E3G

Understanding Climate Diplomacy

Building diplomatic capacity and systems to avoid dangerous climate change

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Executive Summary

International agreement is vital to manage climate risk

The United Nations General Assembly (UNGA)[1] and United Nations Security Council (UNSC)[2] have both stated that uncontrolled climate change poses a threat to international peace and security. In 2009, and on several subsequent occasions since, leaders from key emitting countries have agreed to limit global temperature rises to below 2°C[3] in order to prevent dangerous climate change. Recently the United Nations Convention on Climate Change (UNFCCC) agreed a review to assess the adequacy of the below 2°C target in light of a possible strengthening to a 'below 1.5°C' goal.

No country can control the climate risk it faces on its own. Climate change is more challenging than many other global issues because it is a race against time, delaying action makes lower climate risk levels unattainable. It also requires profound choices that impact broad national interest debates such as development, energy, urbanisation and consumption.

Without agreement to a major increase in mitigation ambition pre and post 2020 the ability to limit climate risks to below 2°C will disappear. Experience and analysis suggests that without an international agreement this will be impossible; there are no credible "bottom-up" solutions which will deliver a below 2°C future on their own. A top down regime is a strong signal to business and investors of political commitment to emissions reductions targets and timetables. Only a binding regime can convince those whose capital allocation decisions shape the economy that a high carbon business model will expose them to greater risk and hit their returns harder than betting now on low carbon.

Given this context the absence of agreement on an effective international regime to limit climate risk below dangerous levels represents one of the greatest on-going failures of modern diplomacy.

Diplomacy is the foundation of international agreement and an effective regime

As with issues such as non-proliferation and trade, effectively limiting climate change risk will require construction of an effective, complex, multi-layered international regime grounded in national action. The UNFCCC will be at the heart of this regime, but as the focus moves from target setting to implementation, the regime will continue expanding to include a wide range of other institutions and partnerships. Stronger "top-down" and "bottom-up" action is needed, but must be seen as complementary, and not competing, modes of action. The international

[1] United Nations General Assembly (UNGA) [2009] *Official Records of the 63rd session on climate and security* [online] Available at: http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/CC%20A%2063%20PV.85.pdf

[2] United Nations Security Council (UNSC) [2007] *Provisional records of the 5667 meeting of the Security Council* [online] Available at: http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/CC%20SPV%205663.pdf

[3] Throughout this paper we primarily refer to diplomatic and political consensus on limiting climate change to 'below 2°C' (see G8 L'Aquila declaration http://www.g8.utoronto.ca/summit/2009laquila/2009-declaration.html#resources). This does not intend to dismiss the efforts currently underway in the review to assess if a below 2°C global goal is sufficient to meet the 'ultimate objective' of the convention (prevent dangerous anthropogenic climate change), or whether a more stringent goal is necessary. However, 'below 2°C' represents the dominant and most widespread political expression of the aims of the Convention

regime can only work if it rests on strong national climate change programmes which are rooted in broad domestic political consensus and integrated into national development processes. Global action – whether on human rights, environment, trade or gender issues – has always involved reciprocity between global, regional and national activity and leadership.

Unlike many other areas of diplomacy there is some strong recent progress to build on. For example, climate co-operation has built a global low carbon market £3.3 trillion[4], but this is not enough activity to achieve the long-term climate risk reduction goal.

It is the role of climate diplomacy to deliver the timely construction of this complex international regime, ensure its effective operation, and shape its evolution to address emerging challenges. Climate diplomacy is the interface between national interest debates and international cooperation. Climate diplomacy ensures the accurate assessment of other countries' interests and intentions, and finds the space for agreement. To do this it must interpret conflicting national interests around climate vulnerability, low carbon businesses opportunities, high carbon asset exposure, sovereignty and perceived fairness. Climate diplomacy must ensure national priorities are reflected and understood in the often abstract world of international climate change agreements. For example, the Government of Bangladesh uses its experience with managing national climate change impacts to shape and promote the international debate on "Loss and Damage" in support of its national interests.

Climate diplomacy is evolving and innovating alongside the international climate regime

Climate diplomacy is the practice and process of creating the international climate change regime and ensuring its effective operation. The evolution of climate diplomacy therefore precedes and shapes the construction of the climate regime.

To deal with the internal and external challenges to success, climate diplomacy must draw on the best practice of modern diplomacy and also innovate new approaches. Climate diplomacy is evolving in scope and complexity as the climate regime shifts its focus to implementation and climate risk management. This rapid evolution has prompted better integration of climate change into broader foreign policy and diplomacy, a rapid growth of overlapping alliances between both state and non-state actors, and new approaches to shaping a global conversation on the consequences of, and solutions to, climate change. For example the Climate Vulnerables Forum which aligns the political voices of the most vulnerable countries to aggregate their influence in international discussions and negotiations.

Climate diplomacy has shifted from a relatively narrow focus on the UNFCCC process, to a more complex and wider discipline that now engages new constituencies and embraces broader geopolitical discussions. This is a sign of success and the regime's growing relevance to a wide range of actors. However, deeper and more intensive international diplomacy is necessary to counteract and harness this increasing diversity of stakeholders that tend to complicate the basis for international cooperation. Empowering new actors and advocates is

[4] Confederation of British Industry (CBI) [2012] *The Colour of Growth* [online] Available from: http://www.cbi.org.uk/media/1552876/energy_climatechangerpt_web.pdf

essential to broadening the legitimacy and credibility of the climate threat. For example, the international mobilisation of Parliamentarians through the Globe Climate Legislators Initiative.

Diplomacy has traditionally been seen as a reactive discipline. But while trouble-shooting and crisis management will always be a major part of diplomatic practice, climate diplomacy must be creative and pro-active if it is to succeed.

Core elements of climate diplomacy

Diplomacy is the art of influence. It attempts to forge agreement but also to move political boundaries, expanding the realm of the politically possible. The practice of climate diplomacy requires three core capabilities:

1. **Know yourself:** the capability to develop and action a clear national position based on an objective understanding of how climate change influences and impacts core national interests. As in all other areas of policy, the process of forming the national interest is politically contested, may be dominated by unrepresentative and narrow interest groups, and often depends on less than perfect information.
2. **Know the other:** the capability to gather and analyse intelligence[5] on the interests, constraints and capacities of other actors and how they perceive your own actions and positions.
3. **Capacity to Influence:** the capability to effectively integrate national priorities into political and diplomatic channels. The command of basic tools of diplomacy and the capability to create a clear influencing strategy and to implement it through multiple venues, building alliances and strategic confidence, and framing and driving debates through private and public messaging.

Climate diplomacy requires institutional reform and more investment in resources and skills

The preparation for Copenhagen shows how the design of international processes cannot be separated from the practicalities of developing enough climate diplomacy capacity which can effectively utilise them. Countries also need to have a clear strategic understanding the most important venues and relationships in which to invest.

Mobilisation of the capacity and strategic focus needed to engage effectively in the expanded climate regime is a significant institutional effort for even the largest countries. It requires high level buy-in by senior ministers and officials, reforms to internal strategic decision making systems, significant re-allocation of human and funding resources, training and coordination of generalist diplomats and strong central capacity to provide support and timely content for influencing.

[5] In this paper "intelligence" is used in its traditional technical sense to refer to any information which underpins analysis inside a decision support framework; this covers information collected from open public sources, privileged diplomatic information and other government communications and information gathering.

Many practioners question whether the diplomatic capacity exists to deliver an effective international climate regime. For many countries, enhancing diplomatic capacity still concentrates on building technical knowledge on climate and environmental policy and law. This is an important first step, but insufficient given the barriers to agreement (i.e. shaping the national interest debate).

Constructing a stronger sense of agency even when capacity is limited is essential to building political momentum to secure an ambitious outcome. This can be done through alliances such as the LDCs Alliance which gives countries with low individual capacity and influence an ability to leverage their impact. Countries can also increase their impact by strengthening vital "craft" skills in existing officials and bringing in relevant external capacity and skills. For example the day-to-day practice of shaping debates, understanding others and building alliances to influence, developing diplomatic communications and media skills and the ability to find compromise and/or constructive ambiguity. This is not about transferring cookie-cutter solutions, but building deeper skills on how to deliver workable results

Although these capabilities seem straightforward on the surface, delivering them requires significant institutional changes to government (and many non-government) systems. The majority of countries have not yet sufficiently embedded climate change into their decision-making machinery sufficiently to be able to deliver effective climate diplomacy.

Effective climate diplomacy requires more ownership across governments

Climate diplomacy must manage political trade-offs. Balancing conflicting economic, energy, climate change and diplomatic goals requires policy coordination at the highest level. Delivering an effective climate diplomacy strategy is beyond the capacity of any one department, no matter how powerful.

This mainstreaming of climate into new institutions has brought onboard new actors. But this positive development has also led to tensions inside governments as the power, leverage and agency of the traditional actors such as Ministries of Environment is weakened.

The most effective climate diplomacy requires a "whole of government" approach, but it has yet to be achieved. Many innovations are only used patchily across countries. Given the importance of limiting climate risks, climate diplomacy is still relatively under-resourced in all countries, and seldom integrated as a top priority into broader foreign policy processes. As well as the imperative to increase available capacity, there is much more countries could learn from diplomatic best practices in other fields to more effectively leverage general diplomatic capacity in the area of climate change.

Conclusion

Diplomacy is not merely the external projection of a position. The application of diplomacy to climate change is critical to embedding climate change in decision-making processes to shape and reframe the core national interest at home and influence debates in other countries. Diplomacy should align climate with other national interest priorities. Diplomacy should use all the tools at its disposal to bridge the artificial divide between the national and the international. It should turn national action into political outcomes and progress at the international level, and conversely use the international momentum to drive and stimulate ambition domestically.

All countries suffer from capacity constraints and many could improve their international impact through higher domestic investment, stronger alliances and with international support. However, even within current constraints much can be done. Though all countries are different the following areas have repeatedly been raised as immediate priorities for improving climate diplomacy capabilities in governments and in non-governmental actors:

Better Analysis and Intelligence

> Stronger understanding of other countries' national interest debates and motivations

> Stronger intelligence gathering and analysis capability integrated into mainstream foreign policy systems

> Better understanding of the future political space for agreement and how this might be shaped

Stronger Strategic Influencing Capacity

> Better national coordination and political convening structures which can manage trade-offs and synergies with other interests domestically and in international negotiations.

> Clearer diplomatic objectives and influencing strategies which identify strategic levers to shift negotiations and political conditions in key countries.

Clear Regime Development Objectives

> Proactive development of options and objectives for the medium-term evolution of the international regime across all relevant fora, rather than a reactive approach

Introduction

This paper, commissioned by the Climate and Development Knowledge Network (CDKN), aims to capture the critical elements of climate diplomacy, and explain how it needs to evolve in order to meet the challenge of avoiding dangerous climate change. CDKN commissioned this work as part of wider efforts to help developing countries better influence the evolution of the international climate change regime.

The authors acknowledge that climate diplomacy involves a diverse set of actors from a variety of backgrounds including business and civil society. However, this paper is specifically written for government officials and aims to provide a shared analytical and conceptual basis to underpin more effective cooperation between Ministries of Environment, Energy, Foreign Affairs, Trade, Economy and Finance. The ultimate goal being to help fully integrate climate change into "whole of government" decision-making and through this manage climate risk more successfully.

Context and Scope

To date there has been limited public literature on climate diplomacy, given the immaturity of the field and a lack of academic study. Building on the insights and expertise from a wide range of climate diplomacy practitioners, the paper sets out a framework of thinking on climate diplomacy which is broad enough to embrace the growing scope of climate change action, but which also captures depth through outlining examples and case studies.

Objectives

The original aim of the paper commissioned by CDKN was to outline the critical challenges and opportunities to integrating climate change as a core component of the national interest debate. The aim being to identify specific recommendations for CDKN to support the poorest and most climate vulnerable countries better integrate climate change objectives into their foreign affairs strategy and practice.

Methodology

To undertake this high level analysis of climate diplomacy E3G used the following approaches:

- Strategic high level dialogues and a workshop engaging with actors beyond the climate community in the climate, development, diplomatic, energy and security communities across developed and developing countries to develop a comprehensive analysis and insights into how to deliver effective climate diplomacy
- Exploration of other global issues which have been successfully incorporated into foreign policy aiming to understand what lessons can be drawn upon in relation to climate diplomacy.
- Building on our Political Economy Mapping Methodology (PEMM© 2013) understanding how climate diplomacy impacts the national political economy of climate change,

focusing on how different actors determine the national interest and what diplomatic legacies determine the external projection of climate change into the international arena.

Chapter 1: The Landscape of Climate Diplomacy

1.1 Understanding the diplomacy of preventing dangerous climate change

In 2009, global leaders at the Copenhagen COP15 Climate Summit agreed to an objective of reducing emissions enough to have a 50% chance of limiting global warming to below 2°C[6] . Analysis suggests[7] that limiting climate change to this risk level would avoid the most catastrophic and irreversible changes to the climate system, though it would still result in significant economic and social costs in all parts of the world. Hence, under the United Nations Framework Convention on Climate Change (UNFCCC) parties have also agreed to review the adequacy of the 2°C target.

However, in Copenhagen these same leaders – or their representatives – failed to reach an international agreement capable of delivering this objective. This is not to say Copenhagen did not produce results; in fact the process significantly accelerated the growth a global low carbon market worth £3.3 trillion[8]. But it did not deliver against its own high expectations.

The process of reflection following Copenhagen led to several different narratives for this outcome. Many observers pointed to the UNFCCC as an institution, claiming that it has too many members to result in any substantive deal. In contrast, others saw that the parallel diplomatic processes where small groups of major countries discussed a "shadow" non-binding political agreement, as undermining the success of the formal UN process. Among those who were at the heart of the final negotiations between Heads of State and Government, many emerged doubting that a very ambitious deal was there to be made, citing excessive expectations and limited flexibility on the part of some major countries as the cause of the failure to deliver a 2°C legally binding agreement.

There is, probably some truth in all of these narratives. What is clear is that Copenhagen left a legacy of deep distrust between many leaders and countries, and reduced faith in the ability of multilateral processes to solve global problems. By these measures Copenhagen was a diplomatic failure[9].

Surprisingly, Copenhagen has received very little attention in mainstream foreign policy discussions, and has certainly not prompted the type of reforms and reappraisals which followed other major breakdowns in diplomacy such as the response to the Rwandan genocide, the Seattle World Trade Organisation (WTO) talks and the global financial crisis. The foreign policy establishment (such as the Ministries of Foreign Affairs) in many countries still

[6] UNFCCC [2009] *Copenhagen Accord*. [online] Available from: http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf
[7] Council of the European Union. [2008] Climate Change and International Security – Paper from the High Representative and the European Commission to the European Council [online] Available from: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/reports/99387.pdf
[8] Confederation of British Industry (CBI) [2012] *The Colour of Growth* [online] Available from: http://www.cbi.org.uk/media/1552876/energy_climatechangerpt_web.pdf
[9] A failure of the diplomatic process to capture and harness the political ambition available

tends to see climate change as an environmental negotiation for which they feel little ownership, and which they see as having a low priority among national foreign policy interests.

Meanwhile the impacts of climate change become more intense[10]. Despite a large increase in national actions to reduce greenhouse gas emissions since 2009 they are still rising globally[11]. Even with sustained high oil prices, new energy investment is predominantly in high carbon infrastructure[12], with emissions trajectories currently consistent with temperature rise of around 4-4.5°C[13]. The United Nations General Assembly (UNGA)[14] and United Nations Security Council (UNSC)[15] have reiterated that uncontrolled climate change poses a threat to international peace and security. A wide range of analysis[16] shows that global poverty reduction and development goals will be increasingly unattainable - and current gains unsustainable – in an above 2°C world.

The primary institutions of the international system, including the UNGA and the G8 have identified limiting climate change to below 2°C, in addition to a review clause to assess the adequacy of the target, as a necessary condition for sustaining global security and prosperity. This should have definitively put climate change co-operation among the top issues for mainstream diplomacy.

Without agreement to a major increase in mitigation ambition pre and post 2020 the ability to limit climate risks to below 2°C will disappear. Even with a strong agreement, actually delivering the necessary shift to a zero-carbon global energy system beyond 2050 will be extremely challenging. But experience and analysis suggests that without international agreement it will be impossible; there are no credible "bottom-up" solutions which will deliver a below 2°C future.

This paper therefore starts from the proposition that successful climate risk management requires a broad and deep international climate regime. A regime which combines top-down direction from the UNFCCC, with stronger and deeper international cooperation through a raft of formal and informal institutions and networks at all levels. This regime can only work if it rests on strong national climate change programmes which are rooted in domestic political consensus and national development processes. Progress at all levels is required to provide positive synergies to encourage greater ambition. There is no inherent tension between bottom-up and top-down approaches, unless one is proposed as a substitute for the other.

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[10] World Meteorological Organisation (WMO) [2013] *A decade of Extremes* [online} Available at: http://library.wmo.int/pmb_ged/wmo_1103_en.pdf

[11] Global Carbon Project [2012] The Challenge to keep global warming below 2°C [online] Available at: http://www.globalcarbonproject.org/global/pdf/pep/Peters_2012_TheChallengeToKeepGlobalWarmingBelow2C.NatureCC.pdf

[12] International Energy Agency (IEA) [2011] *World Energy Outlook Presentation to the press* [online] Available at: http://www.worldenergyoutlook.org/media/weowebsite/2011/WEO2011_Press_Launch_London.pdf

[13] World Bank [2012] *Turn down the heat* [online] Available at: http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centrigrade_warmer_world_must_be_avoided.pdf

[14] United Nations General Assembly (UNGA) [2009] *Official Records of the 63rd session on climate and security* [online] Available at: http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/CC%20A%2063%20PV.85.pdf

[15] United Nations Security Council (UNSC) [2007] *Provisional records of the 5667 meeting of the Security Council* [online] Available at: http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/CC%20SPV%205663.pdf

[16] United Nations High Level Panel of Eminent Persons on the Post-2015 Development Agenda [2013] A new global partnership [online] Available at: http://www.un.org/sg/management/pdf/HLP_P2015_Report.pdf

It is the role of climate diplomacy to deliver the effective and timely construction of this complex international regime, and ensure its effective operation and evolution to address emerging challenges. Climate diplomacy is the interface between national interest debates and international cooperation. It is the process through which nation states – and increasingly non-governmental and sub-state actors – determine and work to deliver their international objectives.

Often diplomacy is described as if it is a purely tactical and operational activity. Diplomats are given instructions as to national objectives and constraints ("red lines" and "core interests") and then work tactically to shape negotiations, construct alliances and develop arguments so as to gain the maximum national advantage. This tactical model of diplomacy is captured by Henry Wotton in the 15th century in his description of a diplomat as: "an honest gentleman sent abroad to lie for his country."

