

The Paris Agreement at a COVID Crossroads

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The Paris Agreement

The Paris Agreement

- The landmark Paris Agreement & Decision 1/CP.21 adopted at COP21 on 13 December 2015, entered into force on 4 November 2016
- Countries agreed to **“holding the increase in global temperature to 2 degrees Celsius above pre-industrial levels and pursue efforts to limit temperature increase to 1.5 degrees Celsius above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change”** (Art. 2, para 1)
- Covers ALL countries that are Party to the UN Framework Convention on Climate Change, and who are Party to the Paris Agreement



The Paris Rulebook

The Paris Rulebook

Arts 2-3

Art 4

Art 7

Art 8

Art 9

Art 10

Arts 11-12

Art 13

Art 14

Art 15

Art 6

CMA1
Marakech, MA
CMA1-2
Bonn, DE
CMA1-3
Katowice, PL
CMA2
Madrid, ES

- Originally, the Paris Agreement was not expected to enter into force until 2020 or later – however, it actually entered into force on 4 November 2016
- The Rulebook was mostly completed in 2018

CMA3
UK

2020
2021

CMA4
Africa

2022(?)

CMA5
Asia

2023(?)

CMA6
Eastern Europe

2024(?)

CMA7
WEOG

2025(?)

Credit: World Resources Institute
<https://www.wri.org/resources/data-visualizations/track-paris>

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The Paris Rulebook

- COP24 held in Katowice from 2- 14 December 2018 following 3 years of negotiations
 - Marrakech COP22, Fiji/Bonn COP23 & a number of May-June intersessionals
- Result was a single set of guidelines to operationalize the 2015 Paris Agreement (Decision 1/CP.21)
- Wide latitude for those that lack the capacity to meet obligations e.g. LDCs, SIDS
- **Key Outcomes:** NDC guidance and accounting rules, an Enhanced Transparency Framework, climate finance reporting, establishment of a Katowice Committee of Experts on the Impacts of Implementation of Response Measures and clarity on an expert-based and facilitative compliance committee
- **Key shortfalls:** Common timeframes for nationally determined contributions (NDCs), a new target for climate finance and Article 6 market and non-market approaches for international cooperation
- Issues had to be carried over to COP25, which itself was disrupted by Brazilian change in leadership, followed by unrest in Chile, and finally held in Madrid from 2-13 December 2019



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Mitigation and Transparency



COP25 Outcomes

- **NDC Guidance & Accounting (Article 4)**
 - **Common Time Frames for NDCs (Article 4.10)**
- **Transparency of Action & Support (Article 13)**
 - **Common Reporting Table, Common Tabular Formats**
- **Market & Non-Market Mechanisms (Article 6)**
- **Climate Finance Reporting (Article 9)**
- **Global Stocktake (Article 14)**
- **Compliance Committee (Article 15)**
- 144 pages and counting. As reference, Marrakech Accords (Kyoto Protocol) ~245 pages

Green – Agreed at COP24
 Orange – Partially agreed at COP25, with further details to be negotiated
 Red – No consensus, taken up at COP26

COP25 Outcomes

10. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall consider common time frames for nationally determined contributions at its first session.

- Parties had not been able to agree on conclusions. In accordance with rule 16 of the draft rules of procedure being applied, the matter will be included in the provisional agenda for SBI 52 (FCCC/SBI/2019/20) scheduled for October 2020
- Current NDCs are 5 year or 10 years i.e. 2020 up to 2025 or 2030
- Common timeframes for nationally determined contributions (NDCs) to be applied by 2031 (Decision 6/CMA.1), but set no deadline for determining them
- Number of years not agreed; options are 5 years, 10 years, 5 and 10 years OR to submit starting in 2025 two successive NDCs with starting points of 1 January 2031 and 1 January 2036 respectively (Latest doc: <https://unfccc.int/sites/default/files/resource/IN.SBI51.i5.pdf>)
- Unclear when CMA will adopt decision which might have implications on next NDC submissions

COP25 Outcomes

12. *Also requests* the Subsidiary Body for Scientific and Technological Advice to develop, pursuant to the modalities, procedures and guidelines, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its third session (November 2020):

(a) Common reporting tables for the electronic reporting of the information referred to in chapter II, and common tabular formats for the electronic reporting of the information referred to in chapters III, V and VI, of the annex, taking into account the existing common tabular formats and common reporting formats;

(b) Outlines of the biennial transparency report, national inventory document and technical expert review report, pursuant to the modalities, procedures and guidelines contained in the annex;

