



Paris Agreement on Climate Change: What it means for Nepal

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Background and History of UNFCCC Negotiations

The United Nations Framework Convention on Climate Change (UNFCCC) was negotiated at the Earth Summit in 1992. The ultimate objective of the convention is to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. The convention itself did not set any binding targets on greenhouse gas emissions for individual countries and contains no enforcement mechanisms. In 1997, the Parties to the convention adopted the Kyoto Protocol, which is legally binding in nature with obligations for developed countries. It was designed to reduce the greenhouse gas emissions recognizing that developed countries were the principal emitters and historically responsible for the cause of climate change. The protocol entered into force in 2005 and its first commitment period was from 2005 to 2012. During this commitment period, 37 industrialized countries and the European Community committed to reduce GHG emissions to an average of five percent against 1990 levels. The United States did not ratify the protocol while Canada withdrew from the protocol in 2012. In 2012, the Doha Amendment was adopted to set the second commitment period of the Protocol from 2013-2020. The Doha Amendment is yet to enter into force. Industrialized countries such as Japan, New Zealand and Russia participated in the first commitment period but have not taken new targets for the second amendment.

In 2009, the Copenhagen Summit was supposed to establish an ambitious global climate agreement for the period beyond 2012. However, because of the deep division between the developed and the developing countries, the summit failed to agree on a new protocol. Instead, the United States and the BASIC countries (Brazil, South Africa, India and China) agreed to a political document called the 'Copenhagen Accord'. The COP approved a motion to 'take note of the Copenhagen Accord' and the conference ended without any substantive decision. The accord agreed to keep the global average temperature increase to below 2 °C but failed to specify a baseline or the necessary emission reduction commitments to achieve this target. The accord also included pledges of US\$30 billion for the period of 2010 to 2012 as fast start and up to US\$100 billion per year by 2020 to help developing countries in climate adaptation and move towards low carbon development pathways.

In 2012, the Parties met in Durban, South Africa and agreed to establish a legally binding deal by 2015 that would be applicable to all Parties and be implemented from 2020. In order to facilitate this task, the COP established an Ad hoc Working Group on Durban Platform for Enhanced Action (ADP) that would work towards the new global agreement and also work on enhancing pre-2020 action. The work of the Durban Platform ended with the adoption of the Paris Agreement in COP21.

The Paris Outcome

A new global deal to tackle climate change was agreed on 12 December 2015 in Paris, France. It was an important step after twenty-five years of climate diplomacy under the UNFCCC and six years after the failure of Copenhagen Climate Summit in 2009. The Paris Agreement aims to hold the increase in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C in comparison to pre-industrial levels. However, the agreement lacks a clear pathway for emissions reduction and relies on a system of bottom up, voluntary pledges from Parties. The absence of a mechanism to enforce actions or punitive measures for the failure to achieve these goals makes this agreement weak and leaves sufficient doubt if the climate crisis will really be solved.

Considering the long history of negotiations, the agreement leaves behind the more top-down approach of burden sharing for emissions reductions based on the multilaterally negotiated, legally binding targets and timetables for Parties. The Kyoto Protocol exemplifies such an approach. At the other end of the spectrum, the Copenhagen Accord and the Cancun Agreements set up bottom up approach where the system relies completely on pledges made by parties and a system for review of those pledges. The Paris agreement builds on the voluntary pledges framework set in motion by the Cancun Agreements. In the lead up to the Paris meeting, Parties were invited to submit their anticipated efforts to address climate change, known as Intended Nationally Determined Contributions (INDCs). The UNFCCC Secretariat's report on the aggregate effect of the INDCs indicates that the current level of effort will not limit temperature increase to below 2°C. The agreement leaves behind the notion of the historical responsibility of the developed countries were responsible for the cause of climate change through the industrialization process. The agreement also potentially tears down the firewall between the developed and developing countries in terms of taking actions and providing financial support to the poorer countries. The agreement mostly seems to be lenient towards high emitting and powerful countries such as the United States, oil producing and BASIC countries that never wanted a legally binding agreement to avoid obligations at least to a foreseeable future.



The commitment to provide climate finance to address impacts and move towards low carbon future are way below the expectation of the developing countries. Though the developed countries agreed to provide US\$100 billion per year by 2020 through to 2025, no numbers have been put in the agreement. Similarly, as climate finance has been heavily focused on mitigation, there was a need to balance finance between mitigation and adaptation. The Paris Agreement does not adopt any fixed targets, in this regard. The agreement also encourages bigger and richer developing countries to contribute in terms of climate finance. Without adequate climate finance vulnerable countries will not be able to tackle climate change and add burden to existing economic problems.

