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Harnessing EU external cooperation to boost ambitious and coherent climate action

October 2019

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The views expressed in this paper are those of the authors.

KEY MESSAGES

- In view of expected climate-change impacts, the EU should aim for 1.5°C-compatibility throughout its domestic and external action. This requires the EU to define clear guidelines for 1.5°C-compatible action in each country context, together with country partners, and to develop a list of development-cooperation activities that would need to stop altogether.
- The EU will need to allocate adequate financing for climate action, well above the currently proposed 25% share of expenditure in the upcoming Multiannual Financial Framework (MFF), and to ensure 1.5°C-compatibility of all financing. Financial support should consider countries' development priorities, needs and resources and boost their confidence for higher climate ambition. Private sector contributions could be further stimulated through existing and new programmes.
- So far, climate financing from the EU and elsewhere has been disproportionately channelled towards middle-income countries and mitigation. While middle-income countries offer higher potential for emissions reductions, more direct support should be geared towards adaptation and resilience in highly vulnerable least-developed and lower-middle-income countries.
- The EU should strengthen its climate diplomacy through new and improved bilateral, triangular and multilateral partnerships for development cooperation. These should foster knowledge exchange and dialogue to advance policy coherence and innovation.
- Policy coherence should be improved internally, through better coordination between the EU and EU-member states (vertically), EU-level institutions (horizontally, different areas of action), and within specific areas of EU external action (sectorally).
- EU climate commitments need to be underpinned by commensurate domestic policies and adequately ambitious submissions of targets and long-term strategies to the UNFCCC, in line with carbon-neutrality by 2050 and sending clear signals for international climate finance and support.

1. INTRODUCTION

The EU has always considered itself a leader in global climate governance, although its influence in climate diplomacy has varied over time.[1] The EU reaffirmed its intent to continue to exert climate leadership – both at home and internationally – in its long-term strategy 'A Clean Planet for All', a European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy, released in the run-up to the Katowice climate-change conference (UNFCCC COP24) in 2018:

> The EU must therefore promote worldwide uptake of policies and actions to reverse the currently unsustainable emissions trajectory, and to manage an orderly transition to a worldwide low carbon future. The EU should continue leading by example as well as foster multilateral rule-based cooperation.[2]

The imperative to get serious on climate leadership has also been widely interpreted as the central take-home message of the EU Parliamentary Elections of May 2019. Its result necessitates that at least three of its political factions form a coalition, and the changed balance of mandates within the European Parliament (EP) reflects calls for higher ambition in European climate action. This was duly echoed by the designated President of the European Commission, Ursula von der Leyen, as she wooed the EP for its support. The current Finnish Presidency of the Council of the European Union has also made climate action and EU leadership in that regard a priority on its agenda for the second half of 2019.[3] Last but not least, the European Council's 'A New Strategic Agenda 2019–2024' sees building a climate-neutral Europe as a key approach in addressing an increasingly complex and unsettled world.[4]

Yet, at COP24 in Katowice and subsequently, EU climate action is perceived as having fallen short of its leadership aspiration.[5] Most notably, EU mitigation commitments are not commensurate with the objectives of the Paris Agreement and, in particular, the imperative to halt global warming at 1.5°C above pre-industrial levels, as is called for in the pertinent IPCC Special Report of October 2018.[6] In fact, recent analyses show the EU's current mitigation efforts as only meeting a 3°C-pathway. The EU's emissions-reduction targets are therefore considered insufficiently ambitious.[7] Recent meetings of the EU heads of state failed to adopt a date by which the EU should be carbon-neutral, and the 7 May 2019 EU Leaders Summit in Sibiu, Romania, did not go beyond conveying the EU's commitment to continue working with others to fight climate change.[8]

While Ursula von der Leyen has pledged before the EP to make the EU carbon neutral by 2050, it is still unclear how she intends to see this through. For the time being and in view of global trends and political developments in key countries such as the US and Brazil, the EU's failure to walk the talk is met with growing concern by developing countries, civil society and researchers.

