



OGGéOD

Observatoire
géopolitique
de la durabilité

ADDRESSING CLIMATE CHANGE: LESSONS FROM PARIS, CHALLENGES FOR MARRAKECH

DHANASREE JAYARAM

Project Associate, Manipal Advanced Research Group (MARG),

Manipal University (Karnataka, India)

February 2016

ADDRESSING CLIMATE CHANGE: LESSONS FROM PARIS, CHALLENGES FOR MARRAKECH

Dhanasree JAYARAM / Project Associate, Manipal Advanced Research Group (MARG), Manipal University (Karnataka, India), author of *Breaking out of the Green House: Indian Leadership in Times of Environmental Change* (2012).

What is your assessment of the Paris agreement reach during COP21? What is the most positive/negative aspect?

The agreement is a welcome and “historical” development at a time when there was very little hope of reaching one before the Paris Summit. One could easily say that when everybody was expecting the “lowest hanging fruit” – to the extent that some even feared a breakdown in talks as had happened during the Copenhagen Summit – the Paris agreement brought a new lease of life and hope to the international climate negotiations/regime. I believe the fact that it was a great diplomatic success itself is the biggest positive takeaway from the agreement. It provides enough room for nation states to negotiate and interpret the agreement and implement their Intended Nationally Determined Contributions (INDCs).

About the agreement itself, perhaps both the goals of restricting the temperature rise to 1.5 degree Celsius (a new target) and “net zero emissions” between 2050 and 2100 are quite remarkable. Apart from these ambitious targets, the Paris agreement has also ensured that every actor/stakeholder has now a set agenda and rules to go by when it comes to future climate action. It looked like for the first time, there was clear consensus on the need for scaling up ambition.

There are many negatives in the agreement starting with the erasure of “historical responsibility” from the entire agreement that in a way dilutes the obligations that the developed world has towards the rest of the world. Nevertheless one could argue that this phrase was never really a part of the UNFCCC in the first place and that it was only noted in its preamble factually that the developed world has the largest share of GHG emissions. By eliminating liability and compensation from the loss-and-damage section of the agreement, this mechanism has been diluted as well, much to the disadvantage of the most vulnerable countries. In addition, the absence of strong legal

guarantees that the developing countries would receive finances and technology (transfer), as well as capacity building necessary to assist their adaptation and mitigation efforts, particularly post-2020, is a big drawback in the agreement.

Is the agreement legally binding according to you?

Technically, it is. Considering it requires ratification by at least 55 Parties to the UNFCCC representing at least 55 percent of total global greenhouse gases emissions to enter into force, this makes the agreement that was “adopted” in December legally binding. Essentially, countries have to not only sign the agreement but also indicate their consent to join and be bound by it as Parties.

However, it is not a protocol or treaty that could have contained stricter legally binding clauses. So now, although the parties have bound themselves to undertake and communicate their Nationally Determined Contributions, covering mitigation, adaptation, finance, technology, capacity building and transparency, they are also in a position to exploit certain loopholes that are usually present in any agreement. For instance, countries are bound to submit new emissions reduction targets every five years, to regularly submit information regarding how they are tracking towards achieving those targets as well as submitting this information to a technical expert review. But they are not required to achieve the numerical emission reduction targets they have set. Not all parts of the agreement are legally binding. Sadly enough, the part which talks about developed countries’ obligation of “mobilizing” US\$100bn per year by 2020 for mitigation and adaptation efforts in developing countries, as well as additional finance beyond 2020, is not legally binding.

Also, we must wait until further developments take place in terms of establishing mechanisms that could give teeth to the legally binding nature of the agreement. A Compliance Committee is said to be established but there is no certainty over what its mandate and powers would be.

What I would like to reiterate here is that it is immaterial whether the agreement is legally binding or not, in terms of the terminology used in the agreement or its implementation at all levels, these compliance mechanisms may or may not work (as is the case with the much celebrated and criticized Kyoto Protocol). The only way the agreement would work is if nation states choose to act in “good faith” and refrain from indulging in acts that could potentially defeat the object and purpose of the agreement. This is all one could expect at the end of the day.

