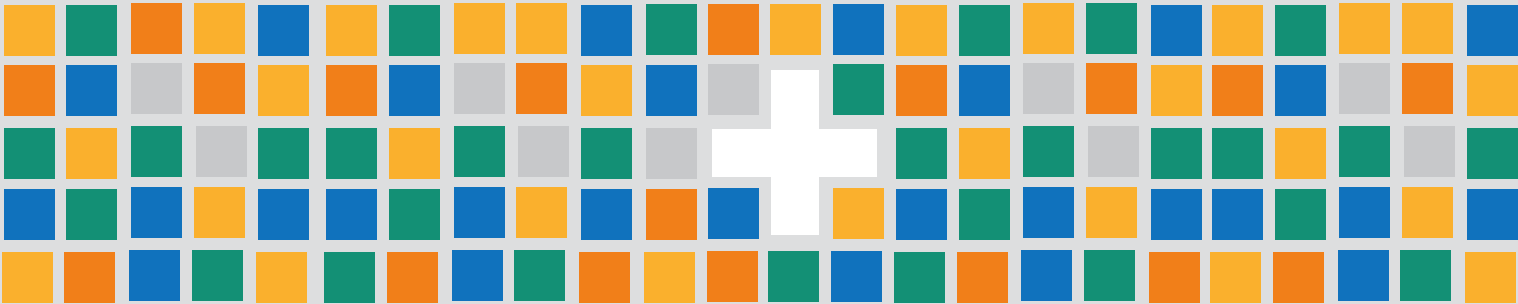




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# Equity in the Global Stocktake and Independent Global Stocktake

Christian Holz, Tom Athanasiou, and Sivan Kartha



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## About the iGST initiative and this report series

**The Independent Global Stocktake** (iGST) is an umbrella data and advocacy initiative that brings together climate modelers, analysts, campaigners and advocates to support the Paris Agreement. <https://www.climateworks.org/independentglobalstocktake/>



**The Designing a Robust Stocktake Discussion Series** envisions the contours of an ideal Global Stocktake and suggests ways in which the independent community can help to achieve that vision. These papers were produced by iGST partner organizations in consultation with the broader community, but the views expressed are the authors' own and don't necessarily reflect those of the iGST initiative or associated partner organizations.

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## + Introduction



Equity<sup>1</sup> is enshrined in article 14 of the Paris Agreement (PA) as one of the two overarching principles of the Global Stocktake (GST), which is mandated to be conducted “in the light of equity and the best available science.” [1] **The inclusion of equity in the PA’s language on the GST is not coincidental but was rather a hard-won agreement in the final hours of the Paris climate summit,<sup>2</sup> a fact that underlines its importance.** As the last-minute crunch came down, the parties that had insisted on deprecating “equity” in the GST and elsewhere in the PA, arguing that it was merely a blocking device, yielded to those who insisted that, despite all, equity remained fundamental to ensuring that the GST would properly reflect the principles of the UNFCCC and the PA.

Further, the way in which “equity and the best available science” is brought into the GST article of the PA clearly indicates that equity is not merely to be considered as one topic area among others, but that the entirety of the GST is to be conducted in its light. Parties to the UNFCCC explicitly endorsed this view in their

decision on the GST during the Katowice climate summit in 2018, characterizing equity as “cross-cutting” and deciding to consider it “throughout the GST” [2].

Given equity's central importance in the UNFCCC and the PA, it is essential to consider general principles as well as the specific elements and activities that the conduct of a GST “in the light of equity” implies and requires. After all, **any GST that does not take equity into proper account would be in glaring violation of the provisions of article 14.1 and thus lose legitimacy and risk failing its promise as, arguably, the most important element of the PA’s ambition ratcheting mechanism.** It is our view that without a well-functioning GST, the other elements of the PA’s ambition mechanism (e.g. the transparency regime, the NDCs, the dynamic cycles etc.) constitute a weak ambition mechanism at best – a GST that includes a coherent equity assessment of pledges, actions, and support, and that lends itself to the construction of politically powerful norms is required to

1 “Equity” is a broad concept that has different meanings in different contexts. In the context of the UNFCCC and, by extension, the Paris Agreement (PA), it primarily refers to the notion that different countries, primarily, but not exclusively, due to their different levels of economic development, are subject to different sets of obligations and expectations with regards to their activities to address the various aspects of climate change. This is reflected in the UNFCCC primarily through the concept of “Common But Differentiated Responsibilities and Respective Capabilities” (CBDR/RC), which was reaffirmed in the PA, and generally through the differentiation between developed and developing countries in both the UNFCCC and the PA that is applied throughout both treaties, generally placing more stringent obligations and expectations on the former while affording more flexibility to the latter. For example, the former have obligations to support the latter in the implementation of their contributions, are expected to peak and reduce their greenhouse gas emissions earlier, and to comply with more demanding reporting and transparency rules, and so on. The importance of equity in this sense is central to the functioning and, ultimately,

the success of the UNFCCC regime since it ensures, among other things, that countries are not expected to contribute at levels that would, without support, overburden them, given their level of development, while on the other hand seeking to ensure that countries with higher level of development fulfill the obligations and make the contributions appropriate for them. Thus, equity ensures an overall higher level of ambition through obligations and contributions appropriate to the level of development of parties. Or, in the words of the IPCC, “outcomes seen as equitable can lead to more effective cooperation” [9].

2 This is evidenced by personal accounts of the authors as well as those of negotiators at the conference, and by the fact that in the late draft version of the PA text (the first “Proposal by the President”), “and equity” is still in square brackets [15], which indicates that there was no agreement at that stage of the negotiations and that the inclusion of “equity” in the GST language was an element of the final bargaining over the whole Paris package and therefore a deliberate inclusion.

animate the overall ambition mechanism. The GST in principle has the potential to fulfil this function, though it will depend on its ultimate design whether it can live up to that promise.

**During parties' deliberations leading up to the PA as well as after its adoption, it became clear that certain activities and perspectives on equity are currently out of reach of parties' collective political will (even though they might not necessarily be inconsistent with the text of article 14). For example, the long-standing consensus among parties clearly does not include the assessment of individual parties' contributions, including with respect to equity considerations.<sup>3</sup> However, our view is that such assessment is essential, and because the iGST (as a process that is undertaken by research institutions and other non-governmental entities, and not the parties of the UNFCCC) is not subject to the same constraints as the formal GST process under the UNFCCC, it should absolutely venture into this territory. It can do so, for example, by illuminating *principles* for assessing pledges against normatively-derived equity benchmarks** (though actually conducting such

assessments with respect to specific normative benchmarks should probably be relegated to other fora, where proper ownership can be taken of the ethical-normative underpinnings of benchmark construction, as discussed further below<sup>4</sup>).

**In this spirit, we will focus here on the question of how the iGST can be the best possible role model for the treatment of equity in the formal GST (i.e., how it could be "modelling equity"<sup>5</sup>), and we will indicate where current constraints might limit the application of our suggestions in the formal GST.** In our view, the importance of the iGST and similar initiatives – to model a proper assessment of the pledges and actions for the benefit of parties (and other observers) – is clear, especially given that there will be no formal negotiations on the GST until the first GST commences in late 2021 or early 2022. In Katowice<sup>6</sup>, parties decided, however, that they will be able to provide "voluntary submissions [...] to inform equity considerations under the global stocktake" [2]. Thus, the iGST and similar initiatives can provide important frames and information that parties could utilize when

3 Not having an individual party focus was agreed early on in the Paris COP negotiations of the GST (the word "collective" was in square brackets in the version of the Paris Agreement Draft forwarded to the COP from the Ad-hoc Working Group on the Durban Platform, but had the brackets already removed in the first document version issued by the COP president). The Katowice CMA decision on the GST explicitly states that the inputs for the GST "will consider information at a collective level" (para 31) and that the outcomes "should ... have no individual party focus" (para 14) [2]. However, it is worth noting that, since COP20 in Lima in 2014, there is an explicit expectation that parties explain why they believe their contribution is "fair and ambitious." [16] This expectation was reiterated at COP21 in Paris and, most recently, in the Katowice CMA decision regarding the "Information to facilitate clarity, transparency and understanding of nationally determined contributions" [12]. The "fairness considerations" are explicitly a source of input for the GST, as per the Katowice CMA decision on the GST [2].