Against this background, how the EU approaches climate change in its development cooperation and how well it manages to align practices with principles bear the potential to either improve the EU's image as a climate leader or to make its credibility wither further. Moreover, given the strong interlinkages between climate and sustainable development, we argue that climate action should be at the core of the incoming Commission's agenda for development cooperation. In this policy brief, we present

1. Herrero Cangas, A., Knaepen, H. 2014. Run-up to 2015: A moment of truth for EU external climate action? Briefing Note 67. Maastricht: European Centre for Development Policy Management
2. European Commission. 2018. A Clean Planet for All. COM (2018)773, p. 21
3. Presidency of the Council of the European Union 1 July – 31 December 2019. Sustainable Europe – Sustainable Future. Finland's Presidency Programme. EU2019.FI
4. European Council. 2019. A new strategic agenda (2019-2024)
5. SWP. 2019. After the Katowice Climate Summit. Building blocks for the EU Climate Agenda. SWP Comment No. 9 February
6. IPCC. 2018. Special Report on Global Warming of 1.5°C
7. Climate Action Tracker. 2019. European Union - Country Profile. Accessed Sep 2019
8. European Council. 2019. The Sibiu Declaration. Press release 335/19, 05 May

our case for the imperative of 1.5°C-compatibility in all EU measures, the need for clear guidelines and financial resources to support this, and for a generally strengthened EU climate diplomacy.

2. CLIMATE-DEVELOPMENT INTERLINKAGES AND THE IMPERATIVE TO COMMIT TO A 1.5°C PATHWAY

The EU demonstrates climate leadership in its external cooperation and has frequently stated its desire to lead by example, also in relation to its commitment to advancing multilateral solutions, as enshrined in the EU Treaty. Yet, the EU could leverage much more effective climate action through its engagement abroad if it consistently and concurrently aligned with the Paris Agreement and the 2030 Agenda. Given the highly transformative and interlinked nature of both agendas, ensuring policy coherence from a climate perspective, horizontally across the Sustainable Development Goals (SDGs) and vertically through levels of governance, is key. This pertains to actions intended to mitigate climate change as well as adapt to it. Indeed, EU development cooperation has made some progress in this respect through the New European Consensus on Development:

> The EU and its Member States will integrate environment and climate change throughout their development cooperation strategies, including by promoting a sound balance between mitigation and adaptation. They will implement the 2030 Agenda and the Paris Climate Change Agreement through coordinated and coherent action, and will maximise synergies.[9]

Notwithstanding expressed political commitment, the fact that the EU does not have an implementation strategy for the 2030 Agenda four years after its adoption severely hampers its credibility in the international arena. As part of the overarching EU reform debate launched in 2017, and in response to the calls of the European Council and the EP to prepare an implementation strategy for Agenda 2030 and its SDGs, in late January 2019 the European Commission released a Reflection Paper: 'Towards a sustainable Europe by 2050' ('Reflection Paper' hereafter). This aims to provide guidance for the development of a comprehensive strategy, covering both internal and external action, by the incoming European Commission of 2019.[10]

This Reflection Paper identifies and elaborates on four key 'policy foundations for a sustainable future': from linear to circular economy; sustainability from farm to fork; future-proof energy, buildings and mobility; and ensuring a socially fair transition. Strikingly, it does not afford climate change a section of its own. Rather, it seeks to mainstream climate across all four policy foundations, taking note of some climate-development interconnections as well as the importance of climate compatibility throughout. Such mainstreaming of climate change is commendable in principle, considering that climate change and climate policy are likely to affect most areas of sustainable development and vice versa. However, the pervasive scope of climate change warrants explicit attention as it requires a comprehensive vision and strong coordination. A lack of such focus could hinder both the achievement of the Paris Agreement objectives and of the 2030 Agenda as a whole.

