



# Climate Finance in the Paris Agreement and its impact on the global energy transition

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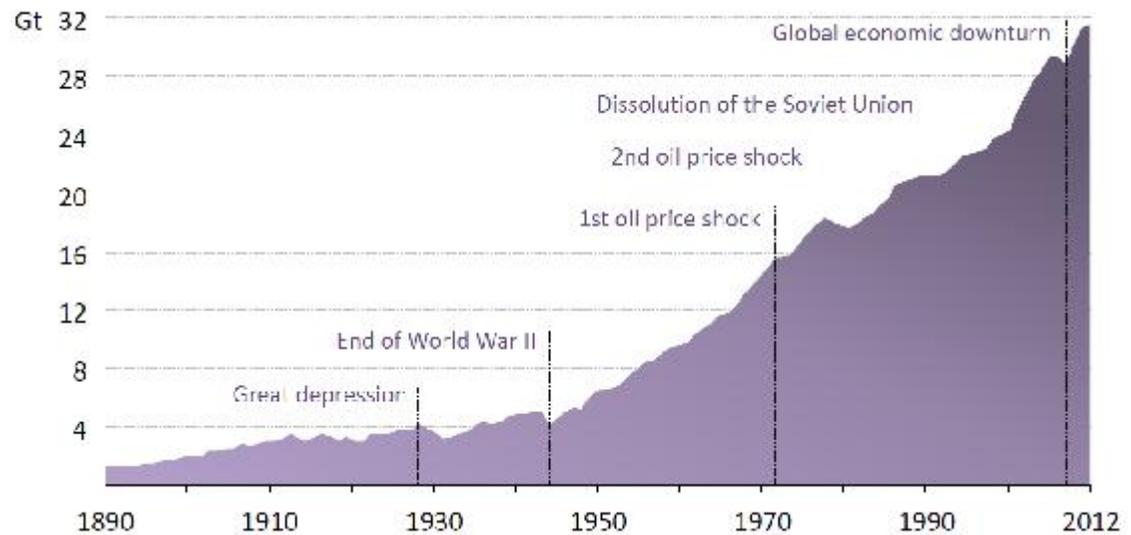
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## Role of Renewable Energies in the Paris Agreement (PA)

Although the term «renewables» is not mentioned explicitly in the PA renewables will play a core role within its implementation, for obvious reasons:

### Global energy-related CO<sub>2</sub> emissions



Source: World Energy Outlook, 2013, IEA



## **Role of Renewable Energies in the Paris Agreement (PA)**

- 2° C target of PA corresponds to a GHG budget of 40 billion tons CO<sub>2</sub>eq in 2030, IPCC was mandated to calculate the emission budget of the 1.5° C target until 2018 (Decision 21);
- Implementation of all climate pledges (INDCs) submitted until October 2015 (which covered 95% of global emissions) would lead to estimated emissions of 55 billion tons CO<sub>2</sub>eq in 2030;
- Current global emissions (2012): approx. 50 billion tons of CO<sub>2</sub>eq (all sectors)
  - approx. 32 billion tons of these CO<sub>2</sub> eq are energy related!



## **Role of Renewable Energies in the Paris Agreement (PA)**

Within the context of the PA Renewable Energies play a crucial role in relation to the so called «means of implementation « which are

- Capacity Building
- Technology Transfer
- Market Mechanism
- Climate Finance / INDC



## **Capacity Building and its link to Renewable Energies**

- Art. 11 of PA calls for enhanced capacity building activities between Parties
- Establishment of the Paris Committee on Capacity Building; Committee will manage and oversee workplan which contains activities such as exploring how developing countries can take ownership of building and maintaining capacity over time and space (link to PPP approaches?)
- Reference to educational programs, formations etc. ...