4 One example of such a potential forum is the Civil Society Equity Review [7], [17], [18], where a large coalition of civil society organizations have negotiated and agreed upon a specific ethical-normative standpoint from which to undertake equity assessments. The coalition members thus "own" the ethical-normative underpinnings of the benchmark construction and the resultant assessments

are explicitly and transparently normative. Any undertakings that explicitly or implicitly claim independence and/or neutrality, such as the Independent Global Stocktake, or scholarly undertakings, cannot effectively and properly take ownership of such ethical-normative standpoints. Lahn [19] provides an insightful discussion of the profound and consequential differences that arise from explicitly taking a normative position (as in the Civil Society Equity Review) as opposed to ostensibly presenting results as "apolitical facts" (as in the example of the "Bali Box" in the IPCC's Fourth Assessment report), even if the underlying analysis is, in reality and "behind the scenes," also based on normative positions. (In the interest of transparency, the authors wish to disclose that they were and remain centrally involved in the Civil Society Equity Review, and that their Climate Equity Reference Project serves as its technical and analytical hub.)

5 In this report, we use the verb "model" mainly in the sense of the iGST demonstrating, i.e. modelling, how certain aspects of the GST could be carried out in an ideal world. This is different from "modelling equity" in the sense of using mathematical models to calculate, i.e. model, quantitative implications of ethical positions.

6 Winkler offers a good discussion of the equity dimensions of the Katowice decision on the GST [20].



preparing such submissions.<sup>7</sup> Just as importantly, by treating equity more expansively than the GST, the iGST can influence public discourse around ambition and equity in civic domains – some of which are exceedingly important – that extend beyond the GST's political and institutional constraints.

All this has practical implications. For example, the GST negotiations between Paris and Katowice indicated that a catalogue of questions might guide the GST: negotiators began work on such a catalogue, but it was ultimately not adopted because they did not agree that this was a priority for their work and left the formulation of guiding questions to the chairs of the SBs instead, who were tasked with presiding over the GST. Insofar as the iGST also aims to develop such questions, they should reflect the equity challenges discussed in this text. Furthermore, the GST, and even more so unofficial initiatives like the iGST, have the potential of creating materials, including the collective assessment upon which appraisals of the fairness and ambition of individual countries' actions and pledges could be contextualized, and that are “in a format

amenable for a wider public” [3] and could thus serve to support domestic efforts to raise ambition in those countries. Furthermore, by highlighting equity concerns in public documents, i/GST exercises could tap into the agenda setting function of the GST [3] and ensure that equity concerns are properly included in domestic discourses. This also reflects the reality that decisions to increase countries' ambition will not be made at UNFCCC negotiation sessions (where the GST will take place) but in national contexts.

In what follows, we will discuss equity in five related subject areas: 1) scope of the equity challenge in i/GST<sup>8</sup> activities, 2) transparency and standards of equity information and benchmarks, 3) climate finance, including means of implementation and support, 4) intranational equity, and 5) procedural equity. In the interest of limiting the length of this paper, we will refrain from providing any introductory overview of the GST or iGST processes, though we will highlight our interpretations of the relevant language in the PA text and the Katowice decision on the GST (including the dynamics of the negotiations leading to these texts), where relevant.

## + Scope of the Equity Challenge in i/GST Activities



Equity in relation to “scope” is relevant in two ways, first in terms of equity in the scope of the stocktaking activities in general, and second in terms of the scope of which equity

considerations are included in these stocktaking activities.

In the first sense, it is important to recall that several scope elements are mandated directly

<sup>7</sup> There is evidence that at least some parties have embraced this dynamic. For example, a group of developing country UNFCCC negotiators who had been involved in the GST negotiations recently released, in their personal capacities, a paper on equity in the GST wherein they conclude that “countries for whom the concept of equity in the GST is important should ensure that they are able to provide solid inputs into the GST process. Such inputs should highlight not only the equity considerations that they wish to highlight but also the linkage between

such equity considerations to the issue of further or enhanced action and support that need to take place” [21].

<sup>8</sup> In this paper, when raising points that apply to both the GST and the iGST, we will refer to both processes collectively as the “i/GST,” otherwise we will be specific in which of the two we are talking about. The phrases “stocktaking exercises,” “stocktaking efforts” and so on refer to both the iGST and the GST as well as any other similar initiatives that might be undertaken by other actors.



in article 14 of the PA, namely “mitigation, adaptation and the means of implementation and support” as well as the progress towards achieving the PA’s long term goals, arguably captured in article 2.1 (a-c). Parties clarified their position in Katowice [2] by explicitly referencing article 2.1 (a-c) as relevant long term goals and characterizing mitigation, adaptation and means of implementation and support as “thematic areas” for the GST, while also explicitly acknowledging that the GST may take into account the issues areas of Response Measures (RM) and Loss and Damage (L&D). Parties also agreed that the thematic areas should be addressed in a balanced manner, including via balanced time allocations. This is relevant for equity since **the inequitable treatment of these thematic areas has long been lamented by developing country negotiators, who argue that mitigation receives the bulk of attention in the activities of the UNFCCC in contrast to adaptation and support (as well as RM and L&D),** which are very high priorities in developing countries. Increasingly, developing country negotiators have been successful in asserting the more equal treatment of the areas, including during the negotiations that led to the Katowice decision on the GST.

For the iGST, this means minimally that iGST activities as a whole should also strive to represent a balance of treatment of the thematic areas, including RM and L&D. Additionally, the iGST has the opportunity to model how the thematic areas can be dealt with not only in a balanced by also in a holistic manner,<sup>9</sup> by resisting the siloing of thematic considerations and instead treating them in relation to each other, especially with regards to equity considerations. The opportunities for such work are numerous. For example, treating mitigation in isolation from climate finance and technology transfer would fail to account for

the fact that different levels of support enable different levels of mitigation activities, while treating them together allows, inter alia, a closer examination of all the ways in which increasing support can strengthen mitigation action. Likewise, different levels of mitigation ambition clearly have an impact on the adaptive capacity of societies and thus on both adaptation need as well as L&D implications, both with profound equity implications, which a separate treatment of these thematic areas would fail to recognize.

The importance of resisting both the primacy of mitigation in iGST activities and the siloing of thematic areas (and the sidelining of L&D and RM) cannot be overstated. Besides having the opportunity to model the best possible GST for parties and publics, an iGST that strives to be seen as a legitimately *independent* initiative should strongly resist aligning itself with a position that is closely associated with one group of parties (i.e. developed country parties’ emphasis on mitigation to the detriment of other issue areas, or even their exclusion in the case of RM and L&D) as opposed to the agreed compromise. In the current ongoing phase of the iGST project, some siloing will inevitably occur due to the way the work of this phase is organized, with individual iGST partners leading on generating specific outputs under separate work items. However, in our view this means that the current work should make a particular effort to anticipate and highlight links between those thematic silos and that the next phase should resist reproducing such a setup.

In a recent paper, Klinsky and Winkler forcefully argued that any assessment of the equity implications of any climate policy actions would fall short if it does not assess that policy’s implications for mitigation, impacts and adaptation, and loss and damage while also being sensitive to the implications for

<sup>9</sup> “Holistic and comprehensive” are the other two ways (in addition to “balanced”) in which parties decided in Katowice to treat thematic areas in the GST. The term “holistic” was chosen to express the view of the parties that championed the term that mitigation, adaptation,

means of implementation and support, L&D, and RM are integral and linked parts of a whole and have to be assessed in relation to, and not in isolation from, each other.



human development and poverty, among other principles [4], which supports our cautioning against siloing thematic areas. It also suggests careful consideration of the equity basis of any set of indicators for assessing contributions.