This is not the model of diplomacy used in this paper, as it does not accurately describe the role of modern diplomacy in delivering real outcomes on complex, existential international issues. Climate diplomacy must be capable of building trust and shaping long-term solutions, not just horse-trading concessions. It must successfully tackle the central problems which underlie failure to deliver effective international co-operation. Climate diplomacy is also not just the work of Ministries of Foreign Affairs (MFAs) – or the Ministries of Environment (MoEs) – but an activity which draws upon the full range of government and non-government actors.

The 2008 financial crisis demonstrated once again that no international system is too big or important to fail, and success in managing risks is not guaranteed just by convening high level Summits of powerful actors. Climate risks can be reduced to manageable levels, but only if countries can agree to construct an effective and fair regime to do this.

Because climate diplomacy is the craft and technique of constructing that regime, it must draw on the best practice of modern diplomacy, be allocated sufficient resources and be innovative and creative in solving its unique challenges – in particular the race against time. This paper therefore aims to help bridge the gap between climate change and diplomatic specialists in order to help improve the global practice and capacity of climate diplomacy.

The paper is divided into two sections:

- The first section (Chapters 1 & 2) outlines the landscape of challenges which climate diplomacy must address. It analyses past failures and successes offering a framework for understanding the evolving functions of climate diplomacy in constructing and managing a deepening international climate regime.
- The second section (Chapter 3) lays out a framework for strengthening the practice of climate diplomacy. It examines some of the most effective and innovative approaches which have emerged in recent decades. It then puts forward some priority recommendations for strengthening climate diplomacy which would help achieve countries' shared objective of avoiding dangerous climate change.

1.2 The Challenge of Climate Diplomacy

Rapid, broad and deep international co-operation is necessary to limit climate change risk

Climate change shares central features with other major foreign policy issues such as nuclear proliferation and terrorism. If badly managed they all pose a credible threat to the foundations of prosperity and security, but all have high degrees of uncertainty over the sensitivity, range, scale, speed over which those threats will appear. They all pose threats to "hard security" but have no exclusive hard security solutions, and require a complex range of international cooperation across areas as diverse as development assistance, transport policy, security, energy co-operation, technology assistance and engagement with public attitudes. 17

However, three core elements make climate change even more challenging than other global issues:

- **Rapid Pace**: the existence of tipping points in the climate system and potential 'lock-in' of high carbon infrastructure means that climate change mitigation is a race against time. If risks are not controlled in time they cannot be retrospectively reduced back to safe (i.e. below 2°C) levels. Keeping below 2°C requires the shift to a zero-carbon global energy system over the next half century, or a doubling of the normal rate of new energy technology penetration[18]. The International Energy Agency's (IEA) World Energy Outlooks (WEO)[19] report shows that unless low carbon investment is rapidly accelerated now, then reaching 2°C will require the costly premature retirement of energy sector investments over the next few decades.

- **Broad Co-ordination**: each country is responsible for a proportion of climate change, and all countries will be impacted. Both emissions and impacts are pervasive, but not distributed evenly. Often, those least responsible for emissions will be hit first and hardest by extreme weather events. This demonstrates the asymmetrical nature of climate diplomacy, whereby a minority of countries cause an externality that harms the majority. The largest three emitters – China, US and EU – together now account for around 50% of emissions, but another 17 countries produce the next 40% and in many emissions are growing rapidly[20]. To effectively control climate risk, global emissions need to fall to essentially zero beyond 2050, so all these emitting countries need to be part of even a medium-term climate agreement. There is no exclusive "great power" agreement that can avoid dangerous climate change. Addressing past emissions will be critical to securing an ambitious agreement.

[17] E3G [2010] *Degrees of Risk: Defining a Risk Management Framework for Climate Security* [online] Available at: http://www.e3g.org/docs/E3G_Degrees_of_Risk_Defining_a_Risk_Management_Framework_for_Climate_Security_Full_Report.pdf

[18] Chatham House [2009] *Who Owns Our Low Carbon Future?* [online] Available at: http://www.chathamhouse.org/sites/default/files/public/Research/Energy,%20Environment%20and%20Development/r0909_lowcarbonfuture.pdf

[19] International Energy Agency (IEA) [2011] *World Energy Outlook – 2011* [online] Available at: http://www.iea.org/publications/freepublications/publication/WEO2011_WEB.pdf

[20] Guardian [2011] *Data blog: World Carbon emissions by country* [online] Available at: http://www.guardian.co.uk/news/datablog/2011/jan/31/world-carbon-dioxide-emissions-country-data-co2#data

- **Deep domestic change**: managing climate risk requires national changes which have a far reaching impact on domestic economies and voters' lives than most other diplomatic agreements. Fundamental changes are required to how people use and consume energy, down to the prices they pay, the products they can buy and even the changes they can make to their homes. While trade agreements may have a similar impact on country economies they do this mainly through the action of market forces. Climate agreements are politically more contentious because they require explicit domestic government decisions to reform markets, tackle the political economy of incumbent energy production and impact consumers' energy and transport choices.

Overcoming these challenges to dramatically transform a wide range of economies in a limited timeframe will require unprecedented international cooperation and agreement. The full application of diplomacy to climate change is essential to securing such ambitious agreement.

1.3 A stronger formal climate change agreement is needed to tackle these challenges

No country can control the climate risk it faces on its own. However, the history of diplomacy is littered with examples showing that the awareness of potential benefits from joint climate action alone does not automatically lead to effective international agreement to capture them.

An international climate agreement can support ambitious national and regional actions in five ways:

- **Impact**: By acting together countries can see that the aggregate impact of their actions will lead to a material reduction in national climate risks thus encouraging greater domestic action.
- **Trust and Fairness:** By acting inside an agreement countries build confidence that others will deliver and that the allocation of effort and commitment to provide support has been apportioned fairly.
- **Public Goods and Assistance:** By acting together countries can pool resources to provide public goods such as international disaster response capability and assistance for adaptation.
- **Commitment:** By setting binding commitments for countries that extend beyond single political cycles they provide a more credible signal to investors and the public.
- **Transparency and compliance:** By agreeing common rules and accounting measures countries lay an objective foundation for ensuring comparability and adherence to the international regime.

Much of the day-to-day activity in the climate change negotiations at the UNFCCC is concerned with the balance and trade-offs between the different policy elements that embody these functions; for example, the legal form of agreement, design of any compliance mechanisms and extent of requirements for national transparency of action. Although there are obviously a range of different possible agreement designs, the benchmarks for success will always be the same: is the agreement effective in limiting climate risk? Is the agreement stable in maintaining the support of the critical groups of countries? Can the agreement send a strong signal to business and investors boosting their confidence in the global low carbon economy in the long-term?

Perhaps the most challenging trade-off in the current negotiations is caused by the current reluctance of the US Senate to give consent to the ratification of virtually any international agreement[21], including one on climate change. Other countries will need to assess whether the cost of not including the US - which only produces around 17% of global emissions - is worth the price of having a strong legal basis for an agreement. Alternatively, countries may look to develop a creative legal solution which maximises the benefits of cooperation without being seen to exclude the US.

Climate diplomacy manages the interface between these - often highly technical and legal - issues and assessment of trade-offs with the national interest. This involves highly subjective judgements that link areas far beyond climate change. For example, countries often seek to provide some flexibility in the legal commitments of an agreement as this will limit their exposure to censure in any future regime. However, weaker legal force may undermine the confidence of businesses and investors that the world is on a credible low carbon trajectory, raising the national cost of mitigation action and lowering the likelihood of a rapid low carbon transition by raising capital costs and the amount of potentially "stranded" high carbon assets[22]. Assessing the costs and benefits of different options involves assessment and judgments across the whole of government.

How a country engages in a multilateral regime is also based on perceptions of its broader foreign policy interests beyond climate change; for example, its view on the importance of maintaining critical bilateral alliances, or the impact that failure in the climate change negotiations may have on the stability and public acceptability of maintaining an open and rules-based trading system.

Rebuilding trust in the ability of the multilateral climate regime - and multilateralism more generally - is essential to take climate action to the next level of ambition. Climate diplomacy is critical to ensuring accurate assessment of the connection between the often abstract world of international climate change agreements and often conflicting national interests around climate vulnerability, low carbon businesses opportunities, high carbon asset exposure, sovereignty and perceived fairness.

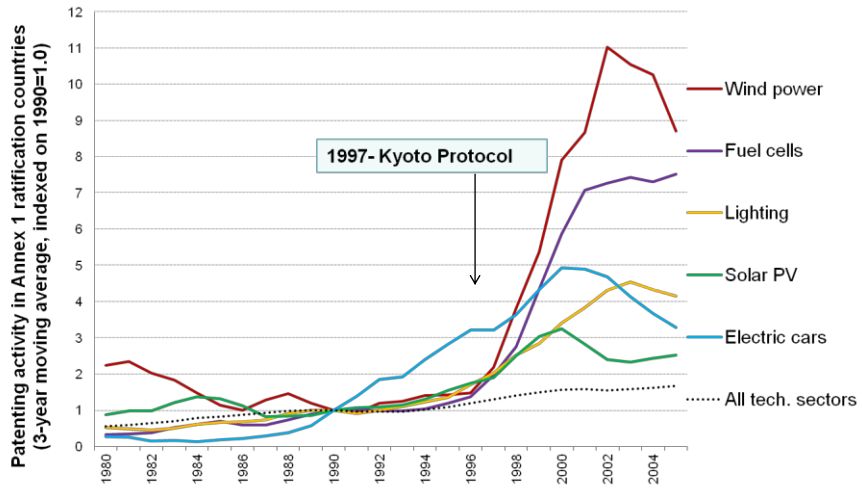
[21] The United States has a long history of failing to ratify international treaties across a range of human rights, environmental, security and economic areas, although this has not prevented it from implementing their provisions in some cases http://www.internationalcomparison.org/intl_comp_files/sheet026.htm

[22] For examples of analysis of the economic costs of stranded asset scenarios see HSBC Global Research, *Coal and Carbon, Stranded Assets: assessing the risk*, London June 2012

1.4 A successful climate regime requires synergies between national and international action

The transition to a low carbon economy and ensuring resilience to a 2°C climate will require major structural reforms at national and international levels. Shifts towards a low carbon economy are happening and have been accelerated by an international agreement. For example, the Kyoto Protocol also spurred a global revolution in low carbon technology development (see Figure 1).

Figure 1: Impact of Kyoto Protocol on Low Carbon Technology Patents



Source: OECD (2010), *The Invention and Transfer of Environmental Technologies*

Copenhagen forced climate onto domestic political agendas meaning governments had to take a position. European renewable energy targets would not have been agreed in 2007 without the prospect of global climate negotiations at Copenhagen. China is the world's largest investor in renewable energy23 (although it is still building many more coal plants). Chinese renewable energy targets mirror the EU, and China's growing solar industry is dependent on Europe for the majority of its demand. Global investment in renewable energy sources grew by 32% during 2010 to reach a record level of US$211bn (£132bn)[24]. This is not enough to put the world onto a 2°C trajectory, but it is the most tangible economic impact that any other global diplomatic process has achieved in the last decade.

This global progress has also been led and supported by national action, such as Germany and Denmark's pioneering investments in renewable energy in the 1990's. This should not be surprising. Global action – whether on human rights, environment, trade or gender issues –

[23] Financial Times [2013] *China retakes renewables investment lead* [online] Available at: http://www.ft.com/cms/s/0/ccfb504a-5e32-11e2-8780-00144feab49a.html#axzz2YRBQQZUC

[24] Guardian [2010] *Global investment in renewables to total $1.7 trillion by 2020* [online] Available at: http://www.guardian.co.uk/environment/2010/dec/08/global-investment-renewables

has always involved reciprocity between global, regional and national activity. Leading countries show what can be done, global treaties agree what needs to be done and mobilise political leadership behind it, and a range of international, regional and local institutions drive implementation and build the national political support to make sure promises are delivered.

Building the conditions for ambitious action requires an effective blend of "top down" agreement and "bottom up" action. Neither is sufficient to drive the necessary change on its own. As with other foreign policy areas, this paper uses the concept of an international "climate regime" to encompass all these different levels and types of agreement, including the UNFCCC. Climate diplomacy engages and acts over this wide range of co-operation.

1.5 Climate cooperation faces a more challenging environment but also some real opportunities

The broader environment for delivering international cooperation is more challenging than it was before the Copenhagen Summit. The global power balance is in flux, the rise of emerging economies, increasing austerity especially in Europe and the US, and increasing global interdependences challenge the operating space for diplomacy. Polls show that political elites and the public do not consider climate change action an immediate priority, even though support for action on climate change remains broad in all major countries[25].

Copenhagen seems to have reinforced perceptions in some quarters that climate change is too complex to solve, particularly among some foreign policy and economic commentators[26]. The economic crisis has further contributed to a broader and systemic decrease in global cooperative capacity, significantly undermining the conditions for carrying out effective multilateral negotiations. In addition, the continued shift of economic and political power towards emerging economies is challenging to effective international cooperation. The political landscape is more complex, leadership capacity has been diluted and effective coalitions have become harder to form. In one example, the Doha round of world trade negotiations has effectively ground to a halt.

The growing interdependence and globalisation witnessed over the past few decades has challenged the international governance system in how it responds to systemic risks in areas such as financial stability, resource trade and food prices. This has significant implications for whether governments look to manage such risks through cooperation or through unilateral approaches (e.g. national self-sufficiency, direct resource and land investment abroad)[27].

[25] European Commission [2011] *Eurobarometer survey shows increased public concern and awareness of economic benefits of action* [online] Available at: http://ec.europa.eu/clima/news/articles/news_2011100702_en.htm
[26] Financial Times [2013]*Martin Wolf: Why the world faces climate chaos* [online] Available at: http://www.ft.com/cms/s/0/c926f6e8-bbf9-11e2-a4b4-00144feab7de.html
[27] Chatham House [2013] *Resources Futures* [online] Available at: http://www.resourcesfutures.org/downloads/Future_Resources_Executive_Summary_17.01.13.pdf

However, despite a context that is generally unfavourable to multilateralism, there are other trends (outlined below) which provide potential opportunities and momentum for greater international cooperation to tackle climate change.

Critically, there is now a strong and growing global low carbon sector. From 2011 to 2012, solar photovoltaic and wind technologies grew by an impressive 42% and 19%, respectively, despite ongoing economic and policy turbulence in the sector.[28] In 2012, Hybrid-Electric Vehicle sales broke the one million mark, up 43% compared to the previous year[29].

As resource prices will likely remain volatile, resource efficiency will become more critical to national economic strategies. Many emerging economies are beginning to see the benefits of resource efficiency. For example, China's 12th Five Year Plan[30] introduced a raft of binding measures to improve energy efficiency and reduce fossil fuel use.

Climate impacts are becoming increasingly material to both the developed and developing worlds, and scientific confidence attributing the frequency, severity and incidence of extreme weather events to climate change continues to grow. This helps to connect discussions at the international level with impacts on the national economy, thereby animating new voices and messengers to push for greater ambition domestically. For example, Superstorm Sandy had a significant political impact in the run up to the US elections and helped to re-launch political discussion on climate change by the Obama Administration.

Many emerging economies are undertaking economic transitions over the coming decade as they continue their urbanization processes, rebalance their economies and move to higher value industries. Many are recognizing the vulnerability of their economic models and development goals to growing resource price volatility and scarcity, fossil fuel dependency and climate change impacts on food and water. Therefore, the task of climate diplomacy is to ensure climate change issues are embedded into their national economic transitions. For example, Brazil is considering its future as a commodities exporter given the slowdown in demand from China. This is allowing it breathing space to consider alternative, more sustainable development pathways. China is explicitly incorporating these issues into its assessment of 2030 development paths[31].

Increasingly, tackling climate change requires effective engagement with these broader processes and issues, and the institutions that govern them. This cannot be done by environment or energy ministries alone at either the national or international level. Increasingly, countries are realising that "whole of government" approach is needed to address climate change, and this approach must be reflected in the design and scope of climate diplomacy.

[28] IEA [2013] *Tracking clean energy progress* [online] Available at: http://www.iea.org/publications/TCEP_web.pdf
[29] ibid
[30] E3G [2010] *China's 12th Five Year Plan* [online] Available at: http://www.e3g.org/images/uploads/E3G_Chinese_Challenge_or_Low_Carbon_Opportunity_updated.pdf
31 World Bank and the Development Research Center of the State Council, P. R. China. 2013. China 2030: Building a Modern, Harmonious, and Creative Society. Washington, DC

Chapter 2: The evolution of climate diplomacy and the international climate regime

2.1 The Scope and Functions of Climate Diplomacy

Climate diplomacy must draw on the successful legacy of other diplomatic projects

The challenges facing climate diplomacy may seem daunting, but this does not mean that agreement on an effective climate regime is unachievable. History has demonstrated that great transformations are possible in the course of a few years and, as described above, the achievements of the current climate regime in delivering large-scale, global shifts in investment are often overlooked.

Diplomacy has deployed soft power to shape mindsets and influence international and national agendas as well as the workings of government. For example, diplomacy engineered the Marshall Plan to rebuild Europe after WWII. Diplomacy managed the largely peaceful transition of economies and governance in Europe after the Cold War. Diplomacy has created systems to seize terrorist assets across the globe. Diplomacy has crafted an array of multilateral regimes from the WTO to the International Atomic Energy Agency (IAEA) to the United Nations Convention of the Law of the Sea (UNCLOS); balancing sensitive and complicated geopolitical landscapes which impinge on vital areas of sovereign control.

Experience shows that with the application of political support and concerted diplomacy, international cooperation can be forged to handle both longstanding and emerging global challenges. A similar concerted effort is required to tackle climate change.

Effective climate diplomacy must address multiple failures in international cooperation

The current failure to drive a sufficient international response to avoid dangerous climate change is often cited as evidence that the UNFCCC is a flawed and ineffective international regime. But international institutions are only as strong as the political will and diplomatic energy emerging from its members. As with most global problems – from arms control to trade to conflict prevention – the seeds of this international diplomatic failure are complex and rarely lie solely within the negotiating chamber.

There are four different, though interlinked, modes of failure for global climate co-operation which climate diplomacy must work to overcome:

> **Absence of political conditions for agreement**: there may be such a fundamental divergence between the perceived national interests of countries, which must be in the core of a stable and effective agreement, that there is no potential for a workable agreement. In this case, the incompatibility between the instructions national governments give to their negotiators precludes the chance of an agreement before

negotiations even begin. The only solution to this failure is to work to change the understanding of the national interest in key countries so their negotiators receive more flexible instructions.

- **Failure to construct a fair political agreement**: even when there is an area of potential agreement which would meet all countries' national interest conditions, the process of political negotiations between core countries to the agreement may fail to reach an outcome which is perceived as fair or politically-acceptable to others. To remedy this, climate diplomacy must work to build levels of trust, mutual understanding and a sense of common endeavour which allows countries to find the area of potential agreement.

