

Exploring the challenges behind the Paris Agreement #COP21

A newsletter by **cdc climat** research



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THE CLIMATE CHANGE CONFERENCE  
COP21 • CMP11

Heading towards the 21<sup>st</sup> Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) to be held in Paris from November 30<sup>th</sup> to December 11<sup>th</sup> 2015, CDC Climat Research, in partnership with ADEME, the French Environment and Energy Management Agency, attempts to shed some light on the challenges surrounding this Paris Climate Conference 2015. We will be exploring what can be expected from the post-2020 climate agreement in Paris. We will also be discussing some key success indicators of such an agreement. Over the course of six issues, ClimasCOPE will provide analysis related to carbon pricing, climate finance, greenhouse gas (GHG) emissions' accounting, the role of subnational actors, adaptation to climate change and the accounting of government commitments with the scenario wherein global mean temperatures would rise by no more than 2°C.

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## Editorial – Non-state actors: pushing the climate action agenda forward

Only the 195 sovereign States and the European Union, bound by the UNFCCC, have a seat at the climate negotiations table. While it is the States that define international and national targets, their operational implementation however, is heavily dependent on GHG emissions reductions actions taken by all non-state actors, including companies, NGOs, federal States, provinces, regions, cities, etc. These actors play a proactive role in proposing initiatives and carrying out pilot projects.

Since the Copenhagen Conference in 2009, non-state actors have tried to be recognised for this role through international forums. The 2014 Climate Summit organised by UN Secretary General Ban Ki-moon supported this recognition and encouraged their involvement. Since then, numerous organisations have expressed their desire to commit to GHG emissions reduction targets, which, in some cases, are very ambitious. Over the course of a series of themed events, various non-state actors have reaffirmed their willingness to combat climate change by referring to existing and planned implementation of practical actions.

The Peruvian and French Presidents of COP20 and 21 decided to bring together these commitments and actions into an 'Action Agenda'. This new official recognition for non-state actors represents a real catalyst for their increased involvement and will be one of the positive results of the 2015 Paris Climate Change Conference. This Agenda should also encourage ambitious commitments by States, although it will not be formally included in the Paris Agreement in the strictest sense, since the Agreement will be an agreement between sovereign States.

Ensuring the required interoperability and consistency of these non-governmental ambitions as part of a long-term, global movement to reduce GHG emissions remains a challenge, which can only be tackled under four conditions:

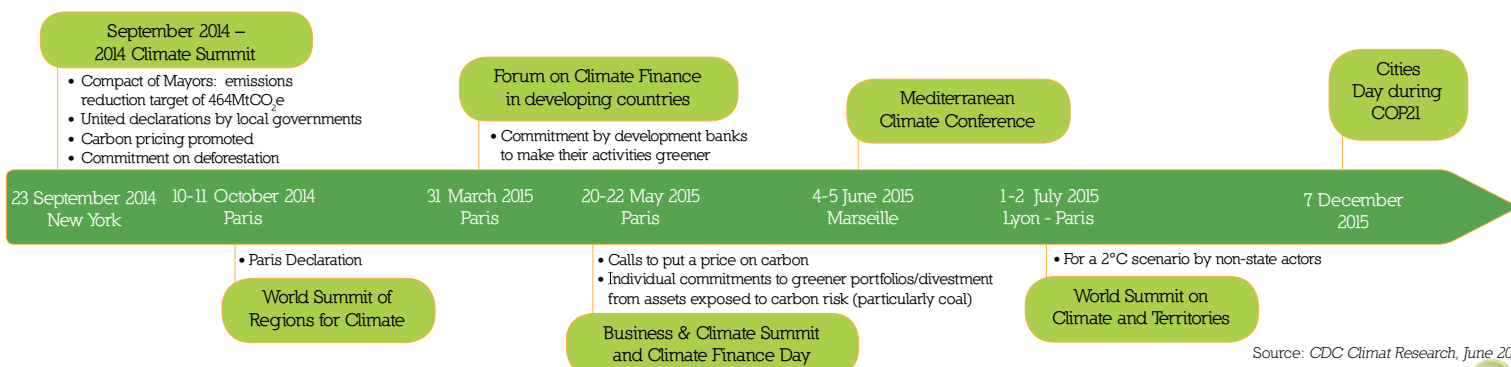
- Ensuring the integration of these new initiatives into the long-term strategies of the States and commitments;
- Guaranteeing the credibility and effectiveness of initiatives to reduce GHG emissions, using a shared monitoring, reporting and verification (MRV) system which is adapted to non-state actors, and that verifies the economic and environmental viability and public acceptance of their actions;
- Encouraging their dissemination to as many actors as possible, indicating the key factors for success and reproducibility;
- Encouraging effective and transparent channelling of financial resources to promote the energy transition driven by these actors, by facilitating access to finance and providing guarantees regarding their long-term future (Cf. ClimasCOPE 2).

