

THE PARIS SUMMIT: THE BEGINNING OF THE END OF THE CARBON ECONOMY

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After two weeks of harsh negotiations, the Paris Agreement was finally adopted on Saturday, 12th of December 2015. With it, **a very important milestone in global climate policy has been reached**, since it constitutes the basis for increased, transparent and coordinated ambition of all countries in the coming years. **The achievements of Paris have surpassed the prospects of many analysts**, who were already familiarized with the slow and full of pitfalls path of climate negotiations. Prior to the Summit, experts coincided in, at least, four areas in which a successful agreement should make progress: the adoption of a universal legally binding protocol or agreement; a system of periodical review of the ambition of the Intended Nationally Determined Contributions (INDCs), and to monitor progress towards targets; increased funding commitments; and new governance systems. As further detailed below, the Paris Agreement means progress in all these aspects, and also in other important ones.

According to some observers, the **key of the Paris success was the extraordinary transparency and confidence that prevailed throughout the process**. It was only after listening to the perspectives of all the countries that work began on a text that sought to reconcile the divergent points of view. The outcome is a complex text but which managed to find a balanced combination of the important aspects for all the countries. For the first time in the history of climate negotiations, we have an almost universal binding agreement (pending it being ratified next year and "incorporated" into the national legislation of each State). **Nearly all countries (186 out of 195) representing 95% of the planet's emissions will undertake contributions to climate change mitigation**.

This is a clear step forward from the position of the Kyoto Protocol, which only required commitment from the so-called developed countries (representing scarcely 14% of global emissions), and exempted the other countries from any obligations. This

Key Points

- *The Paris Agreement is the basis for increased, transparent and coordinated action of all countries.*
- *The key of the success was the extraordinary transparency and confidence throughout the process.*
- *While the Kyoto protocol covered 14% of emissions, 98% of emissions are covered by the new regime.*
- *Countries will increase ambition every 5 years for closing a gap of, currently, 15 gigatonnes.*
- *The goal of mobilizing \$100 billion per year for climate aid will be revised onwards from 2025.*



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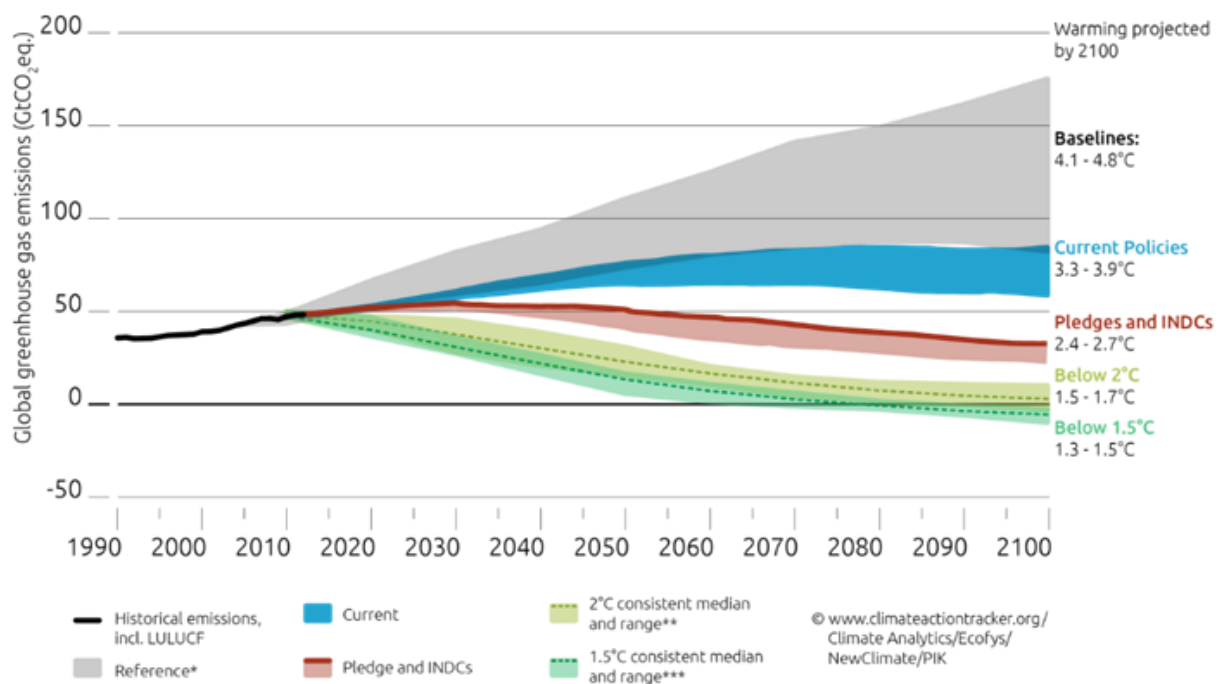
unprecedented broad participation is the result of the adoption of a new hybrid approach, with bottom-up flexibility aspects and top-down guidance, supervision and coordination elements. National targets and actions set out in the INDCs enable auto-differentiation, something that gets round the conflictive point of the differentiation in the treatment of countries with very different circumstances. Differentiation is also reflected in other parts of the text, making clear that the developed countries must lead the way, and that countries with special needs will receive international cooperation by means of technology transfer, finance and capacity building.



Source: World Resources Institute (<http://cait.wri.org/indc/>)

in emissions as soon as possible and the zero net emissions (balance between what is issued and absorbed by the carbon sinks) from 2050 onwards. These two requirements, along with the inclusion in the text of the Agreement of the aspiration to an even more ambitious goal of 1.5 °C, will require negative emissions in the future, either by means of technological solutions and/or by means of the sustainable management of the forests.

