Late on Saturday 12 December 2015, the 196 countries of the United Nations adopted the ‘Paris Agreement’. This new, universal climate deal is the culmination of a decade of negotiations that have twisted and turned in one of the most complex multi-lateral processes ever undertaken. ‘Historic’ is a fitting description for the agreement, which is certainly the most important international treaty for a generation, and perhaps since the establishment of the United Nations itself in 1945.

This report is in two parts. The first provides our analysis of the outcomes from Paris, while the second provides a summary of the events and activities that The Climate Group was engaged in across the two weeks.

Above: Laurence Tubiana, Christiana Figueres, Ban Ki-moon, Laurent Fabius and Francois Hollande at the adoption of the Paris Agreement.
PART I – THE NEGOTIATIONS

Background

For almost twenty years since the adoption of the Kyoto Protocol in 1997, scientists and many governments and businesses have recognized the need for a successor agreement. Such a deal had to involve all countries in a concerted effort to limit global warming to 2 degrees above pre-industrial levels.

The first climax of efforts to seal such a deal occurred at COP15 in Copenhagen in 2009. Famously, this conference ended in near-collapse and saw the succeeding six years focused on establishing a process that would avoid repeating its failures. Through the highs and lows of successive COPs, governments sought to create sufficient trust and confidence to enable a deal that would unequivocally set the world on a path to a climate resilient low carbon economy.

Although COP15 was a political and negotiating failure, it ultimately sowed the seeds for the positive outcome in Paris. The chaos of Copenhagen showed that a more inclusive and transparent process that built on countries’ own commitments – rather than imposing targets – was necessary. In practice, this meant greater engagement by sub-national governments, corporates and investors and pointed to a solution that did not rest entirely on a single agreement.

Thus, between COP17 Durban in 2011 and COP20 in Lima in 2014 a more sophisticated international framework for climate action emerged. By the end of 2014 it was agreed that there would be four strands to the work in the run up to COP21 in Paris:

- Negotiation of legally-binding agreements covering all countries to enter into force by 2020;
- National commitments to climate action – the Intended Nationally Determined Contributions (INDCs) that would underpin the new agreement;
- Agreement on measures to scale up action between 2016 and 2020, including increased finance for mitigation and adaptation in developing countries; and
- The Lima-Paris Action Agenda collecting and scaling up commitments by “non-state actors” – cities, states, companies, investors and civil society groups.

All four of these came to a head in Paris.

The Paris Agreement

The Paris Agreement is a more ambitious outcome than many had expected. Indeed, it fulfils nearly all the policy asks of The Climate Group and the other partners of the We Mean Business (WMB) coalition. Likewise, it ticks nearly all the boxes of the States & Regions COP21 Position Paper.
The key outcomes are:

- **A long-term global goal** – this is described both in temperature and emission terms. In the case of the former, countries have committed to holding the increase in average global temperature to “well below 2°C” and to “pursue efforts” to limit the rise to 1.5°C. In the case of the latter, countries have agreed in effect to achieve net-zero emissions (i.e. “…achieve a balance between…emissions by sources and removals by sinks…”) in the second half of the century, with peaking of global emissions occurring “as soon as possible”.

- **Review & ratchet mechanism** – critically, countries have agreed to a series of facilitations, stocktakes and deadlines which will allow for the review and ratcheting of country commitments. The first, albeit voluntary, “facilitation process” will begin in 2018 with countries invited to table new and more ambitious commitments / contributions in 2020. The next review, a global stocktake of “collective progress”, will take place in 2023 and occur every five years thereafter. The outcome of the global stocktake is intended to inform the next round of country commitments / contributions (expected to be 2025 and then so on every five years).

- **Carbon pricing** – the Paris Agreement does not explicitly call for a price on carbon. It does however allow for and enable international carbon trading – an important win for the many countries, states, regions and companies that support this essential policy tool. It also establishes a new ‘Sustainable Development Mechanism’. Although yet to be defined fully, this is intended to use market mechanisms to support low carbon development, particularly in developing countries. Separately, it is worth noting that over 40 INDCs contain measures or policies that have or will create national carbon prices.