Non-state actors made unprecedented commitments in 2015. These constitute a major step forward, with a large number of organisations now sharing the vision of a low-carbon economic transition towards adapted to climate change. However, a sufficiently strong political message remains to be delivered at COP21, to ensure the four stated conditions are met and to genuinely enable all stakeholders to be involved in these new development pathways.

With less than six months to go before this deadline, the World Summit on Climate and Territories being held in Lyon on July 1<sup>st</sup> and 2<sup>nd</sup> is a key milestone in the international mobilization of non-state actors. All regional actors are planning to make quantitative or qualitative commitments, for example in relation to transport and regional planning as well as in the forestry and agriculture sectors and by defining a credible 2°C scenario based on their actions. Whether the goals have been achieved or progress towards them is made in July, the process is well and truly under way!

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### Key commitments by non-state actors taken in preparation for COP21



Source: CDC Climat Research, June 2015

# The Challenge – The role of cities and regions and their knock-on effects

**50% of the population – 80% of GDP – 70% of emissions**

Cities now consume two-thirds of the world's energy which accounts for more than 70% of global GHG emissions. As these figures continue to rise, climate change mitigation challenges are becoming significantly concentrated in urban areas. Cities house the majority of the world's population (50% today and 60% by 2030) and are often located on rivers or coasts, making them particularly vulnerable to the effects of climate change. In the Intergovernmental Panel on Climate Change (IPCC) latest report, two chapters have been dedicated to mitigation and adaptation issues faced by urban areas. This illustrates the importance of cities and their specific role in tackling these challenges.

## Decisive action levers

Cities have the necessary action levers to reduce their emissions and adapt to climate change. Half of global GHG emissions<sup>1</sup> result from city-level decisions taken regarding land-use planning, construction, transport and waste management. Urban development policies define cities' development models for several decades into the future and are therefore, crucial to achieving mitigation and adaptation targets.

## A knock-on effect on regional actors

Not all levers for action are directly in the hands of municipal authorities. In France, for example, it is estimated that GHG emissions from cities' assets and activities only represent between 5% and 20% of total GHG emissions within their boundaries. Private housing, economic activities and imports of consumer goods have very high additional mitigation potential. The challenge is therefore to encourage all regional actors (households, companies, associations, etc.) to contribute to reducing GHG emissions. To do this, municipalities

have an important role to play in informing, incentivising, organising and supporting these necessary emission reductions actions. They can also send out strong economic signals and provide targeted incentives according to their resources and responsibilities, e.g. via local taxation, the introduction of carbon criteria into public procurement and the establishment of an emission trading system, as the municipality of Tokyo has done.

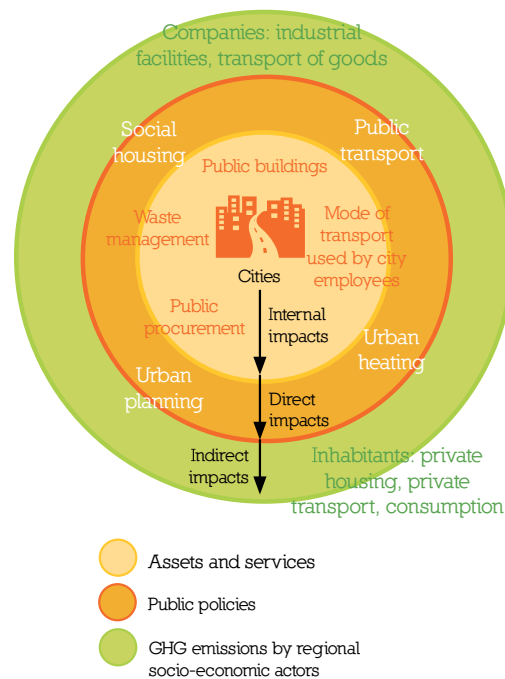
## The need for appropriate frameworks and resources

In order to optimise their GHG emissions reduction potential, cities express three main requirements via their networks:

- A national framework recognising cities' actions and granting them the right to experiment;
- Appropriate governance provisions, including particularly, a coherence between the different levels of governance, transfer of technical and legal skills at the most relevant level and joint GHG emissions monitoring systems;
- Easier access to public and private, national and international funding.

