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Global Climate

*Originally published in:
Yearbook of International Environmental
Law, vol. 29.2018 (2020), pp. 132-140
DOI: 10.1093/yiel/yvz004*

*This is a pre-copyedited, author-produced version
of an article accepted for publication in Yearbook
of International Environmental Law following
peer review. The version of record, vol. 29, pp.
132-140, is available online at:
<https://doi.org/10.1093/yiel/yvz004>*

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II. AIR AND ATMOSPHERE

3. Global Climate

(1) Introduction

In 2018, the annual conference of the global climate change regime took place from 2-15 December in Katowice, Poland. It included the 24th Conference of the Parties (COP24) to the UN Framework Convention on Climate Change (UNFCCC), the 14th Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP14), the resumed first Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA1), and their subsidiary bodies. The conference had two main objectives: operationalizing the Paris Agreement by adopting detailed rules for its implementation, and starting the process of strengthening Parties' climate protection contributions. Success of the negotiations in Katowice was far from assured, but COP24 concluded late on 15 December 2018 with the adoption of the "Katowice Climate Package". This set of decisions operationalizes the 2015 Paris Agreement by setting out detailed guidelines on how to implement its various elements. However, the conference fell short on the first objective and adopted only vague language on raising ambition. This report covers the negotiations on these two sets of issues and concludes with an outlook on next steps for the climate regime.

(2) Raising Ambition

The Paris outcome requires the Parties to the Paris Agreement to produce new or updated nationally determined contributions (NDCs) by 2020. The NDCs Parties have so far submitted fall far short of what is necessary to achieve the Agreement's objective to keep global warming well below 2°C compared to pre-industrial levels, ideally even below 1.5°C. The question in Katowice was whether the conference would send a strong signal on the need for all countries to strengthen their contributions.

To inform the process until 2020, Parties conducted the so-called 'Talanoa Dialogue' over the course of 2018. 'Talanoa' is a concept introduced by the Fijian presidency of the 2017 climate conference and denotes an open sharing of views. The process ultimately concluded in Katowice with the 'Talanoa Call for Action', which calls upon all countries and stakeholders to act with urgency.

One key input to the Talanoa Dialogue was the IPCC's special report on the 1.5°C warming limit. The report concludes that "every bit of warming matters", as IPCC representatives explained at the conference. Whether global warming is kept below 1.5°C or only below 2°C will make a huge difference for humans and ecosystems. In addition, the report assesses emission pathways for achieving these temperature limits. To maintain a good chance of staying below 1.5°C, global emissions will essentially need to be halved by 2030 and be reduced to net zero by around 2050.

However, the USA, Saudi Arabia, Russia and Kuwait caused substantial delays and aggravation by refusing to adopt a decision with language to "welcome" the report. Ultimately, Parties resolved to welcome the report's "timely completion" and "invited" countries to make use of the report in their further work. However, the decision also

“recognises the role of the IPCC in providing scientific input to inform Parties in strengthening the global response to the threat of climate change” and refers to the special report as “reflecting the best available science.” On the whole, the decision therefore confirms the status of the IPCC and the special report.

As the Talanoa Dialogue ran in parallel to the formal negotiations, the question was how its outcome would be reflected in the formal conference decisions. In this regard, instead of a strong call to increase ambition, delegates decided to merely “take note” of the dialogue’s outcome, input and outputs, and to invite Parties “to consider the outcome, inputs and outputs of the Talanoa Dialogue in preparing their nationally determined contributions and in their efforts to enhance pre-2020 implementation and ambition”. This non-committal language is compensated to some extent by other parts of the decision, which reaffirm the need for ambitious efforts to achieve the objectives of the Paris Agreement and stress the urgency of enhancing ambition.

(3) The Paris Rulebook

(A) NDC Guidelines

One of the key elements of the implementation guidelines of the Paris Agreement are further specifications with respect to the key vehicle of climate action, the NDCs. In the run-up to the Paris conference, Parties had failed to agree on a common format and information requirements. As result, there is a broad range of different types of NDCs and the information provided in the NDCs is hardly comparable.

