

Climate Change Developments after COP21

The “Paris Outcome”

Institut des Sciences de l'Eau et de l'Energie – PAUWES
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MATTHIEU WEMAÈRE
AVOCAT À LA COUR

Matthieu WEMAÈRE
Attorney

Paris and Brussels Bar Associations

Key milestones of UN talks

December 1997 : adoption of the
Kyoto Protocol

Feb. 2005 : Kyoto Protocol into
force

Dec. 2005: COP/MOP1 + AWG KP
*First Commitment Period of the
Kyoto Protocol (2008-2012)*

2012 : End of the first Kyoto
commitment period
*Start of the second Kyoto
commitment period (2013-2020)*

June 1992 : Rio Earth Summit de la Terre.
Signature of the UNFCCC

2000 : Failure to reach agreement on Kyoto
modalities in the Hague (delay ratification)
2001: Adoption of Bonn and Marrakesh
Accords

2007 : Bali Roadmap, including the Bali
Action Plan COP7, launch of AWG LCA

2009: Failure at Copenhagen COP15

2010: Cancun Agreements COP16

2011 : Durban Platform COP17 (Kyoto II,
launch of ADP negotiations)

2012 : Doha Climate Gateway COP18

2013: Warsaw Conference COP19

2014: Lima Conference COP20

2015 : Adoption of Paris Agreement COP21

2020 : 2015 Agreement becomes effective

Genesis of the Paris Agreement

- **Need to switch from a strict binary differentiation and incomplete participation towards universal engagement**
- **The Durban Platform (COP 17, 2011): launch of new round of negotiations**
 - ✓ “A protocol, another legal instrument, or agreed outcome with legal force under the convention “
 - ✓ “Applicable to ALL Parties”
 - ✓ To be agreed by 2015, and become effective by 2020
 - ✓ Work plan to close the ambition gap before 2020
 - ✓ A new subsidiary body to conduct climate talks (the “ADP”) and 2 Work-streams (Agreement/Pre-2020 ambition)
- **In reality, only one year of intense discussions (2015)**

The Paris Outcome: A Package

- COP21 (+ CMP11, SBSTA/SBI 43, ADP2-11...): full agenda with a number of cross-cutting issues (e.g. climate finance)
- Starting with the High Level Segment (150 Heads of States and Governments): Goodwill and direction for negotiators
- ✓ Strong impact of INDC submission by 187 out of 196 UNFCCC Parties before the Paris Conference
- After two weeks of very well managed conference by the COP21 French Presidency, adoption of 2 elements:
- ✓ COP Decision (20 pages): adoption by consensus of the Paris Agreement in annex + workplan to put meat on the bones of the Agreement and increase climate action (Lima Paris Action Agenda) before 2020
- ✓ The Paris Agreement (12 pages): a legally binding treaty

The Paris Agreement

- **A legally-binding Treaty** according to the Vienna Convention
- ✓ A Protocol ? Paris Agreement adopted under the auspices of the UNFCCC, no reference to Art. 17 UNFCCC but COP Decision adopted pursuant to its Art. 7...
- ✓ No matters the name: legal form allows US approval without Congress => “executive agreement” under US Constitution
- Comes into force 30 days after 55 UNFCCC Parties accounting for 55% of global GHG emissions have deposited their instruments of ratification, acceptance..(Art. 21)
- ✓ No reference to 2020, could enter into force well before
- Contains legally binding obligations (shall) and provisions that are not legally binding (invited/encouraged/should)
- ✓ NDC: heart of the future regime but housed in a registry maintained by Secretariat, not in an annex to the Agreement

Long term vision: predictability and durability

- **Global temperature goal:** (Art. 2)

Keep global warming well below 2°C ... and to pursue efforts to limit the temperature increase to 1.5°C

- **Mid/long-term mitigation goals** (Art. 3)

