

Beyond the Paris Rulebook

Lessons for Adaptive and Inclusive
Climate Governance

Discussion paper

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UNU
CPR

About this paper

This paper is a draft and shorter version of a forthcoming article to be published in the journal *Global Governance* as part of a special feature on COP30 and global climate governance, expected to be published in November/December 2025. It draws on workshops convened by UNU-CPR under the Global Governance Innovation project, with the support of the Governments of Brazil and Germany and the British Academy, and hosted by the Bahá'í International Community Office at the United Nations.

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ISBN: 978-92-808-6659-9 © United Nations University 2025.

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Citation: Michael Franczak and Khadeeja Naseem, "Beyond the Paris Rulebook: Lessons for Adaptive and Inclusive Climate Governance", UNU-CPR Discussion Paper (New York, United Nations University, 2025).

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The Global Governance Innovation Platform

In January 2025, the United Nations University Centre for Policy Research launched the Global Governance Innovation (GGI) Platform, a multi-year initiative to help United Nations Member States design new multilateral mechanisms that can help address pressing global challenges – from chronic underdevelopment to new planetary risks. GGI is made possible through the generous support of the German Federal Ministry for Economic Cooperation and Development.

The platform identifies, explores and visualizes innovative governance features that can serve as templates for new multilateral mechanisms or inspire reforms to existing ones. GGI asks and answers the question, “What can be borrowed, replicated or scaled from existing governance models to address complex transnational challenges?”

Multilateral mechanisms are frameworks for cooperation and collective action. They are indispensable in the fight against poverty, climate change, food insecurity and other transboundary challenges. Their distinct rules, procedures and governance structures reveal remarkable ingenuity and diversity. Many mechanisms incorporate novel institutional design features that improve cooperation, transparency, trust and accountability. This in turn shapes how participants in multilateral mechanisms evaluate and address global challenges.

The United Nations Secretary-General has called for new ideas to help Member States and other stakeholders develop effective multilateral solutions to complex and interdependent challenges. One major obstacle to this transformation agenda is that governance innovations are not systematically gathered, centralized, studied or shared. Rather, they are often known only to a limited number of experts, limiting possibilities to scale past innovations. Institutional design and reform efforts will be more successful if States have access to a range of governance analogues and adaptable governance templates.

Institutional analogues play an important role in the design of cooperation mechanisms. They have informed solutions to global challenges like plastics pollution, artificial intelligence and public health. For example, the Intergovernmental Panel on Climate Change has inspired close to a dozen proposals for new institutions that mimic its science-policy interface in areas as diverse as artificial intelligence risks, chemical pollution and biodiversity loss.

The GGI Platform identifies governance features that diplomats, experts and other stakeholders can adapt to issue areas lacking a robust cooperation framework. It will lead to the creation of an online interface that uses data visualizations to illustrate past innovations in global governance and show how specific models have shaped responses to transnational challenges. Building on this database of governance mechanisms, the platform will explore how past innovations can improve cooperation in still ungoverned spaces and will support participatory modelling exercises with experts and Member States. Through a growing network of expert contributors and regular engagement with States, the platform will inform policy processes and debates in and around the United Nations system.

Introduction

The global climate crisis is accelerating and becoming more complex, leading to widespread calls for reform of the institutions and rules of global climate governance. This proliferation of demands, coming from the United Nations Secretary-General, Member States, civil society and other actors, reflects a growing recognition that coordinated action is needed across disparate institutions, including the United Nations Framework Convention on Climate Change (UNFCCC), international financial institutions and multilateral development banks (MDBs).

