

*Wolfgang Obergassel, Christof Arens, Lukas Hermwille, Nicolas Kreibich,  
Florian Mersmann, Hermann E. Ott, Hanna Wang-Helmreich*

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*Wolfgang Obergassel a,\**  
*Christof Arens a*  
*Lukas Hermwille a*  
*Nicolas Kreibich a*  
*Florian Mersmann a*  
*Hermann E. Ott a*  
*Hanna Wang-Helmreich a*

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a Wuppertal Institut für Klima, Umwelt, Energie gGmbH,  
Wuppertal, Deutschland

\* Corresponding author:  
Wolfgang Obergassel  
Wuppertal Institut für Klima, Umwelt, Energie gGmbH  
Döppersberg 19  
42103 Wuppertal  
Germany  
E-mail: [wolfgang.obergassel@wupperinst.org](mailto:wolfgang.obergassel@wupperinst.org)  
Phone: +49 202 2492-149  
Fax: +49 202 2492-108

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## II. AIR AND ATMOSPHERE

### 3. Global Climate

#### (1) Introduction

From 7 to 18 November 2016, the twenty-second Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change (UNFCCC) and the twelfth meeting of the Conference of the Parties to the Kyoto Protocol (CMP12) took place in Marrakech. Due to the rapid entry into force of the Paris Agreement, Marrakech also hosted the first Conference of the Parties serving as Meeting of the Parties to the Paris Agreement (CMA1). Nobody had expected this one year before in Paris – the entry into force of the Kyoto Protocol, by comparison, had taken eight years. Many hailed the rapid entry into force as further proof of the commitment of the world community to finally tackle the climate problem.

However, such optimistic perspectives were dealt a heavy blow on the third day of the conference, when the results of the US presidential election arrived on the screens. The election of Donald Trump came as a shock to many and cast a considerable shadow over the further proceedings. Trump had in the past called climate change a “hoax” invented by China, and announced to “cancel” the Paris Agreement and to dismantle US climate policy. There is thus some reason to expect that the US will withdraw from international climate policy, or may even start to actively sabotage the international process.

Still, over the course of the conference all other Parties signalled that they were continuing to take the Agreement serious. This is reflected in the final declaration of the conference, the Marrakech Action Proclamation (MAP). In the very first paragraph the Proclamation signals “a shift towards a new era of implementation and action on climate and sustainable development.” (Marrakech Action Proclamation for Our Climate and Sustainable Development

[http://unfccc.int/files/meetings/marrakech\\_nov\\_2016/application/pdf/marrakech\\_action\\_proclamation.pdf](http://unfccc.int/files/meetings/marrakech_nov_2016/application/pdf/marrakech_action_proclamation.pdf))

Apart from these rhetorical signals, there were also more tangible indications that the majority of countries remains committed to the Paris Agreement. Notable in this context are, for example, the long-term decarbonisation strategies presented by Canada, Germany, Mexico and the USA in Marrakech (in the US case presented by the outgoing Obama administration). In addition, 22 countries, numerous cities, regions and companies established a “2050 pathways platform” and announced their intention to develop such strategies. A further highlight was the declaration of the Climate Vulnerable Forum (CVF), an association of countries that are most vulnerable to the impacts of climate change. This includes the small islands states and the least developed countries. All 47 member countries announced their intention to shift to 100% renewable energy as soon as possible. While the share of global emissions of these countries is relatively small, this announcement of the world’s poorest countries overturns the traditional assumption that ambitious climate action is incompatible with economic development and poverty alleviation.

Overall, the Paris Agreement appears to be fairly resilient to the shock of the US election. The transformation dynamic continues to be there. In the immediate future, it will be important if and how this dynamic may be further channelled by the UNFCCC and the Paris Agreement without (or maybe even against) the US.

This article starts by discussing developments regarding the implementation of the Paris Agreement, in particular the detailed “rulebook” and cooperative mechanisms. Next, the article discusses developments in the various avenues for raising climate ambition that have been put in place by the Paris conference: the 2018 facilitative dialogue, the engagement of non-state and sub-national actors, and the elaboration of mid-century climate strategies. Subsequently, the article will discuss other Marrakech developments, in particular on issues of climate finance, adaptation, and loss and damage.

