

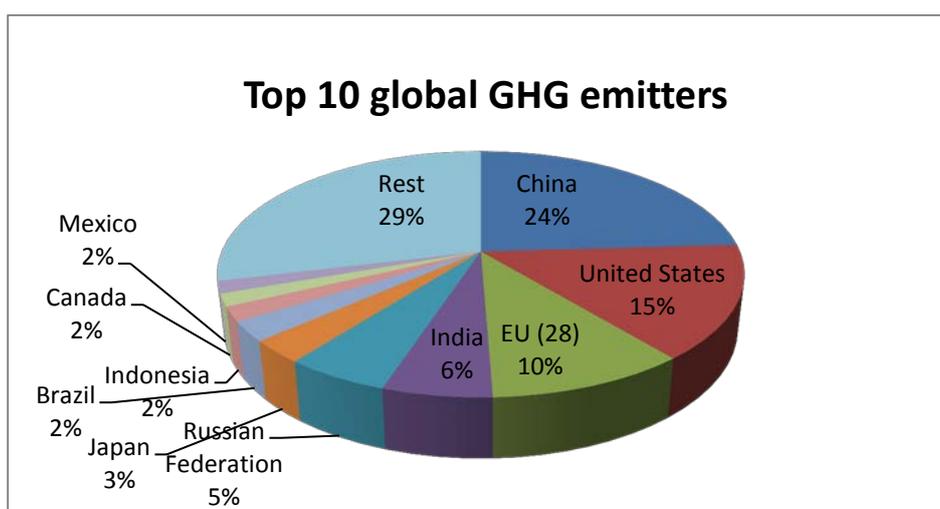
On the way to COP 21 in Paris

KEY FINDINGS

- The '**emission gap**' between current global greenhouse gas emission levels and those necessary to reach the overarching goal of **limiting global warming to 2°C above preindustrial levels** persists. However national emission reduction **pledges** are coming in at a slow pace only and are unlikely to close the gap and therefore to reach the goal.
- The **major unsolved issues** in international climate negotiations are **all associated with the divide between rich and poor nations**. Parties need to **overcome this divide** if climate talks shall lead to an ambitious agreement in Paris.
- A potential final deal at COP 21 in Paris should provide some **flexibility** to secure an **ongoing raise of ambitions** without needing to change the agreement.
- **G7 leaders** in June 2015 for the first time collectively stood behind the long-term goal of **decarbonising the global economy** until the **end of the century** and agreed to **increase climate financing** to help poor countries build resilience and reduce their carbon emissions.

1. GLOBAL GREENHOUSE GAS EMISSIONS

Ten Parties to the **UN Framework Climate Change Convention (UNFCCC)** produce around **70 %** of global greenhouse gas emissions (excluding land use change and forestry (LUCF)¹):



Source: [WRI's climate data explorer CAIT 2.0](http://wri.org/climate-data-explorer-cait-2.0), data from 2011, excluding land-use change and forestry (LUCF)

The '**emission gap**' between actual global greenhouse gas (GHG) emission levels and those necessary to reach the overarching goal in international climate negotiations of **limiting global warming to 2°C above preindustrial levels** still persists. Current policies tend towards 3,6-4,2°C warming above pre-industrial levels. Unconditional pledges made so far would reduce this to 2.9-3.1°C². According to the [5th assessment report of the International Panel on Climate Change](#) (IPCC) the goal is still technically and economically feasible, but will be harder to reach the later action is taken.

2. OUTCOME OF THE CLIMATE CONFERENCE IN LIMA

During COP 20 in Lima in December 2014 no real progress on emission reduction was made because of the **persistent sharp division** between **poor and rich** countries over **how to share the burden of emission reductions** under a **global deal**.

Lima's main success might be that the final text ('Lima call for climate action') was **approved without dissent by all 196 Parties** to the Convention so that **all Parties** will now be under a **common legal framework** and all will contribute to the reduction of greenhouse gases.

This is a **positive signal** after **two decades of difficult climate negotiations** where only a small group of countries (the so-called Annex I countries of the 1997 Kyoto Protocol, the industrialised nations) was bound by the decisions. It reflects the new reality where the **majority of GHG are emitted in developing countries**.