High-level calls for new governance structures have followed. At the November 2024 G20 Summit, Brazil's President Luiz Inácio Lula da Silva advocated for a United Nations Climate Change Council to streamline action and ensure the Paris Agreement's implementation.¹ This vision, later elaborated on by COP30 President Andre Correa do Lago, emphasizes the need for institutional innovation to complement, not replace, the UNFCCC framework.² As President Lula stated in August 2025, "There is no individual way out of the climate crisis ... We need new global governance".³

This discussion paper is produced under the Global Governance Innovation (GGI) Platform at the United Nations University – Centre for Policy Research (UNU-CPR). It builds on the 24 July 2025 workshop, "Reimagining Climate Governance: Reforms, Models and Actions," convened by UNU-CPR with the Governments of Brazil and Germany, and the British Academy. It synthesizes insights from those discussions, focusing on how governance "hardware" – rules, institutions and mandates – can evolve to match the scale, speed and complexity of climate risk. The central question the paper addresses is: with the Paris Agreement's "rulebook" now complete, can existing institutions and rules still deliver the 1.5°C target, Article 2.1c and the \$1.3 trillion annual climate finance goal?⁴ If not, what new mechanisms or institutions are needed?

This paper identifies key themes and proposals from participants' written submissions, explores workshop debates across three issues (adapting the law, assessing the COP and mobilizing finance), analyses the implications for small island developing States (SIDS) and least developed countries (LDCs), and concludes with lessons for building adaptive, inclusive climate governance mechanisms beyond the UNFCCC.

¹ "There's no point in negotiating new commitments if we don't have an effective mechanism to accelerate the implementation of the Paris Agreement. We need stronger climate governance," Lula explained. See President Luiz Inácio Lula da Silva of Brazil, speech at the 3rd Session of the G20 Leaders' Meeting: Energy Transition and Sustainable Development, 22 Nov. 2024. Available at <https://www.gov.br/planalto/en/follow-the-government/speeches-statements/2024/11/speech-by-president-lula-at-the-3rd-session-of-the-g20-leaders-meeting-energy-transition-and-sustainable-development>.

² Presidency of COP 30, Second Letter from the Presidency, 8 May 2025. Available at <https://cop30.br/en/brazilian-presidency/letters-from-the-presidency/second-letter-from-the-presidency>.

³ "In Bogotá, Lula defends multilateralism as the only way to protect the Amazon," Government of Brazil, Aug 26 2025. Available at <https://www.gov.br/planalto/en/latest-news/2025/08/in-bogota-lula-defends-multilateralism-as-the-only-way-to-protect-the-amazon>. Lula later urged BRICS partners to consider establishing a United Nations Climate Change Council to centralize and strengthen global climate governance, which he described as fragmented across numerous forums and mechanisms. He stated: "We need stronger climate governance, capable of exercising effective oversight." BRICS-Brazil, "Speaking to BRICS Leaders, Lula Calls for Unity against Unilateralism," 8 September 2025. Available at <https://brics.br/en/news/speaking-to-brics-leaders-lula-calls-for-unity-against-unilateralism>.

⁴ Here we refer to 1.5°C as the Paris Agreement's goal to limit global warming to well below 2°C, aiming for 1.5°C; Article 2.1(c) as the commitment to making finance flows consistent with a pathway toward low greenhouse gas emissions and climate-resilient development; and \$1.3 trillion as the New Collective Quantified Goal for climate finance, aiming to mobilize at least \$1.3 trillion annually by 2035, with an interim target of \$300 billion annually by 2035 for developing countries.

Input papers: key themes and proposals

The input papers propose innovative solutions to address deficiencies in current global climate governance, including reforming existing institutions, creating new ones, repurposing old tools for trade and finance and adopting new technologies.

Creating high-level governance bodies

Several input papers addressed the creation of a new high-level governance body to complement the UNFCCC. While designs vary, they all aim to bridge science, policy and implementation.

Three proposals illustrate different approaches. The High-Level Climate Commission (HLCC) is a unique science-policy interface (SPI) body that could derive its mandate from the UN General Assembly. Its functions would include issuing annual reports synthesizing emerging risks and solutions, convening biannual implementation forums linking United Nations agencies, MDBs, civil society and business actors, and maintaining agile working groups capable of producing rapid policy briefs. The HLCC's strength lies in its advisory, non-binding nature, which could allow it to operate with a degree of technical credibility and speed that formal, consensus-based bodies often lack.⁵ Yet this is also its core weakness: the HLCC's would ultimately depend on the voluntary uptake of its recommendations by States and institutions.

