

# Road Through Paris

# Briefing Series

*The Paris Climate Agreement*

November 18, 2015



BSR®

The Business of a Better World

# Road Through Paris

## *Briefing #5: The Paris Climate Agreement*



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# Preparing for Paris

## *The building blocks of COP21*

**A new legal agreement** for the post-2020 climate regime applicable to all, equitable and ambitious, to reduce emissions and build climate resilience

**Intended Nationally Determined Contributions (INDCs)** or national climate action plans covering commitments out to 2030.



**Pre-2020 and long-term finance** from public and private sources to drive the low GHG transition.

**The Action Agenda** encompasses cooperative initiatives from state and non-state actors and individual commitments by local, regional governments and businesses

# Elliot Diring

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# A New Global Climate Agreement: Prospects for Paris

Elliot Diring  
*Executive Vice President*

*BSR Road Through Paris Webinar  
November 18, 2015*



CENTER FOR CLIMATE  
AND ENERGY SOLUTIONS

C2ES.ORG

- Independent, nonprofit, nonpartisan organization working to advance practical and effective climate policy
- At the international level:
  - Undertake analysis of issues and options in strengthening the global effort
  - Regularly convene informal discussions among climate negotiators
- Toward 2015 Dialogue
  - Eight sessions from March 2014 to May 2015 focused on options for Paris
  - Senior negotiators (participating in personal capacities) from: Australia, AILAC, Brazil, China, the European Commission, France, Gambia, Germany, Grenada, Japan, Mali, Mexico, New Zealand, Norway, Peru, Russia, Saudi Arabia, Singapore, South Africa, Switzerland, the United Kingdom, the United States, and Venezuela
  - Co-Chairs' report released in July and presented at the Major Economies Forum

- **1992 UN Framework Convention on Climate Change (UNFCCC)**
  - Objective: Stabilize GHG concentrations to “prevent dangerous anthropogenic interference with the climate system”
  - Principle of “common but differentiated responsibilities and respective capabilities” (CBDRRC)
  - All countries commit to implement “measures to mitigate climate change”
  - Developed countries commit to assist developing countries with finance, technology and capacity building
- **A “top-down” approach: 1997 Kyoto Protocol**
  - Binding emissions targets and timetables for developed countries only
  - 2<sup>nd</sup> round of Kyoto targets (2013-2020) covers only 13% of global emissions
- **A “top-down” approach: 2009 Copenhagen Accord/2010 Cancún Agreement**
  - Voluntary pledges from 90+ countries with 80+% of global emissions – fall well short of 2°C pathway
- **What have we learned?**
  - Kyoto: strong legal and technical rigor; shrinking participation
  - Copenhagen/Cancún: broad participation but low ambition



# A new “hybrid” paradigm

The background of the slide is a wide-angle photograph of a large, modern conference hall. The room has a high ceiling with exposed structural elements and large windows on the sides. The seating is arranged in a semi-circular, tiered fashion, with many people seated at desks equipped with laptops. At the front of the room, a large screen displays the text 'United Nations Climate Change Conference' and 'Bonn, Germany'. Two smaller screens on either side of the main screen show a close-up of a speaker. A semi-transparent text box is overlaid in the center of the image.

A blend of **bottom-up** and **top-down** elements  
that balances **national flexibility** and **international discipline**  
to achieve both **broad participation** and **strong ambition**

