



Wuppertal Institute
for Climate, Environment
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The Paris Agreement: Kick-Off for True Global Climate Cooperation

A Preliminary Assessment by the Wuppertal Institute

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On 12 December 2015, the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) adopted the "Paris Agreement". By doing so, the world community has agreed on a collective cooperative path to fight human-induced climate change. It is an encouraging sign that this has been possible in spite of a weakly-developed international system and amidst the current threats of war, terror, social injustice and a teetering global financial system.

After 25 years of UN climate diplomacy, the world's governments have for the first time in history negotiated a treaty which envisages climate action by all nations. This ends the static division of the world into "industrialized" and "non-industrialized" states by the UNFCCC, cemented for nearly 20 years through the Kyoto Protocol. The world has changed since the 1990s, and some countries that have previously been economically weak have since risen to become large emitters. Developing countries deserve high praise for agreeing to end this dichotomy, despite the fact that many industrialized countries have not shown a large degree of leadership in fighting climate change. By doing so, developing countries have accepted that the fight against climate change is a common global task, albeit with common but differentiated responsibilities. Inscribing this common endeavour in the Paris Agreement must be seen as a major success of the Paris summit.

Another success is the inscription of the long-term goal to keep global mean temperature rise "well below 2°C" (Art. 2) in the treaty. The temperature limit is thus not only inscribed in international law, but also strengthened compared to the previous formulation. Furthermore, the agreement contains the aim "to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels" (ibid.). Recent climate science has more and more underlined that the 2°C limit is not a secure guardrail, but would in all likelihood mean severe damages from

climate change. Anchoring the 1.5°C limit in the agreement is an enormous negotiating victory of the most vulnerable countries, small island states and least developed countries that until recently seemed impossible.

In this context it is significant that the "well below 2°C" goal is to be reached by, firstly, a peaking of greenhouse gas emissions "as soon as possible", and, secondly, "a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century" (Art. 4). Effectively, this is a call to global decarbonisation before the end of the century. This is the main message from Paris: The age of fossil fuels is over.

This message is further strengthened by a clear call to progressively stronger mitigation ambition of all countries within Article 4, with the expectation that industrialized countries undertake absolute greenhouse gas reductions. Developing nations are encouraged to also mitigate emissions, but get greater leeway, and support in achieving their contributions. The contributions of all countries are to be communicated and publically registered in five year cycles. This ambition mechanism lays the foundation for a global accounting system for the strengthening of national mitigation efforts. This mechanism is an innovation in international law and one of the main reasons for the hope that the Paris Agreement will fulfil its purpose as inscribed in Article 2.

The Paris Agreement will provide a strong legitimizing function for the growing civil society movements against coal power plants, mines, pipelines and other infrastructure damaging the global climate. Comparable to the Final Act of Helsinki that provided dissidents in the former Soviet Bloc with a crucial reference for their work, opponents of fossil infrastructures can now point to the goals of the Paris Agreement to justify their activities.

A direct win for civil society is the acknowledgement in the preamble that "Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity." While civil society had strongly lobbied for integrating human rights in the operative part of the agreement, the final result nonetheless marks a significant step forward in the efforts to make climate action compatible with Parties' human rights obligations.

The Paris Agreement has not only laid a common base to strengthen mitigation, but also strengthens efforts of adaptation to as well as loss and damage from inevitable climate change. With a separate article on loss and damage (Art. 8), dealing with these damages has been established as a third column to climate action besides mitigation and adaptation. To recognise this had been a central concern of the most vulnerable countries. Due to resistance by a number of industrialized countries, however, its establishment has only been possible by anchoring a clause in the decision text which precludes the use of these provisions as a basis for liability and compensation claims.

There is more room for critique. The actual achievement of contributions is not a legally binding obligation, the Paris Agreement only commits each Party to “prepare, communicate and maintain successive nationally determined contributions that it intends to achieve.” In addition, “Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.” Therefore, while the agreement obliges Parties to take measures, there is no legally binding obligation to achieve their contributions. In addition, while the contributions do entail a notable reduction of emissions against "business as usual" scenarios, even complete implementation would still lead to a mean global temperature increase in the range of 2.7°C to 3.5°C.

Since almost all of the INDCs had been communicated before COP21, the projected impact on emissions was well known before the conference started. It was thus apparent from the outset that the Paris Agreement would fall well short of the goal to limit global mean temperature rise to below 2°C. The Parties acknowledge this shortfall in the decision adopting the agreement, which “notes with concern” that the INDCs “do not fall within least-cost 2°C scenarios but rather lead to a projected level of 55 gigatonnes in 2030”, while also noting that for a 2°C pathway 2030 emissions would need to be reduced to 40 gigatonnes (para 17).

The effectiveness of the Paris Agreement in limiting global warming therefore depends on the quick strengthening of the national contributions. Analyses immediately after Paris seem to indicate that an optimal use of the ratchet mechanism would be sufficient to keep global mean temperatures below 2°C. This would imply, however, that already in 2018 countries communicate strengthened contributions by 2030 and that they commit to longer term targets with substantial emission reductions.