- **Failure to capture the highest ambition possible**: when political agreement has been reached in principle, the conduct, choreography or form of the international process tasked with capturing a potentially politically viable agreement produces a lower ambition outcome than otherwise might be possible, or even produces outright failure. Many argue this was the case for the UNFCCC process at Copenhagen in 2009. Climate diplomacy must work to design processes which are conducive to the maximum level of ambition, and complement these with networks of informal engagement to build trust and promote the process of cooperation.

- **Failure of implementation**: agreement at the international level may not be matched with adequate national action either due to bad faith, lack of capacity or changes in circumstances. The political process delivers the formal outcome, but not the means for action. The international climate regime must be designed to manage implementation risks through effective mechanisms for transparency, compliance, co-operation, financial and technical support, review and dynamic regime evolution. Climate diplomacy must build systems to deliver effective delivery, not just headline agreement. The regime must be capable of managing the risks of under-delivery and integrating climate issues across all relevant institutions which make up the broader regime e.g. trade, investment, public and private finance, development cooperation etc.

Climate diplomacy is often seen as focusing on the last three areas, but it also has a key role to play in shaping its own – and other – countries' national interest conversations. It is a convention in much of international relations to assume that countries have well defined national positions based on a mature understanding of their underlying interests, and of the interests of others. This is seldom the case in complex and rapidly evolving areas such as climate change. In many countries (developed and developing), climate change is not core to the national interest debate. As in all other areas of policy, the process of forming the national interest is politically contested, may be dominated by unrepresentative and narrow interest groups, and often depends on less than perfect information.

In some countries the debate on national interest is in its infancy, this is the most critical area for climate diplomacy to influence in order to deliver a 2°C climate regime. Climate change damages are poorly understood at the national level and the affected constituencies – such as farmers or coastal city administrations – are far less powerful than many high carbon

industries. This means that perceived trade-offs between current economic growth and future prosperity are often over-estimated in political discussions. Global interdependencies mean that in the short term, the impacts of climate change on international food markets and supply chains will often reduce real incomes and national stability more than direct national climatic impacts. But these external risks are not currently assessed in any national adaptation plan. National willingness to act is strongly shaped by perceptions of how seriously other countries are addressing climate change, their delivery of past promises and the willingness to pool sovereignty in pursuit of joint objectives. But countries have very poor information on what others are actually doing, and generally over-estimate their own degree of leadership. In all these areas of the national interest debate climate diplomacy has a key role to play to improve the understanding of what is at stake, expand the possible space of agreement and make clear to decision makers the consequences of failure.

2.2 Evolution of Climate Diplomacy

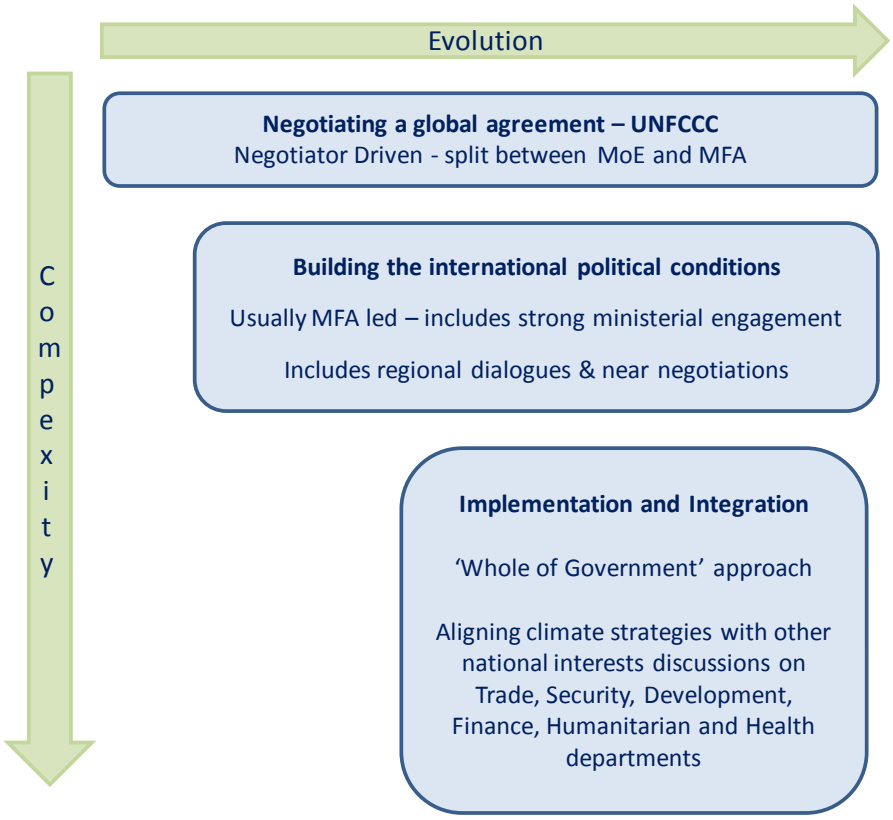
Defining climate diplomacy

Diplomacy is generally seen as a reactive discipline. But while trouble-shooting and crisis management are a major part of diplomatic practice, so are forward-thinking approaches to designing solutions to international problems. **Climate diplomacy is the practice and process of creating the international climate change regime and ensuring its effective operation**. **The evolution of climate diplomacy therefore precedes and shapes the construction of the climate regime.**

For example, identification of market failures around the use of renewable energy in developing countries led to the G8 Renewable Energy Task Force being established in 2000. The recommendations of this taskforce were blocked by the Bush Administration, but informed EU approaches to the (failed) negotiations on a global renewable energy target at the Johannesburg Summit in 2002, and the creation by the UK of the international Renewable Energy and Energy Efficiency Partnership (REEEP). These issues were taken forward by a German-hosted conference in 2004 directly leading to the establishment of the International Renewable Energy Agency (IRENA) in 2009 which is becoming a major pillar of the broader climate change regime. This demonstrates how reactive diplomacy is not sufficient to construct the international climate change regime to deliver an ambitious outcome, but require strategic insights and expertise to achieve success.

Figure 2 illustrates the evolution in the focus of climate diplomacy practice which has taken place in the two decades since negotiations for the UNFCCC were launched in 1990. This period has seen climate diplomacy shift from a relatively narrow focus on the UNFCCC process, to a more complex and wider discipline that now engages new constituencies and embraces broader geopolitical discussions.

Figure 2: Evolution of Climate Diplomacy Practice



There are three critical stages to delivering effective climate diplomacy:

i. **Negotiating a global agreement**

The first stage of climate diplomacy is delivering effective representation into the UNFCCC process. This has stimulated very creative approaches by countries – especially those with fewer traditional diplomatic resources – to work to set the agenda.

Box 1 outlines how Bangladesh has reframed its "vulnerability" into a positive focus on resilience. It has alsoused its domestic experience to help drive a debate on climate "Loss and Damage"[32] at the UNFCCC. This shows how countries can use the more egalitarian forum of the UNFCCC to shape the regime.

[32] Loss and Damage refers to the concept of residual impacts of climate change once mitigation and adaptation is taken into account.

Box 1: Bangladesh: From National Action to International Leadership

Existing mitigation and adaptation efforts are not enough to prevent all climate change related impacts. Therefore, addressing residual loss and damage, the climate change impacts that we are unable to prevent through mitigation and adaptation actions, will be an important part of the future response to climate change. Loss and damage is an emerging field and an increasingly relevant topic for the international community given current insufficient levels of action.

Loss and Damage first formally appeared in negotiations under the UNFCCC at COP 13. It was further legitimised at COP 16 in Mexico as part of the Cancun Adaptation Framework under which a work programme on loss and damage was established to report back at COP 18 in Doha.

At the COP, while countries made gradual progress towards the global framework for reducing greenhouse gas emissions, there were intense discussions about the issue of loss and damage and how this could be addressed.

Such developments demonstrate the iterative process between the realities on the ground in countries reflecting into the substance negotiated at the international level. Many vulnerable countries cooperated to raise the profile of Loss and Damage at COP 19, despite having fewer resources to devote to diplomacy than many of their counter-parts.

Bangladesh's vulnerability to climate change is due to various hydro-meteorological and socioeconomic factors. In 2010, the Global Climate Risk Index stated that in 1990–2008, 8,241 people died in Bangladesh as a result of climate change, while the cost of damage was US$2.2 billion per year and loss of GDP was 1.81 per cent. However, the political will to address impacts and incorporate climate change issues into national-level planning in Bangladesh forms the basis of the country's ambition to increase its resilience considerably despite its high level of vulnerability.

Motivated by the need to understand more about this emerging issue to shape and influence international UNFCCC negotiations, the Government of Bangladesh (GoB) initiated the "Loss and Damage in Vulnerable Countries Initiative" in 2011. In order to build a common understanding around loss and damage and provide insight into what it entails for vulnerable countries, and move forward the debate on loss and damage for the benefit of the LDCs and other vulnerable countries, the GoB requested assistance from the Climate and Development Knowledge Network (CDKN). The GoB is working with a consortium of organizations, which includes Germanwatch, United Nations University-Institute for Environmental and Human Security (UNU-EHS), International Centre for Climate Change and Development (ICCCAD) and Munich Climate Insurance Initiative (MCII) to carry out this work.

ii. Building the international political conditions

The next stage in the evolution of climate diplomacy has been the augmentation of technical UNFCCC negotiations – usually led by specialist divisions inside Ministries of Environment (MoE) or Ministries of Foreign Affairs (MFAs) – with broader diplomatic efforts to influence country positions outside the negotiations. Initially climate negotiators implemented these mainly through direct visits at official and ministerial level to key countries e.g. demarches to

key capitals. However, given limited capacity this only allowed for engagement with a small number of actors. To increase influencing "band width" and impact a significant range of countries required mobilisation of generalist diplomats who are permanently stationed in key capitals, and prioritisation of climate change by key ministers on their international trips and diplomatic engagements.

In the run up to Copenhagen, significant diplomatic attention was focused on shaping the political conditions for a global agreement. This resulted in a multiplication of platforms and forums aimed at shaping the political discussions in capitals, and climate being incorporated into a range of existing international processes such as the G8, G20 and many regional and bilateral ministerial-level meetings and Summits.

Climate Vulnerables Forum

One new forum that emerged was the Climate Vulnerables Forum (CVF), founded at the initiative of the Maldives when eleven vulnerable countries from across the world met in 2009 to highlight the threats posed by climate change to their existence and to focus international attention on their plight as a precursor to more harmful impacts elsewhere around the world. The CVF has morphed into a global partnership of climate leaders, demonstrating that the most serious threats to national interest are likely to drive the most proactive of diplomatic responses. Political leaders involved in the CVF have been described as "using their status as those most vulnerable to climate change to punch far above their weight at the negotiating table".

Major Economies Forum

The Major Economies Forum (MEF), a seventeen country group hosted by the US since 2009 (accounting for roughly 80% of global greenhouse gas emissions), is another example of a forum that provides a safe space to develop conceptual propositions based on crunch issues in the negotiations such as transparency and accountability, or to develop propositions which require international cooperation such as technology action plans[33]. Despite initial concerns that the MEF could sideline the formal UNFCCC negotiations, it has had minimal impact on the negotiation to date. There is potential for this forum to be reinvigorated given the US's focus on climate change since Obama's re-election.

The development of additional fora such as the CVF and MEF shows the growing scope of the international climate regime. However, in advance of the Copenhagen Summit the attempt to seed climate change into so many different international discussions was seen by some to weaken the ability to deliver a strong outcome. The capacity of climate specialists - especially from poorer countries who field smaller delegations - was split between too many processes and some argue that the impetus for agreement became diluted across the multitude of venues.

[33] MEF [2009] *Technology Action Plan - Executive Summary* [online] Available at: http://www.majoreconomiesforum.org/

The preparation for Copenhagen shows how the design of international processes cannot be separated from the practicalities of developing enough climate diplomacy capacity which can effectively utilise them. Countries also need to have a clear strategic understanding the most important venues and relationships in which to invest.

Mobilisation of the capacity and strategic focus needed to engage effectively in the expanded climate regime is a significant institutional effort for even the largest countries. It requires high level buy-in by senior ministers and officials, significant re-allocation of human and funding resources, training and coordination of generalist diplomats and strong central capacity to provide support and timely content for influencing. For example, the UK Environment Attaches Network was built through a series of annual meetings in London in2000 involving over 40 mid-ranking diplomatic staff from around the world.

Over time the complexity of these engagement efforts has increased, incorporating use of non-governmental specialists, use of project funding to support local analysis of climate change impacts and opportunities for low carbon development, and establishment of formal bi-lateral partnerships on climate change issues. For example, the EU has built significant bilateral partnerships with China, India, Brazil and South Africa over the past decade[34].

iii. Implementation and Integration

These dialogues, though significant, are still mainly focused on supporting and shaping the formal negotiations at the UNFCCC. However, since the mid-2000's the breadth of climate diplomacy activity has broadened and deepened again due to the need to respond to the growing impacts of climate change and drive the growth of the low carbon economy.

For example, international discussions on the security implications of climate change were first held at the UNSC in 2007, and have been followed up regularly in the UNSC and UNGA. These discussions push climate change onto the agenda of non-traditional actors such as the security community. Empowering new actors and advocates is essential to broadening the legitimacy and credibility of the climate threat. Implementation of policies and subsidies to support low carbon economic development have led to a range of trade disputes; most notably over incorporation of international aviation into the EU Emission Trading Scheme and current US and EU disputes with China over subsidies to solar panel manufacturers. Climate change finance is a growing part of official aid flows, and has become a core area of discussion in the debates over the post-Millennium Development Goals (MDGs) framework to be agreed in 2015.

These trends lead to significant challenges for integration of climate change into other international institutions alongside other national priorities, and for designing new approaches for implementing climate change goals on the ground. While this evolution in scope and

[34] FRIDE [2012] *Hot Issues, Lukewarm Partners: EU Strategic Partnerships and Climate Change* [online] Available at: http://www.fride.org/download/RP2_EU_Strategic_Partnerships_and_Climate_Change.pdf

complexity is a sign of success in terms of delivering climate change goals, it raises significant challenges for the conduct of effective climate diplomacy.

A good example of the difficulty of integration is given by the current EU-China Solar Panel subsidy dispute. Following complaints from some EU solar manufacturers, the European Commission (which has responsibility for trade policy) proposed punitive tariffs on Chinese solar panel imports. This move was opposed by a large coalition of EU companies which depend on affordable Chinese solar panel imports, and by companies exporting solar manufacturing equipment to China. Eighteen European Member[35] states voted against the Commission's decision (and only four were in favour) saying a dispute was not in their economic or climate change interests. China meanwhile is preparing a counter-case WTO against European wines[36]. Currently the case is unresolved with interim reduced tariffs in place while negotiations proceed.

Balancing such conflicting economic, energy, climate change and diplomatic goals requires policy coordination at the highest level[37]. Such disputes will become an increasingly common feature of climate diplomacy given the level of government intervention needed to drive a rapid transition to a global low carbon economy and the commercial rewards available for early-movers in key sectors.

This mainstreaming of climate into new institutions has brought onboard new actors. But this positive development has also led to tensions inside governments as the power, leverage and agency of the traditional actors such as Ministries of Environment is weakened. More powerful agents such as Ministries of Finance, Planning, Industry, Trade and Energy often engage inconsistently and defensively and do not yet systematically prioritise climate change action – and in some cases block climate efforts. For example, in Europe greater involvement of Ministries of Finance and Economy in climate policy making has been seen to result in lower climate ambition, as they tend to undervalue the costs of future climate risk and put the goal of meeting fiscal limits above effort to increase public investment in lower carbon energy and energy efficiency.

Delivering an effective climate diplomacy strategy is beyond the capacity of any one department, no matter how powerful. As with other major foreign policy issues such as conflict prevention and non-proliferation effective international action requires a "whole of government" approach. However, this is easier said than implemented, and the experience of other policy areas shows the difficultly in aligning country interests, resources and political activity around complex cross- cutting issues[38]. Even countries which have been relatively successful at driving a whole of government approach (e.g. Mexico under Calderon's

[35] Xinhua [2013] *EU imposes provisional anti-dumping duties on Chinese solar panels* [online] Available at: http://news.xinhuanet.com/english/business/2013-06/04/c_132430788.htm
[36] Financial Times [2013] *Brussels offers Beijing reprieve in Solar panel dispute* [online] Available at: http://www.ft.com/cms/s/0/1038136e-cd02-11e2-90e8-00144feab7de.html#ixzz2VLbXeBLK
[37] Financial Times [2013] *FT Editorial: Solar Panel Dispute needs to Cool Down* [online] Available at: http://www.ft.com/cms/s/0/01b4e1d2-c140-11e2-9767-00144feab7de.html#ixzz2U0oN2tOr
[38] For examples of whole of government issues on conflict prevention see: UK Government *Investing in Prevention* 2005 http://www.gsdrc.org/go/display/document/legacyid/1684 ; EWI High Level Task Force on Preventative Diplomacy, 2008 http://issuu.com/ewipublications/docs/new-initiatives-on-conflict-prevention--26-human-s?e=1954584/3278037

leadership) still face substantial political economy barriers (Pemex's role in Mexico's economy). Climate diplomacy will need to continually strengthen its capacity and reach inside and outside governments in order to manage these tensions.

2.3 The Evolution of the International Climate Change Regime

As discussed above, climate diplomacy has both led and responded to the evolution of the international climate regime. The regime has evolved to become far broader than the UNFCCC though this remains the keystone institution in terms of setting goals, aligning effort, mobilising assistance and assessing risk.

Figure 3 is a highly simplified illustration of some of the critical institutions, alliances and groupings which currently make up the international climate regime. The descriptions below are not comprehensive due the complexity and fluidity of many of the processes, but the diagram aims to provide a functional framework for organising the bewildering range of different alliances, processes and initiatives which make up the four main "layers" of the climate regime.

- **The formal negotiations**: the space where textual agreements are formed inside the context of the UNFCCC structure and its rules of procedure. As with other formal international processes everything is seen as part of a zero-sum horse-trading game where countries mainly focus on what divides them and areas to be traded-off rather than on finding solutions. The formal discussions in the negotiations are surrounded by a network of informal discussions, alliances and relationships which supplement the formal processes in order to help reach agreement, including enduring negotiating groups such as the G77 and China, the "Umbrella Group" (US, Japan, Canada, Norway, Russia, Australia, New Zealand), AOSIS (Alliance of Small Island States), and the LDC (Least Developed Country) group.

