



Europa-Universität
Flensburg

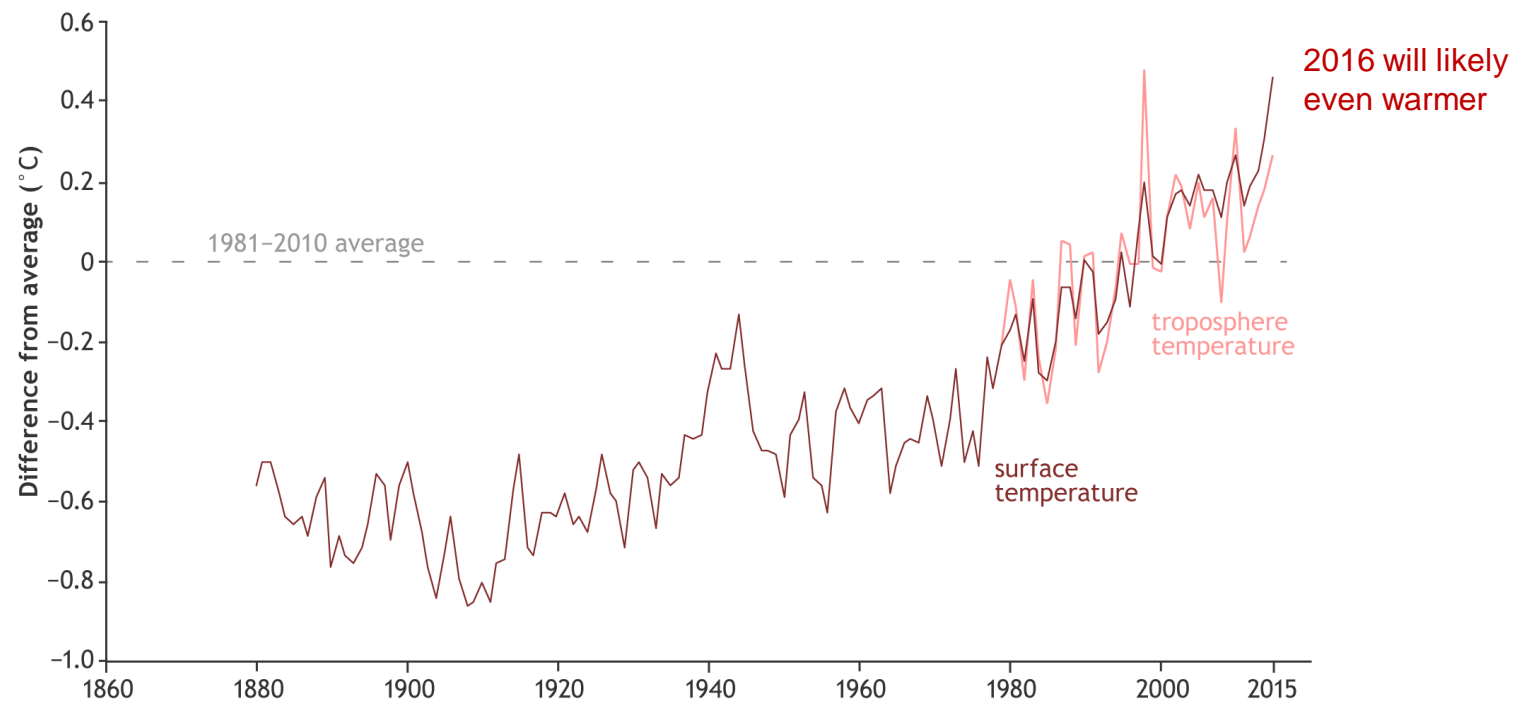
The Paris agreement and climate finance

Agenda

1. Climate policy response: The road to Paris
2. Actions and effects after Paris
3. Climate finance instruments

Why do we have a problem?

2015: Earth's warmest year by widest margin on record



NOAA Climate.gov, adapted from State of the Climate 2015

9 of 10 warmest years were recorded after the year 2000

Source: NOAA, 2016

The climate policy response: What happened in Paris?

What the news said the next morning

Climate Deal Is Signal to Industry: The Era of Carbon Reduction Is Here
 Unilever all expressed support for an ambitious deal. On Twitter on Saturday night, BP, the British oil giant, called the Paris agreement a "landmark climate change deal" and pledged to be "a part of the solution."
 In June,
The New York Times



Kampf gegen Erderwärmung: Die Welt einigt sich auf historischen Klimavertrag

SPIEGEL ONLINE - 12.12.2015

Alle 195 Länder stimmten zu: Beim Klimagipfel in Paris haben sich die Staaten auf ein Abkommen geeinigt, das die Erderwärmung eindämmen soll. Die Beschlüsse betreffen alle Bereiche der

Paris climate agreement: diplomatic coup for France

www.theaustralian.com.au/.../paris...agreement.../ 328054132caaf0034e4993d36913da51



Dec 14, 2015 ... LEnsbpBOURGET: The 195-nation wrangle that ended with a historic Paris pact to curb global warming had to be the anti-Copenhagen: as ...

THE AUSTRALIAN

Paris climate deal: nearly 200 nations sign in end of fossil fuel era **theguardian**

CLIMATE CHANGE

Obama says Paris deal 'best chance to save the planet'

Delegates from 195 nations agree on new accord to keep average temperature increases below 2 degrees C. **ALJAZEERA**

Paris Agreement: No big losers at COP21, here's how everyone won something

The Indian EXPRESS

Written by Amitabh Sinha | Updated: December 14, 2015 at 12:10 am
 No country or group had an outright victory on any of the contentious issues, and at the same time each of them had something to crow about.

December 12, 2015

FINANCIAL TIMES

Let's hail the Paris climate change agreement and get to work

The Paris agreement and the supporting decisions are a diplomatic triumph. They are an act of true global...Jeffrey Sachs

Paris climate change agreement: the world's greatest diplomatic ...



Dec 14, 2015 ... Paris produced an agreement hailed as "historic, durable and ambitious". Developed and developing countries alike are required to limit their ...

theguardian

THE AUSTRALIAN BUSINESS REVIEW

The Paris Agreement won't stop coal, but future climate talks might

WELTKLIMAVERTRAG STEHT. KLIMA-EXPERTE: Bild

„Viele Generationen werden sich an den Gipfel erinnern“

Nach fast zwei Wochen harten Verhandlungen endlich der Durchbruch beim Gipfel von Paris



Cop21 talks 'great success' for UAE

TheNational

December 13, 2015

Government and private-sector entities have welcomed the Cop21 agreement to cap global warming, saying that the UAE negotiated strongly and left with more assurances for a renewable future.

