

MARRAKECH HIGHLIGHTS: TUESDAY, 8 NOVEMBER 2016

On Tuesday, the UN Climate Change Conference in Marrakech, Morocco, convened. In the morning, the APA contact group met, and the joint COP/CMP plenary resumed to hear statements. Several contact groups and informal consultations under the SBI and SBSTA and informal consultations under the APA convened throughout the day.

COP/CMP PLENARY

COP President Salaheddine Mezouar opened the meeting.

Thailand, for the G-77/CHINA, called on developed countries to increase their pre-2020 mitigation and mobilization efforts and said the transparency framework should emphasize transparency of support.

Urging a move from negotiations to implementation, the EU called for: inclusivity, quality and a sense of urgency in the development of the Paris Agreement rulebook.

Switzerland, for the EIG, highlighted the role of non-state actors in implementation and supported the Presidency's approach to informally continue the APA's work in the second week.

Australia, for the UMBRELLA GROUP, said COP 22 must be a COP of implementation and action and supported suspending CMA 1 until 2018.

Mali, for the AFRICAN GROUP, underlined the need to enhance pre-2020 action, particularly given the low level of ambition in parties' INDCs.

Maldives, for AOSIS, called for adding the 2018 facilitative dialogue to the agenda so discussions may begin and advocated for a robust review of the WIM.

The Democratic Republic of the Congo, for the LDCs, expressed concern on the lack of available resources for the Adaptation Committee, LDCs Fund (LDCF) and Adaptation Fund. Nicaragua, for SICA, urged for a consistent approach to means of implementation (MOI) access. South Africa, for BRAZIL, SOUTH AFRICA, INDIA and CHINA (BASIC), called for concrete outcomes from the facilitative dialogue on enhancing ambition and support and a concrete pathway toward US\$100 billion in financial support by 2020.

Saudi Arabia, for the ARAB GROUP, with Bolivia for the LMDCs, stressed the Convention's principles and the importance of enabling all parties to take part in the negotiations related to the implementation of the Paris Agreement. Venezuela, for ALBA, stressed that, in accordance with the Convention, countries should be able to receive financial resources even if they have not signed or ratified the Paris Agreement.

Costa Rica, for AILAC, called for completing the terms of reference (ToR) for the PCCB and for the review of the WIM in Marrakech.

TUNGOS called for providing certainty on translating climate finance commitments into reality and integrating elements of a just transition into countries' NDCs.

Recalling the UNEP Emissions Gap Report 2016 shows current commitments will lead to 2.9-3.4°C of warming, WOMEN AND GENDER called for cutting emissions further in line with the CBDR principle.

YOUNGOS stressed civil society's role in ensuring accountability and called on parties to present long-term decarbonization roadmaps.

BINGOs said business engagement is required for the Paris Agreement to meet its potential.

FARMERS called for ensuring that COP 22 helps mobilize international action on agriculture.

INDIGENOUS PEOPLES called for ensuring full and effective participation of indigenous peoples in the NDCs process and for the GCF to adopt an indigenous peoples policy.

CAN lamented that "by not even ratifying the Doha Amendment, parties are setting us up for failure."

PREPARATION FOR THE ENTRY INTO FORCE OF THE PARIS AGREEMENT AND THE FIRST SESSION OF THE CMA: In the afternoon, the COP Presidency conducted informal consultations. Parties discussed the message sent by, and reputational risks of, suspending the CMA until 2017 or 2018. Those preferring 2017 underlined the value of assessing progress and possibly taking substantive decisions that may be ready. Those preferring 2018 stated the development of a "package of rules" and the ratification processes in some countries require time. One group suggested suspending the CMA until 2018, or until all the subsidiary bodies have completed their mandates in Decision 1/CP.21 (Paris outcome). Informal consultations will continue.

APA

ITEMS 3-8: During the morning contact group, APA Co-Chair Jo Tyndall proposed that the single contact group on all APA items would meet: on Thursday, 10 November, to assess progress; additionally if needed; and to consider the outcome of the facilitated informal consultations.