- **The para-negotiations**: provide a 'safe space' for countries to come together, test ideas and put forward proposals in direct relation to the formal negotiations. They include parallel processes by which groups align and develop their positions; for example, BASIC and Cartagena Dialogue do not negotiate together in the UNFCCC, but coordinate and align their positioning, whereas AILAC (Association of Independent Latin American and Caribbean Countries) negotiate as a group and coordinate. These para-negotiations hover somewhere between formal and informal meetings, often meet away from the negotiations and supplement the more formal groupings. Countries are often members of several different groups based on their different alignments around ambition, development level, regional affiliation and sectoral interest (e.g. Forestry). The complexity and proliferation of para-negotiation groups reflects the multi-faceted interests of countries in the climate regime.

- **The near negotiations**: These are fora completely outside the UNFCCC process that ide an alternative, more politically-focused forum to discuss climate issues and

progress-related initiatives. They informally feed back into the UNFCCC through the government participants. This includes broad processes such as the G8 and G20, dedicated meetings such as the Major Economies Forum (MEF) and the Petersberg Dialogue which focus on major groups of countries and include bilateral activity such as discussions on climate change. These groups may combine discussions of the UNFCCC agenda with work on additional initiatives. For example, the MEF spun off the Clean Energy Ministerial (CEM) which focuses on technology demonstration and cooperation, and not the UNFCCC.

> **The broader international climate regime**: Finally there is the broader international regime which includes a range of formal and informal forums such as the World Trade Organisation (WTO) and UNSC. These alternate venues establish rules and laws which will have significant implications for climate issues (e.g. on trade in low carbon technology), but have their own negotiating and governance systems. The broader climate regime can be usefully split into four functional areas:

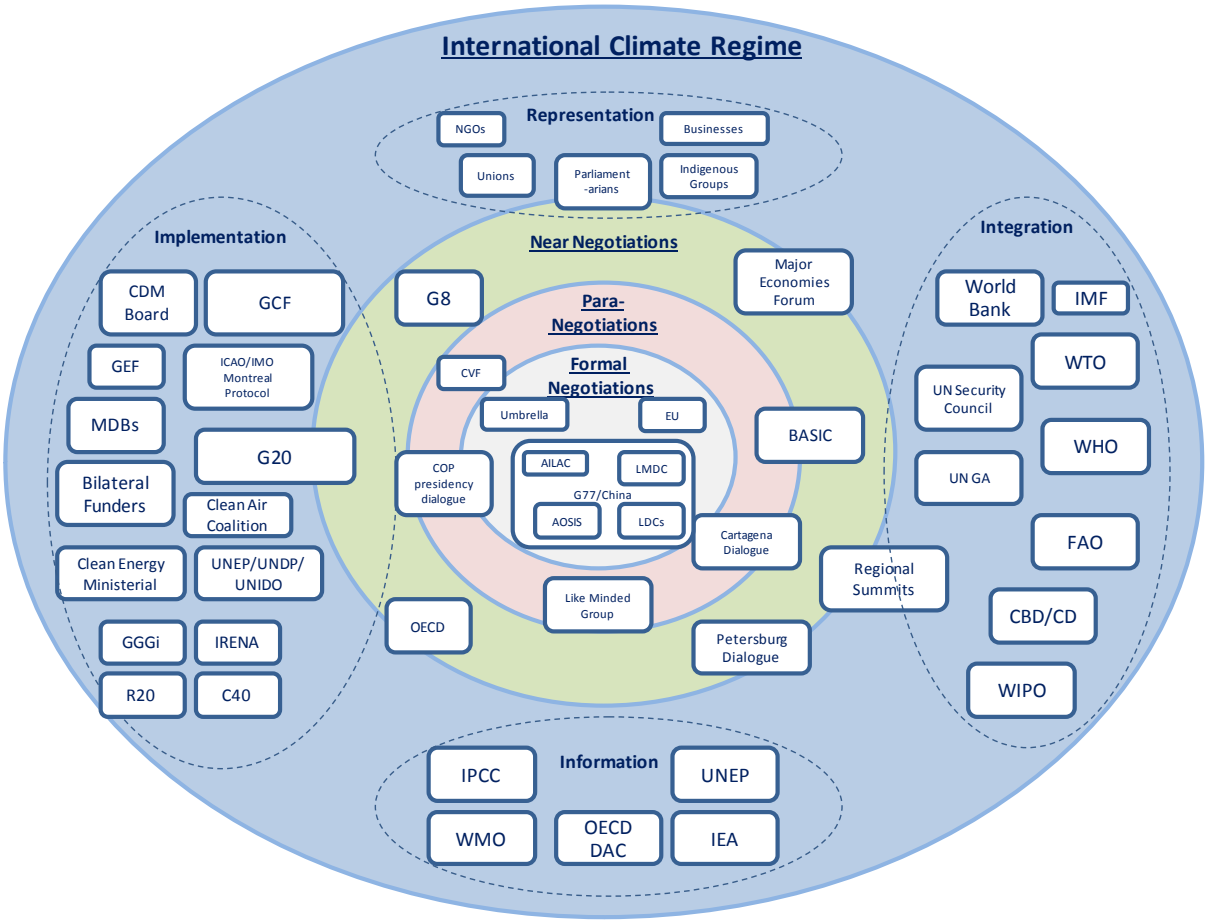
- **Information**: a range of independent institutions which provide vital services to the climate change negotiations and broader regime. These include: the World Meteorological Organisation (WMO) and its national-level networks feeding climate risk and impact analysis into the Intergovernmental Panel on Climate Change (IPCC); the International Energy Agency (IEA), the United Nations Environment Programme (UNEP) and others providing analysis on the scale of the ambition gap and of the state of energy system transformation towards low carbon and technological development; and the Organisation for Economic Cooperation and Development Assistance Committee (OECD DAC) setting rules for measuring flows of climate finance and official development assistance related to climate change.
- **Implementation**: a growing number of international organisations work to directly support implementation of low carbon and climate resilient development. Control of aviation and maritime emissions is covered by the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO) respectively and the Montreal Protocol controls Chlorofluorocarbons (CFCs) and Hydra-chlorofluorocarbons (HFCs). Financing institutions with formal links to the UNFCCC (the Clean Development Mechanism (CDM) Board, Green Climate Fund – (GCF), Global Environment Facility – (GEF) and independent Multilateral Development Banks (MDBs), bi-lateral funders (e.g. national development banks such as in Germany – KfW and Brazil - BNDES). Capacity building institutions such as United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), United Nations Industrial Development Organisation (UNIDO), the World Bank and bilateral development agencies. The vital work of implementing disaster risk reduction strategies in the face of immediate climate change risks is led by the UN International Strategy for Disaster Reduction (UNISDR), which recently identified climate change as "public enemy number one"[39]. Intergovernmental and multi-stakeholder partnerships

[39] UN ISDR [2013] *Climate Change declared Public Enemy No 1* [online] Available at: http://www.unisdr.org/archive/33474

and organisations such as the Clean Air Coalition, International Renewable Energy Agency (IRENA), Global Green Growth Institute (GGGi), Clean Energy for All, C40 (Cities Climate Leadership Group), R20 (Regions of Climate Action) and bilateral cooperation (e.g. EU-China Strategic Partnership).

- **Integration:** many international organisations have active processes to manage the implications of climate change impacts and climate change policies in their core functions. Whilst similar to implementation, integration requires climate change to become embedded across broader government decision making processes. E.g. the World Bank implements specific climate projects and programs aimed at reducing emissions and building resilience – but integrating climate change would require adjusting its entire portfolio of programmes. As already mentioned the UNSC has discussed climate change and security several times, and there are other regional and national processes on assessing threats to security and instability from climate change. The G20 has agreed to phase out perverse fossil fuel subsidies, and promoted action on green growth and low carbon finance. The International Monetary Fund (IMF) is playing a role in analysing the fiscal burdens of fossil fuel subsidies, supported by analysis from the IEA and OECD. Core development institutions such as the World Bank, Food and Agricultural Organisation (FAO) and World Health Organisation (WHO) have assessed the impact of climate change on development, food security and health and are integrating responses into their programmes. Responses to increasing humanitarian disasters due to climate change have been incorporated into the work of the UN Office of Coordination of Humanitarian Affairs (OCHA) and the High Commissioner on Refugees (UNHCR). Other environmental treaties such as the United Nations Convention on Biodiversity (UNCBD) and United Nations Convention to Combat Desertification (UNCCD) have formal cooperative agreements with the UNFCCC as well as their own climate change programmes. The WTO has unsuccessfully addressed the liberalization of low carbon goods and services, but this agenda has been progressed in regional and bilateral trade agreements. The World Intellectual Property Organisation (WIPO) has established a landscape of low carbon patents and is developing innovative platforms to accelerate the transfer of clean technologies.
- **Representation**: Working across the whole regime and negotiations are non-governmental groups aiming to influence the process and implementation at all levels. These include the environment and development non-government organizations (NGOs), parliamentarians (e.g. GLOBE), trade unions, indigenous groups and businesses.

Figure 3: The Structure of the International Climate Regime



The majority of implementing organisations and partnerships in the broader climate regime have been created over the past 5 years in the run-up, or in response to, the Copenhagen Summit. Along with the fast growth of the low carbon economy, the rapid rise in international funding for international climate action initiated by Copenhagen (beginning with the "fast-start" finance on $30bn but aiming to mobilise $100bn per annum by 2020) has fuelled a multiplication of public, non-profit and private sector initiatives.

The character of the international climate regime, and the climate diplomacy which drives and supports it, is rightly expanding to have a much larger focus on implementation and integration. However, as the rather complex – but still non-comprehensive - figure 3 illustrates, the current period of innovation has resulted in case of a "thousand flowers blooming" in many areas. The climate regime is fragmented but there is still a strong need for critical gaps to be filled (for example, on climate risk assessment) while other areas which could benefit from consolidation in the medium-term (for example, large scale mitigation finance).

2.4 Structural challenges for climate diplomacy in shaping the climate regime

Climate Diplomacy is still a relatively new practice and the climate regime is developing very quickly. There will be various structural challenges as the landscape evolves into a more complex and comprehensive regime. Some of the most pressing structural challenges – inside and outside the UNFCCC – are laid out below.

Inside the UNFCCC:

- The challenge to ensure that the UNFCCC remains a central hub of the climate regime whilst not overwhelming its capacity, remit and expertise. For example, understanding the right balance between the role of the UNFCCC and its relationship to agreements such as the Montreal Protocol, the IMO, WIPO and the WTO.
- The articulation of historical responsibility, the equity principle and the interpretation of Common But Differentiated Responsibility and Respective Capabilities (CBDR-RC) will pose a significant challenge to how diplomacy balances the many notions of fairness of the relative emission reduction efforts. Similar efforts inside the WTO, in the context of operationalising Special and Differential Treatment (SDT) are pending given the stalled Doha Development Round. In addition, in the Montreal Protocol, historical responsibility is reflected in developing countries beginning their phase out of CFCs 10 years later than developed countries.
- Climate diplomacy will need to find the appropriate balance between the sovereign rights of the state and the necessity for a robust regime for the transparency and accountability of emissions and support actions. The International Atomic Energy Agency (IAEA), for instance, has a mandate to verify, including routine and ad-hoc on-site inspections, visits, and ongoing monitoring and evaluation. In addition, states are obliged to provide information about their nuclear fuel cycle[40]. This arrangement is only possible due to signatories understanding the importance of non-proliferation as core to their national interest. Climate change requires effective monitoring and accountability but the threshold states are willing to agree upon is still highly contested.
- No single institution has yet been formally tasked with drawing upon available scientific expertise and analysis of current mitigation commitments in order to provide a comprehensive and on-going climate risk impact assessment[41]. Ad hoc partial assessments are provided by UNEP and others in their "emissions gap" reports, and the IPCC provides periodic assessments of the state of peer reviewed knowledge. Other international regimes have established special institutions such as the United Nations Peace Building Commission (UN-PBC) which brings together evidence and judgement on the effectiveness of peace building activities in specific countries within the UN regime and proposes strategic responses to any shortfall in current approaches.

[40] IAEA [2013]*IAEA Safeguards Overview: Comprehensive Safeguards Agreements and Additional Protocols* [online] Available at: http://www.iaea.org/Publications/Factsheets/English/sg_overview.html
[41] Degrees of Risk ibid

Broader international climate regime:

- Striking the right balance between competition of companies and collaboration of States will be critical to ensuring the flourishing of a global market for low carbon goods and services. The experience of placing aviation inside the emissions trading system in Europe illustrates the difficulties of trying to reconcile climate change, trade and commercial issues. Rising tensions over trade in low carbon products confirm these trends. These tensions need to be managed to ensure they do not undermine climate efforts or become a sterile debate on border taxes.

- The development of a new development model through the post-2015, Millennium Development Goal (MDG) and the Sustainable Development Goals (SDG's) debate is under construction. The discussions on the post-MDG agenda and the 2015 climate agreement have evolved in silos. The debate is conducted largely from New York, where more traditional interpretations of North-South tensions remain. Integrating climate change into the redefinition of the development model could facilitate the right conditions for the 2015 climate agreement. But it will also be key to avoid 2015 becoming a year in which the MDGs and climate unhelpfully compete for political attention, or game the processes against each other.

- As the low carbon economy matures and new institutions begin to participate in developing low carbon, resilient plans, managing the network of financial institutions and actors such as sovereign wealth funds will be challenging. The ability of the climate regime to shape the ecosystem of financial actors and ensure developing countries are getting the highest value for money will be challenging. There is also a need to build better mechanisms for learning the lessons of early investment in low carbon, climate resilient development and replicating them elsewhere. Climate diplomacy needs to actively communicate these success - and failure - stories so that action in the real economy helps shape political ambition at the national and international level.

- Resource volatility and scarcity could undermine global and regional cooperation through increasing protectionist policies. However, it could also enhance international collaboration by increasing a focus on resource efficient investment. Managing resource crunches will be essential to maintaining (and potentially increasing) the political space available.

We cannot shape the future with tools of the past. To face the challenges described above, it is critical that countries and non-state actors strengthen their ability to analyse problems and suggest solutions. But it is even more important that they invest in the capacity and skills to forge sustainable agreement on this wide range of complex issues. Without strong diplomatic capacity countries will be unlikely to agree to the ambitious commitments and regime building activities needed to keep climate risk below 2°C. The next section outlines some best practice examples which could help deliver better and more forward-looking climate diplomacy.

Chapter 3: Rethinking Climate Diplomacy

3.1 A Framework for Strengthening the Practice of Climate Diplomacy

Section 1 and 2 above has laid out a framework for understanding the "why?" and "what?" of climate diplomacy. We sought to identify the outcomes and challenges that climate diplomacy must address if it is to be successful in building an effective climate regime, and described the evolution of climate diplomacy and the climate regime over time.

This section focuses on the "how" of climate diplomacy. This requires a focus on the capacities and capabilities required to deliver effective climate diplomacy; that is, the practices, skills and methods that can be used to develop and deliver these objectives, as well as investment in the scale and quality of the available political, human and financial resources necessary to deliver on the defined diplomatic objectives.

Diplomacy is the art of influence. It attempts to forge agreement but also to move political boundaries, expanding the realm of the politically possible. The practice of climate diplomacy requires three core capabilities:

1. **Know yourself:** the capability to develop and action a clear national position based on an objective understanding of how climate change influences and impacts core national interests.
2. **Know the other:** the capability to gather and analyse intelligence[42] on the interests, constraints and capacities of other actors and how they perceive your own actions and positions.
3. **Capacity to Influence:** the capability to effectively integrate national priorities into political and diplomatic channels. The command of basic tools of diplomacy and the capability to create a clear influencing strategy and to implement it through multiple venues, building alliances and strategic confidence, and framing and driving debates through private and public messaging.

Although these capabilities seem straightforward on the surface, delivering them requires significant institutional changes to government (and many non-government) systems. The majority of countries have not yet sufficiently embedded climate change into the decision-making machinery to be able to deliver effective climate diplomacy.

Since 2009, the diplomatic capacity and activity dedicated to climate change has stagnated and in some cases contracted. Many practioners question whether the diplomatic capacity exists to deliver an effective international climate regime. For many countries, enhancing diplomatic capacity still concentrates on building technical knowledge on climate and environmental

[42] In this paper "intelligence" is used in its traditional technical sense to refer to any information which underpins analysis inside a decision support framework; this covers information collected from open public sources, privileged diplomatic and government communications and information obtained discretely.

policy and law. This is an important first step, but insufficient given the barriers to agreement (i.e. shaping the national interest debate).

Countries also need to build vital "craft" skills for the day-to-day practice of shaping debates, understanding others and building alliances to influence, developing diplomatic communications and media skills and the ability to find compromise and/or constructive ambiguity. For many climate specialists a stronger sense of agency (and menu of diplomatic options) would result from more peer-to-peer engagement with non-climate diplomats working to build regimes on trade, finance, peace-building and arms-control. This is not about transferring cookie-cutter solutions, but building deeper skills on how to deliver workable results. Beyond building skills there are a range of other interventions that can help deliver more impact with limited capacity. The examples and recommendations below can help to create a better toolkit for practitioners to draw upon in an effort to invest strategically in climate diplomacy and increase their capacity and impact.

3.2 The difficulty of "climate mainstreaming"

As countries shift from setting climate targets to implementing and changing their economic structures, reconciling national interest trade-offs will become even more essential in order for climate to permeate and align itself with other policy areas.

Embedding climate change across government decision-making structures will require institutional reform. Institutional structures to deliver climate diplomacy vary around the world, ranging from countries where climate diplomacy is the sole responsibility of the MoEs to those where the MFA controls all parts of the process.

Although integration of climate diplomacy into MFAs presents many potential advantages in terms of access to representation in country capitals and integration into economic, security and political dialogues, in practice it can also weaken climate diplomacy. The traditional culture of MFAs prioritises work on political, security and trade issues and de-emphasises what are seen as "softer" global issues. Environment Ministries have not successfully recharacterised climate change as an economic and security priority. Without strong leadership to prioritise climate issues MoEs can be deemphasised and the overall impact lower than if they lead. Integration of climate diplomacy issues into foreign policy must go hand in hand with institutional reforms if it is to be successful.

The institutional structures inside most MFAs are increasingly ill-suited to the changing dynamics of a multi-polar world. This is well recognised in foreign policy circles and extends beyond climate change issues. Reform processes are on-going in many countries but progress has been slow to date[43]. As the example of the UK shows in Box 2, even with top level political support it can take a long time to change the culture inside an MFA in order to prioritise "new"

[43] Probably the most public and far-reaching attempt at reforming a major diplomatic service in the context of a whole of government approach to projecting influence was the US Government's first Quadrennial Diplomacy and Development Review (QDDR) in 2010 http://www.state.gov/s/dmr/qddr/

issues such as climate change into the core of diplomacy. At the core of this challenge is the need to reform how Ministries of Foreign Affairs are organised: i.e., to perpetuate the artificial separation of issues (economy, security, energy etc) which hinders the integration of cross-cutting issues such as climate change into foreign policy portfolios. This silo-approach reduces the ability of climate diplomacy to respond to changes, including shifting patterns of global power.