NASER AL WASMI

The aim... avoid repeating Copenhagen's failure

- Ensuring participation and transparency
 - Communiqués of all meetings, *indaba* negotiation format
 - Small countries felt taken seriously
- Heads of States early at the beginning to kick off the talks
 - allowed ministers to engage in the negotiations having the mandate for final submissions



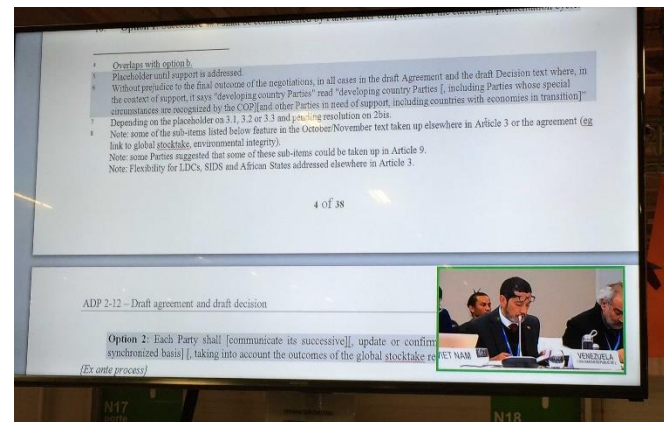
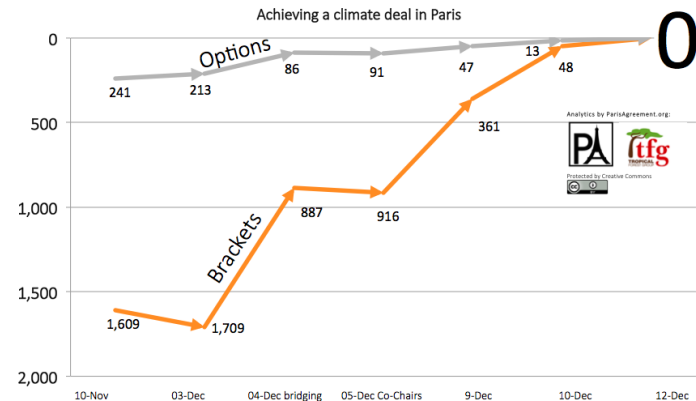
Largest number of heads of state (150) under one roof in world's history

[Two weeks] on the path to [zero dis]agreement

- Pre-COP draft Paris Agreement and decision

by the numbers:

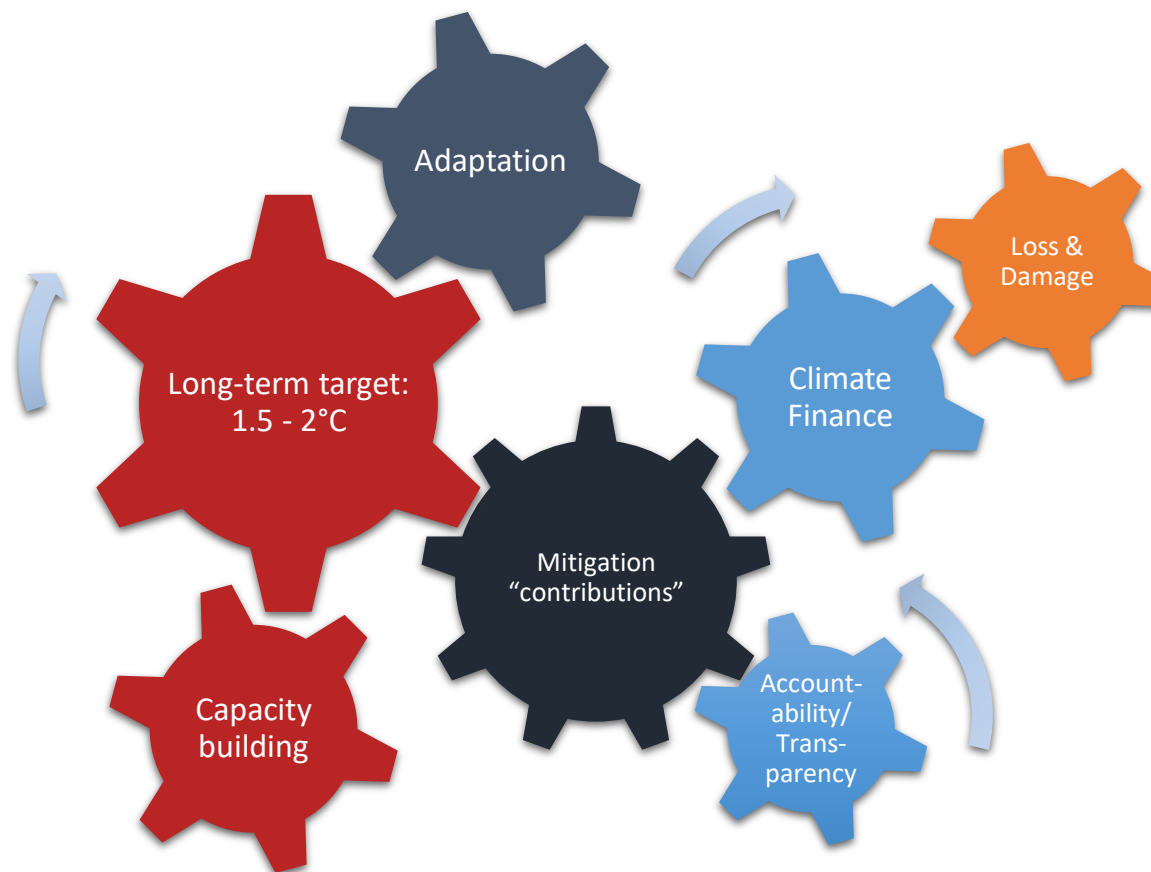
- 34,678 total words.
- 1,059 paragraphs.
- 1,622 [brackets] signifying lines of contended text.
- 228 Options in the text (259 instances of “option” minus 31 of “adoption.”)
- 12 days to negotiate.
- 196 Parties that must arrive at consensus for a new universal climate change agreement



Source: ParisAgreement.org; Own picture

The Road To Paris

What was negotiated in detail?



Main outcomes

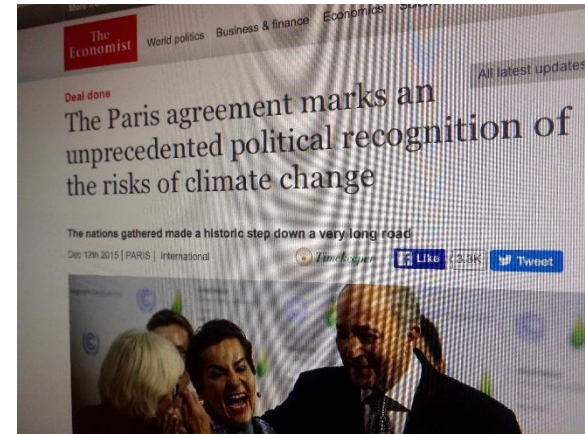
Paris' key message: The age of fossil fuels is over

- The common goal to

“holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels”

- Joint commitment, towards “decarbonisation”:

“balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century”