Another proposal calls for upgrading the United Nations Environment Programme (UNEP) into a fully resourced Global Environment Organization (GEO) to address the “triple planetary crisis” of climate change, biodiversity loss and pollution. Today, more than a dozen major UN environmental conventions – and nearly 3,000 multilateral environmental agreements worldwide – operate in parallel, creating a fragmented and often disconnected governance landscape.⁶ The GEO would serve as a centralized authority to harmonize environmental law, integrate multilateral environmental agreements, and strengthen monitoring, implementation, and accountability, especially for major emitters. Proposed reforms include expanding the United Nations Environment Assembly (UNEA) into a more representative and effective decision-making body, piloting majority voting, consolidating treaty secretariats, and shifting from voluntary to assessed contributions to secure stable financing.⁷ However, the GEO's legislative approach would face major obstacles: powerful States are likely to resist any loss of sovereignty, the practical task of aligning many disparate conventions would be daunting, and governments hosting treaty secretariats would strongly oppose relocating them.

A third proposal calls for the establishment of a Climate Council under the authority of the United Nations Secretary-General to address the “deep capture” of climate negotiations by fossil fuel interests. Conceived as a parallel institutional space to complement rather than replace the UNFCCC, the Council would pilot deliberative approaches and broaden the agenda beyond “carbon tunnel vision”. It would track progress across multiple legal regimes – including human rights law, the law of the sea and international environmental law – through a collaborative learning process and would also surface issues largely absent from current processes, such as migration, extreme heat, transition minerals, sea level rise and the rights of future generations.⁸ While ambitious, its sweeping agenda – spanning fossil fuel phase-out,

⁵ Michael Weisberg, Michael Franczak and Hajja Naseem, “Reforming Global Climate Governance”, paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

⁶ Université Laval's International Environmental Agreements Database Project currently lists 2,955 multilateral environmental agreements in its comprehensive database. Available at <https://www.iea.ulaval.ca/en>.

⁷ Richard Ponzio, Stimson Center and Global Governance Innovation Network, “Climate Governance: Enhancing the Climate COPs and Creating GEO”, paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

⁸ Elisa Morgera “Proposal for a Climate Council under the aegis of the UN Secretary-General”, paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

trade, investment law and human rights – risks diluting its focus and alienating existing institutions working on similar issues. Further, its legitimacy would vary depending on its constitution: whether rooted in the Secretary-General’s convening power, a General Assembly mandate or new modalities of State and non-State participation.

Enhancing adaptability and agility

The existing climate governance framework is ill-equipped to handle the non-linear, unpredictable and cascading risks of a warming planet. This is because the UNFCCC was not designed to manage climate risks but rather to prevent them through emissions reduction agreements.⁹ Institutions must therefore become more agile and responsive to “tipping points” – large-scale, often irreversible changes in Earth systems that can have exponential consequences.¹⁰

One concrete proposal is the creation of Tipping Element Monitoring and Rapid Response Facilities (TEMRFs). These facilities would constitute a modular, distributed network of science-policy interfaces designed to operate in a non-linear, anticipatory manner, mirroring the climate system itself. Each TEMRF would have four key functions: a monitoring lab to integrate real-time data, an impact lab to develop scenarios of potential cascades and vulnerabilities, a policy hub to translate scientific findings for decision makers, and a rapid response task group for early warnings. This network would be regionally focused but globally interoperable, providing outputs like “Tipping Alert Bulletins” and “Scenario Playbooks” to help governments make faster, better-informed decisions.¹¹