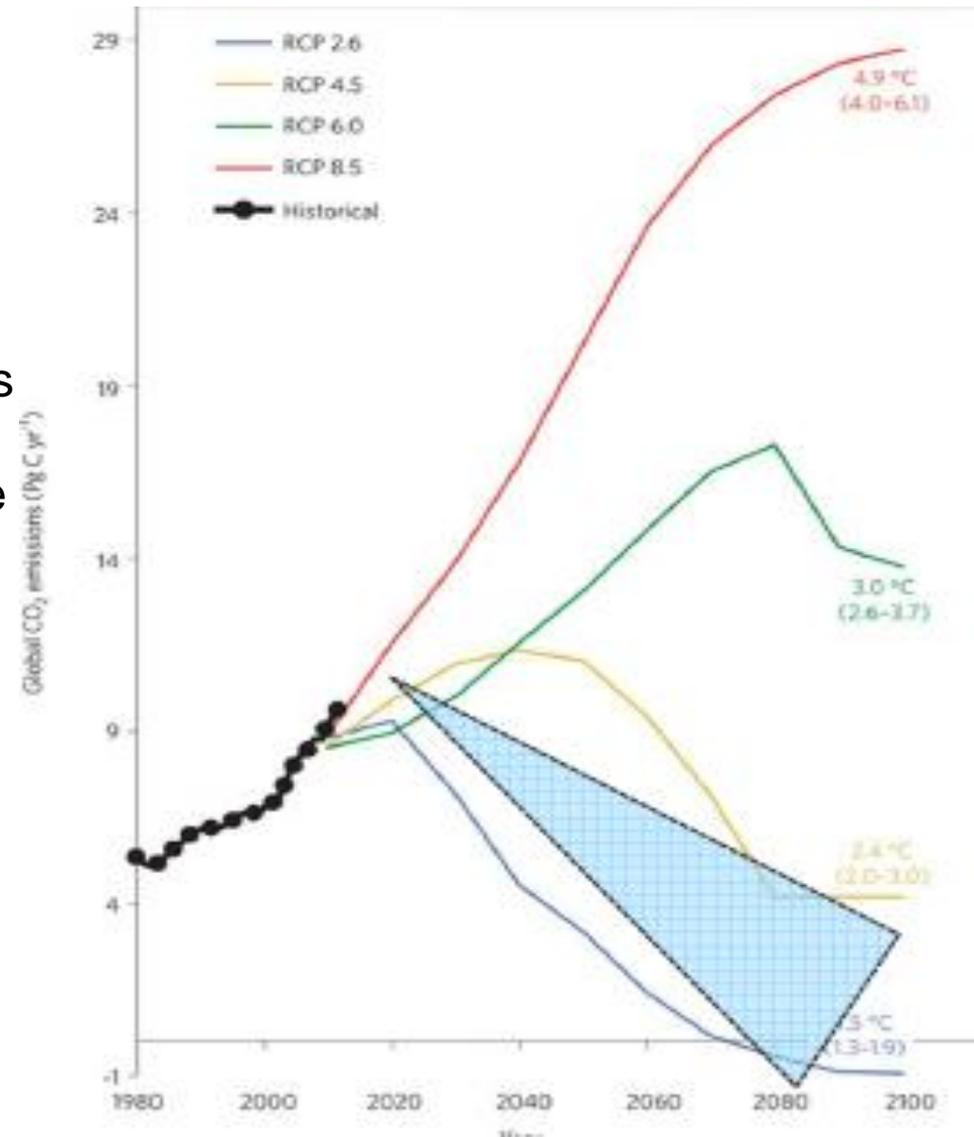
Global peaking asap (recognizing that this will take longer for developing countries) and rapid reductions thereafter to achieve “a balance between anthropogenic emissions and removals in the second half of this century”

- **Adaptation goal** (Art. 7)

Enhancing adaptive capacity, strengthening resilience and reducing vulnerability

- **Finance goal** (§ 54 Decision)

