

2. European responses post-Paris

- ***Shaping Expectations to Foster the Low Carbon Transition: Can COP21 be a catalyst for action?***
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- Context: already a broad view of the key elements of the future Paris agreement
 - Global participation through the INDCs
 - 2025/2030 pledges would not be consistent with the 2°C limit
 - ➔ Need for a durable agreement, with the possibility to strengthen the ambition over time
- Can the political signal of COP21 create positive feedback loops between expectations and actual behaviours, and secure the long-term transformation of the global economy?

The power of political signals

- The energy sector is a long-term business, requiring certainty on the future course of energy & climate policies
- Internationally-agreed long-term commitments can:
 - Help avoid the risk of carbon lock-in
 - Influence investors' risk calculation and increase the attractiveness of low-carbon projects
 - Convince the private sector that anticipating more stringent climate policies is a source of future competitive advantage
- Aligning stakeholders' expectations can make the global low-carbon transition cheaper and faster

Going beyond the “2°C limit”

- Widespread sentiment that policy makers can “speak the language of 2°C”, without taking the corresponding action
- A collective LT decarbonisation target can serve as a reference for countries when setting their national targets

Final text does not feature clear deadlines:

- Reach global peaking of GHG emissions as soon as possible
- Achieve a balance between emissions and removals in the 2nd half of this century

- BUT:
 - Parties are invited to communicate long-term decarbonisation strategies
 - 2050 Pathways Platform launched in Marrakech

How the EU can help promote global confidence

- Involve in “climate clubs” to secure additional LT commitments on selected issues:
 - Mission Innovation → give reassurance that the pace of technological progress will increase
 - Carbon pricing initiative → commit to rising carbon prices
- Bring forward a steady and cost-effective decarbonisation progress in the EU, to convince partners to engage
 - Winter package and ETS reform are important steps for the credibility of the EU’s pledge
- Political signals can only work if they are strengthened over time
 - Question whether the “Marrakech Call” was enough to compensate for the US’ “negative signal”