Moreover, the Reflection Paper is not comprehensive in its grasp of climate change and climate-policy issues. It fails to cover a number of areas highly relevant to climate action and the SDGs, notably forestry and biodiversity, and does not discuss all interactions with the presented policy foundations. By not taking into account the full multitude of interlinkages between climate policy and development, it risks overlooking trade-offs that are crucial to any meaningful development strategy. This has also been acknowledged in the Council Conclusions of 9 April 2019, whereby the European Council calls for climate neutrality and

9. European Council, representatives of EU member states' governments, European Parliament, European Commission. 2017. The new European consensus on development - 'Our world, our dignity, our future', p. 22
10. European Commission. 2019. Reflection Paper. Towards a sustainable Europe by 2030. COM(2019)22

> underlines that the successful implementation of the 2030 Agenda in the EU requires that all these processes [including inter alia the Paris Agreement and Addis Ababa Action Agenda] move in the same direction in a coherent manner.[11]

For this reason, we argue that any overarching sustainable development strategy should strongly and explicitly anchor climate-change action and the requirement for all action to be 100% compatible with the Paris Agreement.

On balance, the Reflection Paper is not only vague on the profound challenges of climate change, but also overly positive on the EU's progress on climate action. Moreover, it all but neglects the imperative to halt global warming at a maximum of 1.5°C (only mentioned in the annexed recommendation from the Multi-Stakeholder Platform), which will be crucial for climate-vulnerable developing countries. This appears inconsiderate in view of the IPCC Special Report on 1.5°C, which elucidates the importance of every tenth of a degree and concludes with 'high agreement' that

> [l]imiting global warming to 1.5°C rather than 2°C above pre-industrial levels would make it markedly easier to achieve many aspects of sustainable development, with greater potential to eradicate poverty and reduce inequalities.[12]

Measures presented by countries in their nationally determined contributions (NDCs) under the Paris Agreement to address climate change are ultimately sustainable development actions with a broad coverage of the SDGs, and many require international support to carry them out.[13] This is not surprising, given the broad scope of climate action and its impacts in various areas. While the impacts of climate change itself will hinder the ability to achieve a large number of SDGs (for instance, through pressure on water or food security), action to address these impacts and to mitigate the release of greenhouse gas (GHG) emissions go hand in hand with sustainable development. Early action for climate-change adaptation and mitigation can reduce severe losses due to climate-change impacts. Moreover, an appropriate integration of climate-change mitigation into countries' development strategies can ensure maximisation of synergies (such as job creation, air-quality improvement, energy security, increased competitiveness) and reduce conflicting interactions (such as an increase in energy poverty, or loss of jobs or of access to natural resources). All these interactions should make climate action a central consideration in development cooperation, with a view to ensuring 100% compatibility with the Paris Agreement and a 1.5°C-pathway.

3. NEED FOR CLEAR DEFINITIONS AND GUIDELINES ON COMPATIBILITY WITH THE PARIS AGREEMENT

The imperative of 100% Paris-compatibility of all internal and external action, with the objective to halt global warming at 1.5°C, requires adequate mainstreaming throughout the policy cycle. While the EU Better Regulation Agenda aims to mainstream the SDGs, we argue that it is currently unsuited for this purpose, as well as for mainstreaming climate change. In their current form, the impact assessment guidelines mention climate only briefly, as a potential impact among many others from which the assessment could choose those that are most relevant to the initiative at hand.[14] In view of full

11. European Council. 2019. Towards an ever more sustainable Union by 2030. Council conclusions. 8286/19, p. 3
12. IPCC. 2018. Special Report on Global Warming of 1.5°C. Chapter 5, p. 447
13. Brandi, C., Dzebo, A., Janetschek, H. 2017. The case for connecting the implementation of the Paris Agreement and the 2030 Agenda for Sustainable Development. Briefing Paper 21 / NDC-SDG Connections Tool: www.ndc-sdg.info
14. European Commission. 2017. Better Regulation Guidelines. Chapter III. Guidelines on Impact Assessment. SWD(2017)350

Paris-compatibility, the impact-assessment guidelines are not adequate to ensure that new project and policy proposals are explicitly assessed on climate-related requirements. Moreover, impact assessments are written with insufficient time and resources. Potential impacts are predominantly assessed based on stakeholder inputs and available research evidence, which is typically biased towards the economic dimension rather than social and environmental dimensions.

