

422nd Forum on Research Works on December 18, 2015

**Outlook and Challenges for Climate Change Policies in 2016 Following the COP21  
(Summary)**

Takahiko Tagami

Senior Coordinator, Manager, Climate Change Policy Research Group

Global Environment & Sustainable Development Unit

The Institute of Energy Economics, Japan

- This report summarizes the results of the Conference of Parties to the United Nations Framework Convention on Climate Change at its 21<sup>st</sup> session, or COP21, and provides an outlook for post-COP21 climate change policies.

1. COP21 results

- COP21 took place in the French capital of Paris between November 30 and December 13, 2015, and adopted the Paris Agreement consisting of 29 articles. Unlike the Kyoto Protocol that bound only developed countries to reduce greenhouse gas emissions, the Paris Agreement binds all parties to the agreement while giving consideration to different national circumstances. It is positioned as a legal document following the 1997 Kyoto Protocol and the 2012 revision to the Kyoto Protocol. The Paris Agreement calls for deepening GHG emission reduction efforts every five years, instead of holding negotiations on emission reduction targets for each target period as in the past. But the agreement includes many provisions confirming existing practices, indicating compromise between differing national interests. A summary of the Paris Agreement follows:
  - The agreement sets a long-term goal of strengthening the global response to the threat of climate change by holding the increase in the global average temperature to well below 2 C and by pursuing efforts to limit the temperature increase to 1.5 C. As for a collective long-term goal regarding mitigation (emissions reduction), the agreement calls for reaching the global peaking of greenhouse gas emissions as soon as possible and undertaking rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions and removals in the second half of this century.
  - As for a periodical review, the Conference of the Parties serving as the meeting of the Parties to this Agreement (CMA) shall periodically take stock of the collective progress towards achieving the purpose of this Agreement and its long-term goals (referred to as the “global stocktake”). Each Party to the Paris Agreement shall communicate a nationally

determined contribution (NDC) every five years and be informed by the outcomes of the global stocktake, although no more details have been fixed.

- As for finance, while the Paris Agreement falls short of specifying any amount, developed country Parties shall biennially communicate information related to financial resources and mobilization of climate finance. The global stocktake shall take into account the relevant information provided by developed country Parties and/or Agreement bodies on efforts related to climate finance. (A COP decision separate from the agreement provides that prior to 2015 the CMA shall set a new collective quantified goal from a floor of USD 100 billion per year.) The provision of financial resources should aim to achieve a balance between adaptation and mitigation.
- The Paris Agreement includes a separate article on loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change. The existing Warsaw International Mechanism for Loss and Damage may be enhanced and strengthened, as determined by the CMA.
- Legally binding processes under the Paris Agreement includes communication of NDCs, pursuance of domestic mitigation measures, with the aim of achieving the objective of such NDCs, provision of information necessary to track progress made in implementing and achieving its NDC that shall undergo a technical expert review, and participation in facilitative, multilateral consideration of progress with respect to its respective implementation and achievement of its NDC. The parties to the agreement are not legally bound to comply with their respective NDCs, while NDCs communicated by Parties are set to be recorded in a public registry.

## 2. Future outlook and challenges for climate change policies

- Following the adoption of the Paris Agreement, a key challenge for the parties to the agreement is how to effectively and efficiently materialize their respective intended nationally determined contributions into policies and measures and how to achieve emission reduction targets through the implementation of such policies and measures.
- Regarding policies and measures for targets for 2025 and 2030, the European Union plans to legislate policies in 2016 for achieving targets for 2030. But Poland has sought to renegotiate the EU targets for 2030, following its government change in October 2015. The Polish action has attracted attention as a destabilizing factor. The EU implemented the Industrial Emissions Directive in 2016 requiring coal-fired power plants to introduce technologies to reduce sulfur oxide and other emissions, indicating that a substantial number of coal-fired power plants could suspend operations throughout Europe. This is also an important point.
- In the United States, state governments have filed suits against the so-called Clean Power Plan (CPP) to regulate carbon dioxide emissions at existing fossil power plants. In Congress, some

lawmakers are moving to block the CPP from being implemented. Future policy discussions are expected to attract attention.

- China plans to control coal consumption in the power generation sector. Details will be available when the 13th five-year plan is released.
- Coal demand is expected to greatly change as coal regulations are introduced and implemented in respective countries. Coal demand may decline in the EU and peak out in China.
- In Japan, the government stepped up discussions on policy measures for targets for 2030 following COP21. These discussions cover a global warming measures plan that are set to be prepared in accordance with the law for promoting global warming measures, electric companies' voluntary framework, efficiency standards for fossil power generation for each facility and electric company, energy conservation and other measures. The government will have to carefully consider these measures to prevent overlapping between existing and new measures and double requirements for business operators.