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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Follow-up to COP 21 (Climate change) - Policy debate

- 1. On 23-24 October 2014, the European Council agreed on the 2030 climate and energy policy framework for the European Union and decided to revert to this issue after the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (CoP 21), held in Paris from 30 November to 12 December 2015.
- 2. On 6 March 2015, the EU and its Member States communicated their commitment to a binding economy-wide target of an at least 40% domestic reduction in greenhouse gas emissions by 2030 compared to 1990, to be fulfilled jointly, as their Intended Nationally Determined Contribution (INDC) with a view to CoP 21.

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- 3. On 12 December 2015, <u>CoP 21</u> in Paris marked a crucial point in global action on climate change by adopting a global, legally-binding instrument, the Paris Agreement. This Agreement contains the architecture of global climate governance for the post-2020 period which should put the world on track to avoid dangerous climate change by limiting global warming well below 2°C.
- 4. On 17-18 December 2015, <u>the European Council</u> welcomed the historic outcome reached in Paris. It invited the Commission and the Council to assess the results of CoP 21 by March 2016, in particular in view of the 2030 climate and energy framework, and to prepare the next steps.
- 5. The Commission is expected to publish a communication on the outcomes of CoP 21 and the next steps for the EU in February 2016. The EU and its Member States have shown strong leadership in the international climate negotiations. In order to build upon these outcomes, the EU and its Member States will need to continue to develop a forward-looking position, in particular in relation to the implementation of their INDC through the development of the 2030 climate and energy framework in conjunction with the five-yearly ambition cycle laid down in the Paris Agreement.
- 6. On 4 March 2016 <u>the Council (Environment)</u> will hold a policy debate to assess the results of CoP 21, in particular in view of the 2030 climate and energy framework, and to prepare the next steps.

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Presidency headline reading of the Paris Agreement

The Paris Agreement is a legally binding multilateral agreement adopted by 195 countries. With strong and active political efforts, the EU played an important role in brokering an ambitious and balanced agreement. Under the effective and successful French Presidency, the final result is at the upper end of expectations.

Paris marked a strong involvement by both state and non state actors. 187 Parties have submitted their INDCs, establishing a new way of building a shared global effort to reduce emissions as well as risks and negative impacts of climate change. These contributions will, when implemented, lead to a significant deviation from business as usual emissions by 2030, but will not yet put the world on a pathway to meet the agreed temperature goals. Non-state actors strongly committed themselves to a vast array of action on both mitigation and adaptation, thereby supporting and complementing actions by their governments.

The Paris Agreement provides clear directional objectives for all these efforts, which was an important EU demand. For mitigation, the agreement sets the long-term objective of keeping global warming well below 2°C and to pursue efforts to limit it to 1.5°C. To this end, global emissions should peak as soon as possible and be rapidly reduced thereafter, so as to reach a balance between emissions and sinks (i.e. climate neutrality) in the second half of the century, based on science. The agreement also emphasises the importance of action on adaptation, establishing a long-term goal for adaptation to strengthen resilience and reduce vulnerability worldwide.

At the core of the agreement is a legally binding provision that each Party shall prepare, communicate and maintain successive nationally determined mitigation contributions that will represent progression over time and reflect its highest possible ambition. Furthermore, Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.

One of the major achievements of the EU is the inclusion of a five-yearly ambition cycle, aimed at regularly updating individual and collective ambition. The first cycle will start in 2018 with a facilitative dialogue in which Parties will take stock of the collective efforts towards meeting the long term goal. The 2018 dialogue will provide an opportunity to pilot and further develop the process for the 2023 and 2028 global stock takes. The 2018 dialogue should be informed, inter alia, by the special report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways. Following this dialogue, Parties with 2025 targets are expected to come forward in 2020 with their successive contribution, whereas Parties with 2030 targets, such as the EU, are invited to communicate or update their contribution, and to do it every five years thereafter. All Parties' new contributions will represent progression relative to previous contributions in terms of ambition. If the "well below 2°C" goal is to remain achievable, the first review cycle must result in substantial additional commitments. The EU and its Member States will also need to be prepared for this first ambition cycle.

The Paris Agreement also invites Parties to come forward with their longer term mid-century vision, in the form of a low-emission development strategy, by 2020. The EU and its Member States should start the necessary preparations for such a strategy.

Another central element of the agreement for the EU is the common and enhanced transparency framework for providing clarity on both action and support, with built-in flexibility to differentiate monitoring, reporting and verification (MRV) commitments in light of Parties varying capabilities. This Paris outcome provides a good starting point for elaborated accounting rules to verify if Parties meet their commitments, and it enables the development of new mechanisms for accounting of traded emission reductions. Importantly, many of these provisions apply to the transparency and accountability for adaptation and means of implementation.

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On climate finance the agreement sets as its purpose making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. This will require a global shift in both private and public investment flows. It also reaffirms the leading role of developed countries in the provision of financial resources, yet encourages other Parties to contribute as well. The decision sets the target for mobilisation of USD 100 billion a year by 2020 through 2025, with a new, higher goal to be set for the period after 2025.

The Paris Agreement encourages Parties to strengthen domestic action and international cooperation on adaptation to climate change by increasing resilience and reducing vulnerability, as well as on loss and damage. This will include efforts to achieve a balance between mitigation and adaptation in climate finance, with a focus on the needs of poor and vulnerable countries.

Developed country donors are also invited to come forward with finance roadmaps towards 2020 to demonstrate their contribution towards the global effort to mobilise climate finance.

The agreement contains clear guidance for Parties in their efforts to enhance action pre-2020 and undertake the necessary steps ahead of the entry into force of the agreement.

There are ample opportunities for the EU to demonstrate its determination to deliver on the implementation agenda for adaptation, mitigation and finance, including the ratification of the Doha amendment. In addition to formal pre-2020 action under the Paris Agreement, the Lima Paris Action Agenda will represent an important continuing forum to raise ambition.

The EU and its Member States were among the first to submit their collective INDC on 6 March 2015. The next step for the EU and its Member States is to agree on the domestic policies under this framework. At the same time, we will need to prepare for ratification of the Paris Agreement.

Now, the EU and its Member States have to deliver on their promises. Through concrete actions Europe will continue to lead the global low-carbon transition that was agreed in Paris.

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Questions to Ministers

Ministers are invited to reflect on the Presidency headline reading of the Paris Agreement. In order to provide guidance for the exchange of views at the Council (Environment) on 4 March 2016, the Presidency has prepared the following questions:

- 1. Do you agree with the Presidency's reading of the outcomes of CoP21?
- 2. What are your first reflections on the communication on the outcomes of CoP21 and the next steps for the EU as presented by the European Commission?

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