A key task for Parties in Katowice was therefore to come up with guidelines on the information content to enable “comparability, transparency and understanding”. Parties agreed to a list of information requirements that will be only applicable for the second round of NDCs, but parties are also “strongly encouraged” to apply them for updates of the first NDCs that are taking effect as of 2020. The information requirements include:

- information on the reference point of the target;
- timeframe and implementation period;
- the scope (what gases and what sectors are covered?);
- the planning process;
- assumptions and methodologies;
- considerations of how the NDC is fair and ambitious;
- and how the NDC contributes to the long-term goals of the Paris Agreement.

Especially noteworthy is that countries are obligated to explain their rationale of why they consider their contribution equitable. This is particularly relevant because many of the current NDCs fail to meet the required ambition no matter what kind of equity rationale is applied. Notable is also what ultimately was not agreed: earlier drafts included also information on adaptation, finance, technology, and capacity building. Many developing countries had demanded that the NDCs should be “full scope” and cover all of these elements, while developed countries had argued that the NDCs should focus on mitigation. While these elements are not excluded from the NDCs, there is also no requirement to include them. The second and related task was to provide guidelines for Parties on how to report progress on the implementation of NDCs (also see transparency framework). Of course, the first task – to properly define contributions – is essential for tracking progress. On that basis, Parties are now required to follow IPCC guidelines for accounting GHG emissions or explicate their methodology if they have opted for targets that cannot be assessed with existing IPCC approved methodologies.

The NDC guidelines will not do away with the fact that the world will continue to compare apples and oranges as countries will most likely continue to express their climate ambitions in very different metrics. Yet the guidelines adopted in Katowice will enable us to much better understand each individual piece of fruit.

(B) Adaptation Communication

According to the Paris Agreement, Parties should “submit and update periodically an adaptation communication, which may include its priorities, implementation and support needs, plans and actions” (Art. 7.10, Paris Agreement). Adaptation communications are not only to increase the visibility and profile of adaptation, but also to strengthen adaptation action and support for developing countries, enhance learning and understanding of adaptation needs and actions, and provide input to the Global Stocktake (see below).

In Katowice, developing countries demanded differentiation of guidance for developing and industrialised countries’ adaptation communications. In the end, however, Parties decided that while adaptation communication is “country-driven and flexible, including in the choice of communication or document”, equal voluntary standards were set regarding the content of adaptation communications for all countries. Adaptation communications shall be recorded in a public registry.

While the guidance for adaptation communications outlines a common structure, application of the guidance is voluntary, leaving it up to every country how to report on progress achieved and the gaps remaining. This may well complicate the UNFCCC Secretariat’s efforts to provide an overview of adaptation communications and aggregate information. Nevertheless, adoption of the guidance is an important milestone for achieving adaptation goals, including required climate finance.

(C) Transparency Framework

The transparency framework sets the rules by which countries are to report on their GHG emissions and progress towards implementing their NDCs, and it establishes an international process to review the reports. The key question was how to establish a reporting system for all Parties while at the same time providing flexibility to developing countries with capacity constraints. This question of differentiation clearly separated developed countries from the larger emerging economies: China and some other developing countries pushed for a system with separate reporting rules for developing and developed countries, striving for a continuation of the current reporting system under the Convention. The United States and other developed Parties, in contrast, envisaged a system with common reporting rules for all Parties with only limited flexibility for developing countries.

It was only after very intense negotiations and a move by China abandoning its previous stance that Parties in Katowice succeeded in overcoming the “bifurcation” of the existing reporting system and introduced common reporting rules applicable to all countries. Parties reached a compromise by making flexibility provisions for developing countries with limited capacities operational, a concept that had already been introduced with the Paris Agreement. The agreed rules supersede the existing UNFCCC transparency system for Parties to the Paris Agreement. They require all countries from 2024 onwards to submit greenhouse gas inventories, provide information on the progress towards meeting their NDC as well as other types of information. When submitting this information, developing countries with limited capacities can deviate from the uniform rules but must indicate which capacity constraints are

relevant for which provisions as well as the time needed for overcoming the barriers encountered.