The '[Lima call for climate action](#)' calls for:

- A **legally binding ambitious agreement** in 2015, **applicable to all Parties**, that reflects the principle of "**common but differentiated responsibilities and respective capabilities**" (CBDR) of each nation "in light of different national circumstances", and that "shall address in a balanced manner, inter alia mitigation, adaptation, finance, technology development and transfer, and capacity -building, and transparency of action and support";
- Developed countries "to provide and mobilize **enhanced financial support**" to developing nations, especially to those most vulnerable to climate change;
- **National pledges** to be submitted by the **first quarter of 2015**³;
- Countries to set **targets** that go **beyond their "current undertaking"**;
- The **UNFCCC secretariat** to report back on the (combined effect of) national pledges by **1 November 2015** in the form of a **synthesis report**.

The 39 pages of **draft negotiating text** annexed to the Lima call for climate action offer a range of different options for a final Paris deal. They more than **doubled in size** during preparatory negotiation talks in **Geneva** in February 2015.

3. MAIN ISSUES AT STAKE IN THE RUN-UP TO PARIS

COP 20 in Lima left many issues **undecided**. Significantly, the **major unsolved issues** are **all associated with the divide between rich and poor nations**:

- **Scope of the national pledges (INDCs);**
- **Differentiation between developing and developed countries and**
- **Climate financing (including loss and damage)**

Therefore, if climate talks are to succeed and lead to an ambitious agreement in Paris, Parties need to **overcome this divide** one way or another.

National pledges for greenhouse gas emission reduction

Prior to COP 21 in Paris in December 2015, Parties are required to submit their so-called **Intended Nationally Determined Contributions (INDCs)** stating their post-2020 mitigation targets and the accompanying up-front information, e.g. target year, or past emission trend. The **EU** and its Member States have submitted their INDCs on 27 February 2015 (see 3.1.2).

In Lima, Parties did not manage to define the **scope** of the INDCs. The text agreed in Lima simply states that:

- Each country's contribution is to 'represent a progression **beyond the current undertaking** of that Party';
- **No review** is foreseen before the Paris summit and **no strict deadline** applies;
- Governments can **choose what information** they want to give, e.g. the base year and implementation period, and they **may** outline how they consider their contribution to be "fair and ambitious";
- There is **no mechanism** to ensure that countries' **combined efforts** are **enough**.

Controversial issues therefore remain in this context, especially as regards **scope and review of the INDCs**:

- **Developed countries** want pledges to focus only on **mitigation**, while many **developing countries** push to include **adaptation** and **finance**, too.
- Many parties push for different types of processes to **scrutinize one another's intended contributions before Paris** to check their ambition and to see if together they would be sufficient to reach the goal of limiting global warming to 2°C:
- The **EU** calls for all countries' INDCs to contain the necessary information to be **transparent, comparable and quantifiable** related to the two degrees goal;
- Major **developing countries** (China, India and others) try to block this initiative saying such a **review** would **infringe their sovereignty**;
- **Poorer countries** fear an imbalance if on the one hand their mitigation plans are scrutinised but on the other richer countries' commitments on **financial support and technology transfer** remain unclear.

Concerning a **review** of contributions, the **Geneva text** presents **12 options** ranging from a review of pledges every 5 years for all Parties (as favoured by the EU) to more nuanced suggestions including different cycles for rich and poor countries and potential indicative targets on top of absolute goals. This is again linked to the question whether adaptation and financial commitments would be included in future contributions.

Vulnerable countries, small island states and least developed countries (LDCs) (that contribute little to global emissions but risk to feel the worst impacts of climate change) have called for global warming to be limited to **below 1.5°C by 2100**. This will be followed-up in a formal UNFCCC process.

