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## COP21: NAVIGATING THE SECOND WEEK

### WHERE WE ARE

**The French political gamble paid off:** The leaders came and met bilaterally to lay the foundations for agreement. They gave strong speeches committing to success and made major announcements on delivering the low carbon economy, creating a positive mood which has lasted.

**The negotiations slow but moving:** After a slow start the French Presidency deployed its diplomatic skill and used the political mandate gained from the leaders to push text along. There was no sign of the distrust over the Presidency role that killed Copenhagen. The text has now been reduced to a manageable 48 pages<sup>1</sup>.

**Political geometry favouring high ambition outcome:** The talks haven't fallen into a "developed vs. developing" dynamic, except over money. The EU and US are working hard to build bridges with vulnerable and poor countries. Saudis have become a major blocker. The Climate Vulnerable Forum is emerging as a major new force. If these dynamics continue, expect stronger rules as long as the issue of funding after 2020 can be resolved.

**Drama to come but most landing points visible:** The road to an agreement will still be rocky but the key points of tension and potential solutions are reasonably clear with the exception of the ratchet. The major issues on the last night will be finance, review periods, long-term goal, transparency and binding legal anchoring of mitigation commitments (INDCs). Expect tense phone calls between leaders to resolve final package on Friday/Saturday.

### THIS WEEK

The various negotiating tracks have now all been brought together into one plenary, the Paris Committee chaired by the French President of the COP, Laurent Fabius. He will be supported by four consultation groups, which will cover:

- > **Support:** co-chaired by Ministers from Gabon and Germany. It will deal with finance and related issues;
- > **Differentiation:** co-chaired by Ministers from Brazil and Singapore. It will deal with the principles of the Agreement to ensure its fairness by allowing for differences in responsibility and capacity;
- > **Ambition:** co-chaired by Ministers from St Lucia and Norway. It will deal with goals of the Agreement and the review mechanism;
- > **Acceleration:** co-chaired by Ministers from Gambia and the United Kingdom. It will deal with actions that can be taken to accelerate progress prior to 2020.

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<sup>1</sup> See further details in the Appendix on page 4.



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## THE END GAME

The final battles will turn on the exact language in the text. This will stay open until the last moment because the linkages between issues and the overriding principle that “nothing is agreed until everything is agreed”. Developed countries, for instance, are unlikely to finally agree the strongest finance package available until they see concessions on other areas like binding transparency rules and review mechanisms.

How far and how fast we move around the turning point to a zero carbon economy will depend on:

- > **Transparency and Accountability:** There is agreement that all countries should fall under the same transparency and accounting framework but that poorer and smaller countries be given more time and assistance to develop national systems. More difficult are the proposals for “common accounting rules” and the frequency, composition of independent experts groups who would assess and comment on the quality of country reporting.
- > **Finance:** Developed countries willingness to “scale up from \$100bn” from 2020. In the context of a strong deal this could include a 5 yearly review linked to that for mitigation and adaptation: “predictable finance rounds every 5 years, linked to the replenishment process, to inform the ambition mechanism”. A critical point is the proposed reference that as well as developed countries finance should come after 2020 from “countries in a position to do so”.
- > **Ambition Mechanism:** Though there is increasing support for a review of mitigation action – combined with adaptation and finance – every five years the precise action is unclear. Some countries want a “review” or just an aggregate “stocktake” of actions rather than a need to “resubmit” or “revisit”, or “strengthen” every 5 years
- > **INDCs:** The INDCs will not be included in the legally binding part of the Paris Agreement but they will be linked to it. Strong but acceptable language for this would include “shall implement policies to achieve”. Weak language would commit countries to no more than “prepare and communicate policies to achieve”.
- > **Long term goal:** The “operationalisation” of the 2C temperature obligation into a time-bound economic goal is highly contentious. Weak proposals include transformation to a “low carbon economy” by “the end of the century”. Stronger proposals would refer to “decarbonisation of the global economy over the second half of the century”. The inclusion of a reference to a potential increase to a 1.5°C goal, and a review of this in 2018 has emerged as a critical sticking point.

## SCENARIOS

E3G has developed three scenarios for possible outcomes. These are:

- > **Scenario 1: ‘Le Zombie’** – tactical deal with high potential for collapse.
- > **Scenario 2: ‘Comme ci, Comme ça’** – modest progress with guarantees on finance.
- > **Scenario 3: ‘Va Va Voom’** – cements a new enduring regime on climate change.