The Agreement [1] does not make the implementation of the INDCs binding, but rather only the obligation to prepare them and report them periodically. This has been the cost paid for having the two main emitters, China and the USA, on board. This condition was already known before the Summit, and the most mentioned weakness of the Agreement. However, the Agreement steadfastly includes the goal of ensuring that **the global temperature of the planet does not rise by more than 2 °C on pre-industrial levels by the end of the century**. The current gap between the level of emissions resulting from the INDCs and the one compatible with this target is 15 gigatonnes. In order to close this gap, all countries are required to achieve the peak



- * 5%-95% percentile of AR5 WGIII scenarios in concentration category 7, containing 64% of the baseline scenarios assessed by the IPCC.
** Greater than 66% chance of staying within 2°C in 2100. Median and 10th to 90th percentile range. Pathway range excludes delayed action scenarios and any that deviate more than 5% from historic emissions in 2010.
*** Greater than or equal to 50% chance of staying below 1.5°C in 2100. Median and 10th to 90th percentile range. Pathway range excludes delayed action scenarios and any that deviate more than 5% from historic emissions in 2010.

Source: Carbon Action Tracker (<http://climateactiontracker.org/global.html>)

Even if the implementation of INDCs could not be included as an obligation, binding provisions to foster the process of increasing the ambition of the INDCs were accepted: on the one hand, the collective assessment that will be performed every 5 years, starting in 2023; and, on the other hand, the upward review of the INDCs, which will also take place every 5 years. An initial report on the collective progress will be released in 2018 in order for countries to be able to increase their current ambition already by 2020. This way, the Agreement sets out a **review and monitoring system of the degree of compliance of the INDCs which is the same for all countries**. This mechanism will enable very important progress regarding future commitments. The possibility of countries to cooperate together to reach their mitigation targets is introduced as a flexibility aspect. This leaves the way open to emissions markets and other instruments, provided double emission counting is avoided and the environmental integrity is safeguarded. For the time being, the Agreement already establishes a new mechanism that will replace the Clean Development Mechanism in generating tradable emission reductions.

Just these three aspects alone are already a very significant step forward given the stalemate situation of the negotiations in recent years. But there are still a number of other remarkable aspects of this Agreement. For instance, a common transparency framework requires that all countries periodically report their emissions, progress towards their mitigation targets, their adaptation needs and efforts, and the international support provided or received. By noting the aspiration to improve the transparency level progressively, developing countries are given flexibility regarding the scope, frequency and details of their communications. The analysis of the communications will allow monitoring the progress, and informing the countries towards the definition of successive national mitigation targets.

With respect to governance, the agreement envisages **the special requirement of climate policies to be integrated at all levels**, both in the case of emissions markets and other national, regional and local climate policies. This is an explicit recognition of the work carried out by other stakeholders such as regional and local governments, companies and other agents. Another achievement of the Agreement is that it closes the circle of fighting against the causes and consequences of climate change by means of including goals and means of implementation for adaptation (to the already inevitable effects of climate change), and for losses and damage (that adaptation will not be able to avoid). In this last regard, the Agreement **opts for supporting the most vulnerable countries by means of international (technical and financial) cooperation mechanisms**, and it **waives the compensation approach**, one of the stumbling blocks that were hindering the negotiations.



Side Event organized by BC3 at COP21-CMP11 (Paris 2015) "Regions and Climate Change: A major challenge for local communities", 10th of December 2015 (UNFCCC)

The Agreement reaffirms **the collective target of mobilising at least \$100 billion a year from 2020 onwards** in order to help developing countries, and makes clear that some countries are no longer considered as "developing" in the burden-sharing of this collective goal, encouraging them lend a shoulder and make voluntary financial contributions. But it does not include binding financial commitments for individual countries, something that was another necessary withdrawal in exchange of the support of the USA. **The financial goal will be reviewed upwards by 2025** and, in order to increase its predictability, the Agreement envisages that the developed countries will report how much they plan to contribute every two years. The rest of Parties should periodically report the actions undertaken and outcomes obtained. Two additional support channels for developing countries – technology transfer and capacity building – are also included in the Agreement, which also remarks the importance of the balance between mitigation and adaptation in all support channels, and of ensuring that all intervention are aligned with the priorities of the supported countries.

A last shortfall of the Agreement is the failure to include a specific reference to “decarbonisation” or “emissions neutrality”, two very relevant concepts given that all emissions paths achieving the 2°C target require negative emissions by the end of the century. The Agreement will be opened for signature on April, 22th of 2016 and will come into force when 55 countries that represent at least 55% of global emissions have ratified it. Yet, in addition to the Agreement, the Paris Summit produced other results that should be mentioned, such as the new financial commitments of different stakeholders (\$19 billion from the developed countries and several million more from developing countries and cities), new alliances between countries and private investors to drive investments into R&D and deployment of clean energies, and new commitments by different cities to cut emissions in the short term. Besides, different cities, regions, companies, investors and civil society organisation have made around 11,000 mitigation commitments through the NAZCA Portal.

To conclude, despite the various shortfalls that have been mentioned, **the agreement adopted in Paris is a very important milestone in global climate policy, because it has made the goal of 2°C more feasible than it was never before**. And it has made it by facilitating an effective coordinated action at global level. This Agreement exceeds the previous ones in many aspects: it is supportive and universal; sufficiently flexible to adapt to the evolution of societies; fair, as it deals with different cases in different ways; credible, as it is based on feasible commitments in the short term; and also ambitious and stimulating, as it clearly defines a vision of the future shared by everyone.

REFERENCES:

[1] COP21, “Adoption of the Paris Agreement. Proposal by the President. Draft decision -/CP.21.” UNFCCC, 2015.

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