Cities have ensured that their voices are heard at major international events and when communicating with governments by organising themselves within established networks such as, the C40, UCLG and ICLEI<sup>2</sup>. Several politicians embody these diplomatic efforts by cities, including Michael Bloomberg, the former mayor of New York who was appointed as the UN Secretary-General's Special Envoy for Cities and Climate Change, and Anne Hidalgo, mayor of Paris and C40 Special Envoy to the World Climate Summit. Their role is to consult local politicians, stimulate political will, represent cities' positions and thereby enhance discussions in order to reach an agreement in Paris in 2015.

## The multiple levers of action in cities



Source: CDC Climat Research, June 2015

In recent years, several major declarations and meetings have expressed this commitment by cities and their regional partners (see Local Government Climate Roadmap from Bali in 2007, the Nantes Declaration of mayors and subnational leaders in September 2013 and the New York Declaration by non-state actors in 2014).

This climate agenda should be viewed in line with development challenges set out in the Sustainable Development Goals currently being adopted and those of the third United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in 2016.

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<sup>1</sup> According to the 2014 Delebarre & Dantec report. <http://www.assemblee-nationale.fr/14/evenements/mardi-avenir/2014-06/MAE-rapport-2013.pdf>

<sup>2</sup> United Cities and Local Governments ([www.uclg.org](http://www.uclg.org)), the Cities Climate Leadership Group ([www.c40.org](http://www.c40.org)) and the International Council for Local Environmental Initiatives ([www.iclei.org](http://www.iclei.org)).

# News - G7 announcements and the SDGs adoption process

## Important announcements in climate action made by the G7

On June 7<sup>th</sup>-8<sup>th</sup>, the 41<sup>st</sup> G7 summit was held, wherein discussions on combating climate change led to significant policy announcements. The key announcement made was on the G7 countries rallying behind the goal to fully decarbonise their economies by 2100. On mobilisation of climate finance, the G7 also reaffirmed the Copenhagen commitment of mobilising \$100 billion in annual climate financing by 2020 from public and private sources. While agreeing to keep 2° as a maximum global target to limit rise in global temperature, the G7 leaders also backed IPCC recommendations to reduce GHG emissions by 40-70% by 2050, using 2010 as a baseline. The need for greater accountability and transparency, and a binding legal instrument at COP21 was discussed. G7 declaration included a pledge to include climate mitigation and resilience considerations while making investment and development decisions. The G7 also aimed to apply carbon-market based

and regulatory instruments towards incentivising long-term low-carbon growth. The G7 also aimed to support disaster risk efforts in countries most vulnerable to adverse climate change effects, and to increase up to 400 million, the number of people who have access to direct or indirect insurance coverage against climate hazards. Other commitments declared were to improve access to energy in Africa, reduce energy poverty and to make the Green Climate Fund fully operational in 2015.

## Latest developments in the process of adopting Sustainable Development Goals

Another major event expected this year is the adoption of Sustainable Development Goals (SDGs) in September as part of the UN Summit on Sustainable Development. This summit should result in the definition of a post-2015 development agenda. These targets are designed to follow up and extend the scope of the eight Millennium Development Goals (MDGs) which were decided in 2000 and are due to expire

in 2015. A preliminary version (known as the 'Zero Draft') was published on June 2<sup>nd</sup> with 17 goals and 169 sub-goals for discussion within countries ahead of the September event.

The issue of funding the Sustainable Development Goals will be addressed in Addis-Ababa in Ethiopia at a special summit to be held in July 2015. In preparation for the summit, a technical negotiations session was held in New York from June 15<sup>th</sup> to 19<sup>th</sup>. The aim of this session was to prepare a draft agreement for funding the post-2015 development agenda. The focus of this session was the long-term financing of infrastructures in developing countries and the role of multilateral and regional development banks. The adoption of an agreement on funding is key to the successful adoption of the SDGs in September and to fruitful negotiations at COP21.

