

GOOD COP, BAD COP: CLIMATE CHANGE AFTER PARIS

Maria Ivanova

The Paris Agreement surprised many, but it was only a first, albeit important, step. Along with the Sustainable Development Goals (SDGs), it could provide the impetus for the United Nations to Deliver as One.

The twenty-first Conference of the Parties (COP21) to the UN Framework Convention on Climate Change (UNFCCC) in Paris was a good COP. It demonstrated unprecedented global collaboration when divisions were deep and stakes were high. Since 1995, when COP1 met in Berlin, governments have been assembling annually in an effort to create a path toward the “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.”¹ The Kyoto Protocol was agreed at COP3 in 1997; and while it was envisioned as the first step toward emission reductions and did bend the emissions curve for many developed countries, it also launched a heated debate about who is responsible and affected, and who should act. Political consensus eroded and technical negotiations stalled over the years; and COP15 in Copenhagen in 2009 became “the low-point in the history of the climate regime,”² or the bad COP. Member states left the Danish capital with an outcome that was not adopted but rather “taken note of.”

Six years later, 195 parties unanimously adopted the ambitious Paris Agreement, which set a long-term goal of keeping temperatures “well below 2 degrees C,” articulated the intent to reduce that to 1.5 degrees, and committed countries to net zero emissions in the second half of this century. Paris was hailed as a monumental achievement and a game changer.³ Many tensions remain, however, and success will be measured by what happens in the next three to five years. What led to the shift from a bad to a good COP? What are the threats and opportunities as the world moves from making commitments to implementation?

OUTCOMES EXCEED EXPECTATIONS

Despite structural and political obstacles, the Paris outcome was successful beyond expectations. The agreement is ambitious and universal; it possesses a binding, yet flexible legal nature, clear procedures for accountability, and a credible financial structure.⁴ The Paris Agreement is the first document to articulate a clear global temperature goal, which is operationalized by stating that countries aim to peak their emissions as soon as possible and to reach global

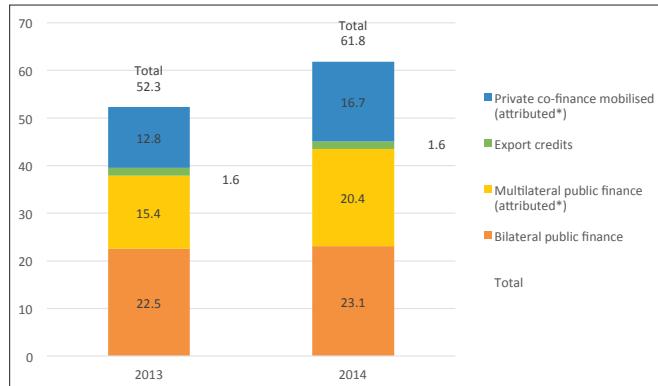
net-zero emissions after 2050.⁵ It is also universal, with developed and developing countries alike supposed to act. The agreement features binding commitments “to prepare, communicate, and maintain successive NDCs [...] and pursue domestic mitigation measures with the aim of achieving the objective of such contributions” (Art. 4.2) and to submit a revised NDC [Nationally Determined Contributions] every five years, which would be informed by a global stock-taking initiative (Art. 4.9). Setting emission targets, however, is left up to every individual country and is therefore considered non-binding. Yet, 188 countries made climate commitments, and the agreement encourages them to become more ambitious every five years.

It also established a legally binding system for measuring, monitoring and reporting progress “with in-built flexibility, which takes into account Parties’ different capacities and builds upon collective experience” (Art. 13.1). This transparency creates methodological consistency across national plans and reporting requirements (decision paragraph 95) and sets out to facilitate rather than punish (Art. 13.3), which means that it could serve as a system of early warning and best practices. Importantly, the agreement creates a new capacity-building initiative to enable developing countries to participate more effectively⁶ with a regular review of progress toward global goals.

The Paris Agreement also reaffirmed the commitment articulated in Copenhagen to provide \$100 billion per year by 2020 to developing countries. Figure 1 shows progress toward that goal. COP21 provided the opportunity to include foreign direct investment, and numerous commitments from institutional investors, banks, and companies have helped. It also established the \$100 billion goal as a floor for developed countries’ efforts on financial mobilization and mandated that a new target be decided in 2025. Most importantly, the agreement noted that the shift to low-emission, resilient economies would require a broad and deep transition within the financial sector from high-carbon investments to low-carbon alternatives. By including an overarching financial objective to “[make] finance flows

consistent with a pathway towards low greenhouse gas emissions and climate resilient development” (Art 2.1), the agreement confirmed a universal commitment to a low-carbon future.