Box 2: The Long Road of Integrating Environmental Issues into the UK Foreign Office

The process of raising the priority of environmental issues inside UK foreign policy was started by Robin Cook (then Shadow Foreign Secretary) in 1996 – a year before the general election that brought him into office – who convened a group of non-governmental environmental experts to advise him on international policy. This group was maintained for several years while he was Foreign Secretary and was given privileged access to propose priority policies and actions in advance of major international meetings. A similar process was carried out by the Prime Minister's Office in advance of G8 meetings.

In 1999 the Foreign Office created a separate Environment Policy Department covering climate change, sustainable development, biodiversity and EU environmental policy. In time this grew to encompass a global network of environmental attaches supported by significant project funding. Successive Foreign Secretaries from 2006 also appointed a Special Envoy on Climate Change at ambassadorial-level, and jointly with the Ministry of Defence, an Energy and Climate Security Envoy was appointed from 2009. Climate change was prioritised at the UK G8 at Gleneagles in 2005 and championed in a wide range of international relationships and institutions, including the UN Security Council. The Foreign Office ran a strong set of "campaigns" on climate change in the run-up to the Copenhagen Conference as part of a whole of government strategy steered by the Department of Energy and Climate Change.

This progress was enabled by the fact that after Robin Cook, two of the following three Labour Foreign Secretaries (Margaret Beckett and David Miliband) had previously been Environment Ministers, giving strong continuity of leadership for environmental mainstreaming.

Despite this significant history of climate change action in the Foreign Office there are still challenges to maintaining climate change as a priority, and cross-government coordination has weakened in the past few years.

Source: John Ashton evidence to UK Parliament's Energy and Climate Change Committee – [online] Available at: http://www.publications.parliament.uk/pa/cm201213/cmselect/cmenergy/c392-i/c39201.htm

For example, countries often struggle to place climate change issues high on the agendas of their Heads of Government and major bilateral meetings except in the run-up to major climate negotiations. This means important – but non-urgent – issues (for example maximising the value of low carbon trade or the impact of climate cooperation on energy security) are generally dealt with in second or third tier processes. Thus whilst climate change interacts with 'first tier' core national interests such as economy, trade and security, climate diplomacy

is often marginalised. How fast these institutions can adapt and manage complex and interconnected issues is at the core of the diplomacy challenge.

Institutional inertia is problematic given the limited time required to shift economies to avoid dangerous climate change. Building an effective climate regime and engaging the wide range of countries that need to be involved – especially in "emerging powers" – means that climate change is particularly impacted by the generally slow pace of modernisation in foreign ministries.

3.3 Know yourself: building national conditions for climate ambition

Diplomacy begins at home. Climate change is a political problem and finding a solution will require decision makers to make profound choices beyond the electoral cycle that will shift how energy is produced and consumed, and how natural resources, including ecosystems, are managed. These shifts require difficult decisions to be made on cross-generational priorities and compromises. The art of politics is to manage these inevitable tensions. International cooperation will be required in order to help build political support for bold action inside countries.

UNFCCC negotiations on their own are not capable of delivering the transformation required to solve climate change. The starting point for good climate diplomacy is the domestic context and debate of national interests, and a clear understanding of how limiting climate risks and securing an effective international climate regime will provide tangible national benefits.

Engaging with national debates involves action in three areas:

> Debates on the impacts of climate change and benefits of action

> Aligning climate change to broader national interests

> Embedding climate change into political decision making

3.3.1 Debates on the impacts of climate change and benefits of action

Climate diplomacy will be stronger if powerful domestic constituencies support climate risk reduction. At present, there is minimal differentiation in the framing of domestic constituencies and their role in relation to climate change. Instead more generic categories of business, cities and people living in poverty are utilised, and do not enable the opportunity for distinctions between sectors and groupings which can impede opportunities for creating dynamic and influential alliances. Outside of the most vulnerable countries, the sectors and industries most impacted by climate change –construction and infrastructure sector, food sector, marine sector, cities and tourism industry – are unheard or not active in the political debate on mitigation or international positioning. In the absence of these groups of "climate takers" (i.e. those sectors which are most impacted by climate change), the national debate on

climate mitigation tends to be dominated by "climate makers" (i.e. those industries which create the majority of greenhouse gas emissions); who benefit economically from fossil fuel extraction and use. The only affected companies which have regularly engaged on climate policy have been in the insurance sector. However, this is beginning to change with major companies such as Unilever understanding their current business model is not compatible with significant temperature rises under a high emissions trajectory[44]; and undertaking actions to increase the resilience of their supply chains to climate change, as well as speaking out for more action to reduce climate risk.

In many vulnerable developing countries, action is well underway. Box 3 illustrates how the vulnerable small island developing states are mobilising brader constituencies around the impacts of climate change to provide a constituency of change for their global climate objectives.

Box 3: Republic of the Marshall Islands (RMI) How impacts can animate climate action in vulnerable countries and drive leadership

After Copenhagen, many small island developing states acknowledged the need to take action unilaterally after a series of extreme weather events. In the Republic of the Marshall Islands, the various impacted constituencies were convened by the Foreign Minister, including Ministers, Heads of relevant government agencies, community leaders and civil society to contribute to the development of a 'Climate Change Roadmap'.

As a result of the consultations, government policy was reoriented to put climate considerations at its heart, underpinned by strong political commitment at the highest levels of government. This lead to the establishment of a National Committee on Climate Change.

The ability to unify governmental actors from central and decentralised agencies as well as involving business and civil society demonstrates the significance of the debate on climate risk and how it can drive government decisions.

Source: Minister-in-Assistance Tony de Brum's speech to CDKN Climate Diplomacy workshop, London 22nd April 2013

In all cases, but especially in major emitting countries, the debate on climate risk has to be linked to the everyday lives of citizens to impact change – something that cannot be achieved by theoretical or technocratic arguments alone. This can be achieved by framing debates around the question: "what is the acceptable level of climate risk we are willing to take?" This must be grounded in analysis of things that matter to citizens, such as current climate impacts on food prices and how this will grow in the coming years[45]. A mature national conversation that involves new actors (including citizens and impacted business) and shows how climate risks impact everyday life could expand the political space to increase ambition. Box 4

[44] Unilever [2012] *Sustainable living plan 2012* [online] Available at: http://www.unilever.com/images/USLP-Progress-Report-2012-FI_tcm13-352007.pdf

[45] Oxfam [2012] *Extreme Weather, Extreme Prices* [online] Available at: http://oxfamilibrary.openrepository.com/oxfam/bitstream/10546/241131/1/ib-extreme-weather-extreme-prices-05092012-en.pdf

outlines how the debate on climate risk has evolved in the US, culminating in political shifts which were crystallised by the impact of Superstorm Sandy.

Climate risk is an effective framing to spur on greater ambition when combined with a strong focus on available solutions. This avoids the narrative of despair that can so often follow on from a sole focus on climate impacts. There is a need to change the conversation from one that is focused on vulnerability to one that is focused on resilience and activism.

Box 4: The Shifting Perception of Climate Vulnerability in the US

In most analyses of global vulnerability to climate change, the US, along with most developed countries, has been seen as having low vulnerability due to the large level of national capacity to respond to shifts in climate. There has also been a tendency to see the US's large geographic area as providing a hedge against climate impacts, because unlike smaller counties, economic activities could theoretically move inside national boundaries to more climatically-friendly areas. The impact of these "analytical" estimates on public perceptions of US national vulnerability are reinforced by a well documented attitude among the US public which sees natural disasters as an "act of God" and resilience to their effects as core part of the American national identity.

Other countries' analysis of US positions in climate change negotiations therefore tended to focus on the US as a major polluter, the impact of domestic political tensions, and the role of fossil fuels lobby in limiting action; rather than on the US's interest in reducing its own climate risks.

Domestic attitudes have begun to shift due to the extreme weather events that have hit the US in the past few years. The direct economic impact of these extreme events just in 2012 is estimated by Swiss Re at over $263 billion in losses, or around 1.8% of US GDP. The US represented over half of global insured losses for weather events in 2012. US public attitudes are now shifting, with a majority of people linking recent extreme weather events to climate change and expecting them to continue into the future.

Sources:
Maplecroft [2011] *Climate vulnerability index* [online] Available at: http://maplecroft.com/about/news/ccvi.html
Swiss Re [2013] *Swiss Re's sigma on natural catastrophes and man-made disasters in 2012 reports USD 77 billion in insured losses and economic losses of USD 186 billion* [online] Available at: http://www.swissre.com/media/news_releases/nr_20130327_sigma_natcat_2012.html
Yale [2013] *Extreme weather and climate change in the American mind* [online] Available at: http://environment.yale.edu/climate-communication/files/Extreme-Weather-Public-Opinion-April-2013.pdf

In the UNFCCC several observations can be drawn from the evolution of the loss and damage debate in UNFCCC negotiations:

- Issues of national importance such as loss and damage can spur debate and action at the international level, and vice versa.
- The scale of the losses in both human and economic terms has moved the debate beyond its focus on the poorest, to engage and mobilise the more politically influential

'climate takers' industries and sectors to build influential alliances and leverage political will to address these issues at both the national and international level.

> The debate on equity from fairness between countries has broadened to also include fairness within countries.

There are legitimate concerns in many countries that a focus on climate impacts and risks would generate fatalism and despair in the public causing them to "switch-off" from climate change[46]. However, the response to this is not to self-censor discussion on the national consequences of unmanaged climate change, but rather to ensure a parallel discussion of solutions which generate a sense of agency. This includes a public discussion of why diplomacy and international collaboration are essential to deliver climate stability and the benefits that cooperation has already delivered; for example, through the creation of a global renewable and clean energy market in which prices for technologies such as solar panels, wind turbines and LED lights have rapidly decreased[47].

Despite the rapid expansion of the global renewables sector, in many countries this has been insufficient to demonstrate how the shift to a low carbon economy contributes to economic growth. Many mainstream opinion shapers, policy makers and business voices still argue that a low carbon economy is not a credible growth strategy. This is partly due to deliberate lobbying from high carbon interests, and partly due to the lag between changes in the real economy and shifts in political and economic narratives. There are a range of international processes, such as the Green Growth Forum (3GF), which aims to highlight global progress and create visibility for green growth development models. It is also critical to engage with national champions such as sector alliances, industry confederations and Trade Unions to demonstrate the positive impact of the low carbon economy on economic growth.

A critical basis for this mobilisation is for government to collect dedicated data on the extent of the domestic Low Carbon and Environmental Goods and Services (LCGES) sector. For example, in the UK the latest analysis of the LCEGS sector showed that with 4% growth it was the fastest growing section of the UK economy in 2011[48]. This data has been used by a range of mainstream business groups in the UK, including the Confederation of British Industry (CBI)[49] and the Engineering Employers Federation (EEF)[50], to argue for the benefits of the low carbon economy and for stronger direction from the government, which will allow companies to invest and gain advantages in export markets.

[46] Tyndall Centre [2006] *Is this climate porn?* [online] Available at: http://www.tyndall.ac.uk/sites/default/files/wp98.pdf
[47] IRENA [2012] Renewable Power Generation Costs [online] Available at: http://www.irena.org/DocumentDownloads/Publications/Renewable_Power_Generation_Costs.pdf
[48] UK Department for Business Innovation and Skills [2011] Low Carbon Environmental Goods and Services Report 2009/2010 [online] Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31780/11-992x-low-carbon-and-environmental-goods-and-services-2009-10.pdf
[49] CBI [2012] The Colour of Growth [online] Available at: http://www.cbi.org.uk/media/1552876/energy_climatechangerpt_web.pdf
[50] Financial Times [2013] *UK Green technology faltering, says EEF* [online] Available at: http://www.ft.com/cms/s/0/c705045e-79eb-11e2-b377-00144feabdc0.html#ixzz2LKbaYEZJ

3.3.2 Aligning climate change to core national interests

Diplomacy on climate change has often resulted in a zero-sum game, or a 'you go first' approach. However, climate diplomacy no longer resides in a purely environmental sphere, but engages new constituencies. Aligning climate change alongside other core national interest debates such as resource price volatility, energy security, competitiveness and security tensions can shift climate diplomacy towards a more reciprocal arrangement, i.e. an 'I will if you will' dynamic or even a race to secure domestic advantages through unilateral action.

Despite progress in the identification of climate as a significant security 'threat multiplier' over the last decade, there are still major challenges for governments acting upon this analysis inside national security debates. Box 5 briefly outlines the evolution of climate and security analysis inside the security and military communities. The results of this process have been mixed.

While climate change is now well established inside security analysis in many countries it is proving harder to ensure effective responses to these challenges in practical conflict prevention and security response strategies[51]. Climate security has been used in high profile speeches by many world leaders and foreign ministers, but is unclear how much they are influencing countries' mitigation ambition and positions at the UNFCCC. The US is an example of how (with and effective and advanced strategic political communications strategy climate security can penetrate the national interest debate. Serving and retired military officers have been effective at communicating the threats from climate change to a sometimes sceptical public. This demonstrates that identifying new messengers and new messages to champion climate from other sectors will be essential if alignment is to be successful.

Box 5. The Evolution of National Security Debates on Climate Change

The military and security communities in many countries have been among the first to integrate climate change into their national interest assessments. The CIA commissioned analysis on abrupt climate change as early as 2003; the UK government produced its first public analysis in 2005[52]. However, aspects of climate change have been considered by the US security agencies as far back as 1974.

This is perhaps not surprising as the security community has a tradition of producing long term "horizon scanning" to identify future threats and trends which may require shifts in resource allocation, potential conflict theatres or development of new weapons platforms; all of which can take 10-15 years to implement.

Climate Change is now regularly included as a core trend in major countries' public and confidential horizon scanning products, including those produced by the US National

51 E3G [2013] Underpinning the MENA democratic transition

52 UK Government [2005] Countries at Risk of Instability: Future Risks of Instability [online] Available at: http://webarchive.nationalarchives.gov.uk/20050301192918/http://strategy.gov.uk/files/pdf/3future.pdf

Intelligence Council, European Commission, Australia's Office of National Assessment and UK Defence Concepts and Doctrines Centre. Other major countries are also assumed to have produced confidential analysis of climate change impacts[53].

The US military is now required by Congress to incorporate climate change considerations into its Quadrennial Defence Review (QDR). The QDR assesses US military strategy, missions and capabilities against a range of climate scenarios including impacts well beyond the 2°C goal. The QDR process has resulted in a number of decisions on regional strategies, basing, equipment procurement, enhancing disaster response capability, and greater use of renewable energy sources by the military. In 2013 the US Commander in Asia Pacific Command stated that climate change was the greatest security challenge to the region.

Source: Boston Globe {2013] Chief of US Pacific forces calls climate biggest worry [online] Available at: http://www.bostonglobe.com/news/nation/2013/03/09/admiral-samuel-locklear-commander-pacific-forces-warns-that-climate-change-top-threat/BHdPVCLrWEMxRe9IXJZcHL/story.html?s_campaign=sm_tw

The most common tensions inside national interest debates are around the perceived threats to the competitiveness of high carbon industries due to climate mitigation action. Despite the lack of empirical evidence that this is a legitimate issue for all but a few sectors, this remains a real political issue in all countries[54]. This is a structural challenge for climate diplomacy and the regime. At the heart of international climate politics is the acknowledgement that richer countries with higher per capita greenhouse emissions should act faster than middle income and developing economies. This fairness principle is key to achieving a broad climate regime.

The reality is more complex. In most developed countries energy intensive industries have received broad exemptions from climate policies, including taxation and purchasing of emissions trading permits. Exemptions and subsidies have generally been preferred to – repeatedly proposed - border tax measures, because of fears that these would be hard to implement and could trigger broader trade retaliation. The sensitivity around such measures was demonstrated by the backlash against inclusion of foreign airlines in the EU ETS scheme[55].

Energy intensive industries are still failing in some countries because they face a range of other structural problems such as demand shifts to rapid growing emerging economies. At the same time a range of other businesses are benefitting from the low carbon economy, including energy intensives such as steel, cement and copper which supply raw materials for wind turbines and efficient infrastructure. Box 6 outlines the tensions between these different forces inside Germany, and how the disproportionate power of energy intensive industries inhibits the ability of German climate diplomacy to drive ambition, particularly at the EU level.

Addressing these tensions requires a clear and analytically robust assessment of short, medium and long term national interests, as well as the ability to make difficult trade-offs with seemingly competing objectives in the trade and commercial areas. Creative national solutions

53 For an introduction to the climate security debate see http://www.envirosecurity.org/cctm/StateoftheDebate2.pdf http://www.strategicstudiesinstitute.army.mil/pdffiles/pub862.pdf
54 Climate Strategies [2013] International Industry Competitiveness, Carbon Leakage, and Approaches to Carbon Pricing [online] Available at: http://www.climatestrategies.org/research/our-reports/category/61.html
55 Association of Asia Pacific Airlines [2013] AAPA CALLS FOR RETHINK ON EU EMISSIONS TRADING SCHEME [online] Available at: http://www.aapairlines.org/resource_centre/AAPA_PR_Issue14_RethinkingEUETS_02Aug11.pdf

can be found for any legitimate concerns over competitiveness, but climate diplomacy must also be prepared to argue robustly against the unfounded claims of special interest groups and work to amplify the voice of low carbon businesses in these debates.

Box 6: Managing Divergent National Interests – the case of Germany

In Germany two types of energy economies co-exist. One, the low carbon economy, contributes significantly to Germany's economic growth, industrial strategy and employment. For 2010, gross employment in the renewables industry was recently estimated at around 367,400[56]. The other economy, however, keeps Germany highly reliant on coal.

Because German companies argue that industrial competitiveness requires low cost energy, German industry is exempted from many energy taxes including those covering the financing costs of renewable energy and energy efficiency programmes. German domestic and commercial energy consumers cover all of these costs. Until these two economies are made consistent, Germany will continue to operate with visions of future growth that pull the country in incompatible directions.

Within the German political system, the energy-intensive industries (chemicals, steel, paper, glass) are politically influential due to their links with the trade unions and their contributions to employment and tax revenues in politically influential provinces or *Landers* (in particular North-Rheine-Westphalia, Baden-Württemberg, Bavaria and Saxony). Unsurprisingly they are also influential in setting Germany's foreign affairs priorities.

Despite the political momentum inside Germany behind the Energiewende and the move to 100% renewable energy, energy intensive industry is still deeply embedded inside the political and industrial elite. These commercial interests try to bias foreign policy towards the high carbon energy intensive industries. This is illustrated by the exemptions Germany negotiated for its energy intensive industries as part of the EU 2020 package in 2008, the leading role that German companies such as BASF play in trying to weaken EU climate policy, and Merkel's interventions in the European decision on fuel efficiency on behalf of German car manufacturers. These incumbent industries are more vocal and influential than new low carbon interests even though the latter includes large high-tech companies (Siemens, Bosch, Miele, SAP etc).