Collective goal of developed countries from a floor of USD 100 BN/year



The massive decarbonization challenge

- **Carbon budget available:**

- ✓ 2°C: 1000-1200 billion TCO₂

- ✓ 1,5°C: 500-600 billion TCO₂

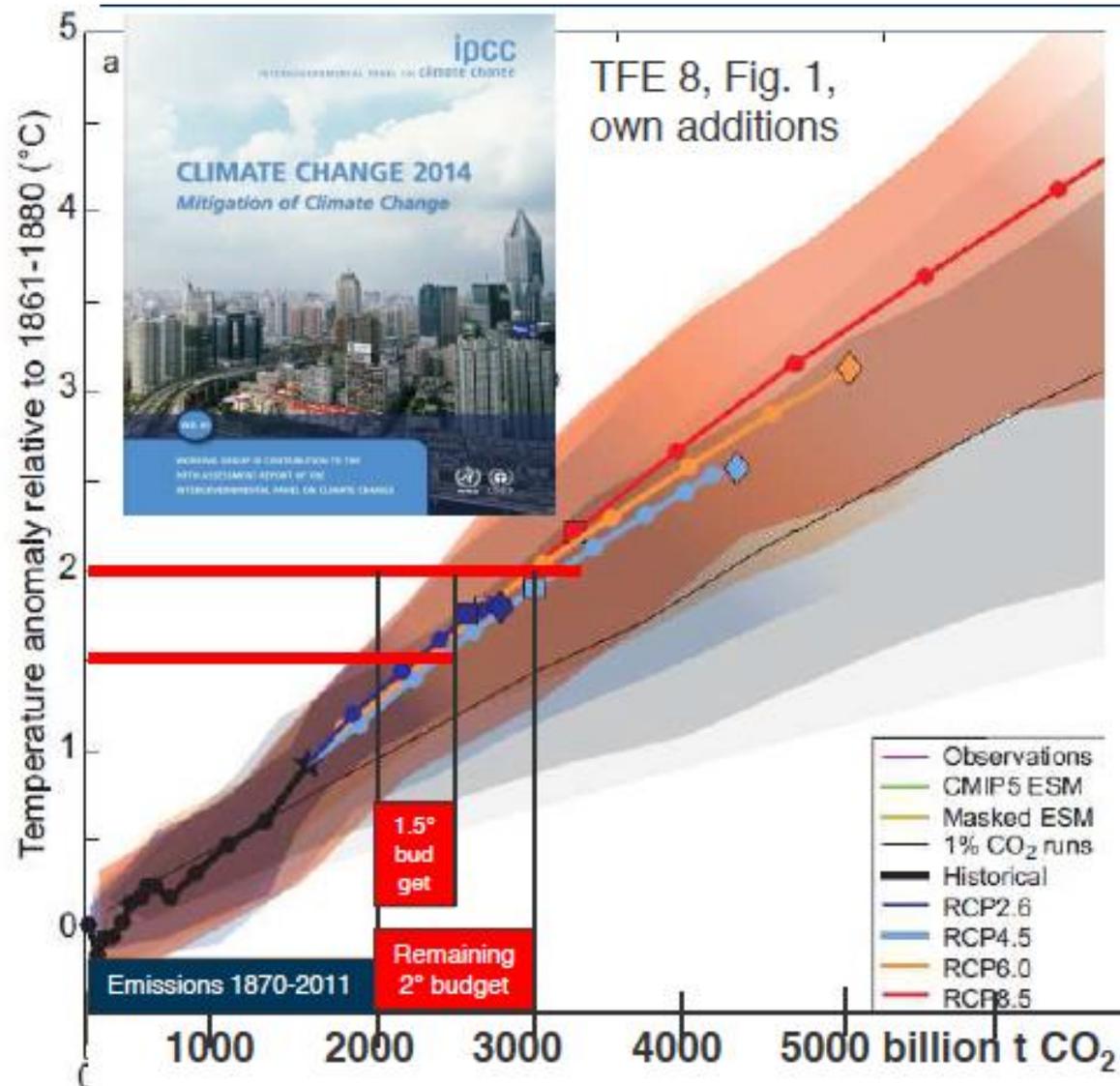
- **Current global emissions:**

- ✓ 50 billion

- **Time available with a BAU scenario (current rate):**

- ✓ 20-25 years/2°C

- ✓ 10 years/1,5°C

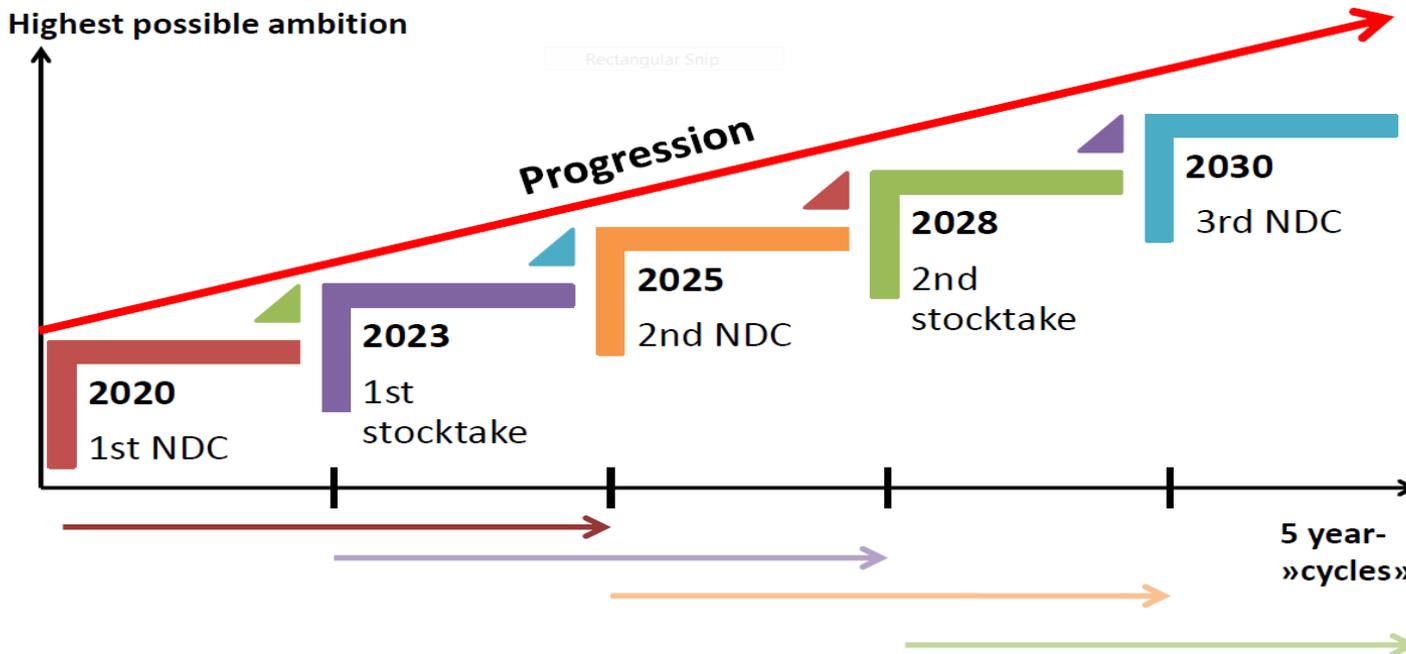


Everyone shall contribute to mitigation: NDC

- **Each Party shall prepare, communicate and maintain a NDC (Art. 4.1)**
 - ✓ Domestic measures, with the aim of achieving the objectives of such contributions (Art. 4.2)
- **Industrialized countries “should” (US) have absolute economy-wide targets...whereas**
 - ✓ Developing countries “should move over time” towards economy wide reduction or limitation targets
- **All countries to account for their emissions:**
 - ✓ Environmental integrity, transparency, accuracy, completeness, comparability and consistency..» (Art. 4.13)
 - ✓ Each Party **shall** regularly provide information on national inventories and information necessary to track progress made in implementing and achieving its NDC (Art. 13.7)

