



From Bonn to Paris

Navigating the Course to an Effective International Climate Agreement

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In early June, the 196 parties to the U.N. Framework Convention on Climate Change, or UNFCCC, met in Bonn, Germany, to continue crafting an agreement to rein in greenhouse gas emissions and build resilience to the effects of climate change. They will reconvene in Paris this December, when the agreement is slated to be finalized and adopted. The progress in Bonn was measured but genuine. It remains possible that the parties will succeed in creating an effective international climate agreement by the end of the meeting in Paris.

Several recent announcements provided momentum for the U.N. process by demonstrating the growing willingness of both countries and nonstate actors to address climate change.¹ On May 19, Germany announced that it will double its climate financing in order to reach 4 billion euros in funding annually by 2020.² On May 29, six of Europe's major oil and gas companies called on governments to introduce carbon-pricing systems.³ On June 5, Norway announced that its \$900 billion sovereign wealth fund will divest from power and mining companies that draw more than 30 percent of their revenue from coal.⁴ On June 4, Ikea committed to invest 1 billion euros in renewable energy and climate resilience.⁵ On June 8, the G7 acknowledged the necessity of decarbonizing the global economy by 2100 and pledged to expand insurance programs to cover up to 400 million additional people by 2020 in order to protect against climate-induced hazards in vulnerable developing countries.⁶

These announcements follow several transformative developments over the past year. In November 2014, the United States and China—the world's largest greenhouse gas emitters—jointly announced their national emissions reduction goals. The United States aims to reduce greenhouse gas emissions 26 percent to 28 percent below 2005 levels by 2025, which represents a doubling of the rate of emissions reduction from 2005 to 2020. China aims to peak carbon emissions around 2030.⁷ In December 2014, the Green Climate Fund, which will help developing countries decouple greenhouse gas emissions and economic growth, reached its goal of drawing at least \$10 billion in commitments for its initial capitalization. Thirty-three countries—both developed and developing—made pledges. The United States pledged \$3 billion.⁸

Despite these indications of a new global resolve to confront climate change, the path to an effective international climate agreement remains steep—with several controversies to navigate—and only 10 scheduled negotiating days remain before the Paris meeting. This issue brief explains the current status of the climate negotiations, reports on the progress made during the June meeting in Bonn—which consisted primarily of establishing a foundation of trust and cooperation among the parties—and assesses the steps that are necessary in order to reach an effective international climate agreement in Paris.

Status of the negotiations

In 2011, during the meeting in Durban, South Africa, the parties to the UNFCCC began the process of developing a new international climate agreement scheduled to be adopted by the end of 2015 and take effect in 2020. It is to have status under international law, apply to all 196 parties, and advance the mission of the UNFCCC, which includes the primary objective of stabilizing greenhouse gas levels to avoid dangerous climate change.

The 2015 agreement is intended to be more effective than its predecessors, the Kyoto Protocol of 1997 and the Copenhagen Accord of 2009.⁹ The Kyoto Protocol, a so-called top-down agreement with internationally negotiated, legally binding targets, required emissions reductions only from developed countries and lacked—or lost—the participation of several major economies, including the United States, which never sought to ratify it.¹⁰ The protocol now covers only a fraction of world emissions. The Copenhagen Accord, a so-called bottom-up agreement with nationally determined targets and no legal force, lacked the ambitious emissions reductions necessary to rein in global warming.¹¹

During the Lima, Peru, meeting in 2014, the parties adopted a draft negotiating text for the 2015 agreement, which represented many views and options—not always compatible—suggested by the parties.¹² This March in Geneva, Switzerland, under the guidance of the 2015 co-chairs of the Paris process—Daniel Reifsnyder of the United States and Ahmed Djoghla of Algeria—the parties added further proposals to the draft text.¹³ This ensured that the document—although 86 pages and not particularly readable—was inclusive and reflected the input of all parties.

A central feature of the Paris agreement will be a set of nationally determined goals—from both developed and developing countries—to reduce greenhouse gas emissions, which are expected to be submitted to the UNFCCC “well in advance” of the Paris meeting.¹⁴ Several major emitters, such as the United States, the European Union, and Mexico, have already submitted their intended goals, called “intended nationally determined contributions,” or INDCs. China, which revealed its goal of peaking carbon emissions around 2030, is expected to formally submit its INDC this month. India is expected to formally submit in the fall. The parties are invited to include in their INDCs not only their plans to reduce emissions but also their plans to adapt to climate change.¹⁵