Despite its perceived geo-economic power, in the absence of a strong geopolitical strategy and diplomacy, commercial interests de facto dominate German engagement with other countries through both formal and non-governmental channels. Germany has been a champion of the low carbon economy domestically and internationally, and yet it has struggled to reconcile the interests that pull in incompatible directions. This places limits on how far its international positioning and influence can develop without tackling these structural barriers to effective climate diplomacy.

Sources:
Financial Times [2013] *Merkel lobbies to shield automakers from emissions rules* [online] Available at: http://www.ft.com/cms/s/0/90476704-de81-11e2-b990-00144feab7de.html#ixzz2XPZd5ATzGreenpeace [2011] *How carbon intensive industry is preventing effective climate legilsation* [online] Available at: http://www.greenpeace.org/international/Global/international/publications/climate/2011/391%20-%20WhosHoldingUsBack.pdf

[56] Federal Ministry for the Environment, Nature Conservation and Nuclear Safety [2012] Gross employment from renewable energy in Germany in 2011 [online] Available at: http://www.erneuerbare-energien.de/fileadmin/ee-import/files/english/pdf/application/pdf/ee_bruttobeschaeftigung_en_bf.pdf

3.3.3 Embedding climate change into political decision-making

Box 7: China – Evolution of Governmental Coordination Machinery

China's climate and energy policymaking structures have evolved from relatively powerless entities into more substantial political convening and decision-making bodies at many levels of government.

Major institutional reforms have taken place. Coordination of Chinese climate policy began in 1990 with the creation of the National Climate Change Coordinating Leading Small Group (NCCCLSG), which was originally stationed in and chaired by the State Meteorological Administration (SMA), whose primary engagement was with the IPCC. However, as an agency, it was increasingly sidelined by the more powerful National Development and Reform Commission (NDRC) and MFA in the climate policy making process.

In 1998, the NCCCLSG moved to the NDRC, signalling a significant change in policy. The NDRC is the most powerful comprehensive commission (the highest ranking administrative unit in China) under the State Council, with overall responsibility for studying, developing and setting policies related to economic and social development, including the Five-Year Plans. It is also responsible for the coordination and regulation of energy prices and other areas related to the promotion of sustainable development.

After China's approval of the Kyoto Protocol in 2002, the NCCCLSG became known as the National Coordination Committee on Climate Change (NCCCC). Established under the auspices of the State Council in 2003, it continued to be stationed in and chaired by the NDRC.

At COP-13 in Bali, Indonesia, the governance of climate change in China received a significant boost as the NCCCC was replaced by the National Leading Committee on Climate Change (NLCCC). Headed by Premier Wen Jiabao, the role of the NLCCC, which coordinates twenty-seven different government agencies, is much like that of its predecessors: to make major decisions and to coordinate national actions on climate change. Yet it has considerably strengthened capacity and decision-making power compared to previous incarnations.

After the creation of the NLCCC signalled the importance of climate issues to the central government, and as pressure was placed on local governments, significant institution developments followed that increased the central government's capacity for implementing measures that can reduce emissions across China. China is currently considering a national climate law which would further strengthen the whole of government approach to climate change action.

Source: London School of Economies [2011] *The Governance of Climate Change in China* [online] Available at: http://www2.lse.ac.uk/globalGovernance/publications/workingPapers/climateChangeInChina.pdf

Greater ambition on climate change will require policy coordination inside environment ministries, but also much deeper discussions on politics, policy and implementation with other ministries (e.g. planning, energy, industry). Ideally the debate of how ambitious a country will be on climate issues would take place inside the highest level political decision making body e.g. Cabinet structures, and might sometimes be driven at the head-of-state level. But in many

countries, climate change only gets attention at this level in the run up to the COP, if at all. During the year, climate policy is treated mostly as a technical issue inside the ministry of environment. In order for climate change to become mainstreamed into national economic and political debates, many other institutions will have to be engaged on an ongoing basis through inter-ministerial coordination.

This is starting to change. There are emerging examples of institutional coordination on climate change available. Countries are starting to take climate issues outside the MoE in the form of special whole-of-government or inter-ministerial climate committees. These structures play an important role, but no single configuration can work in every context. A growing number of government departments are being asked to be engaged in the coordination of climate policy. In most cases, the MFA or MOE lead on policy coordination. In some examples, Climate Envoys are the conveners of various government departments, for example in France, where the Climate Envoy convenes joint departmental structures to shape the French climate diplomacy strategy. The question is whether these efforts go far enough in addressing the political economy barriers that hinder ambitious climate action. These coordination structures are often unable to deal with decisions on political trade-offs across government.

The Chinese example, outlined below in Box 7, illustrates one such process for embedding climate change into political decision-making. In China, the growing recognition that energy was central to China's prosperity and growth model led to climate change being considered at the highest political level. Establishing a high-level structure to tackle climate change as an economic matter is critical to identify the fundamental trade-offs underpinning a national agenda that makes climate change a core national interest.

3.4 "Know the other": Assessing other countries' climate interests

The heart of good diplomatic practice is listening. Lasting international agreement can only be found if it is based on dialogue and trust; this requires understanding and empathy with others' points of view - although it does not require agreement with those views. This is much harder than it sounds in any policy field, let alone an area as complex and contentious as climate change.

Policy makers often find it easier to construct convenient fictions about other countries' interests and intentions which legitimise their own positions. Country-based diplomats who try and modify these views by explaining a different perspective are often branded as having "gone over to the other side". Many professional diplomats consider that these misunderstandings have been increased by the rise in direct diplomacy (through meetings, visits or direct phone conversations) between national political leaders and their officials, by-passing the traditional role of embassies and professional diplomats. The fact that the Copenhagen Summit ended in direct negotiations between Heads of State and Government is seen by many to exemplify the diplomatic weaknesses of that process, and to be one of the reasons for its insufficient outcome to secure a below 2°C emissions trajectory.

On the other hand, many political leaders prefer to engage face-to-face with other politicians as they feel it allows them to better understand underlying motivations, and get a feel for the personalities behind decisions. Many national policy makers feel that the professional negotiators and diplomats involved in the climate process have become entrenched in their positions, and only the direct intervention of politicians is capable breaking the stalemate and delivering an ambitious outcome.

There is some truth in both sides, but in a more interconnected world it is likely that while "direct diplomacy" between senior leaders and domestic officials will continue to rise it will not totally replace the role of professional diplomats. However, this makes it even more important that national policy makers have a better understanding of other countries' interests and constraints.

This requires a more rigorous and explicit process of analysing other countries and actors. At the heart of this is the need to lift the "country veil" and stop talking about countries as unitary actors with one voice and understanding of their national interest (as they appear – at least on the surface – in formal negotiations). Country positions emerge from complex interactions and negotiations between different actors and groups. Unsurprisingly, this means that most countries have major inconsistencies in their national positions on climate change. For example, the EU has outlawed domestic coal subsidies, but its development bank (the EBRD) is providing concessional loans to build coal power plants in EU candidate countries[57].

Only detailed analysis can show whether these inconsistencies are a result of intent, or caused by systemic failures inside the political decision making process. Such analysis requires detailed knowledge of country circumstances and debates, and cannot be picked up from mainstream media reports or by drawing on generalist "country experts" in national foreign policy institutes. A continual irony of diplomacy at the UNFCCC is that all countries are highly articulate about the "special circumstances" that restrain their ability to act ambitiously on climate change, but are generally highly dismissive about the constraints on others. This lack of empathy underlies much of the tension in climate change debates.

There are several steps to building a better basis for understanding:

> Better systems for understanding the national interest

> Pooling and testing intelligence analysis with other countries and actors

> Building mutual understanding through joint analytical projects

[57] Central Eastern European (CEE) Bankwatch (2013) *The EBRD plans more climate damaging loans in new energy policy draft* [online] Available at: http://bankwatch.org/news-media/for-journalists/press-releases/ebrd-plans-more-climate-damaging-loans-new-energy-policy-d

3.4.1. Better systems for understanding the national interest

Understanding national interest is critical to exerting strategic influence on a country to increase ambition. This requires a framework for mapping and analysing other countries – a "tool-kit" -- in order to understand their positions, the influence of domestic decision-makers and how supportive they are of ambitious climate policy. Constructing a systematic framework for decoding each country's "intent to decarbonise", which goes beyond haphazard intelligence and news headlines, is critical to interpreting a country's national interest.

Developing comparable and systematic frameworks for assessing intelligence is essential for effective diplomacy. Accurate intelligence on interests, motives, perceptions and internal political dynamics will inform an effective political strategy and strengthen international cooperation by identifying key allies. The reaction of many policy-makers to political intelligence analysis challenges is to collect more information, even though analysts in many cases already have more information than they can digest. It is the analysis framework which is most critical.

Intelligence analysis deals with highly ambiguous situations, thus judgements are necessary to complete the picture. Having a robust political analysis framework through which to make those judgements is important to avoid misinterpretation. Failures of analysis, not failures of collection, are the main cause of major intelligence failures.

Despite its centrality to their "core business" most MFAs still rely on internal narrative political reporting, and have very few systems for checking, challenging or consistently synthesising data. MFA knowledge management systems are often much less well developed than those used in other areas of governmental intelligence analysis, often due to a lack of human and IT resources. However, the potential failures in groupthink and intelligence are present in even the most well-resourced intelligence systems[58]. Over the past two decades there have been major efforts to improve systematic country analysis on a range of non-traditional security areas, particularly conflict and genocide prevention (see Box 8). Though there are still concerns about the gap between "early warning and early action" in these areas the quality of understanding and available expertise has improved in both government and non-governmental systems.

Box 8: Evolution of Intelligence Systems on Crisis and Conflict Prevention

The failure of the international community to predict and prevent the Balkan Wars and Rwandan Genocide in 1994 resulted in a wave of investments by governments and non-governmental organisations to build better tools to assess the risks of instability and genocide.

New systems have been put in place to supplement the traditional approach of depending on narrative reports from national embassies to report signs of rising tensions in countries. The aim has been to provide regular comparable and consistent estimates of risk across all

[58] Butler Report [2004] Review of Intelligence on Weapons of Mass Destruction [online] Available at: http://www.archive2.official-documents.co.uk/document/deps/hc/hc898/898.pdf

countries with significant risks. This impetus resulted in dedicated cross-governmental analytical units and collection systems being established to analyse and monitor risks of instability and conflict in the African Union, Economic Community of West African States (ECOWAS), the Central Intelligence Agency (CIA), UK Cabinet Office and the European Commission.

A range of regular comprehensive analyses are undertaken by non-governmental organisations such as the "Failed States Index" and the "World Peace Index" and by a large number of private sector organisations providing risk assessment services (for example, Control Risks). There has been significant innovation in the use of automated monitoring systems, real-time media analysis and on-the–ground monitoring systems of tensions.

Governments are also making greater use of security-cleared external experts to challenge and test internal government analysis on instability risks in many countries, thus improving the quality and robustness of assessments.

Source:
Fund for Peace [2013] *Failed States Index* [online] Available at: http://ffp.statesindex.org/
Vision of Humanity [2013] Global Peace Index [online] Available at: http://www.visionofhumanity.org/#/page/indexes/global-peace-index
Control Risks [2013] Risk Maps [online] Available at: http://www.controlrisks.com/RiskMap/Pages/RiskMap.aspx

In many countries low carbon actions are carried out in isolation from the political discussion on growth and development and therefore are failing to translate into negotiating positions that call for more ambition. When analysing national political economy aspects of climate change, understanding trade-offs and synergies between the following areas is critical:

- Assessing domestic vulnerability to climate change and identifying the impacts climate change can have on national prosperity as well as grasping the level of preparedness and maturity of the risk management debate. This should include the global impacts of climate change on the national interest[59].
- The contribution of the low carbon industry and manufacturing to growth, government revenues and employment.
- The nature of the innovation and technology capability, which sectors lead and how significant they are to securing competitive advantage – understanding a country's industrial strategy and how capable it is to grasp opportunities in the low carbon economy.
- Understanding the breadth and depth of public awareness of climate change and climate impacts
- The contribution of the high carbon economy to the economy – analysing the government revenues, fossil fuel exports, employment and growth from high carbon investments.

[59] For example, 2011 UK Foresight Report on the *International Dimensions of Climate Change* http://www.bis.gov.uk/foresight/our-work/projects/published-projects/international-dimensions-of-climate-change and 2013 PWC Report *on International threats and opportunities of climate change on the UK*.[insert web link]

> The significance of energy security to the economy, and its alignment to a low or high carbon agenda.

Understanding the real-economy is vital in order to identify fundamental tensions among sectors and objectives. Defining an objective vision of the national interest can help identify the real-economy opportunities and interventions that are good for growth and compatible with increasing the ambition of their climate actions. However, this objective analysis of country interests needs to be understood in the context of the political forces that shape national decision making.

Clearly, some key constituencies and sectors outweigh and dominate others in the political system. Often, high carbon vested interests dominate access to decision-makers given their power, capacity and incumbency within the political system. These actors shape how the national interest is interpreted through self-serving arguments that, often regardless of the reality on the ground, sustain myths (such as that climate action is too expensive or can be delayed) and construct narratives of national interest that seek to lock in business as usual growth. Identifying these influential economic players, and analysing the degree of their influence and agency in derailing or deprioritising the climate agenda inside the national political system is a core element of any strategy to map the political economy of climate change at the national level.

Ideally, the political mapping will identify the role of the following actors and also their relative power:

> Governments – Executive, Legislative, Local government and Civil service

> Business – High carbon incumbents, low carbon alliances and 'climate takers' (sectors who will be most impacted by climate change – agriculture, construction, insurance)

> Public opinion shapers – Media (traditional and new media), Civil society (Academics, Charities etc), Trade Unions and the public discourse (Polls, Op-Eds etc)

> Foreign affairs representatives – who might develop their own subjective versions of the national interest in international fora. It is important to track the extent to which negotiator and MFA version of the national interest is consistent with that held by domestic constituencies.

Political system mapping clarifies understanding of whether the position that is taken in the negotiations reflects the sustained interests of the country, as well as the maturity and flexibility of these debates, which indicates potential flexibility in positions and high impact areas for engagement.

3.4.2 Pooling Intelligence and Capacity

Many countries pool intelligence from a variety of sources. For example, many of the country groupings within the UNFCCC negotiations pool and share intelligence at a technical level on policy and political developments. This is essential practice for countries which have limited capacity. The Alliance of Small Island States (AOSIS), Least Developed Countries (LDCs), The Like-Minded Group of Developing Countries (LMDC) , the Cartagena Dialogue and the EU (see Box 10) all pool their insights and information at different levels of granularity in order to help shape their tactics inside the negotiations. Collaboration is even broader inside non-governmental actors with organisations such as Climate Action Network (CAN) co-ordinating high-trust intelligence sharing networks at global and regional level between hundreds of organisations.

Though these networks are often successful in sharing data and up-to-date intelligence, a lack of a common framework for political analysis weakens their impact on diplomatic efforts. The effectiveness of these networks also depends on significant trust between the different actors which usually requires regular – and costly -face-to-face meetings.

Some groupings such as AOSIS and the EU have managed to go to the next stage and pool capacity for negotiation, analysis and diplomatic engagement. Given the growing complexity and breadth of the climate regime, the ability to better achieve capacity pooling will be critical for smaller countries to actively engage in shaping and driving its evolution and achieving their national interest objectives.

Deepening collaboration will be critical to ensuring that the climate regime is both effective and legitimate. A lack of capacity in climate diplomacy across most countries often leads countries to resist significant changes and block parallel processes (for example, moving issues outside the UNFCCC). While understandable, this risks countries with more capacity becoming frustrated and aiming to solve problems in other fora with restricted attendance (e.g. the MEF) where smaller countries have no voice. Counter-intuitively from the point of view of traditional diplomacy, it is in the interest of larger countries to support effective capacity building in groups of smaller and poorer countries e.g. the role CDKN plays in the climate negotiations, even if their interests are not completely aligned, to ensure the continued effectiveness and legitimacy of the climate regime as a whole.

Box 10: The EU Green Diplomacy Network

The Green Diplomacy Network (GDN) is a flexible and innovative tool that works towards a better integration of the EU environment policies into external relations practices.

The GDN was formally established in 2002, after several years of informal meetings, in recognition that external aspects of European environmental policy are increasingly prominent in international affairs. The network brings together representatives of Ministries of Environment and Foreign Affairs from all EU countries to discuss environmental diplomacy priorities and joint action several times a year.

The Network has an important role in increasing the coherence, consistency and effectiveness of European actions in the field of environment. The network uses the EU Member State and Commission's extensive diplomatic networks to provide an effective means of gathering and exchanging information, in addition to supporting the development of local informal green diplomacy networks in third countries between EU Embassies and Commission Delegations.

Source: European External Action Service [2013] EU Green Diplomacy Network [online] Available at: http://eeas.europa.eu/environment/gdn/docs/gdn_more_en.pdf

3.4.3 Joint Analysis

Collaboration and mutual understanding has also been strengthened by countries and non-governmental actors undertaking joint analysis of complex and difficult problems. Box 11 outlines a joint study commissioned by the BASIC group on different approaches to looking at equity.

Joint studies can provide good ways to develop a shared understanding around a range of issues, and there is a strong track record of international collaboration on more technical areas such as regional climate impacts[60]. Perhaps more interestingly from a climate diplomacy point of view are attempts to illuminate more contentious and contested issues, such as equity, between countries which are not natural allies in the climate negotiations. By undertaking this type of joint analysis these processes can build far deeper understanding of the other's views, sharpen the definition of zones of agreement and disagreement and discover potential areas for creative solutions. In this context it would be interesting to see joint analysis commissioned by the US and China in perennial areas of tension such as monitoring and verification and trade measures. Enhancing the collaboration between developed and developing countries could provide some innovative options and breakthroughs in shaping national interest debates.

[60]WMO [2013]
Building on International and Regional Cooperation in Meteorology for Disaster Risk Reduction (DRR) [online] Available at: http://www.wmo.int/pages/prog/drr/events/GPDRR-IV/Documents/FactSheets/IntRegCoop_drr.pdf

Box 11: Basic Think Tanks Equity Study

Equity is a critical principal underlying the climate regime given the disparity between the countries and communities which have emitted the most greenhouse gases and those who will face the most damage. Though the principle of equity is acknowledged there are understandably very different perspectives between parties on how it should be operationalised to shape the negotiations, and how the different elements such as historical emissions, vulnerability, level of development and capacity to respond should be factored together.

In 2012 the BASIC group commissioned leading think tanks from each of their countries to undertake analysis on equity based on a common-data set. The resulting paper provided a strong basis for comparing different approaches to equity, their basis in different principles and factors, and the impact they would have on shaping the responsibilities of countries.

This joint analysis provides a shared analytical basis for internal BASIC discussions and positions on equity, as well as increased understanding in other countries on how this issue was being framed within this important group of countries.

