

Vision for Paris: Building an Effective Climate Agreement

July 2015

The Toward 2015 dialogue brought together senior officials from more than 20 countries to discuss options for a 2015 climate agreement. This report from the dialogue co-chairs, Valli Moosa of South Africa and Harald Dovland of Norway, draws on discussions held in eight sessions from March 2014 to May 2015. The views presented are those of the co-chairs. Dialogue participants took part in their personal capacities, and their association with the dialogue and this report is without prejudice to the policies and positions of their respective governments. The dialogue was organized by the Center for Climate and Energy Solutions (C2ES). Further information on the Toward 2015 dialogue, including a list of participants, is available at <http://www.c2es.org/international/toward2015>.

Introduction

- 1) The UN Climate Change Conference in Paris presents a critical opportunity to strengthen the multilateral response to the profound challenge of global climate change. In their decisions building on the 2011 Durban Platform for Enhanced Action, parties to the UN Framework Convention on Climate Change (UNFCCC) have begun to construct a hybrid agreement combining top-down and bottom-up elements with the aim of both broad participation and strong ambition. To realize this vision, the agreement in Paris must establish a legal, rules-based framework that maximizes both ambition and delivery; is dynamic and durable; and works to progressively strengthen the global effort.
- 2) The Paris outcome must give due weight to all elements: mitigation, adaptation, finance, technology development and transfer, capacity-building, and transparency of action and support. Every element poses distinct challenges, and the types of provisions addressing each will vary accordingly. In each case, the critical question is how the Paris outcome can best deliver added value.

Long-Term Direction

- 3) In advancing the ultimate objective of the Convention, the Paris outcome must provide long-term direction toward a low-carbon, climate-resilient global economy. It should reaffirm the goal of limiting global average temperature increase to below 2 °C, and acknowledge that this requires the progressive decarbonization of the global economy to the point of carbon neutrality. Parties should be encouraged to develop indicative pathways to begin mapping out their long-term decarbonization strategies. To provide a stronger long-term vision for adaptation, the Paris outcome also should set a collective aim of integrating adaptation into sustainable development to reduce the climate vulnerability and strengthen the climate resilience of ecosystems, economies and societies.

Equity and Differentiation

- 4) As stated in the Lima Call for Climate Action, the Paris agreement must reflect the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances. It must build on and implement the UNFCCC, while also reflecting and responding to evolving national and global contexts.
- 5) The overall balance of effort achieved through the Paris outcome will reflect the totality of parties' commitments and actions across the full range of elements. How parties' efforts and obligations are differentiated is an issue that runs across the elements; it is most practically addressed within the context of each. Rather than differentiating on the basis of explicit categories of countries, the agreement should respect parties' varied starting points, and should commit all parties to put forward their best efforts, and to strengthen them over time.

Structure and Legal Form

- 6) The Paris package will be a mix of legal and political outcomes, contained in a variety of instruments, addressing both pre-2020 ambition and the post-2020 framework. These will likely include: a core agreement; parties' intended nationally determined contributions (INDCs), whether in, referenced in and/or accompanying the core agreement; related decisions of the Conference of the Parties (COP); and one or more political declarations. Generally, binding elements and those meant to be durable should be included in the core agreement, whereas more detailed and evolving elements belong in COP decisions, and political declarations can helpfully capture broad vision and aspirational goals.
- 7) The core agreement must be of a form that constitutes a legal agreement under the Vienna Convention on the Law of Treaties. Some provisions of the core agreement will establish legal obligations; others will not. A COP decision alone will not suffice.
- 8) The package should include one or more COP decisions to, for instance: adopt the core agreement and open it for signature and formal acceptance by individual parties; take note of parties' INDCs; operationalize aspects of the Paris outcome (whether immediately or following the agreement's entry into force); and initiate processes to elaborate rules and modalities for implementing the agreement.

Mitigation

- 9) Responding to decisions at COP 19 in Warsaw and COP 20 in Lima, parties are now communicating their intended nationally determined contributions to the Paris agreement. Those put forward thus far reflect a diversity of approaches tailored to parties' varying circumstances. This inherent flexibility will help to achieve broad participation, but must be complemented in the agreement by rules, norms and expectations promoting ambitious efforts commensurate with parties' capacities.
- 10) The core agreement should, at a minimum, include binding commitments by all parties to: inscribe and maintain nationally determined contributions (NDCs), report on progress in implementing their NDCs, and participate in procedures holding them accountable. For all parties that are able, NDCs should include an unconditional, quantifiable mitigation contribution. (The Lima decision, for

instance, says that least developed and small island developing countries may communicate strategies, plans and actions “reflecting their special circumstances.”) Parties relying on the international transfer of emissions units as a means of implementing their NDCs must demonstrate environmental integrity (e.g., no double-counting), employing at their discretion common standards or guidelines to be developed.

- 11) The self-determination by parties of their NDCs is resulting in de facto differentiation in the type and level of parties’ mitigation efforts. The Lima decision states that a party’s contribution “will represent a progression beyond [its] current undertaking.” Similarly, the agreement should set the expectation that parties will progress in the type, scope and/or scale of their efforts, in line with their circumstances. This will help ensure a progressively more ambitious collective effort, while respecting parties’ varied starting points and reflecting their evolving capacities.
- 12) Making NDCs legally binding may provide greater confidence they will be implemented, but may also inhibit participation or ambition. Ultimately, the strength of the agreement rests on the transparency and accountability it provides and on parties’ political will to implement it.
- 13) INDCs should be reflected in the Paris outcome; a party must inscribe a final NDC upon its formal acceptance of the agreement. In the interim, parties may adjust their contributions upwards, or to conform them to the agreement or subsequent rules, provided this results in no weakening of effort. NDCs will not be subject to ratification by other parties.