Figure 1: Funds Mobilized for Climate Finance in 2013 and 2014 by Source (US\$ billion)



Source: Susanne Dröge, *The Paris Agreement 2015: Turning Point for the International Climate Regime*, SWP Research Paper 4 (Stiftung Wissenschaft und Politik German Institute for International and Security Affairs), February 2016, Berlin.

The successful Paris outcome came together as countries gathered in the French capital just days after the devastating terrorist attacks. Five reasons for success stand out. First, over the last few years, the narrative around climate change changed from a story of sacrifice to one of opportunity. Christiana Figueres, UNFCCC executive secretary, worked relentlessly. “We, as a humanity,” she affirmed continuously, “will be able to address this challenge... [countries] can see that this actually gives them much better air quality. It gives them better transportation. It gives them better food security, water security because they are understanding that we can no longer continue down the path of increasing the risk of non-action.”⁷ Clearer science and more compelling economics led cities, states, companies, and countries to seek an economic transformation that they saw as desirable, inevitable, and irrevocable.⁸

Second, the plight of vulnerable people and communities resonated, and this moral imperative triggered higher ambitions. Small island developing states reminded delegates that they needed “1.5 to stay alive.” The High Ambition Coalition led by the Foreign Minister of the Marshall Islands, Tony De Brum, gained momentum and “shook up the dynamics of the developing nation negotiation bloc”⁹ when the United States, Canada, Australia, and Brazil joined.

Third, a changed narrative, growing number of champions, and shifting political blocs, mounted ever-greater pressure on governments. “All of a sudden, the debate was not about developed versus developing,” the EU climate commissioner noted. “It was about the willing versus the unwilling. And no one wanted to be seen as the unwilling.”¹⁰ By the end of Paris, 188 countries accounting for 98 percent of the world’s population and 95 percent of global emissions filed their NDCs.¹¹ A similar peer dynamic resulted for institutional investors, universities, businesses, cities, and civil society groups. They launched a portfolio de-carbonization coalition that surpassed a \$600 billion target in just days; universities announced divestment from fossil fuels; and 15 of the world’s 20 largest banks—totaling close to \$2 trillion in market value—made climate commitments.

Fourth, the host government, the UNFCCC secretariat, and the UN Secretary-General offered unprecedented leadership. President François Hollande and Foreign Affairs Minister Laurent Fabius engaged in intense bilateral and multilateral diplomatic legwork with a forward-looking strategy focused on results. UN leadership was essential—from UN climate chief Figueres and Secretary-General Ban Ki-moon.

Fifth, governments created a new political imperative for action. Only two months earlier, they had unanimously adopted the SDGs, a universal set of global goals, which had been negotiated outside of the usual political blocs. A change in the procedural order of the conference shifted the political dynamics and catalyzed ambition. Arriving on opening day rather than the last day of the conference, some 150 heads of state laid out an imperative for action and asked technical staff to craft a plan to get there. The venue, Le Bourget, had the capacity to host all participants, and the spaces for governments and civil society also featured good food and lighting, an atmosphere conducive to casual talks and interactions among negotiators working around the clock.

THE ROAD FROM PARIS: THREATS AND OPPORTUNITIES

Ultimately, the Paris Agreement is just that—an agreement. It does not ensure that goals will be met; and there are no mechanisms at the international level—legal or otherwise, for climate or other global concerns—to enforce the implementation of obligations. The universal agreement is only the first step. Next stages will include adoption and ratification by national governments and parliaments; implementation of the various provisions; and review and upgrade of the commitments. Throughout, investments will need to grow.

Three core tensions had beleaguered the climate regime from the outset: tension between responsibility for causing and solving the problem; too modest emission reduction goals; and a top-down, rigid legal architecture. In the absence of political and personal leadership, these concerns caused stalemate and resulted in multiple COP failures. The convergence of the five factors partially overcame this but did not eliminate future shortcomings. As countries begin to move from the agreement adoption to investment, implementation, review, and upgrade, they will encounter a number of threats and opportunities.

