

Katowice Climate Change Conference Tuesday, 11 December 2018

The Katowice Climate Change Conference continued on Tuesday with presidency consultations on several issues related to the Paris Agreement Work Programme and with the Talanoa Dialogue entering its political phase. In the evening, the COP Presidency held a stocktaking.

COP

Report of and guidance to the Global Environment

Facility (GEF): In informal consultations, co-facilitated by Richard Muyungi (Tanzania) and Stefan Schwager (Switzerland), parties exchanged views on draft text paragraph by paragraph. Parties disagreed on whether to recognize, welcome, or note the 7th replenishment of the GEF, as well as whether to include percentages or figures to specify decreases in GEF funding between the 6th and 7th replenishment. One developing country proposed replacing quantitative information with the term “significant decrease.”

Parties strongly disagreed on language that instructs the GEF to consider improving access modalities for developing country institutions. A developed country group argued that because the GEF differs fundamentally from other funds, enabling direct access modalities would “open the floodgates” for national institutions’ accreditation across different environmental conventions. A developing country opposed, calling for a “paradigm shift” to promote direct access for developing country institutions.

Parties also strongly disagreed on two paragraphs addressing political and non-technical barriers to accessing GEF funding, with one developed country describing the language as a “red line.” In a brief contact group, the draft text was forwarded to the presidency for consideration at the ministerial level.

Report of and guidance to the Green Climate Fund (GCF):

In the informal consultations, co-facilitated by Richard Muyungi (Tanzania) and Stefan Schwager (Switzerland), parties considered a new iteration of text prepared during the day based on informal consultations in the morning.

Discussions centered on a paragraph requesting the Standing Committee on Finance (SCF) to prepare assessments on funds necessary to assist developing countries in implementing the Convention with a view to help inform the first GCF replenishment process. Many developed countries opposed discussing an alternative text proposal by a developing country group.

One country opposed reference to the IPCC Special Report on 1.5°C, stating that this would skew funding towards mitigation.

This was opposed by another country, who saw this as “also an investment in adaptation.”

Parties also bracketed paragraphs related to, *inter alia*, addressing remaining policy gaps and urging parties to fully execute their contribution arrangements or agreements under the initial GCF resource mobilization.

Convening briefly as a contact group on the same sub-item, Co-Chair Schwager said the text would be presented to the COP Presidency.

Presidency Consultations: Mitigation/NDCs: Parties continued exchanging views on the third iteration of draft text, forwarded from the APA, reiterating positions, requesting for further brackets or deletion of paragraphs, and suggesting areas for streamlining. Parties found some common ground in paragraphs related to capacity-building support related to NDCs and avoidance of double counting.

On guidance on information for clarity, transparency, and understanding (ICTU), parties continued to diverge on the: level of detail; scope, namely whether to include other elements than mitigation; timing of applicability, namely “by 2020” or with the second and subsequent NDCs; and legal bindingness, namely whether all parties “shall provide” ICTU, with details determined by the NDC type, or developed countries “shall provide” and developing countries “may include” ICTU.

Parties reflected on, *inter alia*: the level of detail in guidance on fairness and ambition of NDCs; and public participation and engagement and “contextual issues,” such as sustainable development, in NDC planning processes.

On accounting, parties made proposals related to: common metrics, including in relation to countries accounting using methodologies not covered by the IPCC guidelines; timing of a possible review of the guidance; capturing NDCs that contain targets expressed with policies and measures or strategies; and emissions and removals related to sources, sinks, or activities, with one group suggesting referring to “all land area” and some others proposing adding “pools.”

Many called for further attention to how the substantive linkages with the transparency framework and Agreement Article 6 (cooperative approaches) could be addressed in a way that would reduce redundancies in the different texts.

Parties were informed that their inputs would be shared with the experts appointed by the COP Presidency to support the consultations.

Adaptation: Parties considered draft decision texts prepared by the Presidency. Among other things, parties agreed on the documents to draw on for facilitating the recognition of developing countries’ adaptation efforts in the global stocktake

(GST), and methodologies for reviewing the adequacy and effectiveness of adaptation and support. Disagreement remained, *inter alia*, regarding: which parties should be encouraged to provide resources for the implementation of the work of adaptation-related institutions under the Convention and the Paris Agreement; who should be requested to develop, and regularly update, an inventory of relevant methodologies for assessing adaptation needs; and options for requesting the SBSTA to consider ways to improve the applicability of such methodologies, and the role of the IPCC in that process.

On the guidance for adaptation communication, views diverged on, *inter alia*: language introducing a degree of hierarchy between *ex post* and forward-looking elements of adaptation communication; whether or not to consider existing guidance for communicating adaptation-related information; and whether and how information communicated as a component of, or in conjunction with, an NDC on adaptation actions and/or economic diversification plans leading to mitigation co-benefits would be subject to review.

The draft texts were then forwarded to the Presidency.

Technology: In the afternoon, views diverged on language referring to enabling environments. The group did not have sufficient time to discuss assessment of technologies that are ready to transfer and addressing barriers to implementation. The Co-Facilitator said all comments would be reflected in a new iteration to be presented to the COP Presidency.