Moreover, to achieve compatibility of both external and domestic actions with the Paris Agreement and a 1.5°C pathway, the EU requires clear and universally applied definitions of what actions qualify as Paris-compatible and, along those lines, of what actions should be stopped altogether. Yet, such overarching definitions are mostly lacking. For a start, the EU could resort to requiring all short-term actions subscribe to Paris-compatibility through alignment with recently developed taxonomies for sustainable financial investments. These taxonomies were released with a call for feedback in June by the High-Level Expert Group on Sustainable Finance and include guidelines on contributions to climate-change mitigation and adaptation.[15] However, while these taxonomies only refer to sustainable financial investment, the EU would need to ensure that all future actions are Paris-compatible and that other investments do not work against the objectives of the Paris Agreement and a more ambitious 1.5°C-pathway.

That said, for full Paris-compatibility of all its actions, the EU needs not only a 'green list' of actions that should be encouraged, but also a 'brown list' of actions that should no longer be implemented. In a report on 1.5°C-compatibility, the Climate Action Tracker provides a set of ten essential first steps to be taken in the short-term across all economic sectors to ensure the feasibility of meeting the more ambitious long-term climate target.[16] These indicate the need to divest from certain activities completely, and recommend, for instance, a halt in the building of any new coal-fired power plants and of net deforestation in the 2020s. The EU should consider short-term recommendations of this kind and develop a 'brown list' to clearly define its own policy guidelines for climate-compatibility of investments both at home and externally. Such clarity and transparency would enhance the EU's credibility in climate diplomacy and could support other countries in developing their own 1.5°C-compatible strategies.

4. EFFECTIVE CLIMATE FINANCE IN DEVELOPMENT COOPERATION

Anticipating the end of the current period up to 2020, the EU is negotiating the Multiannual Financial Framework (MFF), which will define budget priorities for the period 2021–2027, with long-term sustainable development in mind. However, the proposed share of 25% of all expenditures to be allocated to climate action was deemed unambitious as it would only represent a minor increase compared to the current budget period (2014–2020) target of 20% climate expenditure.[17] Moreover, the proposed European Fund for Sustainable Investments Plus (EFSD+) does not have any climate target, unlike the current fund, which has a target of 28%. In contrast, European banks such as the European Investment Bank and the European Bank for Reconstruction and Development are already committed to much higher shares of their portfolio for climate action, rendering the EFSD+ proposal even less convincing.[18]

The EP, in turn, suggested a share of 30% of total expenditure in the MFF to be dedicated to climate action. France and Germany proposed a 40% share and full Paris-compatibility of EU development cooperation, while other member states suggested going even further. The European Economic and Social Committee (EESC) also called for a 40% share in the European Fund for Strategic Investment and 40% of the EU's MFF 2021–2027 global budget to be spent on climate action.[19]

15. EU Technical Expert Group on Sustainable Finance. 2019. Taxonomy Technical Report
16. Climate Action Tracker. 2016. The ten most important short-term steps to limit warming to 1.5°C (policy brief) / Kuramochi et al. 2018 Ten key short-term sectoral benchmarks to limit warming to 1.5°C. Climate Policy 18(3):287-305 (peer-reviewed journal article)
17. European Commission. 2019. Supporting climate action through the EU budget. Accessed Sep 2019
18. Bilal, S. 2019. Leveraging the next EU budget for sustainable development finance: The European Fund for Sustainable Development Plus (EFSD+). Discussion Paper No. 243. Maastricht: European Centre for Development Policy Management
19. European Economic and Social Committee. 2018. European Finance-Climate Pact (own-initiative opinion). NAT/735-EESC-2018-01241

On external action, specifically, a climate input target of at least 25% is considered for the MFF Neighbourhood, Development and International Cooperation Instrument (NDICI), which was proposed in June 2018. NDICI is a merger of several existing external financing instruments with a budget of nearly EUR 90 billion for the 2021–2027 period, some of which will fund the EFSD+.[20] Nevertheless, in addition to such mainstreaming, more efforts are needed to identify and curb any climate trade-offs represented by other policy priorities. One particular example concerns the strong priority given to job creation, and investment and the role of the private sector in developing countries. In that regard, possible country framework documents, envisioned by the newly proposed NDICI regulation, could help clarify EU priorities for each partner country. This would make EU action more strategic and enhance policy coherence, for example in trade negotiations or energy procurement. To that end, the joint programming preference (joint planning of development cooperation and external action by the EU, its member states and non-EU partners) could improve collaboration on climate, including on national diplomacy and financing.

