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**CONSULTATION RESPONSE** May 2020

**UK PARLIAMENT FOREIGN AFFAIRS  
COMMITTEE INQUIRY ON  
ENVIRONMENTAL DIPLOMACY**  
E3G WRITTEN EVIDENCE

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This is E3G's written submission to the UK Parliament Foreign Affairs Committee inquiry on environmental diplomacy. This was written in May 2020; accordingly, some arguments and evidence may be out of date.

### Executive Summary

- > The role of the FCO's environmental diplomacy is to create the geopolitical conditions that can build the ecological foundations needed for the UK's security and prosperity.
- > The FCO should clearly articulate the UK's priority objectives for environmental protection internationally and mainstream these across all of its international engagement. To be effective, the FCO's environmental diplomacy must be actively led by the Prime Minister and Foreign Secretary and supported by a 'Team UK' approach that delivers a cross-Whitehall effort to advance global environmental objectives.
- > If the UK is unable to 'walk the talk' on environmental policy the FCO will have no authority to influence international partners. The FCO must play a more active role in the development of domestic policy to ensure it is not undermining environmental diplomacy. An economic recovery to the COVID-19 crisis that drives action on climate change will be essential both for the success of COP26 and for any credible environmental diplomacy strategy. The UK should use its diplomatic levers to drive analogous approaches across the major economies.



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- > COVID-19 has disrupted the geopolitical landscape and will dominate international politics for at least the next 18 months. A window is open for the UK's environmental diplomacy to influence significant global capital allocation and geopolitical dynamics that will set the path of environmental action for the next decade.
  - > To make COP26 a success, it is critical for the FCO to: maximise the benefits of the UK's COP26 Presidency, Chair of the G7 and Italy's Chair of the G20 in order to weave a "golden thread" of climate action through 2021; revitalise cooperation and multilateralism by improving global resilience through environmental, development and economic diplomacy; and work with allies to construct a clear narrative that links COP26 to the positive impact that climate action offers in terms accelerating the global economic recovery.

## The FCO's Strategy for Environmental Diplomacy

### What should the FCO's environmental diplomacy strategy look like?

Environmental diplomacy is the process of constructing favourable political conditions internationally that are necessary to achieve desired environmental outcomes. The role of the FCO is to maintain the international conditions for the UK's prosperity and security. **As such, the purpose of environmental diplomacy is to create the geopolitical conditions that can build the ecological foundations needed for the UK's security and prosperity.**

As the COVID-19 crisis shows, we cannot protect against future pandemics without diplomacy to tackle issues such as deforestation, the illegal wildlife trade and the unsustainable use of biodiversity that are key drivers of zoonotic diseases. As such, our national security is deeply interconnected with the health of our global environment. Environmental degradation is a major threat to national security and economic stability, directly (e.g. sea-level rise, climate disasters), but also indirectly via risks related to the mismanagement of critical supply chains (e.g. overexploitation of resources, soil degradation), which in turn can have profound impacts on global geopolitics (e.g. human migration, civil unrest, political instability). **Strong environmental diplomacy is therefore an indispensable element of the UK's national security and its international economic, peacebuilding and security agenda. The FCO's diplomatic priorities must reflect the need to take an active approach towards protecting the environment as part of defending UK national security. The FCO's approach to environmental diplomacy must recognise this interconnectedness between environmental, economic, health and security issues.**



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**Every foreign engagement the UK undertakes can be an opportunity for environmental diplomacy.** It can happen at the UN, in bilateral talks with countries, at trade negotiations, at the G7 and the G20, even in the UK's engagement with the private sector. Importantly, environmental diplomacy should be seen as more than merely negotiations taking place under the auspices of multilateral environmental agreements like the United Nations Framework Convention on Climate Change (UNFCCC) or the Convention on Biological Diversity (CBD). These are, however, an important aspect of diplomacy. The outcomes at these summits are important for environmental protection but are constrained by the positions taken in advance by countries.