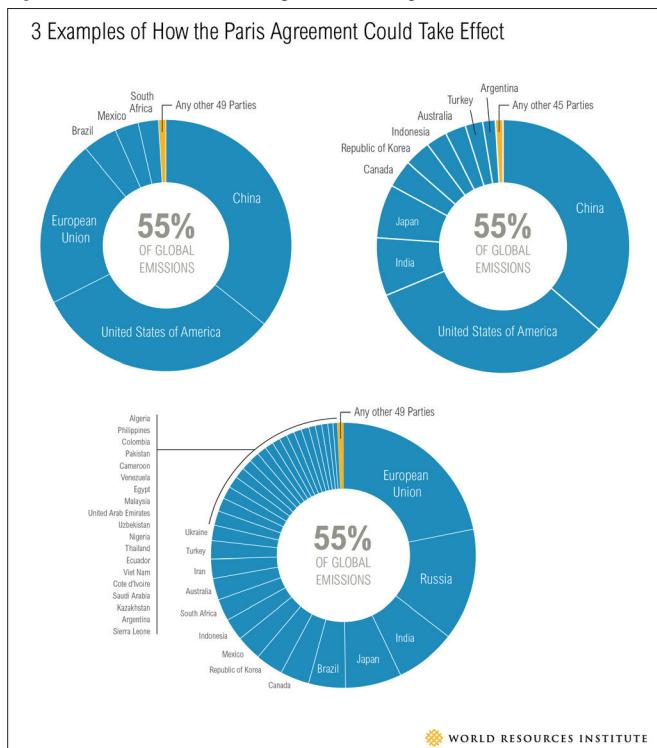
ADOPTION

The Paris Agreement will enter into force when 55 Parties accounting for over 55 percent of global greenhouse gas emissions ratify¹² (as the Kyoto Protocol). A two-stage process of signature and indication of consent to join and be bound by the agreement is necessary to become a party. Domestic approval may entail the notification and introduction to parliament, as in Australia, or the consent of the Senate, as in Mexico. Fiji was the first country to ratify on 12 March 2016, when its parliament unanimously agreed to ratify even before the official signing ceremony on 22 April 22.¹³

Figure 2 depicts several scenarios for ratifications. The Kyoto Protocol took eight years, but the hope for Paris is a faster entry into force. However, the threat of significant delay is real. China and the United States are responsible for about 40 percent of global emissions

(Figure 3), and their ratification will be critical to reach the 55 percent target. Indeed, the hybrid Paris Agreement—combining binding and voluntary elements—was designed to enable the United States to adopt the agreement through executive action rather than formal US Senate approval. The European Union has led in climate policy and action and will be essential for the adoption of the Paris Agreement. Political, economic, and security problems in Europe have recently forced attention to other concerns, and some of the 28 member states may delay ratification.

Figure 2: Three Scenarios for Paris Agreement Coming into Force



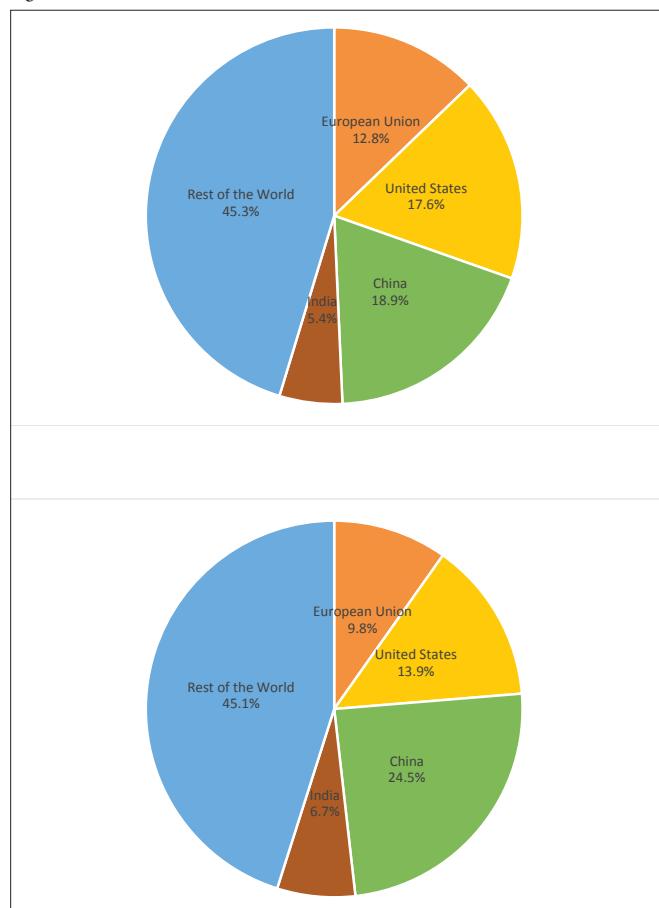
Source: Eliza Northrop and Katherine Ross, "After COP21: What Needs to Happen for the Paris Agreement to Take Effect?" *World Resources Institute*. <http://www.wri.org/blog/2016/01/after-cop21-what-needs-happen-paris-agreement-take-effect>.