## **(2) Implementing the Paris Agreement**

### **(A) The Paris Rulebook**

The Paris Agreement provides basic obligations for Parties, creates new procedures and vests institutions with new authority. In order to make the Paris Agreement operational, these generic provisions must, however, be translated into detailed rules: a “rulebook” must be written.

The rapid entry into force of the Paris Agreement posed some procedural challenges in this regard, as the “rulebook” was supposed to be adopted at CMA1, which was planned to take place in late 2018. Because CMA1 already convened in Marrakech, however, it had not been possible to prepare these decisions. A procedural solution was found by not finishing but only suspending CMA1, allowing it to be continued in a second phase 2017 and to be terminated by the end of 2018 (phase 3).

At the same time, this decision marks the most significant progress made in Marrakech on implementing the Paris Agreement: the Parties adopted a detailed work programme for the “fine print” of the Agreement as well as a clear timetable. (Preliminary) decisions on substance were not taken in Marrakech. However, this had not been expected and would have contravened the governing principle of “*nothing is agreed until everything is agreed*”.

While not taking substantive decisions on the Paris Agreement, Parties exchanged views on key issues of its implementation. Many developing countries stressed their need for flexibility and called for guidance in order to ‘factor in’ differentiation between developing and developed countries. On the other hand, developed countries consider overcoming the developed-developing country dichotomy that is engrained in the UNFCCC to be one of the key achievements of the Paris Agreement.

### **(B) Cooperative Mechanisms (Art.6)**

Article 6 of the Paris Agreement comprises three approaches for countries to cooperate with each other in achieving their contributions: “cooperative approaches” under Art. 6.2, a new mechanism to promote mitigation and sustainable development (Art. 6.4 – 6.7), and a framework for non-market approaches (Art. 6.8 and 6.9). In Marrakech, Parties started discussing possible ways of operationalizing the different mechanisms and how to proceed with the negotiations. This covered basic principles such as environmental integrity and sustainable development, as well as the interlinkages between the three Art. 6 mechanisms. However, opinions on their future design are very far apart. Some countries essentially want a continuation of the Clean Development Mechanism, others focus on linking domestic emission trading systems, many South American countries would prefer not to have any market-based cooperation whatsoever. Questions of governance (pro and contra central

oversight) and the accounting of emission transfers were particularly controversial. The exchange will be continued at the intersessional meeting in May 2017.

### **(3) Raising Ambition**

#### **(A) The 2018 Facilitative Dialogue and the Global Stocktake**

2018 will be the next important moment for international climate policy, not only because of the planned adoption of the Paris rulebook, but also because the so-called ‘facilitative dialogue’ is scheduled for that year. This latter process is meant to be similar to the global stocktake that countries under the Paris Agreement will hold every five years, starting in 2023. This stocktake will assess and strengthen individual and global progress through countries' Nationally Determined Contributions (NDCs) towards the Agreement’s goal: limiting global mean temperature increase to well below 2°C and pursuing best efforts to stay even below 1.5°C. In contrast to the later stocktake, the 2018 dialogue will focus on mitigation and will be informed by a special report of the Intergovernmental Panel on Climate Change (IPCC) on the 1.5°C limit, to be published in 2018.

However, the exact nature of the facilitative dialogue had not been agreed upon in Paris and consultations in Marrakesh also did not progress very far. Ultimately, the COP effectively postponed any decision to COP 23.

As for the global stocktake, many Parties agreed that it should comprise a technical/analytical phase followed by a political one. With regards to the outcome of the global stocktake, many developing countries hold that the process is to further enhance international cooperation and climate financing, while others, including the EU, pointed at raising ambition and driving climate action. In order to move discussions further, Parties are invited to submit their views by April 2017.

#### **(B) Engaging Non-state and Sub-National Actors**

Roughly since 2010, the world has seen a strong uptake of transnational climate governance initiatives alongside the UNFCCC. The spectrum of such initiatives is extremely diverse both in their forms of governance – from informal networks to (private) standard setting – as well as with regard to the types of actors involved – private corporations, business associations, civil society groups, but also municipal and other subnational authorities.