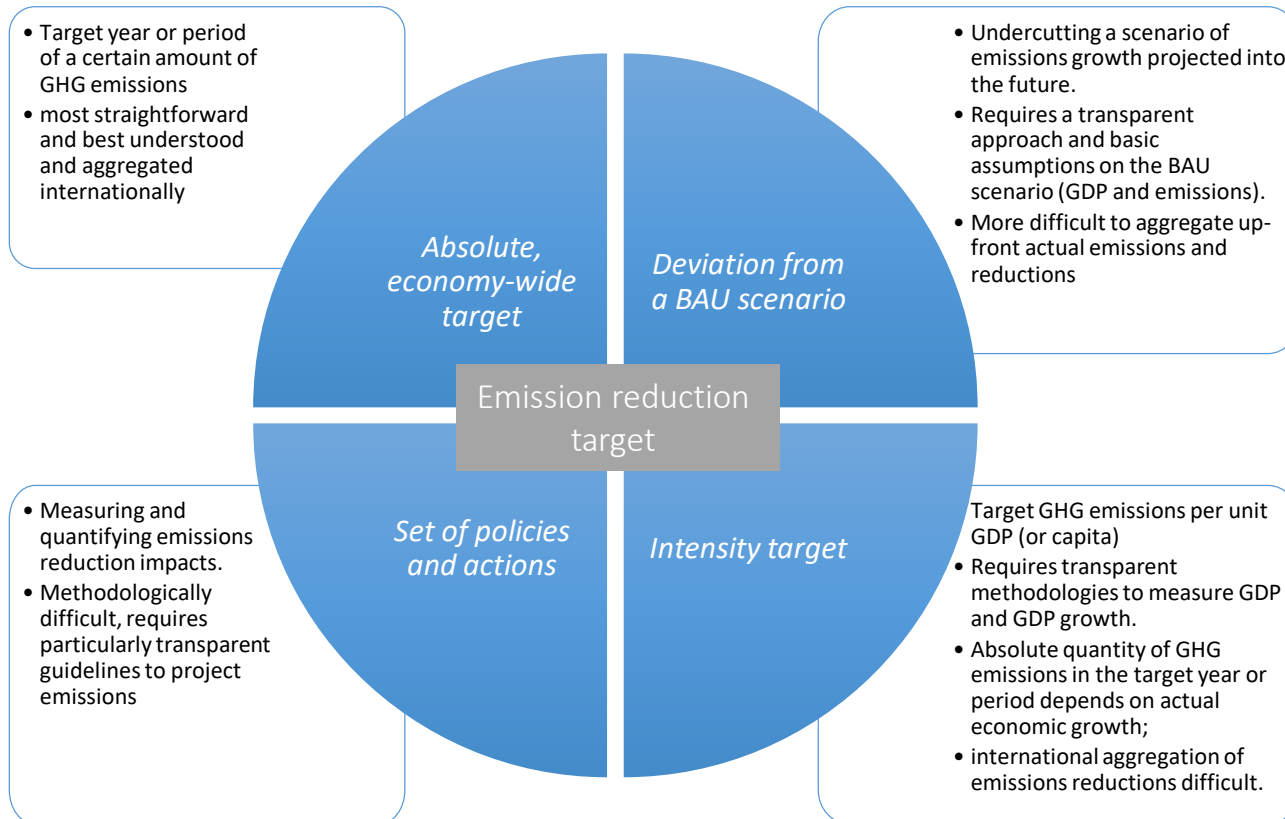
“Perhaps the most significant effect of the Paris agreement in the next few years will be the **signal it sends to investors**: the united governments of the world say that **the age of fossil fuels has started drawing to a close.**”

Paris Agreement built upon bottom up approach with INDCs as infrastructure

- COP 21 / **Paris Agreement** delivered a universal agreement with ambitious long-term objectives
 - hold global warming well below 2°C above pre-industrial levels and to pursue efforts to limit it to 1.5°C
 - increase ability to adapt to the adverse effects of climate change and to foster resilience
 - make finance flows consistent with pathway towards low greenhouse gas emissions and climate-resilient development
- Almost all countries have submitted an intended nationally determined contribution (INDC)
 - 187 Parties submitted INDC prior to COP21
 - INDC will become **nationally determined contributions (NDCs)** under the PA

Source: Paris Agreement, Article 2.1

What are (I)NDCs?



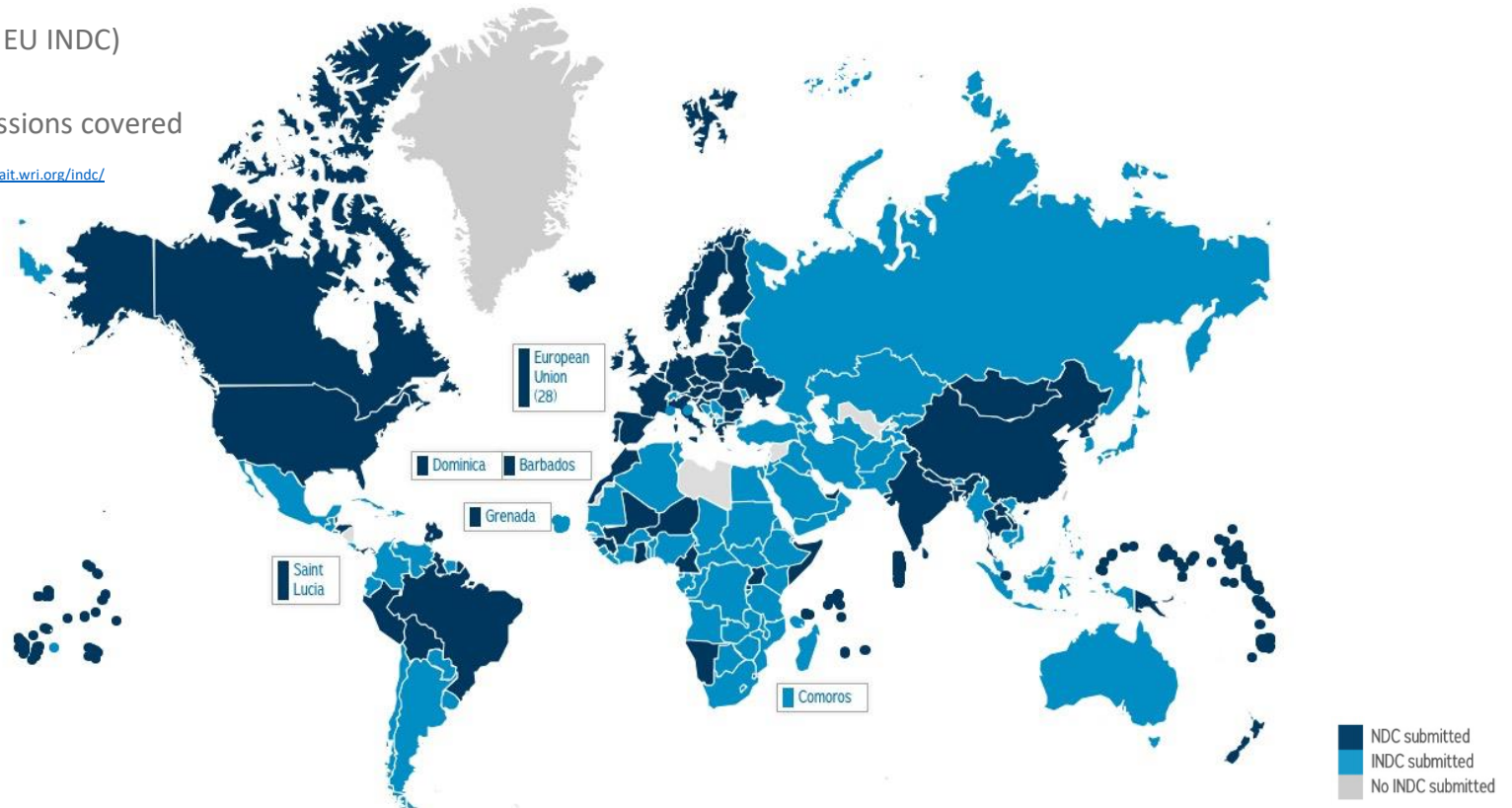
Most Parties communicated their INDCs before COP21

Current Status

- 163 (I)NDCs Submitted
- 191 Parties (joint EU INDC)
- 98.9% global emissions covered

As of 18th March 2016

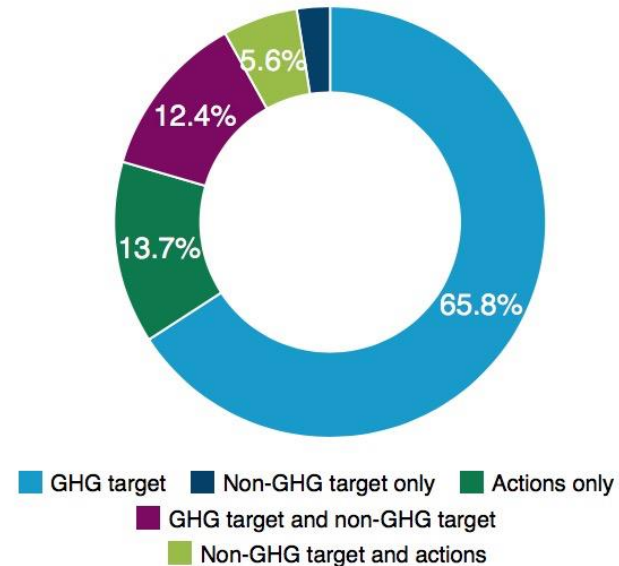
Source: World Resource Institute; <http://cait.wri.org/indc/>