Parties in Katowice also agreed on how, when and by whom the information biennially provided by Parties is to be reviewed: Technical expert review teams are to check the consistency of the reports with the rules of the transparency framework and highlight areas of improvement. In line with the bottom-up spirit of the Paris Agreement, assessing the appropriateness of a Party's NDC and the adequacy of domestic actions, however, are explicitly not within the mandate of these reviews. A second process is the facilitative, multilateral consideration of progress, in which Parties exchange questions and answers in both writing and in a workshop format.

(D) Global Stocktake

The Global Stocktake is supposed to serve as a catalyst for increasing ambition over time. Starting in 2023, this process will periodically (every 5 years) assess collective progress of the Parties towards the goals of the agreement. This assessment, in turn, is supposed to inform national governments in developing their subsequent NDCs.

The modalities for the Global Stocktake now foresee three phases: information collection and preparation, technical assessment and a political phase of the “consideration of outputs”. The work will focus on three “thematic areas” – mitigation, adaptation, and means of implementation and support. Notably and after substantial controversies, Parties also agreed to open the process to also consider loss and damage associated with the adverse effects of climate change.

Another major bone of contention was whether and to what degree the Global Stocktake is open to non-party stakeholders, observers and the public. On that matter, Parties decided that the Global Stocktake will be “conducted in a transparent manner and with the participation of non-Party stakeholders”. Yet, the inputs are to be made “fully accessible by Parties” (emphasis added). While this formulation does not explicitly exclude that the inputs will be publicly available, the phrase still caused some concern among observers that the Global Stocktake could end up being a rather secretive endeavour. This would contradict the purpose of the Global Stocktake: to foster a constructive debate on ambitious climate action and to (re)align national political agendas for the subsequent NDCs with the goals of the Paris Agreement.

(E) Cooperative approaches

Article 6.1 of the Paris Agreement recognizes “that some Parties choose to pursue voluntary cooperation in the implementation of their nationally determined contributions to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.” Negotiations on the implementation details began optimistically when AILAC, Australia, Canada, the European Union, Japan, Mexico, New Zealand and Switzerland submitted a joint proposal on the need for corresponding adjustments when transferring mitigation outcomes and emission reductions under Article 6. These adjustments are in the view of many – both scholars and Parties – a necessary precondition for robust accounting and for avoiding any kind of double counting. Yet this momentum did not last long. At the beginning of week two, Parties had covered numerous issues regarding the guidance for the cooperative approaches under Article 6.2 as

well as elements for the rules, modalities and procedures of the new mechanism established under Article 6.4 – however, the text was still full of options and brackets.

Towards the end of the conference, it became clear that the issue of corresponding adjustments could become a deal-breaker. Mainly Brazil, but also the Arab Group strongly and continuously opposed respective language on safeguarding environmental integrity and transparent reporting. When no common ground could be found, the complete text was taken back on Saturday afternoon and the Art. 6 rulebook decisions were deferred in their entirety to future sessions.

However, within the Transparency Framework (Art. 13 of the PA), Parties were able to agree on minimum requirements to safeguard environmental integrity of Article 6 transfers: the respective decision requires all Parties that would like to transfer mitigation outcomes to report on corresponding adjustments of their NDCs, no matter if used towards an NDC or for purposes other than achievement of NDCs. Further reporting requirements for Art. 13 comprise information on sustainable development promotion, environmental integrity and transparency. As a result, integrity risks associated with double counting were successfully hedged, while detailed decisions on how to govern Article 6 were shelved for 2019.

(F) Compliance

At COP24, Parties adopted a procedure and established a Committee that will support the implementation of and compliance with the provisions of the Paris Agreement pursuant to its Article 15. The Committee will consist of 12 members with two of them drawn from each of the five geographical regions plus one from the small is-land developing states and one from least developed countries. The procedure is the result of many compromises: on the one hand, it is of a facilitative nature, emphasizing support and co-operation and without providing any punitive or forcible measures to the Committee. On the other hand, the procedure can be triggered by the Committee itself without the consent of the Party concerned in cases where a country fails to comply with binding information requirements. In other cases, for example if information provided appears to be inconsistent, the Committee will only be able to commence proceedings with the consent of the respective Party.