On the scope of and modalities for the periodic assessment, parties could not agree on how to specify the relationship between the periodic assessment and the GST, and whether support to the Technology Mechanism should be provided by developed countries. The Co-Facilitator noted that bracketed text would be forwarded to the COP Presidency.

Compliance: In the morning, parties focused on measures, initiation by the committee, and flexibility on the timelines.

On measures, parties considered a textual proposal which would, *inter alia*, provide that the committee may issue “findings of fact” in relation to implementation and compliance with the provisions of the Paris Agreement, except in cases related to technical expert review reports under the transparency framework. Parties could not agree to this proposal. One party said that the committee should only be able to issue “findings of fact” in relation to binary legally-binding obligations. Other parties expressed concerns about a subparagraph under which the committee may facilitate a dialogue between the party concerned and the appropriate finance, technology, and capacity-building bodies or arrangements, in order to identify possible challenges and solutions. Many parties expressed a willingness to engage further on the proposal, while one group called for an immediate compromise, expressing uncertainty about the value of further discussions.

On committee initiation, parties considered how to reflect that the committee should consider only whether a communication had been made, rather than the content of the information provided.

Informal consultations convened in the afternoon.

Article 6 (cooperative approaches): Parties gave feedback on views, proposals, and possible landing zones identified during party-led discussions.

Under Article 6.2 (ITMOs), on corresponding adjustments, parties could not agree to a proposed “menu approach” allowing countries to choose from a number of options including working on an emission, or emission reduction, basis and ensuring clarity on conversion of metrics. Several parties supported the proposal, while others opposed, calling for a single approach providing the same basis for all parties.

On purposes other than the achievement of NDCs, parties expressed: the need for a definition; concerns around double counting; and recognition that the UNFCCC does not have a mandate to make rules for other bodies. Parties had opposing views on up-front quantification for reporting purposes.

Under Article 6.4 (mechanism), parties discussed methodological principles of the activity cycle. One party called for high-level principles and a work programme to develop them. Several parties expressed views on appropriate baseline approaches, with some expressing reservations about applications of business as usual and historic baselines. Some noted linkages to overall mitigation in global emissions. Parties also discussed the composition of the supervisory body.

Under Article 6.8 (framework for non-market approaches) parties discussed a compromise in which the governance of the framework would begin with the establishment of a forum with assurances that a permanent governance arrangements will be established in 2019. They also considered a compromise proposal on work programme activities.

On the way forward, the Co-Facilitator explained he would inform the presidency that given the remaining differences, only bracketed text could be developed.

Response Measures: The Co-Facilitators presented proposed text, saying it is not agreed but represents a possible landing zone. On the preamble, parties disagreed on which provisions of the Agreement, the Convention, and the Kyoto Protocol, as well as which COP decisions, to refer to.

On the forum’s operation, views diverged on whether to include text establishing a committee on the impacts of the implementation of response measures. Some parties suggested including a placeholder, noting that there was no agreement to establish a committee.

On functions, parties exchanged views on whether the forum should have the mandate to, *inter alia*: respond to requests from constituted bodies, other arrangements, and processes under the Paris Agreement; and promote action to minimize the adverse impacts of the implementation of response measures.

On the way forward, one group expressed strong concerns, insisting on seeing the text to be forwarded to the COP Presidency beforehand. Parties were assured that the experts appointed by the Presidency would produce a text under their own authority and seek to ensure a balance of views.

COP Presidency Stocktaking: COP 24 President Kurtyka said he would provide his assessment of the situation and outline necessary next steps, given “insufficient progress” in the negotiations thus far.

Jo Tyndall, New Zealand, reported on progress under the modalities, procedures, and guidelines (MPG) cluster. Highlighting unresolved issues, she pointed to:

- Transparency: the end date for existing reporting under the Convention and start date for reporting under Agreement Article 13; and how to operationalize improvement over time.
- Mitigation and NDCs: differentiation of ICTU and accounting guidance; and the scope of guidance on ICTU and accounting.
- GST: how to refer to equity and define specific equity provisions, if there are any; and thematic areas or scope of GST, including loss and damage, and response measures.
- Implementation and compliance: scope of committee initiation; and measures the committee can take.

Paul Watkinson, France, said that, although progress had been made on all fronts, issues remained, including:

- Agreement Article 6: share of proceeds to the Adaptation Fund under the Article 6.4 mechanism; corresponding adjustments, and overall mitigation in global emissions; and the transition from the Kyoto Protocol to the Paris Agreement system; and
- Response measures: the forum's work programme, governance, and institutions.

Emmanuel Dlamini, eSwatini, reported progress in negotiations on adaptation and technology, but noted lingering divergences, including on:

- Periodic assessment of the technology mechanism: the relationship between the periodic assessment and the GST; adequacy of the support provided to the mechanism; and the sources of information for the periodic assessment.
- Technology framework: CBDR-RC; barriers to implementation of technology development and transfer; and enabling environments.
- Adaptation: the involvement of the IPCC and other bodies under the Convention in assessing adaptation needs; output components of the GST; and a reference to CBDR-RC.