Main INDC features

- Majority contains GHG targets & adaptation components
- Many countries include **conditional targets**
 - Finance
 - Technology or capacity building support
- Many INDCs timeline up to 2030, some to 2025
- Different reference points were communicated (most of them 1990 or 2005)

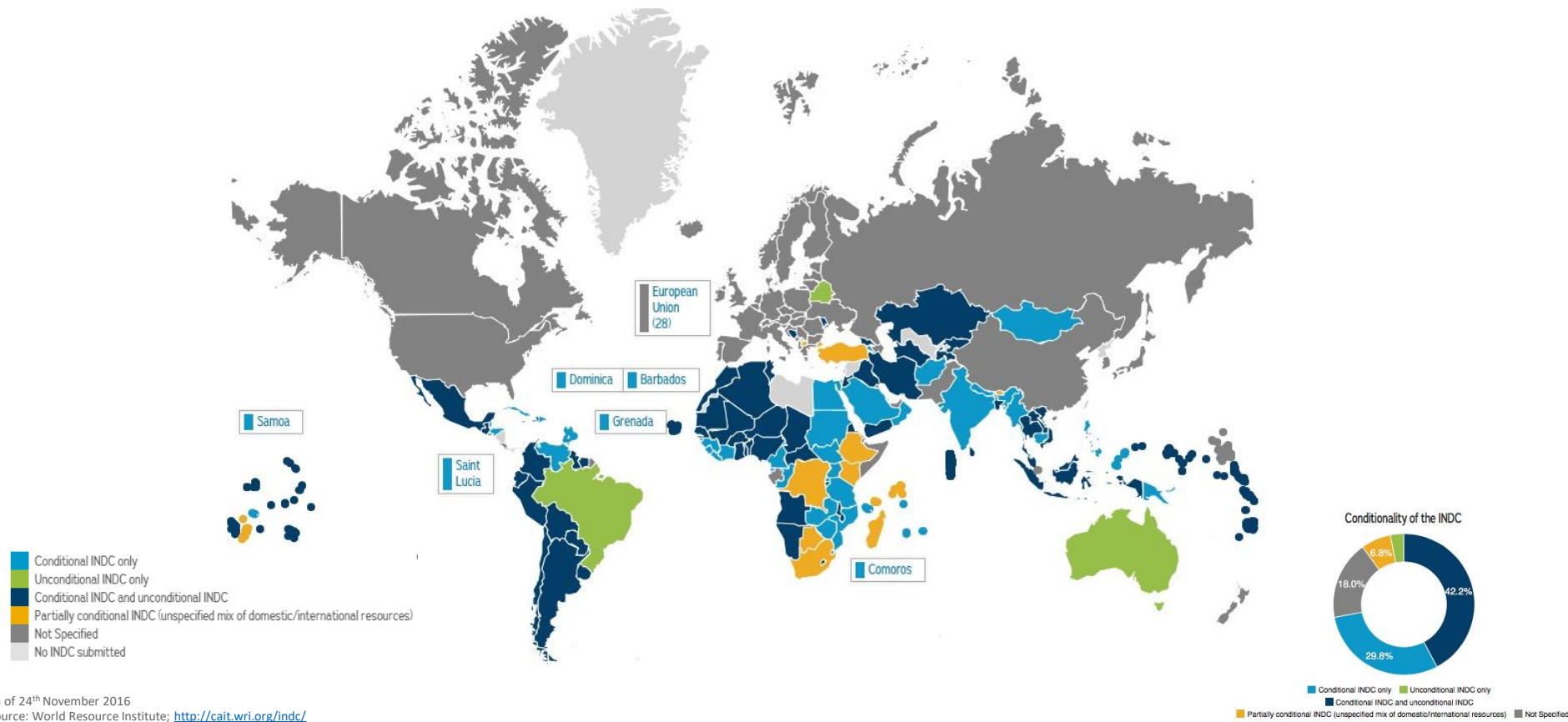
Types of Mitigation Contribution



Source: World Resource Institute; <http://cait.wri.org/indc>, As of 24th November 2016

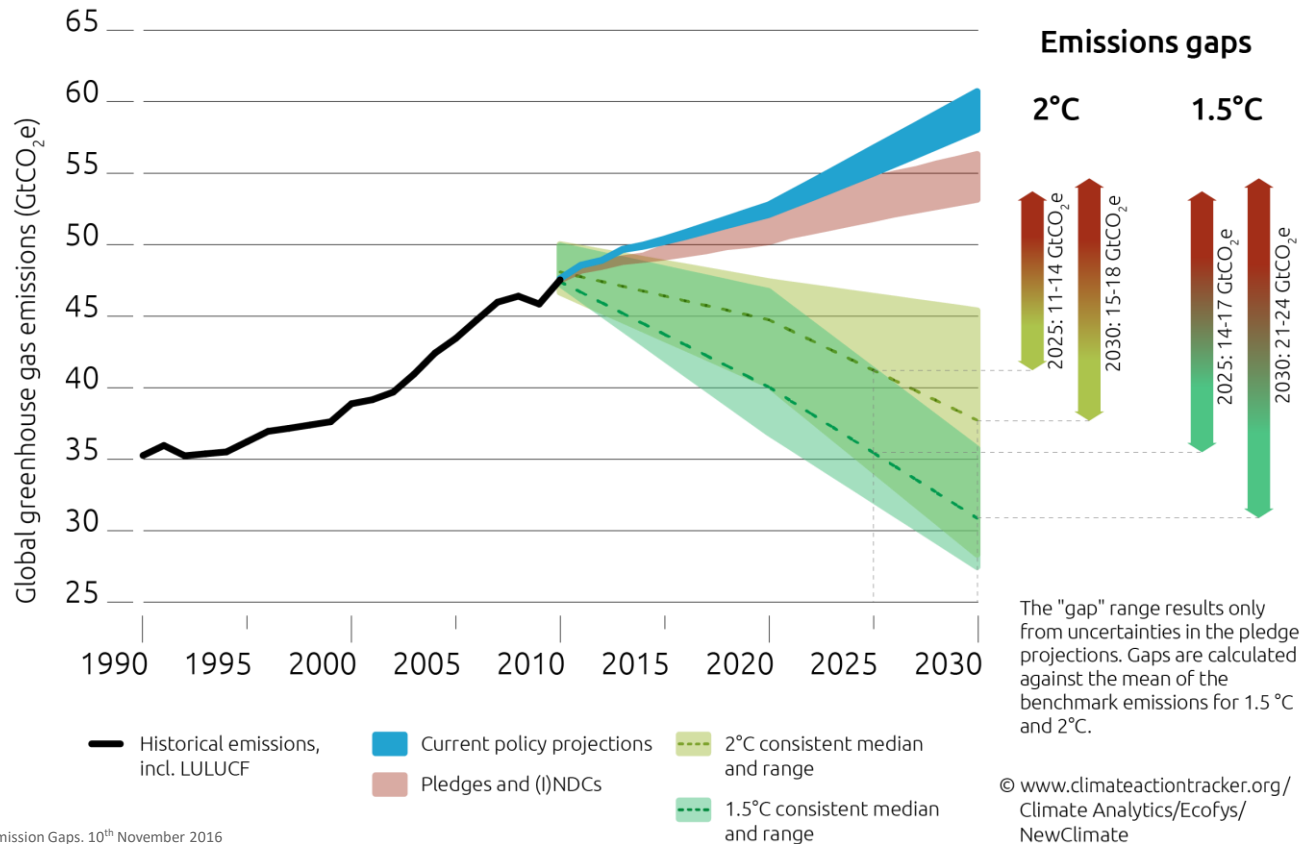
To understand mitigation pathway and the resulting gap, it is important to understand the conditional components

