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# **Policy Outlook International Process Paris Agreement, IPCC & ...**

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Resources for the Future

# The Paris Agreement (2015): a work in progress

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Long-term outcomes depend on future national decisions

# The Paris Agreement

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A modest agreement with essentially universal participation (in 2015)

- Voluntary national pledges through 2025 or 2030 (far from 2 °C ambition)
- Extended existing (vague) collective commitment for finance:  
“by 2020 mobilize 100 B\$/yr from public and private sources”
- Ambitious (aspirational) long-term goals
  - Limit temperature rise to well below 2 °C, pursue efforts to limit to 1.5 °C
  - Peak global GHG emissions ASAP
  - Net zero GHG emissions in the 2<sup>nd</sup> half of the century

Established a timeline with 5-year cycles for future steps

- Review collective progress (2018), then global stocktakes (2023, 2028...)
- Renew NDC pledges (2020, 2025, ...) for (2030, 2035?, ...) NDCs
- Methods and procedures a work in progress

Major gaps and tasks to be accomplished:

- Rulebook (methods, procedures NDCs, Finance, ...)
- Markets and offsets for international carbon/GHG markets
- Elucidate CBDR

# International Markets in the Paris Agreement

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- National mitigation efforts specified in their NDCs, and in some cases national legislation and regulation
  - Many contain no mention or call for participation in international markets
- Article 6 allows for three activities
  - (6.2) Voluntary cooperation among Parties including Internationally transferred mitigation outcomes ITMOs
  - (6.4) Sustainable development mechanism (under CMA)
  - (6.8) A framework for non-market approaches
- Parties using ITMOS should:
  - Assure environmental integrity
  - Avoid double counting
- Challenges: Brazil 6.4, share of proceeds 6.2, inside/outside NDC

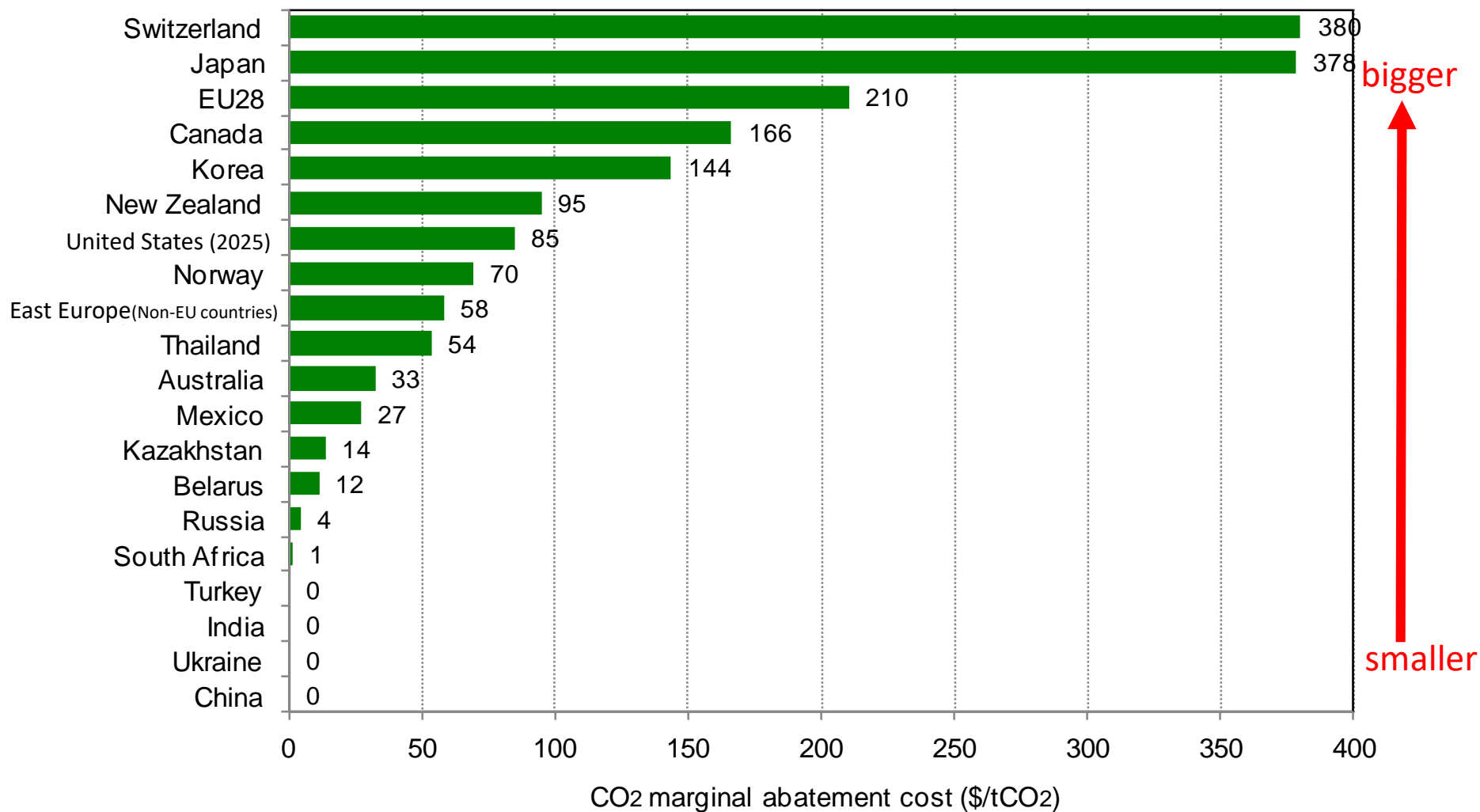
International Markets: TBD 2019?