The procedure deviates from the general consensus requirement in the climate regime in that it allows for decisions to be taken by a three-fourths majority of members present and voting if all efforts to reach consensus have been exhausted. Measures that can be imposed are confined to providing advice, assisting in the appropriation of financial support or the recommendation to develop an action plan. The Committee may also on its own provide recommendations regarding issues of a “systemic nature”, thus providing it with a truly advisory role. And finally, the Committee may seek and receive information from processes, bodies, arrangements and forums under or serving the Paris Agreement.

(4) Support for the Global South

(A) Finance

Financial support for developing countries’ climate action has been a hotly contested issue for years. Crucial questions include not only the level of support, but also the definition of what constitutes climate financing and how both the level of resources provided by developed countries and their use in developing countries should be reported.

While finance had been a crucial bone of contention in earlier sessions, negotiations on this issue in Katowice progressed rapidly. As expected, the final text only includes relatively permissive rules, providing developed countries with great flexibility on what and how to report on climate finance: Developed country Parties shall biennially communicate indicative quantitative and qualitative information on, inter alia, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to do so on a voluntary basis. Countries may not only report grants, equity and guarantees as climate finance, but also concessional and non-concessional loans. Reporting of grant-equivalent values remains voluntary. This provides great leeway for developing countries on accounting of financial support. Furthermore, the final decision does not require climate finance to be new and additional, but only asks countries to provide information of what new and additional financial resources have been provided.

At COP23 in Bonn, an important decision on the future architecture of international climate financing had been taken: The Adaptation Fund, originally set up under the Kyoto Protocol, will come under the umbrella of the Paris Agreement. This means that the continued existence of this fund is secured in the future. As the proceeds from the Clean Development Mechanism (CDM) have all but come to a standstill, the Adaptation Fund has had to rely on voluntary contributions from developed countries for years. In Katowice, Parties decided that the Adaptation Fund shall be financed from the Paris Agreement's Article 6.4 mechanism's share of proceeds as well as from public and private sources.

In previous COP decisions, developed country Parties had agreed to provide at least USD 100 billion of climate finance for developing countries per year from 2020. At COP24, Parties set up a process starting in 2020 to define a new, increased, collective quantified goal for climate finance from 2025.

(B) Loss and Damage

With the integration of "loss and damage" under Article 8 of the Paris Agreement, the most vulnerable countries had achieved an important step towards the recognition of the fact that there are climate change induced impacts that cannot be adapted to. In Katowice, the key question was in which areas and how the issue of loss and damage should be reflected in the rulebook. Developing countries were pushing to include loss and damage in diverse negotiation areas, with the transparency framework, the Global Stocktake and finance being particularly relevant. Developed countries, in contrast, mainly wanted the issue to be subsumed under adaptation. In the end, Parties were able to find some common ground by including the issue of loss and damage in several sections of the rulebook, including the transparency framework and the Global Stocktake. Despite the language being rather weak, this can be considered a significant step forward. In the area of climate finance, however, there is no explicit reference to loss and damage, keeping financial support confined to the areas of mitigation and adaptation.

(4) Conclusions and Outlook

The Paris implementation guidelines adopted in Katowice are more robust than many had dared to expect at the start of the conference. Given recent climate policy rollbacks in key countries, in particular the US and Brazil, this is not a small achievement. It sends a signal that the global community is still able to conclude multilateral agreements, and that the vast majority of countries still sees climate change as a major concern.

With the negotiations on the Paris implementation guidelines (mostly) out of the way, it is now possible to focus on the task of raising ambition. To this end, UN Secretary-General Guterres is convening a special summit on climate change in 2019. This summit and the ongoing process under the UNFCCC will hopefully help to galvanise national discussions on stepping up.

COP24 has proven that the consensus-based process in the climate regime can deliver common rules for assessing, monitoring and reporting of information. But it remains to be seen whether the Paris Agreement can fulfil the hopes put on it when adopted in Paris – that it is able to engage all countries in a process that leads to reduction of greenhouse gas emissions fast enough to keep the world on a safe path.

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