Latest developments

German Chancellor Merkel and **France's President Hollande** pledged in a **joint statement** during the informal "**Petersberg Climate Dialogue**" held on 19 May 2015 in Berlin, to "take **all efforts** to reach an **ambitious, comprehensive and binding UN climate agreement** by the end of the year". They confirmed the 2 degrees goal and pleaded for **fair and binding** rules for both **industrial and developing countries**, whilst underlining the necessity to foster green investment on a global scale and to **support the poorest** countries.

African Environment Ministers at their 15th session of the African Ministerial Conference on the Environment (AMCEN) on 4-6 March 2015 adopted the **Cairo Declaration** which backs a **1,5 degrees** goal for Paris (which would require a 70-96% reduction in emissions by 2050 and be net-zero by between 2060 and 2080). The declaration calls for **adaptation-mitigation parity** in the 2015 Climate agreement that takes into account the **adaptation needs** and associated **costs**, including **support** for **developing** countries.

G7 leaders at their summit in Germany on 7-8 June 2015 for the first time collectively stood behind the long-term goal of **decarbonising the global economy** until the **end of the century** and promised to cut greenhouse gas emissions by "the upper end of the latest IPCC recommendation of **40 - 70 % reductions by 2050** compared to 2010...⁴". At the same time they agreed to **increase climate financing** to help poor countries build resilience and reduce their carbon emissions.

During the **Bonn Climate Change Conference** (June 1-11 June 2015)⁵, ADP⁶ negotiators were tasked to concise and streamline the bulky Geneva draft negotiating text. The outcome was rather **modest** apart from some positive results like for instance a decision on REDD+ after 10 years of negotiations. However participants underlined the positive **trust-building** climate this exercise had generated. In the end parties charged the two ADP co-chairs to prepare a text ("tool") which is expected no later than by 24 July.

In parallel to the climate negotiations, the **United Nations** is in the process of defining a **post-2015 development agenda**. This agenda will be launched at a Summit on 25 to 27 **September 2015** in **New York**. The aim is to agree a new set of **Sustainable Development Goals** (SDGs) in 2015, to replace the Millennium Development Goals (MDGs). This could be taken as opportunity to **integrate climate action** into international development goals.

INDCS transmitted

INDCs have been received so far only from **12 Parties**⁷, (among which very small ones like **Liechtenstein** and **Andorra**) covering roughly **one third of global emissions**. Among those who already submitted their plans are the **EU** and its Member States (who came second only after **Switzerland** to submit their pledge), **Norway** and **Mexico** (as **first developing country** and among the top ten emitters, adding a section on adaptation to its pledge. Mexico is also the first developing country with a general law on climate change.) Furthermore the **US, Canada, Russia** and **Gabon** (as the **first African country**) submitted their pledges; the 3 latter only shortly after the 'informal' deadline of 31.3.15.

Morocco and Ethiopia joined in in June 2015. **Morocco** (host country of next year's COP 22) brings forward a GHG emission reduction target of 13 % below the business as usual (BAU) scenario by 2030 (including land use, land use change and forestry (LULUCF)). Under the **condition of international support and a legally binding agreement** under the UNFCCC, Morocco promises to **increase its target** to 32% below BAU in 2030. **Ethiopia**

also makes the full implementation of its INDC (a 64% GHG emission reduction from the BAU scenario in 2030) dependent on an ambitious multilateral agreement and international support.

The [EU's pledge](#) (a binding target of an **at least 40% domestic reduction** in greenhouse gas emissions by **2030** compared to 1990) confirms the target agreed by EU leaders in October 2014⁸. The EU presents this pledge as being in line with its existing objective to cut emissions by 80-95% in 2050 against 1990 levels and 'consistent with the need for at least halving global emissions by 2050 compared to 1990'.

The EU's more detailed ['Paris Protocol'](#) of 25 February 2015 aims for a **global long-term climate goal** as part of a legally binding climate agreement applicable to all countries: it proposes a **60% cut** in global emissions **by 2050** against a 2010 baseline.⁹

Critics say the EU's INDC is **not very ambitious**¹⁰. The European Environment Agency (EEA) estimated that the EU's GHG emissions in 2013 were already 19% below 1990 levels, i.e. almost reaching the 20% target foreseen for 2020. The EU has also been criticised for a lack of clarity and transparency (which it promotes itself), since it has not yet decided on **how to account for LULUCF** in the 2030 target¹¹.