# Analysis of NDC portfolio & long-term goals

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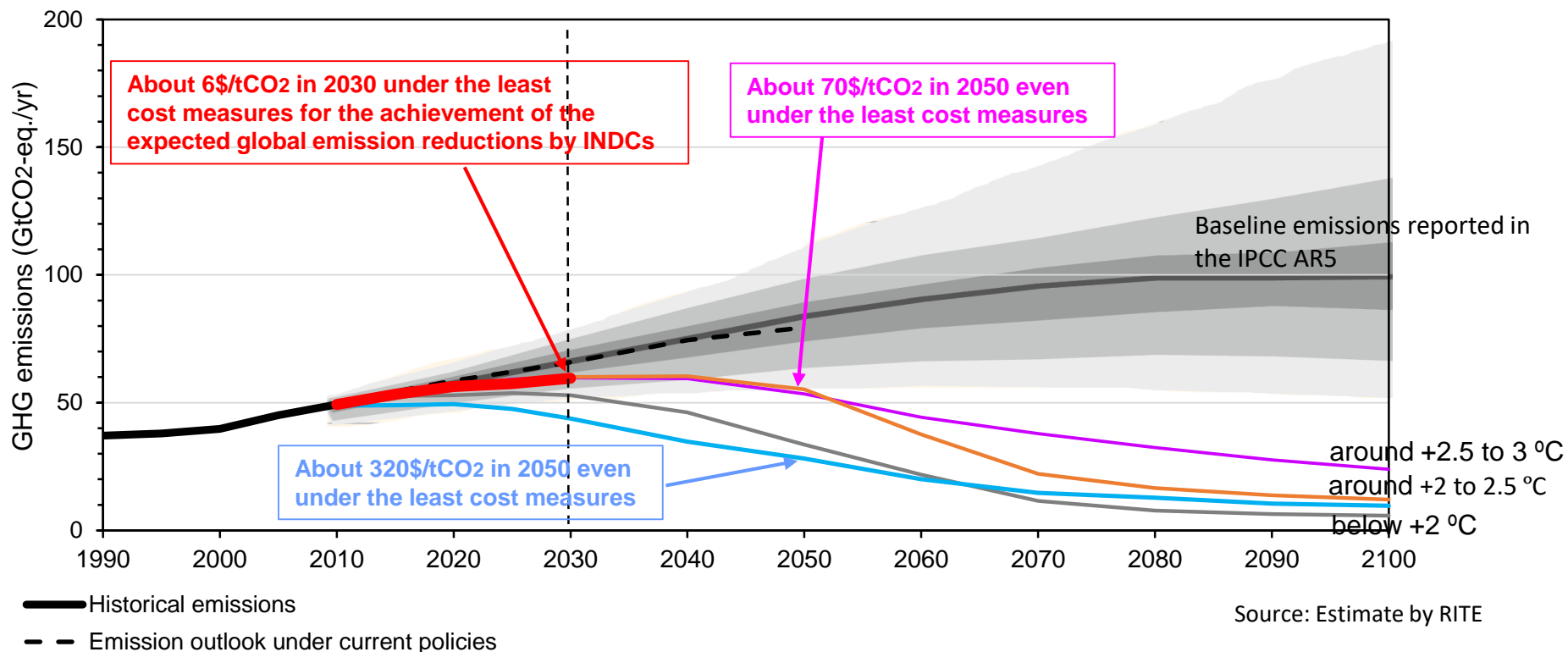
Courtesy of RITE and collaborators in US and Europe