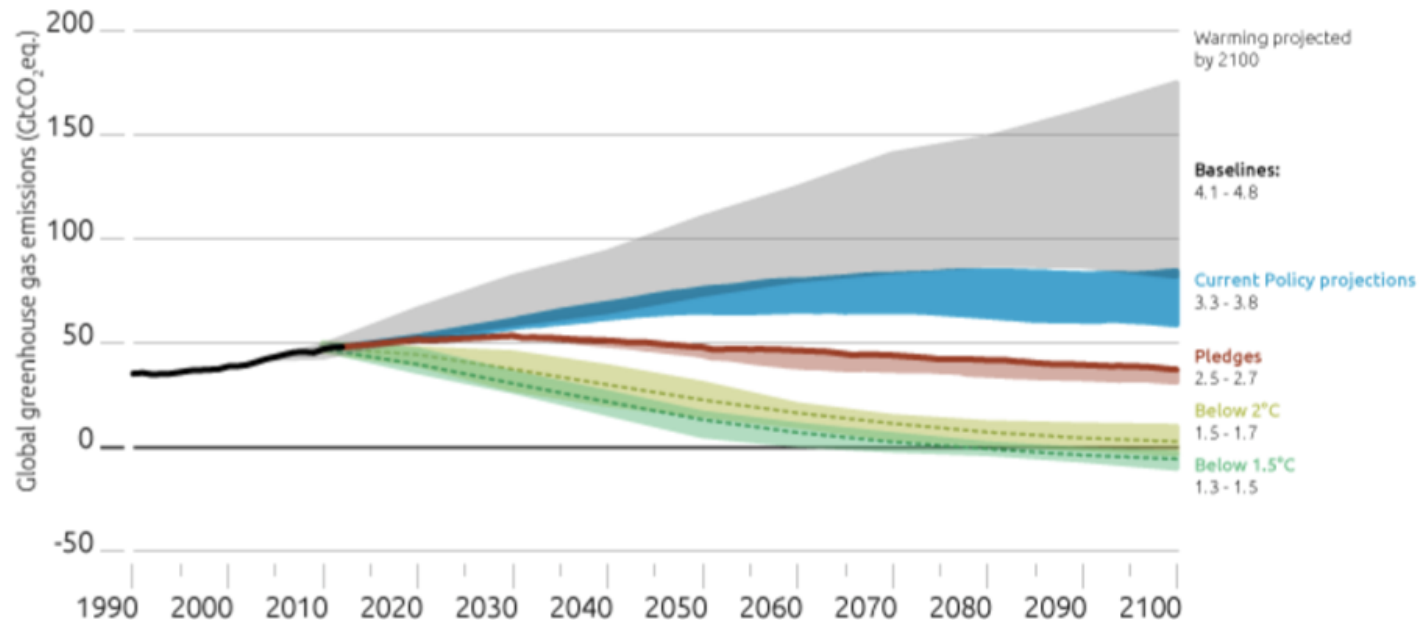


- **2011 Durban Platform for Enhanced Action**
  - UNFCCC parties launch “a process to develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all parties”
  - Agreement is to be adopted in 2015 and apply from 2020
- **2013 Warsaw conference**
  - Invited parties to communicate their “intended nationally determined contributions” (INDCs) to the new agreement well in advance of Paris



- INDCs so far from 161 countries with over 90% of global emissions
- Most set some form of emission reduction target
  - 32 are absolute
  - 5 are intensity-based (emissions per GDP)
  - 63 are pegged to projected business as usual (BAU)
- Most set a 2030 target date
- 68 are fully or partially conditional on international support and finance
- 32 say they intend to use international market mechanisms; 24 others will consider them in the future

## Effect of current pledges and policies on global temperature



— Historical emissions, incl. LULUCF

— Current policy projections (CAT assessment)

— 2°C consistent median and range\*\*

© www.climateactiontracker.org/  
Climate Analytics/Ecofys/  
NewClimate/PIK

— Reference\*

— Pledge pathway (CAT assessment)

— 1.5°C consistent median and range\*\*\*

- \* 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.