For a more targeted external climate action and stimulation of climate ambition, the EU needs to understand the needs of partner countries and develop strategies accordingly. For instance, of the activities envisaged in the NDCs and the National Adaptation Plans (NAPs) of most African countries, two-thirds relate to climate change adaptation and mitigation in the agricultural sector.[21] This clear focus should prompt the EU to give priority to this area in its financial support and to ensure coherence between these cross-sectoral plans and the National Agricultural Investment Plans for respective countries. To ramp-up ambition in the next round of NDCs to be submitted by countries in 2020 (and again in 2025), it is essential that the EU matches and secures planned climate-relevant external cooperation financing so as to provide developing countries with the confidence that more can be done. To concomitantly advance implementation in partner countries, the EU could capitalise further on major initiatives like the NDC Partnership.[22]

Despite the emphasis on the need to address climate adaptation and mitigation equally through financial support (as is reflected in the mandate of the Green Climate Fund), the focus so far has been on mitigation, which was assigned 69% of global climate funds in 2017.[23] While the EU had a more balanced distribution, a lion's share of 59% of climate funding was still allocated to mitigation.[24] Yet, adaptation is expected to become a highly pressing need in the context of climate change and continuously decreasing resources under increased demand for food, energy and water security.[25]

As pointed out by the EU Task Force on Rural Africa (see footnote 21), EU climate-adaptation funding in Africa could be used in particular for adaptation and environmental protection in agriculture and the integration of sustainable management of resources in policies and programmes. Looking beyond EU funding, the Task Force argues for a fixed share of the Green Climate Fund to be allocated to agriculture in Africa, given the high vulnerability of the continent to climate change. The EU also aspires to exert leadership in matters of climate-change adaptation and resilience, especially in its cooperation with climate-vulnerable developing countries. Indeed, these issues are growing in importance and urgency in multilateral processes. In response to growing demand, the EU could capitalise on its existing Global Climate Alliance for Adaptation (GCAA) to increase ambition in this action area.

While support for climate adaptation and resilience is most critical in climate-vulnerable least-developed countries

20. Castillejo. C. et al. 2018. Financing EU external action – understanding member state priorities. Brussels: European Think Tanks Group
21. European Commission. 2019. An Africa-Europe agenda for rural transformation. Report by the Task Force Rural Africa
22. Already, the EU Commission and ten EU member states (including UK) are country members of the NDC Partnership, so are many of its partner countries in Africa, Asia and the Americas
23. OECD. 2018. Climate finance from developed to developing countries: 2013-17 public flows. Paris: OECD Publishing
24. European Parliament. 2018.The EU spending on fight against climate change. Policy Department of Budgetary Affairs. DG for Internal Policies of the Union. PE603.830
25. Overseas Development Institute (ODI), European Centre for Development Policy Management (ECDPM), German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE). 2012. European Report on Development. Confronting Scarcity: Managing Water, Energy and Land for Inclusive and Sustainable Growth. European Union. ISBN 978-92-79-23161-2

(LDCs), climate mitigation efforts could be most cost-effectively directed towards middle-income countries (MICs) and to incentivise the private sector. Mitigation efforts in MICs would address rapidly growing emissions in the short-term and facilitate leveraging additional funds within these countries. As a large proportion of EU external climate funding is disbursed to MICs (58%), and in particular upper-MICs (34%),[26] the EU needs to ensure that these funds are used most effectively and tap into domestic leveraging potential. Moreover, the EU could strive to leverage additional funds not only through public–public partnerships but also through public–private partnerships, as it currently does through the Green Energy Efficiency and Renewable Energy Fund (GEEREF), through AgriFI (EU-funded blending facility in the agricultural sector), and through adequate incentives for financial institutions and domestic governments. In addition to the MFF, private investments are needed, as public funding alone will be insufficient to handle the challenge of climate change. Through the EU External Investment Plan, the EU has thus far allocated EUR 1.54 billion of climate-relevant investments in sectors such as sustainable energy, agriculture, land use, urban development and green businesses.[27]