# Comparison of CO<sub>2</sub> marginal abatement costs



NDCs were each implemented using an economy-wide, domestic GHG tax (theoretically the least-cost policy to achieve the pledge)

# Global GHG emissions of the aggregated NDCs & illustrative emission pathways to 2100 toward 2 °C goal



Source: Estimate by RITE

— INDC submitted by October 1 (119 countries) assumed to be implemented

# Katowice COP24, CMP14, CMA 1-3: “Rulebook” and issues

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- Rulebook
  - Agreement on most elements of the Rulebook, **BUT not Article 6**
  - CBDR remains enshrined: differentiation in mitigation, reporting...
  - Transparency: solid, detailed outcome with common approach all Parties
    - Specific, detailed, mandatory guidance
    - New procedures: Inventory after 2020, national reports by end of 2024
  - Procedures for 2023 Global Stocktake (2021-2023)
    - Joint SBI/SBSTA, Co-chairs, Strong link to IPCC AR6
- Headwinds, ongoing differences
  - Treatment of Loss and Damage, Response Measures, Just Transition
  - Lack of clarity on Finance
  - Kerfuffle over receipt of IPCC 1.5 C Report
  - National developments: US participation, Brazil withdrew as COP25 host, France *gilets jaunes* (*widespread, violent, destructive, successful*)

Long-term outcomes depend on future national decisions



# Next steps IPCC

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- IPCC's sixth Assessment (AR6) and Special Reports

- Special Reports

- 2019 (May): Refinement to the 2006 IPCC Guidelines for National GHG Inventories
    - 2019 (Sep): climate change and land: desertification, land degradation, sustainable land management, food security, and GHG fluxes in terrestrial ecosystems
    - 2019 (Sep): the Ocean and Cryosphere in a Changing Climate

- AR6: WG Reports 2021

- April: WG I-Science
    - July: WG III-Mitigation
    - October: WG II-Impacts, Adaptation and Vulnerability)

- AR6 Synthesis Report June 2022

- Key driver of 2021-2023 PA Global Stocktake Process

IPCC has not decided on timing or structure future Assessments, and how that will mesh with 5-year cycles of the Paris Agreement

# Santiago COP25 and going forward

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- UNFCCC/PA Bonn to Santiago and 2023
  - Resolve Article 6
  - Establish common timeframes for NDCS post 2030 ?
  - Decision(s) on use new IPCC Inventory Guidelines ?
  - Are decisions required to wind down Kyoto Protocol ?
    - Fate of CDM and allowances
    - Final reports and compliance
  - Procedures and processes to receive and review
    - Updated NDCs (2020)
    - National Reports and inventories
  - IPCC & Global Stocktake (2021-2023)
- Outside UNFCCC/PA other forums and issues: Role of Secretary General António Guterres & the UNGA, WTO & Trade, Carbon Pricing
- Will the UNFCCC/Paris Agreement be relevant, effective and meaningful?

Long-term outcomes depend on future national decisions, especially on mitigation/NDCs, international markets, finance and capacity building

# Thank You

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