

2.3

INTRODUCTION TO CLIMATE CHANGE

Global climate policy frameworks

Important notice

This unit is part of a package of learning materials designed to support understanding of foundational concepts relating to climate-related financial disclosures. These learning materials do not constitute application or regulatory guidance for the preparation of climate-related financial disclosures and are not intended to represent legal or professional advice. We encourage you to seek your own professional advice to find out how the Corporations Act 2001 (Corporations Act) and other relevant laws may apply to you and your circumstances, as it is your responsibility to determine your obligations and comply with them.



Key topics

- › United Nations Framework Convention on Climate Change
- › Conference of the Parties
- › Intergovernmental Panel on Climate Change

Relevance for climate-related disclosures

Commitments made by nation states via international agreements impact domestic policies, which can in turn drive climate-related risks and opportunities for entities.

In this unit, you will learn about the Intergovernmental Panel on Climate Change (IPCC) and how its scientific assessments provide the foundational scientific basis for understanding climate-related risks, impacts and potential responses. You will also learn about the United Nations Framework Convention on Climate Change (UNFCCC)—the United Nations (UN) process under which international climate agreements are made.

Overview

The UNFCCC (or Convention) is an international environmental treaty that provides a framework for international climate negotiations. It aims to stabilise global greenhouse gas concentrations to avoid dangerous human-induced climate change.

The 197 countries (plus the European Union) that have ratified the Convention are called Parties to the Convention.

The Conference of the Parties (COP) held annually, is the most important international climate negotiating session of the Convention.

The IPCC is the UN body responsible for assessing climate science. It provides policymakers with regular scientific assessments on climate change and its impacts, and strategies to mitigate and adapt to climate change. Module 2 Unit 5 contains more detail about mitigation and adaptation.

How has global climate change policy evolved?

To understand where climate-related disclosures have come from and what they aim to do, it is helpful to understand how global climate change policy has evolved.



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1972: The UN held the landmark Conference on the Human Environment in Stockholm. From this came the United Nations Environment Programme (UNEP), the UN's leading authority on the environment. UNEP convenes governments and other stakeholders to address major environmental issues like climate change.¹

1992: On the 20th anniversary of the Stockholm Human Environment Conference, the UN held the Conference on Environment and Development in Rio de Janeiro, Brazil. It is now known as the Earth Summit. Governments discussed the interlinked issues of climate change, desertification (or land degradation), and biodiversity loss, and adopted Agenda 21, an action plan for achieving sustainable development.²

Two important environmental conventions came out of the Earth Summit:

- › The UNFCCC—came into force in 1994
- › Convention on Biological Diversity—came into force in 1993

Agenda 21 also called for negotiation on a third convention to combat desertification. Together, these three conventions are known as the Rio Conventions.³

What is the UNFCCC?

The UNFCCC is an international treaty and the main global framework for climate negotiations and agreements. It has been ratified by 197 states and the European Union, collectively known as Parties to the Convention. The UNFCCC:

- › aims to rapidly stabilise the levels of greenhouse gases in the atmosphere to avoid dangerous temperature rise, to allow ecosystems time to adapt and to support sustainable development
- › recognises that countries need to adapt to the impacts of climate change, and that developing countries need support with this, and
- › provides a framework for specific agreements (or protocols) to be negotiated.

The UNFCCC has a secretariat that organises international climate change negotiations and supports implementation of the UNFCCC agreements. Two of the most important UNFCCC agreements are:

- › the Kyoto Protocol (1997)—agreed mandatory emission reduction targets for developed countries.
- › the Paris Agreement (2015)—committed all countries to hold global warming to well below 2°C, and to pursue efforts to limit to 1.5°C, compared to pre-industrial levels, and to set Nationally Determined Contributions (NDCs)—national climate action plans (see Module 2, Unit 8 for more information on NDCs).

The UNFCCC holds the annual Conference of the Parties (COP) to negotiate agreements and make decisions to promote the implementation of the Convention. The COP is held in a different location each year and is attended by tens of thousands of participants.⁴

The UNFCCC also facilitates Global Stocktakes to periodically assess progress towards the Paris Agreement goals. The first Global Stocktake concluded at COP28 in Dubai, United Arab Emirates in 2023.

What is the IPCC?

While the UNFCCC is the framework for global climate negotiations, the IPCC provides the science that informs the negotiations. Established in 1988 by the UNEP and the World Meteorological Organization, it has 195 member states and is responsible for scientific assessments of climate change. It provides policymakers with regular scientific assessments on climate change, its impacts, future risks, and options for mitigating and adapting to climate change.

The IPCC prepares comprehensive assessment reports (ARs) that provide knowledge on climate change science, and potential responses to climate change. The most recent is the Sixth Assessment Report (AR6), finalised in 2023. ARs are written by experts who volunteer to review and summarise scientific literature. Reports are reviewed by experts and governments.