Ensuring coordination and complementarity

Climate action requires coordination beyond the UNFCCC’s scope, particularly with trade, finance and development institutions. This has been described as an “inside–outside” model, where the politics of climate change (negotiated at the COP) are better coordinated with funds for climate action (in finance ministries and MDBs).¹²

One proposal calls for institutionalizing the COP30 Circle of Finance Ministers, launched under Brazil’s presidency to ensure finance ministries help shape the climate finance agenda, particularly in developing the Baku-to-Belém Roadmap to mobilize \$1.3 trillion annually for developing countries by 2035. The COP30 presidency was inspired to launch the Circle by Brazil’s experience with the G20 Task Force for Global Mobilization Against Climate Change, which convened environment, finance and foreign ministers, alongside central banks and international organizations to harmonize environmental and macroeconomic policymaking.¹³ Making the Circle a permanent UNFCCC feature is a low-hanging fruit that could meaningfully help bridge climate negotiations with global economic policymaking.¹⁴

⁹ Lisa Vanhala and Mark Pelling, “Designing a Global Climate Governance Institution that Evolves with Climate Risk”, paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

¹⁰ Global tipping points are thresholds in Earth systems – such as ice sheets, forests or ocean circulation – where change can become self-perpetuating and potentially irreversible. The Global Tipping Points Reports, led by Tim Lenton (University of Exeter), Johan Rockström and Ricarda Winkelmann (Potsdam Institute for Climate Impact Research), also highlight positive tipping points in technology, policy and behaviour that could accelerate sustainability transitions. See *Global Tipping Points Report 2025* (University of Exeter, forthcoming, to be launched at COP30). Available at <https://global-tipping-points.org/resources-gtp/report-2025/>.

¹¹ Manjana Milkoreit, “Science-Policy Interface Innovation for Non-linear Earth System Risks”, paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

¹² Michael Weisberg, Michael Franczak and Hajja Naseem, “Reforming Global Climate Governance”.

¹³ G20 Brasil, “The G20’s Task Force on a Global Mobilization against Climate Change”, Issue Note, 2024. Available at ocid.ibict.br/omeka/files/original/4a91b23edb766a07291aeb9ac1181a914de2f5fa.pdf.

¹⁴ Maíara Folly, “Six months before COP30, there is no more time for promises: the world must act collectively”, ICL Notícias, 14 June 2025. Available at <https://iclnoticias.com.br/a-seis-meses-da-cop30-nao-ha-mais-tempo-para-promessas-o-mundo-precisa-agir-em-mutirao/>.

Fiscal stimulus and support

Innovative approaches are needed to unlock public and private finance. One proposal involves providing debt relief to climate-vulnerable nations through the sale of a small portion of International Monetary Fund (IMF) gold reserves. The IMF holds 90.5 million ounces of gold, valued at over \$2,600 per ounce on global markets but carried on its books at just \$45 per ounce, and even selling a fraction could generate billions in new resources. These proceeds could replenish the Fund's Catastrophe Containment and Relief Trust (CCRT), which currently has only about \$100 million available and is limited to 30 eligible members, despite the growing debt burdens facing many climate-vulnerable countries.¹⁵ However, gold sales require approval from a supermajority of IMF shareholders, including reluctant major economies, and raise concerns about market impacts, accounting complexities, and precedent, making this a politically challenging and one-off measure rather than a sustainable source of climate finance.¹⁶

Another submission highlights the transformative potential of central banks, suggesting that their mandates be expanded beyond decarbonization to include direct funding of climate adaptation projects in low-income countries. This would represent a shift in how climate finance is sourced, moving beyond traditional aid and market-based mechanisms. The idea builds on momentum within networks such as the Sustainable Banking and Finance Network and the Network for Greening the Financial System, where central banks are already rethinking their role in addressing climate risks.¹⁷ Yet here too there are hurdles: central banks guard their independence carefully, and proposals that move them into large-scale financing of adaptation abroad risk being seen as overreach. While politically challenging in the near term, the growing recognition that climate change poses systemic risks to financial stability suggests this debate will continue to evolve.