5. STRENGTHEN EU CLIMATE DIPLOMACY

The EU's foreign policy officially recognises climate change as a 'threat multiplier' that would enhance pre-existing challenges to meeting the SDGs, including peace and security (e.g. fuelling resource-based conflicts or causing displacement through extreme weather events).[28] The February 2019 Council Conclusions thus underlined the need to ensure that the full range of climate challenges are addressed and calls for commensurate climate diplomacy at all levels:

> "Political dialogues at all levels and joint action plans need to encompass climate action. The High Representative and the Commission are encouraged to give the necessary consideration to climate action in the future programming of financial and technical cooperation with partner countries, including under the next Multiannual Financial Framework.[29]"

In view of this urgency, the new EP and the incoming Commission should harness both the EU External Action Service (EU-EAS) and development cooperation policy to support ambitious climate diplomacy. Among other strategic partnerships, the EU can take its climate diplomacy further through its cooperation with the African Union and its member states, as well as with small island developing states in the Caribbean and Pacific. These groups were already instrumental in forming the 'High Ambition Coalition' with the EU and others during the negotiation of the Paris Agreement in 2015. There are several ways to build on this encouraging experience.

Notably, climate action is not only about short-term investments needs and policy choices, but also about projecting a vision for long-term development that can become a lodestar for today's actions. Beyond supporting developing countries in crafting their medium-term climate

26. Di Ciommo, M., Thijssen, S., and Sayós Monràs, M. 2018. The ice is broken, what's next? How the EU and middle-income countries work together on climate change. Maastricht: European Centre for Development Policy and Management
27. European Commission. 2019. International Cooperation and Development. Investing in climate is investing in our future. 29 April
28. European Union. 2016. European Union Global Strategy. Shared Vision, Common Action: A stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy
29. European Council. 2019. Climate Diplomacy – Council Conclusions 6153/19, p. 8

plans (NDCs), the EU needs to ramp up its support for countries to develop long-term strategies, involving the key development and cooperation providers (both bilateral and multilateral) in each country. Such long-term strategies can act as 'investment plans' for development cooperation that is aligned with the countries' vision for development and the Paris Agreement. It can usefully support the coordination of EU and member states' development cooperation institutions within a national context, as well as those of other non-EU/multilateral partners. Such an approach could also cover the EU's growing interest in triangular cooperation (usually involving a middle-income country) and South–South cooperation to leverage additional human, technological and financial resources[30] and to ensure coherence of action in the country. The Strategic Partnership for the Implementation of the Paris Agreement (SPIPA) – encompassing G20 countries, except Turkey, plus Iran – is a good example of an initiative that supports dialogue between countries and aims to turn this exchange into concrete action.

To facilitate the development and implementation of long-term climate plans, the EU could additionally disseminate lessons and technical know-how from its policy experience on climate and energy legislation. For instance, lessons from the EU Emissions Trading System (ETS) are very relevant at a time when many countries are looking into setting up cap-and-trade mechanisms or some form of carbon pricing. As a case in point, China has benefited from EU experience in the development of its ETS and could more easily build its own demand for and production of clean technologies (see footnote 26).

That being said, cooperation related to policy learning and technology transfer should be a matter of exchange rather than a one-way street. It is in the EU's strategic interest to foster new forms of cooperation, especially with major emerging economies, to support rapid decarbonisation and low-carbon development outside its borders. This cooperation could include the exploration of technological breakthroughs. Through mutual exchange with emerging economies the EU could generate new opportunities for low-carbon technology transfer and innovation and to develop new climate-friendly markets.

Additionally, the EU needs to consistently demonstrate climate leadership across multilateral political forums and corresponding financial engagements. Here, the G20 stands out as a particularly important player, concerning its global share of roughly 80% each of GHG emissions, population, aid and trade respectively. For instance, the EU could push for G20 members to consider a common carbon tax, applied at source, to reduce G20 carbon emissions, while at the same time curtailing competitiveness between its member states. Accordingly, G20 countries could strive towards common standards for traded products, taking into account complete life-cycle footprints. The EU and its member states have been leading the G20 in terms of compliance to climate commitments at home and are well positioned to drive higher ambition on climate action and sustainable development among G20 member states.[31] Pushing to raise ambition and streamlining climate considerations should similarly apply to trade agreements and other multilateral institutions in which the EU carries political clout.

