EWEA report on COP21 outcome

Introduction

For the first time, all countries have committed to work together to curb global CO2 emissions. It’s a historic deal and a major first step towards a decarbonised economy. It sets ambitious long-term goals to limit temperature rises, signals an ultimate phase out of fossil fuels and gives investors a clear sign that high-carbon assets are not viable in the long run.

The key is now implementation. And this is largely up to individual countries to deliver on the national action plans (INDCs) they tabled in the run-up to Paris. 70 countries highlighted wind in their plans. Many spelled out specific GW/MW or percentage targets for wind and other renewables. And Paris agreed these national plans should be reviewed every five years so the numbers should ratchet up over time.

This clearly indicates significant potential growth in markets for wind outside the EU, but also that the European wind industry should expect tougher international competition in the future.

In this briefing, EWEA aims to provide you with an overview of the relevant bits of the Paris agreement and its implications. It also includes a summary of EWEA’s activities at COP21.
**Paris agreement**

**Temperature goal**

The main aim formulated in the Paris agreement is to keep global temperature rise this century “well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels”. According to many scientists, this requires global CO2 emissions to peak well before 2030 and to be eliminated as soon as possible after 2050. Already by the end of 2015, the hottest year on record, climate change is set to pass the milestone of 1 degrees Celsius since pre-industrial times.

**Long-term global goal for net zero emissions**

In order to give practical relevance to the temperature goal, countries have pledged to reach global peaking of greenhouse gas emissions as soon as possible and to come to ‘net zero emissions’ in the second half of this century. As the agreement differentiates between developed and developing nations, it leaves room for certain nations to continue increasing their emissions.

**Intended Nationally Determined Contributions**

Ahead of COP21, over 180 countries had submitted national climate plans, known as Intended Nationally Determined Contributions (INDCs). These plans lay out the ambition of individual countries, and range from economy wide emissions reduction pledges to clear and concrete targets for deploying wind energy. When introducing the notion of INDCs, negotiators aimed at balancing national flexibility and national discipline, thereby encouraging broad participation among countries. While the overall architecture of the agreement is legally binding, the national climate pledges are not.

**Review mechanism**

Nations will need to update their current climate pledges every five years in order to ramp up climate ambition over time. This review mechanism is essential as the individual INDCs are not going to be enough to reach the long-term 2 degrees Celsius limit. A global stock-taking exercise every five years will assess collective progress. The mechanism will therefore force governments to come back to the table, review their INDCs and submit more ambitious emissions reductions pledges. While the formal process and a first global stock-taking exercise would start in 2023, an interim review would already take place in 2018, before the agreement goes into effect in 2020.

**Finance**

Developed nations will help developing nations finance projects that reduce greenhouse gas emissions. While the existing goal of $100 billion a year by 2020 still needs to be met, countries agreed to review and establish a new target by 2025 to scale up climate finance aid. Developing nations such as China and Brazil are encouraged to provide or continue financial support to poor nations voluntarily.
EWEA's take on the Paris Agreement

Paris: the start of a new process

COP21 produced an agreement that is hailed as historic and ambitious. For the first time, developed and developing nations have agreed to limit their emissions to relatively safe levels. The long-term goal agreed will require an overhaul of energy policies and investments worldwide of historic proportions.

The agreement as such is not perfect. The national pledges are still insufficient and the speed of phasing-out fossil fuels will remain largely dependent on the political will of individual countries. But the Paris agreement will have a significant effect on global economic development as it creates a shift towards low carbon with a process of bigger emissions cuts over time.

The French government and other have said the agreement is a step in the right direction, the work begins now. The deal must be seen as a starting point. By supporting efforts to reduce fossil-fuel emissions and getting nearly all countries in the world to start thinking about a transformation of their energy systems, the Paris accord marks a decisive turning point for the global response to climate change. A turning point that will impact EU climate and energy policies and offers new opportunities for the wind energy industry both in and outside Europe.

Investments: shifting the trillions

The agreement is expected to trigger a fundamental shift of investments towards renewable energy technologies as well as energy efficiency. According to the International Energy Agency (IEA), the targets outlined in the Paris will require $16.5 trillion of investments in renewables and energy efficiency through 2030. The private sector will be absolutely pivotal as it will generate the vast majority of funding.

The aim to limit global warming to 1.5 degrees Celsius and the inclusion of a long-term goal will send a transformational signal to investors on the need to shift away from investments in oil, natural gas and coal assets. Changing investment behavior and a new perception of risk will add structure and momentum to efforts that currently are taken in many parts of the world to deploy more renewable energy.

INDCs: new opportunities for the wind energy industry

The core of the agreement are the INDCs (national climate plans) countries tabled in the run up to Paris.