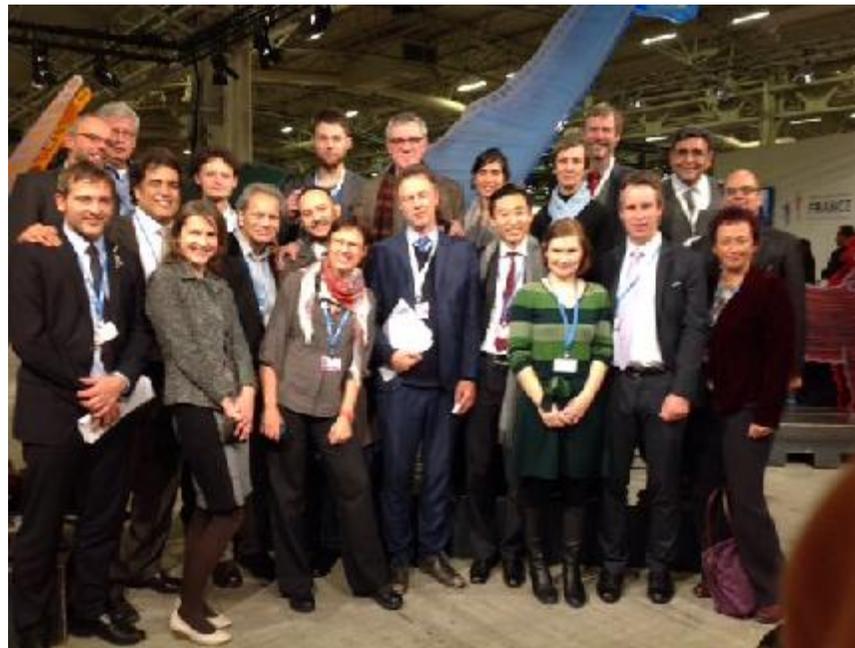


## **Technology Transfer and its link to Renewable Energies**

- Umbrella term for moving know-how, experience and equipment aimed at adaptation and mitigation across countries
- Earlier draft called for an approach where *industrialized countries meet full costs of IPRs of environmentally sound technologies and such technology will be provided to developing countries free of costs.*
- PA establishes a technology framework to sort out needs, capabilities and obstacles
- PA commits nations (shall) to strengthen cooperation on climate technologies



## Market Mechanisms in Art. 6 PA and their link to Renewable Energies





## **Market Mechanisms and their link to Renewable Energies**

- Art. 6 PA contains 3 approaches: 1 Framework for building market mechanisms on a bilateral basis; 2. Centralized market mechanism (on a multilateral basis); 3. Non-market mechanism
- Centralized market mechanism (Art. 6.4 PA) as a possible successor of Kyoto mechanisms (CDM, JI and IET) – to be used for achievement of domestic mitigation targets
- Centralized mechanism will most likely eye sectors where emissions already occur and where there is a corresponding potential to reduce emissions:

*«To deliver an overall mitigation in global emissions»*



## **CF and its link to Renewable Energies**

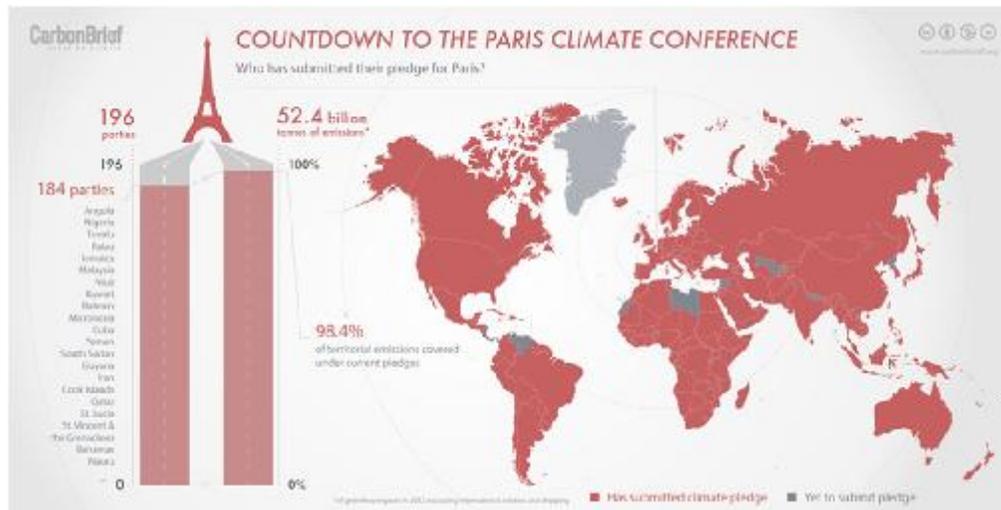
In 2009: Political commitment by industrialized countries to provide financial resources of \$100 billion per year from 2020 onwards for both mitigation and adaptation.

