16 February 2016

Thought Leadership Series (TLS) 2016: COP21 Feedback Session
Event Date: 9 February 2016

The first TLS session of 2016 focused on the much talked about outcomes of COP21, in particular the development of the Paris Agreement (PA). This session included speakers from the Department of Environmental Affairs (DEA) and the Department of International Relations and Cooperation (DIRCO). The TLS was intended to unpack the meaning and significance of COP21, both globally and for South African business. The below two page summary cannot reflect the depth of the conversation held over two hours but serves to provide the key highlights.

What are the key outcomes of COP21?

Joanne Yawitch, National Business Initiative (NBI) CEO, opened the TLS by giving her impression of this COP as a difficult one for business to access, although business played an important role in influencing the overall outcomes. According to Joanne, the key outcome of the Paris Agreement is that for the first time, both developed and developing countries are effectively on the same page on the issue of climate change, sending one clear message: the future is a low carbon one and the private sector has an important role to play in driving this outcome. The agreement also gives the green light to national climate policies, creating an opportunity for business and government to work together towards unified goals.

What is significant about the Paris Agreement (PA)?

Maesela Kekana, Chief Director, Department of Environmental Affairs (DEA) was tasked with answering this question, opening with the statement that the agreement marks a watershed moment, ushering in a new regime. The actual agreement as it currently stands is a 'comprehensive framework', the details of which will be fleshed out over the next 5 years by the Ad Hoc Working Group on the Paris Agreement. All parties to the agreement will sign the document in April 2016 in

New York, after which it will need to be ratified in order to come into force. The agreement could be ratified globally by 2018, for its commencement date of 2020. It is expected that it will take South Africa 3 years to ratify the PA. Most importantly, the agreement reaffirms the temperature goal of reducing overall warming to below 2 degrees, with the intention to achieve 1.5 degrees of warming. The PA also provides requirements that Nationally Determined Contributions (NDCs, formerly referred to as INDCs) be updated every 5 years and that these individual country NDCs aim to be more ambitious over time. In other words, there should be no backsliding with respect to NDCs. In order to include all parties, the PA is carefully worded such that it is envisaged that the President of the USA is able to ratify the agreement without Senate approval.

What are some of the key features of the Paris Agreement, and how do we assess its significance?
Mr Kekana highlighted the key feature of the agreement as its overall emphasis on transparency, with specific requirements for reporting, accounting and review. For example, under the PA countries must report on progress with respect to their NDCs. While the overall document is not legally binding, Cornelius Scholtz (State Law Advisor, DIRCO) provided further detail on the use of binding language in the PA. Essentially, while country quotas are not legally binding, wording such as "shall" or "should" which are far more binding than language such as "will" are used with most procedural commitments in the PA. An example is "countries shall submit an NDC every 5 years". It is important to note that as an international agreement, it is only effective if supported by domestic legislation and thus a key task is to integrate key requirements into local policy going forward.

Mr Kekana explained that another key feature of the PA is that the documents relating to climate finance are not actually included in the main agreement. What this means is that financial commitments are not binding but the document does refer explicitly to the $100 billion climate finance base that is required for mitigation and adaptation support (i.e. allocations to the Green Climate Fund). Mr Kekana further noted that only 25% of GCF funding allocations are expected to be derived from public sources, with the private sector presumably required to provide the bulk of this climate finance. Mr Kekana also stressed the importance of the 'Lima Paris Action Agenda'. See for example: http://newsroom.unfccc.int/lpaa/ for further detail on this initiative.

For more information, please contact: Amy Marshall