INVESTMENT

Paris catalyzed unprecedented commitments for low-carbon investment. The agreement presented many of the market signals investors need to accelerate the transition to a cleaner energy economy. As Abyd Karmali, managing director for climate finance at Bank of America Merrill Lynch, noted “The global market for low carbon goods and services is already worth \$5.5 trillion a year and this deal will turbocharge the amount of capital chasing new low carbon investment opportunities.”¹⁴ Indeed, 409 investors representing more than \$24 trillion in assets committed to increasing low carbon and climate resilient investments.¹⁵

Business has been arguing for a global carbon price, but governments could not agree on its inclusion in Paris. China, however, plans to create a national carbon market by 2017, an economy-wide reform putting a price on carbon and encouraging large polluters to generate energy from non-polluting sources. Carbon-trading pilots have already been working across seven Chinese provinces and cities. When scaled up, China's carbon market will be the world's largest. A key problem, however, is the lack of basic statistical data about the

Figure 3: Share of Global GHG emissions in 2005 and 2012

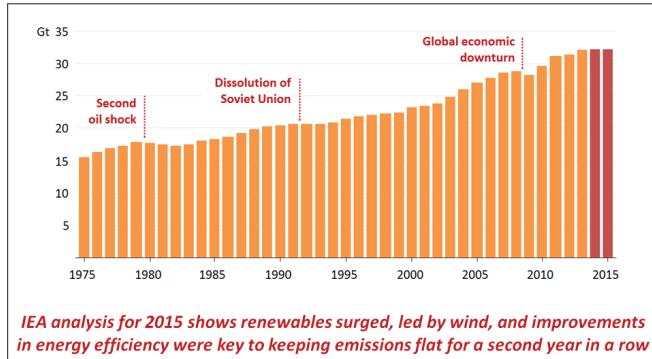


Source: Susanne Dröge, The Paris Agreement 2015: Turning Point for the International Climate Regime, SWP Research Paper 4 (Stiftung Wissenschaft und Politik German Institute for International and Security Affairs), February 2016, Berlin.

number of permits issued, and the amount of emissions across sources, making carbon pricing difficult.

The recent decrease in oil prices has raised concerns about reverting to fossil fuels given the existence of supporting infrastructure and favorable prices. A shift to renewables, however, has begun. Moreover, investments in energy are path dependent and difficult and costly to reverse. In 2015, electricity generated by renewables accounted for 90 percent of new electricity generation, as IEA data from March 2016 illustrated in Figure 4. Nine out of 10 new power plants in 2015 were renewable—and five out of 10 were wind.¹⁶ As a result, economic growth and emissions have been decoupled as a growing world economy and flat CO₂ emissions over the past two years demonstrate. The Paris commitments sought to amplify this dynamic by boosting clean-energy investments. The International Solar Alliance engages 120 governments in providing conditions for \$1 trillion of investment in 1 terawatt of solar energy by 2030. Mission Innovation committed 20 countries to doubling their clean-energy research and development investment by 2020. The Breakthrough Energy Coalition, a global group of 28 investors from 10 countries, committed to funding early stage technology innovation in Mission Innovation countries. As such initiatives intensify, lower oil prices are less likely to shift economies back into dependence on cheap oil.

Figure 4: Global Energy-related CO₂ Emissions



Source: <http://www.iea.org/newsroomandevents/pressreleases/2016/march/decoupling-of-global-emissions-and-economic-growth-confirmed.html>.

