

Katowice Climate Change Conference Thursday, 6 December 2018

The Katowice Climate Change Conference continued on Thursday with informal consultations and contact groups meeting on a range of issues. The preparatory phase of the Talanoa Dialogue concluded in the morning. In the evening, the APA held a stocktaking session, followed by an informal meeting of the SBI and SBSTA Chairs on the Paris Agreement Work Programme (PAWP).

COP

Talanoa Dialogue: Ambassador Luke Daunivalu, COP 23 Presidency, and Adam Guibourgé-Czetwertyński, COP 24 Presidency, presented the key findings of the Talanoa Dialogue Synthesis Report, and highlighted the involvement of a diverse range of stakeholders, including 482 inputs through the Talanoa Platform and the participation of 305 storytellers in the “Talanoas” held in May 2018.

Presenting key findings of the recent IPCC Special Report on 1.5°C, IPCC Chair Hoesung Lee highlighted:

- Climate change is already affecting people, ecosystems, and livelihoods around the world;
- Limiting global warming to 1.5°C is not impossible, but requires unprecedented transitions;
- There are clear benefits to keeping warming below 1.5°C; and
- Limiting warming to 1.5°C can contribute to achieving other global goals.

Most parties welcomed the IPCC Special Report on 1.5°C.

Views differed on the expected COP 24 outcome of the Talanoa Dialogue. Maldives, for AOSIS, called for a procedural decision and a political declaration that urges increased ambition for new and updated NDCs submitted in 2020. The EU said the outcome should contain a collective political commitment to look at the adequacy of, and the need to strengthen, ambition. Botswana, for the AFRICAN GROUP, suggested conclusions that acknowledge the process and call for raised ambition, and with NORWAY, suggested a process beyond COP 24.

INDIA recalled, and urged the Presidency to respect, the mandate of the Dialogue, including that the Presidency is to provide a summary of the ministerial discussions.

Matters Related to Finance: Standing Committee on Finance (SCF): Carlos Ivan Zambrana Flores (Bolivia) and Norbert Gorißen (Germany) co-chaired the contact group. Parties noted generally positive views on several paragraphs of the draft

decision, with some requesting clarification on the concept of “climate finance focal points in the NGO constituencies.”

Views strongly diverged regarding references to the key findings of the SCF’s 2018 Biennial Assessment and Overview of Climate Finance Flows technical report. South Africa, for the AFRICAN GROUP, supported by INDIA, cautioned against “cherry picking” individual findings. Saudi Arabia, for the ARAB GROUP, opposed referring to the findings. The EU underscored the relevance of highlighting the continuous increase in climate finance flows, with the US adding the assessment’s findings were the result of a comprehensive exercise and adopted by consensus by the SCF. SWITZERLAND proposed to note the report with appreciation and move it to the annex.

Views also diverged on: urging the SCF to continue the work on relevant information to make finance flows consistent with a pathway towards low-GHG and climate-resilient development (Agreement Article 2.1(c)); alternating frequency between the fora of the SCF and the Biennial Assessment, with a view to balance the SCF’s workload; and requesting the SCF to undertake an assessment of developing countries’ financial needs. Informal consultations will convene.

Report of and guidance to the GEF: Richard Muyungi (Tanzania) and Stefan Schwager (Switzerland) co-chaired this contact group, and asked for parties’ views on the draft guidance to the GEF prepared by the SCF (FCCC/CP/2018/8). Egypt, for the G-77/CHINA, and Antigua and Barbuda, for AOSIS, raised concerns over developing countries’ access to funds from the GEF, with AOSIS also pointing to issues related to the accreditation of agencies. IRAN and the DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA lamented access “being withheld on political grounds.” Several delegates noted consultations underway on related issues, asking for clarification on the sequence for adopting the draft guidance. Informal consultations will convene, aiming to conclude discussions on Saturday, 8 December.

SBI

Common Time Frames: Co-Facilitator George Wamukoya (Kenya) introduced the first iteration of draft decision text. Some parties said their proposals had not been fully reflected in the text.