Transparency and Accountability

- 14) A critical element of the Paris agreement is a robust transparency and accountability framework tracking the progress of all parties in implementing their NDCs. Building on parties’ experiences under existing procedures (including national communications, emissions inventories, biennial reports, expert review, and the transparency mechanisms established under the Cancún Agreements), the Paris agreement should move beyond bifurcated approaches toward a common framework with built-in flexibility for varying national capacities. This flexibility could be provided through self-selected tiers with differentiated standards and/or timing for different capacity levels or types of NDCs. Support should continue to be provided to strengthen capacity in developing countries.
- 15) The transparency and accountability framework should be facilitative in nature – i.e., it should help parties understand and overcome obstacles to full implementation of their NDCs, not impose punitive consequences. In addition to a routine review process involving all parties, the agreement could establish a body or process to consider specific questions of implementation, giving form, for instance, to the multilateral consultative process envisioned in the Convention.

Taking Stock and Updating Nationally Determined Contributions

- 16) The agreement should establish a regular stocktaking process to periodically (e.g., every 5 years) assess the adequacy of parties’ collective efforts and progress towards the agreement’s long-term mitigation goals. This process should take account of the latest available science and the outputs of the transparency and accountability procedures.

- 17) To continually strengthen mitigation efforts, the agreement should require parties to periodically update their NDCs on a common timeframe (e.g., every 5 years). This updating process should begin early enough that NDCs for the post-2025 period are in place well before 2025. In presenting their future INDCs, parties should provide the clarifying information outlined in the Lima decision and identify domestic measures through which they intend to achieve their NDCs. The updating process also should include a synthesis of the INDCs' aggregate effect, and allow time for parties to consider one another's intended efforts before final NDCs are inscribed.

Adaptation

- 18) An important aim of the Paris outcome must be to elevate and advance adaptation at the global and national levels. One means, as outlined above, is to strengthen the long-term vision for adaptation under the UNFCCC.
- 19) The Paris agreement should commit all parties to prepare, implement and regularly report on national adaptation efforts, with support provided to vulnerable developing countries with the least capacity to adapt. The Cancún Adaptation Framework and other related UNFCCC mechanisms should be tailored to support the preparation and implementation of these national adaptation efforts. In reporting on their adaptation efforts, countries in need of support may also identify future adaptation priorities as a basis for international cooperation. Parties must also consider in Paris how to address loss and damage resulting from unavoidable climate impacts.
- 20) To continually strengthen adaptation efforts, the agreement should establish a regular process, possibly in conjunction with the stocktaking process described above, to periodically assess adaptation progress and priorities. This process should provide an opportunity for parties to exchange experiences and share lessons learned and best practices. It also should promote the development of indicators to better track and assess the effectiveness of adaptation efforts.

Finance

- 21) Another priority must be to strengthen support for developing countries and investment globally in both mitigation and adaptation. An important first step is greater clarity and confidence with respect to pre-2020 flows. With initial contributions now in hand, the Green Climate Fund should aim to begin moving projects through the pipeline ahead of Paris. By Paris, parties should seek improved methodologies to track progress toward the goal of mobilizing \$100 billion a year in public and private climate finance by 2020.
- 22) For the longer-term, the agreement should set a collective aim of mobilizing finance and investment to support the transition to a low-carbon, climate-resilient economy. It also should establish a regular process to track aggregate climate finance flows, assess finance needs, and identify opportunities to scale up climate investment globally.
- 23) All countries should commit to invest their own resources in their domestic climate efforts and to provide enabling environments for climate investment. The Lima Call for Climate Action recognizes

the complementary support now being provided to developing countries by parties not committed to do so under the UNFCCC. The Paris agreement must further enable this enlargement of the circle of contributors post-2020 to maximize support from those able to provide it to those most in need.

- 24) To strengthen the transparency of support, the agreement should require regular reporting and review of support provided and received, as well as its use and impacts. Parties also should report on their domestic investment in climate efforts and their efforts to provide enabling environments. The agreement also should seek to further strengthen methodologies for tracking aggregate climate finance flows in the post-2020 period.

Non-State Actors

- 25) A wide variety of non-state actors – including subnational governments, businesses, international institutions and civil society organizations – are contributing to the global climate effort. To acknowledge and encourage such efforts in support of countries’ nationally determined contributions, the Paris outcome should provide a platform to recognize commitments and actions by non-state actors. This platform should afford some measure of transparency to ensure that recognized contributions are meaningful, without imposing burdensome requirements. Parties should consider whether to extend the platform beyond Paris to encourage further efforts by non-state actors in the years ahead.

Closing Thoughts

- 26) This report is offered for the consideration of governments and stakeholders in the sincere hope that it will contribute to a meaningful and durable outcome in Paris. The Co-Chairs note that due to time constraints it was not possible for the Toward 2015 dialogue to adequately consider all relevant issues; the lack of attention in this report to any given issue is not a judgment of its significance for a successful outcome. The Co-Chairs express their deep gratitude to the dialogue participants for their forthright, constructive engagement and their commitment to forging common ground.

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As is the case with all materials resulting from meetings held at The Pocantico Center of the Rockefeller Brothers Fund, the views expressed in this report are not necessarily those of the Rockefeller Brothers Fund, its trustees, or its staff.



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