Source: BASIC experts [2011] Equitable access to sustainable development: Contribution to the body of scientific knowledge. BASIC expert group: Beijing, Brasilia, Cape Town and Mumbia [online] Available at: http://erc.uct.ac.za/Basic_Experts_Paper.pdf

3.5 Understanding leverage: How to win the politics?

Understanding of the national interest and the external political landscape are the twin pillars supporting an effective diplomatic influencing strategy. Building an influencing strategy also rests on a clear and dispassionate understanding of the limitations of influence as well as potential influencing assets. Given the relative balance of power between nations on climate change, even the largest country cannot force others to undertake the profound actions needed to control climate risk. Even in this scenario, some analysis suggests that it would still make sense for others to continue to agree a climate regime as this would lower climate risk and put pressure on any non-cooperative nations to engage by shifting demand in global markets towards low carbon goods, services and investments and raising the spectre of border tax adjustments[61].

However, countries – and non-state actors – can have agency in influencing the likelihood of an agreement that aligns with their interests if they can leverage their influence through alliances, ideas and processes.

An influencing strategy is based on having a well-defined outcome and understanding what - and who – will need to change in order for this outcome to be delivered. Translating this into an influencing strategy is a more creative step, and requires an understanding of the core basis of influence and how they can be levered to impact specific areas of cooperation.

[61] In over two decades of formal analysis of the game theory of climate change several different versions of the "core" agreement have been proposed; for a recent review see, Kutasi, G. [2012] '*Climate change in game theory context*', *Interdisciplinary Environmental Review*, Vol. 13, No. 1 [online] Available at: 10.1504/IER.2012.046099

Classical analysis of sources of influence covers a range of different attributes including: resources, coercion, ideas, legitimacy (including ethical legitimacy), organisation and alliances. Each actor will have a different set of influence assets available to apply to climate change.

For example, AOSIS and LDCs have effectively leveraged their ethical position as being disproportionately (and in some cases existentially) threatened by climate change whilst having little contribution to emissions. Ethical leverage is strongest in shaping the public debate and in a "one country, one vote" forum such as the UNFCCC and UNGA. Attempts by high emitting countries to move discussion of the climate deal into more power based venues such as the G20 or MEF are resisted by vulnerable countries as they have no representation or voice there – and emphasise the asymmetry articulated earlier.

While the detailed shape of influencing strategies is actor and time specific there are three areas where better climate diplomacy practice will be critical in the coming years:

i. **Re-shaping the International Debate**: The build-up to 2015, including the 2014 UNSG's Summit, will revitalise attention on climate change, providing the opportunity to reframe debate around the new political, scientific and economic realities.

ii. **Building New Strategic Political Alliances**: the number of different groupings and venues in the formal and para-negotiations has proliferated. Effective influencing requires a focus on those with maximum impact and a cultivating of "unusual allies" to leverage stronger influence.

iii. **Strategic confidence building and the architecture of agreement**: stronger political impetus and action at the national level will only underpin ambitious agreement if it accompanied by strategic confidence building between core countries and groupings through the near negotiations processes and bi-lateral climate diplomacy.

Perfecting core diplomatic practice

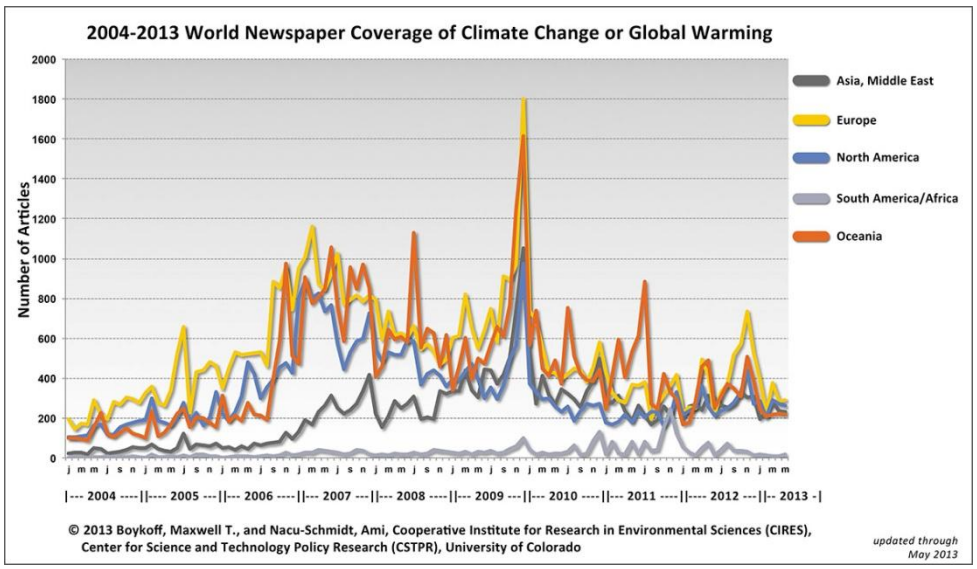
Underpinning the recommendations and analysis below lays core diplomatic operations carried out on a daily basis by many working inside and outside of government. Many involved in climate diplomacy will have been exposed to specific training likely on a particular issue (e.g. climate impacts) or focused on enhancing capacities and skills (e.g. speech writing, media training). It is also common practice in MFA's to second and recruit staff from outside the foreign service e.g. Madeleine Albright moved from a Georgetown University Professor to US Representative to the United Nations and then on State Secretary. In addition, there are a variety of core diplomatic functions which buttress more specialist diplomacy such as developing effective core scripts, intelligence sharing amongst attaches, knowledge of international law and governance practice, undertaking real-time political analysis and drafting

into digestible briefings and supporting Ministers in international contexts. This paper assumes that these core skills are well understood and therefore focuses on areas of more innovative practice.

3.5.1 Re-shaping the International Debate

Figure 4 shoes that globally the debate on climate change is at its lowest point since before the Stern Review and Inconvenient Truth were released in 2006. The majority of the political elite and public groups have not engaged with the issue since Copenhagen in 2009. However, attention to climate change is starting to rise internationally - albeit from a low base - giving an opportunity to reshape the public and elite debate around the new realities in advance of the Paris Conference in 2015.

Figure 4: Global Newspaper Coverage of Climate Change 2004-2013



The power of new analysis with effective communications outreach

An example of the power of ideas and analysis is the Stern Report (Box 11) in 2006. This was a game changer as it made a compelling and authoritative economic case for climate action which resonated with business leaders and economic ministries. This helped provide the basis for an informed domestic debate inside many countries by highlighting and documenting that the costs of climate inaction were higher than the costs of action. Before the publication of this report, the public discourse had been biased toward an almost exclusive focus on the costs of climate action which in turn justified 'business as usual' economic growth. The Stern Report also proved successful in blunting the counter-case for action promoted by groups such as the Copenhagen Consensus.

Box 11: Stern Report: How Analysis can Shift Climate Diplomacy

Nicholas Stern, a senior UK government economist, was commissioned by Gordon Brown (UK Chancellor of the Exchequer) to produce a major review of the economics of climate change, and how the challenges could be met both domestically and globally.

Assessing the costs and benefits of addressing climate change, and identifying the 'optimal' level of climate risk requires judgements to be made on how to value impacts over time and space, and how to handle risk and uncertainty. This has proved controversial as often different sides base their analysis on assumptions that support their existing positions.

The Stern Review importantly illustrated that the benefits of strong and early action on climate change would outweigh the costs of inaction.

The critical importance of the Stern Report was that it obtained both wide visibility and authority for a position that the benefits of strong and early action on climate change would greatly outweigh the costs of action. The Stern Review makes the philosophical argument that all generations, current and future, should be treated equally and employs a much lower discount rate to value future costs and benefits than the rates used in traditional economic models.

Despite criticism over the methodology, the economic logic of the Stern Report was accepted by professional economists in most countries. Globally the report did become the basis from which countries and business looked to quantify the costs and benefits of climate action, and changed the framing of the debate by undermining the assumptions that had been used to justified climate inaction.

While elements of the analysis can be contested, the Stern Review is an example of how transparent and grounded economic analysis can be used to shift the debate and shape climate diplomacy

A diplomatic effort to communicate and rally political support behind the report played a critical role between 2006 and 2007 to disseminate this message in Europe and the global audience. This is an example of how climate diplomacy can be strengthened by grounding it on sound analytics and economics that put climate change in a broader perspective.

In addition to engaging with economists, climate diplomacy also interfaces with the scientific community. Engaging with the scientific community to better understand the latest analysis and identify the most compelling framing and narratives is currently taking place to maximise the opportunities presented by the new synthesis. Understanding the constraints from the scientific community and developing effective communications strategies which deploy a wide range of actors will be essential to demonstrate the material impacts of climate change upon their everyday lives. Constructing and managing these relationships are essential to building ambition and demonstrating the significant of climate risk to the national interest.

Identifying the political space through scenario futures exercises

Often technocratic debates forget that without a compelling "why" (consequences and benefits of actions) and an explicit "what" (choices) it is difficult to formulate compelling "hows" (strategies). Instead, technocratic analysis creates an illusion of linear change, certainty, continuity and control. But societal change is a messy, uncertain, complex and uncomfortable process. The climate change debate has often been framed around the results of climate and economic/energy modelling which elevates the notion of certainty and linear change. The numerical outputs of these studies bear little relationship to the core interests of countries and publics and thus often fail to make an impact in broader debates. For example, though the 'below 2°C' goal is iconic inside the international climate change community, however, few people outside this limited group have any idea what a 2°C or 4°C world actually implies for their national security and prosperity. Likewise framing the challenge of moving to a low carbon economy in terms of percentages of GDP lost over 40 years and scale of investment bears little relationship to the actual opportunities and challenges in the real economy associated with this transition.

In the gap between modelling outputs and public debates interest groups aiming to prevent ambitious action have constructed more resonant narratives around competitiveness, costs, feasibility and unfairness of the low carbon transition. What opponents of ambitious climate action have not done is to construct consistent scenarios which explain how an increasingly high carbon future with high/uncertain climate damages could exist alongside their business models[62].

Investment in good future scenarios work will be critical to reframe debates in a more productive manner, and usually generates very positive reactions from senior decision makers, but often has little impact on policy. The main reason for this lies in their lack of understanding of how different futures might impact their policy objectives in the short term and how to develop robust, effective response strategies. However, building credible scenarios can help them elucidate the hard choices and political trade-offs. Work in this area varies depending which sectors/professions are engaged as Box 12 shows a rich tradition exists to inform this future work. Recent work by the World Bank[63] in examining future development scenarios in a 4°C world shows the potential impact of scenario type analysis in providing a stronger basis for action among decision makers and the public.

[62] Shell [2013] *Shell Scenarios* {online] Available at: http://www.shell.com/global/future-energy/scenarios.html
[63] World Bank [2013] *Turn down the heat* [online] Available at: http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centrigrade_warmer_world_must_be_avoided.pdf

Box 12: Shaping Perceptions using Future Scenarios

Different sectors and professions take different approaches to developing future scenarios
Security: strong futures systems in military but very weak understanding of conflict and peace drivers. Military have strong culture of valuing and building risk management skills and examining "worst case scenarios" because of the time lags involved in developing responses to new threats.

Foreign policy: generally weak futures culture with bias towards process driven reactive strategies which weakens ability to develop preventative approaches in areas such as conflict, extremism and resource tensions[64].

Energy/Resources: strong tradition on forecasting and formal futures methods which shape long term investment in technology and resource exploration. Tendency to focus on consensus forecasts rather than scenarios which prove wrong due to technical disruption (e.g. shale gas and renewables) or alignment with incumbent interests (e.g. over estimation of electricity demand growth).

Environment: strong quantitative futures knowledge but seldom combines this with human and market systems.

Economy: very weak futures culture and static modelling approaches that ignore disruptive shifts and transitions and assume that current trends will continue into the future.

For climate diplomacy to work, governments will need to better understand the real constraints that decision makers' face– rather than blame inaction of lack of "political will". Climate diplomacy should engage more with other actors that utilise futures (such as the security community) to understand how to incorporate them into their analysis.

3.5.2 Building New Strategic Political Alliances

In many developing countries where capacity is particularly challenging, building strategic and tactical alliances is the most feasible option to construct more influence within climate diplomacy. Groupings such as the LDCs and AOSIS often work together to empower each others' political influence. Box 13 demonstrates the significance of building strategic alliances in order to achieve political objectives.

[64] UK Government [2005] *Investing in Prevention* [online] Available at: http://webarchive.nationalarchives.gov.uk/+/http:/www.cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/investing.pdf

Box 13 – The role of Climate Envoys in empowering alliances

Gambia's chairmanship of the LDC Group (established under the UNFCCC in 2001), during 2011 and 2012 gave a new level of prominence to the bloc in a critical milestone of the UNFCCC negotiations.

Support from CDKN and IIED was critical to the LDC Groups success during Gambia's chairmanship. During COP 17, the LDC group, chaired by Pa Ousman Jarju led the LDC Group to partner with AOSIS and the EU. The LDC Group was one of the first groups to call for a legally binding agreement applicable to all Parties in Durban, their rationale being that if the most vulnerable and least responsible commit to more ambition, no nation should be exempt from commitment. This willingness to show 'skin in the game' secured the LDC group with significant credibility amongst the media, public and many of their peers. Together, the coalition with AOSIS and the EU was critical to securing a COP decision to launch the Durban Platform on Enhanced Action, a process leading towards a new multilateral rule based system in 2015.

Among many other activities, Gambia introduced key elements for effective strategizing to the LDC Group. These elements include: the establishment of the LDC Core Team; the creation of an LDC paper series; the launch of the LDC Group website; conducting media briefings; and hosting LDC strategy meetings. These strategic elements have contributed immensely to raising the Group's prominence.

As the LDC Group Chair, Pa Ousman Jarju also published an open letter to President Obama in the Guardian newspaper, co-authored a briefing paper on the COP 18 negotiations and took part in an hour-long press event for an audience of 70 journalists around the world. During his chairmanship, the media storm surrounding the LDCs grew to include articles in at least 17 non-LDC countries.

Soon after his chairmanship of the LDC group expired, Pa Ousman Jarju was appointed as Special Climate Envoy to the Gambia. In his new role, he plans to travel to selected cities such as London, New York, New Delhi, Beijing and Rio de Janeiro to meet the high level government officials as well as civil society organizations and academia. As well as meeting with Ambassadors from the LDCs in order to raise awareness of importance of such climate envoy role for other LDCs.

As Special Climate Envoy, his role will be to integrate state-of-the-art scientific and policy knowledge with diplomatic and political situations, and build alliance and consensus for more ambitious and urgent climate action both within and outside the LDC Group.

Source: CDKN input

Streamline priority fora

Climate change is treated in a wide variety of disconnected fora and that has reduced prioritisation and diluted responsibility and accountability for delivering outcomes. The limited political influence (i.e. many vulnerable countries are not considered 'core' countries as they do not contribute significantly to emissions but bear the majority of the impacts) and the limited human resources in vulnerable countries further constrains climate diplomacy, this is compounded by a focus on implementation and demanding expertise in a number of fields.

Effective climate diplomacy will need to win the case for prioritisation and streamlining fora in order to shape an efficient climate regime. In addition pooling intelligence and knowledge (see Chapter 2, 3.4.2) is critical for those with limited capacity to engage in other fora. However, designing an effective and sophisticated structure that increases the coherence between issues is an urgent priority in order to increase political leverage of countries in these discussions.

For example, addressing climate change inside the G20 does not increase leverage given the economic focus of the grouping. This does not mean climate should not be addressed in the G20 i.e. discussions on resource scarcity, phase-out of inefficient fossil fuels or future financial liabilities due to climate action. What should be resisted are the calls for this process to hold specific and official work streams dedicated to climate change. Another example is the Major Economies Forum (MEF) which could carry out *complementary* work to the UNFCCC in the run up to the COP – without falling in the trap of thinking this would eliminate the need for a binding climate agreement. Collective agreements to prioritise climate in a few international fora are critical to maximising the limited resource capacity available. The question is how to ensure a more cohesive climate regime that prioritises and streamlines the trade-offs required to deliver more ambition.

New alliances for new alignments

Climate diplomacy to date has tended to focus on policy and technical debates which conceal the political and economic realities that require changing to deliver more ambition on the ground. For example, the issue of Measure, Reporting and Verification (MRV) (as mentioned in the chapter 1 - 2.4 relating to transparency and accountability) which operates as an increasingly technical negotiation under the UNFCCC, but underlying this negotiation resides a substantial political choice regarding national sovereignty. While it is important to sustain a high level of scientific and technical rigor in the UNFCCC process, more diplomacy will need to be applied to deliver better political strategies for change. But diplomacy is also creative in leveraging capacity through alliances between and beyond governments. For example, Box 14 illustrates the progression of informal alliances created to achieve strategic ends.

Climate change features a large and growing set of formal and informal alliances. Countries participate in multiple groupings based on geography, development level, vulnerability, sectoral interests and political alignment. Some of the most mature diplomatic alliances (e.g. AOSIS and the EU) have developed highly pooled diplomatic capacity which has empowered these groups to deliver impact and influence well beyond individual country capabilities. Box 15 shows how unusual alliances have formed to move forward critical decisions in the climate negotiations.

As the climate regime moves further into shaping implementation and investment these unusual alliances will expand. The core group shaping the 3GF forum on green growth is Denmark, China, South Korea, Mexico, Kenya and Qatar. The new “Renewables Club” launch in 2013 by Germany has ten members including the UK, China, India, Morocco, South Africa, Tonga and the United Arab Emirates. Over time these new coalitions will help underpin and

Box 14 Creating unusual alliances to achieve strategic objectives

The establishment of informal alliances such as the Like-Minded Developing Countries (LDMC) and the Cartagena Dialogue for Progressive Action illustrates that the UNFCCC negotiations are disrupting the traditional alliances (those more rigidly based on the North-South divide) of those based in the United Nations Headquarters in New York.

This is primarily due to countries maturing in substantive discussions on their real national interest, creating tensions but also demonstrating a dynamic regime, evolving and responding to the real-world. These alliances are more fluid than the New York examples, and are essentially created to achieve strategic and more concrete objectives. For example, the LMDC grouping is diverse and aims to protect the traditional interpretation of the Convention in relation to equity and CBDR. The Cartagena Dialogue is a broad grouping of developed and developing countries which aims to share and test ideas and propositions in order to build a larger alliance of countries around the objective of a legally binding and ambitious agreement.

The G77 no longer speaks as a single voice on all matters, and other groupings of developing and developed countries are clustering around common issues such as the need to have a legally binding agreement with commitments for all. So these examples of new dialogues suggest that countries are moving outside their comfort zones and understand as the traditional alliances of the past. Today there are a growing number of countries that are willing to join new groupings to satisfy their climate objectives.

realign action inside the UNFCCC providing a stronger basis for mutual agreement and sustainable cooperation.