Noting that an agreement on common time frames would be unlikely in Katowice, several parties supported procedural conclusions on this item from SBI 49 and capturing progress made so far either in conclusions text, an annex, an addendum, or a separate document referred to in a footnote of the conclusions.

Many supported capturing three options for common time frames from the presiding officers' addendum, namely 5, 10, and 5 or 10 years, with one group calling for including "5+5" and another requesting capturing general agreement on the need for convergence, namely that the common time frames should be "consistent with the five-year heartbeat of the Paris Agreement."

A developing country group clarified her proposal in the new text, explaining it reflected paragraphs 23 and 24 (communicating and updating NDCs) of the Paris Decision (1/CP.21) and also contained a request to the SBI to consider common NDC time frames to be implemented from 2041 onwards. Others suggested mandating the SBI to consider common time frames to be implemented from 2031 onwards.

Parties mandated the Co-Facilitators to prepare a new text iteration, containing procedural conclusions and options on how to capture progress made.

SBSTA

Agreement Article 6 (Cooperative Approaches): Anshari Rahman (Singapore) co-facilitated informal consultations in the morning. In general comments on the draft decisions, parties noted the need to discuss: governance issues and safeguards with regards to ITMOs used outside the scope of NDCs.

Views diverged on whether a provision of the share of proceeds towards the Adaptation Fund should be included under both cooperative approaches under Agreement Article 6.2 (ITMOs) and 6.4 (mechanism). While many supported, others opposed, cautioning against renegotiating the Paris Agreement.

Views diverged on provisions for an overall mitigation requirement and its application under Agreement Articles 6.2 and 6.4. Many stressed the need to deliver an overall reduction in global emissions. One party cautioned against allowing market mechanisms to transfer responsibilities to developing countries. Another noted the need to discuss, in the context of raising ambition, approaches utilized both "inside and outside NDCs."

In the afternoon and evening, parties heard a proposed definition of achieving overall mitigation in global emissions. Many called for considering mandatory cancellation and discounting options in this regard. They discussed: reporting under Article 6.8 (non-market approaches) and its work programme activities; baselines for the calculation of emission reductions to be applied in the design of activities for ITMOs; and adjustments in the context of ITMOs. Consultations will continue.

Agreement Article 9.7 (ex post finance transparency): Informal consultations were co-facilitated by Delphine Eyraud (France). Parties focused on a section on underlying assumptions, definitions, and methodologies in the first iteration of draft text. Working through the text on screen, they added text, suggested places where brackets could be removed, and expressed preferences for options. Informal informal consultations then convened.

Research and Systematic Observation: Informal consultations were co-facilitated by Festus Luboyera (Uganda) and Stefan Roesner (Germany). Parties discussed the draft text, with views strongly diverging on whether to: "note," "acknowledge," or "welcome" the IPCC Special Report on 1.5°C; note "with concern" the World Meteorological Organization's 2018 Statement on the State of the Global Climate and Greenhouse Gas Bulletin; and include specific global climate indicators such as atmospheric CO₂. Discussions continued into the evening.

SBSTA/SBI

Report of the Adaptation Committee: Matters referred to in paragraphs 41, 42, and 45 of the Paris Outcome: Pepetua Latasi (Tuvalu) co-facilitated informal consultations. Parties agreed to draft conclusions on the Adaptation Committee Report. Several developing country groups said that two essential paragraphs had been deleted in the draft decision compared to the previous iteration's section on methodologies for assessing adaptation needs, and that more discussion was needed. A developed country urged all parties to make concessions. Discussions continued in informal informals.

Informal Meeting on the PAWP: SBSTA Chair Watkinson (France) and SBI Chair Dlamini (eSwatini) reported on the work of their respective bodies, noting some progress, but also need for further work.

Egypt, for the G-77/CHINA, emphasized that agreement on finance could unlock progress on other issues and called for a comprehensive package.

Gabon, for the AFRICAN GROUP, lamented that the positive spirit of the heads of delegation meeting on finance on Tuesday, 4 December, had not resulted in notable progress in SBI consultations on Agreement Article 9.5. He called for balancing the level of detail on matters related to the effectiveness with those on related to the adequacy of support under the Technology Executive Committee.