The Paris Agreement fails to identify clear and concrete actions required to limit the rising temperatures to below 2°C or 1.5°C and manage the climate impacts that the vulnerable communities are already facing. Nonetheless, it paves the way to push for more ambitious climate action from the major climate polluters and to demand support for the most vulnerable to tackle the worst impacts of climate change.

Nepal's Participation in COP21

The government of Nepal participated in the Paris Climate Conference with the leadership of Bishwendra Paswan, Minister of Science, Technology and Environment (now Ministry of Population and Environment). Dr. Krishna Chandra Paudel, Secretary of the same ministry led the technical team. The ministry engaged a team of experts comprising government and civil society members to prepare for the conference. The team prepared key issues of concerns for Nepal from the Paris Conference after a series of thematic consultations with broader stakeholders. The advocated issues included:

- A legally binding agreement or a protocol which commits to keep emissions trajectories within the global carbon budget for 1.5 degrees Celsius.
- Adequate emissions reduction commitments from the developed countries, with progression of commitments



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through a no-backsliding principle to be enshrined as a principle in the legally binding agreement.

- The sharing of responsibilities on the basis of the principles of equity and justice that form the principle of common but differentiated responsibilities and respective capabilities.
- Establishment of a global goal on adaptation and linkage of adaptation support with projected temperature increase scenarios.
- Inclusion of a clear provision on support to LDCs for adaptation actions in the Paris Agreement.
- A stand-alone article on loss and damage (separate from adaptation) with dedicated financial and technical support mechanism.
- The peaking of global emissions before 2020 in light of the scientific ask so as to limit global average temperatures below 1.5°C. The emissions reductions should be 50% by 2030 and above 90% by 2050 (at 1990 levels).
- An increase in the scale and provision of climate finance by developed country Parties to meet the existing commitment of mobilizing US\$ 100 billion per year by 2020 and further scale up the amount with US\$ 100 billion per year as the minimum benchmark for beyond 2020 period on the basis of a clear pathway laid out in the Paris Agreement.

In addition to creating support for these positions through the LDC Group or the Group of 77 and China, Nepal also strongly advocated for the recognition of the special vulnerabilities and needs of the Small Mountainous Developing Countries (SMDC).

The Paris Agreement from Nepal's perspective

What does the Paris Agreement mean for Nepal? This is an important question for two reasons. First, Nepal should use the opportunities that the agreement provides to transform to low carbon climate resilient development, and second, it should continue to raise its voice at the international level for enhanced actions on emission reductions and increased financial support to vulnerable countries where the agreement falls short. It is also beneficial to reflect on the agreement in the context of the key issues of concern that Nepal had prepared before the conference, including the positions laid out by the LDC Group where Nepal plays a crucial role. Nepal was the chair of the LDC Group in the year 2013 and 2014.

Key Issues	Paris Agreement	What it Means for Nepal
Long Term Goal	<ul style="list-style-type: none"> - Aims to hold the temperature rise to “well below 2°C and pursue efforts to keep it below 1.5°C. - Aims to reach global peaking of greenhouse gas emissions as soon as possible recognizing that it will take longer for developing countries. - Includes a long-term goal of net zero emission during the second half of the century 	<p>- Nepal (together with LDCs) had been demanding a legally binding commitment to keep the temperature rise to 1.5°C. This is included in the Paris Agreement as an aspirational goal but without a clear trajectory to achieve it. The INDCs contained in the agreement will lead to an increase of more than 3°C compared to pre-industrial levels. This is of particular worry to Nepal and other vulnerable countries, which are already facing impacts with the rise of 0.85°C rise above pre-industrial levels. There is no guarantee that the developed countries and other high emitters will keep the promise. But the inclusion of 1.5°C in the agreement should be used to hold developed countries and other high emitters to account if they fail to live up to the promise they made in Paris.</p>
INDCs and Mitigation	<ul style="list-style-type: none"> - Requires Parties to prepare and communicate their nationally determined contributions every five years. The contributions should reflect progression over time, that is, each subsequent pledge should be more ambitious than the existing one - Suggests parties to strive to formulate and communicate long-term low greenhouse gas emission development strategies, mindful of Article 2 taking into account their CBDR-RC, in the light of different national circumstances. - The agreement has created three different frameworks for market and non-market based carbon trading; <ul style="list-style-type: none"> a) voluntary cooperative approaches that allows emissions trading systems, b) a new mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development (MCMGGESSD) and iii) a non-market mechanism to promote integrated, holistic and balanced non-market approaches. 	<ul style="list-style-type: none"> - Nepal as one of the few countries that have not submitted its INDCs, should consider submitting one as soon as possible outlining its ambition to leap forward to low carbon emission resilient development pathways. At the same time, it should demand the financial assistance it requires to achieve national goals. Nepal's INDC can be formulated based on its Low Carbon Economic Development Strategy (LCEDS) that is in a draft form. - The sub articles related to mitigation in the agreement suggests that the developing country Parties should continue enhancing their mitigation efforts, and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances. They will also have to formulate and communicate low emission development strategies. This will also be applicable to Nepal, meaning it will have to commit to emission reductions sooner or later. However, as an LDC, it can prepare the emission reduction strategies, plans and actions reflecting special national circumstances. - The agreement has also created new frame works and mechanisms for carbon trading. Nepal should start exploring the opportunities of reaping benefits from market and non-market based mechanisms. In doing so, it can use the learning and experience from the Clean Development Mechanism (CDM). Nepal will have to be equally conscious of the fact that carbon trading schemes will not reduce net emissions rather transfer the responsibility of developed countries to the developing countries.