- **Additional climate finance** – the Agreement reiterates the lead role of developed countries in mobilising climate finance but, in a departure from the Kyoto Protocol and the original 1992 Climate Convention, (the UNFCCC) it also invites other countries to “voluntarily” provide support. Reference to any specific finance figure is missing from the Agreement. However, in the supporting COP decision, governments have agreed that developed countries “intend to continue their collective mobilisation goal [i.e. USD100bn a year from 2020] through 2025”. Before 2025, countries have also agreed to set a “new collective goal…from a floor of USD100bn a year”. Interestingly, this decision refers to “Parties”, making no distinction between developed and developing countries in setting or achieving the goal.

- **Transparency & accountability** – A new “enhanced transparency framework for action and support” is established by the Agreement. In practical terms, this means that both developed and developing countries will be required to account for their emissions in a standardised way and on a regular basis. The exact modalities are to be agreed at subsequent COPs but will build on existing experience. The ‘support’ part of the framework, applies to the financial, technical and capacity
support that developed countries are required to provide to developing countries. Again, modalities are to be developed.

- **Ambitious national commitments** – the new agreement institutionalizes the role of ‘Nationally Determined Contributions”. Governments agreed that each country will “prepare, communicate and maintain successive nationally determined contributions that it intends to achieve”. A new ‘NDC’ is to be communicated every five years. Parties also agreed that each successive contribution will be a progression beyond the existing one and reflect a country’s “highest possible ambition”. Encouragingly, by the end of COP21 a total of 187 countries had submitted INDCs covering 98.6% of global emissions.

- **Adaptation** – Countries agreed a global adaptation goal “of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change”. Parties also agreed to “engage in adaptation planning processes and implementation actions”. There is also a dedicated section in the agreement to the issue of ‘Loss & Damage’. This article further institutionalises this important area of work dealing with the impact of unavoidable adverse climate impacts, especially in the most vulnerable countries.

Other notable elements of the Agreement include recognition in the preamble of the importance of “all levels of government” (read sub-national governments) and the inclusion (also in the preamble) of new concepts such as ‘climate justice’. One disappointing aspect is the absence of any specific reference to the role of business, other than the vague reference in the preamble to the importance of “various actors” and brief mention of “private entities” and the “private sector” in the section dealing with so-called ‘cooperative approaches’ (aka market and non-market mechanisms).

**The COP decision**

Supporting the Paris Agreement is the equally important COP decision text. This sets out a wide array of other actions that will help in implementing the Agreement in 2020 and also ensure that the ‘emissions gap’ that still exists is narrowed as much as possible in the next four years.

Key points to note from the COP decision include:

- Establishment of a new ‘Ad-hoc Working Group (AWG) on the Paris Agreement’ tasked with preparing for the entry into force of the Agreement.
- Establishment of a new Paris Committee on Capacity-building and launch of a 2016-2020 work plan.
- Establishment of a Capacity-building Initiative for Transparency to build pre-and post-2020 institutional and technical capacity in developing countries.
The COP decision also gives new impetus and strength to the existing ‘Pre-2020 Ambition’ work stream. This was set up in 2011 in Durban to complement the post-2020 treaty negotiation work stream. The key outcomes from Paris are:

- Appointment of two high-level ‘Champions’ to facilitate ongoing high-level engagement in the pre-2020 period to ensure successful execution of existing efforts and scaling up of new voluntary efforts, initiatives and coalitions. The first champion will be the Peruvian Environment Minister and COP20 President, Manuel Pulgar-Vidal.
- Strengthening of the existing ‘Technical Examination Process’ on mitigation and establishment of a similar technical process for adaptation.
- Building on the successful Lima-Paris Action Agenda, countries agreed to hold a high-level event at every COP until 2020 to provide a forum for strengthening implementation, announcing new voluntary initiatives, taking stock of progress and allowing for dialogue between governments, international organisations, and non-Party stakeholders.

**The consequences**

So what exactly does all this add up to? In truth, quite a lot, although less than what the world ultimately needs to address climate change effectively. The good news, though, is that the Agreement has the flexibility to deal with its current weaknesses.

