

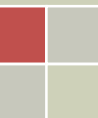
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IKV BRIEF

MOSTLY CLOUDY ATMOSPHERE ON NEW CLIMATE AGREEMENT NEGOTIATIONS (WEEK 1)

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30 November – 6 December 2015 (Week 1)

THE MOST CRITICAL NEGOTIATION CHAPTERS OF COP 21

The 21st Session Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) began with the participation of 195 countries' political leaders on 30 November 2015. During COP 21, member countries of the UNFCCC will negotiate a new international binding climate change agreement which will replace the current climate regime under the Kyoto Protocol and come into force after 2020. COP 21 will take place from 30 November to 11 December 2015 in Paris.

Today's people, economics and ecosystems are at risk as a result of rising temperatures. Therefore, a new climate regime is of huge importance. The core aim of negotiation talks in Paris is to keep global warming below 2°C degrees by approving a legally binding global framework agreement on climate change. The most critical negotiating chapters that should be addressed during the conference are as mentioned below:

- Adaptation to climate change for developing and poorest countries,
- Harmonization of mitigation national targets, particularly focusing on the effectiveness of INDCs (Intended Nationally Determined Contributions),
- Global financial mechanisms, particularly focusing on Green Climate Fund,
- Technology transfer to developing and poorest countries.

COP 21 this year welcomed almost 40 thousands delegations from 195 member countries of the UNFCCC to shape a new agreement on climate change. On 30 November, the opening speeches made by more than 150 political leaders mainly focused on a call for action at Paris climate talks. However, the first-look atmosphere was emotionally showy.

As UN General Secretary Ban Ki-moon said in his opening speech¹ *"this is pivotal moment for the future of your countries, people and our common home. You can no longer delay"*. As Obama's opening speech said *"no nation large or small, wealthy or poor is immune to the impacts of climate change"*. However, negotiations do not seem on the right track while considering harmonization of national targets and meeting the long-term mitigation goal of 2°C degrees.

The effectiveness of emission trading schemes is another issue that should be considered within a new agreement. Particularly, 2008 financial and economic crisis showed that the need for a revision process for the EU's Emission Trading Scheme (ETS) is essential to fix the surplus of allowances. In the current process, Market Stability Reserve as the reform of the EU ETS will start to operate in 2019.

¹ <http://www.un.org/sg/statements/index.asp?nid=9292>



“KYOTO-TYPE NEGOTIATIONS” WILL BE COMPLETED IN 4 YEARS

As it is known, Kyoto Protocol was extended to 2020. However, there are only 38 countries which set targets for the second commitment period of the Protocol (2012-2020). These countries are responsible for only 12% of global emissions. As it is also mentioned in the official document published by the European Commission, Kyoto targets and new INDCs are not enough yet to meet the core goal of keeping the global warming below 2°C degrees. Therefore, a new climate change agreement should cover all Parties. This means a new agreement should be **binding** one.

Financial support for developing and poorest countries in tackling climate change should also addressed. Industrialised countries committed to provide 100 billion euros per year by 2020 for the Green Climate Fund (GCF). According to OECD and Climate Policy Initiative Report, only 62 billion dollars have been provided in 2014. In the current negotiations, developed countries must to fulfill their commitments of GCF by 2020.

KEY OUTCOMES OF WEEK 1

1.The world has been warned that we are on a more than 2°C degrees track. 180 countries of 195 members of the UNFCCC submitted their INDCs to the UN before the Paris climate conference. These countries are responsible for almost 95% global emissions. However, according to the UNFCCC’s INDCs Report, the current INDCs could only enable “slow” reduction on emissions by 2050. More importantly, this slow reduction will end up with global warming **above 2°C degrees.**

As it is mentioned in INDC Synthesis Report published on 30 October 2015 (p.11):

“...39. **The estimated aggregate annual global emission levels resulting from the implementation of the INDCs do not fall within least-cost 2 °C scenarios by 2025 and 2030. The global temperature increase by the end of this century depends both on emissions up to 2030, which depends on the level of effort in the INDCs and any increase thereof, and emissions in the post-2030 period.** By lowering emissions below pre-INDC trajectories, the INDCs contribute to lowering the expected temperature rise until and beyond 2100. However, temperature levels by the end of the century strongly depend on assumptions on socioeconomic drivers, technology development and action undertaken by Parties beyond the time frames stated in their INDCs (e.g. beyond 2025 and 2030). Making such assumptions is beyond the scope of this report.

40. If Parties were to not enhance mitigation action until 2030 beyond the action envisaged in the INDCs, the possibility of keeping the temperature increase below 2 °C still remains. However, the scenarios in the IPCC AR5 indicate that this could be achieved only at substantially higher annual emission reduction rates and cost compared with the leastcost scenarios that start today or in 2020. Therefore, much greater emission reductions effort than those associated with the INDCs will be required in the period after 2025 and 2030 to hold the temperature rise below 2 °C above pre-industrial levels...”