It is anticipated that the combined emissions reduction goals submitted to the UNFCCC this year—which have target dates of 2025 or 2030—will be dramatically insufficient to put the world on a pathway that limits warming to 2 degrees Celsius over preindustrial levels, which is the U.N.-agreed threshold for avoiding the most dangerous effects of climate change.¹⁶ Yet, despite the standalone inadequacy of this initial set of goals, the agreement can prove effective by establishing a global regime that elicits increasingly ambitious goals over time.¹⁷ The amount of time at issue, however, is short: Staying within the 2 degree threshold would require up to a 70 percent emissions reduction from 2010 levels by 2050.¹⁸

Progress in Bonn

The Bonn meeting broke into facilitated groups—focused on topics including emissions mitigation; finance; implementation and compliance; adaptation and loss and damage; and transparency—to undertake the largely editorial exercise of ordering and somewhat consolidating the Geneva text. The fact that the meeting did not include substantive negotiation frustrated many parties that viewed the meeting, with its measured pace, as lagging behind the political will to address climate change that is now palpable outside the UNFCCC.¹⁹ The Bonn meeting had several important outcomes, however, beyond a slightly more wieldy text.

By proceeding no faster than was mandated by a consensus of the parties, co-chairs Reifsnnyder and Djoghlaif fostered an atmosphere of inclusiveness, transparency, and buy-in, as they had in Geneva. The Peruvian delegation called the meeting an “unprecedented exercise in inclusiveness.”²⁰ Laurence Tubiana, special representative of the French Ministry of Foreign Affairs, noted that a necessary condition of success in Paris is a sense of ownership among the parties. “Everybody must feel comfortable at every step,” she said. “We achieved that here, and that’s why we should not be frustrated.”²¹

Perhaps as a result of this sense of ownership, no areas of negotiation showed signs of heading toward a stalemate. In addition, there was an unusual, unanimous expression of trust in the guidance and judgment of the co-chairs, who were given the mandate to prepare a consolidated text—expected to be released no later than July 24—that simplifies the text but retains the positions of the parties and more clearly presents the options for the Paris agreement.²² It will not have official status but instead will serve as a tool for the parties to negotiate, reduce options, and find areas of convergence during two shorter meetings that begin on August 31 and October 19.²³

Of course, as Tubiana noted, an atmosphere of ownership is not an end in itself.²⁴ The ultimate success of the June meeting and the technique of maximal inclusiveness will be judged by whether the next sessions produce a strong and streamlined negotiating text for Paris.

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As the parties move from an editorial phase to one of substantive negotiation, they will need to begin addressing many topics that are contentious or critical to the success of the agreement. The next section provides a map of decisions to be made, controversies to navigate, and essential elements to secure on the path to an effective international climate agreement.

The Paris package

In Paris, the parties will adopt not only the core agreement—which is to be binding under international law and applicable to all parties—but also a package that includes one or more accompanying decisions. The co-chairs, in addition to preparing a streamlined text by July 24, will flag any issues that clearly belong either in the agreement or in a decision. Paragraphs on pre-2020 action, for example, belong in a decision, as the agreement is set to take effect in 2020.²⁵ The parties will subsequently need to sort the paragraphs whose placement is either unclear or controversial. In Bonn, many negotiators expressed the view that the core agreement should house elements that are enduring, universal, or integral to the agreement, whereas the set of decisions should house elements that are detailed or time-delimited.²⁶ Many also noted that the original UNFCCC text is only approximately 20 pages and that the Paris agreement should follow suit.²⁷ It was understood that there is no hierarchy: Both the agreement and the set of decisions will be critical to the effectiveness and credibility of the Paris package.

Legal form

It is generally accepted that the core agreement should be binding under international law, but this does not imply that the nationally determined goals associated with the agreement should be legally binding as well.²⁸ Over the coming months, the parties will need to decide what legal status the national goals should have. Some parties, including the European Union, hold that legally binding goals would encourage accountability, convey seriousness of purpose, and make for a more durable Paris package.²⁹ In the end, however, it is fairly certain that a package with national goals that are obligatory under international law will not be adopted, as this would threaten the ability of several major emitters to ratify the agreement. In the case of the United States—which was often referred to in Bonn as “the elephant in the room” or simply “the elephant”—it is likely that an agreement that involves legally binding national goals would require the consent of a supermajority of the Senate, which is strikingly improbable.³⁰ India and China have a record of resisting legally binding national goals as well, although taking a stand on the issue in the context of the Paris agreement has not been necessary given the situation of the United States.³¹

Differentiation

A question of lasting controversy is how the distinction between developed and developing countries should be recognized—and how the distinction should operate—in the Paris agreement across issues such as mitigation, adaptation, finance, or compliance.³² In 1992, the UNFCCC divided countries into Annex I Parties, which are countries that were then either industrialized or in transition, and non-Annex I Parties, which are countries that were then developing.³³ The development landscape, however, is now changed, as is the emissions landscape: Non-Annex I countries such as China, India, Indonesia, Brazil, and Mexico are among the largest greenhouse gas emitters. Although the Paris agreement is to apply to all parties, as decided in Durban in 2011, the question of whether the annexes will be used as a tool to bifurcate the parties and assign them different sets of obligations—an approach opposed by some parties, including the United States—is unsettled and under continued discussion. In Bonn, for example, parties including the European Union, the United States, and Canada held that there should be a nonbifurcated system to review progress toward the national goals.