In 2015: Introduction of CF into the Paris Agreement in 2015 (COP21)

- Industrialized countries shall provide finance (Art. 9.1)
- Developing countries can provide finance (Art. 9.2)
- Significant role of public funds (Art. 9.3);
- increase of \$ 100 billion from 2025 onwards (Decision 53)

## CF and its link to Renewable Energies

- With respect to the development of renewable energies CF has to be put into **context with national climate pledges (INDCs)**
- To date 160 INDCs from 187 countries, accounting for over 90 percent of global emissions have been submitted



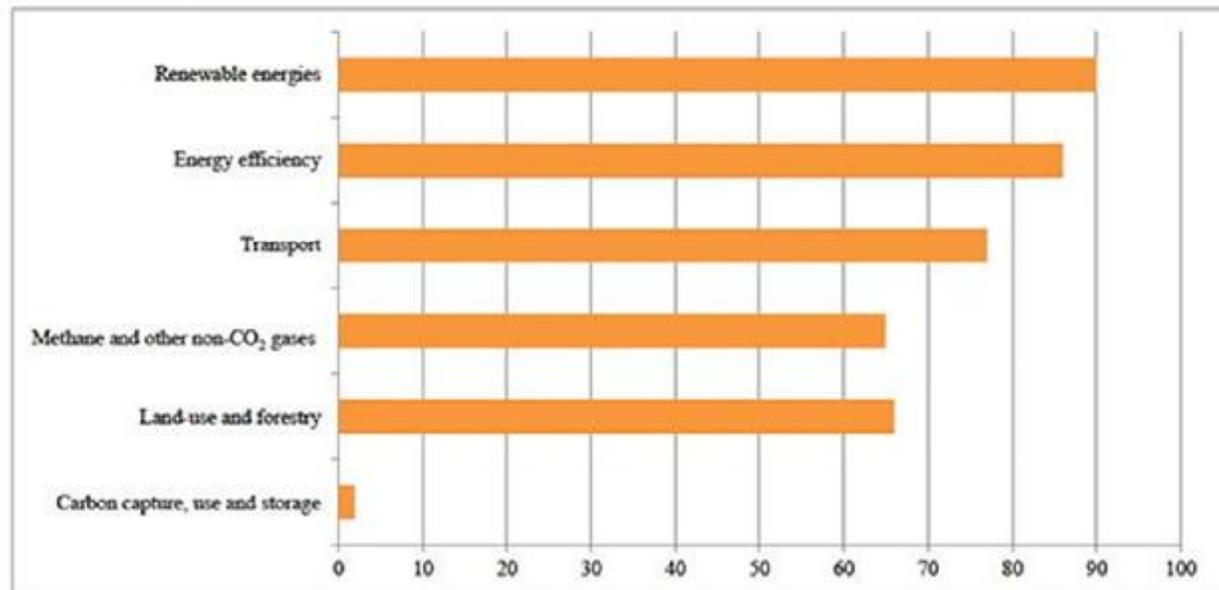


## CF and its link to Renewable Energies

From the UNFCCC Synthesis report on the aggregate effect of the intended nationally determined contributions (October 2015):

Figure 7

**Priority areas for implementation highlighted in the intended nationally determined contributions**



Source: unfccc.int



## **CF and its link to Renewable Energies**

- CF becomes relevant especially for INDCs of developing countries (strong link to the deployment of further renewable energy capacities);
- Majority of INDCs submitted by developing countries contain unconditional and conditional climate targets;
- The more ambitious targets will only be met if adequate CF by industrialised countries is provided.



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**THANK YOU**

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