**The role of diplomacy is to influence conversations taking place in country capitals where governments set instructions for diplomats. The FCO's environmental diplomacy must aim to shape these instructions in order to create greater space for ambitious outcomes in its foreign engagements.** The FCO is often not the Department responsible for negotiations at multilateral environmental fora, where the duty typically falls to Defra, BEIS or DFID. The FCO must therefore act early and in concert with these Departments to improve the position of the UK's negotiators across government. As such, environmental diplomacy requires a whole of government approach.

The UK is recognised as a pioneer of climate diplomacy. However, the FCO has little by way of strategy for environmental diplomacy. As a starting point, **the FCO should work with line departments to clearly articulate the UK's priority objectives for environmental protection internationally** across a range of issues *inter alia* climate change, biodiversity conservation, ocean protection, land use, water management and international trade. These should be guided by the UK's commitment to the Sustainable Development Goals and the Paris Agreement, and informed by the scientific advice on the limits of our planetary boundaries and the safety of our climate. These priorities should be subject to public scrutiny via a formal consultation process.

**These priorities should be mainstreamed into all of the FCO's foreign policy activity.** Environmental diplomacy can enhance UK soft power through global leadership on these issues. As such, it can be the cornerstone of new alliances with world powers, the Commonwealth, developing countries and redefined relations with the EU, as part of the UK's vision for a 'Global Britain'. In doing so, environmental diplomacy plays a critical role in strengthening the global rules-



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based system in the face of rising threats to multilateralism, which the UK can use to drive cooperation on core issues such as resilience and national security.

**To be effective, the FCO's environmental diplomacy must have the clear, public support of the Prime Minister.** This must be achieved through ensuring it is a topic on which the Prime Minister publicly speaks, and through ensuring that these issues are on the agenda for all of No 10's meetings with international leaders. This would enable the FCO to speak to international partners on environmental issues with the Prime Minister's full authority and unambiguous support, enhancing the power of UK diplomacy and reinforcing the global perception of the importance of environmental issues to UK foreign policy.

**How effective is the FCO's current approach to environmental diplomacy? Does the UK use all available tools (sanctions, tariffs, trade negotiations, UN activity) to promote its objectives in this area? How does it ensure lasting and concrete achievements in this area?**

The effectiveness of the FCO's approach to environmental diplomacy can be assessed across its performance with the tools that are at its disposal. **Overall, there is significant potential to improve how the FCO uses these tools to advance its environmental agenda.**

- > In-country engagement: the FCO has a relatively strong track record of engaging countries on climate action, but this has in recent years been affected by cuts to the FCO's workforce on climate diplomacy. In order to properly share UK leadership on climate action (e.g. helping other nations write their own Climate Change Act), the FCO should reverse these cuts and restore its network of posts working on environmental diplomacy in-country.
- > Multilateral environmental agreements: The UK has a strong track record of using international negotiations to further its objectives, as evidenced by its Presidency of COP26. Prior to Brexit, the UK played a prominent role as part of the EU's team at negotiations, and a close working relationship with EU negotiators in the future will be important to ensuring the UK can fulfil its own desired outcomes.
- > Trade negotiations: The UK's approach to international trade poses significant risks to its environmental objectives. Recent reports that the UK is resisting EU moves to incorporate guarantees on respecting the Paris Agreement in a future trade deal have illustrated that trade policy and the FCO's diplomacy are not aligned, undermining the UK's climate leadership.



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- > The UN: Climate change was first discussed at the UN Security Council when tabled by the UK in 2007. The UK can build on this legacy by pushing for UN reform, so it better integrates climate into global security and development conversations.
  - > Multilateral fora: At the G7 and G20 there are some good signs of the UK defending environmental principles in leaders' texts. However, HMG could strengthen this by embedding environmental diplomats into internal G7/G20 teams. The UK must shift the conversation about environmental issues from environment and energy ministers, to mainstreaming it across ministries and at the highest levels (Heads of State and Finance Ministers).
  - > Coalition building: The UK has a strong record for building coalitions for climate action, such as the High Ambition Coalition at UN climate negotiations, and the Powering Past Coal Alliance. The UK should redouble efforts to create coalitions of the willing for progressive negotiated outcomes at UNFCCC negotiations, and extend 'real economy diplomacy' to tackle other sectors (e.g. Zero Emission Vehicles).
  - > Non-State actors: Business groups and environmental NGOs have significant influence in target countries. The FCO must raise engagement with these groups to better shape in-country political conditions for environmental policy. Finance should be seen as a priority asset of the UK's environmental diplomacy. London is the global capital for international finance and the UK has high convening power and leadership in this area. The UK must do more to translate its prestige in traditional finance into a leadership role for green finance, led by concerted efforts in this area from HMT.