On inquiries about the possibility of APA working during the second week, Co-Chair Tyndall explained formal substantive work would have to end on Monday, 14 November. She said that, afterward, technical discussions would be logistically feasible and invited feedback.

Parties agreed to the organization of work in the informal consultations as proposed in the Co-Chairs' scenario note (APA.2016.1.InformalNote). APA Co-Chair Tyndall said all these informal consultations should be open to observers, noting that if "party-only discussions" should be needed in the future, observers would be informed of those discussions.

FURTHER GUIDANCE IN RELATION TO THE MITIGATION SECTION OF DECISION 1/CP.21: In the consultations, co-facilitated by Gertraud Wollansky (Austria) and Sin Liang Cheah (Singapore), parties exchanged views on work at COP 22, focusing on guidance to be developed, possible linkages between the three sub-items, expectations on the outcome and how to record progress, and options for additional inputs and targeted work in 2017.

On guidance to be developed, parties suggested, *inter alia*: identifying sub-topics under each sub-item to be discussed; focusing on general information common for all parties and information specific to NDC type; keeping in mind the importance of the ability to aggregate the collective impact of NDCs; and using Decision 1/CP.21 as a starting point for further discussions.

China, for the LMDCs, and Saudi Arabia, for the ARAB GROUP, opposed by NEW ZEALAND, highlighted the need to define the scope of NDCs and reflect differentiation in the operational guidance as cross-cutting issues.

On the outcome, Maldives, for AOSIS, and others called for setting a workplan through 2018. Many parties supported capturing progress at APA 1-2. Informal consultations will continue.

MODALITIES, PROCEDURES AND GUIDELINES FOR THE TRANSPARENCY FRAMEWORK FOR ACTION AND SUPPORT: Andrew Rakestraw (US) and Xiang Gao (China) co-facilitated these informal consultations, presenting framing questions on: identifying the key elements of the modalities, procedures and guidelines (MPGs) for the transparency framework; informing the MPGs with experience from the existing measurement, reporting and verification (MRV) arrangements and reflecting flexibility for developing countries that need it; and organizing work in 2017 and 2018 to finalize the MPGs on time.

Singapore, for the G-77/CHINA, stressed that the elements for the MPGs should be outlined along the lines of the "shalls" and "shoulds" of Article 13 (transparency framework). BRAZIL highlighted that there are many other elements in the Paris Agreement that will impact this agenda item. Many parties cautioned against duplicating work in related parallel discussions.

NEW ZEALAND supported raising the issue of flexibility as each element of the guidelines is addressed.

Some stressed that the most important outcome for COP 22 will be the workplan for the next two years. The EU noted general agreement in party submissions on three sets of guidelines to be defined, for: reporting; technical expert review; and multilateral consideration. She supported addressing the reporting guidelines first, possibly in a workshop. Informal consultations will continue.

GLOBAL STOCKTAKE: Nagmeldin G. Elhassan (Sudan) and Ilze Prūse (Latvia) co-facilitated informal consultations. On modalities, many saw the process comprising a technical and a political phase. Colombia, for AILAC, suggested an *ad hoc* working group that would process the technical aspects to produce an output for the political phase. MARSHALL ISLANDS suggested discussing: views on the separation of these phases; lessons learned from the structured expert dialogue (SED); and common timeframes. Iran, for the LMDCs, called for

strengthening linkages between action and support, and avoiding additional burdens, and, with CHINA, for identifying potential barriers to implementation. GRENADA called for identifying: the body that will carry out the global stocktake; timeline; process; inputs from various bodies; and linkages to other UNFCCC processes.

On sources of input, many agreed the scientific inputs should be mainly derived from the IPCC.

Several parties suggested a non-exhaustive list of inputs, with the EU calling for consideration on how to manage inputs. Maldives, for AOSIS, suggested information on adaptation and loss and damage would be useful, and cautioned against "negotiating a prescriptive approach to equity" as an input. Mali, for the AFRICAN GROUP, recalled the group's earlier submission on an equity framework.

On outcomes, the LMDCs suggested comprehensiveness and fostering international cooperation. AOSIS expected an integration of climate financing. AILAC and the EU emphasized driving action and greater ambition.