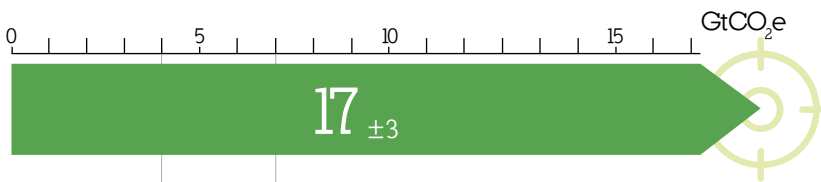
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## Calendar

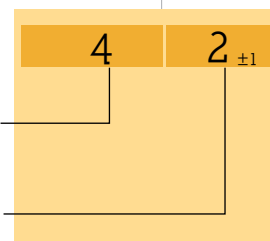
- June 29<sup>th</sup> : UN General Assembly high-level meeting on climate change, New York.
- July 13<sup>th</sup>-16<sup>th</sup> : Third International Conference on Financing for Development, Addis Ababa.
- July 20<sup>th</sup>-21<sup>st</sup> : Ministerial meeting on climate policy and draft text, convened by the COP21 French Presidency, Paris.
- July 24<sup>th</sup> : Co-chairs of ADP sessions to present climate draft text.
- August 31<sup>st</sup>-September 4<sup>th</sup> : ADP 2-10, next round of climate deal negotiations, Bonn.
- September 25<sup>th</sup>-27<sup>th</sup> : UN Summit for the Adoption of the Post-2015 Development Agenda.

## State and non-state actors: using a collective dynamic for achieving the 2° target

To limit global warming to 2°C, UNEP estimates an emissions reduction of 17 GtCO<sub>2</sub>e is required by 2020 according to a business as usual scenario.

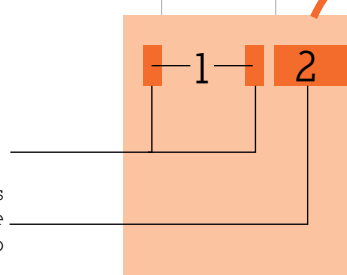


To date, States have pledged to reduce their GHG emissions by 6 GtCO<sub>2</sub>e.



- A portion of these pledges covers existing policies and measures.
- The remaining share of the pledges covers new policies and measures.

The potential GHG reductions of Non-State Actors (under 15 key initiatives identified by UNEP) is 3 GtCO<sub>2</sub>e (± 0.3).



- A portion of these initiatives overlap with State pledges.
- The rest of the initiatives are additional and bring the collective dynamic closer to achieving the 2° target.

3 GtCO<sub>2</sub>e is equivalent to the 2012 GHG emissions of:

- 1.5 × India
- 0.5 × North America
- 0.5 × EU28 and Russia

Source: CDC Climat Research, according UNEP, Climate Commitments of Subnational Actors and Business, June 2015

## Share of global emissions of countries that have submitted iNDCs



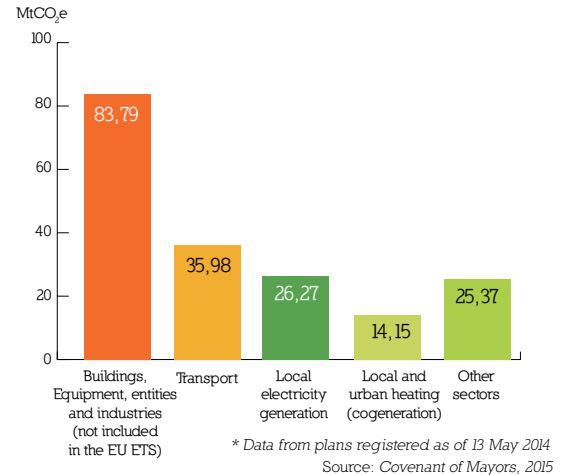
Source: CDC Climat Research, June 2015

## 4 non-state actors initiatives

### The Covenant of Mayors: the largest coalition of cities committed to GHG emissions reduction targets

Launched by the European Commission following the adoption of the Climate and Energy Package in 2008, the Covenant of Mayors is the largest coalition of cities, with more than 5,800 signatories, mainly from Europe, but also from Central Asian and Mediterranean countries. Following an emissions audit, each signatory city or agglomeration makes a voluntary commitment to meet or exceed the European GHG emission reduction target of 20% by 2020 compared with 1990 levels. Sustainable Energy Action Plans (SEAPs) lay out measures for achieving these targets. Monitoring is carried out every two years by checking for compliance of interim results related to set objectives. Developed with the strategic and financial support of the coordinators of the Convention and other institutional bodies (regions, departments, agencies, etc.), these plans are publicly available and certain replicable 'reference cases' are highlighted.