Box 15: The Durban Decisions – the power of creative collaboration

The Durban decisions to establish a new negotiating track to 2015 were based on alignment between several groups of countries in the final days of the COP17 in South Africa. The kernel of this was the collaboration of the LDCs and AOSIS groups during the COP to push for a package of a strong legal outcome of the future 2020 agreement and more ambitious action before 2020. This approach also gained the support of a group of countries from Latin America.

During the COP, the negotiators inside the EU had difficulty capturing the attention from their politicians in the capitals given the overwhelming focus on the Eurozone crisis (COP17 happened in symmetry to the European Council meetings on how to manage the impacts of the Eurozone crisis). Climate did not have priority in Europe, and without political attention, Europe would have struggled to get agreement on signing up to the second commitment period of the Kyoto Protocol which was critical to securing their objectives to agreement a 2015 legally binding deadline.

In the last few days, Europe worked publically with the grouping of developing countries that were most vocal about their support for a legally binding agreement. This joint effort had a strong impact upon how those outside of the 'climate bubble' viewed the negotiations. It became evident that a majority of the world's countries had come together to push for a legally binding agreement in 2015. Domestically, the legitimacy of vulnerable countries increased Europe's case for an international climate agreement. It raised the political stakes inside the negotiations and got sufficient political attention in European capitals which in turn helped push the deal in Durban.

Whilst this was primarily a tactical alignment as opposed to an enduring strategic alliance – it demonstrates the value of openness to new collaborations.

Effective diplomacy is not merely about government to government or ministry to ministry engagement, but also about deploying effective communications, public mobilisation and engaging the private sector. With fast growing low carbon markets, and rising climate impacts, the capacity and resources of non-governmental actors to shape climate politics domestically and international is likely to grow. The challenge for diplomacy is how to use this energy to strengthen ambition in the formal climate regime. For example, the Global Legislators Forum (GLOBE) composes of national legislation who work together to develop and agree common legislative responses to the major challenges posed by sustainable development. These parliamentarians have aligned their positions, empowered one another and this has contributed to progress towards significant climate legislation in 32 of 33 major economies[65].

[65] GLOBE [2013] *The GLOBE Climate Legislation Study* [online] Available at: http://www.globeinternational.org/index.php/legislation/studies/climate

3.5.3 Strategic confidence building and the architecture of agreement

Diplomacy should be about increasing understanding and collaboration among countries that disagree, seeking commonality and compromise, not only about building cooperation among allies. Traditional allies on other issues, such as Europe and the US, disagree strongly about the institutional basis of the climate regime, the role of equity and the importance of delivering a 2°C outcome. Emerging powers such as China and India have underlying tensions over how "atmospheric space" should be allocated given their different rates of development and population growth. Diplomacy has traditionally used strategic confidence building measures to increase trust and understanding in such difficult relationships.

Alongside these public confidence building processes it is critical to build a thick web of informal channels including better use of "Track II[66] and 1.5[67]" processes utilising think-tanks and officials in informal settings. Perhaps the biggest gap in the current regime is a strong structure to prepare discussions between Heads of State and Heads of Government (HoS/HoG) in advance of the 2014 UN Leaders Summit and the 2015 Paris negotiations themselves.

Bilateral Agreements for Strategic Confidence Building

To have impact, strategic confidence building agreements must go beyond normal "relationship building" measures such as professional exchanges and minor joint projects, to include significant investments in joint projects and sharing of information and cooperation in sensitive areas. There are often fears among foreign policy analysts in developing countries that climate change is being used as a covert attempt to limit their growth and open the door to protectionist trade practices. Exposure of internal discussions and assessments of the importance of climate change to broader foreign policy issues is one way of building confidence in the credibility of a country's motivations, positions and statements. Military-to-military cooperation and joint military exercises have often been used to build strategic confidence between countries with "hard security" tensions.

As Box 16 describes the US and EU have both built strategic relationships with China on energy and climate change in the past decade. However, despite allocating far more financial resources to this process the EU-China relationship has a far lower profile among elites and media in both regions than the US-China relationship. This is partly due to the difficulty of the EU acting a unitary foreign policy actor and partly due to broader foreign policy tensions which encourage the US and China to emphasis cooperation on "soft" issues such as energy.

[66] Track II diplomacy engages retired government and military officials, academics, activists, civil society members and individuals involved in the private sector and business to tackle specific issues that cannot be adequately addressed at the government-to-government level – see East-West Institute [2013] *FAQs* [online] Available at: http://www.ewi.info/FAQs

[67]. Track 1.5 diplomacy is a term used to explain its combined use of Track 1 and Track 2 diplomacy. It refers to the convening of government officials with the private sector, academics and civil society to devise new solutions to pressing global security issues – see East-West Institute [2013] *FAQs* [online] Available at: http://www.ewi.info/FAQs

This example again demonstrates the need to better integrate climate change into broader foreign relations in order to develop effective confidence building approaches which are coherent with broader objectives. However, caution should be applied to constructing strategic bilateral relationships which ensure they are complementary to the formal regime and do not bypass the requirements for ambition i.e. securing a global legal agreement.

Box 15: Differences in Strategic Confidence Building: US-China vs EU-China Relationships

Both the EU and US have prioritised bilateral partnerships with China on energy and climate change in the past decade, but for very different reasons and with different outcomes.
The EU has based its climate change relationship with the aim to increase Chinese mitigation ambition, and providing complementary action to the global UNFCCC negotiations. The relationship has been built around practical cooperation on the Clean Development Mechanism and bilateral cooperation. Up to 2012 EU, countries were transferring €60 million a year on bilateral cooperation and €1.5 billion in CDM payments to China every year. Europe shares several core energy interests with China as both are growing importers of oil and gas from the Middle East and Russia. Europe is the major market for China's growing low carbon sectors, including the bulk of its solar panel production.

Despite this and the range of joint initiatives launched by(the now Premier) Li Keqiang in 2012, the EU-China partnership has never sustained high level political attention. Chinese officials remain frustrated with the complexity of engaging with the intricate EU processes and the bureaucracy of the donor relationships. They have responded by increasingly focusing on bi-lateral discussions with major powers such as Germany.

In contrast, the US has a more complex relationship with China on climate change aiming for results on contentious negotiating issues such as parity of legal commitments and transparency of emissions accounting processes. The US shares few core energy interests with China, especially given its rising shale oil and gas production and declining dependence on Middle-East supplies. The US and China often use energy and climate as a "safe space" to advance cooperation when other security and economic tensions resist solution. The cooperation to date has been largely small scale and symbolic (despite recent announcements). The US allocates very few financial resources to this agreement and all initiatives are co-financed by China. Despite the lack of financial resources Chinese officials are generally pleased with their relationship with the US and especially the access it gives them to US companies and national research institutes. The political – rather than practical cooperation – nature of the US-China relationship has led to much more high profile outcomes, notably the HFC deal agreed at the Xi-Obama Summit in June 2013.

Sources:

- **US Energy dept [2013]** *US-China bilateral agreements* [online] Available at: http://energy.gov/fe/services/international-cooperation/bilateral-agreements-china; Centre for European Reform [2011] *Making choices over China* [online] Available at: http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/pb_mabey_china_nov09-713.pdf
- **US State Dept [2013]** U.S.-China Climate Change Working Group Fact Sheet [online] Available at: http://www.state.gov/r/pa/prs/ps/2013/07/211768.htm
- **White House [2013]** United States and China Agree to Work Together on Phase Down of HFCs [online] Available at: http://www.whitehouse.gov/the-press-office/2013/06/08/united-states-and-china-agree-work-together-phase-down-hfcs

Aligning climate change to influential foreign policy

As well as aligning climate at the national level to other foreign policy priorities (see Chapter 2 3.3 - Know yourself), this can also be replicated internationally. One of the key examples in aligning climate change into other international fora is the discussions inside the UNSC, as outlined in Box 16. Aligning climate alongside other debates can help build more confidence in underlying motivations for action and animate and engage new actors and messengers creating more opportunities for bolder and more ambitious alliances.

However, the Security Council debate process also showed the sensitivities in incorporating climate change in other fora. While the debates showed general agreement from China and other major developing countries on the security impacts of climate change, there was some resistance to discussing this in a membership-limited forum such as the UNSC. Other countries raised concerns that by "securitising" climate change some of the principles of equity would be lost and human security issues would be driven out by national security concerns. The fact these concerns were raised in open debate allowed Parties to clarify their intentions and hopefully dispel some of the main concerns rather than leaving them as unspoken assumptions shaping (mis-)perceptions of underlying motivations.

Box 16: Arria Formula UN Security Council Meeting – the value of engaging the security community

Climate change has been a formal topic of discussion at the United Nations Security Council (UNSC) in 2007 and 2010. Many vulnerable countries have supported this engagement in broader foreign policy debates and institutions they aim to open the political space to build political pressure ahead of the 2015 agreement.

In 2012, it was again raised as an issue for a formal debate. But China and Russia raised objections. Whilst there is general consensus that climate has security implications – there are significant disputes between countries over the legitimacy of UNSC in handling this issue. Instead, an informal (Arria Formula), closed-door discussion was led jointly by the U.K. and Pakistan on the 'Security Dimensions of Climate Change'.

The value of raising climate change as a security implication is important. Economic analysis has systematically undervalued extreme impacts of climate change including their impacts on stability and security – resulting in failure to prepare for worst case scenarios (unlike existing practice in anti-terrorism or nuclear weapons proliferation).

Climate change geo-politics will extend far outside the environmental sphere, and will link old problems in new ways. Managing the complexity of our collective climate security will become an ever more important part of foreign policy.

Security sector actors must not just prepare to respond to the security challenges of climate change; they must also be part of the solution. Security sector reform will be central to managing the consequences of the changes we are already undergoing, and have vital experience of how government can drive technological development and infrastructure deployment at a similar scale to that needed to respond to climate change.

Engaging Heads of State and Government

The importance and cross-cutting nature of climate change means that many decisions are elevated to national leaders. This is crucial to manage political trade-offs between climate change and other interests e.g. energy-intensive sectors. But engaging leaders can be high

risk, as underprepared leaders can undermine trust and dramatically hinder ambition. Adequate preparation and engagement of leaders is required to build up to critical moments.

The proposed high-level UN Secretary General's meeting in 2014 is a vital step on the path to a more ambitious climate change agreement in 2015. However, at present, there is only weak diplomatic machinery to prepare for Heads engagement and build mutual trust and understanding. Significant investment is needed to manage the risks and expectations from high level meetings and ensure ambition. The Box 17 demonstrates the efforts undertaken in the run up to Copenhagen to form a network of engagement by Advisors to the Leaders.

Box 17 The challenges of supporting Heads of Government and States' engagement

The final decisions to accept or reject the agreement forged at the Paris climate negotiations in 2015 will rest with Heads of State and Government, even if they are not present in person. The run-up to the conference will also see the now familiar escalation of bilateral phone calls between leaders as their negotiators work to hammer out a deal.

It is vital that relationships are built between key leaders and their advisors in the run-up to this political crescendo. Such preparation helps build trust and mutual confidence, and helps eliminates the type of misunderstandings which proliferated around the Copenhagen Summit.

An attempt was made to create such a network of relationships at the Gleneagles G8 Summit in 2005. Breaking previous G8 protocol the leaders of the "plus 5" countries (China, India, Brazil, Mexico and South Africa) were invited to attend in order to discuss climate change issues. The aim being to build understanding of the core challenges at leadership level, break down "North/South" barriers and get agreement on a "sherpas" group of leader's advisors who would meet over the next few years to build an outline agreement and higher levels of trust and understanding.

Despite good intentions the result was diplomatic failure. Fearing that they would be outnumbered and pressured into concessions the "plus five" met before Gleneagles to agree common lines, thus enhancing divisions and perhaps sowing the seeds to the BASIC group. The choreography of the meeting was mishandled leaving the leaders feeling excluded and no agreement was found on forming a heads-level sherpas group or process.

An informal network of Heads' advisors did form in the run up to Copenhagen, but did not have the time or breadth to make a decisive different to the outcome.

Conclusions

Without agreement to a major increase in mitigation ambition pre and post 2020 the ability to limit climate risks to below 2°C will disappear. Experience and analysis suggests that without an international agreement it will be impossible; there are no credible "bottom-up" solutions which will deliver a below 2°C future. No country can control the climate risk it faces on its own. The lack of an effective international regime to limit climate risk represents one of the greatest failures of modern diplomacy.

Stronger "top-down" and "bottom-up" action is needed, but must be seen as complementary, and not competing modes of action. This regime can only work if it rests on strong national climate change programmes which are rooted in domestic political consensus and national development processes. Global action – whether on human rights, environment, trade or gender issues – has always involved reciprocity between global, regional and national activity.

Diplomacy is not merely the external projection of a position. The application of diplomacy to climate change is critical to embedding climate change in decision-making processes to shape and reframe the core national interest. Diplomacy should align climate with other national interest priorities. Diplomacy should use all the tools at its disposal to bridge the artificial divide between the national and the international. It should turn national action into political outcomes and progress at the international level, and conversely use the international momentum to drive and stimulate ambition domestically.

The dynamic and evolving climate regime has resulted in a challenge to maintain climate change as a priority given limited specialist diplomatic capacity. Since 2009, climate diplomacy has suffered a stagnation, and in some cases reduction, of capacity in many countries. Diplomatic capacity will always be limited and countries are already making hard choices where to focus their climate diplomacy in order to deliver the most impact. But prioritisation is not the only solution to constrained resources. Investment in skills and tools which enable better use of general diplomatic resources can effectively increase capacity. Climate diplomacy is also highly creative in leveraging capacity through alliances between and beyond governments.

Delivering effective climate diplomacy requires significant institutional changes to government (and many non-government) systems. The majority of countries have not yet sufficiently embedded climate change into the decision-making machinery to be able to deliver effective climate diplomacy.

Delivering an effective climate diplomacy strategy is beyond the capacity of any one department, no matter how powerful.

As well as the imperative to increase available capacity, there is much more countries could learn from diplomatic best practices in other fields to more effectively leverage general diplomatic capacity in the area of climate change.

Though all countries are different the following areas have repeatedly been raised as priorities for improving climate diplomacy capacity in governments, and in non-governmental actors:

- *Understanding the national interest:* understanding the national drivers behind countries' international positions, the role of different constituencies in shaping positions and the balance between climate change and broader foreign policy issues in shaping negotiations.
- *Intelligence gathering:* collecting meaningful information and intelligence from a variety of sources in order to triangulate evidence and build a robust and broad political analysis.
- *Understanding the future political space:* generating a clear and comprehensive systemic understanding of the full political space available and how it may evolve into the future.
- *National coordination and political convening structures:* ensuring national actors in other areas have a clear view of the constraints and opportunities around international climate change negotiations and cooperation. Integrating climate change issues into other international policy areas at a level that allows informed political trade-offs to be made.
- *Developing diplomatic objectives and strategies:* understanding objectives rooted in robust political analysis and identifying strategic levers to shift negotiations and political conditions is critical to developing an effective strategy across a range of international fora and alliances.
- *Developing options and objectives for the evolution of the international regime:* capacity to explore and develop different solutions for building effective climate change cooperation across the full scope of the regime.

Glossary of terminology

Political Economy – relationship between the actions in the real-economy (i.e. production and consumption of goods and services) and the political system (i.e. the political parties and key constituencies and decision makers)

International Climate Regime – the broader constellation of institutions than the UNFCCC negotiations and associated implementing institutions (e.g. Green Climate Fund). The international climate regime is concerned with engagement on climate change in other international operating and implementing institutions such as the G8, Major Economies Forum and Low Emission Development Strategies (LEDS) forum

International Regime – constellation of governance institutions related to global affairs

Operating space/Political Space – this refers to the range of possibilities available within political boundaries. And identifies the opportunities for different actors to exert influence on the political system

Political Landscape – the current snapshot of the political context and situation

Climate cooperation – relates to collaboration between countries/other non-state actors in the pursuit of addressing climate change

Acronyms

AILAC - Association of Independent Latin American and Caribbean Countries
AOSIS - Alliance of Small Island States
AR5 – IPCC Fifth Assessment Review
BASIC – Brazil, South Africa, India and China
C40 - Cities Climate Leadership Group
CAN - Climate Action Network
CBDR-RC - Common But Differentiated Responsibility and Respective Capabilities
CBI – Confederation of British Industry
CDKN - Climate Development Knowledge Network
CDM - Clean Development Mechanism
CEM - Clean Energy Ministerial
CFCs - Chlorofluorocarbons
CIA - Central Intelligence Agency
COP - Conference of the Parties
CVF - Climate Vulnerables Forum
ECOWAS - Economic Community of West African States EEF - Engineering Employers Federation
EU – European Union
FAO - Food and Agricultural Organisation
3GF – Green Growth Forum
GCF - Green Climate Fund
GEF - Global Environment Facility
GGGi - Global Green Growth Institute
GLOBE – Global Legislators Forum on climate change
HFCs - Hydra-chlorofluorocarbons
HoS/HoG - Heads of State and Heads of Government
IAEA - International Atomic Energy Agency
ICAO - International Civil Aviation Organisation
IEA - International Energy Agency
IIED - International Institute of Environment and Development
IMO - International Maritime Organisation
IPCC - Intergovernmental Panel on Climate Change
IRENA – International Renewables Energy Agency
LDC - Least Developed Countries
LMDC – Like-Minded Developing Countries
MDBs - Multilateral Development Banks
MDGs - Millennium Development Goals
MEF - Major Economies Forum
MRV - Measure, Reporting and Verification
NCCCC - National Coordination Committee on Climate Change
NCCCLSG - National Climate Change Coordinating Leading Small Group
NDRC - National Development and Reform Commission
NGO - Non government organizations
NLCCC - National Leading Committee on Climate Change
OCHA - UN Office of Coordination of Humanitarian Affairs
OECD DAC - Organisation for Economic Cooperation and Development Assistance Committee
R20 - Regions of Climate Action
REEEP - Renewable Energy and Energy Efficiency Partnership

RMI - Republic of the Marshall Islands
SDGs - Sustainable Development Goals
SMA - State Meteorological Administration
UNCBD - United Nations Convention on Biodiversity
UNCCD - United Nations Convention to Combat Desertification
UNCLOS - United Nations Convention of the Law of the Sea
UNDP - United Nations Development Programme
UNEP - United Nations Environment Programme
UNFCCC - United Nations Framework Convention on Climate Change
UNGA - United Nations General Assembly
UNHCR – United Nations High Commissioner on Refugees
UNIDO - United Nations Industrial Development Organisation
UNISDR – United Nations International Strategy for Disaster Reduction
UN-PBC - United Nations Peace Building Commission
UNSC - United Nations Security Council
WEO – World Energy Outlook
WHO - World Health Organisation
WIPO - World Intellectual Property Organisation
WTO - World Trade Organisation
WMO - World Meteorological Organisation