#### **How does the FCO work with departments such as BEIS and Defra on this issue?**

- > The FCO must champion a 'Team UK' approach to environmental diplomacy that delivers a cross-Whitehall effort to advance global environmental objectives. At present, there is little evidence of departments working together at official or ministerial levels to achieve this. Cabinet ministers must actively deliver the UK's environmental diplomacy in their international engagements. Failing to will undercut UK diplomacy by reflecting that senior Ministers do not prioritise environmental outcomes, communicating to international partners that this is not a top concern for the UK, thereby undermining the work of the FCO. This must be supported by the formation of 'Team UK' working groups for government officials to facilitate the implementation of a cross-Whitehall approach to environmental diplomacy.



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- > If the UK is unable to ‘walk the talk’ on environmental policy the FCO will have no authority to influence international partners. The FCO must play a more active role in the development of domestic policy. The FCO must engage with Whitehall debates formulating domestic policy on issues such as energy, climate change, foreign investments, finance, development and trade. It is essential to break down departmental siloes to ensure domestic policy enhances, rather than undermines, diplomacy. The Cabinet Committee on Climate Change is an important forum in which the Foreign Secretary should escalate and resolve inter-departmental issues at a political level.

### Does it have sufficient expertise in this area?

It is not clear that there is sufficient expertise on environmental diplomacy across HMG to support effective environmental diplomacy. HMG should review the relevant capability in each department and how it can be best coordinated through the FCO.

- > The number of full-time equivalent staff working on climate change and energy in the FCO in London has fallen from 69 in 2009/10, to 20 in 2019/20; and overseas, from 265 to 109 in the same period.<sup>1</sup> This **network of climate diplomacy attaches** must be restored, backed by sufficient funding to enable it to function and to provide sufficient resource for projects and programmes in country.
- > HMG lacks **expertise on international trade** as it was an EU competency before Brexit. The government should invest in building capacity to safeguard environmental standards and objectives in trade agreements.
- > Diplomacy requires overseas posts to shape the forces (business, civil society, etc.) that define a country’s political conditions. Upskilling the FCO’s environmental diplomats in **political economy analysis** would better equip them to influence these conditions.

### How do the UK's environmental & decarbonisation goals interact with other diplomatic priorities, such as the pursuit of new trade deals?

**New trade agreements after Brexit pose significant risks to environmental diplomacy.** There are particular risks in relation to a US trade deal which threatens to undermine the FCO’s work on environment. There are reports that

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<sup>1</sup> Figures rounded; <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-10-16/833/>

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the UK is willing to compromise on environmental standards for food and agriculture in order to secure an agreement. This follows earlier concessions whereby the UK agreed not to mention the Paris Agreement in order to satisfy the US. The UK should instead look to prioritise trade agreements with partners that are willing to do a deal that upholds high environmental standards. This would in turn help reinforce the FCO's environmental diplomacy, by illustrating how trade deals can be an opportunity to boost positive action on environmental protection.

**The UK must ensure trade deals do not undermine the UK's environmental objectives.** The UK should set requirements for all trade deals to uphold existing environmental standards, to reinforce the commitments to the SDGs and the Paris Agreement, to undergo independent sustainability impact assessments and parliamentary review, and to exclude Investor-State Dispute Settlement (ISDS) provisions.