The big wins are undoubtedly the long-term goal – particularly as it is expressed in terms of net-zero emissions – and the ratchet mechanism. The former sends an unequivocal message about what the world must look like sometime after 2050, while the latter provides the means of getting there. With the price of low carbon technologies expected to continue their shift down the cost curve, then – all other things being equal – the political price for making stronger commitments in the future should also fall.

Agreement on finance is also big news for several reasons. First, it presents a political success for all involved and a timely vindication of multilateralism. Second, although the USD100bn is not mentioned in the Agreement itself, the language about increasing financing from a floor of USD100bn in the decision text is much stronger as a result. Finally, and most importantly, by sorting out the billions, countries have ultimately unlocked the trillions by delivering a deal that will drive innovation and help create the enabling environments for large scale low carbon investment.

At a more general level, it is worth remembering that from the outset COP21 was framed by all close to the process not as a conclusion, but as a potential tipping point in the transition to a prosperous low carbon future. The aim was that a robust Paris agreement would send a message to the world that this transition was now “inevitable, irresistible and irreversible”. Although the full consequences are yet to be seen, the early signs are that, in this, it was a significant success.
Of course, it would be wrong to assume that, because we now have a new global accord, that COP21 has somehow “solved” climate change. Indeed there are many criticisms that have been leveled at the Paris Agreement. In the first instance, even if all the commitments are adhered to, we are at best on a path that will take us to a world with close to three degrees of warming, still far from the 1.5 degrees that countries have pledged to aim for. This is where an effective “ratchet mechanism” and the reviews of existing pledges will be vital.

There are also those that argue that the financial commitments made in Paris are still vague, are not binding and do not represent new and additional funding. There is undoubtedly some truth in this but we would argue that the overall signal provided by the new agreement will unlock far greater investment in a climate resilient low carbon economy than the money provided by governments. This will to a large extent depend on countries’ own willingness and ability to put in place policies that offer a compelling investment environment.

Finally, the legal status of the agreement has been widely discussed. It is certainly true that many elements are not binding under international law; countries cannot be sued, subjected to trade sanctions or punished in other ways if they do not meet their commitments. Yet, it was clear from well before governments even arrived in Paris that such an agreement would be untenable for many of them. Nevertheless, there are several reasons why this may not be as important as it appears. The Agreement is already part of the UNFCCC which has been ratified by almost all Parties. Moreover, as with many international agreements, compliance will depend greatly on peer pressure and public opinion; the Paris agreement includes transparency mechanisms that should make it relatively straightforward to know which countries are – and are not – meeting their commitments. And, perhaps most importantly, it is clear that there is now a significant group of investors and businesses looking to invest in the low carbon economy; those countries that show themselves, through their domestic policies, to be most serious about their commitments will attract the lion’s share of this investment.

More importantly, given the reasonable view of Paris as a milestone, albeit a vital one, the task now in hand is one of implementation. This will involve governments – national, regional and municipal – turning their mitigation commitments into coherent policy frameworks capable of unlocking private sector investment, and businesses recognizing that business as usual powered by fossil fuels is no longer a viable option. Indeed this recognition is already becoming evident from the responses of individual companies and business associations in the days since COP21 ended.

It will also require civil society organizations, including The Climate Group, to scale up their work to make the business case for climate action and persuade their stakeholders that those who move fastest and earliest will be those that attract the greatest share of available investment, create the most high value jobs and so lay the foundations for sustainable long term growth.
PART II – THE CLIMATE GROUP AT COP21

The Climate Group played a major role in the success of COP21, both as part of the collective efforts of the We Mean Business coalition and through our own work with the sub-national government and corporate communities.

We Mean Business

After two years of building trust between the seven founding partners and affiliate members and creating a core shared narrative, common corporate leadership platforms and a consistent policy ask, the value of the coalition and its impact became fully evident in the run-up to and during COP21. Indeed, the UNFCCC Secretariat and a number of governments explicitly mentioned the significance of our contribution in mobilizing forward-thinking business and enabling them to engage directly with the international process in a way that they had not done before, at least not in a coherent manner.