The **Russian Federation**, currently responsible for 5% of global emissions, **repeated its 25-30% reduction goal** by 2020 compared to 1990 for **2030**. It further includes **forests** (around half of Russia is covered by forests, removing annually around 500 million tonnes of CO₂ from the atmosphere since 2000).

The **US** (highest global per capita emissions) like the EU sticks to its already announced climate goals to cut emissions by **26-28% by 2025**, with **'best efforts'** promised to **reach 28%**.¹² Targets are slightly lower than in 2010 but this time international mechanisms are excluded. The pledge could be met without Congress passing new climate laws but would need further executive action (at risk after next year's presidential election). The unwillingness of the US Congress to pass climate legislation and its eagerness to work against Obama's climate plans are key political obstacles for a more ambitious contribution.

China's national contribution is expected by end of **June**. It would bring emissions covered to 50% of global emissions. In its [joint announcement](#) with the US on climate change in November 2014, China highlighted its intention to reach **peaking CO₂ emissions in 2030** at the latest (EU emissions peaked in 1979), and **increase the share of non-fossil fuels** to 20% of primary energy demand.

Japan is currently preparing its 2030 targets for its INDCs. It will likely put forward an emissions reduction target of **26% below 2013 emission levels by 2030**¹³ (emissions peaked in 2013 after a switch to coal after the Fukushima nuclear incident) which corresponds to an 18% reduction compared to 1990 levels and therefore does not appear to be in line with its recent G7 commitment.

Apart from coming in at a very **slow** pace, national plans are **not yet compatible** and would need to be brought together in a consensus. The **effect of current pledges** and policies on the global temperature will have to be calculated and compared with the actual needs. If the pledged INDCs should fall short of ambition (which is widely expected) there is **no mechanism to raise ambition** before Paris.

A final deal should provide some flexibility to secure an ongoing raise of ambitions without needing to change the agreement.

Differentiation

The **CBDR**¹⁴ (**Common But Differentiated Responsibilities**) principle is a key principle of the 1992 UN climate convention; the **interpretation** of the division of responsibility remains however **controversial** between developed and developing countries- increasingly so as the **share of developing countries' global emissions has grown**.

Many developing countries¹⁵ insist on maintaining the strong differentiation of the past, (between Annex I (developed) and non-Annex I (developing) countries, as established by the 1997 Kyoto Protocol) while the **EU and other industrialised nations** advocate a common effort wherein every country should cut their emissions **according to their abilities**.

The Lima decision avoids the issue by simply restating the UNFCCC principle of “common but differentiated responsibilities and respective capabilities,” with a slight addition: “in light of different national circumstances”.

Climate Financing

The **EU** and its partner **developed countries** want **progress on emission reduction** (mitigation target) **before** moving on to **finance details** and would like **other parties “in a position to do so” also to contribute**. This undermines the **trust** of the **developing countries** who want these issues to be dealt with together. The **final Lima text** “urges developed country Parties to provide and mobilize enhanced financial support to developing country Parties and simply **“recognizes complementary support” from other parties**.

Loss and damage: COP 19 in Warsaw had launched a separate process to consider steps to compensate especially **vulnerable developing countries** for “loss and damage” caused by the effects of climate change (that cannot be avoided even with strong mitigation and adaptation efforts). In Lima, those countries tried but **failed to add** loss and damage to the **list of issues** the **Paris** agreement must address. The final decision merely notes the separate process already underway.

Adaptation finance supports activities to build resilience to the impacts of climate change and is highly needed particularly in Sub-Saharan Africa and other LDCs.

REDD+ Finance: Reducing emissions from deforestation and forest degradation plus conservation (REDD+) offers incentives for developing countries to reduce carbon emissions through slowing deforestation. The land use sector is responsible for 25% of global GHG emissions.

Mitigation finance: Its objective is to avoid dangerous climate change. Over half of public climate finance flowing through dedicated climate funds goes into mitigation.