MODALITIES AND PROCEDURES FOR THE EFFECTIVE OPERATION OF THE COMMITTEE TO FACILITATE IMPLEMENTATION AND PROMOTE COMPLIANCE: Informal consultations convened in the morning and afternoon, co-facilitated by Janine Felson (Belize) and Peter Horne (Australia), centering on the scope of the committee. Many countries highlighted the need for a general approach to facilitate implementation rather than imposing penalties. Many also underscored the scope should be comprehensive. The US stressed the need to think ahead as new issues arise and to have effective accountability.

Antigua and Barbuda, for AOSIS, stated that for legally-binding provisions, the committee should focus on compliance and otherwise on facilitating actions. CANADA noted that the primary legal obligations for each country are NDC submission and reporting. Mali, for the AFRICAN GROUP, stressed individual country assessments need to go in parallel with the collective assessment of progress.

NEW ZEALAND suggested that all parties should be equally accountable for implementing their NDCs. Iran, for the LMDCs, Chile, for AILAC, CHINA, the PHILIPPINES, Mali, for the AFRICAN GROUP, and NEW ZEALAND stressed the link to countries' capacity to implement their commitments. The EU underscored that the operation of this mechanism must be transparent and respect legal arrangements of other processes. The consultations will continue.

FURTHER MATTERS RELATED TO IMPLEMENTATION OF THE PARIS AGREEMENT: In informal consultations, APA Co-Chair Baashan invited delegates to consider on the Adaptation Fund: the key questions to be addressed in order to complete the APA's work; steps to be undertaken to fulfill the mandate of the APA on this matter; and linkages to consider in undertaking the APA's work on this mandate.

CHINA, the PHILIPPINES and the BAHAMAS, among others, urged requesting the Adaptation Fund to serve the Paris Agreement. The EU, NORWAY, the US and AUSTRALIA suggested this question warrants further discussion noting, *inter alia*, that it is best considered in light of the overall climate finance architecture; and requires consideration of lessons learned.

Delegates agreed to welcome the Paris Agreement's entry into force and to encourage parties that have not yet done so to ratify the Agreement. Parties will discuss procedural aspects of preparing for CMA 1 on Wednesday and the Adaptation Fund on Thursday.

SBSTA**MATTERS RELATING TO PARIS AGREEMENT**

ARTICLE 6: Guidance on cooperative approaches referred to in Paris Agreement Article 6.2: Parties reacted to guiding questions proposed by co-facilitators Kelley Kizzier (EU) and Hugh Sealy (Maldives) on: options for ensuring environmental integrity and sustainable development; functioning of the corresponding adjustment; reach of the guidance; and managing relationships between Paris Agreement Article 6.2 and Article 6.4 (establishing a mechanism to contribute to the mitigation of GHG emissions and support sustainable development), and between Article 6.2 and Article 4.13 (on accounting for NDCs).

Many suggested keeping the scope of guidance to what can be transferred open. Others called for centralized governance and appropriate institutions under the CMA. Several parties considered the corresponding adjustment as too technical an issue for discussion at SBSTA 45. On “relationships,” one party suggested that mitigation outcomes are transferred “under Article 6.2,” while internationally transferred mitigation outcomes (ITMOs) can be generated by any mechanism, including that established by Article 6.4. Parties were not able to agree on how to proceed intersessionally.

Work programme under the framework for non-market approaches referred to in Paris Agreement Article 6.8: During informal consultations, co-facilitated by Kelley Kizzier (EU) and Hugh Sealy (Maldives), parties responded to guiding questions relating to whether governance, quantification, accounting and international cooperation are relevant for non-market approaches.

Some noted the importance of governance in the context of tracking non-market approaches’ contributions to NDCs. Many parties noted that, where possible, quantification will be useful, with some suggesting existing reporting channels and GHG inventories can serve this purpose.

One party noted that accounting is not a necessity or obligation, but that it would be helpful if procedures and guidelines were developed for voluntary use. Some parties noted the possible synergies and overlaps with Paris Agreement Articles 6.2 and 6.4, with one group cautioning that these overlaps call for accounting to avoid double-counting.

