



MEDIA COVERAGE

Low Carbon Technology Partnerships initiative

Analysts' take: It's reasonable to argue COP21 is already a success, and a failure

By Jonathan Grant and Lit Ping Low



PwC's climate and sustainability team looks at how the next two weeks of negotiations are likely to pan out

Governments and policy makers are meeting in Paris with the aim of agreeing a new global climate deal. It is reasonable to argue that the UN Climate Summit (called COP21) is already both a success and a failure.

Although pledges on carbon reductions made by governments and business ahead of the Summit are unprecedented, they fail to reach two degrees. But, they show also that the Paris summit has already succeeded in provoking a tangible shift in action and attitudes.

Negotiators start the climate talks in Paris on 30th November, where they left off at the last negotiating session in Bonn in October - with a 54 page long draft text. Those talks in Bonn were a step in the wrong direction for two reasons. First, countries reinserted most of their historic positions into the short skeleton text drafted by the co-chairs. Not only did the text balloon from 20 to over 50 pages, but there was no convergence on any of the substantive options. Negotiators are unwilling to compromise before COPs, given the links between the different issues and the absence of real political pressure which only comes from the hard deadline of a summit.



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Secondly, developing countries appeared to coalesce around the principle of differentiation between countries. This is despite the fact that many developing countries, including Ethiopia and Mexico, have proposed relatively ambitious targets (INDCs). Kyoto's fatal flaw has been the binary division between developed and developing countries (as per the 1992 definition of the terms) and the responsibilities or actions of each group. If this division remains at the end of the talks in Paris, the Agreement is unlikely to survive when it arrives back in other national capitals.

Countries' negotiating positions have diversified in recent years to reflect their particular concerns and circumstances. But in Bonn the G77 + China group dominated the interventions on behalf of all developing countries. Their concerns relate to finance and loss and damage, but other differences include the nature of the emissions targets and the reporting and review process.

So the stage is set for the typical rhythm of a COP: negotiation, frustration, crisis, a shorter text. The text can't be negotiated as a whole because it is too long, has too many options and is just too complex at the moment. It is doubtful that there will be much progress. Frustration will increase until a point, where the co-chairs and then the Presidency of the talks will be asked to draft a shorter 'balanced' document that reflects the concerns of all countries. The trick will be to develop the new drafts in a seemingly open and inclusive manner in order to keep everyone on board.

With 195 countries participating, there is always the risk of failure. The three main risks to the talks are first, the 'Copenhagen risk' that the talks and drafting process are mishandled by the Presidency to the point that countries are alienated and walk away. Secondly, there is 'Kyoto risk', in that the deal agreed in Paris collapses when it arrives back in national capitals. The prospect of a binary division between developed and developing countries raises this risk. And thirdly, there is 'feebleness risk' which results from the attempt to manage the first two risks. This could produce an agreement that is so flimsy that a group of countries walk away saying that 'nothing is better than something'.

But many well-seasoned commentators are positive that there will be a deal at the end of the COP, even though it might not be a particularly ambitious one. Even this is likely to accelerate the low carbon transition as national legislators gain confidence that other countries are also taking action.

What's different too about this summit versus the experience at Copenhagen is that major businesses are starting to adopt strong ambitions and action plans alongside governments. But achieving the full potential needs strong government policy and real business action. And don't underestimate the potential contribution of international business to cutting emissions, with the right support. Our analysis this month for the World Business Council for Sustainable Development shows that major

The header image features the acronym 'LCTP' in large, stylized letters. The 'L' is a vertical bar with a blue and purple fiber-optic pattern. The 'C' is a circle filled with a blue circuit board pattern. The 'T' is a grid of blue and green squares. The 'P' is a white, wireframe-style letter. To the right of the letters is a white silhouette of the Eiffel Tower against a blue sky with white clouds. Below the acronym, the text 'Low Carbon Technology Partnerships initiative' is written in a blue, sans-serif font.

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businesses in their Low Carbon Technology Partnerships Initiative could, supported by the right policies and incentives, channel \$5-10tr of investment and get us 65 per cent of the way to the goal of limiting global warming to 2C by 2100.

So the deal - whatever shape it takes - will need to be durable, to withstand shifting national politics, and it will need to support financial and technical cooperation, and it will need to gradually raise ambition by all countries. After Paris, the focus will need to be on implementation - turning pledges into practice. The emphasis will be on performance and accountability and also on how to ramp up commitments and funding.

The success or not of Paris in this respect will only really become clear late in the next decade and beyond.

Read PwC's full preview [here](#). Follow updates from the PwC team @pwcclimateready.

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