2020 11th December Roundtable on Governance for Climate Action, Seoul, Korea

Summary Meeting Report

Opening Session

H.E. Lee Tae-ho, Vice Minister, Ministry of Foreign Affairs of the Republic of Korea
No country can deal with global challenges alone. The pandemic brings our attention to an even more important agenda that requires global attention and collective action, addressing climate change and sustainable development. Covid-19 shows us how destructive the climate crisis could be if actions are not taken. We see a gap in global governance. The UN and global governance have, for decades, tried to address the issues of climate, the environment and sustainable development. We are realizing now that these efforts have not been sufficient. For example, we need more financial assistance and support, to address the crisis in developing countries. The global governance gap can be addressed by including new actors, such as businesses and youth. We need voices of ordinary citizens, especially those of the new generation. The P4G Seoul Summit to be held in May 2021, will be an opportunity to share innovative solutions and ideas, and to deliver transformative impact.

H.E. Ban-Ki Moon, Chairman of the National Council on Climate and Air Quality, President & Chair of GGGI, Eighth UN Secretary-General
With the United States and China formally ratifying the Paris Agreement in 2016 these two countries made up 42% of greenhouse gas emissions. The Agreement required at least 55 states parties with 55% of global greenhouse gas emissions to enter into force, and just these two countries made up 42%. Thus, we are very happy that the United States is rejoining the Paris Agreement. I look forward to the leadership of the United States in achieving global net zero emissions. Recently, there has been a concerning trend of countries solely focusing on their own interests in response to Covid-19. We learn the hard way that global challenges cannot be solved by a single country’s efforts. Global solidarity is the most effective tool towards addressing global challenges. Each nation should formulate more concrete action plans regarding the 2050 net zero target. So far, 120 countries have supported the net zero target. The SDGs should also be mainstreamed in every country’s national policies. The national leaderships themselves should

1 This summary report is provided as a courtesy / facilitative summary only, prepared by Ms. Emma Bornholm, Legal Intern, Climate Governance Commission. It is not an official record and is not for citation.
take charge in the implementation of the SDGs in domestic policies. Many people now know the gravity of climate change, but not many people know what each SDG goal means and how this will affect their lives and those of succeeding generations. Likewise, the environmental education of current and future generations is of great importance.

Keynote Session: Global State of Climate Governance

1) “What the Arctic Tells Us”

Silla Watt Cloutier, Former International Chair for Inuit Circumpolar Council, Author of *The Right to be Cold* and Winner of the Right Livelihood Award

My Inuit upbringing has taught me that the land is an extension of ourselves. Through that lens, I see the parallels of the survival of the Arctic and the continuation of Inuit culture. My experience is when you humanize issues and talk about the human side of climate change, people relate better. The issues become clear for them no matter where they come from, and they can see themselves in the stories. If we can shift the issue of climate change somewhat out of the language of science, politics and economics, and “bring it home” to the issues of health, food security, culture, families, communities and, indeed, human rights—not just for Inuit, but for all of us—it is more relatable. It helps to mobilize people to take action to address climate change. Someone asked during my book tour, “what is lacking in our world, when we now see the science so clearly? What is preventing us from taking action on climate change?” The response given as to why we are not reacting as urgently as we need to is that “imagination is lacking.” This truly struck a chord with me. Imagine that we can do things differently. Imagine that we can address climate change differently. Imagine that we can innovate sustainable economies differently. I would further add the following thoughts to this sentiment. I believe we not only need to imagine a new way of doing things, but we must—as citizens of the world—reimagine our unsustainable economic values and realign them with indigenous values. And transformation must happen from a very personal place and space. For example, our attitudes, our outdated policies based on colonialism and unsustainable businesses must be addressed and they must be shed and changed to meet the new world order.

Kim Joo-Hong, Principal Research Scientist, Division of Atmospheric Sciences, Korea Polar Research Institute

During the era of global warming, the temperature increases in the Arctic are alarming. It is crucial for scientists to understand the critical mechanisms of these changes, by monitoring them continuously. They help us to understand and predict long term future projections. To adequately monitor Polar climate change, activities from various countries must come together to form a
network of observation. Maintaining such a network requires a shared investment from each country. Although Korea is not an Arctic country, we should invest continuously, because there is not a country in the world that is not affected by the changes in the Arctic. Arctic scientific and monitoring activities need not all happen at once, but should happen continuously/incrementally on a smaller scale and should be further promoted when the time is right. International Arctic funders should come together to continue collaboration.