Many Parties communicated target conditional to financial, technical and capacity support



As of 24th November 2016
 Source: World Resource Institute; <http://cait.wri.org/indc/>

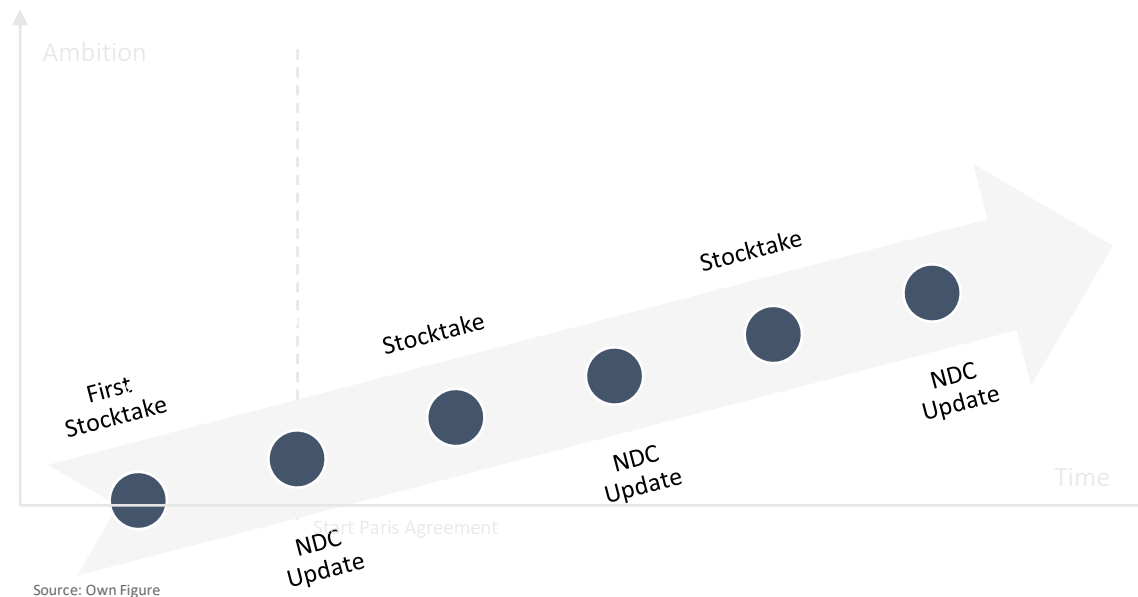
Collective ambition still off track towards 2°C or 1.5°C target - INDCs not ambitious enough



Source: climateactiontracker.org, CAT Emission Gaps. 10th November 2016

Ambition increase required: 5-year update cycle of national determined contributions

- All Parties need to increase their emission reduction efforts
- COP/CMA periodically take stock the progress towards the goal of the agreement
- Global “Stocktake” every five years from 2018 to raise ambition



Summary of what has been agreed in Paris and the implication for national mitigation contributions 1/2

	What was actually agreed in the Paris Agreement?	Implications for national mitigation contributions
Long term goal	<ul style="list-style-type: none"> – Reiterates global goal to limit temperature increase to 2°C. – Recognises but does not formalise a more stringent 1.5°C goal. – Reference made to need to decarbonise the economy and aim for net zero emissions. 	<ul style="list-style-type: none"> – Current ambition of INDCs falls far short of reaching any of the goals in the agreement. – Urgent need for countries to revise their mitigation contributions in line with the 2°C and 1.5°C goals.
Ratchet up mechanism	<ul style="list-style-type: none"> – Parties may update contributions any time and are required to do so at least every 5 years, starting by 2020 at the latest. – Parties encouraged submitting updated contribution upon ratification of Agreement. – No backsliding: every update must be at least as strong as the previous contribution. – An international review process will provide each country with suggestions for increasing ambition. 	<ul style="list-style-type: none"> – Parties need to start preparing for a review of their current contributions.

Source: Röser, Day, Kurdziel, 2016, *After Paris: What is next for Intended Nationally Determined Contributions (INDCs)?*

Summary of what has been agreed in Paris and the implication for national mitigation contributions 2/2

	What was actually agreed in the Paris Agreement?	Implications for national mitigation contributions
Transparency	<ul style="list-style-type: none"> – A global stocktake should monitor progress towards the long-term goals every 5 years, starting 2018. – A facilitative implementation committee should monitor the progress of NDC implementation at the national level. – All parties, except LDCs and SIDS, are required to report on the implementation of their NDC every 2 years. 	<ul style="list-style-type: none"> – Technical capacity and frameworks are required on the national level to improve monitoring and reporting capabilities, for all aspects related to NDC implementation.
Support	<ul style="list-style-type: none"> – Reiterated joint climate finance goal of US\$ 100bn annually by 2020 through to 2025. – Reaffirmation of commitment from countries to provide capacity building and technical support. 	<ul style="list-style-type: none"> – Resources (among others, climate finance, technology transfer, capacity building) should be provided to support developing countries with the implementation of NDCs in continuation of previous support. – Developing country parties should develop thorough investment plans to increase readiness and to access support for NDC implementation.

Source: Röser, Day, Kurdziel, 2016, *After Paris: What is next for Intended Nationally Determined Contributions (INDCs)?*

