



Perspective on the Paris Agreement Now through 2030 and Beyond

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- ▶ Paris Agreement is a giant stride from dichotomous Kyoto regime to a truly global framework with the participation of all the countries in global mitigation efforts.
 - ▶ Paris Agreement could be agreed because it employs pragmatic and bottom-up Pledge and Review mechanism.
 - ▶ Biggest challenge is coexistence of ambitious top down temperature target and pragmatic bottom up pledge and review.
 - ▶ GST from 2023 was incorporated with a view to reconciling top down global target and aggregation of bottom up NDC. However, 1.5-2.0 degree pathway and NDC pathway will never meet.

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- ▶ **World is not at all on track to 2 degree pathway. Adoption of 1.5 SR will further increase discrepancy between climate narrative and energy/economic reality.**
 - ▶ **World is not simply driven by climate agenda. There are multiple objectives as indicated in 17 SDGs.**
 - ▶ **Climate action is one of them, but not the supreme one. Most SDGs cannot be achieved without robust economic growth underpinned by affordable and reliable energy supply.**
 - ▶ **Willingness to Pay in developing countries will be much lower than the one indicated in the IPCC report (100-300 \$/t-CO₂ in 2050)**

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- ▶ Energy is the most fundamental input for daily life and all the economic activities.
 - ▶ No matter which fuel is used, electricity is electricity and cheaper one will be favored. RE will not be favored simply because it is RE. It must be competitive without subsidies vis-à-vis conventional energy.
 - ▶ This will particularly be the case in Asian developing countries where the bulk of incremental CO2 emissions comes from.
 - ▶ Climate dogma (e.g. mechanical application of carbon budget, outright rejection of coal as an energy option) will simply neglect the reality and in the end hamper long-lasting efforts to low carbon future.

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- ▶ With a view to sustain “Paris order”, pragmatism, not advocacy, should prevail. Inputs from business sector are crucial.
 - ▶ Low carbon future can be globally accepted only when it becomes economically affordable.
 - ▶ What matters is not setting ambitious numerical targets for “window dressing”, but tackling development of new technology enabling low cost transition to decarbonization.
 - ▶ Sticking to KP-type mind-set obsessed with target and time table and carbon budget centrism will result in disappointment and could impair people’s confidence in the whole process.
 - ▶ Technology innovation and international collaboration outside UN process is more relevant.