2) Perspectives on Tackling the Global Governance Gap

Maja Groff, Convener Climate Governance Commission and International Lawyer
We are already seeing the effects of an approximately 1°C rise to date in global average temperature, not just in the Arctic, but in regions throughout the world. It has recently been reported by scientists that nine of the fifteen known earth biophysical systems that regulate climate have started a much more rapid than predicted instability towards possible tipping points, with likely dangerous and interdependent negative consequences, many of which are unpredictable. There is scientific support for declaring, for example, a state of climate emergency. A range of countries have already done so. Our window for collective action is narrowing. The shared problem requires a shared solution, leaving nobody behind. The objective of the Climate Governance Commission convened by the Global Challenges Foundation is to mobilize high-impact enhancements and innovations from an international governance perspective, to think creatively to facilitate the needed climate action and stimulate international cooperation and solidarity in these times.

Magnus Jiborn, Head of Research, the Global Challenges Foundation
Long-term net zero targets are important, if these targets are trustworthy. They build expectations that affect the behavior of businesses, investors, decision-makers, and citizens—the people that need to act in order to make things happen. But those targets also need to be backed up by reliable policies and short-term goals. To ensure net zero targets by 2050, we need to cut emissions by half every ten years, which means reducing global emissions by 7% every year. That needs to happen not one year, but every year. That needs happen at the same time that large parts of the world are in dire need of fast economic development to meet the SDG’s. It will require fundamental changes of not just business models, but also consumption patterns. And also deep changes in governance structures in the way we collaborate and make decisions together on a global scale.
Richard Ponzio, Director of Just Security 2020 and Senior Fellow at the Stimson Center
Today’s event is preceded by the Climate Governance Global Policy Dialogue of October 2019, co-organized by the Stimson Center, the Global Green Growth Institute, the Global Challenges Foundation and the governments of the Republic of Korea and Japan. The dialogue was separated into three working groups focused on innovating and strengthening climate governance. I will share one major recommendation of each of the working groups. The first group focused on the UN Framework Convention on Climate Change, global civil society and the business community. Among its ideas was the convening of “super-COPs,” a UNFCCC conference of the Parties on a larger scale every five years, while continuing the smaller annual COPs, as well as regional gatherings, with less of a carbon footprint. All with the focus of ratcheting up the ambitions of nationally determined contributions under the Paris Agreement and scaling up both state and non-state actor commitments towards achieving the goal of carbon neutrality. Another proposal was to strike a balance between adaptation and mitigation resources, starting with the adoption of measurable adaptation goals and the measure of NDCs. And the means of better sharing the successes and failures of adaptation across a wide range of stakeholders. The second working group, on mainstreaming climate and economic institutions, focused on the benefits and mechanics of harmonizing a price on carbon between countries, which could be achieved by an international expert body supported by the World Trade Organization and the IPCC that sets a recommended price level based on how global emissions are developing relative to what the Paris Agreement targets require. The third working group looked at the intersection between Climate Governance, Security and Justice. It recommended a series of new UN Security Council Resolutions to formally recognize that climate change represents a threat to international peace and security, which may pave the way to the deployment of tailored peacekeeping or “green helmet” support missions.

Session 1: Building on the P4G Summit: Towards a Successful COP26 with Mission-Driven Exponential Climate Action

Moderator: Hyoeun Jenny Kim, Deputy Director-General GGGI

Chung Keeyong, Director-General, Ministry of Foreign Affairs of the Republic of Korea
The Korean Green New Deal is a stimulus package, focused on three sectors: energy, green industries and infrastructure. Korea will be investing approximately $62 billion US dollars in the next five years. The aim is to achieve carbon neutrality by 2050. The policy initiatives have some important implications. First, Korea is committed to implementing the Paris Agreement faithfully. Second, Korea is trying to be as ambitious as possible as we join the global efforts. Third, is
aligning our short-term economic recovery package with our longer-term target for 2050. Finally, sending a very clear message to the markets and the business community. We are not going green just to recover from COVID-19; we are going green towards 2050 and beyond. P4G is a significant multi-stakeholder platform outside of the United Nations that aims to reach SDG targets and to tackle climate change. It is an action-oriented public-private partnership that complements the efforts being made under the auspices of the UN.

Joanne Doornewaard, Ambassador of the Netherlands to the Republic of Korea
The EU is striving to be the first climate neutral continent and aims to do so by 2050, to be achieved via the European Green Deal. Thirty percent of EU expenditure over the next seven years will be related to climate change.

Magnus Jiborn, Head of Research, the Global Challenges Foundation
The initiative of the Climate Governance Commission is not to duplicate work that has already been done, but to build on the best available climate science and the technical solutions that we already know exist in order to effectively address the climate challenge. The questions that we pose are “what are the bottlenecks and barriers that prevent climate action and how could improvements of policies or improvements of global governance mechanisms improve or enhance the implementation of these already known solutions?”