(c) A training programme for technical experts participating in the technical expert review;

Move to **Enhanced Transparency Framework** means that from 2024, Biennial Transparency Reports will contain:

Detailed national circumstances, NDC details, 2006 IPCC Guidelines, IPCC AR5 GWPs, estimation of emissions values from lack of activity data, 7 gases, time series from 1990, reporting year of x-2, support needed/received/provided/mobilized, **Common Reporting Tables (tbd, but likely similar to reporting tables currently used by developed countries)**, Common Tabular Format (tbd), Outlines of BTR, NID & TER report, Article 6 reporting rules (tbd)

- Training programmes organized by the UNFCCC Secretariat are underway (<https://unfccc.int/process-and-meetings/conferences/june-momentum-for-climate-change/training-webinar-on-getting-familiar-with-the-crf-reporter>)

Possible COP26 Outcomes

- Finalization of Transparency issues - CRT, CTF, Outlines (18/CMA.1, para 12)
- Finalization of the Article 15 Committee's rules of procedure (20/CMA.1, Annex para 17-18)



Markets and Cooperation

COP25 Outcomes

- Article 6 of Paris Agreement: 6.2 (ITMOs), 6.4 (S(?)DM), 6.8 (non-mkt cooperation)
- Still not completed, though there were "clean texts" coming out of the last day of COP25 (after 44 hours overtime)
- Formation of the San Jose High Ambition Coalition on 14 Dec (one day after scheduled conclusion on 13 Dec) and agreed Principles
- High Ambition Coalition includes 18 EU/EFTA members, 11 developing countries, NZ, UK
- San Jose principles: **environmental integrity, overall mitigation in global emissions, single unit of accounting (CO₂e), share for adaptation, no double counting, no Kyoto QELRO excess allowances, no CDM credits carried over (projects may be OK, if they meet new agreed Art 6.4 standards)**
- Main parties opposed: BRICS, possibly Japan and Korea (the former are the largest host countries, the latter are significant investor countries)

Possible COP26 Outcomes

OPTION 1: "Nothing is agreed until everything is agreed"

- Parties have been negotiating on assumption that Arts 6.2, 6.4, and 6.8 must move in lock-step. 6.2 and 6.4 need to adopt broadly similar language and terminology for coherence.
- Unlikely to result in competition in COP26, may result in further delay until 2023 global stocktake results published to assess size of market.

OPTION 2: "Pick low-hanging fruit first"

- Art 6.8 is largely uncontentious since it does not rely on rules in 6.2/6.4
- Pro-market parties may be wary of giving market-averse parties (eg ALBA) a win, and may cause uncontrolled collapse of CDM and share for adaptation proceeds (but some would say CDM has already collapsed)

OPTION 3: "Kicking the can down the road"

- Parties may simply agree to form 6.2/6.4 executive body and leave rules to them
- May reduce political pressures if executive body is given sufficient independence, but will not be seen as a "win" or "conclusion"

OPTION 4: "Outsourcing"

- Parties may adopt ICAO CORSIA model: agree on basic standards, invite tenders (ie outsource MRV functions to carbon credit standard organisations)
- But then what happens to CDM structures?



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Possible COP26 Outcomes: Things to Consider

- **CORSIA** (may create demand for market credits, but may also result in overreliance on offsetting in aviation sector - IATA industry goal is to reduce emissions by 50% from 2005 levels)
- **CBD draft 2030 goals** (30% of Paris Agreement emission reductions to be achieved by nature-based solutions – expect the market to offer its services en masse, but may also cause market collapse such as in CDM)
- **Carbon clubs** (going ahead without Article 6: will it lead to conflicting regimes?)
- **Domestic carbon pricing** (the presence of mandatory (minimum) carbon pricing in jurisdictions may render market mechanisms less attractive, but carbon pricing mechanisms may allow for partial/full use of market mechs)
- **Conflicting fossil fuel subsidies**
- **Lack of clarity regarding market demand** (may need to wait for 2023(?) Global Stocktake)