**In the second sense of the scope question, as full a scope as possible of equity issues should be included in i/GST exercises.**

Recalling that equity is to be considered in a cross-cutting manner, in other words, in all of the activities of the GST, different elements of the full possible scope of equity considerations apply to different thematic areas and to their overlaps. Equity issues arise, both between countries and within them as well as for specific groups of people, in relation to the agreed-upon thematic issue areas of the GST, for example, in relation to historical responsibility for emissions when considering the adaptation need of parties, in relation to financial and technological capacity when considering parties' potential for mitigation, as well as in relation to means of implementation and support, including for addressing RM and L&D.

The equity issues in several of these thematic areas have long been studied, though more work is needed, with the level of understanding reflecting the aforementioned imbalance between mitigation and other issue areas. For example, with regards to L&D, thorough consideration of equity questions is generally lacking. And the same is true when it comes to of RM, even though "Just Transition" has emerged over the last few years as an important area of concern where inequitable impacts can be clearly observed. This is particularly the case because fossil carbon extraction must be curbed no less precipitously than fossil carbon emissions themselves [5]. Given that many of these equity concerns could be addressed through appropriate policy interventions and support, they should constitute a focus of GST activities on RM and L&D. Incidentally, this is an area where equity-related considerations have a direct bearing on the objective of the GST to enhance ambition,

since legitimate equity concerns, when left unaddressed, can result in lower ambition, which points to the promise of the i/GST to elaborate ways in which proper treatment of those concerns can overcome related barriers.

In addition, there are other important equity issues that ought to be addressed in order to ensure that i/GST activities can fulfill their ambition-raising promise. Chief among these are sustainable development and efforts to eradicate poverty, the primacy of which is explicit in the UNFCCC and has been reiterated by the PA (in its articles 2 and 4). Relatedly, we argue that the issue of intranational equity (which will be discussed in further detail below) is of central importance, since ambition raising can be severely limited if it is seen (or construed) to be implemented at the expense of socio-economically disadvantaged strata of countries' societies (or, for that matter, those who are anxious about their socio-economic status and security). It should be noted that inequality within countries is an absolutely central aspect of the equity challenge, and that, at the same time, it is very, very difficult to deal with in a multilateral treaty context like the UNFCCC (and that this would probably remain true even if these negotiations were far healthier than they are today). This, in turn, indicates the absolute necessity of addressing intranational equity in non-formal stocktaking processes outside the UNFCCC like the iGST.

Furthermore, the PA highlights, inter alia in its preamble, a host of additional concerns that are relevant to reflecting equity for particular groups of people or perspectives, including "human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity", and "for some, the concept of 'climate justice.'" [1] It is our view that such considerations should inform all activities of the i/GST in order to ensure that they are properly conducted "in the light of equity."

To make this second scope-related point in a more general manner: **stocktaking efforts should make every effort to include all aspects of equity that are actually affecting policy discourses and policy decisions in “the real world,”** which in some cases will be specific to specific countries, thematic areas or particular circumstances, in others it will be fairly generalizable to many or all parties. This will enable stocktaking efforts to help address equity-related barriers to increased ambition or help highlight opportunities associated with overcoming such barriers. For example, in the emerging field of supply-side policy interventions, equity concerns have quickly arisen about which countries (or communities) have ethical claims to continue extracting fossil fuel and which ought to be first to “leave it in the ground.” Such equity concerns are not well developed and, unaddressed, they limit the potential of supply side approaches [5], [6]. Many other examples exist.

**The overarching point here is that the “true scope” of equity is very expansive and very challenging. As such, it is a practical necessity to limit its scope. However, this should be done consciously, carefully, and explicitly, while aspiring to the broadest scope possible and proactively acknowledging what is missing, in the case of the iGST and similar efforts, while actively resisting and interrogating the political constraints that parties’ collective political will has placed upon the official GST process.**

Finally, it is important to recall that “equity” in the context of the UNFCCC and the PA means in the first instance considerations of equity *between* countries. This is apparent from the context in which the concept of equity is introduced in the texts of these treaties. During the negotiations on the GST between the Paris

and Katowice COPs, negotiators of some developed countries suggested that the “in the light of equity” stipulation of article 14 could be fully met by paying attention to equity concerns *within* countries, such as those related to Indigenous rights, human rights, gender, rights of migrants, just transition etc., as enumerated in the preamble to the PA. While we agree that a more holistic treatment of equity (i.e. including equity *within* countries and for specific groups of people) is desirable in order to fulfill the ambition-raising promise of the GST, this must not come at the expense of a proper treatment of equity between countries.

It is clear that several of these issues are currently out of reach for the formal GST activities since the prevalent interpretation of article 14’s stipulation to consider “collective effort” holds that this stipulation prevents the consideration of individual parties’ contributions and circumstances<sup>10</sup> and that the consideration by multilateral processes of parties’ internal affairs, such as internal income distribution or Just Transitions, violate parties’ sovereignty. While we hold that such interpretations (and concerns about sovereignty) do not literally follow from the text of the PA and the Katowice decision, they do reflect the limited collective political will that the consensus of the parties can currently muster. Hence, some of the issues raised here have little chance of being fully considered in the formal GST, save perhaps for a treatment in party submissions pursuant to paragraph 37 (g) of the Katowice decision<sup>11</sup>. However, as stated above, it is our view that this should not be understood as a signal to also ignore these issues in contexts like the iGST but, on the contrary, as a challenge to the iGST to demonstrate how they can be treated – in

10 Though dissenting voices to this interpretation have been raised ever since scholars and analysts first started to think about the newly created institution of the GST. For example, Holz and Ngwadla [22] argue that the structure of the GST as set up by article 14 clearly implies inputs from individual parties and outcomes for individual

parties, which in turn implies that at least at some level individual consideration would have to be undertaken.

11 “37. Decides that the sources of input for the global stocktake include: [...] (g) Voluntary submissions from Parties, including on inputs to inform equity considerations under the global stocktake...” [2]



formal negotiations or in national debates – in a manner that is both fair and helpful.

For the formal GST, given the expressed needs of the parties, a balanced treatment of the thematic areas is paramount, which should include considerations of the interactions between thematic areas (e.g. relating to the fact that less overall ambition on mitigation leads to more climate change and thus higher adaptation needs and higher limits to adaptation, while, vice versa, when parties dedicate more of their limited resources to adaptation, they will have fewer resources at their disposal to engage in mitigation activities). Further, the issue of equity between countries must be included, although given the

prevalent interpretation that only aggregate information should be considered by the formal GST **there is an immanent need for creative thinking about alternative means of differentiating expectations of countries in radically differing circumstances.** Part of this may entail devising helpful aggregates that overcome static interpretations of the developed/developing countries dichotomy as, for example, it was captured in the Annexes of the UNFCCC.<sup>12</sup> Helpful aggregation could, for example, consider the shared circumstances of countries with large fossil fuel exports, of countries with agrarian economies, of countries at similar levels of development, of countries with particular, shared adaptation challenges, and so forth.

## + Transparency and Standards of Equity Information and Benchmarks



Given the prevalent interpretations that the “collective effort” language in article 14 precludes individual party level assessments, it is currently unclear how the official GST process will be able to use national-level information (and if so, which ones) to clarify the progress of individual parties towards implementation of their contributions towards the long-term goals of the PA. As stated above, aggregation of parties in groups other than developed vs. developing countries may help overcome this limitation.