Parties expressed views on the national nature of non-market approaches, with many pointing to areas where international cooperation can augment national action. On institutional arrangements, one group suggested the work programme include workshops, with other parties suggesting: creating a clearinghouse; grouping non-market approaches by type; and undertaking a mapping exercise of approaches.

IN-SESSION WORKSHOP ON MODALITIES FOR THE ACCOUNTING OF FINANCIAL RESOURCES PROVIDED AND MOBILIZED THROUGH PUBLIC INTERVENTIONS IN ACCORDANCE WITH PARIS AGREEMENT ARTICLE 9.7:

SBSTA Chair Carlos Fuller opened the workshop noting its critical role in informing the work of the SBSTA on this matter. The meeting was co-chaired by Outi Honkatukia (Finland) and Rafael da Soler (Brazil), and comprised four parts: scene-setting presentations; a panel discussion; breakout group discussions; and a report back session.

Scene-setting presentations by the UNFCCC Secretariat, the EU, Maldives, for AOSIS, and the International Aid Transparency Initiative (IATI) focused on: existing accounting arrangements under the Convention; enhancing accounting modalities; reaching a mutual understanding on what is counted as climate finance, including core principles; and IATI experiences in increasing transparency of information.

Panel presentations by Ecuador, for the LMDCs, Switzerland, the US, Mali, for the LDCs, and the Organisation for Economic Co-operation and Development (OECD) highlighted the need to, *inter alia*: include information on how support is addressing country-driven strategies; avoid double counting by multiple actors; improve methodologies on multilateral flows and mobilized private finance, and collective reporting by developed countries towards the US\$100 billion goal; differentiate between reporting and accounting; clarify additionality; and capture the emergence of new actors.

The breakout sessions focused on: building on existing modalities; mobilized private finance accounting; and modalities for the Paris Agreement, including how to integrate the account modalities into the Paris Agreement transparency framework. The discussions continued in the afternoon in informal consultations.

SBI

DEVELOPMENT AND TRANSFER OF TECHNOLOGIES: Poznan Strategic Programme on Technology Transfer: In informal consultations, co-facilitated by Elfriede-Anna More (Austria) and Washington Zhakata (Zimbabwe), Co-Facilitator More noted the aim of the consultations is to consider the GEF report on progress made in carrying out the Programme (FCCC/CP/2016/6). Several parties welcomed the restructured GEF report. Parties, *inter alia*: encouraged the GEF to further develop reporting on challenges and lessons learned; encouraged, or requested, additional information on the GEF’s collaboration with the CTCN; and requested the GEF to consider piloting Technology Action Plans. The group will continue deliberations on Wednesday afternoon based on a draft text developed by the co-facilitators.

SBSTA/SBI

REPORT OF THE EXECUTIVE COMMITTEE OF THE WIM: In informal consultations, co-facilitated by Alf Wills (South Africa) and Beth Lavender (Canada), there was general agreement that the scope of the review should include the WIM’s mandate, structure and effectiveness as mandated by COP 19. Participants discussed questions to consider under each of these three elements, with one group suggesting separating the “backward-looking” elements of the review from the “forward-looking” elements that will consider the Paris Agreement. The co-facilitators will compile a list of questions for the review, distinguishing between backward and forward-looking elements. The next informal consultations will discuss the report of the WIM Executive Committee.

IN THE CORRIDORS

Delegates arrived at the Bab Ighli conference site for day two ready to test out the venue’s many meeting rooms. Following the first-ever issue-specific informal consultations for APA, several delegates followed the co-chairs’ advice and conversed during lunch about the possibility of informal dialogues to advance work after APA closes on Monday, but wondered how such dialogues could capture progress. Most agreed that the available time should be maximized, with some noting that the many high-level events will occupy experts’ time. One delegate recalled the “effective work on elements accomplished under the ADP in the second week of Lima,” expecting similar progress under APA here. Meanwhile, NGOs were concerned about APA informal consultations this week, disappointed that each constituency will be allotted two badges each, despite agreement to open negotiations.

Leaving the venue with results of the US Presidential election trickling in, many wondered if they would wake up and “face a very different climate reality tomorrow.”

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