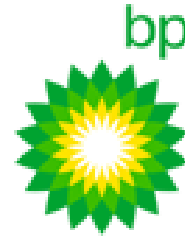
- **What will be the long-term goal?**
  - Countries set a goal in Cancún of keeping warming below 2° Celsius; will likely be reaffirmed
  - Will the agreement also translate that goal into something like decarbonization or net zero emissions? By when?
- **How will countries' obligations be differentiated?**
  - Will the agreement continue to rely on stark differentiation between developed and developing countries?
  - Or will it rely on self-differentiation with countries defining for themselves the form and level of their contribution?
  - Likely outcome: All countries must make a self-determined contribution that reflects their best possible efforts and strengthens over time

- **Will the agreement be legally binding?**
  - Yes – but the question is: which parts?
  - Some countries including the United States oppose binding emission targets
- **How will countries be held accountable?**
  - Likely outcome: A common transparency system (with flexibility for varying national capacities) requiring countries to report on their emissions and actions, subject to international review
- **What support will be provided for countries in need?**
  - Developed countries committed in Cancún Agreements to mobilize \$100 billion a year in public and private finance by 2020
  - Will the agreement set a new goal for post-2020?
  - Will it also encourage contributions from developing countries that are “willing” or “in a position” to do so?

- **How will the agreement strengthen climate adaptation?**
  - Likely outcome: countries will be required to submit national adaptation plans and periodically report on their efforts
- **How will Paris address “loss and damage”?**
  - Many developing countries want a permanent mechanism addressing unavoidable climate impacts such as sea-level rise
  - Developed countries oppose any form of “liability” or “compensation”
- **How will the agreement build ambition over time?**
  - INDCs submitted for Paris aren’t enough to meet the 2°C goal
  - Likely outcome: every 5 years, countries will take stock of collective progress and be required to submit new individual contributions



# Statement in support of a Paris agreement



November 18, 2015

- **Providing Long-Term Direction**

- An aim of progressively decarbonizing the global economy can signal to markets shift long-term investments to efficiency, low-carbon alternatives

- **Promoting Transparency**

- Can provide greater clarity on domestic policy landscapes, better enabling companies to anticipate regulatory risks and economic opportunities

- **Addressing Competitiveness**

- Can lead towards a greater comparability of effort, easing concerns about potential carbon leakage and competitive imbalances

- **Facilitating Carbon Pricing**

- Ensuring the environmental integrity of international carbon trading can help facilitate the growth and credibility of the global carbon market

- **Outcome will fall short on two conventional criteria:**
  - INDCs on table in Paris won't put us on a pathway consistent with 2°C goal
  - Countries' targets won't be legally binding
- **But Paris can for the first time establish a balanced, durable international framework that:**
  - Gets all the major players on board
  - Provides strong transparency and accountability
  - Works to promote rising ambition
- **The added value: greater confidence that all are contributing their fair share, which enables each to do more**

- ***Vision for Paris: Building an Effective Climate Agreement***  
– Report of the Co-Chairs of the Toward 2015 Dialogue
- ***Key Legal Issues in a 2015 Climate Agreement***  
– by Daniel Bodansky and Lavanya Rajamani
- ***Legal Options for U.S. Acceptance of a New Global Climate Agreement***  
– by Daniel Bodansky
- **Policy briefs on differentiation, finance, adaptation, etc.**
- **Overview of countries' INDCs**

Available at:  
**[www.c2es.org.international/2015-agreement](http://www.c2es.org.international/2015-agreement)**



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FOR MORE INFORMATION

[C2ES.ORG](http://C2ES.ORG)

# Yamide Dagnet

Senior Associate, WRI





WORLD  
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# Negotiating a Post-2020 Climate Deal: What to Expect from Paris



BSR “Road Through Paris”  
11.18.2015

*Yamide Dagnet*  
*Senior Associate at the World Resources Institute*

# The Paris Agenda on Climate





# KEEPING THE UNPRECEDENTED

- Number of countries unveiling their national climate plans
- Number of companies putting a price on their carbon pollution
- Divestment in coal by major banks
- Increase of climate finance by development banks
- Push by cities – setting the stage for success in Paris