Inclusivity and accountability

Governance must be made inclusive and accountable to rebuild trust and centre those most affected by climate change. The COP30 presidency has advanced this through initiatives like the Peoples' Circle, the Global Ethical Stocktake and the Network of Champions and Envoys, but further steps are needed.

Several submissions highlight the importance of Indigenous voices, particularly from the Amazon. One proposal involves creating Indigenous-led observatories and decentralized funding infrastructures, integrating local, place-based knowledge with scientific data to enhance climate resilience and sustainability.¹⁸ Another submission argues that COP30 should formalize its commitment to inclusivity by allowing Indigenous peoples to co-host the event to rebuild trust and ensure their perspectives are included meaningfully in the agenda.¹⁹

Accountability is also shifting beyond emissions targets to address just transitions. Linked to a summit on elimination, as proposed by Colombia, a Global Commission on Fossil Fuel Phase-Outs could provide a roadmap and common principles for equitable transitions grounded in responsibility and economic diversification. There is also a need to expand the data used to assess phase-out policies to capture the risks associated with continued fossil fuel production and dependence,

¹⁵ International Monetary Fund, "Catastrophe Containment and Relief Trust (CCRT)", IMF Factsheets (March 2023). Available at www.imf.org/en/About/Factsheets/Sheets/2023/Catastrophe-containment-relief-trust-CCRT.

¹⁶ Marina Zucker-Marques and Rishi Bhandari, "Selling a small share of the IMF's gold reserves to replenish the catastrophe containment and relief trust", paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

¹⁷ Dumisani Chirambo and Araba Amo-Aidoo, "Towards Transformational Adaptation through Central Banks and LDC Fund Reforms", paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

¹⁸ Adriana Portella, "Indigenous Leadership and Institutional Reform for Future Climate Governance: Lessons from the Amazon", paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

¹⁹ Richard Ponzio, paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

including volatile fossil fuel prices and stranded asset risk. A global data-sharing platform, leveraging existing registries and United Nations datasets, could make fossil fuel production and transition risks transparent while aiding the design of policies that anticipate social and economic impacts.²⁰

Additional debates from the workshop

Additional discussions focused on how institutions, mandates and legal norms should evolve to match the scale, volatility and urgency of climate risk. While the UNFCCC provides a vital forum for diplomacy, it is increasingly seen as fragmented, slow and insufficiently action-oriented. Effective responses will require flexible, anticipatory and action-driven arrangements. The Brazilian concept of *mutirão* – collective action grounded in mutual obligation – was cited as a model for this interdependent approach.

Assessing the COP's limitations

The UNFCCC COP was designed in the early 1990s to negotiate emissions reductions, with an architecture built around consensus-driven negotiations among States. Since then, the COP has expanded in both size and scope: adaptation, loss and damage and finance are now embedded in the Paris Agreement, and new issues such as trade barriers have been proposed as formal agenda items.²¹ This evolution demonstrates the COP's adaptability, but it also raises a critical question: are we asking too much of it?

Several limitations highlight the strain. The proliferation of bodies – COP, CMP, CMA and subsidiary mechanisms – creates overlapping agendas and high transaction costs. Consensus-based decision-making slows progress, and in some cases, produces lowest common denominator outcomes. Negotiations frequently lag behind evolving science, while data gaps – especially in the Global South – create epistemic imbalances that privilege certain countries and forms of knowledge. Wide variations in national capacity further complicate implementation and limit the translation of decisions into action on the ground.

Yet the COP retains unique strengths. For one, its universal membership and legitimacy give small and vulnerable States a voice often absent in other forums, and those States have used that voice to generate action and buy-in from critical actors like MDBs (see section 4). Still, the scale and urgency of climate risks require complementary institutions that can act faster, bridge knowledge gaps and more effectively support implementation.