The availability of such information could be helpful, because it is clear that there will be initiatives that will assess the contributions of parties and groups of parties against specific normative benchmarks, including benchmarks that are derived, or purport to be derived, from specific equity positions. For example, in the lead up to the Paris climate summit and annually since, a global “Civil Society Equity

Review” [7] undertook such an exercise, and a consortium of European institutes operating as the “Climate Action Tracker” [8] is also in the business of assessing countries’ climate pledges against equity benchmarks. Several other such initiatives exist.

**The use of equity benchmarks is not only a “fact on the ground,” it is also in our view an important, useful and desirable tool for encouraging discourse, mutual understanding, and, ultimately, enhanced ambition, for example by demonstrating in which area (e.g. mitigation, adaptation, or support), and at what scale, additional ambition can fairly be expected and how countries’ contributions compare to each other in light of specific benchmarks.** Importantly, equity assessments against normative benchmarks also offer very useful tools for national campaigns for higher ambition.

<sup>12</sup> Though the Annexes still have important meaning and functions, including in relation to the GST, for example

when it comes to the explicit finance obligations of Annex II parties.

However, in order to be widely seen as legitimate, equity benchmarking should observe some minimal standards with regard to their construction and transparency. **The overarching point here is that the derivation of equity benchmarks is always and necessarily a normative exercise and that presenting any equity benchmarking exercise as value-neutral is patently misleading. From this it follows that initiatives that strive, for very good reasons, to present themselves as value-neutral research or research-aggregation initiatives, like the iGST, ought to refrain from engaging in equity benchmarking proper, though discussion of standards and principles of such benchmarking could be a very useful contribution to further the understanding of equity assessment, as can the provision of information and data relating to equity consequences of national contributions.** For example, and related to the discussion on scope above, iGST participants could agree that any equity assessments of mitigation pledges that only consider a country's domestic mitigation and fail to consider the provision (or receipt) of means of implementation for mitigation are defective due to their incompleteness.

It further follows, that audiences for the results of benchmarking exercises must be able to understand and decide whether or not they agree with the normative positions taken in constructing the benchmarks, in order to assess whether or not they can accept the findings of the benchmarking. In order to make these determinations, users must be as transparently and completely as possible informed about all the ethically-informed decisions that went into the construction of the benchmark. For example, for mitigation benchmarks this includes the selection of the mitigation pathway and the trade-offs between near-term ambition and mid to long-term risks (e.g. with regards to the impacts of temperature overshoots, negative emissions assumptions, economic and population growth assumptions, assumptions about

technology, assumptions about climate impacts, including discounting, etc. [4]) that are implied in such a selection. And of course, it also includes the selection of the fairness principles that are used to derive national benchmarks from global pathways (or carbon budgets). The ethical positions that underpin the selection must be clear to the audience, as must be the implications of a particular selection over alternatives.

While not only relevant there, these principles matter in particular when it comes to the kind of equity assessment that seeks to evaluate countries contributions (i.e., chiefly, their NDCs, but also their finance contributions) in fair shares terms. The bottom line is that equity models that claim to evaluate the fairness or unfairness of parties' contributions must be ethically transparent, so that they themselves can be evaluated, specifically with regards to any implicit or even explicit biases, and how these effect the final assessment results that the models are reporting.

**This has special importance for assessments that are derived from aggregations or statistical syntheses of multiple normative benchmarks, and that are presented as being representative of the universe of equity perspectives in an inclusive and exhaustive way. The key point here is that this is not and cannot be a strictly technical process, because it inherently entails normative choices, and thus any such effort must be extremely transparent. The path from the underlying ethical positions of the individual equity perspectives to the ultimate assessment vis-à-vis the synthesized benchmarks must be easily traceable, and if other positions would have led to other assessments, this too must be clear.**

It must be particularly clear which ethical positions are being selected for representation and which are being excluded, why they are being excluded and what the implications of this exclusion are. This is true even if the reasons that salient ethical positions are



excluded are methodological or practical, for example because no quantified data reflecting these ethical positions have been calculated and/or published. It is worth noting that the IPCC, in the Fifth Assessment Report [9], noted several equity dimensions that are relevant for equity assessment of NDCs *but have not yet been expressed via quantified models*. These include the different kind of responsibility associated with production- versus consumption-based or with survival versus luxury emissions, egalitarianism versus prioritarianism, regressive versus progressive distribution of the costs (and benefits) of climate action, and the ethical primacy of the eradication of poverty and the associated importance of the right to development. In these cases, indications should be provided with regards to how the inclusion of such positions would have altered the assessment. Also, the specific approach for aggregating across benchmarks must be clear, along with its implications relative to other options.

Such a degree of transparency is quite demanding, and yet it is indispensable. Without it, the meaning of the consequent judgments cannot be clear. Its goal is a situation in which the logic of the ethical-political positions represented by specific benchmarks, as opposed to other possible benchmarks, is clearly visible, so that it too can be evaluated against the demands of the climate transition, which will be severe.

As we mentioned above, unofficial stocktaking exercises could advance the discourse on benchmarking by articulating principles for normatively-based benchmark setting. Besides the importance of full transparency, it is imaginable that such stocktaking undertakings could also succeed in facilitating open and productive discourses that result, in the right context, in increased consensus with regards to the outer boundaries of a defensible range of views with regards to which normative benchmarks can be considered to constitute “equity.” For example, such a consensus could include agreement that any “grandfathering-”

based benchmarks could not be considered equitable, or that for the proper assessment of countries’ mitigation effort, the sum of their domestic mitigation and the mitigation impact of their climate finance contribution should be considered in total.

**Unavoidably, the many technical, analytical, or taxonomic choices made in developing any synthesized equity benchmark entail judgements that themselves are normative (which equity perspectives are included, which are excluded, how are equity perspectives represented quantitatively, what specific values are chosen for free parameters, etc.). These judgements, moreover, are consequential, and substantively affect results. For these reasons, no quantitative assessment relative to equity benchmarks can claim to be “neutral” or “objective.” All that is possible to claim is transparency.**

Expressed in a more general form, all approaches – political, policy, quantitative, etc. – that make equity claims about the shared climate response, must be constructed and communicated in ways that allow their ethical and moral presuppositions to be clearly identified and interrogated, so that it becomes easy to either agree with them or dismiss them.

Importantly, this principle does not only apply to assessment efforts that seek to evaluate parties’ mitigation contributions against normatively-derived benchmarks, but also extends to other thematic areas as well. Here, it is important to recall our earlier cautioning against siloing thematic areas and failing to take interactions between areas into proper account. For example, an initiative that is assessing mitigation contributions against equity benchmarks cannot be properly scrutinized without information on the assumptions about financial and other support (to be provided or received) that are made by

the initiative.<sup>13</sup> Nor can it be assessed properly unless the selected benchmarks also are meaningful measures of both mitigation and support. Likewise, it is impossible to properly assess adaptation without transparency and clarity about assumptions on the level of mitigation, or support and climate finance available for adaptation activities.

The role of the iGST and associated activities in modeling clarity and transparency in regard to the ethical and moral underpinnings and technical, economic and political assumptions of equity-related information is also very important. While self-differentiation in countries' NDCs broadly reflects the subtle differentiation in the PA towards developing countries and LDCs and SIDS in particular when it comes to mitigation and adaptation responsibilities [10], it is clear from the first round of NDC submissions that parties have not been very successful in clearly and transparently explaining the reasoning behind

why they consider their contributions to be fair (and ambitious) as tasked to do by the Lima COP decision (and reiterated in Paris and since). Winkler et al. found that virtually all parties failed against even low standards of transparency and coherence in this regard, though they also found that there was some convergence around a number of indicators that parties used to speak to the question of fairness and ambition [11]. The Katowice decision on information to facilitate clarity, transparency and understanding of NDCs (Annex I to decision 4/CMA.1) [12] also fails to provide useful guidance to parties in this regard. Hence, unofficial, independent stocktaking such as the iGST can help assemble relevant information, and provides a reservoir of relevant data on which equity benchmarking exercises can draw, and can serve the role of modeling the type of transparency, clarity and understanding that parties ought to apply to their NDCs.