Goals on mitigation, adaptation, and finance

The intended nationally determined contributions submitted this year are only the first wave. For the Paris agreement, the parties will need to determine the parameters of subsequent waves of INDC submissions. These include the characteristics the nationally determined goals should have and how they should be communicated. Importantly, the parties will also need to decide whether to support a collective long-term target on decarbonization—as the G7 did when it promoted reaching the “upper end” of the target to reduce emissions 40 percent to 70 percent below 2010 levels by 2050—that can be used as a benchmark to judge whether they are on course to limit warming to 2 degrees Celsius.³⁴ They also will need to determine how to articulate a long-term vision for adapting to climate change.

Finance is a central and often controversial topic given that there is a scarcity of public funds but a clear need to increase investment in the transition to a low-carbon and climate-resilient global economy. In 2009, developed country parties committed to collectively mobilize \$100 billion per year in climate finance for developing countries by 2020 from public and private sources. There has been progress toward this goal: In 2014, the UNFCCC’s Standing Committee on Finance, for example, found that climate finance from developed to developing countries ranged from \$40 billion to \$175 billion annually with \$35 to \$50 billion coming from public sources.³⁵ In addition, the pledges to the Green Climate Fund were a sign of good faith necessary to the success of the Paris negotiations.

For the Paris agreement, the parties will need to determine how to encourage the mobilization of sustained and adequate financial support. Scaling up finance for adaptation will be particularly important, especially for the least developed countries and the developing countries that are most vulnerable to the effects of climate change. Adaptation finance has historically trailed mitigation finance by a large margin given that clean energy projects often show a clearer commercial return on investment.³⁶

Ensuring adequate ambition

Given that the emissions reduction goals submitted in 2015 will be inadequate to avoid dangerous climate change, it is essential that the Paris agreement ensures that collective ambition quickly increases. To do this, the parties should establish frequent opportunities for improving national mitigation targets. The United States, for example, is calling for five-year cycles.³⁷ The parties should also establish frequent opportunities for their peers and civil society to review national progress, as well as collective progress toward the long-term emissions reduction goal.³⁸ In addition to establishing cycles of improvement and review for mitigation, the parties will need to decide whether to establish synchronized cycles for improving and assessing progress toward goals on adaptation and finance.

Loss and damage

When Typhoon Haiyan devastated the Philippines in 2013, it brought widespread awareness to the topic of loss and damage, which refers to repairable damage or permanent loss caused by the manifestations of climate change.³⁹ Alongside finance and differentiation, loss and damage is among the most divisive topics in the negotiations.⁴⁰ Historically, blocs such as the Small-Island Developing States and Least Developed Countries, which face severe effects of climate change, have stressed the importance of discussing climate-induced harm in the UNFCCC, whereas some developed countries have been concerned that “loss and damage” may ultimately be code for “liability and compensation.”⁴¹ In 2013, however, the parties demonstrated their ability to collaborate on the topic by establishing the Warsaw International Mechanism for Loss and Damage, or WIM, to address the harm caused by climate change in particularly vulnerable developing countries.⁴²

In the coming months, the parties will have to determine how to address loss and damage, which remains a contentious topic in the Paris agreement despite the creation of the WIM. Many developing countries hold that the agreement should have a separate chapter on loss and damage and provisions for finance. Other options include discussing it within the chapter on adaptation; not discussing it but referring to the ongoing work of the WIM; or leaving the topic of loss and damage entirely to the WIM and making no mention of it in the agreement.

Conclusion

There is a formidable list of decisions that need to be made and controversies that need to be navigated within a short period of time in order to reach an agreement in Paris. But with the new political resolve to address climate change that world leaders have demonstrated over the past year—and the foundation of trust among the parties established under the guidance of the co-chairs in Geneva and Bonn—the parties may succeed in establishing an effective new climate regime.

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Endnotes

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- 25 U.N. Framework Convention on Climate Change, "Ad Hoc Working Group on the Durban Platform for Enhanced Action."
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- 27 U.N. Framework Convention on Climate Change, Stocktaking session, June 8, 2015.
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