Likewise, EU climate diplomacy has a key role to play in tapping the potential of non-state climate action. As non-state and subnational climate action is increasingly understood to boost confidence and results on the ground, the EU should strive to increase their capacity and to help close the North–South gap in non-state and subnational climate action, especially in partner countries where political support and implementation capacities are still limited.[32] Through its strong engagement abroad, the EU could effectively invest in leveraging more non-state commitments on climate adaptation and mitigation in developing countries by focusing on capacity building and adapting the non-state engagement model at home to the respective local contexts.[33] This will also help partner countries to gain confidence and raise their commitments as well as to advance the implementation of pertinent SDGs.[34]

30. Caballero, E.S. 2018. The New Shift in the Cooperation of the European Union with Middle and Upper-Middle-Income Countries. International Relations 6(8):456-468
31. Bauer, S., Berger, A., Iacobuta, G. 2019. With or without you: How the G20 could advance global action towards climate-friendly sustainable development. Bonn: German Development Institute/Deutsches Institut für Entwicklungspolitik (GDI/DIE)
32. Marrakech Partnership. 2018. Yearbook of Global Climate Action 2018. Bonn: United Nations Framework Convention on Climate Change
33. Chan, S., Bencini, J. 2018. Boosting non-state climate action in the European Union. Bonn: German Development Institute/Deutsches Institut für Entwicklungspolitik (GDI/DIE)

Internally, for its climate-related development cooperation to be most efficient and effective, the EU and EU member states' institutions need to ensure appropriate coordination and coherence of external action. Initiatives such as the Green Diplomacy Network, a network of staff from the EU and member states who coordinate external action on climate change, could help enhance coherence of action. Initiatives such as the Green Diplomacy Network, a network of staff from the EC and member states who coordinate external action on climate change, could help enhance coherence of action. Yet, coordination is very limited between EU member states and EU-level external action (vertical), between EU institutions (horizontal), as well as between distinct strands of EU external action (internal).[35] Evident challenges of coordination and coherence in climate-related Franco-German cooperation are exemplary for this situation. Here, lack of coherence at least partially results from attributing responsibilities to ministries with different logics and competencies, i.e. the Ministry for Economic Cooperation and Development in Germany and the Ministry for Europe and Foreign Affairs in France.[36] Examples like this make the case for enhanced EU climate diplomacy even more compelling. Under capacity constraints for coordination, the development of clear country guidelines, such as the planned NDICI frameworks, could serve as a stepping stone to guide all involved EU and EU-member institutions towards improved policy coherence.

Not least, strengthening the EU's climate diplomacy requires ensuring its domestic goals are ambitious and credible. Ultimately, climate policies will have to be mainstreamed to reach net zero emissions by 2050. To keep the momentum of global climate action, in spite of rollbacks in major emitting countries like the US and Brazil, and to foster its leadership ambition, the EU must walk the talk by accelerating domestic climate action and by raising global ambition in line with the Paris Agreement.

The time is now: Parties to the Paris Agreement are expected to update their NDCs to 2030 'by 2020'; they are also encouraged to submit long-term low-emission development strategies (LT-LEDS) to 2050. If the EU is to underpin its asserted climate leadership, the substance and timing of the revised NDCs and the LT-LEDS matter. Already, the opportunity has been missed to revive the political momentum of the Paris Agreement by providing both documents ahead of the 2020 deadline. Submitting them in early 2020 would be the next best thing. Regarding content, while the Commission has laid out a clear vision to reach net zero emissions for all greenhouse gases by 2050 (see footnote 2), this proposal has so far merely been 'welcomed' by the Council. Yet, the objective of climate neutrality by 2050 will need to be formally adopted as a decision to give it sufficient weight at the EU level and to be submitted to the United Nations in a more ambitious NDC.