## + Climate Finance and Support

The Katowice decision on the GST resolved the tension between interpretations of article 14 that the finance-related topics of the GST would mainly evolve around making financial flows consistent with a low-emissions and climate-resilient development pathway<sup>14</sup> on one hand and interpretations that sought to highlight “traditional” understanding of climate finance and broader support, e.g. in the sense of articles 9, 10 and 11 of the PA. The Katowice decision (decision 19/CMA.1, paragraph 6 (b)) embraces both interpretations and thus clearly brings finance flows consistency into the GST

scope while also reiterating that article 14, when talking about “means of implementation and support” was indeed referring to climate finance, technology transfer and capacity building provided by developed country parties (and others who have voluntarily chosen to do so) in the traditional understanding first established in the UNFCCC itself (articles 4.3-4.5)

It is self-evident that efforts to make financial flows consistent with low greenhouse gas emissions and climate-resilient development

<sup>13</sup> For example, questions such as whether poorer countries' mitigation contributions are assessed under the assumption that they will receive support to implement them or not; or whether wealthier countries' contributions are only considered to consist of their domestic effort or if they must necessarily be assessed together with the mitigation that their support enables in other countries, or whether contributions are thought to include international offsets, etc.

<sup>14</sup> This interpretation holds that shifting financial flows is a long-term goal of the PA (pursuant to article 2.1 (c)) and since the mandate of the GST is to assess progress towards the long-term goals, the other relevant phrase of article 14 – “considering ... means of implementation and support” – should also be understood mainly in the context of article 2.1 (c) as opposed to, for example, article 9 on climate finance or article 10 on technology transfer.



touch on a host of equity questions, both between countries and within them, that arise when large-scale financial flows shift away from certain economic activities, regions, countries, or socio-economic groups and towards others. Nonetheless, the equity considerations of shifting financial flows will not be discussed here; we will instead focus on the “traditional” understanding of means of implementation and support as climate finance, capacity building and technology transfer (collectively, in this report, “support”) provided by developed countries to developing countries.<sup>15</sup> This is purely for practical reasons since a proper treatment of the equity issues relevant to shifting financial flows is a major undertaking warranting a dedicated report and is beyond the scope of the present paper. It is nonetheless our view that consistency of financial flows is a centrally important issue that should play a major role in the i/GST since it is inconceivable to meet the Paris Agreement goals as long as hundreds of billions or trillions of dollars in investment are directed to new fossil fuel infrastructure.<sup>16</sup>

Climate finance and support are in and of themselves central to equity and ambition. This is one of the reasons we argued earlier against siloing of thematic areas: **for example, with regards to mitigation, without taking into**

**account the support provided by developed countries and received by developing countries, it is impossible to assess whether countries’ overall contributions to mitigation are appropriately fair and ambitious.**<sup>17</sup> The analogue applies to adaptation. This applies at both the individual country level and in the aggregate. Likewise, at both individual and aggregate levels, any assessment that is based on criteria that are focused on mitigation and does not consider the support as part of a country’s overall contribution would be utterly incomplete. Incidentally, this also applies to globally aggregated assessments: if support is not taken into account, an assessment of the global collective effort in, for example, mitigation would risk missing important equity-related barriers and opportunities to higher ambition.

More bluntly, many equity-related considerations regarding support come back to the central observation that “the money’s in the wrong place. Even if countries are trying to do as much as they can, many simply can’t do enough without real support.” [13] This applies to both mitigation, because much of the current and future mitigation potential lies in countries with smaller financial and technological capacity to implement this potential,<sup>18</sup> as well as in adaptation, where the

15 While we acknowledge that article 9.2 of the PA also encourages “other Parties” to provide support, we will nonetheless continue to use the phrase “developed countries” to refer to the parties providing support, in the interest of simplicity and because existing financial commitments like the \$100bn goal explicitly refer to developed countries. Likewise, we will use “support” to encompass all of climate finance, capacity building and technology transfer.

16 A dedicated paper on issues related to climate finance and financial flows is available in this discussion series, however, it treats equity considerations only in a cursory fashion [23].

17 For example, if a developed country undertook a domestic emissions reduction of a certain scale and supported additional reductions in other countries, say, at a scale equivalent to their domestic efforts, the total contribution to mitigation of that country would be larger than that of a country that only undertook the domestic action of the same scale, or even or a somewhat larger

scale. This observation would be impossible without taking the support provided into account.

18 This observation also suggests that carbon markets and cooperative approaches under Article 6 of the PA are potentially relevant to this issue. Article 6 and carbon trading in general is subject to a whole host of other equity-related considerations, deserving their own dedicated paper and thus go beyond the scope of the present publication. Judging from the CDM and voluntary carbon market experiences, such equity-related issue would include human-rights issues such as displacement of traditional communities from land sought for mitigation projects (e.g. [24]), the biased distribution of project activities across host countries, the low or absent sustainable development benefit of projects, and the issuance of reduction credits not actually reflecting emissions reductions, to name a few of the most pertinent issues. Additionally, where they act as mechanisms for offsetting, carbon markets risks lowering overall ambition, while other potential functions of Article 6 mechanisms, including as mechanisms for

largest adaptation need is not well matched with the capacity to meet that need (similar observations can be made about L&D and, depending on the case, RM). Hence, this central observation, and its implications, deserves some considered attention.

Equity principles regarding the provision of support are well established under the UNFCCC. Article 4.3 of the UNFCCC explicitly recognizes “the importance of appropriate burden sharing among the developed country parties” with regards to the provision of climate finance [14], which is implicitly reaffirmed by the PA through its recognition (in article 9.1) of the obligations with regards to finance of developed countries under the Convention.

The Convention, in article 4.3, establishes further important equity principles by explicitly recognizing “the need for adequacy and predictability in the flow of funds” and by explicitly setting the expectation that “adequacy” of funds would refer to the “agreed full *incremental* costs”<sup>19</sup> of undertaking climate action. Further, article 4.3 of the Convention is clear that provision of climate finance by developed countries is a *commitment*<sup>20</sup> (as opposed to a voluntary pledge).

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results-based climate finance, could overcome this potential limitation.

19 In the determination of the “incremental costs,” for example for mitigation, it would be appropriate to take a realistic approximation of any co-benefits of the activities into account. As such, it is plausible that in some cases, the incremental costs may be zero or negative. See below for a more detailed discussion of this matter.

20 Article 4 is titled “commitments” and article 4.3 specifically uses the “shall” verb to convey legal bindingness of the provision of climate finance commitment.

21 Importantly, the Paris Agreement introduces the notion that it is not just developed countries that are obliged to provide financial resources, but that “other parties” are also, on a voluntary basis, encouraged to do so (Article 9.2 Paris Agreement). While expressed in the text of the PA as a fairly weak expectation (“encourage” and “voluntarily”), from an equity perspective this provision importantly raises the question which countries, in addition to those already obliged to do so by the

Hence, two obvious equity considerations are related to equitable effort sharing of the provision of support on one hand (including the question which countries should share in this provision of support)<sup>21,22</sup>, and the adequacy of this support on the other hand. Additionally, on the receiving side, an additional question arises about whether support is fairly distributed among recipient countries, or even with regards to specific sub-groups within these countries. In this context, recall the provisions of the PA and the UNFCCC that specifically highlight, for example the circumstances and needs of parties “that are particularly vulnerable to the adverse effects of climate change,” such as least developed countries and small island developing states, indicating that there ought to be recognition of specific circumstances in the context of the provision of support.