<p>Adaptation</p>	<ul style="list-style-type: none"> - Establishes a global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, linked to temperature goal. - Asks parties should strengthen their cooperation on enhancing action on adaptation. - Invites Parties to engage in adaptation planning process, submit and update periodically the adaptation communications. - Commits to continuous and enhanced international support to developing country Parties for the implementation of adaptation actions. 	<ul style="list-style-type: none"> - The agreement acknowledges the need for enhanced adaptation action by establishing a global goal and linking it to the temperature goal. Such a linkage recognizes that more adaptation is needed if mitigation actions are delayed. While international support for adaptation to developing countries is mentioned, there is no quantitative target. - The agreement text encourages the Parties to share information, good practices, experiences and lessons learned from implementing adaptation actions. Nepal can document and share its experience in implementing local adaptation actions to the global community. It can use the evidence of good practice to further access adaptation finance. - As per the decision text, the Adaptation Committee under UNFCCC and LDC expert group (LEG) are tasked to develop the modalities of the Institutional Mechanism, Methodologies for Assessing Adaptation Needs and Resource Mobilization Modalities. Nepal can showcase its experience from the Local Adaptation Plan of Action (LAPA) process to guide and influence the work of Adaptation Committee and LEG. - The country is already moving towards formulating National Adaptation Plans (NAPs), which is part of the adaptation planning process for mid and long term adaptation needs. Nepal can expedite this process to send a message that it is serious about climate change adaptation and use this as a means to demand and access required financing for the implementation of the plans.
<p>Loss and Damage</p>	<ul style="list-style-type: none"> - Provides for a separate article (Article 8) on Loss and Damage that is distinct from adaptation in the agreement - Outlines areas of cooperation, facilitation and support for different aspects of loss and damage including slow onset events and non economic losses - Identifies the Warsaw International Mechanism on L&D as they key institutional arrangement. 	<ul style="list-style-type: none"> - A standalone article on loss and damage is a major achievement for LDCs considering the tough position of adopted by the developed countries to merge loss and damage with adaptation. The developed countries were successful in dropping the very essence of L&D in the agreement by inserting language to exclude liability and compensation in connection to L&D. With this, the developing countries will not be able to claim compensation for the losses and damages caused from climate change. - There is a strong view that the exclusion clause only refers to what the Article provides for and does not imply a general exclusion on L&D liabilities. It does not mean that financial resources cannot be allocated through the Financial Mechanism of the Convention and the Paris Agreement for developing countries to address the adverse impacts related to loss and damage. The issue of L&D is expected to be in the center stage of negotiations in COP22 later this year in Marrakesh in Morocco. As Nepal is represented in the executive committee of the Warsaw International Mechanism on L&D, Nepal should use this opportunity to flesh out provisions that will be beneficial for vulnerable countries so that the essence of L&D is restored.

