



Executive Summary: Panel 1 - Climate Change and Multilateralism

Chair: Dr. Melvyn Cappe, OC (University of Toronto)

Paper Author: Dr. Jenifer Allan, PhD (University of Cardiff)

On behalf of the Canadian International Council, President Ben Rowsell set the objectives of the CIC/KAS project, and the day's discussion:

- to explore the potential for translating shared bilateral ambition on the issue, and in support of multilateralism, into greater multilateral progress
- to bring policy proposals on the issue into international discussion
- to build a network of Canadian and German think tanks and civil society.

Chair Mel Cappe urged participants to provoke and stimulate discussion that meets the gravity of this existential threat to the "future of life on earth."

Indeed, speakers repeatedly underlined the need to mobilize political will adequate to the challenge. The task is boosted by President Biden's definition of global warming as a "national security threat." The urgency was captured by description of the November conference of the parties in Glasgow as the "last chance COP."

As several intervenors noted, this a critical election year in Germany, and probably in Canada; climate change is a forefront issue in both countries, though from the standpoints of different situations in energy.

Presenter Dr. Jen Allan candidly assessed the negotiating situation. There have been no formal negotiations since 2019, due to COVID. There remains enduring dissent over fundamentals, aptly symbolized by "energy dialogue" meetings scrubbing references to "net zero" goals from published texts (while, others later noted, the IEA issued a report on pathways to net zero that was something of a sea-change in their approach.)

Committed countries need to multiply the strengths of the multilateral system and build more trust and confidence in it among parties.

Nationally Determined Contributions (NDCs) remain inadequate. If all pledges were implemented, the temperature target would not be met.

The gap reflects inadequate political will, and this political shortfall, its causes, and possible organizational remedies, dominated subsequent discussion.

Dr. Allan emphasized the importance of the Glasgow meeting making progress on a few key issues:

- reconcile the variety of market systems for carbon pricing
- establish a common time frame for NDC pledges

- agree to common formats to document progress toward NDCs and work to align definitions.....e.g., "net zero"
- start to build confidence in the process to determine a new collective finance goal that includes a larger pool of donors, particularly given financing needs in developing countries have been deepened by Covid-19.

Speakers diagnosed the reasons for inadequate progress, stressing apparent scarcity of political will. It was less a matter of climate change skepticism, than of national self-interest in the process. Many countries are more fixated on benefiting as much as possible from carbon offsets than in re-gearing to address national emissions. A corporate aversion to governments picking "winners" and "losers" in a kind of "industrial policy" skepticism endures, despite the fashion of ESG commitments, though many companies endorse primarily as a form of "greenwashing."

Quite clearly, China's enduring commitment to a carbon-based business model remains a major challenge, especially as it is marketed by China as a model for LDC clients. despite lofty rhetoric, China's emissions continue to rise. Chinese reticence works into resistance in several multilateral fora, including the WTO, where China opposes specific liberalization of trade in "green" products.

Discussion of remedies very much endorsed the need of fit-for-purpose documentation: common templates, definitions, timetables, and formats.

Countries of ambition need to form coalitions of the willing to advance changes in multilateral architecture and reporting norms.

Germany and Canada are on the same page on carbon pricing. The international community had to address the fact that pricing of carbon is still set too low.

As to national political organization, strong emphasis emerged on the need to ensure "all-of-government" coherence nationally. The carbon reduction project had to be guided by the directed view that it was "bigger than the environment." The strategies of all ministries - agriculture, fisheries, health, industry, housing, etc. - had to be cohered.

But it would only have conclusive effect if Ministers of Finance were centrally engaged, both to encourage the mobilization of capital and to ensure climate change conditionality of all funds invested by public and para-public institutional investors. Ministers of Finance should be brought together as an international body to address financing for climate action. Debt relief is a central factor.

Discussion of Canadian and German national approaches reflected their difference as a national exporter of oil and gas from that of an importer. A further difference was in Germany's declared public aversion to recourse to nuclear power, even in the modern mini-reactors favoured by some Canadians. Whether nuclear energy will be critical to meeting carbon reduction goals is disputed.

The difference in national energy profiles explains in part a difference in performance in meeting climate targets. Canadians were clear that Canada has missed all targets thus far, and lags behind others in the G-7.

Federalism is generally a complicating factor. It encourages loop-holes and trade-offs to forceful coherence. Emphasizing that the only remedy is in deeper cuts, speakers acknowledged that in Canada, regional differences inhibit forceful national political strategies. These strategies have to be comprehensive of both "safe bet" risks and "wild cards" and balance sheets have to reflect both.

Speakers emphasized though that public opinion has evolved remarkably in the last three decades. Civil society is an enormously valued partner in moving the political dial, as it has been in Germany, where carbon reduction targets were not regionally abrasive. Germany has made significant progress in de-coaling the economy. A notable recent high court decision to require the schedule of carbon reduction to respect inter-generational impacts (by a more even balance in front and back-loading) will reinforce civil society momentum.

Despite differing national situations, Canada and Germany share global goals and approaches to multilateral discussion. Their approaches have to expand from all-of-government intentions to all-of-system. Given that the majority of parties to the Convention remain skeptical about climate goals, Canada and Germany need to partner closely, and with like-minded countries, in all multilateral discussions. The importance of WTO and other trade discussion was repeatedly stressed, including to deal with carbon production subsidies.

While intervenors tried to address the Chair's question of whether international institutional architecture is adequate, it was also advanced that the "like-minded" discussion is one that isn't possible multi-laterally. The possibility of key national players reaching agreements through bilateral deals is a recourse, and possibly a contributor, but nonetheless the overall solution has to reside in universality.

One intervenor underlined the importance of setting and meeting global goals in a proposal to re-designate foreign policies to fit the overarching purpose, as Foreign Policies for Sustainability.

Following on from Dr. Allan's closing description of the discussion as having revealed a "a chess board of climate action," the Chair urged the discussion - which resists a simple summing up - to continue in other ways. CIC President Rowswell closed the meeting with an undertaking to ensure that participants remain in contact.

Summary prepared by Dr. Jennifer Allan.