Adapting the law

Legal innovations are emerging as tools for climate governance reform. Recent advisory opinions from the International Court of Justice and the Inter-American Court of Human Rights have reframed climate change as a binding legal obligation rather than a matter of political discretion.²² This shift creates new pressure on governments to comply with

²⁰ Peter Newell and Freddie Daley, paper presented at Reimagining Climate Governance: Reforms, Models and Actions, New York, 24 July 2025.

²¹ Trevor Sutton, "Trade Policy Disputes at COP Are Here to Stay", Center on Global Energy Policy, Columbia University SIPA, 17 December 2024. Available at www.energypolicy.columbia.edu/trade-policy-disputes-at-cop-are-here-to-stay.

²² *Obligations of States in respect of Climate Change*, Advisory Opinion, Reports 2025. Available at <https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf>.

Inter-American Court of Human Rights, *Advisory Opinion OC-23/17 on the Environment and Human Rights*, Series A No. 32, 15 November 2017. Available at https://www.corteidh.or.cr/docs/opiniones/seriea_32_en.pdf.

climate goals. Yet it also carries risks: if courts interpret nationally determined contributions – essentially political pledges – as legally binding commitments, States may deliberately lower ambition to shield themselves from litigation.

The reality is that governments continue to pursue competing priorities, with many expanding oil and gas production even as they commit to ambitious climate targets. Legal pathways can sharpen accountability, but they do not remove the underlying political trade-offs between energy security, economic growth and decarbonization.

The opinions of the International Court of Justice and the Inter-American Commission on Human Rights also raise novel questions about power and authority in climate governance. Both relied heavily on assessments from the Intergovernmental Panel on Climate Change (IPCC) to interpret legal obligations. On one hand, this provides courts with a shared evidentiary foundation; on the other, as Stacy-ann Robinson, Shaina Sadai and Heloise Evins-Mackenzie note, “courts are now using climate science to interpret states’ legal obligations, thus transforming epistemic authority... into a matter of legal consequence”. This shift blurs the line between science and law, challenging the IPCC’s long-standing mandate to be “policy-relevant but not policy-prescriptive”. In short, the law is becoming a new arena where climate science and politics converge.²³

Mobilizing finance

Finance remains the central bottleneck for climate action. While capital flows support mitigation in developed countries and China, emerging markets – the world’s current and future biggest emitters – face prohibitively high borrowing costs.²⁴ Adaptation offers strong social returns but is impossible to finance without large amounts of public resources. Loss and damage, reliant on scarce grants, is even harder to resource.²⁵

Aligning the global financial system with the Paris Agreement requires not only collective targets but also structural reforms that give countries affordable access to long-term capital while balancing growth and social goals. South Africa’s Just Energy Transition Partnership (JET-P), launched at COP26, illustrates both the promise and trade-offs of transition finance. Its \$8.5 billion pledge aimed to catalyse nearly \$100 billion in investment, inspiring similar models in Vietnam, Indonesia and Senegal. Yet renewable financing remains costly, coal still dominates South Africa’s energy mix, and weak social buffers risk backlash.²⁶ Participants noted the paradox: fossil fuels are expensive, but so is the capital needed to move away from them.²⁷

²³ Stacy-ann Robinson, Shaina Sadai and Heloise Evins-Mackenzie, “The Expanding Role of Climate Assessments as Legal Evidence”, *Nature Climate Change*, vol. 15 (2025). Available at <https://www.nature.com/articles/s41558-025-02434-7>.

²⁴ Though rich countries contributed 70 per cent of the stock of greenhouse gases causing global warming, developing economies now contribute over 63 per cent of greenhouse gas emissions. According to economist and advisor to the Interamerican Development Bank, Avinash Persaud, the cost of capital for developing countries outside of China is “almost always two to three times higher” than in developed countries. See Avinash Persaud, *An FX Guarantee Mechanism for the Green Transformation in Developing Countries* (Climate Policy Initiative, June 2023). Available at <https://www.climatepolicyinitiative.org/wp-content/uploads/2023/06/An-FX-Guarantee-Mechanism-for-the-Green-Transformation-in-Developing-Countries.pdf>.