Since a first stocktake will take already in 2018 this seems feasible. The stocktake will mark another moment of concentrated political attention after Paris that may be used for fostering the dynamic of the process. These moments will re-occur every five years. In 2018, public attention will also be heightened by the IPCC, which is invited to submit a special report on the impacts of global warming of 1.5°C and related global emission pathways.

This is important because of the growing dynamics in renewable energies and other solutions, which quickly renders previous goals obsolete. The European Union, for example has politically not been able to strengthen its goal of 20% reductions compared to 1990 levels in 2020. At the same time, projections of the European Environment Agency indicate that EU emissions will in fact have fallen by 24-25% in 2020. Other estimates even point to a 30% reduction. Up to now, the climate regime did not have a mechanism to confront states with such dynamics. The new mechanism of regular stocktakes will force countries to regularly justify the ambition level of their contributions. For the EU, this will mean heightened political pressure to strengthen its 2030 climate goals.

It will be crucial for the success of the regular stocktakings that countries transparently report the implementation of their contributions, and subject themselves to review. In this regard, the agreement defines a "transparency framework" (Art. 13), which has yet to be fleshed out. Apart from increasing the level of ambition, this transparency framework will be the most relevant field of work in the coming years.

This is also true for transparency of support to developing countries. Industrialized states will have to communicate volume and use of their financial contributions biennially. For an effective support to the most vulnerable societies of this planet, notably least developed countries and small island states, it will be indispensable to massively ramp up these contributions. Here, the agreement still lacks much needed bite. The Paris Agreement only contains vague language concerning concrete financing contributions for mitigation and adaptation in developing countries. Legal bindingness of financing contributions in the Paris Agreement has been sacrificed due to pressure by the USA.

The accompanying decision text reiterates that the goal of annual 100bn USD of North-South financial flows in 2020 and beyond, promised already in Copenhagen, is still valid, and will be ramped up before 2025. The 100bn USD must therefore be the floor of financial contributions. Until now, many industrialized countries regarded the pledge of Copenhagen more as a ceiling. However, the coming negotiations will prove interesting, as the current decision text does not specify who will contribute to the stronger financing goal, but only speaks of setting "a new collective goal."

Further work will also be required on the issue of market mechanisms. The final outcome enables market-based approaches in several ways. One distinct feature is a new market-based mechanism, which is to "promote the mitigation of greenhouse gas emissions while fostering sustainable development". While building on the experience of the flexible mechanisms of the Kyoto Protocol, the scope of this mechanism is broader in that it is not restricted to project-type activities. Furthermore, it is to "deliver an overall mitigation in global emissions", thus going beyond the offsetting nature of the Kyoto Mechanisms to date. The deviation from the Kyoto world is also mirrored in the fact that both developed and developing countries can use the mechanisms, leading to a kind of hybrid between the Clean Development Mechanism and Joint Implementation, respectively. Detailed modalities and procedures are to be developed in the coming years.

Moreover, the Paris Agreement allows Parties to conduct "cooperative approaches". Under these, mitigation outcomes can be "internationally transferred" and "used" for achieving nationally determined contributions. Art. 6.2 names environmental integrity, transparency and robust accounting as the core principles guiding these approaches, while UNFCCC oversight is not foreseen. Instead, here as well dedicated guidance is to be developed over the coming years.

One fundamental question is how the transfer of mitigation outcomes is to work given the huge variety of types of contributions and the fact that there is no obligation to actually achieve them. The Kyoto Protocol is at its core a cap and trade system. The Paris Agreement now also foresees trade – but no caps. Most countries do not have absolute emission targets, which makes accounting for transfers more challenging. Moreover, since the achievement of contributions is not a legally binding obligation, the new agreement lacks the fundamental safeguard against overselling which the Kyoto Protocol has in-built at its core. The guidance that is to be developed will therefore need to include ways to ensure that mitigation outcomes that are transferred have actually been achieved. As UNFCCC oversight of the cooperative approaches is not foreseen, the only viable option seems to be to make achievement of contributions obligatory for the Parties that participate in cooperative approaches. The

cooperative approaches could thus constitute a platform for frontrunner countries that are willing to be bound to actually achieving their contributions.

Looking forward, the implementation of the Paris agreements in the coming years would greatly benefit from the continuing coalition between ambitious developing nations and the EU, both inside and outside of the UNFCCC and its Paris Agreement. Inside the UN climate regime, such a coalition could help drive the much-needed development of transparency rules, and ensure a quick entry into force of the Paris Agreement. Outside the UNFCCC framework, a pioneer decarbonization alliance could sharpen the currently insufficient commitments of states, take up the Paris momentum und develop fresh dynamics for international climate policy.

The next years will show whether the world community is willing to seriously tackle the challenges of a global transformation. The turn-around from the fossil-based development path is still possible, but requires immediate implementation and the strengthening of national contributions already from 2018. It requires transformative policies in almost all fields – energy, transport, industrial processes, housing, agriculture and land-use in general. The decisive momentum from Paris, which was felt by everyone who was present at COP21 and which could even be felt via the electronic media, this crucial momentum must be turned into a political force. Politics, the economic sector, civil society and science all have the responsibility to make utopia possible: a sustainable planet for everybody.

The Wuppertal Institute will publish a comprehensive assessment of the conference at the beginning of the new year.