**The UK should end overseas financial support for fossil fuels.** UK financial support to fossil fuels overseas undermines the FCO's credibility on climate diplomacy. Across 2010-17, HMG spent £4.6bn on fossil fuels overseas.<sup>2</sup> The impact of these fossil fuel investments overseas will increase greenhouse gas emissions and create long term carbon lock-in across energy systems. Phasing this out would cement the UK's position as a global leader on environment. It would provide a solid diplomatic platform to influence other governments and financial institutions to adopt ambitious climate commitments. Implementing a 'whole-portfolio' approach will ensure that UK overseas finance is fully aligned with UK climate diplomacy.

**The UK should align UK Export Finance's energy policies to the Paris Agreement.** UKEF gave £2.6bn to support the energy sector between 2013/14 and 2017/18. Of this, 96% supported fossil fuel projects<sup>3</sup>. Aligning UKEF's energy policies to the Paris Agreement will enhance the UK's climate diplomacy. UKEF has highlighted South America and Southeast Asia for growth – key areas for trade relationships. Boosting renewables in these markets reduces emissions and provides the FCO with avenues for enhanced commercial and political engagement.

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<sup>2</sup> <https://cafod.org.uk/About-us/Policy-and-research/Climate-change-and-energy/Sustainable-energy/Analysis-UK-support-for-energy>

<sup>3</sup> [https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/1804/180403.htm#\\_idTextAnchor000](https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/1804/180403.htm#_idTextAnchor000)

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**The UK should end ODA support to fossil fuels.** Decarbonising ODA expenditure is an ‘easy win’ for aligning domestic policy with the UK’s foreign policy ambitions. ODA for non-renewable energy generation has shrunk to less than £1m in recent years.<sup>4</sup> ODA will come into close scrutiny in the run-up to COP26 where the UK is expected to show leadership on climate change. The UK should seize a straightforward opportunity to formalise this progress by announcing that ODA will no longer support fossil fuels, except limited cases where there is no better clean energy alternative. This would be influential among other donor countries especially if articulated alongside a confident vision of an ODA clean energy offer. The UK should build coalitions with other countries and Multilateral Development Banks to do the same, and to scale investment in low-carbon solutions across the energy system value chain (renewable energy, efficiency, distributed generation and energy access).

### **How will the COVID-19 pandemic affect the UK’s approach to environmental diplomacy?**

COVID-19 has disrupted the geopolitical landscape. Global cooperation and multilateralism are being tested, as evidenced by rising diplomatic tensions between the US, China, the EU and beyond. A rapid transition in debt geopolitics raises questions over debt relief, sovereign risk assessment, stranded assets, debt transparency and cooperation. This has significant impacts for environmental diplomacy. Before COVID-19, diplomacy towards COP26 was taking place in a geopolitical landscape with rising headwinds with potential for climate objectives to form the basis for political and economic influencing of other countries. Now, however, COVID-19 will dominate international politics for at least the next year. **To succeed in this new landscape, environmental diplomacy will need to adapt to the new political and economic decision making that COVID is demanding, and in new fora that are being used to address COVID crises internationally and in countries (e.g. G7, G20, WHO, IMF, World Bank, etc.).**

Governments worldwide are now spending vast sums of money on the economic recovery - nearly 17% of global GDP worth of stimulus packages have been announced at time of writing<sup>5</sup> – which will significantly influence our ability to limit global warming and tackle environmental problems. **A window is open to influence significant global capital allocation and geopolitical dynamics that**

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<sup>4</sup> E3G analysis. See: <https://stats.oecd.org/>

<sup>5</sup> <https://uk.reuters.com/article/uk-health-coronavirus-cenbank-graphic/15-trillion-and-counting-global-stimulus-so-far-idUKKBN22N2EP>

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**will set the path of environmental action for the next decade.** Long-term environmental outcomes will now be determined by actions taken in the next 18-24 months.

There is no environmentally neutral COVID-19 recovery. The FCO must build on statements by the Foreign Secretary at the Petersberg Climate Dialogue<sup>6</sup> and work with international governments, and through IFIs, the G7 and G20, to ensure that recovery from COVID-19 does not lock-in high-carbon investments.