What was the main “redline” for the Indian government in the negotiations? Is the Indian government satisfied by the content of the agreement?

It's difficult to pick out one major redline for the Indian government in the Paris negotiations. However, one could say that the government was very clear right from the beginning that “equity” and “common but differentiated responsibilities” (CBDR) have to be at the core of the Paris agreement, differentiating between the developed and developing countries. Although the inclusion of “historical responsibility” and CBDR was avoided in the text, the latter has been reinterpreted as “different national circumstances”.

The Indian government was forced to show political flexibility on such issues (according to accounts by Indian negotiators) and make a few compromises. The Environment Minister himself pointed out after the deal was clinched that “to achieve big things you need to be accommodating without changing the meaning and thrust of agreement and that is success.” He also observed that the agreement takes care of demands of the developing world like technology transfer to developing countries and the all-important “differentiation” between the developed and developing countries in all aspects of the deal. Most importantly, it recognizes the “right to grow” of countries like India. For instance, India was dead against oversight by an outside (third party) agency like the International Atomic Energy Agency (IAEA) to make sure nation states keep their promises. This was also agreed upon and it was concluded that all nation states would be subject to a common framework of transparency but the differentiation principle would be applied to recognize a developing country's requirement of assistance in keeping its promises.

The Indian government is satisfied about several inclusions in the agreement (according to the Press Release of the Ministry of Environment, Forests and Climate Change) – suggested by the Indian contingent – such as climate justice and sustainable lifestyle as well as the launch of the International Solar Alliance. Considering India has always been dubbed a “spoiler” in the negotiations, COP21 was crucial for the new government in India, elected in 2014. It had to balance between the demands posed by both international and domestic audience. One redline had been non-compromise on the use of coal for securing its energy requirements. It was adequately asserted by the Indian government that the country would lead the way when it comes to renewable energy production and expansion; at the same time it would not be fair and feasible to expect India to give up coal as yet. It cannot be compared to China which is at a stage in its economic growth where it can afford to transition to green energy. India's structural dependence on coal is indispensable at this juncture.

And this is where another red line lie – mitigation efforts could continue only if a regime that facilitates green technology transfer is established.

Some people say that what happened outside the COP21 but during the week (Indian Solar Alliance, New Chinese Funds, Divest-Invest campaign, Electricity for Africa, activism of civil society, etc.), is more important than what happened inside. Do you share this opinion?

When it comes to the international climate regime, let's not try to distinguish between what happens inside the COP and outside it, state and non-state etc. At the end of the day, these are meant to complement each other. We are in an era of polycentric climate governance where all actions taken by all the stakeholders are equally important. In fact, there is nothing like top-down and bottom-up at the practical level. Many initiatives that are referred to in the question could take place only because the relevant stakeholders gathered in Paris for COP21. It's not fair to discredit COP as yet – the agreement was necessary and is indeed a welcome step, a regime with a set of rules and modus operandi that the international community can work with so that all actions, primarily at the level of the state can be streamlined. But at the same time one has to admit that the international community has learnt from its mistakes when it comes to climate governance and moved towards smaller networks (such as those formed by like-minded countries or those with shared/common interests or sub-national groups or transnational and non-state groups), multiple bilateralism (where different pairs of nation states cooperate with each other towards common climate goals, but using different means depending on each others' strengths and weaknesses) and other formal and informal arrangements. This makes sure that even if the COP fails or its decisions are not adhered to by all the UNFCCC parties, these arrangements would compensate for it.

The different initiatives that were engendered or spearheaded outside COP21 were indeed remarkable and promising. But, like in all other cases, we have to wait and see if they produce results in the medium and long terms, because many of them tend to live for a short period of time and then die a slow death due to several constraints. Many of them were campaigns with a strong message and clearly galvanizing masses and media; and very often the policy/technical communities as well. It's always important to have a strong civil society, aware about and acting upon burning issues like

climate change. However, if they have to sustain financially and in other ways too, regimes like the COP have to spring into action in a much bigger way than it is currently.