Building on the work in the months before COP – during which we refined our policy asks and emphasized both the concrete action being taken by businesses (rather than just their calls for action by governments) and the business case for climate ambition – once in Paris we had an active policy program, produced a daily newsletter representing the views of the business community and used our combined communications muscle to create a business narrative in support of an ambitious outcome.

Our policy work centered on eight asks contained in the Business Brief (http://www.wemeanbusinesscoalition.org/sites/default/files/Business-Brief_Web.pdf) which provided the rationale for what business needed from an international agreement, how they formed part of an overall accord and specific text suggestions. This last aspect, in particular, was welcomed by ministers and negotiators as, for the first time, the business community was offering concrete language to reflect its desire for coherent international policy.

Right: Front cover of the WMB ‘Business Brief’ for COP21

The We Mean Business newsletter – The Bottom Line – was produced daily throughout the COP and distributed to thousands of negotiators and stakeholders both as hard copy and online. Conceived and initially developed by The Climate Group, we contributed editorial staff to the
collective effort as well as support by the communications team on dissemination and outreach.

Above: Front page of a hard copy edition of ‘The Bottom Line’ which was circulated each morning at Le Bourget conference center.

The Bottom Line formed part of a wider communications effort through which the We Mean Business partners transmitted a small set of core messages each day, based on the current state of the negotiations and progress towards our policy asks, as well as participating in numerous press conferences, interviews and events. This truly collective effort meant that, rather than competing with each other for media coverage and influence, our actions reinforced each other with each organization playing to its strengths. There is clearly appetite for this work to continue in 2016 and beyond.
States and Regions

The Climate Group States & Regions team played a major role in convening and amplifying the voices of leading sub-national governments throughout COP.

Together with the UN Secretary-General’s Climate Change Support team, The Climate Group convened a private meeting between UN Secretary-General Ban Ki-moon and state and regional government leaders. During this meeting the Secretary-General was briefed on major climate initiatives by state and regional governments, including the Compact of States and Regions, the Under 2 MOU (see below) and Regions Adapt, and presented with the States & Regions Alliance’s COP21 policy asks. In later speeches, the Secretary-General highlighted the role of sub-national governments in demonstrating “the art of the possible” and in convincing their national counterparts of the feasibility and attractiveness of ambitious policy goals.

Above: Ban Ki-moon with a copy of the Compact of States and Regions disclosure report during a private meeting convened by The Climate Group.

The States & Regions Alliance held its Annual General Assembly with the participation of 40 governors, premiers, presidents and ministers from 30 governments from around the world. Consensus was reached to expand the Alliance, in particular in emerging economies, as well as to focus on measurement and reporting with a link to the Under 2 MOU, and collaborate on policy learning and innovation.

This was the largest gathering of the States & Regions Alliance since its founding in 2005 and feedback from government leaders has been extremely positive. Perhaps
most importantly, for the first time there was the real sense that the participating regions took genuine ownership of the Alliance and fully appreciated its value. This was reflected both in their much more active participation and the way they referenced both the Alliance and The Climate Group in their public engagements and media work.

The General Assembly also included a press conference – featuring the leaders of California, Scotland, Quebec, South Australia and the Basque Country – to launch the first Disclosure Report of the Compact of States and Regions, itself launched at the UN Climate Summit in September 2014. The report provides the first transparent global picture of efforts to tackle climate change from states, provinces and regions across the world, with 44 governments representing more than 325 million people and over US$10.5 trillion in GDP, spanning 18 different countries across six continents, reporting their climate commitments and GHG inventories for the first time.

- Between them, the 44 governments will save:
  12.4 GtCO₂e in cumulative emissions by 2030, more than the combined GHG emissions of the US and EU; and
  47.4 GtCO₂e by 2050 equal to world GHG emissions in 2012.
- By mid-century, these 44 states, provinces and regions will have reduced their annual emissions by almost 55% in absolute terms (from 2.81GtCO₂e to 1.28GtCO₂e). This reduction is only set to grow with many of these governments now looking to adopt 2050 targets.
- Through their reported GHG emissions reduction commitments, these governments will already save a cumulative 3 GtCO₂e by 2020, which is more than the combined 2012 GHG emissions of the UK, Germany and Japan.
The Compact of States and Regions is the first-ever reporting mechanism for states, provinces and regions to showcase and analyze their climate efforts. In 2015, 44 governments reported their commitments and GHG inventories.