The FCO must prioritise diplomacy promoting solidarity with climate vulnerable nations. With severe climate impacts already seen in 2020 and vulnerable countries set to be severely hit by COVID-19, the FCO must make solidarity with these nations a priority in order to build positive conditions for environmental action.

The FCO must communicate to its partners that environmental agendas are not in competition but are highly complementary with health, development and security issues, to avoid environmental policy being seen as an unnecessary luxury that is neglected by the global community.

## The FCO's role towards COP26

### **What role should the FCO have in preparing and setting objectives for COP26? How well is it performing to date?**

The Cabinet Office COP Unit have already set the broad diplomatic objectives for COP26. **The role of the FCO is to now help deliver these objectives.** To do this, the FCO must clearly set out its COP26 strategy, defining the department's objectives for COP26 and how fulfilling them would support the delivery of the UK's broader diplomatic goals for COP26. In particular the FCO should work closely with line departments on the development of domestic policy and diplomatic strategy to support the UK's diplomatic objectives for COP26, ensuring that it does not undermine the objectives of the COP Presidency. In doing so, the FCO can champion an all-of-government diplomatic strategy for COP26.

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<sup>6</sup> <https://twitter.com/DominicRaab/status/1255236963642335232?s=20>



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### **What lessons can be learnt from the experience of previous COP hosts, particularly the French experience preparing for COP 21?**

**The French Presidency of COP21 was successful because they invested significant political capital behind it.** The diplomatic effort of high-profile ambassador figures such as Laurence Tubiana was unequivocally backed by Foreign Minister Laurent Fabius and President Hollande. The Prime Minister and Foreign Secretary should follow this example.

**However, COP26 is not a re-run of COP21.** Instead of negotiating a political agreement, the challenge for the UK Presidency is to demonstrate that the Paris Agreement is capable of working. This will require fundamentally different political strategies compared to COP 21, as detailed next.

### **What does the FCO need to do to ensure that COP26 is a success?**

Due to COVID-19, COP26 is postponed until 2021. The UK and Italian Presidency now coincides with the UK's Chair of the G7 and Italy's Chair of the G20. As such, the UK can shape the global agenda on climate diplomacy throughout 2021.

**Developing a diplomatic rhythm to further climate objectives in partnership with Italy would enable the UK to weave a "golden thread" of climate action through these major moments of international cooperation.**

**The FCO must work with its allies to build a narrative on the need for global cooperation in order to lay the foundations for successful global climate action at COP26.** COVID-19 and climate change re-emphasise the importance of resilience in our interconnected world. The FCO should use this opportunity to strengthen global governance on resilience by developing a broad agenda for delivering complementary global action and reforms to improve resilience across the climate, health, development, energy, digital, food security and peacebuilding areas. The FCO should drive this agenda through the UN, G7 and G20. **This would form a geopolitical centrepiece for revitalising international cooperation and solidarity.**

**The FCO must put COP26 back on the global agenda in early 2021 to generate momentum in the run-up to the Summit.** The FCO must build confidence with allies and construct a clear narrative that links COP26 to the positive impact that climate action offers in terms of reinforcing multilateralism and accelerating global economic recovery. To do this, it must be a priority for the Foreign Secretary and the Prime Minister to communicate with their international



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counterparts how COP26 fits within the global narrative of a green, resilient recovery.

2020 is the deadline by which all countries are supposed to submit new Nationally Determined Contributions (NDCs) with higher 2030 greenhouse gas reduction targets. One of the core roles for the Presidency is to drive countries to raise their NDCs. Many countries will, however, delay submitting NDCs to late 2020 or 2021 because of COVID-19. **The FCO must use this opportunity to engage countries to improve the quality of NDCs and align them with COVID-19 recovery packages, and to persuade more countries to submit tougher NDCs by COP26.** A key area for high quality NDCs should be the development of national financing strategies, NDC investment plans and capital mobilisation planning. Working with other departments to influence commitments by Multilateral Development Banks and Development Finance Institutions to align their investments with the goals of the Paris Agreement will be critical, as they will underpin increases in investment into energy system reforms, coal moratoria, resilience and transport efficiency.