²⁵ For an overview of global climate finance volumes, blends and amounts directed toward different climate change goals, see Climate Policy Initiative, *Global Landscape of Climate Finance 2024: Insights for COP29* (October 2024). Available at <https://www.climatepolicyinitiative.org/wp-content/uploads/2024/10/Global-Landscape-of-Climate-Finance-2024.pdf>.

²⁶ According to the International Energy Agency, coal meets around 70 per cent of installed power generation in South Africa. Yet in recent Department of Energy polls, three-quarters of South Africans stated that the priority for government energy policy should be to keep electricity prices low: economic considerations outweighed other priorities by a considerable margin. Available at <https://www.iea.org/countries/south-africa>. A significant moment came in October 2023, when the National Union of Mine Workers (and the most powerful trade union in Eskom, the State power company) called for the suspension of the JET-P, citing 51,000 potential lost jobs and the “clear lack of consultation with organised labour”. National Union of Mineworkers, South Africa, “NUM demands a lengthy delay in the implementation of just energy transition,” media Statement, 2 October 2023. Available at: <http://num.org.za/news-reports-speeches/posts/num-demands-a-lengthy-delay-in-the-implementation-of-just-energy-transition/>.

²⁷ A new technical paper from Janak Raj and Rakesh Mohan for the Boston University Task Force on Climate, Development and the IMF assesses the additional capital expenditure (capex) India would require to decarbonize these sectors, beyond the capex projected under a business-as-usual scenario up to 2030. They

More broadly, debt distress, inflation, geopolitical tensions and shifting trade flows are reshaping access to capital. Meeting these challenges requires a “full-spectrum” approach – integrating fiscal, monetary and regulatory tools into nationally-led strategies that actively manage trade-offs and reinforce one another. Countries are already experimenting: social protection systems (Chile’s Just Transition Strategy, Germany’s Coal Commission) cushion communities through structural change, while joint procurement (African Union–African Development Bank’s Desert to Power), regulatory harmonization (European Union’s Green Taxonomy) and market integration (West African and South Asian power trading) demonstrate the benefits of regional coordination.²⁸ In short, durable transitions cannot rely on isolated financial levers but demand systemic alignment across institutions, markets and social protections.

Implications for small States: A SIDS perspective

SIDS and LDCs are least responsible for climate change but most vulnerable to its impacts, giving them moral and diplomatic influence in climate negotiations. For these States, the COP is more than a technical forum; it is a platform for exercising agency, leveraging soft power and shaping international norms. The successful Alliance of Small Island States campaign for the 1.5°C goal in the Paris Agreement shows how small States can influence global outcomes.²⁹

SIDS and LDCs benefit from the COP’s inclusivity: even small delegations can coordinate with allies and amplify their collective voice. But reforms to streamline governance risk eroding this influence if new structures bypass the COP or privilege larger States and global institutions. Small States must weigh the efficiency of new mechanisms against the inclusivity and voice they currently enjoy. Tools like rotating participation, representative coalitions and constituency systems – as used by the Green Climate Fund, the Global Environment Facility and the Adaptation Fund – help preserve access and influence. Lessons also come from beyond the UNFCCC: the consensus procedures of the Montreal Protocol, rotating seats on the United Nations Security Council, and coalition bargaining in regional forums such as the Pacific Islands Forum and the Caribbean Community. Mapping and adapting these institutional practices to climate governance is precisely where initiatives like the GGI Platform can add value, by helping to identify models that balance efficiency with equity and ensuring that SIDS and LDCs retain a strong voice in reformed structures.