186 countries have submitted 159 INDCs to the UN announcing their intended national contributions to mitigating CO2 emissions. More than 100 countries have committed through their INDCs to increase or strengthen renewable power generation. More than half of these have included quantifiable renewables targets. This clearly shows that through the implementation of the Paris agreement and the conversion of INDCs into national policies, more and more nations will start down a path towards a renewable energy supply.

More than 70 countries highlight wind specifically as a mitigation tool and several set out concrete and specific deployment ambitions. The countries mentioning wind explicitly range from Burkina Faso to Turkey to Uruguay. The countries with explicit wind capacity (GW) targets are: Bangladesh (400 MW); China (200 GW by 2020); India (60 GW by 2022); Mongolia (354 MW); Morocco (14%
from wind by 2020); Tunisia (1.7 GW by 2030); Turkey (16 GW by 2030). Brazil’s INDC includes a 45% share of renewables in the energy mix by 2030.

It is a positive sign for the wind industry that a large number of INDCs explicitly mention wind as part of the climate mitigation strategy. The specific references to wind energy deployment clearly indicate that the market for wind energy will be growing beyond the EU, but also that the European wind industry should expect tougher international competition in the future.

Given the EU’s ambition to be the world’s number 1 in renewables, and the fact that some nations have been leading in wind energy deployment, it is surprising that the European INDC – submitted on behalf of its 28 member states - contains no reference to renewables.

Renewables in developing countries – the case of Africa

The African Union announced that it will mobilise some $20 billion to develop at least 10 gigawatts of renewable energy in Africa by the end of the decade. This program would be partially funded from the $100 billion pledged by rich countries in Copenhagen in 2009. The initiative does not have an established pipeline of projects yet. In line with this, French President Hollande said his country plans to spend 2 billion euros between 2016 and 2020 on renewable energy in its former African colonies and across Africa. The German government said it would provide 3 billion euros, enough to finance 2 gigawatts of renewable energy in Africa by 2020.

EU climate leadership: from the COP21 corridors to the European Commission headquarters

The European Union has played a key role in brokering the Paris agreement. For the past months, the EU worked on building a broad coalition of developed and developing countries that favors high ambition. The so-called ‘Coalition for Ambition’, which represented more than 100 countries, was formed in secrecy six months ago, and emerged at the climate talks as a key block. It includes African, Caribbean and Pacific countries, the US and all EU member states.

The success in Paris has improved the political stature of European climate & energy commissioner Cañete, which might give him a more prominent role in shaping future EU energy legislation together with his colleague Maros Šefčovič, European Commission vice-president for the energy union.

In the post COP21 timeframe, the European Union will need to demonstrate climate leadership back home. The dynamic ambition mechanism will require EU member states to review and update its collective climate pledge in the near future. This would require a reopening of Europe’s 2030 climate & energy package, which will create difficult political negotiations between member states. It will offer a significant opportunities to increase the level of ambition within the EU and to step up its efforts on greenhouse gas emissions reductions and deployment of renewable energy.

Intellectual Property Rights

There is no direct reference to intellectual property rights in the final text allaying concerns about a weakening of intellectual property rights rules. However, the agreement refers to technology transfer in the context of scaling up technologies which help address climate change. A new technology framework will provide guidance on how to address barriers to the transfer of these technologies. Details will be elaborated as of May 2016 and EWEA will monitor discussions touching upon intellectual property rights in this context.
The keys to the Paris success

With over 195 countries involved in highly technical and political discussions, it is remarkable that the French presidency and the UNFCCC managed to keep all parties on board. A number of critical issues and developments made COP21 a success and different than the disastrous Copenhagen meeting in 2009, the last time countries attempted to conclude a global deal.

Bottom-up approach

The bottom-up approach, through which all parties were asked to submit voluntary climate plans, proved to be a game-changer. Some 186 nations, covering nearly all global emissions, have put forward an Intended Nationally Determined Contribution. A stark contrast with the Kyoto protocol, a top-down deal with legally binding emissions reductions targets, to which only 37 nations, covering 12 percent of global emissions, signed up.

Buy-in from world leaders

The political capital invested by the world’s largest nations in advance of the Paris meeting has been critical. In particular the bilateral deal between US President Obama and Chinese President Xi Jinping was seen as a key to success. The two major emitters announcing serious climate pledges generated buy-in from additional countries and ensured a better coordination between the two countries’ negotiators in Paris. More than 150 heads of state and government participated in the opening of the climate talks, giving even more political momentum to the negotiations.

French hosts

The French government successfully went all-in to ensure a broad and constructive participation from nations. The entire diplomatic corps around the world was mobilized in 2015 while the team of French Foreign Minister Laurent Fabius made more than 100 official visits and held more than 400 bilateral meetings with nearly all parties over the past two years. French efforts also helped to ensure climate action was initiated in other international processes such as the G7, G20 and the development of new Sustainable Development Goals.