Delivering moratoria on new coal plants is the largest source of climate ambition available in 2020 outside of NDCs. **FCO-led country-level work to develop international packages for clean energy investment** will be critical to shift countries like South Africa, Indonesia & Bangladesh.

**The FCO must engage government departments to enact policies in support of the UK's international engagement,** a priority for which should be the end of financing fossil fuels overseas.

**Which countries should the FCO be prioritising for their diplomatic efforts in relation to COP26? How should the FCO be engaging with these countries?**

Despite Brexit, the UK should maintain close diplomatic alignment with **Europe** in order to deliver high ambition outcomes at COP26. The EU and UK have both made statements on the need for diplomatic cooperation on climate issues at venues such as the UNFCCC, G7 and G20. Building on the UK's work with Germany at the Petersberg Climate Dialogue, the FCO should use a range of European meetings in 2020-2021 (e.g. London Climate Action Week, Finance in Common Summit) to engage international actors on incorporating climate actions into the design of their economic recovery plans. As the UK and EU both look to ease lockdown restrictions in the coming months, attention is being focused on new stimulus packages to get the economy moving again. Working



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together to ensure that this facilitates a green recovery to build back better, rather than locking in high carbon infrastructure assets and business models, will be vital to the future of the climate cooperation for the UK and the EU. One potential avenue to achieve this would be by accepting Japan's invitation, made at the Petersberg Climate Dialogue, for the UK to work with Germany and the UN Secretary General to develop an online platform where all countries could discuss how to formulate their COVID-19 recovery plans ahead of COP26.

**China** may delay announcing its NDC but will be under more pressure to announce a credible increase as part of its geopolitical rehabilitation post-COVID-19 which the FCO should seek to leverage through its engagement. The Leipzig Summit this September remains a critical moment for the EU and China to align on the principles of recovery packages that are green and resilient, and to lay down an agenda for global cooperative action through 2021 – including principles for supporting countries in the Belt and Road Initiative. The FCO must engage with the EU and China to steer the Leipzig Summit towards building a joint approach to a Paris-aligned recovery.

The outcome of the US election will have a significant impact on the geopolitical conditions for UK environmental diplomacy strategy. The FCO must prepare an engagement and response strategy that manages both aggressive **US** re-emergence on climate under a Democratic President, and a re-election of President Trump that doubles down on isolationist and pro-fossil fuel stances. To ensure ambitious outcomes at COP26, the UK's environmental diplomacy strategy should seek to maintain or accelerate climate action under both scenarios.

It will be critical to engage **Japan and South Korea** on Paris-aligned recovery including stopping international coal financing as part of building effective international momentum behind Paris aligned recoveries.

Many **climate vulnerable nations** in Africa, Asia, the Pacific, and Latin America are also vulnerable to the health and economic impacts of COVID-19. The FCO must build cooperative responses to these crises so they recover with a renewed sense of political agency. The UK must co-develop with them an ambitious programme of investment in resilience and improved disaster response which enables them to optimally shape their stabilisation and recovery programmes. This can boost diplomatic relations for COP26.



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Major **oil exporting countries** (e.g. Russia, Saudi Arabia) will require sustained defensive engagement in the run-up to COP26, as potentially disruptive forces that may block progress at the Summit.

**How should the UK seek to ensure that outcomes are delivered after the summit?**

To cement gains at COP26 the UK must create international coalitions of the willing, joining state and non-state actors for real economy action, to drive deep decarbonisation across sectors such as transport, finance, nature-based solutions and adaptation. This will reinforce a broader narrative of the UK spearheading the creation of global architecture to lead action through the 2020s.

Through the German G7 and Indian G20 in 2022, the UK must lead a strong diplomatic effort to mark the 30<sup>th</sup> anniversary of the Earth Summit, by tabling a UN Security Council debate on the interlinkages between security, biodiversity and climate change and pushing for UN reform on resilience. The UK must work closely with the African COP 27 Presidency to sustain momentum on global climate action, particularly on adaptation, resilience, and loss and damage.