At a minimum, the revision of various directives in June 2018 means that the EU could mechanically enhance its ambition from -40% to -45% reduction in GHG emissions by 2030 relative to 1990 levels without any additional policy effort.[37] Yet to exert meaningful leadership and to be consistent with a 1.5°-pathway and the explicit goal of climate neutrality by 2050, the EU would need to aim even higher: -55% by 2030, in line with what the EP recommended and what was proposed by the designated President of the Commission, Ursula von der Leyen. While such headline numbers matter politically on the international stage, it is even more important to put effective policy packages in place to deliver on the touted targets across the key sectors for decarbonisation. To be credible, these sectoral policies will need to be proposed and supported not just at the European level by the DGs CLIMA and DEVCO, but by the whole Commission and in coordination with member states.[38]

34. ClimateSouth. 2018. Cooperative Climate Action: Global Performance & Delivery in the Global South. Preliminary findings of the ClimateSouth Project for the Global Climate Action Summit. African Centre for Technology Studies (ACTS), the Blavatnik School of Government and Global Economic Governance Programme at the University of Oxford, the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE), TERI University
35. Gerhard, C. 2017. 'The Problem of Coherence in the European Union's International Relations' in Christopher Hill/Michael Smith/Sophie Vanhoonacker (eds). International Relations and the European Union.
36. Krüger, L.T., Vaillé, J. 2019. The Treaty of Aachen: Opportunities and Challenges for Franco-German Cooperation in Development Policy and Beyond. Bonn: German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE) in cooperation with International Institute for Sustainable Development and International Relations (IDDRI). Discussion Paper 8/2019
37. Sartor, O. 2018. The EU gets set to increase its Paris Climate pledge. Paris: Institute for Sustainable Development and International Relations (IDDRI). 02 Jul
38. Sartor, O. 2019. et al. Raising and strengthening EU climate ambition: Priorities and options for the next five years. Paris: Institute for Sustainable Development and International Relations (IDDRI)

6. THE WAY FORWARD

In this policy brief, we argued for the imperative to halt average global temperature increase at 1.5°C and the need to accordingly enforce 1.5°C-compatibility throughout all EU domestic and external action. Given the transformative and wide-reaching requirements of this imperative, climate change needs to be adequately mainstreamed into all development strategies. We propose a set of actions that the EU should consider in order to harness its development cooperation to further raise its climate ambition and to exert credible climate leadership in a challenging global context.

As a first step, the EU will need to produce clear and robust definitions of 'Paris- and 1.5°C-compatibility'. To that end it needs to develop guidelines on appropriate climate action and sustainable development in view of its cooperation with partner countries, as well as a 'brown list' of activities that should no longer be implemented. Without such clarity, any decisions on Paris-compatibility or on pertinent budget shares will remain inconsequential. To ensure that Paris-compatibility is taken forward in all EU action and policy making, EU's Better Regulation impact assessments should incorporate explicit climate-related requirements that consistently apply such definitions.

To adequately harness the potential of development cooperation for increased climate ambition, the EU would need to leverage its multiple assets, such as expertise, financing and the opportunity to work together with member states to counterbalance its own capacity constraints and the fragmentation of its action. Realism suggests that the EU will be selective in its engagements and in setting clear country priorities. To that end, the preparatory work going into a more strategic programming, and country guidance through country framework documents such as envisioned by the NDICI regulation, are steps in the right direction. Moreover, financing should adequately match this planning and be better targeted to the needs and capabilities of partner countries. For instance, the availability of small-scale resources for countries that have graduated from bilateral EU assistance under the current budget could leverage additional funds for strategic purposes, e.g. to pilot national initiatives in support of the NDCs, for blending or to support national climate champions. On the other hand, adaptation financing should be directly channelled to least-developed and most-vulnerable developing countries, in line with their national priorities and demands. Finally, financial incentives should also be extended to climate-related public–private partnerships to increase their impact.

EU diplomatic efforts have traditionally achieved good results for multilateral climate governance, notably building bridges between the North and the South in support of progressive coalitions for climate. Yet, EU policy coherence for development has shown mixed results and needs to be improved at all levels. Most importantly, to strengthen its climate diplomacy and to underpin its aspiration to be a global climate leader, the EU needs to walk the talk. As a role model for ambitious climate action, it needs to pursue adequate climate targets and commensurate policy packages, both domestically and internationally, and send clear and credible signals for international financing and support. ■

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