NEARLY 400 INVESTORS AROUND  
THE WORLD REPRESENTING

**\$24 TRILLION  
IN ASSETS**

CALL FOR A CLEAR, LONG-TERM GOAL AT COP21

**BUT WE ARE NOT WHERE WE ARE SUPPOSED TO BE**



Paris is NOT an End Point  
but rather

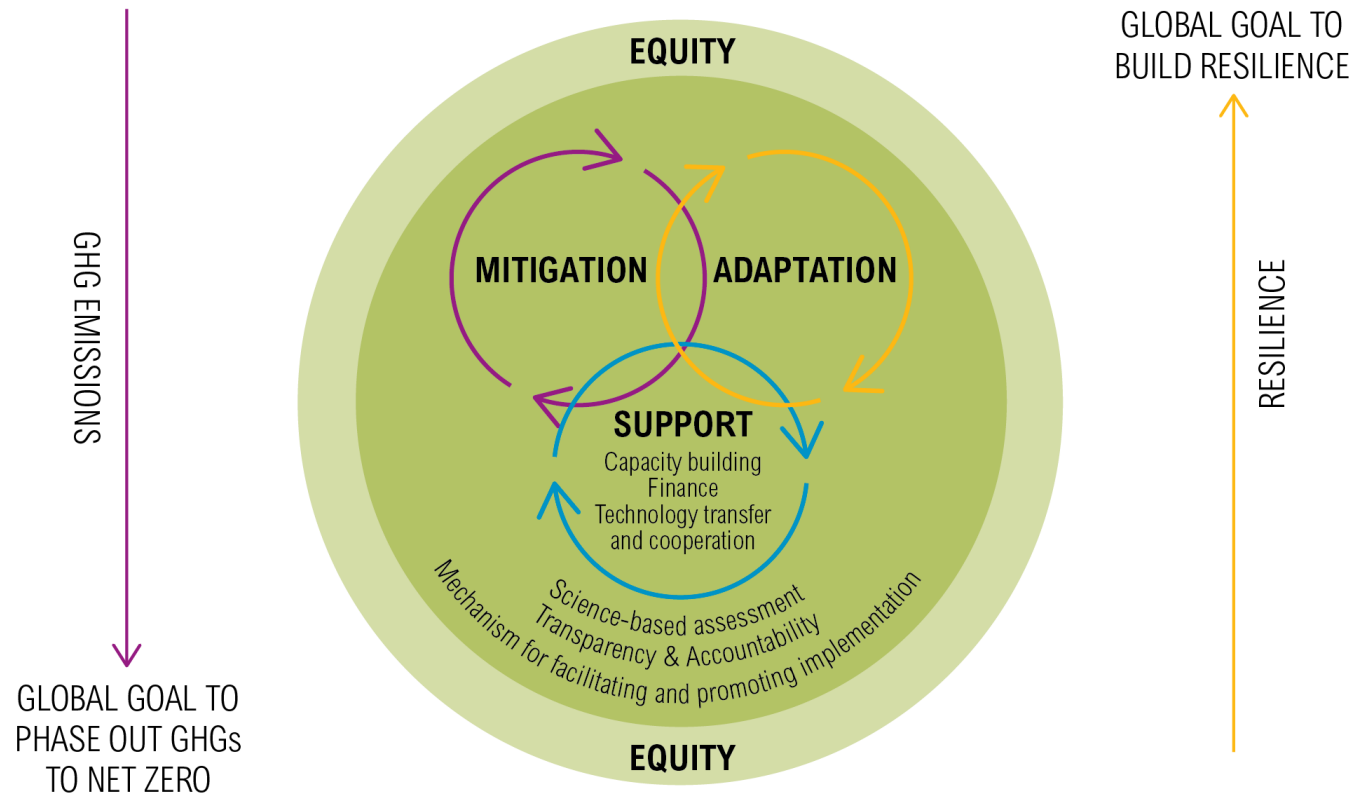
a Pivotal Moment for a Decarbonization and Climate – Resilient Pathway