Through reported GHG emissions reduction commitments, the projected cumulative savings are equivalent to:

- **Annual savings**
  - 0.6 GtCO₂e/year in 2020
  - 1.2 GtCO₂e/year in 2030
  - 2.2 GtCO₂e/year in 2050

- **Cumulative savings**
  - 3 GtCO₂e by 2020
  - 12.4 GtCO₂e by 2030
  - 47.4 GtCO₂e by 2050

By 2050, these governments will have reduced their annual emissions from 2.81 GtCO₂e to 1.29 GtCO₂e, which equates to an average absolute reduction of 53%. This constitutes a 92% reduction compared to a business-as-usual scenario, which would see emissions rise to 3.5 GtCO₂e.
The press conference was followed by a dedicated official COP21 Compact of States and Regions Side Event with eight governors, premiers and presidents from across the global States & Regions Alliance, focused on sub-national climate leadership through the Compact and the Under 2 MOU. At a subsequent UN Side Event, the Governor of California and the Minister-President of Baden-Württemberg, announced The Climate Group as the formal Secretariat for the Under 2 MOU, a global initiative by 133 state and regional governments to commit to at least 80% emissions reductions by 2050 or maintain a limit of 2 tons CO2e per capita.

As a result of these successes and the work leading up to them, The Climate Group is now widely recognized as the pre-eminent organization working internationally with state and regional governments. The influence of our work was noted throughout COP, with governors, premiers and ministers from across the Alliance working with The Climate Group to influence the negotiations through meetings with national delegations, public events and private meetings. Several premiers and governors have been cited as key influencers on the outcome.

**RE100**

As part of our work across the corporate sector, at COP21 we put particular emphasis on the RE100 campaign, which was showcased at speaker events and prominently via media and social media.
RE100 and Google (which has officially joined the campaign) co-hosted a high-level event where senior representatives from Google, IKEA, Marks & Spencer, Philips and Unilever, to name but a few, showcased the business case for going 100% renewable, and called for a long term goal in the Paris Agreement.

Above: Mark Kenber (left) with Steve Howard (IKEA), Marie Donnelly (European Commission), Gary Demasi (Google) and Bruce Carter (South Australia) at the Google RE100 event.

On ‘Lima-Paris Action Agenda’ Energy Day, IKEA CEO Peter Agnefjäll took to the stage to announce other companies joining the campaign, including BMW and Coca Cola Enterprises. This takes the total number of corporate partners to 53.

Together with CDP, The Climate Group also released new figures, along with an infographic, indicating how a private sector switch to renewables would cut global carbon emissions by as much as 15%.

Alongside this, a new initiative was launched by responsible
investment charity ShareAction. This called on major investors and companies to join RE100 and led to a prominent feature in The Guardian.

On the eve of the Paris Agreement, RE100 companies were united in a call for a long term goal to reduce and neutralize greenhouse gas emissions and to give business the confidence to make low carbon investments. And when the gavel fell, many welcomed the agreement.

Other corporate engagement

In addition to RE100, The Climate Group participated in a number of other events and programs related to our work around the world. Highlights included:

- A side event, organised jointly with China’s Elion Group, on the ground-breaking Kubuqi desert reforestation programme, featuring the PRC’s Special Climate Change Ambassador, our China Director Changhua Wu and senior representatives of the Asian Development Bank, IUCN and UNEP.
- A panel discussion featuring the India Minister for New and Renewable Energy, the Director of the Confederation of Indian Industry and our India Director, Krishnan Pallassana.
- Becoming a founder member and participating in the launch of the Global Lighting Challenge, along with the World Bank, the UN and several private companies. The goal of the Challenge is to accelerate the installation of 10 billion high quality, high efficiency light bulbs around the world.