It is important to note, though, that these questions cannot be treated in isolation. For example, if contributor countries were to perfectly fairly share (according to some normative benchmark) the effort of providing a certain amount of support, but if that amount falls far below the level of support required by developing countries for adequate levels of climate action, equity concerns about the provision of support would remain. Specifically,

UNFCCC and the PA (i.e. developed countries), can fairly be expected to contribute to climate finance and at what level. For one possible way of answering this question via a dynamic (i.e. responsive to countries’ changing circumstances over time) effort-sharing regime, specifically, our Climate Equity Reference framework, see [25], which analyses which countries could be considered support providers or recipients, respectively, based on a number of different methodological assumptions (e.g. with regards to baselines) and specific ethical-normative positions.

22 Note that the availability of forward-looking information on provision and mobilization of finance is very limited. Specifically, developed countries have long resisted including such information in their NDCs and elsewhere. The biennial reports of the Standing Committee on Finance include some forward-looking information but there is nonetheless a major data issue. For a more thorough discussion of these limitations, see also the dedicated finance paper in this discussion paper series [23].



since COP15 in 2009, parties have focussed their attention on developed countries' collective mobilization goal of \$100bn annually by 2020, a goal which was reiterated in the Paris COP decision that adopted the PA applied as an annual goal to the 2020 to 2025 period as well, but without undertaking any a priori equity assessment as to whether this goal is sufficient in scale relative to the needs for support required by developing countries.

Equitable effort sharing with regards to the provision of this finance goal should certainly fall within the scope of i/GST assessments. However, it would fall short of the full consideration of relevant equity considerations if the adequacy (and thus, equitability) of the goal level itself were not also scrutinized from an equity point of view. This question could be tackled from both the provision side (e.g., one could interrogate the question whether the combined effort of mitigation and provision of support by developed countries is commensurate with their overall fair share of a global effort) as well as from the needs side, where one could interrogate whether the goal (be it the narrow \$100bn goal or a broader goal of shifting financial flows) is actually commensurate with the overall need for support (and investments) for adaptation and mitigation by developing countries.

In the latter case, a stocktaking exercise could, for example, utilize the information provided by developing countries in their NDCs about the level of finance need and/or support they require to fully implement the measures outlined in their NDCs.<sup>23</sup> This is, again, a good

opportunity to highlight the need to resist siloing thematic areas: Since the level of ambition described in the NDCs is not sufficient to achieve the PA long term goals (as, for example, recognized explicitly in the Paris decision in the case of mitigation; paragraph 17, decision 1/CP.21 [1]), the "true" need for support to implement measures at the necessary level of ambition would exceed that expressed in the NDCs. As such, any exercise to determine the support need would need to be informed by and be in conversation with activities designed to determine the required level of ambition in mitigation, adaptation and so forth.

Another reason why such needs assessments are an important function of stocktaking exercises is the agreement by parties in the Paris decision to set a new collective mobilization goal for climate finance for the post 2025 period (paragraph 54, decision 1/CP.21 [1]). Outcomes of the GST and/or unofficial stocktaking exercises could serve as important pieces of input into this goal setting.<sup>24</sup> In this context, the needs determinations that the Standing Committee on Finance (SCF) is tasked to carry out periodically, with the first of these determinations to be published by COP26 in 2020, can serve as important pieces of input. However, the limitations of the SCF's work in this area suggests that unofficial stocktaking exercises could provide an important service by addressing these issues, which are

23 To be sure, the information about financial needs in NDCs cannot always be taken at face value. For example, parties utilized different methodologies for estimating those needs, parties make (but often don't disclose) different assumption about how much of that need would be required from developed countries' support contribution vs. from other sources. Nonetheless, and especially at the aggregate, NDCs can provide useful insights. For example, Pauw et al. interpolate that the support requirements to implement the conditional components of NDCs (mitigation as well as adaptation) in the 2021-2030 may imply an "indicative total support requirement of," on average, \$330 billion annually [26].

24 Article 14 clearly sets the GST up as a relevant piece of input for this activity when it states that "the outcome of the GST shall inform Parties in updating and enhancing ... their ... support." [1]. Basing the goal setting for the post-2025 finance mobilization goal on a GST outcome that considered the finance needs of developing countries would be a large improvement over the way in which the \$100bn goal was derived, which was more or less arbitrarily chosen and first announced by developed countries during the Copenhagen COP in 2009, without having any meaningful relationship to the needs it is intended to address.

generally under-researched.<sup>25</sup> Such needs assessments, done correctly, could provide a very detailed look at the support needs broken down along various dimensions, for example, by thematic area (i.e. support for mitigation, adaptation, L&D), by nature of support (climate finance, technology transfer, capacity building), by source (public vs private, contributor vs. recipient country) or type of support (e.g. in some cases only grants are appropriate while in others a loan guarantee or equity may be sufficient) or stage of development of the recipient country (e.g., emerging economies, LDCs, SIDS, etc.). Furthermore, keeping the Talanoa question of “how do we get there” in mind, both official and unofficial stocktaking exercises could focus on the questions of how to raise the funds necessary to cover those identified needs (again, differentiated by type of support), including from developed country government sources, private sources, as well as innovative financing that bypasses governmental processes.<sup>26</sup>

Further, recall that developed countries consider the \$100bn goal to refer to both public finance provided as well as private finance mobilized by public intervention (as explicitly stated, for example, in decision 1/CP.16) as well as their interpretation (confirmed by parties in the Katowice decision on the GST) that the question of shifting of financial flows (article 2.1 (c) of the PA) is within the scope of the GST. In this context, a host of equity questions arises that are related to the nature and source of the private finance thus mobilized or shifted. For example, should private finance that is mobilized from *developing* countries’ private entities by

interventions of developed countries be counted towards developed countries’ fulfilment of their finance obligations or towards developing countries efforts to implement their pledged measures?<sup>27</sup> As another example, is it appropriate for, say developed country private enterprises, enabled by their governments’ intervention, to invest in adaptation projects in developing countries, charging user fees and making a profit off these projects, and to count this arrangement (ultimately funded by the fee-payers of the developing country) toward the developed countries’ obligations?

**Assessments of support needs of developing countries also should take so-called co-benefits into account.** This issue mainly arises in regards to mitigation activities where, besides emissions reductions, mitigation measures might also yield important other benefits (co-benefits), such as increased energy access, reduced air or water pollution, reduced congestion, lower energy costs and so forth. In fact, in some cases, co-benefits might be large enough to reduce the cost of mitigation activities to zero, or net-negative (if the value of the co-benefits matches or exceeds the cost of the action), thus potentially eliminating the need for support. For example, energy efficiency measures often save more in energy costs over a certain period than the initial investment, thus resulting in net savings. **However, it is equally important that the effect of co-benefits are not overstated. Clearly, barriers to mitigation activities with zero or net-negative costs still exists, otherwise they would have been implemented already. Overcoming those barriers could still**

<sup>25</sup> For further details, see the climate finance paper in this discussion paper series [23].

<sup>26</sup> There are many such proposals, including financial transaction taxes, fossil fuel extraction levies, special drawing rights etc. One example from the UNFCCC context is the share of proceeds from the CDM under the Kyoto Protocol, which directly generates funds for the Adaptation Fund.

<sup>27</sup> Imagine, for example, a large concentrated solar power plant built in the fictional developing country

Decarbistan with substantial assistance, say worth 20% of the total project costs, from grants publicly funded by a developed country, Donorland. Imagine further that the remaining 80% of the investments coming from the privately owned Decarbistani utility company, DecaPower, i.e. representing private capital arguably leveraged by Donorland’s grant. Do the 80% count towards Donorland’s climate finance totals? Would it make a difference if DecaPower was not a private entity but publicly owned by the Decarbistani government?

**imply support needs, despite nominally negative costs of the measure.** This could involve difficulties in accessing investment capital at rates that allow the value of the co-benefits outweigh the cost of the mitigation measure to make the measure overall net-negative<sup>28</sup> (pointing toward loan guarantees from developed country governments or MDBs as possible mean of support to enable access to lower cost. Other barriers could include technological or capacity constraints etc. The emphasis on net benefits that is often the focus of discussions of co-benefits risks to overlook various types of disruption that large-

scale and rapid mitigation entails, because of the socio-economic inertia (e.g., with. regards to stranded assets, displaced workers, etc.). Such **a focus on a “net benefits” notion that sets benefits against costs also risks may also fail to take important equity considerations into account when those benefits and costs might be occurring to different people, in different regions or countries, and even different generations.** However, as stated above, a thorough treatment of these issues is beyond the scope of the present paper.