Johan Falk, Founder of the Exponential Roadmap Initiative
The immediate challenge is not how to cut 100% emissions by 2050. It is how to cut 50% by 2030. The key challenge is “how do we scale the new green solutions and phase out the fossil fuel dependent solutions?” One key product that we are kicking off for COP26, together with the Global Challenges Foundation, is the Exponential Roadmap 2.0, focusing on the exponential “S-curves” of solution-adoptions, but also what might be the key policies and global governance mechanisms required to support climate solutions.

Ian de Cruz, Global Director P4G
P4G is a global delivery mechanism to build back better and greener. There are three things we do with P4G which brings a point of difference. The first one is we invest in new business and financial models that we think can replicate and scale, not only in our 12 P4G partner countries, but in many other countries. When we invest in these partnerships, we are there, right from the start, looking for these solutions. Two, we help implement these, within our P4G network, so that these are not just good solutions in theory but explore how can we drive the action on the ground. The third is we bring together heads of States and CEO’s with entrepreneurs and investors, to see how we can transfer technology and investment in various developing countries.
Furthermore, there is a focus on green partnerships and investing in impact. This includes focusing on renewable energy, providing clean energy access in Africa and Asia, zero emissions transportation, and circular economy. Additionally, P4G focuses on monetizing food loss and waste across the entire supply chain and proving a commercially viable model for improved water and sanitation access.

Kim Sungwoo, Head of Environment & Energy Research Institute, Kim & Chang
One key suggestion on how to effectively and efficiently motivate private sector decision making towards net-zero flow is employing ESG (environmental, social and governance) criteria. It would be good to leverage this ESG wave. An ESG approach is an investor’s push to corporates to be greener and more inclusive. The ESG push is moving many companies to change their policies and it will in the future as well. Why are the investors doing this? They do not want to lose money in the long run. They have witnessed 74% of depreciation of company value of the last decade in the coal industry. Investors do not want to repeat such losses and instead want to engage companies to move in the right direction. The second reason investors are pushing ESG is not to lose earning opportunities, that are arising and will continue throughout the needed energy transition.

Session 2: International Financing for Innovation and Exponential Climate Action: The Role of Finance Governance and Best Practices for Green Innovation

Moderator: Maja Groff, Convener Climate Governance Commission and International Lawyer

Frank Rijsberman, Director-General, Global Green Growth Institute (GGGI)
Financing is of course crucial to “build back better,” and GGGI is exploring the challenges and opportunities posed by the COVID-19 pandemic. There are millions of green jobs in simply doing what the governments said they would do under the Paris Agreement. If governments target green investments for their stimulus packages, there is substantial potential for green jobs. The GGGI has come up with a model “green new deal” for developing countries, similar to the European and Korean Green Deal. There is a large share of jobs coming from rural areas and green agriculture.

Oyun Sanjaarsuren, Director of External Affairs, Green Climate Fund (GCF)
Economic recovery tilted towards green stimulus, and not invested in fossil fuel, would make it possible to shave 0.3 degree Celsius off future warming by 2050. Unfortunately, 25 major economies have pledged 265 billion to fossil fuels in their recovery packages, or 53% of their
economy, for energy intensive sectors and only 35% to clean energy. We, the Green Climate Fund, work with developing countries and we see the importance of helping these countries with their green economic stimulus packages.

**Shiva Dustdar, Head of Division, Innovation Finance Advisory, European Investment Bank (EIB)**
The EIB is the Bank of the European Union and climate is the cross-cutting area, covering infrastructure, innovation and SME’s. The EIB is the largest issuer of green bonds, which allowed us to bring a climate change focus in investment. Our climate action is more skewed to climate mitigation, and there is more we can do on climate adaptation. Last year, we invested €16.1 billion in climate action. The EIB group goals for the next decade are as follows. First, all financing will be aligned with Paris Agreement by the end of 2020. Second, there will no longer be support for traditional fossil fuels by the end of 2021. Third, more than 50% of our financing will go to climate action and environmental sustainability by 2025. And finally, the EIB will support €1 trillion in investment for climate action and environmental sustainability by 2030.

**Wanjira Mathai, Vice President & Regional Director for Africa, World Resources Institute (WRI)**
Five years ago, when the Paris Agreement was adopted, it was unimaginable that carbon neutrality by 2050 would be mandated by so many countries. The financing will follow the urgency. While certain countries in Africa are implementing green legislation, it is no secret that the contributions of most countries in the global south to global emissions are not that significant. But these countries and communities stand to be most disproportionately affected. For example, more than 3 million people in Mozambique are severely affected. UNEP estimates that by 2050, based on the global trends, Africa’s adaptation costs could reach 100 billion US dollars annually. That’s why, if we delay, we will pay much more. Action now makes economic sense. Investing in adaptation today is critical to reduce vulnerability. In Malawi, for example, the government is investing 1.5% of its national budget into a youth restoration initiative, employing thousands of young people to revitalize hundreds of thousands of hectares of land. We need to replicate these examples. We need a revolution in finance. The private sector must also understand that the economic revenue in climate adaptation is real.