### Estimated GHG emissions reductions in 2020 by sector



### Dakar region adopts first territorial African Climate Plan

#### The Dakar ITCP



The regional councils of Dakar and the Greater Paris region, in partnership with the ARENE (French regional agency for the environment and new energies) began the implementation of an Integrated Territorial Climate Plan (ITCP) in July 2013. Adapting the ADEME methodology for the regional climate and energy plans (PCETs) to the specific characteristics of the Dakar region, the ITCP's objectives are to unite all regional actors around climate issues, to bring together and reinforce existing dispersed projects in addition to defining a genuine development strategy that is appropriate for the region. Following the initial regional audit, key actors were identified and socio-economic and ecological challenges analysed. Strategic climate focuses were then determined, including waste management (reduction, sorting and recycling), raising awareness on reduction of energy consumption, access to renewable energies, improvements to the energy efficiency of buildings and massive reforestation. Themed workshops were established, particularly regarding the energy efficiency of buildings and the management of organic waste. An evaluation system is planned to test the method's transferability to other African regions.

### Tokyo: First municipality to introduce a CO<sub>2</sub> emissions trading scheme

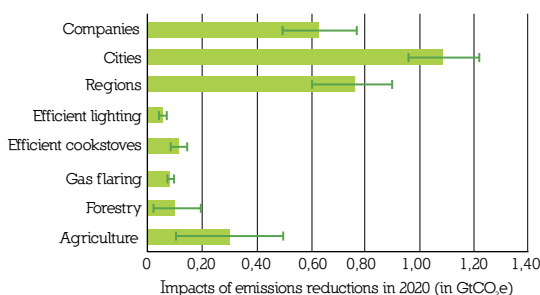
In 2010, the Tokyo Municipal Government established the first CO<sub>2</sub> emissions trading scheme (ETS) at the city level to respond to its GHG emissions reduction target of -25% by 2020 in comparison with 2000 levels. The Tokyo ETS covers direct GHG emissions produced by powerplants and indirect GHG emissions from electricity consumption by public and commercial buildings. This initiative is the first by a municipality to cover the high-carbon building sector. Through this instrument, 20% of the city's emissions are covered, representing 14 MtCO<sub>2</sub> in 2012. This initiative is no longer unique with the launch of the Saitama ETS in Japan in 2011 and Chinese ETS pilots in the cities of Beijing, Shanghai, Shenzhen and Tianjin (all in 2013) and Chongqing (in 2014).

#### Tokyo ETS



### The NAZCA platform: a collection of contributions by non-state actors to combat climate change

#### Impact of emissions reductions by non-state actors or sectors identified within the UNEP study



Launched at the previous climate conference (COP20) in Lima, Peru, the NAZCA<sup>1</sup> web portal compiles, organises, promotes and showcases commitments and initiatives for a transition towards a low-carbon economy (through emissions reduction, development of renewable energies, energy efficiency, carbon storage, resilience, etc.) taken by non-state actors such as cities, regions and private companies. The portal's main objective is to promote the actions of international actors, disseminate best practices and provide encouragement to make commitments, in favour of an ambitious agreement at COP21 in Paris and beyond.

<sup>1</sup> Non-State Actor Zone for Climate Action

\* Non-state actors or sectors identified in the UNEP study  
Source: UNEP, Climate Commitments of Subnational Actors and Business, June 2015

CDC Climat Research is supported by Caisse des Dépôts Group to deliver independent expertise when assessing economic issues related to climate & energy policies in France and throughout the world. Its aim is to help public and private decision-makers improve the way in which they understand, anticipate, and encourage the use of economic and financial resources aimed at promoting the transition to a low-carbon economy. The herein opinion and analysis do not bind ADEME.

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