One must also remember that initiatives such as the International Solar Alliance (of India) and Chinese funds for the least developed countries are political in nature and very closely linked to COP process. Both India and China are looking to be responsible powers that do not shy away from taking responsibility at the international level, especially when it comes to addressing issues like climate change. For long, they have refrained from taking any burden on themselves and put the ball in the developed countries' court. At the Paris Summit, this had to change as the pressure on both countries was immense, markedly if a COP deal had to be reached (with consensus). India did its bit by creating the solar alliance (an area in which it has massive potential and hence requires resources) and China by pledging finances. After all, they are all interrelated.

Are you optimistic regarding the gap between the 1.5°C limit and the current level of the INDC?

The 1.5°C limit is encouraging for sure since no one expected the limit to go even a tad below 2°C. We must applaud the Coalition of the High Ambition for pushing this agenda forward and making it possible. Coming to the reality and feasibility of it, most scientists agree that it seems highly unlikely – which is why probably the final agreement says “well below 2°C”, while recognizing the importance of pursuing 1.5°C limit. One study even goes to the extent of predicting that the only way this limit can be achieved is to stop emitting GHGs by 2060. It could also mean that global emissions have to peak as soon as possible and the carbon budget would exhaust by 2020-2025. One could use various climate and economic models to determine the feasibility of the limit but we have to keep in mind the limitations of these models. Let's not simplify things here – we are talking about the entire globe; the scale and nature of the problem is just unimaginable.

The current level of INDC may not be enough and a massive enhancement of ambition and/or negative emissions would be required. In addition, the international community might be forced to introduce drastic measures – deploying negative emissions technologies like geoengineering, Carbon Capture and Storage etc. This requires expansion of R&D, massive investments, and more than that, political will.

Let's wait till the 2018 IPCC report on 1.5°C limit comes out, and the facilitative dialogue takes place to gauge whether it is achievable in accordance with the current level of the INDC, and what needs to be done in the future to achieve the target.

What do you think about the position of the OPEC countries?

There is nothing surprising or noteworthy about the position of OPEC countries. They are a significant group in the complex regime but have always been discarded as 'jokers'. If you have a look at their statements at the Paris Summit, they are laughable – from Saudi Arabia's claim that it is a poor country that cannot afford to pursue green growth without international assistance to OPEC countries' claim that the decarbonizing strategy proposed at the Summit could threaten sustainable development. Their position was expected and is justified (in their view), considering they are rentier states and depend entirely on revenues generated from their crude oil exports. Every state tries to protect its interest at the international level and wouldn't like to take up any burden that directly or indirectly impinges on its interest. Saudi Arabia was literally shouted down at the Summit and eventually, it along with its OPEC partners had to budge. In any case, they had no choice – the stakes were far too high to really stall the negotiations. Besides, the OPEC countries also realize that the world is going through energy transition – although the shift is gradual. These countries would also be forced to move with the rest of the world to tackle the effects of climate change.

What are the main progresses proposed by the agreement regarding the financial dimension?

As far as climate finance is concerned, some steps were taken; but if you look at the overall picture, I think it was a lost opportunity to pledge much more. The contentious issue has always been this – who will pay? Developed countries are yet to fulfill the Copenhagen promise of “mobilizing” \$100 billion per year by 2020 – a prerequisite for the Paris agreement to come into force. Climate finance has sufficiently been mentioned in the agreement in the relevant places but since the parts that deal with it are neither legally binding nor specific/clear on various details such as the lack of qualifiers for future financial support (ratcheting up climate finance in commensurate with the ratcheting up of mitigation efforts) and what role countries like India would be expected to play, especially after the

first cycle, there is still a lot of ambiguity. In fact the term “mobilizing” itself sounds too loose – as if the money could come from anywhere.