Iran, for the LMDCs, stressed the principles of equity and CBDR-RC, calling for Agreement Article 6 to take these into account. He stressed the need to retain references to progression in the provision of support under Agreement Article 9.7 and for a more detailed discussion on the modalities for Agreement Article 9.5.

The EU called for attention to markets, emphasizing the need for coherence in the guidance with those under APA item 3 (mitigation section) and APA item 5 (transparency framework). She further stressed the need for explicit reference to avoiding double counting of credits used under other international schemes.

Maldives, for AOSIS, stressed the need to respect the Paris Agreement and urged parties to find landing zones.

Switzerland, for the EIG, highlighted as difficult issues double counting in Agreement Article 6 and differentiation in discussions under Agreement Articles 9.5 and 9.7.

Saudi Arabia, for the ARAB GROUP, lamented the emerging imbalance in progress between APA, SBI, and SBSTA items. He cautioned that without a balanced package, "there won't be a COP decision."

Ethiopia, for the LDCs, expressed concern at attempts to add new language that does not reflect the Convention, and called for finalizing Adaptation Fund negotiations and starting discussions on the global goal on adaptation.

Colombia, for AILAC, highlighted the need for progress on Agreement Article 6, especially with regards to double counting, review provisions, and environmental integrity.

Chair Watkinson closed the session, stating the presiding officers' will to deliver a balanced and comprehensive result on Saturday.

APA**Mitigation Section of Decision 1/CP.21 (the Paris**

Outcome): During informals co-facilitated by Sin Liang Cheah (Singapore), parties commented on the first iteration of draft text.

Views strongly diverged on reflecting differentiation and the need to discuss the mandatory requirement of a mitigation element in NDCs. Countries disagreed on a decision to continue consideration of further guidance on features of NDCs at CMA 7 (2024), and on a future year for a revision of guidance.

Parties provided feedback and suggestions on textual options on accounting for NDCs, including: a list of substantive elements as well as accounting for adaptation and for support; and information to facilitate clarity, transparency and understanding (ICTU). On ICTU, they exchanged views on, *inter alia*: quantifiable information; time frames; scope and coverage; methodological approaches; fairness and ambition of an NDC; NDCs' contribution to the Agreement's objectives; and information on adaptation, support, and means of implementation. Discussions continued in informal informals.

Adaptation Communication: Informal consultations were co-facilitated by Beth Lavender (Canada). Delegates exchanged views on the first iteration of a draft decision text. Views diverged on, *inter alia*: recalling relevant provisions of the Convention, including the principle of CBDR-RC; placing some paragraphs in the annex rather than the main text; references to implementation; and cycles for adaptation communication. Many parties cautioned that references to the linkages between the adaptation communication and the global stocktake (GST) should be viewed as a placeholder, in order not to prejudge GST discussions underway. Informal informal consultations convened in the evening.

Transparency Framework: In the morning, Co-Facilitator Andrew Rakestraw (US) presented the first iteration of draft text and explained that a second iteration would be developed in the evening. He requested parties to identify "landing zones" on as many issues as possible. He also identified as areas for "homework": guidance to the Global Environment Facility (GEF) on support for developing countries' reporting; the Consultative Group of Experts (CGE); flexibility in different sections of the text; referring to outputs from APA item 3 (mitigation section) discussions on ICTU; loss and damage; and format of the technical expert review. One group suggested adding Agreement Article 6 (cooperative approaches) to the list.

Parties stressed the need for time to "digest" the new text and to advance party-led work.

Many groups expressed concern that their proposals had not been reflected, with two developing country groups lamenting the absence of brackets around "shall" in a section on the information necessary to track progress in implementing and achieving NDCs under Agreement Article 4 (mitigation). Some suggested using in-text brackets consistently to indicate areas of disagreement.

Two groups called for reflecting the special circumstances of LDCs and SIDS, with one calling for a "central group review system" for the LDCs. Discussions continued in informal informals.

