

The Paris Climate Agreement

By Gwynne Taraska December 15, 2015

After four years of negotiations, nations succeeded in forging a global, legally binding agreement to address climate change when they convened in Paris for the 21st Conference of the Parties to the U.N. Framework Convention on Climate Change, or UNFCCC. "I am proud of my generation, of your generation, which has been able to decide to act for a world that we will not see," said French President François Hollande during the conference's closing session. He continued:

The 12th of December 2015 will go down in the history of the planet. In Paris, we have seen a few revolutions over the last few centuries. But today, this is the most beautiful and peaceful revolution that has just been achieved, a revolution for climate change.¹

Several aspects of the design of the Paris agreement have positioned it to become an effective tool for limiting global greenhouse gas pollution and improving resilience to the effects of climate change.

First, the agreement is designed to draw nearly universal country action and participation. It will apply to all parties to the UNFCCC—including the major emerging economies, such as India and China—rather than requiring emissions reductions only from developed countries, as was the case in the Kyoto Protocol of 1997.² In addition, the national climate goals that countries submit to be associated with the agreement will have political rather than legal force and will be nationally determined. "This structure has brought a lot of countries into the fold," said Todd Stern, U.S. special envoy for climate change and lead U.S. negotiator for the Paris agreement.³

Second, the Paris agreement will encourage countries to set strong goals and strive to meet them. The agreement includes the mandate to submit and upgrade national climate goals—with time built in to allow for outside scrutiny—and includes systems for reviewing collective and national progress. These elements are in the core Paris agreement, which will have force under international law.⁴

For the United States, it is noteworthy that this structure makes the Paris agreement—which has neither legally binding national emissions reduction targets nor legally binding national finance targets—an executive agreement rather than a treaty, as the Center

for American Progress explained in a previous report. The agreement is pursuant to the UNFCCC treaty, which received the bipartisan consent of the Senate in 1992, and does not require new legislation for it to take effect.5

This brief discusses how the Paris agreement spurs progress on the three pillars of climate action—the reduction of greenhouse gas pollution, the mobilization of climate finance, and adaptation to climate impacts—and how it resolves several persistent controversies within the UNFCCC.

Closing the ambition gap and the evolution of differentiation

In advance of the Paris conference, more than 180 countries—accounting for more than 95 percent of global emissions—submitted national climate goals in an unprecedented display of global commitment to address climate change. 6 This set of goals resulted in a significant decrease in projected global warming, although it was insufficient to limit warming to 2 degrees Celsius above preindustrial levels, or 3.6 degrees Fahrenheit, which has been the U.N.-recognized threshold for avoiding the worst effects of climate change.⁷

In order to embed a framework for addressing this gap within the Paris agreement, more than 100 developed and developing countries—including the Marshall Islands, the United States, the countries of the European Union, Mexico, the Philippines, Brazil, and the members of the Least Developed Countries bloc—formed the so-called High Ambition Coalition during the Paris conference.8 This coalition encouraged the parties to the UNFCCC to adopt the following tools to spur increased emissions reductions over time, all of which are reflected in the final agreement.9

- The Paris agreement obligates countries to submit national climate targets every five years. Each target is to represent a "progression" beyond the previous target and the country's "highest possible ambition."
- The agreement sets a new temperature target. The parties to the agreement will aim to limit warming to "well below" 2 degrees Celsius and will strive for a threshold of 1.5 degrees Celsius above preindustrial levels. This temperature target is a priority for the most climate-vulnerable countries, including the Alliance of Small Island States and the Least Developed Countries, for which the effects of climate change are a particular threat.
- The agreement also sets a long-term emissions reduction goal. Countries will aim to peak and rapidly cut greenhouse gas emissions in order to reach net-zero emissions between 2050 and 2100. This goal will be "a guiding North Star for phasing out fossil fuels," according to Marshall Islands negotiator Tony deBrum, both for countries and for markets.10

- The agreement establishes global stock-taking sessions every five years to review
 collective progress toward the temperature and long-term emissions reduction goals.
 These sessions are to inform countries as they prepare their updated climate goals.
- The agreement creates a legally binding accountability framework, which is critical for the credibility of the agreement, in order to facilitate understanding of countries' progress toward meeting their national climate goals.

Throughout the conference, the controversial topic of differentiation coursed through every corner of the negotiations. Differentiation refers to the process of setting expectations and obligations for countries given that each has its own level of responsibility for climate change and its own level of development and capacity.

When the UNFCCC was established in 1992, it created two categories of countries according to their level of development at the time. ¹¹ These categories have since been used as a means of assigning obligations. Only developed countries, for example, were required to reduce emissions under the Kyoto Protocol. ¹²

For the Paris agreement, however, many developed countries, including the United States, as well as parties in the High Ambition Coalition, supported the concept of differentiation but rejected bifurcation—the idea that countries should be split into two 20-year-old categories. "We stand by our obligations under the convention, but the world has changed since 1992," said Peter Woolcott for Australia. "As developed countries, we will continue to lead, but we must see all parties act consistent with their national capacities." Ban Ki-moon, secretary-general of the United Nations, supported this modern take on differentiation several times during the conference.

