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Once more unto the breach: How Europe and Latin America and the Caribbean can advance the Paris Agreement

*by Guy Edwards**

Last December, the UN climate change talks in Katowice, Poland, successfully concluded with the majority of the work to finalize the Paris Agreement rulebook completed. The conference also witnessed growing calls for increasing climate action by 2020.

In Katowice, several Latin American and Caribbean countries alongside the EU and other countries called for greater ambition on climate change over the next two years guided by the findings of the Intergovernmental Panel on Climate Change's (IPCC) report on avoiding overshooting 1.5 degree Celsius of warming. Drawing on their extensive cooperation on climate change, the EU and LAC nations can lead the formation of a critical mass of countries willing to put forward national climate plans aligned with the Paris goal of 1.5 degree Celsius.

This will not be easier given the magnitude of the climate crisis. The IPCC says the world could reach 1.5 degrees Celsius of warming in 11 years unless the current batch of pledges, which put us on a trajectory of roughly 3 degrees of warming, are drastically increased. The planned departure of the U.S. from the Paris Agreement leaves a substantial gap in emission reduction efforts and the provision of finance. While the EU and LAC countries cannot fill this void alone, they can make a vital contribution and show how strong collective climate action can be an impressive engine for sustainable development.

For example, European renewable energy companies are leading players in Brazil, Mexico and Chile. Between 2005 and 2017, European firms were responsible for 65% of all investment in renewable energy projects in the region. Both regions can also showcase the positive impacts of European climate finance in LAC countries. In the Ecuadorian capital, Quito, the European Investment Bank is co-financing the construction of the city's subway system, which will be operational this year.[i] The metro is set to create hundreds of millions of dollars in annual investment, reduce greenhouse gas emissions and air pollution, and also congestion and traffic accidents. The European Commission's EUROCLIMA+ Programme is also working with 18 Latin American countries to support the design of climate policies in areas such as resilient food production, urban water management and disaster risk reduction.

Building on this progress, the EU and LAC can combine forces to build a critical mass of countries willing to submit enhanced national climate plans in 2020. The timing is ideal following recent elections in the region, where a number of the new government's domestic and foreign policy priorities especially in the case of Chile and Costa Rica overlap with the Paris Agreement.

A priority in the coming months will be to capture the progress of climate action in the real economy. This can build confidence that implementing the Paris accord is not just about reducing emissions but also about enhancing competitiveness and fiscal disclopine, creating jobs and attracting investment. Confronting vested interests and political inertia working against climate action is necessary to avoid lacklustre implementation of existing targets and creating the appetite to do more.

To take EU-LAC cooperation on climate change to the next level, the European Commission and EU Member States can work with LAC national and local governments, the private sector and investors to develop transformative projects such connecting national power grids. The Inter-American Development Bank says that a combined push to drastically expand renewable energy and connecting national power grids, could save Latin America US$30 billion by 2030 and help to reduce emissions. These savings would come about given expanding transmission lines is cheaper than building new power plants and renewable energy has zero fuel costs.

European financial institutions can also support efforts by the Inter-American Development Bank to promote sustainable infrastructure and landscapes as a new paradigm for infrastructure investments. This could be an avenue to encourage China, which tends to focus on high-carbon sectors in Latin America, to better align their activities with the Paris Agreement.

European agencies could consider supporting LAC civil society groups such as Brazil's Climate Observatory, Costa Rica Limpia and the Latin America Climate Finance Group, which play a significant role in encouraging governments to support climate action. The timing is ripe as various LAC countries have signed the Escazú Agreement, which emphasizes the protection of environmental defenders, the right to access to environmental information and public participation in decision-making process.

The design of channels to facilitate the sharing of European and LAC experiences on climate action including the recent delivery of 200 electric buses to Santiago de Chile and Danish know-how on managing floods is also required. Working together to share experiences on sustainable finance, climate risk and just transitions could be very timely, given the scale of EU-LAC trade and investment in carbon-intensive sectors such as fossil fuels and automobile production.

With the next major round of UN climate talks to be co-hosted by Costa Rica and Chile later this year, the road to 2020 presents an ideal moment for the EU and LAC to position the low-carbon and climate-resilient agenda at the heart their relationship. This can be a win-win for all.

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[i] World Bank Blog http://www.worldbank.org/en/news/feature/2016/12/05/ecuador-la-reactivacion-economica-de-quito-viaja-en-metro