The IPCC also responds to requests for information from Parties to the UNFCCC and has produced a number of special reports and technical papers, including the 2018 Special Report on Global Warming of 1.5°C. IPCC reports feed directly into international climate negotiations. The IPCC's Fifth Assessment



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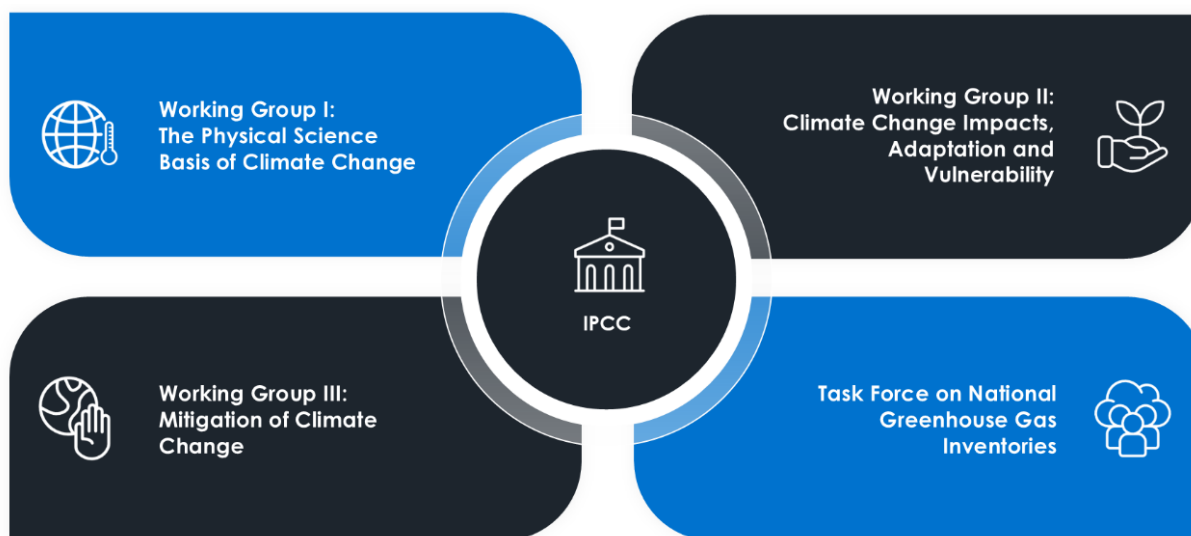
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Report (AR5) provided the scientific basis for the Paris Agreement. The AR6 fed into the first Global Stocktake.⁵

The IPCC is divided into three working groups and a task force, illustrated in Figure 1 below:

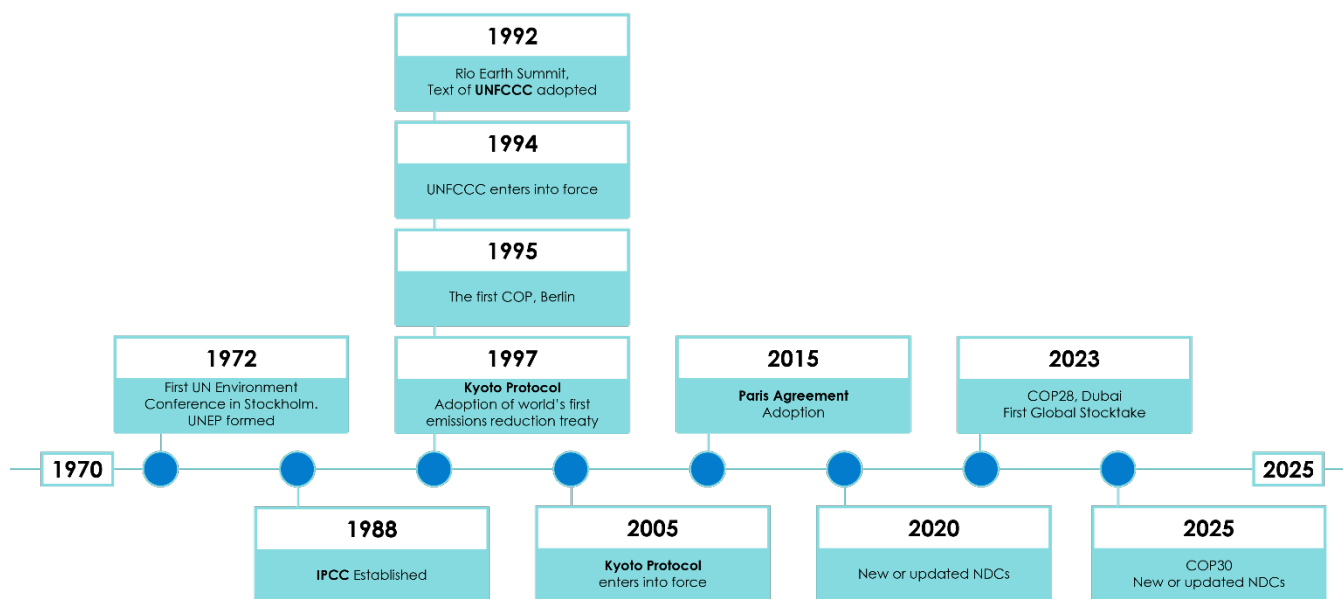
Figure 1 IPCC Working Groups and Task Force



Timeline of global climate policy

Figure 2 shows some of the key milestones in the evolution of global climate policy.

Figure 2: Timeline of global climate policy⁶



Key takeaways

- › The UNFCCC provides the framework for global climate policy and agreements, while the IPCC provides the scientific assessments to underpin these.
- › International climate agreements are negotiated by Parties to the Convention at COPs.
- › The UNFCCC tracks global progress through NDCs and Global Stocktakes, informed by IPCC assessments.

Sources

¹ United Nations Environment Programme (2025) [About Us](#)

² United Nations [United Nations Conference on Environment and Development, Rio de Janeiro, Brazil, 3-14 June 1992](#)

³ United Nations Climate Change [The Rio Conventions](#)

⁴ United Nations Climate Change [About the Secretariat](#)

⁵ Intergovernmental Panel on Climate Change (2025) [About: History of the IPCC](#)

⁶ United Nations Framework Convention on Climate Change [UNFCCC - 25 Years of Effort and Achievement](#)



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