The bloc of Like-Minded Developing Countries, however, which includes China and India, sought to embed a developed-developing divide in each subject of the agreement, including the mitigation of greenhouse gas emissions, the accountability framework, and finance. In the words of Prakash Javadekar, the environment minister of India, "We cannot ignore historical responsibility and put victims at the same level as polluters." ¹⁴

Gurdial Singh Nijar, speaking on behalf of the Like-Minded Developing Countries, echoed this sentiment, stating that the per-capita income in both India and China is low. "To then not proceed on a pathway of progress—of industrialization—means that the per-capita income has to be reduced even further," he said. "We cannot accept starvation as a price for the success of this agreement." 15

The final Paris agreement does not reflect bifurcation but a subtler version of differentiation. Developed countries are expected to take the lead in emissions reductions, the mobilization of climate finance, and other aspects of the agreement, but all countries are expected to address climate change according to their abilities. This is often represented in the agreement as the principle of "common but differentiated responsibilities and respective capabilities, in the light of different national circumstances." ¹⁶

Finance with an eye to resilience and the most vulnerable

It will take a fundamental shift in finance flows to direct the global economy toward clean energy and climate resilience. The effort to build resilience to the effects of climate change in the most vulnerable regions has been particularly underfunded: Only 16 percent of global finance flows went toward climate adaptation in 2014, according to a report from the Organisation for Economic Co-operation and Development, or OECD.¹⁷

In the months leading up to the Paris conference, countries have shown their commitment to international climate finance by pledging to the Green Climate Fund, or GCF, and other channels of climate assistance. The GCF has now reached more than \$10 billion in pledges from both developed countries, such as the United States, Japan, and France, and developing countries, such as Vietnam, Mexico, and Indonesia. 18 China pledged more than \$3 billion for its South-South Cooperation Fund on Climate Change in September.¹⁹

A number of initiatives announced during the Paris conference provided momentum for both clean energy and resilience finance. Eleven countries, including the United States, Canada, and Germany, pledged \$258 million to the Least Developed Countries Fund, administered by the Global Environment Facility.²⁰ President Barack Obama announced a pledge of \$30 million toward climate risk insurance initiatives.²¹ Secretary of State John Kerry announced that the United States would double its grant-based adaptation finance by 2020.²² Twenty countries, including the United States, India, Mexico, and Brazil, announced that they would double their budgets for clean energy research and development by 2020.²³

For the Paris agreement, developing countries held that developed countries should increase climate finance from a floor of \$100 billion yearly, which was the target previously established for 2020 in the Copenhagen Accord of 2009.²⁴ Developed countries, however, were hesitant to commit to an open-ended increase and stressed that "all parties in a position to do so" should provide international climate finance, noting that many developing countries—including China, Mexico, Peru, and others—are in fact already doing so.²⁵ It is also noteworthy that several countries classified by the UNFCCC as developing—such as Qatar and Saudi Arabia—have the financial capacity to contribute.

The final Paris agreement aims to scale up finance for developing countries, both by increasing the level of funding and also by encouraging an expanded donor base. It affirms existing financial obligations of developed countries—such as the Copenhagen commitment, which is explicitly sustained through 2025 in the decision text that accompanies the Paris agreement—and directs developed countries to ensure that their continued efforts represent a "progression" beyond previous efforts. The decision text also states that a new collective goal, beyond \$100 billion yearly, will be established by 2025. ²⁶

The agreement also encourages developing countries to contribute—or to continue contributing—voluntarily to the global effort. Importantly, it also underlines the need to elevate adaptation finance and target climate finance toward the most vulnerable, such as the Least Developed Countries and the Small Island Developing States, a group of low-lying coastal nations that are struggling to develop and are represented by the Alliance of Small Island States.²⁷

Adapting to climate change and addressing climate-induced damage

The agreement recognizes that efforts to improve resilience to the effects of climate change must accompany efforts to reduce greenhouse gas emissions in the overarching project of addressing climate change. It also recognizes the needs of the most vulnerable and encourages the development of national adaptation plans.²⁸

A particular controversy during the conference was the topic of how to address the economic and noneconomic harm caused by extreme weather events and slow-onset events, such as sea-level rise and desertification. This topic is known as "loss and damage" in the UNFCCC.

All countries of the UNFCCC support addressing loss and damage, including through the mobilization of finance, and established a mechanism to address the topic during the Warsaw summit of 2013.²⁹ In Paris, however, countries were divided on where and how the new agreement should treat loss and damage.

The Alliance of Small Island States and the Least Developed Countries, which are particularly vulnerable to the effects of climate change, called for loss and damage to be addressed in a separate article in the agreement in order to acknowledge that the climate-induced harms they face may overwhelm efforts to adapt. The United States, however, preferred to address loss and damage within the chapter on adaptation, perhaps concerned that a separate article would suggest that further provisions of climate finance would be required beyond current efforts geared toward emissions reductions and adaptation.³⁰

The United States also held that the agreement should explicitly state that it does not involve the concepts of compensation or liability. Although loss and damage is a topic that is not necessarily equivalent to compensation and liability—as the Center for American Progress argued in a previous paper—the topics are often mistakenly conflated, and past UNFCCC discussions on loss and damage have included proposals for compensation by groups such as the G-77, a major bloc of developing countries.³¹

The final agreement does give loss and damage its own article. Liability and compensation are also explicitly excluded in the decision text that accompanies the agreement.³²

Conclusion

The Paris agreement marks a historic turning point in the global effort to address climate change. It is not, of course, a panacea. Enhanced action from all levels of government, as well as individuals and the private sector, will be necessary in order to shift the global economy toward clean energy and climate resilience. In the closing session of the Paris conference, South Africa Minister of Water and Environmental Affairs Edna Molewa captured the sentiment of all parties to the agreement when she quoted Nelson Mandela. "I dare not linger," she said, "for my long walk is not yet ended." 33

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