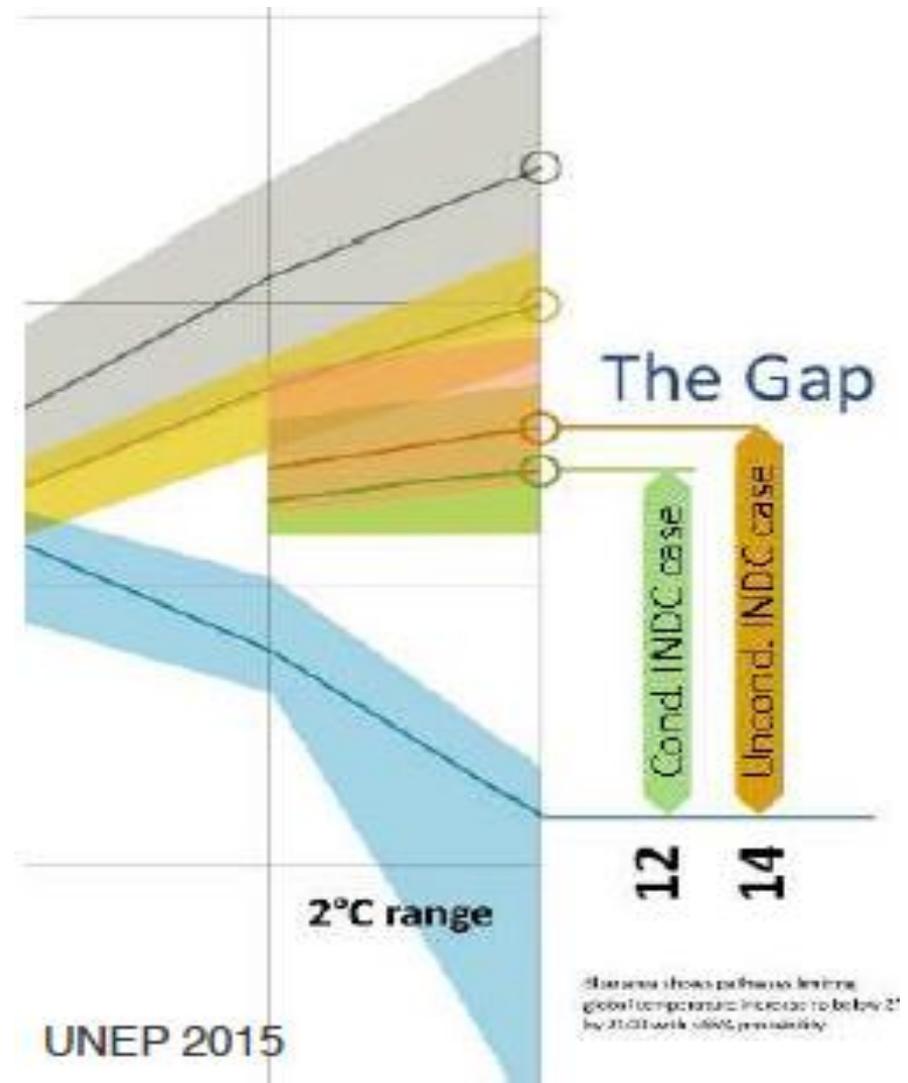
A dynamic Agreement

- NDCs **every 5 years to reflect the highest possible ambition** (Art. 4.9) (submission 9-12 months in advance) **and represent a progression over time**
- Global stocktake to assess collective progress towards achieving the purpose and long-term goals – **every 5 years** (Art. 14)
- Outcome of the stocktake shall inform Parties in updating and enhancing their actions and support (Art. 14.3)



What's the starting point?

- Despite efforts of the 187 INDC submitted before Paris, huge emission gap with regard to a “feasible” 2°C pathway
- NCD to be submitted together with ratification/approval instrument
- ✓ An opportunity to review and strengthen NDC before the Paris Agreement becomes effective



Differentiation, the big shift?

- **Paris Agreement is applicable to all:**
 - ✓ Universal
- **Most obligations apply to *all* countries**
 - ✓ No more strict binary differentiation (no Annexes)
- **But the Agreement reflects "CBDR&RC", in light of different national circumstances**