The Paris Agreement has explicitly acknowledged the contributions of non-state and subnational actors. The Paris conference agreed to continue the previous series of technical expert meetings, which was tasked with elaborating ways to increase climate ambition before 2020, under the new title “technical examination process” (TEP). Parties also agreed to convene high-level events in conjunction with each COP between 2016–2020, and to appoint two high-level champions that shall facilitate high-level engagement.

Discussions in Marrakech culminated in the “Marrakech Partnership for Global Climate Action”. Its key features are:

- a more focussed mandate for the TEP to be “focused on international collaboration and dialogue among Parties and non-Party Stakeholders”;
- the establishment of regional thematic meetings with support of the UNFCCC’s Regional Collaboration Centres in Bangkok (Thailand), Bogotá

(Colombia), Kampala (Uganda), Lomé (Togo), and St. George's (Grenada); and

- an annual 'engagement cycle' that takes advantage of the full year and not only of the annual COP and formal intersessional meetings (Marrakech Partnership for Global Climate Action, [https://unfccc.int/files/paris\\_agreement/application/pdf/marrakech\\_partnership\\_for\\_global\\_climate\\_action.pdf](https://unfccc.int/files/paris_agreement/application/pdf/marrakech_partnership_for_global_climate_action.pdf)).

### **(C) Long-Term Strategies**

Art. 4.19 of the Paris Agreement stipulates that "all Parties should strive to formulate and communicate long-term low greenhouse gas emission development strategies". In Marrakech, a "2050 pathways platform" was founded, which will support countries seeking to develop long-term, deep decarbonisation strategies and build coalitions of cities, states, and companies engaged in long-term low carbon planning. Four countries published their final mid-century strategies in Marrakech: the United States, Mexico, Canada and Germany.

Whether or not the four long-term strategies are in line with the 1.5/2 °C limit of the Paris Agreement is not entirely clear. Nonetheless, the process is highly important to provide long-term signals for the private sector, helping to avoid stranded investments and structural breakdowns later-on in the transformation process.

### **(4) Ongoing Work on Climate Finance, Adaptation and Loss and Damage**

The provision of financial support from industrialised to developing countries continues to be a bone of contention. However, the industrialised countries have apparently drawn their lessons from the fiasco they had suffered in Paris from the assessment of their financial contributions. In Marrakech, industrialised countries presented a new "roadmap" for meeting the 100 billion target, which is much more differentiated than the document presented before the Paris COP. It apparently also finds more agreement among developing countries, though many lamented the stark imbalance between resources for mitigation and adaptation.

However, there continues to be the question of how global climate finance will be accounted and assessed in the future. The CMA still has a lot of work ahead in this respect.

Adaptation financing continues to be an extremely important issue, in particular for developing countries. In Marrakech, Parties argued about whether and how the Adaptation Fund, which was established under the Kyoto Protocol, could be transferred to the Paris Agreement. At the last minute, Parties decided that the Adaptation Fund should also serve the Paris Agreement. The Adaptation Fund also exceeded its fundraising target of 80 million USD for the year by 1 million USD, thus ensuring the Fund's future for the time being.

Adverse climate impacts that cannot be adapted to are recognised in the Paris Agreement as a third column to climate action besides mitigation and adaptation. In Marrakesh, small but critical steps were taken on the issue. After the first review of the Warsaw International Mechanism (WIM) to address loss and damage associated with impacts of climate change, Parties agreed on more rigorous periodic review of the WIM to take place in 2019. This review may become important because the WIM is to serve the Paris Agreement after 2020. Further reviews are to be conducted on a five-year cycle, potentially in parallel to the global stocktakes (Decision 4/CP.22). Moreover, Parties approved the five-year rolling work plan starting 2017 for the Executive Committee of the WIM. Topics in the work plan include displacement, migration, and comprehensive risk management (Decision 3/CP.22).