In the afternoon, noting parties' concerns, Co-Facilitator Rakestraw assured parties that all party-led work would eventually be captured, even if it is submitted after the deadline for the second iteration of text, which he said was 7:00 pm the same evening.

Groups and countries expressed concern on options and proposals that were not reflected in the first iteration. Several groups and parties also identified sections and paragraphs in which they wished to change text or insert brackets, or where they had reservations or objections.

One country suggested that it might be necessary to postpone the issuance of the second iteration of text. Co-Facilitator Rakestraw explained that parties would have the opportunity to raise such issues in the APA stocktaking plenary, and encouraged parties to continue discussions in informal informals.

GST: In informal consultations, Co-Facilitator Outi Honkatukia (Finland) invited parties to report back from informal informals. No party wished to take the floor, and the meeting was closed to allow informal informal consultations to resume.

Implementation and Compliance Committee: In informal consultations co-facilitated by Christina Voigt (Norway), parties provided input on the first iteration of draft text on the committee's: purpose, principles, nature, functions, and scope; and institutional arrangements.

Many preferred that meetings of the committee be public by default, opposed by one developing country group. Views also diverged on whether to specify balance between developed and developing countries for the committee's co-chairs. Many parties preferred rules of procedure to be adopted at CMA 3 in 2020, rather than at CMA 4 in 2021.

Several groups suggested that committee members be nominated at COP 24, rather than at COP 25, as set out in the draft text, to allow the committee to begin its work as soon as possible. A developing country group opposed, expressing concern that regional groups would not be able to coordinate quickly enough. Discussions continued in informal informal consultations.

Further Matters: Possible additional matters: Co-Chair Sarah Baashan (Saudi Arabia) presented a first iteration of draft decision text, containing text on four possible additional matters in one document.

On the title of the document ("Possible additional matters") and a preambular section, countries expressed reservations, suggesting having a decision number instead of the title and noting the preambular text did not apply to all matters at hand but could now allow for this interpretation.

On guidance to the operating entities of the Financial Mechanism, Least Developed Countries Fund, and Special Climate Change Fund, parties expressed general agreement, with one country suggesting a date for adopting the guidance would not be needed.

On setting a new collective quantified goal on finance, developed countries requested bracketing the text, with one opposing a decision on this matter. A large developing country group requested reinserting its textual proposal.

On modalities/procedural arrangements for communicating finance information under Agreement Article 9.5 (*ex ante* finance transparency), parties agreed that this item would remain "parked" pending discussions on Article 9.5 under the SBI.

On guidance on adjusting existing NDCs, some developed countries supported, while one developed and one developing country opposed, having a decision on this matter.

Adaptation Fund: Informal consultations were co-facilitated by María del Pilar Bueno (Argentina). Parties raised issues with the first iteration of the draft text. A developing country group said its views were not accurately reflected in revised text on

the type of guidance the CMA should provide to the Adaptation Fund Board (AFB). A developed country said the same text failed to capture components it deemed essential, and proposed new streamlined text. Two countries proposed bracketing paragraphs that refer to the Agreement Article 6.4 mechanism, as Article 6 discussions are ongoing. A developing country reiterated that it would not accept references to “innovative” sources of finance.

On eligibility of funding, parties diverged on their preferences for options. They discussed the need to recognize the special circumstances of LDCs and SIDS, and challenges in defining which countries are “particularly vulnerable.” A developing country group proposed bracketing the entire section on eligibility, arguing that it is clearly defined under the CMP and does not require changes.

On the composition of the AFB, parties’ views strongly diverged. A developed country group and a developed country urged a COP 24 decision to review the composition of the board. They cited the need for clarity on AFB arrangements during a potential transitional period and potential changes in funding sources, respectively. Several groups opposed, with one suggesting the section on board composition be deleted.

APA Stocktaking: Jo Tyndall (New Zealand) co-chaired. The APA Co-Facilitators gave updates on all agenda items, noting that a first iteration had been issued, but on all agenda items much work remains to be done.