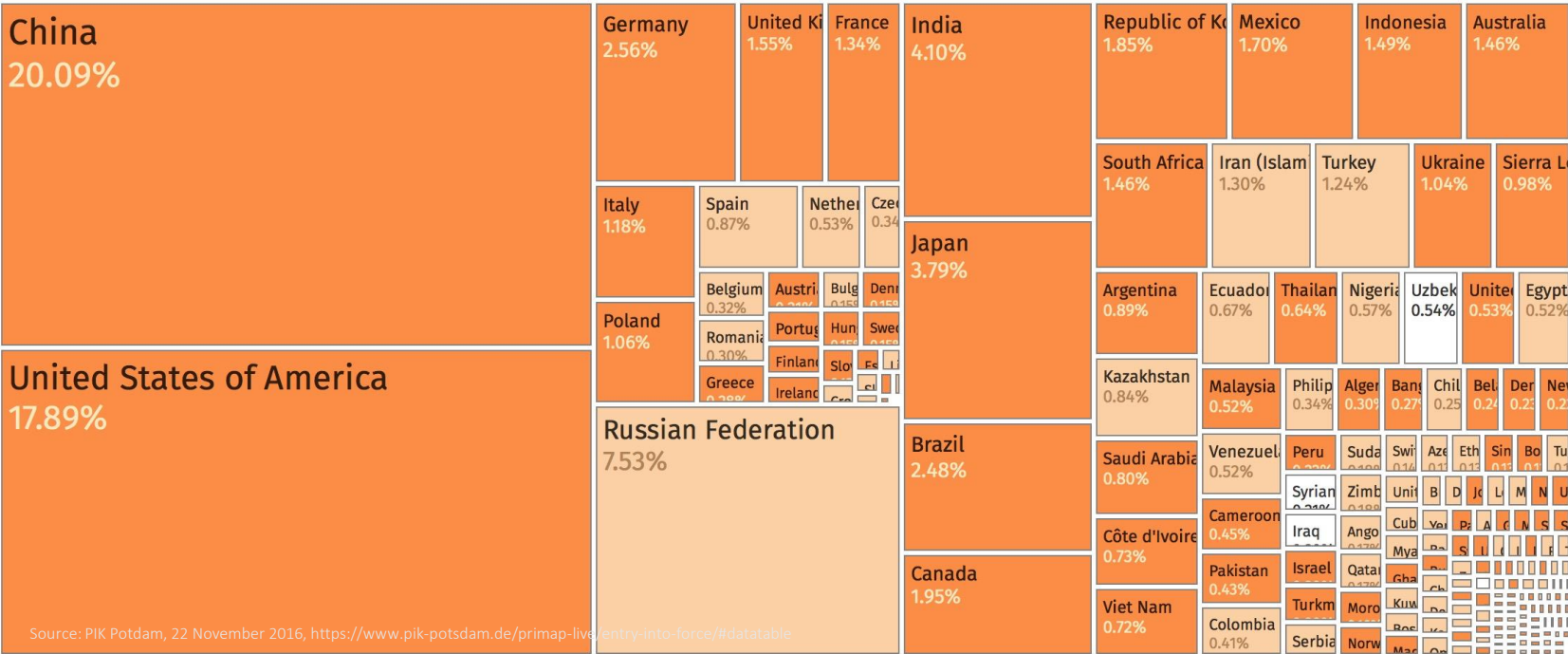
Conclusion

- The Paris Agreement is a **break-through** in international mitigation policy covering **all countries**
- The agreement combines **bottom-up emissions pledges (NDC)** with an legally binding **international regulatory architecture**
- A **huge amount of work** needs to be done in the **next years** to put “flesh to the bones” of the agreement



COP22 in Marrakesh: „COP of Action“

Paris Agreement enter into force on 4th of November 2016, in a record time of less than 12 months since adoption



Source: PIK Potsdam, 22 November 2016, <https://www.pik-potsdam.de/primap-live/entry-into-force/#datatable>

Ratified: 113 parties / 78.96%

Signed: 193 parties

Unsigned: 4 parties

Despite Trump, climate change abatement will move on

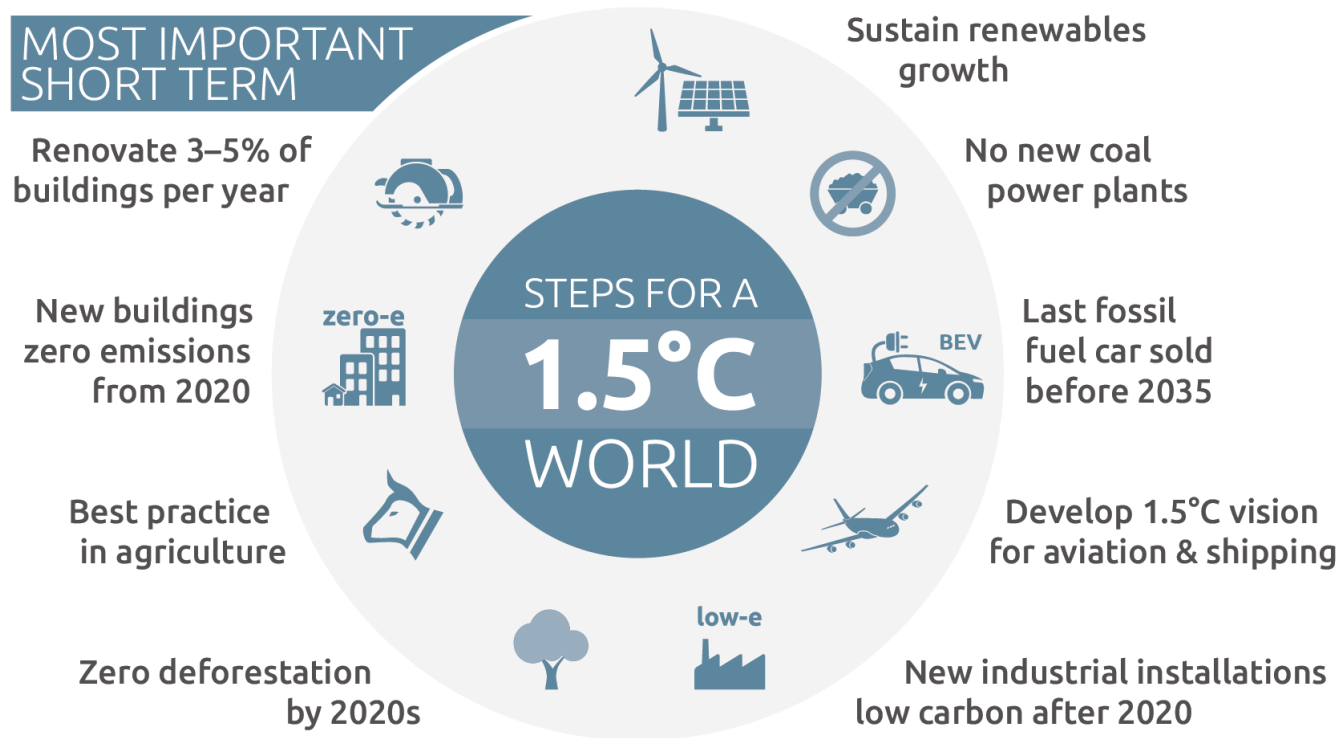


COP of action

Transitional moment to new phase of implementation

- Trump presidency dominated hallway chatter and media reporting, negotiations proceeded apace, with little evidence that the election results significantly altered the outcomes
- High-level Marrakech Action Proclamation, parties collectively declared that the “extraordinary momentum on climate change worldwide...is irreversible.”
 - Similar messages from by businesses, cities, states and NGOs
- Elaborating on Paris Rulebook
 - mitigation, adaptation, finance, transparency, “global stocktake” process, market mechanisms, etc.