Finance	<ul style="list-style-type: none"> - Acknowledges the obligation of the developed countries to provide climate finance to the developing countries for both adaptation and mitigation - Encourages other Parties to provide or continue to provide such support voluntarily. - Mentions the need to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and Small Island developing States. 	<ul style="list-style-type: none"> - There are no legally binding provisions in the agreement that set quantitative targets for developed countries on the scale of financial support to development countries. However, the decision text does provide some details, including the continuation of US \$100 billion as the floor with a new collective target to be negotiated by 2025. Nepal can benefit from this, if it actually gets mobilized. -The weak language on finance in the Paris Agreement means the developed countries are unwilling to provide adequate support to the developing countries for climate actions. The climate finance needs for both adaptation and mitigation in developing countries are far higher than US\$100bn. There is still suspicion that the traditional development assistance will also be counted as climate finance. Consequently, Nepal may face stiff competition to obtain financial resources from multilateral climate finance mechanisms established under the UNFCCC and other channels of regular development assistance.
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NEXT STEPS

Future negotiations

In the post-Paris climate negotiations under the UNFCCC, the focus will be on interpreting the agreement text and setting provisions for implementation. There will be covert and overt efforts to interpret the agreement to fit into one's national interest, especially from the developed countries and the big emerging economies. The Paris Agreement leaves sufficient tasks for the upcoming meetings to detail out the operationalization of the agreement. Enhancing climate actions prior to 2020 will also be discussed in length. In such a context, Nepal should not lose time in jump starting its preparation for the future negotiations.

One important initiative the Nepal Government can start is by forming an 'Expert Working Group' building on the past experience of engaging experts from both government and civil society organizations that have experience in the international climate negotiations. The expert working group can be tasked to provide the government with technical support to strengthen the negotiating strategies.

The Government of Nepal has been raising the importance of reflecting the special needs of the Small Mountainous Developing Countries (SMDCs) in the climate agreement. This issue, however, was not addressed in the Paris Agreement. If Nepal wishes to champion this issue in the future, it should forge alliances with like-minded mountainous countries and continue efforts to build a common understanding regarding the vulnerabilities, impacts and collaborative actions associated with the SMDCs. Moreover, there should be clarity on which countries fall under the category of SMDCs as both small and mountainous are vague terms.

National efforts

The Paris Agreement leaves every country with a list of national level actions to be done, including the preparation for the ratification of the Paris Agreement. As a binding agreement, Nepal will have to regularly prepare and communicate its climate change adaptation and mitigation strategies, actions and plans to UNFCCC in a periodic basis, which will require robust efforts from concerned agencies.

The most important agenda that Nepal has at hand is the preparation of its Intended Nationally Determined Contribution (INDC). As the UNFCCC Secretariat will conduct an assessment of the adequacy of the contributions in light of the 1.5°C degree goal taking into account submissions received by April 2016, Nepal needs to aim to submit



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its INDC by that period. The INDC can present an outline of what Nepal intends to do in terms of moving forward in a low carbon and climate resilient development pathway for the period of 2020 to 2025. It can also include an estimate of the required financial support to implement the INDC.

The Paris Agreement will only come into effect from 2020, so in the meantime Nepal should continue to build upon the ongoing initiatives in mainstreaming climate change adaptation into development planning processes. The government should continue to build its institutional and human capacity to enhance international climate finance access and effectively implement the programs and projects in the ground. At the same time, Nepal should also document and disseminate the experience and good practices of implementing local level climate actions. The ongoing processes for preparation of Low Carbon Economic Development Strategy (LCEDS) and National Adaptation Plan (NAP) should be fast tracked to build on the momentum.

Nepal lags behind on scientific research regarding the potential impacts of climate change on key economic sectors and the potential loss and damage that Nepal will have to bear due to climate impacts. To fill this gap, the government should consider establishing the 'Climate Change Center' envisaged in the National Climate Change Policy – 2011.

Conclusion

The Paris Agreement was a mixed bag of achievements and compromises for countries like Nepal. It is evident from the past negotiation process that in order to effectively implement the Paris Agreement continuous engagement and advocacy is needed from the most vulnerable countries, including the civil society. Without such engagement, the developed and fast emerging economies will not do their fair share in limiting the global average temperature rise to safe limits and provide sufficient financial resources to the vulnerable countries. It is equally important to highlight that the prevailing world economic model dominated by the corporate interests is a big hindrance to ambitious climate actions. Hence, a systemic change is required in order to prioritize and safeguard the interest of the most vulnerable populations.

Nepal needs to be prudent to reap the benefits that the Paris Agreement has provided and continue to strive to safeguard its people from the adverse impacts of climate change. Nepal needs to access climate finance from the available international mechanisms and deliver it for the benefit of the most vulnerable communities. Nepal should also work to create the necessary enabling environment to support climate actions by setting up the necessary institutional mechanisms and enhance capacity of existing machinery. Building our internal capacity is necessary to give shape to our own model of sustainable development and reduce reliance on international institutions in the process of doing so.

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