Communications

Our Communications team once again excelled, both on its own and as part of the wider We Mean Business effort to mobilize the business voice in support of an ambitious deal. Amongst the highlights were:

*Climate TV*

We produced over 50 interviews on our recently launched Climate TV channel, including:

- Lord Stern, Chair - Grantham Research Institute
- Professor Hoesung Lee, Chair - IPCC
- Marc Bolland, CEO – Marks & Spencer
- Nicola Sturgeon, First Minister of Scotland
- Glen Murray, Minister of the Environment & Climate Change, Ontario
Traditional media

We were featured and quoted in 700 articles and other pieces of media coverage - including BBC, CNN, Time, and LA Times – with a reach of 600 million people across 45 countries. Examples include:


Above: Damian Ryan, our Head of International Policy, on CCTV America’s Heat Program.

Social Media

Our social media output and following were also prolific. Broken down by the three hashtags we tracked (a subset of our total profile), we created:

- 46 million impressions for #RE100
- 35.8 million for #statesandregions
- 31.4 million for #climatetv

The impact of this work has been underlined by research published by Onalytica, the leading independent analyst of leaders and organizations on social media. Their assessment of the top 100 influencers and brands on the climate change agenda looked at which people and organizations were driving the greatest engagement around the issue at the Paris summit.

The Climate Group emerged the 3rd most influential NGO at COP21 (after WWF and Greenpeace) and the 11th most influential brand overall, ahead of organizations like the World Economic Forum (12), Mashable (16), Oxfam (17), C40 Cities (18), We Mean Business (19), the World Bank (21), 350.org (22) and Bloomberg Business (50).
The diagram below shows Onalytica’s influence map of individuals and organisations at COP21. Unsurprisingly, it identifies Christiana Figueres, Executive Secretary of the UNFCCC, as being at the center, with The Climate Group, the UN Climate Action program, Oxfam International, the United Nations, and 350.org in the inner circle of influencers. The influence map for brands shows a similar picture with UN Climate Action at the center of the map and in the immediately adjacent ring of major influencers, The Climate Group, UNDP, Miguel Arias Cañete, UNEP, Ban Ki-moon, the UN, and Winnie Byanyima.

Since 2004, The Climate Group has focused resolutely on making the economic and business case for a low carbon economy, working with the organizations and individuals that can make the greatest difference in the shortest time. Along with our many partners, the Paris outcome shows that our approach is bearing fruit. There is no doubt that at least part of the success of COP21 is a result of a tangible shift in attitudes across government and business: whereas in Copenhagen six years ago, the dominant narrative was that addressing climate change would entail economic sacrifice, in Paris the language was very much one of opportunity waiting to be grasped. Driving this shift has been at the heart of our work over the last decade.

Nevertheless, there still remains much to be done. While the leaders in the investment, corporate and sub-national communities have demonstrated that bold climate action can bear economic fruit and have called for greater policy certainty, the task now is ensure that those in the mainstream replicate and follow this leadership. In addition, we
must also ensure that the new climate commitments pledged by many countries are not only implemented but that ambition levels are raised further. This will be essential if we are to peak global emissions by the end of the decade and safeguard the possibility of keeping the global temperature increase well below two degrees.

The work of The Climate Group over the coming year and beyond is therefore clear: we will continue to work with our partners in government and business to develop and communicate the climate and clean-tech solutions that can be replicated and scaled to create low carbon economies and a prosperous world for all.

We look forward to working with you in this essential endeavour.

For further information, please contact:

**Partnerships:** Ben Ferrari, bferrari@theclimategroup.org  
**Policy:** Damian Ryan, dryan@theclimategroup.org  
**States and Regions:** Libby Ferguson, lferguson@theclimategroup.org  
**RE100:** Emily Farnworth, efarnworth@theclimategroup.org  
**Efficient lighting:** Peter Curley, pcurley@theclimategroup.org  
**Energy Productivity:** Bryan Jacob, bjacob@theclimategroup.org  
**Communications:** Susan Nisbet, snisbet@theclimategroup.org  
**China:** Changhua Wu, cwu@theclimategroup.org  
**India:** Krishnan Pallassana, krish@theclimategroup.org  
**North America:** Amy Davidsen, adavidsen@theclimategroup.org

Visit our website: www.theclimategroup.org  
Follow us on Twitter: @climategroup