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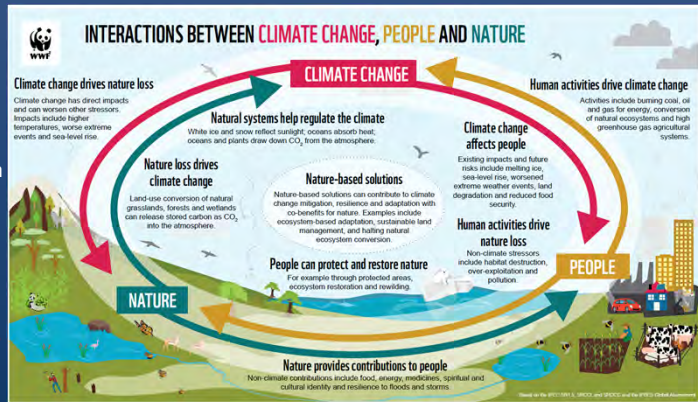
Adaptation + Loss and Damage

COP25 Outcomes (Adaptation)

- Requests the SBI at its 25 session (November 2020), to consider information from the reports of the Adaptation Committee and the LEG, including on **gaps and needs and the implementation of the National Adaptation Plans (NAPs)**, and to take further action as appropriate (7/CP.25)
- Underlines the **essential contribution of nature** to addressing climate change and its impacts and the need to address biodiversity loss and climate change in an integrated manner (*Chili Madrid Time for Action* 1/CP.25)
- Welcomes the decision of the Standing Committee on Finance on the topic of its 2020 Forum, which will be financing nature-based solutions;
- Request the SBSTA at its 52 session (June 2020) a **dialogue on the ocean and climate change** to consider how to strengthen mitigation and adaptation action in this context and prepare an informal summary reports (1/CP.25).
- Also request the SBSTA at its 52 session (June 2020) a **dialogue on the relationship between land and climate change adaptation** matters and prepare an informal summary reports (1/CP.25).
- The CMA request Adaptation Committee to review the **overall progress made in achieving the “global goal on adaptation”** and reflect the outcome of the review in its 2021 annual report (1/CMA2- *Chili Madrid Time for Action*)

Possible COP26 Outcomes (Adaptation)

- Work plan on “Ocean and Climate Change”
- Decision on Land and Climate Change Adaptation as a part of the dialogue.
- Addressing the gaps and needs on the implementation of the National Adaptation Plans (NAPs).
- A next step on Nature Based Solution for strengthening the role of nature in climate strategies and addressing the gaps (*Joint SBT and SBSTA taskforce on NBS for Article 5 and Article 7.2*)
- Decision on global goal on adaptation as a part of the Adaptation Committee report.



COP 25 Outcome (Loss and Damage)

- Impacts of climate change due to insufficient efforts to reduce greenhouse gas emissions and inadequate adaptation action.
 - No agreed definition on loss and damage ---
- It includes:
 - Extreme weather events - like a hurricane/cyclone or flood
 - Slow onset events - glacial retreat and related impacts, sea level rise, increasing temperatures, ocean acidification, salinization, land and forest degradation, loss of biodiversity and desertification.



COP 25 Outcome (Loss and Damage)