## **(5) Outlook**

### **(A) Paris Implementation on Track – For Now**

The Paris Agreement was a diplomatic breakthrough. Now, only one year later, the election of Donald Trump looms large over the international climate negotiations. Nonetheless, the overall mood in Marrakech was positive after the initial “Trump bump” and Parties worked constructively. The COP adopted a detailed work programme for the ‘fine print’ of the Agreement as well as a clear timetable committing Parties to finish this work in 2018. This political momentum is underpinned by the accelerating dynamics of climate-friendly solutions, which is shifting the conventional wisdom on the costs and benefits of climate action. Mainly driven by domestic concerns, China alone added 34GW of solar PV capacity in 2016, adding as much capacity in a single year as had been installed globally in 2010 and nearly doubling its own installed capacity. Chinese coal consumption has fallen three years in a row. The peak of Chinese GHG emissions may thus be much closer than the year 2030 pledged by the Chinese government.

Further negotiations are nonetheless not going to be easy. In particular, the controversy on traditional differentiation between industrialised and developing countries is far from having been laid to rest. It is now coming back at the technical level and with a much higher level of detail in issues such as what kind of information countries should provide on their NDCs and how NDC implementation should be monitored and reviewed internationally.

Clarity needs to be achieved particularly quickly on the modalities for the 2018 facilitative dialogue. The Paris conference set out 2018 as next political moment to examine and hopefully increase the collective level of ambition. Countries’ pledges are currently far away from where they need to be to keep below the 1.5/2°C limit. The IPCC’s special report on the 1.5°C limit in 2018 as well as the Marrakech decision to adopt the Paris rulebook in 2018 will serve to further galvanise attention.

However, Marrakech failed to lay out a concrete roadmap for the shape of the facilitative dialogue and instead postponed the decision to the next COP. This postponement will not make it easier for countries to prepare their reports for the dialogue, as there will only be one year left before 2018.

Some countries have decided to stay ahead of the wave, however, and make progressive moves towards early re-assessment of their NDCs. The declaration by the Climate Vulnerable Forum does not only contain a commitment to 100% renewable energy, but also a promise that these Parties want to re-assess and strengthen their contributions as quickly as possible.

### **(B) Impacts of the New US Administration**

Future progress under the UNFCCC will strongly depend on what stance the Trump administration will take. Whether or not the new administration will formally withdraw from the Agreement or even the Convention remains to be seen. Certainly, however, the US will cease to be a progressive leader. It could even become an obstructionist in the worst case.

A lot depends on the reaction of other states. If the new US administration is adamant about its withdrawal or even obstructs any progress on the implementation of the Paris Agreement, a number of options exist to deal with the situation. Collaboration with sub-national authorities and non-state actors in the United States should be increased. If possible, they should be

incorporated in the UNFCCC process more directly. If effective climate action proves to be impossible within the framework set by the Paris Agreement, alliances of frontrunner countries should move ahead and cooperate in other fora in parallel to the UNFCCC. To compensate potential competitiveness constraints of such a “minilateral” approach, carbon border tax adjustments could be taken into account.

### **(C) Non-State and Sub-National Actors and the Technical Examination Process**

The UNFCCC has in recent years come to recognize that many complementary governance initiatives are progressing in parallel to the UNFCCC, leading to an increasingly polycentric climate governance system. Given the increasing importance of non-party actors and the ever growing number of transnational climate initiatives, the COP should decide to establish the TEP permanently alongside the Paris Agreement.

Moreover, the current institutional set-up is focussed on “orchestrating” the diverse transnational governance initiatives, that is, to “enlist and support” those initiatives in pursuit of the UNFCCC’s and the Paris Agreement’s governance goals. It is also necessary to think about how to feed back those advances into the intergovernmental negotiation process in a way that helps amplify national ambition.

This could be achieved by incorporating an evaluation of transnational initiatives in the global stocktake under the Paris Agreement and more explicitly in the process of National Communications that countries are required to submit periodically under the UNFCCC.

Furthermore, lessons learned from transnational governance initiatives could provide inputs to the expert reviews of national contributions under the Paris Agreement’s transparency mechanism. One step further even would be to link the TEPs to the compliance mechanism of the Paris Agreement. Formulating recommendations or requirements based on experiences based on the results of the TEPs could strike a balance between the non-punitive and non-adversarial nature of the compliance committee yet maintain some form of compulsion.

Wolfgang Obergassel, Christof Arens, Lukas Hermwille, Nicolas Kreibich, Florian Mersmann, Hermann E. Ott, and Hanna Wang-Helmreich  
Wuppertal Institute for Climate, Environment and Energy