IMPLEMENTATION

Reaching the more ambitious goal of stabilizing temperature change at 1.5 degrees would require countries to achieve full decarbonization of their economies by 2050 and net negative emissions in the second half of the century.¹⁷ The cost trajectory of solutions, the availability and affordability of new technologies, and a favorable regulatory climate will be important. The US Supreme Court decision to issue a stay and delay the Clean Power Plan illustrated the risk of delayed implementation and increased litigation. It is unlikely that the United States will be able to fulfill its INDC commitments without the Clean Power Plan, which aims to reduce emissions by 2030 from existing power plants 30 percent below 2005 levels. The projected reduction had been 10 percent below 2005 levels by 2025.

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NOTES

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3. See Coral Davenport, "Nations Approve Landmark Climate Accord in Paris," *New York Times*, 12 December 2015, <http://www.nytimes.com/2015/12/13/world/europe/climate-change-accord-paris.html>; and Fiona Harvey, "World Bank president celebrates 'game changer' Paris talks," *The Guardian*, 13 December 2015.
4. Ibid. See also Institute for Sustainable Development and International Relations (IDDRI), "Judging the Paris Agreement: A comparison with IDDRI's 10 criteria for success," 29 January 2016, <http://www.blog-iddri.org/2016/01/29/judging-the-paris-agreement-a-comparison-with-iddris-10-criteria-for-success/>. Ban Ki-moon, "The Paris Climate Challenge," *Boston Globe*, 25 November 2015.
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6. Elizabeth Burleson, "Paris Agreement and Consensus to Address Climate Challenge," *ASIL Insight* (forthcoming), January 2016, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2710076. p.12.
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8. David Henry, "White House says climate deal will stand the test of time," *The Hill*, 14 December 2015.
9. Burleson, "Paris Agreement," 10.
10. Miguel Arias Cañete, "Historic climate deal in Paris," http://europa.eu/rapid/press-release_SPEECH-15-6320_en.pdf.
11. A further 3 percent of global emissions come from international aviation and maritime transport and almost 1 percent of global emissions are covered by countries that are not Parties to the UNFCCC. See Climate Action Tracker, <http://climateactiontracker.org/indcs.html>.
12. UN Framework Convention on Climate Change, *Paris Agreement*, Article 21.1.
13. The country's commitments under Paris are ambitious. The national climate action plan pledges to generate 100 percent of the island's electricity from renewable sources by 2030 and to cut emissions from the energy sector by 30 percent by 2030 compared to business-as-usual, conditional on receiving climate finance.
14. Michael Stothard and Kiran Stacey, "COP21: Big polluters see no short-term change," *Financial Times*, December 13, 2015.
15. Global Investor Statement on Climate Change, <http://investorsonclimatechange.org/wp-content/uploads/2015/12/11DecemberGISCC.pdf>.
16. IEA, "Decoupling of Global Emissions and Economic Growth Confirmed," 16 March 2016, <http://www.iea.org/newsroomandevents/pressreleases/2016/march/decoupling-of-global-emissions-and-economic-growth-confirmed.html>.
17. Joeri Rogelj, Michiel Schaeffer, Niklas Roming, Fabio Sferra, Bill Hare, and Olivia Serdeczny, "Feasibility of limiting warming to 1.5 and 2°C," Climate Analytics, November 2015. <http://climateanalytics.org/publications/2015/feasibility-of-limiting-warming-to-1-5-and-2c>.
18. Harvey, "World Bank."

While New England states participating in the Regional Greenhouse Gas Initiative have already met the requirements of the Clean Power Plan, others oppose regulation. The court's decision called into question Washington's reliability as a negotiating partner.

REVIEW AND UPGRADE

Climate challenge depends not only on countries but also UN organizations. To this end, the UN system should engage in more collaboration to enable countries to implement their current commitments *and* increase them. Systems for assessing, reviewing, and learning cannot be created by any one country but are the product of an integrated effort. Only then can integrative country strategies be created that combine the SDGs and climate commitments. Engaging a wide array of non-state actors in assessments could lead to greater accountability for state and non-state actors alike. The Paris Agreement and the SDGs could provide the impetus for the United Nations to Deliver as One.

Ultimately, COP21 was accessible and collaborative, characterized by "political will and a spirit of unity"¹⁸ and the resulting Paris Agreement universal, dynamic, credible, and, hopefully, enduring. It offers possibilities for imagining and implementing solutions to reduce emissions and raise resilience across countries by engaging innovatively with ecosystems, by improving efficiency, and by developing new technologies. The December 2015 UN conference in Paris has a place in history as the good COP; it sealed the deal that Copenhagen could not. Being a successful COP, however, will necessitate ambitious government implementation and UN monitoring.