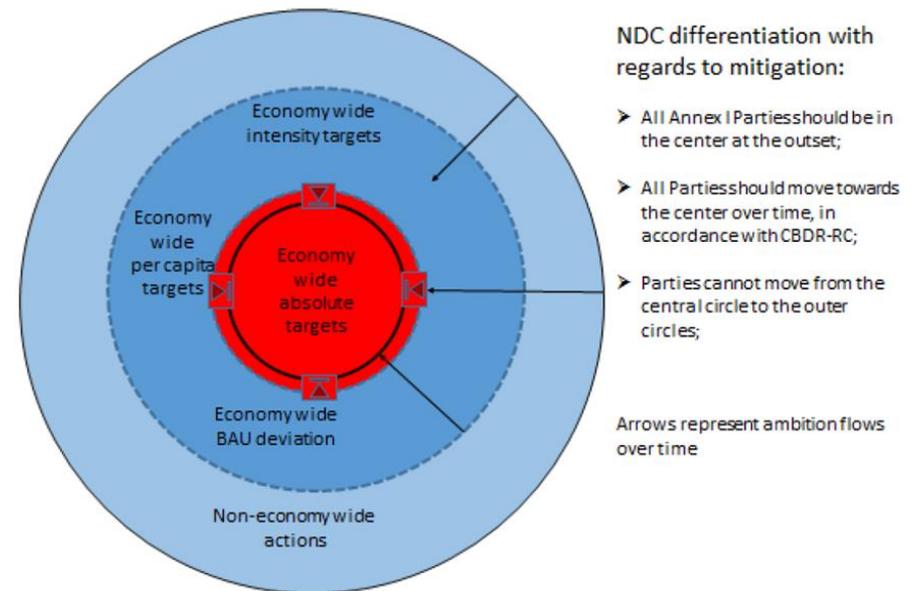


Figure 1: NDC differentiation with regards to mitigation

Market mechanisms in the Paris Agreement

- Many supporters of carbon markets but systematic opposition from “bolivarian” countries
- Article 6 of the Paris Agreement, one of the most surprising elements of the Paris Package, providing a clear route for 3 different frameworks:
 - ❖ Cooperative approaches to use “Transferable Mitigation Outcomes” towards commitments (linking between ETS)
 - ❖ New Market Mechanism to contribute to the mitigation of GHG and support sustainable development likely to replace JI/CDM (and combine their features)
 - ❖ Framework for non market-based approaches to sustainable development

“Transferable Mitigation Outcomes”

- Art. 6 §§1 to 3 Paris Agreement: allows countries on a voluntary basis to use and transfer mitigation outcomes, subject to Parties’ authorization (linking domestic ETS schemes at operator’s level)
- ✓ Accounting rules to be developed, applicable to all Parties without differentiation, based on national inventories to avoid “hot air” => mitigation contribution beyond offsetting (adjustment to reported emission levels)
- ✓ Environmental integrity: further guidance to be developed to avoid double counting
- ✓ No governing body, still some important political decisions though guidance to be adopted by the CMA by 2020
- ✓ But transfers can already take place before 2020 (see §108 Decision accompanying the Paris Agreement)

New Sustainable Development Mechanism

- Replacement of the CDM combining JI/CDM features, though with wider scope
- ✓ Objective: contribute to overall global mitigation (beyond offsetting) => “net” mitigation mechanism
- ✓ All countries can participate: competition for climate investment
- ✓ Private sector driven, subject to Parties’ authorization
- ✓ Allocation of credits to buyer and seller countries to prevent double counting
- ✓ Supervision by a dedicated body, payment of an adaptation levy
- Still many rules to be adopted by the CMA by 2020, which can however largely rely on JI/CM experience:
 - ✓ How to ensure real, measurable, and long term reductions
 - ✓ Definition of scope of activities
 - ✓ Additionality of emission reductions
 - ✓ MRV requirements

Non Market Approaches

- To channel climate finance through either performance based or result based payments for mitigation and/or adaptation measures taken by DCs
- Art. 6 §§8 &9 of the Paris Agreement lays out non market based approaches in an explicit manner, very much to balance provisions between supporters and opponents to markets
- Framework for integrated, holistic and balanced approaches in the context of sustainable development (instead of the proposed “Bolivarian Mechanism”)
- Future negotiation on scope definition, MRV requirements and potential for technology transfer by 2020

Transparency: building trust and confidence

- Establishment of an “enhanced transparency framework” for action AND support:
 - ✓ Clarity and progress of NDCs, achievement of NDC (Art. 13.5&.12)
 - ✓ Weak verification principles: non intrusive, non punitive, respect of national sovereignty (Art. 13.4)
- With built-in flexibility for developing countries, in the light of their capacities, with exemptions for LDCs and SIDS
 - ✓ Capacity Building Initiative for Transparency before 2020 (COP Decision)
- Building on existing UNFCCC arrangements for reporting and review: continuity
 - ✓ CMA to adopt «common modalities, procedures and guidelines» which shall supersede existing ones, at its first session