## + Intranational Equity



Another important element of equity in climate action is the myriad of issues that can be summarized as “intranational equity.” This frame recognizes that while inequality *between* countries is critical in the context of ensuring that the response to the climate crisis is ambitious and equitable, **inequalities within countries also play very important roles.** Equity arguments (imagined and real) are being fielded by the opponents of climate ambition in order to slow or halt progress on climate action. These arguments often point to the (imagined, potential, or real) negative impacts that climate policy measures have or might have on economically disadvantaged groups and individuals, or on groups and individuals who experience anxieties about their economic status or economic security. If measures intended to transition economies to low or zero carbon economies are to gain support among populations the world over, the inequalities that provide fertile ground for the purported equity concerns of the detractors must be taken seriously and explicitly and visibly addressed in

climate measures, rather than exacerbated or ignored.

**Stocktaking exercises can make important contributions by highlighting the risks that failure to attend to salient inequalities can pose to the implementation of climate measures as well as the opportunities (including co-benefits) that can be unlocked by paying proper attention to these dynamics.**

Given the concerns (mentioned above) of many parties that consideration of their intranational circumstances in an international process could impede their sovereignty, it is unlikely that these topic areas will receive much consideration in the GST (save, perhaps, for some attention to Just Transitions under the umbrella of RM). This circumstance makes it vital that they are instead taken up by unofficial stocktaking initiatives such as the iGST.

Such stocktaking could, for example, assess the ways that the implementation of climate policies may have affected socio-economically disadvantaged groups, how any negative

<sup>28</sup> For example, at the time of this writing, German 10-year government bonds have a yield of -0.7%, while Uganda's are over 15%. The difference between these borrowing costs suggests that many mitigation activities

whose co-benefits would make them net-negative cost in Germany, could very plausibly remain positive-cost in Uganda.

impacts could have been avoided, or how they have been avoided in other policy situations, and so on. This could include assessing distributive implications of climate policies, such as carbon pricing, or questions of energy access due to rising energy prices as a result of the elimination of fossil fuel subsidy or deployment of renewable energy, or questions around environmental racism or classism in siting, for example, large scale renewable energy projects. Importantly, such questions also arise with regards to the distribution of (co-)benefits of climate action and opportunities associated with it. For example, structural barriers might exist that allow only certain strata of societies benefit from energy efficiency incentive programmes, e.g. due to access to financing or due to ownership structures of housing. Or likewise employment or other economic opportunities resulting from climate action might be captured by certain socio-economic groups to the detriment of others. Climate policy can be designed to

More generally, questions relating to intranational inequality arise across all thematic areas, not just with regards to disproportionately bearing the impact and costs of mitigation measures, or inequitable distribution of the benefits and opportunities associated with it, but also with regards to, for example, the distribution of risk reduction as a result of adaptation efforts (e.g. funds might be prioritized to reduce the risk for the better-off rather than the most at-risk, or user-paid adaptation measures might be beyond the reach of the poor), and certainly the inequal distribution of climate impacts and loss and damage within the socio-economic strata of societies.

This issue area is large and complex but the rise of (often right-wing) economic nationalism in recent years around the world, – which is typically associated with resistance to or rejection of climate action (and often of climate science itself) and that is at least to a large part fuelled by (real or perceived) inequality issues and associated fears and anxieties – illustrates

its importance. In our view, it is impossible to imagine the type of high cooperation world that's necessary to successfully address the climate crisis in a context of "America first," "Brazil first," Philippines first," and so on. A recent very important example of the dangers here is the experiences with the *gilets jaunes* protests in France, who disrupted domestic climate policy implementation on the basis of issues of inequity.

Stocktaking exercises, in particular unofficial ones that are not burdened by the concerns about sovereignty of parties that places limits on the official GST, should strive to highlight the myriad barriers that pervasive inequality in societies around the world can place before climate ambition and likewise illuminate ways in which overcoming these barriers can lead to more ambitious and more just responses to the climate crisis. This is one of the ways in which equity truly is the gateway to ambition – if effort, costs, as well as opportunities and benefits of climate action are not fairly shared among the nations of this planet, and among the people within those nations, it is hard to imagine how the extremely challenging ambition agreed to in the Paris Agreement can be accomplished.

Even in a formal sense, and whether or not these dimensions of equity are taken up in the official GST, it is worth noting that they do arise in the PA, specifically in the preambular text. For example, there are the clauses recognizing the need to "respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity". Likewise there are clauses having to do with "public participation, public access to information and cooperation at all levels," the "fundamental priority of safeguarding food security" (which arises in the context of land-based mitigation and



negative emissions), and “imperatives of a just transition of the workforce,” and “obligations on

human rights, the right to health, the rights of indigenous peoples” [1].

## + Procedural Equity in Stocktaking Activities



During the negotiations on the GST between the Paris and Katowice COPs, some parties highlighted the importance of procedural equity for the GST. While in this case the interventions appeared to represent a cynical attempt to suggest that attention to procedural equity alone, at the exclusion of all other dimensions of equity, could serve to comply with the “in the light of equity” stipulation of article 14, attention to procedural equity nonetheless has clear merits.

Some aspects of procedural equity have already been discussed above under “scope,” namely the equitable treatment of all thematic areas, but other aspects also warrant attention. Procedural equity is important for both the official GST as well as other stocktaking exercises since without it the legitimacy of these efforts can be severely undermined and with it the degree to which their outcomes are embraced by decision makers and thus, ultimately, their effectiveness as ambition-raising tools.

In the most general terms, procedural equity is understood to refer to the transparency and fairness of the *processes* by which results are achieved. More equitable processes lead to more equitable results, in part because of the perception of fairness enjoyed by participants in these processes. In addition to balanced treatment of thematic areas, in the case of stocktaking exercises, procedural equity might be best served by an attention to ensuring equitable access for different groups, as well as the equitable treatment of their respective inputs and perspectives.

With regards to access, the i/GST should actively strive to address and overcome barriers to *full and meaningful* participation by

(potential) participants from developing countries. In the case of the official GST, as has been emphasized by several parties during the negotiations leading to the Katowice COP decisions on the GST, and has been codified in that decision, this does not only include developing countries’ government delegations, but also observer organizations and research institutes from those countries. Importantly, this does not only mean to ensure support to those participants to enable their presence at relevant gatherings, but it may also mean requiring more substantial support to enable them to engage with the processes and issues, e.g. to produce materials as inputs, outside of those gatherings.

The importance of this becomes apparent when considering the structure of the GST, comprising of input phase, technical consideration, and political phase: if the perspectives of certain groups or countries are not reflected in the inputs submitted or gathered during the input phase, for example because of capacity and resource constraints to produce relevant materials, language barriers, information technology limitations, etc., then the technical consideration and political phases won’t be able to consider those perspectives either, even though the groups or countries might be able to engage in those phases. For example, a cursory survey of the inputs to the Talanoa Dialogue reveals that Northern research institutes and civil society organizations are substantially overrepresented in the submissions to the Talanoa Dialogue, presumably owing at least in part to a shortfall in capacity and resources among southern organizations to produce such documents.