At the same time, developed countries’ contributions so far have been lopsided – many a time just a part of bilateral agreements, of which climate change forms a part or constitutes other forms of financial flows like export credit and market-rate loans. While any contribution that helps developing countries achieve their set goals is good, developed countries must elevate their contribution if they wish to elevate “ambition” and impose it on the rest of the world. They have to treat their pledges as exclusive and ensure that most of their financial flows are through the UNFCCC financial mechanisms; and not dilute them by transferring finances through various other channels.

I’m quite concerned by the weakening of the provisions pertaining to finances for adaptation. The majority of developing countries had called for a sub-goal for adaptation within the \$100 billion promise; although this was successfully thwarted by the developed countries. It remains to be seen how this will therefore be addressed before the agreement is enforced. Another setback for the agreement was possibly the erasure of requirement to scale down fossil fuel investments, which existed in an earlier draft.

Now that even the emerging countries have been “encouraged” to contribute to this promise, further broadening the mandate of the pledge, it looks like the issue has taken a back seat and no country wants to take the lead. Although some efforts were made by the EU to concretize these pledges, at least in language, other developed countries like the US, Australia and Canada did not want any language that could potentially bind them. When the existing obligations have not yet been fulfilled by the developed countries, I don’t see any reason why even those developing countries that have volunteered to contribute to the Green Climate Fund (like South Korea, Chile, Mexico) should be generous at this stage. Further, the \$100 billion limit sounds more or less fixed, at least till 2025; and thereafter, the expectation is that the pledges would increase. However, there are no such cycles of setting quantified goals for the provision of climate finance; and a new goal would be set in 2025, leading to speculation and uncertainty.

What are the main challenges for the COP22 in Morocco? What are the next big steps?

What is very clear is that the text of the Paris agreement is rather flexible and many terms and conditions are yet to be defined for the modus operandi to be fixed, such as the difference between the developed and developing countries (“economy-wide absolute emission reduction targets” versus “enhancing mitigation efforts”). The nature and scope of this differentiation have to be defined. Some fears still exist on whether the differentiation would cease to exist in 2025; and then what this could mean for developing countries like India – since massive enhancement of ambition would be required to meet the 1.5°C limit. This implies that the world needs to discuss the issue of carbon budget more seriously before it is exhausted and countries like India have no more “right to grow”.

COP22 also needs to clearly delineate details regarding climate finance. Developed countries have managed to insert a rather loose term like “mobilize” to fulfill their \$100 billion (per year by 2020) promise. The fact remains that it is far from being fulfilled as of now. These contributions and their sources need to be made clear sooner rather than later if the Paris agreement has to work, and if countries in the developing world are expected to “ratchet up” their ambition or goals – or whatever you want to call it. Finances for adaptation also need to be worked out. Although it’s true that adaptation is rather local and can be planned mostly locally, the developing and least developed countries would require finances for planning it.

Essentially, COP22 needs to lay the roadmap for the facilitative dialogue in 2018 that would take stock of progress made to meet the long-term mitigation goal of the Paris agreement. ■

ADDRESSING CLIMATE CHANGE: LESSONS FROM PARIS, CHALLENGES FOR MARRAKECH

Dhanasree JAYARAM / Project Associate, Manipal Advanced Research Group (MARG), Manipal University (Karnataka, India), author of *Breaking out of the Green House: Indian Leadership in Times of Environmental Change* (2012).

GEOPOLITICAL OBSERVATORY OF SUSTAINIBILITY (OGéoD)

Directed by BASTIEN ALEX, Research Fellow at IRIS (alex@iris-france.org).

© IRIS

ALL RIGHTS RESERVED

FRENCH INSTITUTE FOR INTERNATIONAL AND STRATEGIC AFFAIRS

2 bis rue Mercœur

75011 PARIS / France

T. + 33 (0) 1 53 27 60 60

contact@iris-france.org

www.iris-france.org