Pledges for the Green Climate Fund

The **Green Climate Fund** (GCF) established under the Cancún Agreements is designed to help developing countries curb greenhouse gas emissions and cope with impacts of climate change, such as rising sea levels. The **aim** is to reach **\$100 billion a year by 2020** as agreed under the **Copenhagen Accord**¹⁶.

In the run-up to Lima, pledges for the GCF had reached **\$10 billion**¹⁷. Further pledges made during the conference exceeded this informal goal of initial capitalisation. Pledges even came from **Australia**, which had originally decided against a contribution, as well as from developing countries: **Mexico** (\$10 million), **Colombia and Peru** (both \$6 million). **South Korea** where the Fund is based has pledged \$100 million. **China**, on the other hand said the GCF should be funded by developed countries and announced the launch of a separate South-South fund.

As of 30 April 2015¹⁸ the Green Climate Fund, based in Songdo, Republic of Korea, has **signed** US\$ 4 billion equivalent in **contributions**, representing **42% of the amount committed** since its initial pledging conference in Berlin in November 2014. Once **at least 50%** of the total amount pledged has been made available, the Fund is authorised to **allocate resources**. Among the 33 governments that have announced contributions so far there are 8 developing countries. So far **12 EU Member States** have made a pledge to the GCF, among which Sweden with the highest contribution per capita. With a total amount of \$4,745 billion the EU is the **largest contributor** of climate finance.

During the recent Petersberg Climate Dialogue Chancellor Merkel announced that by 2020 Germany would strive to double its contribution towards climate financing from its 2014 level.

4. KEY DATES IN THE RUN-UP TO PARIS (SINCE LIMA)

8-13 February 2015	Ad hoc Working Group on the Durban Platform for Enhanced Action (ADP) in Geneva, Switzerland
31 March 2015	(Non-compulsory) deadline for Parties to submit their Intended Nationally Determined Contributions (INDCs)
1-11 June 2015	Climate Change Conference/ Annual meetings of the UNFCCC Subsidiary Bodies in Bonn, Germany
13-16 July 2015	Third International Conference on Financing for Development in Addis Ababa, Ethiopia
25-27 Sept. 2015	UN Summit to adopt the post-2015 development agenda in New York
31 Aug.-4 Sept. & 19-23 Oct.	Further preparatory climate negotiation rounds (ADP sessions)
30 Nov.-11 Dec. 2015	21st session of the Conference of the Parties (COP21) in Paris, France

5. OUTLOOK

In order to reach the overarching goal of limiting global warming to (maximum) 2°C above preindustrial levels, global greenhouse gas emissions need to be reduced rapidly over the coming years and decades and brought to zero shortly after mid-century. With the pledges made so far the emission gap between that goal and the reality will however not be closed. Ambitions have to be raised rather sooner than later; the longer it takes, the more expensive it will get.

The Paris conference has the potential to decide upon future trends in climate action: It could stimulate countries to push ahead with strategies and policies for carbon emissions reduction, illustrating and underlining that others are doing the same; it could allow developing countries to pursue low carbon development strategies and adapt to the effects of climate change. In that respect, parallel UN negotiations on climate action and sustainable development goals are a clear opportunity to link both processes to generate mutual benefit, e.g. in terms of poverty eradication, food and energy security, low carbon development, climate adaptation and resilience.

If climate talks are to be a success and lead to an ambitious agreement in Paris, Parties need to overcome the divide between rich and poor nations. Lima gave a positive signal in that respect, taking everybody on board. This means taking into account both the growing share of developing countries' global emissions and at the same time respecting their needs and supporting them for mutual benefit. Particular attention should be brought to the most vulnerable countries, small island states and least developed countries that contribute little to global emissions but risk to feel the worst impacts of climate change.

Last but not least, it would be important to have a flexible deal with a dynamic review procedure in order to secure an ongoing process and raise ambitions without having to change the agreement.