Key steps in the next decade toward the 1.5°C warming limit

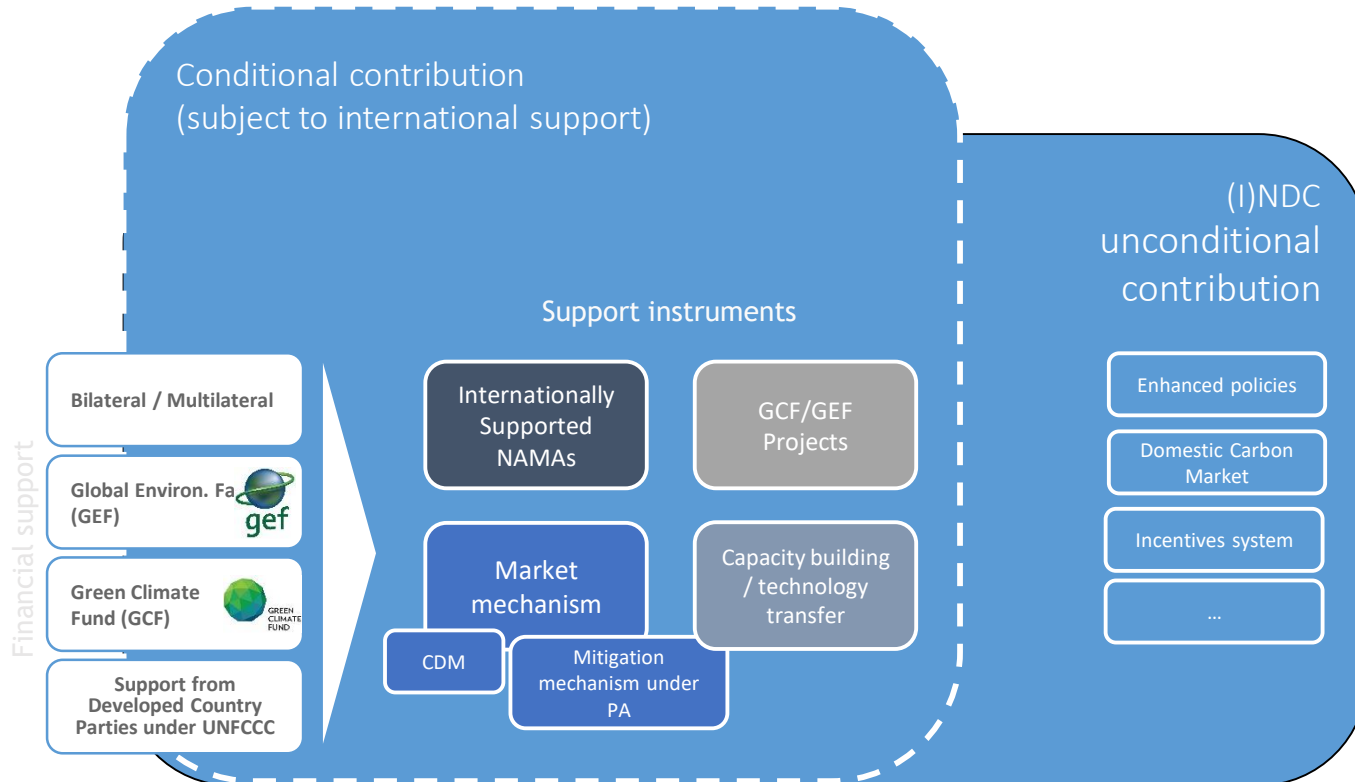


Source: Climate Action Tracker, 2016

Thanks for your attention!

Climate finance instruments

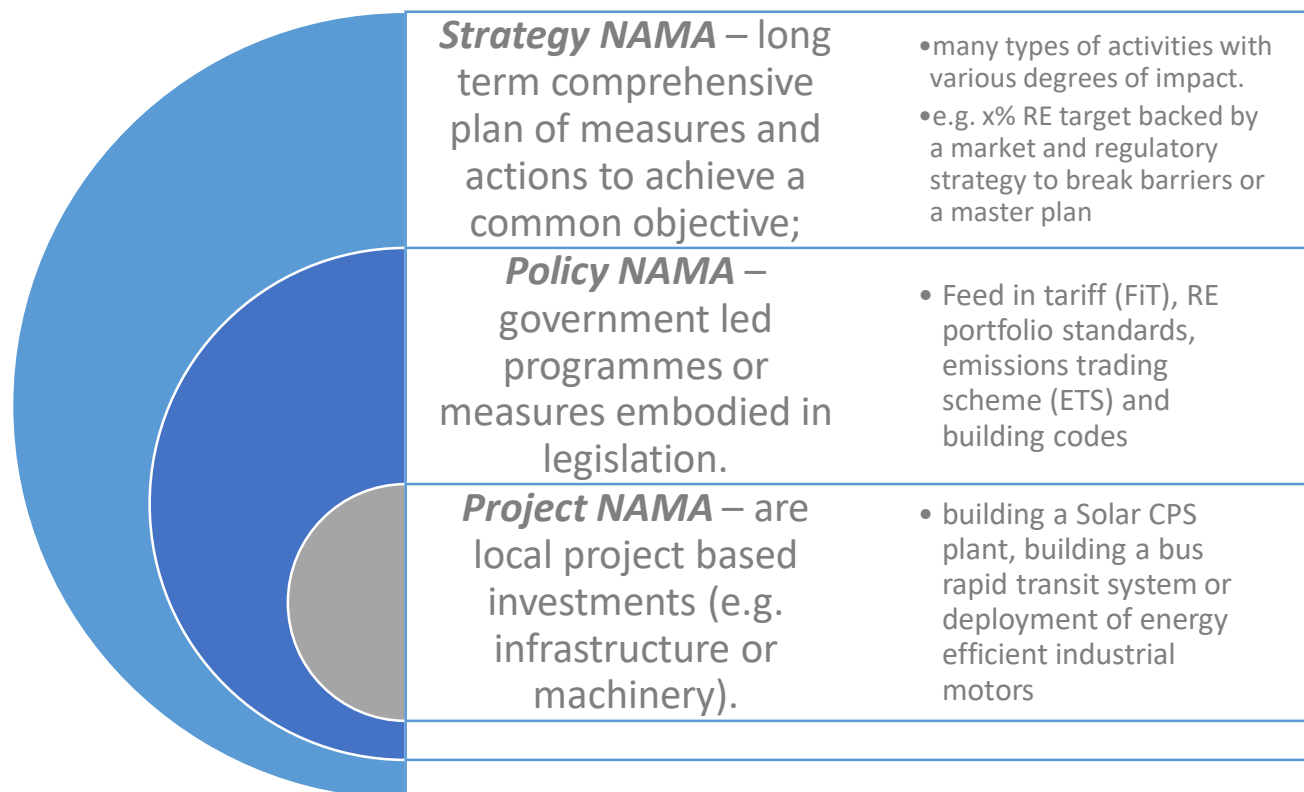
Support and finance instruments finance for achieving the PA targets and NDCs



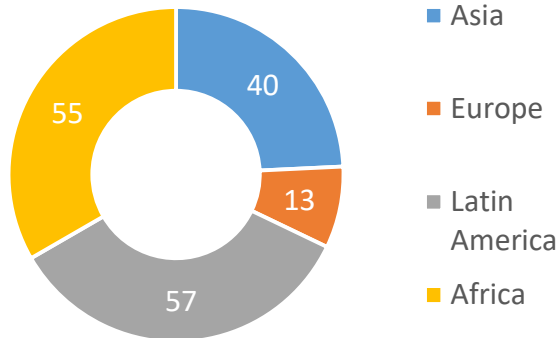
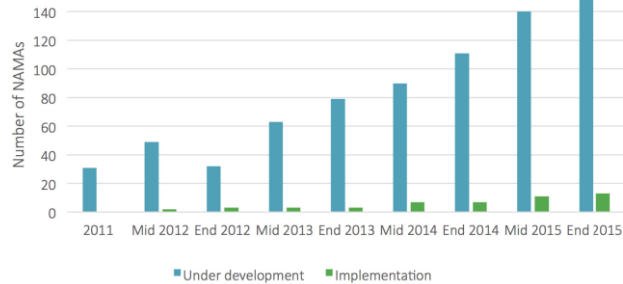
The NAMA Concept

- The concept of a NAMA was first introduced in 2007, at the international climate change conference in Bali (COP 13).
- NAMAs are a voluntary instrument for developing countries aimed at achieving ambitious GHG emission reductions, while aligning with (and contributing to) national sustainable development goals.
- **NAMAs can help mobilization funds**, conditional to returns in terms of:
 - Reduced GHG emissions,
 - Environmental effectiveness,
 - Cost-effectiveness,
 - Direct/Indirect sustainable development benefits

Nationally Appropriate Mitigation Actions can be of different characteristic



Currently 165 NAMAs are proposed with a concentration on Latin America, Africa and Asia...