Positive business voices

The Lima to Paris Action Agenda, an initiative to highlight corporate actions, has listed pledges from 2400 companies and investors so far. As technology has progressed, not least in renewables, business voices demanded strong signals to decarbonise economies, rather than playing an obstructive role as seen previously.
Overview of EWEA activities at COP21


EWEA launched its report *Aiming High* in Paris in the run-up to COP 21 in presence of European Commission Vice-President Maroš Šefčovič and Ministers Ségolène Royal, Rainer Baake and Marie-Christine Marghem.

The report examines the role of wind energy in meeting the EU’s long term decarbonisation objectives and highlights the net macro-economic benefits of an ambitious wind energy deployment.

EWEA members join the Paris Pledge for Action

More than 100 EWEA members signed on to the Paris Pledge for Action which will be issued by the French Presidency on 16 December. This call from the business community adds to the momentum generated by the success of the Paris agreement which will be critical to transform this deal into concrete climate action. EWEA would like to thank all members who took part in this initiative.

EWEA side-event

EWEA hosted a side event at the UN climate negotiations in Paris to highlight the economic benefits of wind energy in Europe and across the world. Entitled "wind energy – powering green solutions", the two-hour session included two panels made up of industry and policy experts.

In the first panel session, Giles Dickson, Chief Executive Officer of EWEA, Steve Sawyer, Secretary General of the Global Wind Energy Council and Michael Waldron of the International Energy Agency, debated the merits of wind power and the progress towards a world powered 100% by renewables.

The second panel focused on the Intended Nationally Determined Contributions and turning country commitments into investment programmes for the future. RES Commercial Director Marco Perona and Geraldine Ang of the OECD participated in the session and gave their insights into how emerging markets will be shaping up.

Please find [here](#) a full report of this event

Active participation in side-events

EWEA spoke at 12 side-events, organised by among others the IEA ([report](#)), the OECD ([report](#)), Climate Action Network Europe, GasNaturally ([report](#)) and the International Emissions Trading Association.

Moreover, EWEA’s delegation participated actively in various other events organised at the COP21, including the RE-Energise the Future event of the European Commission, the World Climate Summit, the NY Times Energy for Tomorrow conference and many others. In many of these events, CEOs of EWEA members such as Vestas, Iberdrola, Acciona, EDF EN, Enel Green Power, ABB and ENGIE played a prominent role.

SolutionWind

The SolutionWind campaign focused on bringing the corporate views on the economic benefits of wind power to the main public, by advertising in the International New York Times and the Economist.
Reactions

Laurent Fabius, President of COP21 and French Minister for Foreign Affairs: “The Paris Agreement allows each delegation and group of countries to go back home with their heads held high. Our collective effort is worth more than the sum of our individual effort. Our responsibility to history is immense.”

UN Secretary General Ban Ki Moon: “We have entered a new era of global cooperation on one of the most complex issues ever to confront humanity. For the first time, every country in the world has pledged to curb emissions, strengthen resilience and join in common cause to take common climate action. This is a resounding success for multilateralism.”

French President Francois Hollande: “You’ve done it, reached an ambitious agreement, a binding agreement, a universal agreement. Never will I be able to express more gratitude to a conference. You can be proud to stand before your children and grandchildren.”

Christiana Figueres, Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC), said: “One planet, one chance to get it right and we did it in Paris. We have made history together. It is an agreement of conviction. It is an agreement of solidarity with the most vulnerable. It is an agreement of long-term vision, for we have to turn this agreement into an engine of safe growth.”

US President Barack Obama: “This agreement sends a powerful signal that the world is firmly committed to a low-carbon future. And that has the potential to unleash investment and innovation in clean energy at a scale we have never seen before.”

EU climate and energy Commissioner Miguel Arias Cañete: “Our key objectives – on the long-term goal, the 5-yearly review cycles and transparency – are in the new agreement. Now, what has been promised must be delivered. Europe will continue to lead the global low-carbon transition we have agreed.”

European Commission President Jean Claude Juncker: “This robust agreement will steer the world towards a global clean energy transition. This deal is also a success for the European Union. We have long been the global leader in climate action, and the Paris Agreement now reflects our ambition worldwide.”

Al Gore, former US Vice President: “This universal and ambitious agreement sends a clear signal to governments, businesses, and investors everywhere: the transformation of our global economy from one fuelled by dirty energy to one fuelled by sustainable economic growth is now firmly and inevitably underway.”

Fatih Birol, Executive Director of the IEA: “The Paris Agreement is nothing less than a historic milestone for the global energy sector. It will speed up the transformation of the energy sector by accelerating investments in cleaner technologies and energy efficiency.”

Jonathan Taylor, European Investment Bank vice-president: “It is crucial to ensure that all new investment contributes to more effective climate action. As the world’s largest lender for climate-related investment the European Investment Bank is pleased to share experience with financial institutions from around the world.”