**For unofficial stocktaking exercises, this means that the full and meaningful involvement of southern participants is of utmost importance, particularly if these initiatives intend their analyses and outputs to be taken as legitimate expressions of a global collaboration. This has implications.**

**First of all, southern participants will in many cases require financial support to engage in the initiative's activities in any meaningful way. Often more sustained support will be needed, so that the capacity to effectively collaborate can develop, research relationships can be established, and approaches and priorities clarified.** Stocktaking initiatives that aim to be globally representative should ensure that southern perspectives are engaged in deliberations (advisory boards, steering committees and such) and project design from their very start. This is crucial in order to avoid their involvement becoming tokenistic and in order to put in place structures, processes, and agendas that allow for an equitable treatment of all perspectives. This is also important since, as mentioned, one of the potential functions of such stocktaking initiatives is to "model" inclusive and democratic stocktaking exercises to parties, and this very much includes modelling procedural equity. Additionally, it is important to stress that any unofficial stocktaking exercise that successfully (and visibly) ensures the full and meaningful participation of southern perspectives in its own activities could also have a direct positive impact on the official GST since those same voices would be better prepared to participate in the official GST as well.

**Admittedly, this is a demanding set of conditions and stipulations, and one must be**

**realistic about the difficulties that must be overcome to do them justice. Still, every effort should be made to include and support meaningful participation by a critical mass of southern analysts. It is important to highlight that this would require support for building institutions and networks over a long period of time to address shortcomings in institutional capacity in think tanks and research institutes in developing countries. All too often, ostensibly global initiatives include only tokenistic involvement from overburdened developing country analysts who cannot effectively assert their interests or perspectives, save for the cases in which these unproblematically dovetail with those of more well-resourced northern participants. This must be avoided if any potential unofficial stocktaking exercise is to win real legitimacy.**

**There is more to be said about the problems here, but our specific caution is that such initiatives should be careful not to assert a universality that they cannot legitimately claim. Acknowledging that, they should take care to inflect all of their products with a strong sense of the developmental challenges posed by the climate crisis, in a manner that is frank about their own limitations, for example with regards to their limited geographical scope. Ideally, such stocktaking initiatives would also make investments designed to facilitate meaningful collaboration in the future, for example, by supporting the development of flexible analytic tools that can be easily customized by southern analysts who wish to develop their own approaches to stocktaking, for example with regards to NDC assessment and quantification, thus lowering the barriers for southern participation.**



## + Summary



The explicit mandate to conduct the GST “in the light of equity” represents an opportunity to maximize the ambition raising potential and promise of the GST as well as strengthen its overall legitimacy and the legitimacy and fairness of the overall response to the climate challenge, and consequently its adequacy.

**This is because, in addition to equity being a “good” in and of itself, there are important instrumental dynamics that potentially make equity a strong enabler of ambition.** These include: 1) climate change is a commons problem where only if actors see others striving towards their fair share will they do likewise, 2) the “the money is in the wrong place” problem; that is, any truly ambitious transition will demand substantial amounts of international support, for the simple reason that much of the world's mitigation potential and adaptation need is located in countries and communities that do not have the money to address them, or that have pressing *national* economic and development needs that in many cases take priority to investing in a *global-scale* challenge, and 3) extreme inequality is a social poison the world over and can be (and has been) exploited by opponents of climate action to stall or stop climate policy.

Equity in the i/GST is a sprawling and complex issue, which was correctly recognized by parties in Katowice when they characterized it as “cross-cutting,” i.e. relevant for and implicated in all aspects of the GST, however, parties failed to fully operationalize how equity would precisely be treated in the GST, which gives an important opportunity to the iGST and similar unofficial processes to model this for the parties.

While we have discussed many aspects of equity in the i/GST and stocktaking in general

(and while our treatment above is also necessarily incomplete), there are a few areas on which, in our view, the iGST should focus its efforts, in terms of conducting its business “in the light of equity.”<sup>29</sup>

- ★ Balance in scope of thematic areas, including taking linkages and interdependencies between thematic areas into proper account;
- ★ Highlighting principles that equity assessments of individual countries’ contributions (NDCs, support provided etc.) should apply. Such principles must include ethical transparency, attention to structural biases, and proactive acknowledgement of weaknesses and limitations in such a way that users can effectively scrutinize these initiatives. Moreover, efforts should not assert claims to objectivity or neutrality in undertakings that are by their nature, normative;
- ★ Particular emphasis on climate finance, means of implementation and support, and shifting financial flows, including the equity challenges implied in both provision and receipt, and including the adequacy of finance mobilization goals vis-à-vis actual support needs;
- ★ Consideration of intranational equity and inequality in the iGST, including the (real, perceived and potential) impacts of ambitious climate action on socio-economically disadvantaged groups, and the role of inequality as a barrier to ambitious climate action;
- ★ Procedural equity with particular emphasis on actively enabling the full and

<sup>29</sup> It is worth repeating that some of these areas are likely currently out of the realm of the possible for the official GST, given the collective political will of the parties.

This has been highlighted, where applicable, in the text above.



meaningful involvement of perspectives from developing countries.

Within these broad areas, there are some specific elements that are worth highlighting.

- ★ The equity provisions of the GST were hard-won and must be defended. Any GST that does not take equity into proper account will be a glaring violation of the provisions of article 14.1. Further, it will damage the efficacy of the ambition mechanism and thus of the Paris Agreement as a whole.
- ★ Certain activities and lines of inquiry are currently beyond the political will of the parties, particularly in the context of the official GST. To the degree that these activities could further the project of stocktaking in the service of enhanced ambition and equity, the iGST should embrace them and seek to demonstrate how they can be put to maximum effect.
- ★ One area that is out of reach of the formal GST is the equity assessment of individual parties' pledges and actions. Such assessments by their nature depend on benchmarks and, as discussed above, no benchmark, including those derived through synthesis, can claim objectivity or neutrality because derivation of equity benchmarks is always and necessarily normative. Given this, it is important that benchmarking exercises embrace the utmost transparency with regards to their ethical, normative and methodological choices, the implications of those choices as well as the implications of choices not taken, and of the limitations and shortcomings of their approach (and their implications). The iGST could helpfully illuminate standards and principles for equity benchmarking, but the actual conduct of equity assessments may best be relegated to other processes;
- ★ Another way in which the i/GST ought to ensure equity is via the equitable and

balanced treatment of thematic areas (mitigation, adaptation, means of implementation and support as well as RM and L&D). Given the structure of the i/GST, it is important that this equitable and balanced treatment is embraced across all phases of the i/GST, from the input phase, to the technical consideration to political phases and the generation of outputs;

- ★ As full a scope as possible of equity issues should be included in i/GST exercises; ideal stocktaking efforts would include all aspects of equity that are actually affecting policy discourses and policy decisions in "the real world;"
- ★ From this it follows that that the "true scope" of equity is extremely expansive and that there is a practical necessity to limit its scope. However, this should be done consciously, carefully, and explicitly, while aspiring to the broadest scope possible and proactively acknowledging what is missing;
- ★ The proper treatment of finance and other means of implementation and support is central to any stocktaking exercise since without taking them into proper account, it is impossible to assess whether contributions to mitigation or adaptation are appropriately fair and ambitious;
- ★ In the context of means of implementation and support, it is appropriate to take co-benefits of climate action into account when determining the support needs for implementing certain measures. This is because measures for which the value of their co-benefits exceeds the cost of implementing the measure might have zero or negative costs, with implications for whether, or what type of, support is needed. However, it is important not to overclaim co-benefits that emphasize net benefits because this risks overlooking disruptions that large-scale and rapid mitigation entails. The "net benefits" perspective. May also fail to take



important equity considerations into account since those benefits and costs might be occurring to different people, in different regions or countries, and even different generations.

- ★ Finally, procedural equity is important where the aim is to produce equitable outcomes. In the context of the i/GST, the question of procedural equity primarily arises in the context of full and meaningful involvement and participation of a critical mass of Southern perspectives in all

stages and aspects of the initiative. Initiatives that cannot successfully ensure such involvement should carefully consider whether it is appropriate to present themselves as “global” or universal initiatives or instead embrace the limits of their reach and make representations only on behalf of the perspectives that are actually represented in the initiative.

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Additional resources are available online:

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