# What does an ambitious, yet achievable global agreement need to do?

1. Send a clear signal that the low-carbon economy is inevitable
2. Connect the global agreement to the “real economy” and “real people”
3. Provide transparency and accountability
4. Accelerate investment in low-carbon, climate resilient economies
5. Build a basis for climate action that demonstrates fairness
6. Ensure the vulnerable have the capacity to build resilience and adapt
7. Link to science with a sense of urgency



# GLOBAL AGREEMENT





# Key Areas of Convergence in the Negotiations

## Long-term Goal

- ✓ Qualitative goal for building resilience and adapting

## Cycles of Improvement

- ✓ 5 year 'stocktaking' that can comprehensively look at mitigation, adaptation, and support

## Transparency

- ✓ Common measurement & reporting framework for all countries at some point, with support provided to developing countries

# Elements of the Negotiations Still to be Agreed Upon

## Long-term Goal

- A long-term mitigation or decarbonization goal, perhaps with recognition of fairness and support needed
- Link between mitigation, adaptation, support and limits to adaptation

## Cycles of Improvement

- Whether and how commitments will be upgraded every five years (or at some other interval)
- How this process applies to mitigation, adaptation, finance

## Finance

- Pathway to \$100 billion per year from public and private sources by 2020
- Who contributes
- Shifting the trillions post-2020

## Loss & Damage

- How to signal in the agreement that this will be taken care of

# What to watch out for?

## Long-term Goal

- Clarity (timeline, differentiation, scope)

## Cycles of Improvement

- Credibility of the process to ramp up ambition. How different from business as usual?

## Transparency and Accountability

- How detailed will the accounting rules be?
- How facilitative or enforcing?

## Finance

- Role of private sector
- Leveraging or not a larger pool of donors?

## Loss & Damage

- What emphasis – insurance implications, opportunities/ innovation



## December

**COP**

**Action Agenda  
Days**

Dec 1-8

**Business Forum**

Dec 7-8

**Other summits,  
side events**



## 2016

**Implementation of  
policies**

**World Economic  
Forum**

**Additional  
leadership  
announcements**

**US Presidential  
Election**

***.....Paris: a pivotal moment - Many opportunities for transformation  
After Paris***



**Questions?  
Clarifications?**

**[YDagnet@wri.org](mailto:YDagnet@wri.org)**







**WE ME▲N BUSINESS**

**“Business Audit” of the Paris Agreement**



# WE MEAN BUSINESS POLICY ASKS

To provide the **policy certainty** that business needs and the **ambition** that science demands, to establish a **level playing field** for business worldwide, and to **accelerate the transition** to the low-carbon economy, We Mean Business calls for the following in the Paris Agreement on Climate Change:



NET ZERO GREENHOUSE GAS EMISSIONS WELL BEFORE THE END OF THE CENTURY



STRENGTHEN COMMITMENTS EVERY FIVE YEARS



ENACT MEANINGFUL CARBON PRICING



NEW AND ADDITIONAL CLIMATE FINANCE AT SCALE



TRANSPARENCY AND ACCOUNTABILITY TO PROMOTE A RACE TO THE TOP



NATIONAL COMMITMENTS AT THE HIGHEST END OF AMBITION



ADAPTATION TO BUILD CLIMATE-RESILIENT ECONOMIES & COMMUNITIES

# The purpose and the plan

*Text and placement that resonates with the negotiators in Paris*



With this Business Audit we move from generic calls to action that seek to set an agenda to specific policy proposals that seek to shape tangible policy alternatives that are in play and under negotiation in Paris.



We translate our seven policy asks into specific “**strings**” of **text**, written in a form that would catalyze business leadership, satisfy business needs, and matches the vocabulary used in an international agreement.



We also propose **specific placement** in an attempt to maximize ambition recognizing that just as words matter so does location (i.e. preambular language sets context whereas operative paragraphs establish obligations).



This is new, innovative, and increases our chances of being heard. Many organizations are focusing on issues that are not in play in this negotiation (i.e. Intellectual Property Rights). Many others are not speaking the language of negotiators and so their asks will not be picked up.