- ¹ For a definition of LUCF, e.g. see the [worldbank](#): "GHG net emissions/removals by LUCF refers to changes in atmospheric levels of all greenhouse gases attributable to forest and land-use change activities, including but not limited to (1) emissions and removals of CO₂ from decreases or increases in biomass stocks due to forest management, logging, fuelwood collection, etc.; (2) conversion of existing forests and natural grasslands to other land uses; (3) removal of CO₂ from the abandonment of formerly managed lands (e.g. croplands and pastures); and (4) emissions and removals of CO₂ in soil associated with land-use change and management."
- ² See Climate Action Tracker by Ecofys, Climate Analytics, New Climate and PIK (<http://climateactiontracker.org>)
- ³ The final agreed text speaks of an "invitation" to Parties "to communicate" their INDCs by the first quarter of 2015 "by those Parties ready to do so".
- ⁴ [Leaders' Declaration G7 Summit 7-8 June 2015](#). The Group of 7 industrial nations is composed of America, Japan, Germany, France, Britain, Canada and Italy.
- ⁵ See Brief Analysis of the Bonn Climate Change Conference in IISD's Earth Negotiations Bulletin Vol. 12 No. 638.
- ⁶ The [Ad hoc Working Group on the Durban Platform for Enhanced Action](#) (ADP) is a subsidiary body established in December 2011. Its mandate is to develop a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties, which is to be completed no later than 2015 in order for it to be adopted at COP 21 and for it to come into effect and be implemented from 2020.
- ⁷ <http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx>; (state of play 16 June 2015)
- ⁸ See [European Council Conclusions of 23/24 October 2014](#) on the 2030 framework for climate and energy
- ⁹ This would be consistent with the latest science which says global emissions should be between 40 and 70% below 2010 levels in 2050, reaching net-zero between 2080 and 2100 to reach the 2° goal; but not consistent with the 1,5° goal as advocated by the most vulnerable countries.
- ¹⁰ See for instance <http://www.carbonbrief.org/blog/2015/03/how-ambitious-is-the-eus-offer-to-the-paris-climate-change-talks/>
- ¹¹ See the EU's INDC: *"Policy on how to include Land Use, Land Use Change and Forestry into the 2030 greenhouse gas mitigation framework will be established as soon as technical conditions allow and in any case before 2020."*
- ¹² See [US-China Joint Announcement on Climate Change](#) of 11 November 2014
- ¹³ See e.g.: <http://www.japantimes.co.jp/news/2015/06/08/reference/sincere-climate-pledge-sleight-hand/>
- ¹⁴ Common but differentiated responsibilities (CBDR), principle of international environmental law establishing that all states are responsible for addressing global environmental destruction yet not equally responsible. The principle balances, on the one hand, the need for all states to take responsibility for global environmental problems and, on the other hand, the need to recognize the wide differences in levels of economic development between states. These differences in turn are linked to the states' contributions to, as well as their abilities to address, these problems. CBDR was formalized in international law at the 1992 United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro. (From Encyclopaedia Britannica: <http://www.britannica.com/EBchecked/topic/1917951/common-but-differentiated-responsibilities-CBDR>)
- ¹⁵ In particular the G77 and China bloc and, especially, the Like-Minded Group of Developing Countries
- ¹⁶ *"In the context of meaningful mitigation actions and transparency on implementation, developed countries commit to a goal of mobilizing jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries."* (extract from the Copenhagen Accord of 18 December 2009 of which the Conference of the Parties "took note")
- ¹⁷ Among others: US \$3 billion, Japan \$1,5 billion, UK \$ 1,2 billion, France and Germany both \$1 billion.
- ¹⁸ http://news.gcfund.org/wp-content/uploads/2015/04/GCF_contributions_2015_apr_30.pdf;
<http://fifitrustee.worldbank.org/index.php?type=fund&ft=gcf>

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Manuscript completed in June 2015

© European Union

PE 542.224



CATALOGUE: QA-02-15-480-EN-C- (paper)

CATALOGUE: QA-02-15-480-EN-N (pdf)

ISBN: 978-92-823-7407-8 (paper)

ISBN: 978-92-823-7406-1 (pdf)

doi: 10.2861/821729 (paper)

doi: 10.2861/828193 (pdf)