Dlamini reported that no consultations on the registries had convened, pending the resolution of linked issues.

Yassmin Abdelaziz, Minister of Environment, Egypt, reported from open-ended consultations on finance, co-facilitated with Jochen Flasbarth, State Secretary Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety, Germany. She reported that they had tried to reflect all views expressed and capture common ground in the second draft of the text on Agreement Article 9.5 (*ex ante* finance transparency). State Secretary Flasbarth added that the text was not yet party owned but instead issued under the Co-Facilitators' responsibility. Future consultations will discuss the Adaptation Fund and the post-2025 collective finance goal.

Saying that the current mode of negotiations had been exhausted, COP 24 President Kurtyka announced a new textual proposal would be available the morning of Wednesday, 12 December. He informed that pairs of ministers would search for solutions on: finance; transparency; guidance on mitigation/NDC; GST; adaptation; and cooperative approaches under Agreement Article 6. He said the ministers would be able to use "all possible tools to consult" parties, including open-ended consultations, Vienna settings, bilateral meetings, and shuttle diplomacy. Calling on parties to look at the big picture, avoid "micro issues," and seek common ground, he closed the meeting.

Talanoa Dialogue

Opening Ceremony: COP 23 President Frank Bainimarama presided.

COP 24 President Michał Kurtyka said the Talanoa Dialogue's political phase aims to send clear, forward-looking signals for the confidence and courage necessary for enhanced ambition.

Calling the Talanoa Dialogue "a grand conversation," UNFCCC Executive Secretary Patricia Espinosa highlighted that people are suffering from climate change now, and climate action is happening, but not fast enough.

Key messages from the technical phase: COP 24 President Kurtyka moderated.

IPCC Chair Hoesung Lee presented the IPCC Special Report on 1.5°C, underscoring that urgent action is needed and requires unprecedented transitions in all areas of society.

Saying the Talanoa process swept across the world this year, Inia Seruiratu, High-level Climate Champion, Fiji, reported from

Global Climate Action and expressed appreciation for how all stakeholders shared their stories.

COP 20 President Manuel Pulgar-Vidal reported from the High-level Finance Dialogue, relaying the need for a massive scale up in climate finance with predictable and consistent flows, which developing countries can directly access.

Ola Elvestuen, Minister of Climate and Environment, Norway, reported from the pre-2020 stocktake. From the political portion of the stocktake, he relayed, *inter alia*, that some countries overachieved their Kyoto Protocol commitments and others exceeded their carbon intensity pledges, while achieving economic growth.

COP 21 President Laurent Fabius outlined what COP 24 "could and should achieve," including defining transparency mechanisms, confirming the "1.5°C and 2°C goals," reaffirming CBDR, and sending a clear message that the world will step up its ambition.

Illustration of Talanoa: Facilitated by Seruiratu, speakers shared stories.

Underscoring the need to work on all actions, together, Hindou Oumarou Ibrahim, Indigenous Peoples, noted that indigenous peoples protect 80% of the world's biodiversity.

Henryk Kowalczyk, Minister of the Environment, Poland, told the story of his country's transition, including investments in cleaner public transit and in technologies for cleaner household heating.

Ragna Árnadóttir, Landsvirkjun, the National Power Company of Iceland, told the story of how her country became 100% renewable, starting with farmers using hydropower, entrepreneurs building technologies for geothermal energy in district heating, and municipalities scaling up these efforts.

Telling participants that "even if you think you're safe, you will be vulnerable," COP 23 President Bainimarama, relayed the effects of increasingly powerful cyclones, the worries of villagers, and need for support to "build back better."

The Talanoa Dialogue then continued in 21 sessions, each comprised of 11-13 ministers sharing their stories to raise ambition.

CMP

Matters Relating to the Adaptation Fund: Adaptation Fund Board: Co-Chair Richard Muyungi (Tanzania) co-chaired the contact group. Maldives, for AOSIS, proposed adding a placeholder to outcomes from Adaptation Fund consultations underway "under the APA." Muyungi said the Co-Chairs did not have a mandate to cross-reference text to a stand-alone agenda item. The EU, South Africa, for the AFRICAN GROUP, and Pakistan supported AOSIS' proposal. The draft text with the placeholder was forwarded for consideration by the CMP.

In the Corridors

With the looming 5:00 pm deadline for the "technical" negotiations to produce clean texts, some groups whose consultations ran until 5:00 am Tuesday morning only dissipated for a few hours before resuming their discussions – leaving no doubt about negotiators' dedication to the task. Discussions in many rooms, however kept "going in circles," as many delegates observed. One wondered how ministers were supposed to resolve, in three days, what couldn't be sorted out in three years of discussions. Leaving the venue after the Presidency's stocktake, an optimistic observer hoped that ministers had "done their homework," while rumors of a late night Heads of Delegation meeting hinted that there may still be much left to be written.

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