The COP also offers small States a broader diplomatic stage. Climate discussions intersect with aid, trade and geopolitical priorities, allowing SIDS to project leadership on climate justice. Barbados, for example, has used COPs to advance the Bridgetown Initiative, introducing debt pause clauses and foreign-exchange hedging into COP discourses, and linking loss and damage finance to wider international financial reform.³⁰

Ultimately, governance reforms must preserve the COP’s dual value: as a policy-setting arena and as a space for accountability and coalition-building. Any efficiency gains must be calibrated to protect the ability of SIDS to represent

find that steel and cement decarbonization drive India’s climate investment needs, jointly amounting to more than 80 per cent of the total. These investment requirements largely depend on carbon capture and storage, which is expensive and not yet available at scale in India. Contrary to assumptions, the capex required for power is \$57 billion, relatively low when compared to steel and cement. Up to this point, power is the sector that has received the most attention in mitigating the impacts of climate change. See Boston University Global Development Policy Center, “India’s Climate Finance Requirements: An Assessment,” 21 August 2025. Available at https://www.bu.edu/gdp/2025/08/21/indias-climate-finance-requirements-an-assessment/?_hsenc=p2ANqtz-8JeSaapWSmlD5ZYUUMmCTd6s5VM4ltRPN7yQ7_HF_qUMVJ_7WVuw7lbYaGUBpi3AiAkoN75jMawFIRdCtalYIFlv6NoA&_hsmi=376837277&utm_content=376837277&utm_medium=email&utm_source=hs_email.

²⁸ Michael Franczak and Koko Warner, “A Full-Spectrum Approach to Climate Finance”, UNU-CPR Discussion Paper (New York, United Nations University, 2025).

²⁹ Timothée Ourbak and Alexandre K. Magnan, “The Paris Agreement and Climate Change Negotiations: Small Islands, Big Players”, *Regional Environmental Change*, vol. 18, No. 1 (2018), pp. 2201–2207. Available at <https://link.springer.com/article/10.1007/s10113-017-1247-9>.

³⁰ Eric Helleiner, “International Finance and the Global Polycrisis”, *Finance and Space*, vol. 2, No. 1 (2025): pp. 221–236. Available at <https://doi.org/10.1080/2833115X.2025.2514272>.

their interests, uphold equity and common but differentiated responsibilities, and contribute meaningfully to global ambition.

Conclusions

The UNFCCC remains the only universal framework for climate negotiation, but its ability to deliver results increasingly relies on how effectively it is complemented by a wider ecosystem of institutions capable of turning ambition into action. Rules alone cannot deliver the speed, scale and resilience required to confront accelerating climate risks. Climate governance must therefore evolve into a system that is adaptive: one that is able to learn quickly, integrate knowledge across domains and mobilize resources at the pace crises demand.

A key lesson from our workshops is the need to move from abstract reform to practical experimentation. Prototypes and models – whether high-level councils, tipping-point monitoring facilities or innovative finance instruments – offer ways to test, adapt and scale solutions. These mechanisms will not be perfect at the outset, but by being iterative, inclusive and performance-driven, they can generate the legitimacy that negotiations alone often struggle to deliver.

Reform also brings trade-offs. Efforts to streamline or centralize risk sidelining those most vulnerable to climate change. SIDS and LDCs have shown that inclusivity can generate ambition, from championing the 1.5°C goal in the Paris Agreement to securing a new Fund for Responding to Loss and Damage. Future governance arrangements can build on this leadership by embedding constituency systems, rotating representation and empowering regional groupings to manage finance and capacity-building.

The next phase of climate governance will be defined not only by negotiations at COP30 and beyond, but by how the UNFCCC is complemented by other institutions – MDBs, trade regimes, human rights courts, regional organizations and private-sector alliances – that can expand its reach and functions. The task ahead is not to replace the Paris rulebook, but to reimagine the wider system that surrounds it. The test for the international community is whether it can seize this moment to prototype, adapt and institutionalize the governance structures capable of steering the world through a century of accelerating climate risk.

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