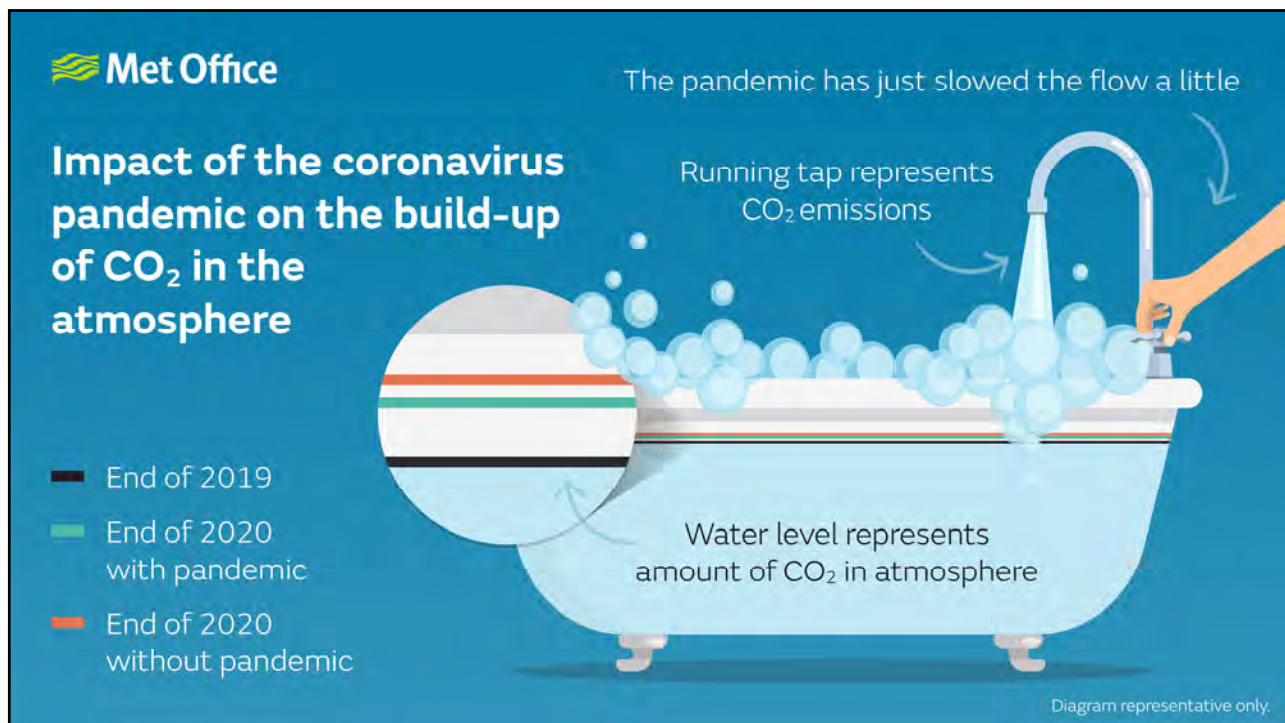
- Review of Warsaw International Mechanism (WIM) on loss and damage in 2019 (At COP 25).
- An “*Santiago network for averting, minimizing and addressing loss and damage*” established as a technical network that provides technical assistance on loss and damage to developing countries.
- An “*expert group*” to established by 2020 under the Executive Committee of WIM, to further work on how to engage and strengthen the dialogue with Standing Committee on Finance on providing recommendation and guidance to the financial mechanism under the Convention for loss and damage; and to Green climate fund (GCF) on clarifying how the developing country parties may access funding from GCF.
- Notes the inputs of the Standing Committee on Finance to the technical paper on the elaboration of the sources of and modalities for accessing financial support for addressing loss and damage
- *The reference to loss and damage finance is very weak.* The decision just “Urges” to scale-up of action and support, including finance for developing countries.

Possible COP26 Outcomes (Loss and Damage)

- Considerations related to the governance of the Warsaw International Mechanism (WIM reporting to COP and/or CMA).
- Santiago network on loss and damage – Institutional Arrangement (Scope, Mandate, Structure/Composition).
- Guidance to the financial mechanism of the convention (GCF, GEF, AF) on loss and damage financing to the developing countries.
- **A call for a decision on Loss and Damage finance mechanism under the Convention.**



Other impacts of COVID-19 on COP26



Possible impacts

- [New dates](#) for COP26 confirmed on 28 May 2020: 1-12 November 2021
- UK and Italy plan to use their G7 and G20 Presidency to maintain momentum
- Will affect dates of COP27, African Group was supposed to host in 2021
- Will affect NDC submissions (see Decision 1/CP.21 para 25)
- Could affect Global Stocktake in 2023
- Will likely affect start of new carbon market regime under Article 6 (and also CORSIA)

Maintaining Momentum

- June Momentum on Climate Change planned for 1-10 June 2020
- Online events: <https://unfccc.int/process-and-meetings/conferences/june-momentum-for-climate-change>
- No negotiations, which will only take place at SB52 from 4-12 October 2020





US Withdrawal from Paris Agreement

“We’ll always have Paris”

How will this work out?

- Recall Art 28(1)-(2) of the Paris Agreement:
 - 1. At any time after three years from the date on which this Agreement has entered into force for a Party, that Party may withdraw from this Agreement by giving written notification to the [Secretary-General of the United Nations].
 - 2. Any such withdrawal **shall take effect** upon expiry of one year from the date of receipt by the Depository of the notification of withdrawal, or on such later date as may be specified in the notification of withdrawal.
- Also recall the sequence of events:
 - 4 Nov 2016: US signs Paris Agreement
 - 1 Jun 2017: US announces pull-out from Paris Agreement
 - 4 Nov 2019: Earliest date for US to give notice of withdrawal, US submits notice
 - 3 Nov 2020: US Presidential Election
 - 4 Nov 2020: US officially exits Paris Agreement
- Arguably, postponement of COP26 means that the US now has more time (up to a full year!) to rejoin Paris Agreement. But will the US want to rejoin? It means recommitting to \$100b/year goal across developed countries + “successively ambitious” NDCs.
- US’ COVID-19 damage on track to be at least USD 2 trillion, or 10% of US annual GDP (Mercator Center, George Mason University)