Highlighting that only “a day and a bit” remained to complete the APA’s work, Co-Chair Tyndall underscored that final versions of draft text are needed by Saturday. She said these should contain only a “bare minimum” of issues left across the PAWP, with clear options identified for resolution in the second week. Noting that “we are not there yet,” she proposed the Co-Chairs prepare and release textual iterations overnight, based on consultations with the Co-Facilitators, to identify possible landing zones. Parties accepted this way forward.

Egypt, for the G-77/CHINA, observed a step back in negotiations on: finance, where he said there is a dilution of developed countries’ obligations; and NDCs, where he stressed that they are “full scope” and reflect differentiation.

Maldives, for AOSIS, asked that the Co-Chairs not reissue a new text on the transparency framework given ongoing negotiations. He expressed concern that some parties suggested that it is optional to include mitigation in an NDC, stressed the need to avoid double counting under Agreement Article 6, and urged explicit recognition of loss and damage.

Saudi Arabia, for the ARAB GROUP, stressed that NDCs are “full scope and differentiated,” and expressed concern that text on the transparency framework is undermining the nationally-determined nature of NDCs and introducing new obligations. On the GST, she opposed non-party stakeholders’, including of IPCC experts’, involvement. In a final omnibus package, she stressed the need to include response measures, and adaptation or economic diversification resulting in mitigation co-benefits.

Colombia, for AILAC, said that some areas need more time in informal consultations, citing the finance, transparency, and adaptation communications. She identified reflecting differentiation in mitigation as a political matter.

Switzerland, for the EIG, asked that the Co-Chairs “make choices in light of the Paris Agreement,” which included: legally-binding guidance where the Agreement foresees it; not introducing bifurcation where not present in the Agreement; and reflecting that developed countries shall provide financial resources, and other parties are encouraged to do so. He stressed the need to avoid double counting under Agreement Article 6.

Australia, for the UMBRELLA GROUP, called for respecting the mandate of the Paris Agreement and for balanced, comprehensive, and robust guidance that “brings the Agreement to life.”

The EU stressed the need to pay particular attention to a clear set of accounting rules for mitigation and markets. He underscored the need for comprehensive and balanced, yet sufficiently detailed, guidance that will operationalize the Paris Agreement.

Gabon, for the AFRICAN GROUP, lamented pushback on the operationalization of key items, particularly finance, adaptation, and loss and damage. He also underlined the need for attention to, *inter alia*: ensuring support for developing countries to prepare and implement their NDCs; operationalizing flexibility under the transparency framework and equity under the GST; and agreeing on modalities for communicating finance information under Agreement Article 9.5.

Ethiopia, for the LDCs, highlighted that the package must be balanced and include finance and loss and damage. He noted that the text forwarded to ministers should not include many technical issues, and said “lowest common denominators” are not acceptable.

Iran, for the LMDCs, expressed disappointment with the first iterations of draft text, lamenting that they had “diluted” his group’s options. Stressing the importance of equity and CBDR-RC in relation to the transparency framework, GST, and mitigation, he reminded that the Paris Agreement is intended to enhance the implementation of the Convention.

Closing the contact group meeting, Tyndall said the Co-Chairs intended to: convene an APA contact group in the afternoon of Friday, 7 December, to hear reactions on the new iterations; and include possible solutions “brokered” by parties after Thursday, 6 December, in a “finetuned” iteration of the text at a later stage.

In the Corridors

As delegates returned to the warm rooms of the International Congress Centre Katowice on Thursday, they began to feel the heat on the substantive side. Diving into the first iterations of revised text on all APA items, delegates seemed to share one sentiment: that many of their priorities were missing. At the same time, good progress was made in several rooms, with draft decisions emerging, albeit on two non-PAWP items. But the burning question remained: can parties conclude technical work on the PAWP by Saturday as expected by the COP Presidency?

That question was center stage in the evening stocktake meetings. Parties supported the APA Co-Chairs’ offer to work all night to draft a set of texts, as perhaps the only way to bring clarity to the “essential elements” of the PAWP. Stepping into the cold evening, one delegate wondered whether these texts would manage to maintain the Paris balance that “everyone was equally – but not too – unhappy with” which could prove a way forward.