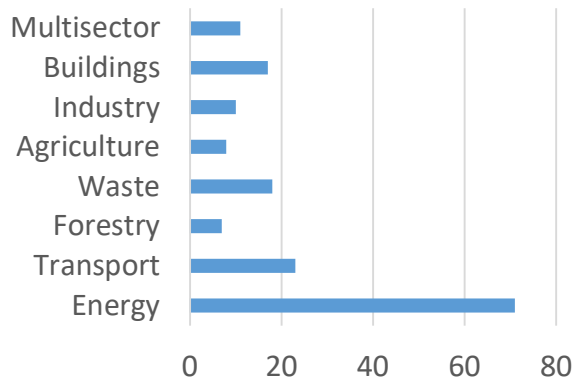
Region	NAMA title	Country	Sector	Financing received (USD) ⁹	Finance Sources
Africa	Biomass Energy NAMA	Burkina Faso*	Energy	14.7 mln	NAMA Facility
	Tunisian Solar Plan	Tunisia*	Energy	3.6 mln	Global Environment Fund (GEF)
Asia	Low-carbon end-use sectors in Azerbaijan	Azerbaijan*	Buildings, Transport, Energy	0.1 mln	GEF, SOCAR, EU, National Government
	NAMA for Low-carbon Urban Development in Kazakhstan	Kazakhstan*	Transport	71.3 mln	Government of Kazakhstan, UNDP, GEF, EDB, private sector
	Adaptive Sustainable Forest Management in Borjomi-Bakuriani Forest District	Georgia	Forestry	2 mln	Austria
	Sustainable Urban Transport Initiative	Indonesia	Transport	14 mln	NAMA Facility
	Tajikistan Forestry NAMA	Tajikistan*	Forestry	14 mln	NAMA Facility
	Thailand Refrigeration and Air Conditioning NAMA	Thailand*	Energy	16 mln	NAMA Facility
Latin America	Expanding self-supply renewable energy systems in Chile	Chile	Energy	16 mln	NAMA Facility
	Transit-Oriented Development (TOD)	Colombia	Transport	18.5 mln	NAMA Facility
	NAMAs in the Costa Rican coffee sector	Costa Rica	Agriculture	7.6 mln	NAMA Facility
	NAMA for sustainable housing in Mexico	Mexico	Buildings	15 mln	NAMA Facility
	Transport NAMA in Peru	Peru*	Transport	10 mln	NAMA Facility

NAMAs marked with a star (*) are NAMAs that have entered the implementation phase since the publication of the last Annual NAMA Status Report in December 2014.

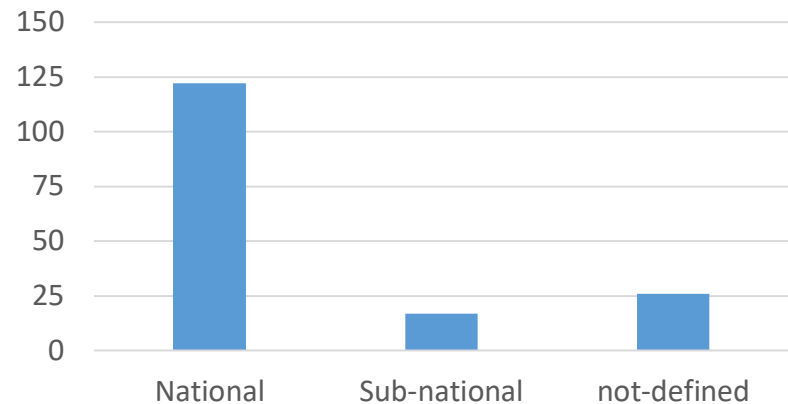
Source: Mitigation Moment, 2015, Annual Status Report on Nationally Appropriate Mitigation Actions (NAMAs)

NAMAs are projects, strategies and policies for diverse sectors, mostly on national level

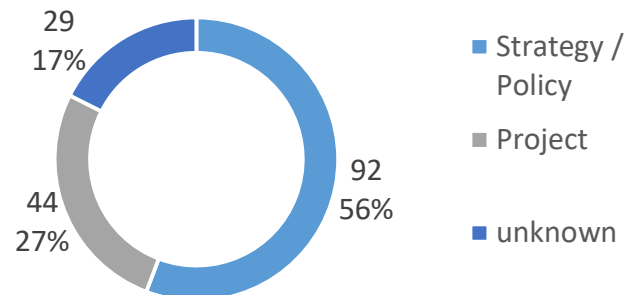
Sectoral distribution of NAMAs



Scope of action



Type of action

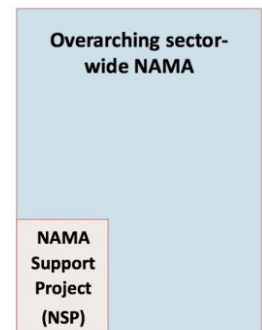


Source: Ecofys NAMA Database, 17.11.2015



Funding opportunity - NAMA Facility

- **Funded** by Germany, Great Britain, Denmark and the European Union
- **Support:** funding the implementation of ambitious country-led NAMAs through “NAMA support projects” (NSPs) with 5-20 million Euro
 - Combination of technical (TC) and financial cooperation (FC)
- **Disbursement:** through regular Annual competitive rounds (Calls)
- **Access:** submission by a national government, or intergovernmental organization + a letter of support from the national government
- **Key requirements:** implementation readiness, mitigation potential, transformational change, ambition, feasibility, catalytic effect, etc.
- So far funded approximately 10% of submitted **proposals**
 - 4th round with a volume of 60 million EUR closed in October, 2016.
 - In previous calls, 14 NSPs funded, widely spread around the world
 - 4-5 projects per call
 - Maximum implementation period is 3-5 years



Source: NAMA Facility

NAMA Facility Portfolio



- The 4th Call ended in October, 2016
- EUR 60 m of additional funding available for the 4th Call
- Next call likely in 2017/18

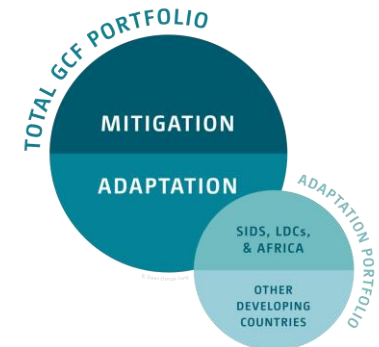
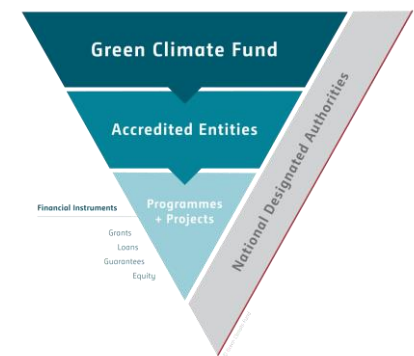
Sector	Country	NAMA Support Project	Funding volume (Mio €)
Energy efficiency	Mexico	sustainable housing	14
	Thailand	refrigeration and air conditioning	15
	Colombia	domestic refrigeration	9
	Guatemala	efficient use of fuel in households and rural communities	11
	South Africa	energy efficiency in public buildings	19
Agriculture	Costa Rica	low-carbon coffee production	7
Transport	Indonesia	sustainable urban transport	14
	Colombia	transit oriented development NAMA	15
	Peru	sustainable urban transport	9
	Kenya	mass rapid transport system for Nairobi	20
Renewable energy	Chile	self-supply with renewable energy	15
	Burkina Faso	biomass energy	14
Forestry	Tajikistan	sustainable forestry	13
Waste	China	integrated waste management	8

Source: NAMA Facility

Funding opportunity - Green Climate Fund (GCF)

- Established in 2009 under the UNFCCC COP decision
- **Supports:** climate change projects in developing countries with a 50% focus on adaptation and 50% on mitigation
- **Already pledged: USD 10.2 billion**
- **Major contributors:** USA (29%), Japan (15%), UK (12%), Germany (10%), France (10%)
- **Disbursement goal: USD 2.5 billion by 2020** (*triple the current amount of climate funds!*)
- **Various instruments:** grants, loans, guarantees, equity, exploring use of innovative instruments i.e. green bonds
- **Access:** through accredited entities after approval of the national designated authority (NDA) or focal point (FP).

GCF Architecture



GCF – Green Climate Fund



www.greencimate.fund

GCF project by project size and instruments



Conclusion

- NAMAs and GCF projects contribute to realising the ambition in (I)NDCs
 - Over one-third of submitted INDCs contain reference to NAMAs.
 - Strong emerging link with the potential to bridge the gap between ambition and action
- Challenge lies with countries to increase speed and scale for INDC conversion into action
 - use the momentum to realise mitigation ambitions
 - Challenge identify and use of adequate climate finance opportunities
- International support, especially climate finance at scale required, for Paris Agreement implementation and higher ambition

Thanks for your attention!