**Arunabha Ghosh, Chief Executive Officer, Council on Energy, Environment and Water (CEEW)**
Somehow the world does not seem to follow ECON 101. 40% of the world’s energy investment goes to serve 15% of the world’s population. 15% of the world energy investment goes to serve 40% of the population in emerging economies. Capital is disproportionately circulating in capital rich regions, even though, for example, India has the lowest renewable energy tariffs in the Asian pacific region. Those are not driven by subsidies, but transparent open auctions. Yet is receives just 3% of green energy investment—far below what it needs. We can keep citing the number of
opportunities that exist in developing countries for the clean energy transition and we can talk in an international forum about the need for action; but somehow, basic economic assumptions still do not deliver. If the COP26 really has to deliver something, I do not want to hear 2050 stories. I want to hear the 2021 story and the 2025 story. Because for every year that we do not act now, we are removing the carbon space for developing countries that still need to develop—the very countries that have disproportionally larger markets and policies for a clean energy transition. The conversation has to go beyond long-term targets. Who knows what’s going to happen in 30 years? Here are five ideas for what the conversation about finance should be:

1. Make clean, accessible energy the centerpiece of climate action. Otherwise, the clean energy transition will not be brought close to the people who do not have energy in the first place.
2. Small businesses are the backbone of emerging economies. But they are the ones that also face some of the highest energy costs, and therefore, are uncompetitive in global markets. Is there a different type of payment plan possible, allowing small businesses to make the transition to renewable energy?
3. The risks that we think we are going to encounter in emerging economies are very different from the risks we do encounter. That band needs to be narrowed by pulling these risks and thereby projects across countries, creating a common risk mitigation mechanism.
4. Low-income countries do not have or receive a climate risk insurance cushion. So where will adaptation come from? We need to create a global risk pooling reserve fund, which will pool the climate risks and perhaps pay out, in accordance with IMF payment plans.
5. RND. We only have to read our history books to see how global, innovative collaborative RND can be done.

If you want to be serious about exponential action, you need to get serious about exponential finance. And if you want to get serious about exponential finance, let’s get serious about where the money is needed and why it’s not flowing.

Ahn Wook Sang, Head of Climate Finance Team, KDB Bank

The role of the private sector in facilitating green innovation and exponential action is of paramount importance. However, there are some major barriers to green financing from the private sector: most green and climate response industries require the government’s support; in developed countries; private sectors actively participate in renewable projects as a sponsor or lender under a proved policy incentive; and, in developing countries, most private financial institutions are reluctant to lend because of high country risks. These obstacles can be overcome by mobilizing private sector investment in green industries. The public sector should provide...
subsidies and take more risks than the private sector, such as providing guarantees and funding in the form of high-risk capital.

Closing Remarks: Summing up: The Road Ahead and the Path to COP26

H.E. Maria Fernanda Espinosa, Former President of the UN General Assembly, Former Foreign Defense Minister of Ecuador, and Ambassador of Common Home of Humanity

We share a common purpose, which is to stabilize our climate and to phase out the devastating effects of climate change on our livelihoods, on our economies and possibly on our very survival as a species. We are here because we are committed to making the Paris Agreement and the 2030 Agenda a reality. But how do we commit to climate action in the midst of a profound crisis? The memory of the Paris Agreement is bittersweet, as the contributions of national governments, what we have done thus far with the Agreement, and our performance has been patchy at best. Action on all of the commitments remain worryingly low. However, there are other encouraging developments by national governments and private actors. It will be interesting to see how the COVID-19 recovery efforts have supported climate initiatives.

H.E. Yoo Yeonchul, Deputy Minister & Ambassador for Climate Change, Ministry of Foreign Affairs of the Republic of Korea

I would like to conclude and sum up this event with a couple of words: inclusiveness, harmoniousness, and timing and action based upon awareness. We began this three-hour journey with a view of indigenous peoples in the Arctic, complemented by scientific evidence that climate change is real. Private and public organization were brought to the table, as we cannot leave anyone behind when we pursue these global goals. Inclusiveness of private companies, developing countries and youth needs to be the foundation and the first and top priority. The theme of today’s discussion was governance. We have an ample amount of information to take action. In many parts of the world, we already have the infrastructure, the institutions and the finance to implement. But we lack coordination and solidarity, resulting in the governance gap. When organizing events like this, timing is everything, and this event has been very well-timed, preparing for an important year of action.