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Our current estimate is that we are in the upper half of 'Comme Ci, Comme Ca' with still some prospect of reaching a 'Va Va Voom' outcome.

Links to the full scenarios can be found, together with a tool for assessing which of the scenarios is occurring, here: <http://www.e3g.org/library/cop21-political-scenarios>

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## APPENDIX

### THE BACK STORY 1 – THE LEADERS

The French gambled on inviting leaders to COP21, against the advice of many scarred by Copenhagen. It paid off: over 145 world leaders arrived, made speeches and left safely.

Key leaders, including Obama and Xi, met for private discussions, promised each other a positive outcome and so set the stage for the end-game politics.

Some clear themes emerged consistently from Leader's speeches:

- > Commitment to a deal in Paris and solidarity with French over terror attacks;
- > Climate change is an issue of human and national security for all countries;
- > Climate change is happening now and countries need help to cope with impacts;
- > We are at a turning point; there is no choice between the economy and stabilising the climate but question is all countries how to deliver the transition;
- > Developed countries must lead but all countries take responsibility and action.

There was good reporting at home of Leader's statements; raising domestic political pressure for agreement. Hollande gained moral authority through his personal work to support COP21 after the terror attacks. The French COP Presidency also derived strong political authority to shape negotiations from the Leaders statements that they wanted negotiators to deliver a strong deal.

This is a striking contrast to the lack of broad political support and trust in the Danish COP Presidency going into Copenhagen.

### BACKSTORY 2 – WHAT HAPPENED IN THE FIRST WEEK?

The ball went back to the negotiators in the small groups; as usual individual countries manoeuvred to protect their key positions before the Ministers arrived.

Negotiations to slim down the text and produce clear political options for ministerial negotiations were hampered by a complex text spilt between multiple spin-out groups and formal processes.

Foreign Minister Fabius intervened for the French Presidency on Wednesday night when progress became glacial and some groups of countries started briefing aggressively against each other, particularly over provisions of finance to poorer countries after 2020.

French intervention seemed to reset the atmosphere and deliver some progress to cut down the negotiating text and develop "bridging text" for potential compromise solutions.

This has been supplemented by quieter consultations on tricky issues like "Loss and Damage" (support for countries damaged by climate change), which have so far been managed away from the main negotiations.



Politically the talks have been marked for the lack of simple dualistic “developed vs developing country” dynamics with a complex web of country alliances over different issues. Some of the key dynamics include:

- > The Climate Vulnerable Forum (CVF) has emerged as a major new player. It includes a wide range of countries from small middle income islands like Barbados to major developing powers the Philippines and Bangladesh. The CVF has pushed across traditional negotiating blocks arguing for stronger action on mitigation to limit warming to 1.5C and greater financial support from developed countries to adapt and manage climate impacts.
- > After some negotiating misfires which sparked sharp reactions from developing countries the EU and US have been playing a positive role. Reaching out to vulnerable and poorer countries by taking conciliatory positions on finance, Loss and Damage and the 1.5C goal. US Chief Negotiator Todd Stern remarked on Friday that he saw the emergence of the “High Ambition Coalition” in the talks.
- > In contrast Saudi Arabia has been playing a very negative role in Paris, objecting to any processes to consider a 1.5C goal, or encouragement of divestment from fossil fuels. Saudi Arabia is attempting to bring the Arab block along with it in an increasing bitter confrontation with the Vulnerable Countries.
- > Against the grain of positive US-China dynamics, China has taken a more negative and somewhat contradictory stance in the first week. It sided with Saudi Arabia, pushing against convergence on strong transparency rules and objecting to any mention of richer developing countries voluntarily providing climate funding to poorer countries after 2020. This is despite China announcing \$3 billion in climate aid in September and making another very large financial commitment to Africa while in Paris.
- > India started the week with intense media and diplomatic speculation that it would be the major blocking force in the negotiations. But this dog has barely barked with India taking a quiet or positive role in many areas.

The less confrontational style from countries like the US had lowered the temperature of the negotiations by Friday. The text was slowly streamlined and bridging options produced. As the world’s largest climate finance donor, the EU has built confidence by showing potential flexibility in the end game on finance and this has enabled it to play a key role in finding potential compromises. Although major differences remain over substance the talks are not being derailed over arcane process issues as often happens.