# Audience

## *The influence target and the influence champions*



We are targeting governments as key influence targets. We have therefore deliberately used vocabulary that they will understand. We want to make it as easy as possible for them to accept our proposals.



Additionally we hope that the language we have crafted will become the “script” for partners in WMB for use in bilateral meetings, multilateral meetings, side events and hallway conversations both in the run-up to and during COP21.



We have deliberately used an agile methodology in building out these asks. The agreement text will evolve substantially over the two weeks of COP as negotiating positions and red lines become clearer. We will need to evolve with the political dynamic and craft language – often on a daily basis – that best represents the meeting point of our ambition and the daily political realities.

# The methodology

## *How we built our proposals*



We used the seven policy asks signed off by the WMB Board as our foundational text.



We have worked using the October UNFCCC negotiating texts to understand the likely structure of the new agreement and the likely landing zones that are emerging from key government positions.



We worked with DLA Piper – a leading global law firm – to construct appropriate legal language.



The WMB Policy Working Group and WMB Board have reviewed the text.

# The structure of our asks

## *What we are proposing: “Take off”*



Our preferred option is described as “Take off”. This option is a direct translation of our We Mean Business policy ask and is considered more catalytic of business action.

For example, the first We Mean Business policy ask is for a long-term mitigation goal of “net zero greenhouse gas emissions well before the end of the century”.

Our preferred option here proposes to include text in the objective of the Paris Agreement on the “global transformation to low-carbon and climate-resilient economies”, text under the mitigation article establishing this collective net zero emissions goal, and COP Decision language calling for “national decarbonization strategies to 2050, to provide detail on how each country will contribute towards this goal.

# The structure of our asks

*What we are proposing: “Take off”*

## ***Article 2 (Objective)***

“The purpose of this Agreement is to hold the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels by ensuring deep cuts in global greenhouse gas emissions, and to achieve the global transformation to low-carbon and climate-resilient economies and societies.”

## ***Article 3 (Mitigation)***

“To achieve the long-term temperature goal set out in Article 2 of this Agreement, Parties collectively aim to reach net zero global greenhouse gas emissions well before the end of this century.”

## ***COP Decision***

“*Strongly encourages* Parties to formulate and communicate, by 2018, national decarbonization strategies to 2050, to facilitate the mobilization of climate finance and investment.”

# The structure of our asks

## *What we are proposing: “Landing Zone”*



Our fallback option is described as our “Landing Zone”. This option proposes language and placement we could live with because it succeeds in delivering much of what business needs to lead on the transition to a new climate economy, represents a point on which governments could find consensus, and therefore is calibrated with where parties currently are in the negotiation. Although a less ambitious option, it is sufficiently meaningful to warrant inclusion.

For example, the “landing zone” option for the long-term mitigation goal includes the more ambiguous collective destination of “decarbonization”, the more ambiguous timeframe of “in the second half of this century”, and provides more flexibility to Parties in crafting “mid-century low emission development strategies”.



# The structure of our asks

***What we are proposing: “Landing Zone”***

## ***Article 2 (Objective)***

“The purpose of this Agreement is to hold the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels, recognizing that deep cuts in global greenhouse gas emissions are required according to science, and to pursue the global transformation to low-carbon and climate-resilient economies and societies.”

## ***Article 3 (Mitigation)***

“To achieve the long-term temperature goal set out in Article 2 of this Agreement, Parties collectively aim to reach the decarbonization of the global economy in the second half of this century.”

## ***COP Decision***

“*Encourages* Parties to formulate and communicate, by 2018, mid-century low-emission development strategies, to facilitate the mobilization of climate finance and investment.”

# Discussion



## Future Road Through Paris Briefings

- First Results from COP21 (Dec 16)
- Moving the Needle, What's Next? (Jan 20)

Register: [www.bsr.org](http://www.bsr.org)

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