Furthermore, UN 2015 Emissions Gap Report also addresses the following key question:

Will the combined INDC commitments for 2030 (if fully implemented) be sufficient to stay within the range consistent with the 2 °C temperature goal? The 2015 Report presents the need for ambitious targets for the temperature goal:

“...Full implementation of unconditional INDC results in emission level estimates in 2030 that are most consistent with scenarios that limit global average temperature increase to below 3.5°C until 2100 with a greater than 66 per cent chance. INDC estimates do, however, come with uncertainty ranges. When taking this into account the 3.5 °C value could decrease to 3 °C or increase towards 4 °C for the low and high unconditional INDC estimates, respectively. These numbers essentially tell two stories. Firstly, the INDCs do present a real increase in the ambition level compared to a projection of current policies; all global modelling groups that have been assessed reached this conclusion. Secondly, the submitted contributions are far from enough and the emissions gap in both 2025 and 2030 will be very significant...”

2. ADP (The Ad Hoc Working Group on the Durban Platform for Enhanced Action²) draft text was submitted to the COP on 5 December. Here are some points that were bracketed to be negotiated at Week 2:

- The **human rights** provision in the “purpose” section of the draft text of ADP (Article 2/2),
 - The **migration** provision in the “loss and damage” section of the draft text of ADP and
 - The deal with the **differentiation** of the text **is bracketed for negotiations of Week 2**. During Week 2, these bracketed issues will be negotiated by Ministers in COP.
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- The term of “oceans” and
 - The terms of “rights of indigenous peoples and local communities” were not included in the draft text of ADP.

The draft text of ADP can be seen [here](#).

² The UN Climate Change Conference in Durban, South Africa, took place in November and December 2011. **The Durban outcomes** covered a wide range of topics, notably the agreement to establish a second commitment period under the Kyoto Protocol beginning 2013, a decision on long-term cooperative action under the Convention and agreement on the operationalization of the Green Climate Fund. Parties also agreed **to launch the ADP with a mandate to develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties**. The ADP is scheduled to complete these negotiations **no later than 2015**, with the new instrument entering into force in 2020.

Initiatives of Week 1 at COP 21

☹️ New Zealand provided US\$ 80 million for fossil fuel production.

😊 Germany, Sweden, Switzerland and UK promised to provide 500 million Euros for developing and poorest countries in tackling challenges of climate change impacts.

😊 Fossil Fuel Subsidy Reform Communiqué³ has been proposed by 39 countries including New Zealand, Netherlands, Sweden, US, Mexico and nearly 20 international organizations including World Bank Group, Stockholm Environment Institute, International Energy Agency, OECD and the like. The Communiqué was submitted to Christiana Figueres, the Executive Secretary of the UNFCCC on 30 November (not binding currently).

😊 Climate Vulnerable Forum represents the view of nearly 20 countries including Vietnam, Philippines, Bangladesh, Rwanda and the like. The forum aims to make a coalition for Paris agreement in limiting temperature rise to 1,5 C. The declaration is significant because it ranks mostly developing countries, known as G77.

☹️ Denmark explained that the new government aims to cut climate targets and climate finance contributions.

WHILE MOVING TO WEEK 2 – PHASING OUT FOSSIL FUELS

The first week has not resulted in a positive momentum on both mitigation and finance commitments. The most problematic area is that current INDCs are not enough to meet the core goal of 2 degrees. Phasing out from fossil fuels is the key. Among global energy production, **coal accounts for the biggest subsidies**, given its high environmental damage. We also know Canada, Germany, Australia, France, Italy, Japan, UK and US provide a total of US\$80 billion per year to support fossil fuel production.

Emissions from Energy Production Process	2014	2020	2025	2030
Energy-Related GHG Emissions	35,5	36,9	37,5	38,4
Process-Related GHG Emissions	2,8	3,2	3,4	3,5
Total	38,2	40,1	40,9	41,9

Source: IEA, World Energy Outlook Special Briefing for COP 21, 2015, p.3⁴

³ <http://ffsr.org/communiqué/>

⁴ https://www.iea.org/media/news/WEO_INDC_Paper_Final_WEB.PDF

The EU HAS A HEADACHE IN PARIS

Even though the EU's promised emissions cut seems the strongest climate offer compared to other parties' national contributions, the EU's role is quite weak in the climate talks in Paris. On the one hand, there no doubt that the EU is struggling with its own "union-related" challenges such as ensuring energy union, energy security, reforming migration policy and the like. On the other hand, the floor is being kept on the US and other emitters' hands such as Australia, Canada and China. This is because these emitters' are quite sensitive on fossil fuel subsidies in their own national policies.