and phase-out of (net) emissions	1.5/2°C goal Tony de Brum Declaration by 44+ countries	'At least' 50% cut by 2050 (on 2008), total decarbonisation eventual goal (2018 'Initial Strategy')	Aspirational goals: - improve fuel efficiency by 2%/yr, 2020 to 2050, 'carbon-neutral growth' from 2020, - State action plans to monitor emissions, identify measures CO2 standard (2017) for new designs CORSIA: stabilise CO2 by 2020, offset thereafter (non-binding) (Offsetting rules still to set)	Cut net emissions 50% from 2005 levels by 2050					Negotiating position is strong guidance/ signal (willingness to act unilaterally, use market/ regulatory, power)
Setting Rules	<ul style="list-style-type: none">Global limits on emissionsInternalise externalities in fuel prices, carbon pricing/ tradingOperational prescriptions (e.g. speed limits)Technological prescriptions/ standardsPhase-in periods for dev. countries/ compensation for cost-raising measures	CBDR principle	EEDI/ SEEMP							EU ETS? EU-wide port charging scheme (incentives for greener ships).
Transparency and Accountability	<ul style="list-style-type: none">To ensure effective implementation of international rules	Global Stocktake (Talanee?) to include aviation/ shipping?	MRV provisions as part of 3-stage policy development.					RS Offers systematic and transparent means of comparing relative ship efficiency.		MRV provisions (tighter than IMO), (shipping)
Means of Implementation	<ul style="list-style-type: none">Access to capital/finance, e.g. to implement retrofits (shipping)Technical cooperation/ technology transfer (shipping)Incentivising of early technology adoptionInstitutional capacity building	Technology Mechanism?	IMO-EU Global MTCC Network (GMN) Project GEF-UNDP-IMO GIoMEEP Project Partnerships with EU, UNDP and Global Environment Facility (GEF).	Partnerships with EU, UNDP, GEF, to develop State Action Plans.	'Collaborative Climate Action' (listed in NAZCA)	Catalyzing/ partnering on projects that drive sustainability improvement.	'Save As You Sail' (SAYS) financing model.	Self-Financing Fuel Saving Mechanism (SFFSM) (Carbon War Room_		- IMO-EU Global MTCC Network (GMN) Project - European Investment Bank/ GSG Programme - ICAO partnerships with EU, UNDP, GEF.
Knowledge and Learning	<ul style="list-style-type: none">(Joint) R&D for low-carbon technologies improved information on costs/ savings/ correct operation of new technologies and operational measures (shipping).Sensitising developing/ emerging economies to significance of climate change and policy co-benefits	STOCKTAKE/ Talanee dialogue?			Alternative fuels (\$ invested*).	Analyses/compares shipping efficiency of 40 ocean freight carriers/ cargo owners. Exchange best practice.	Awareness raising.	RS Offers systematic and transparent means of comparing relative ship efficiency. CWR supports Carbon Pricing Leadership Coalition (CPLC) Executive Briefing on Internal carbon pricing for ship-financing banks.	Independent labelling system of env. performance of ships/ shipping companies	What R&D is EU participating in?

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- IMO as new ‘orchestrator’? (cf. Lister 2015):

States or intergov. organizations multiply their influence by initiating, guiding, broadening, and strengthening transnational governance by non-state and/or sub-state actors (orchestration).

Important process which remains **under-explored in the academic literature** and **underused by policymakers (esp. EU)** (Hale and Roger 2014).

- Greater coordination of IMO/ICAO and UNFCCC (eg. Global stocktake) to help ‘***ratchet up***’ ambition?
- Carbon taxation/ MBMs to fill low-carbon R&D gap?
- EU option of unilateral action applies pressure on ICAO, re. CORSIA, on IMO to develop rules/ measures?

FINANCE...

- Electricity sector relatively more advanced in covering the main governance functions required of it – but still falls short!
- Others lag behind. May be because:
 - less easy to deal with through national-level action (e.g. int. transport)
 - don't fit the dominant paradigm that demand for (not supply of) fossil fuels is the issue (extractives),
 - **Global complex value chains (energy intensives)**
 - Esp. difficult to decouple from economic growth/ patterns of development (all kinds of transport).
- Much governance activity in some sectoral cases, and regarding certain gov. functions, but need for greater co-ordination/ orchestration effort, to ensure effectiveness. (We suggest options)
- **EU role:** Orchestration opportunities? (cf. Commission's GCCA commitments). Unilateral leadership (effective on international shipping and aviation)?.

Thanks for your attention!

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Beginning to map broad international governance landscape, identifying the ‘main relevant international and transnational governance fora, regimes and organisations’ per core gov. function/ challenge identified in Task 1.

4.2 due to analyse the ‘division of labour’ existing between these institutions.
‘Special attention will be given to

- (1) exploring the role of the **UNFCCC and the adequacy of the Paris Agreement** in the respective governance areas and
- (2) **identifying implications and options for the EU** to advance international climate governance arrangements under the UNFCCC’s Paris Agreement (and elsewhere, as appropriate), **in particular with regard to core issues for the EU, such as** transparency and accountability and the **creation of an upward dynamic** in ambition under the cycle of regular revision of NDCs ...;
- (3) **issue-specific sub-sets** of the regime complex of particularly high relevance **such as** carbon pricing, subsidy reform, **or** urban development’ (DoW: 40).