Climate finance to support the Paris Agreement objectives

- The Agreement sets long term goals (Art. 2)
 - ✓ To achieve this objective, there is a recognition that finance flows, presumably including development cooperation, will have to be made consistent with a pathway towards low GHG emissions.
- The Agreement is universal, meaning that all Parties are expected to contribute to reducing emissions, with developed countries taking the lead.
 - ✓ The Agreement explicitly recognizes that enhanced support to developing countries will be needed for them to be more ambitious in undertaking mitigation actions (Art. 4).

Climate finance (Art.9)

- Industrialized countries shall **provide** financial resources to assist developing country Parties in continuation of their existing obligations under the Convention.
- DCs can provide climate finance voluntarily and report on it: **recognition of South South cooperation**
- **Developed country Parties should continue to take the lead** in mobilizing climate finance from a wide variety of sources, noting the significant role of public funds
 - ✓ Such mobilization should represent a **progression** beyond previous efforts.
 - ✓ Scaled-up financial resources should aim to achieve a **balance between adaptation and mitigation**

Climate finance: reporting and verification

- Developed country Parties shall **biennially communicate indicative quantitative and qualitative information**, including, as available, projected levels of public financial resources
- ✓ Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis
- **Global stocktake shall take into account the relevant information** provided by developed country Parties and/or Agreement bodies on efforts related to climate finance
- ✓ Developed country Parties shall provide transparent and consistent information on support **provided** and **mobilized** through public interventions biennially in accordance with the modalities, procedures and guidelines to be adopted

Climate Finance in Decision 1/CP.21

- Developed countries intend to **continue their existing collective mobilization goal** through 2025 (reference to art. 9 §3)
- Prior to 2025: **setting up of a new collective quantified goal from a floor of 100 billion \$US per year**
 - ✓ No clear roadmap of how finance is to be leveraged, developed countries are only urged to scale up their level of support
 - ✓ No short term collective quantified target, the Copenhagen goal of 100 billion becomes a floor
 - ✓ Recognition that mitigation got a greater part until now, encouragement to balance support provided to mitigation and adaptation, but no financial goal for adaptation
 - ✓ Nothing on phasing out fossil fuel subsidies, nor about gender sensitive approaches
 - ✓ GCF, LDCF, SCCF, GEF as entities to serve the Agreement, quid for the Adaptation Fund? (§§ 59 and 60 Decision 1/CP.21)

Other issues...

- **Bunker fuels not covered by the Paris Agreement...**
- **Loss and Damage (Art. 8)**
 - ✓ Cooperation and facilitation to enhance understanding, action and support + continuation of the Warsaw International Mechanism for Loss and Damage
 - ✓ “Does not involve or provide a basis for any liability or compensation”
- **Technology (Art. 10)**
 - ✓ Establishment of a Technology Framework
- **Capacity building (Art. 11):**
 - ✓ Initiative to prepare implementation + access to climate finance
- **Compliance (Art. 15):**
 - ✓ Establishment of a mechanism to facilitate implementation and compliance, non adversarial, non punitive: no sanctions
 - ✓ Committee (expert-based), procedures to be adopted by CMA

Conclusions

- **What's new? Is it better? Is it historic?**
 - ✓ **Hybrid approach:** rules based regime in a legally binding treaty (**top-down**), including for preparing and maintaining NDCs, which are nationally determined (**bottom up**) and “anchored” outside
 - International legal security and respect of national sovereignty
 - Equity: distributive differentiation across issues and countries
 - ✓ **Ambition?** Little aspiration towards 2°C-1,5°C goal...
 - ✓ **But flexibility and dynamism:** progression over time of both action and support by all, more ambition
 - ✓ **And more actors involved**, including non governmental and subnational entities (continuation of the Lima-Paris Action Agenda): mobilization of the private sector, also for climate finance!
- ❖ **Success will depend on political will of countries and effectiveness of international cooperation**