

From Bangkok to Katowice: Finalising the Paris Climate “Rulebook”

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SYNOPSIS

At the closing of the recent Bangkok Climate Change Conference held from 4–9 September 2018, the Co-Chairs presented a 307–page Paris Agreement Work Programme (PAWP) compilation document which captured progress across the many substantive agenda items on which negotiations took place throughout the week. This was the last negotiating opportunity countries had before travelling to Katowice, Poland for COP24 in December, to deliver a comprehensive, balanced and ambitious set of guidelines required to operationalise the 2015 Paris Agreement on Climate Change. This brief discusses the ‘Bangkok outcome’ and the key issues that will need to be resolved and decided at COP24 in order for countries to adopt the Paris Climate “rulebook”.

KEY POINTS

- Although the Bangkok session allowed countries to gain more clarity on key choices they need to make in Katowice, the outcomes show uneven progress towards completion of the Paris Agreement Work Programme.
- On 14 December 2018, countries attending COP24 in Katowice must conclude talks and produce a successful, comprehensive and ambitious Paris Climate “rulebook”, important for a fully operational Paris Agreement.
- Much work remains to be done and there are still uncertainties around exactly what countries will need to decide at COP24 and how much follow-up work of a technical nature will be needed from 2019.
- Countries will have to identify follow-up work of a technical nature needed from 2019 and find effective and practical avenues to conduct such work; while minimising undue burden on developing countries and avoiding overlaps with existing arrangements.

INTRODUCTION

The Paris Agreement (hereafter the “Agreement”) was adopted on 12 December 2015 and entered into force 10 months later on 4 November 2016. To date, 184 Parties have ratified the Paris Agreement. Work undertaken since entry into force has chiefly been towards putting together the rules for operationalising the 25 page Agreement. The Agreement, in and of itself, is skeletal and contains little detail on how to achieve the goals set out. Upon adoption of the Agreement, an Ad Hoc Working Group on the Paris Agreement (APA) was established under Decision 1/CP.21 to prepare and oversee the implementation of the work programme to

develop rules, modalities and guidelines to give effect to the Agreement. The Agreement addresses crucial areas necessary to combat climate change, but in its current form lacks detail on how countries should act. Disagreements have occurred due to language in the Agreement and in the accompanying COP Decision 1/CP.21 which provides countries with discretion, particularly where there is room for interpretation.

In Katowice, negotiators will work with the 307–page Paris Agreement Work Programme (PAWP) compilation document, which is an output of the recent Bangkok Climate Conference, to achieve a complete, coherent

and consistent outcome in Katowice. This work is even more important with the release of the summary of the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C on 8 October 2018. The report, which cites more than 6,000 scientific references highlights that urgent and drastic actions need to be taken and accelerated to avoid catastrophic climate change and ensure a safe and sustainable world. It will serve as scientific input to the Katowice COP24 in December, and as a reminder to countries that time is running out.

ANALYSIS

Completing the Paris Agreement Work Programme

From 4–9 September 2018, negotiators met for an additional session in Bangkok, Thailand in order to achieve as much progress as possible towards developing a negotiating text for the Paris Climate “rulebook” for adoption by December this year. The Bangkok Climate Change Conference follows the mid-year session held in Bonn, Germany from 1–12 May 2018, where outcomes were considered “a long way from negotiating text” in a joint reflections note issued by presiding officers of the PAWP.

As a multilateral process, work is being undertaken by the APA as well as other subsidiary bodies under the UNFCCC i.e. the Subsidiary Body on Implementation (SBI) and Subsidiary Body on Technological and Scientific Advice (SBSTA) as mandated in both the Agreement and its accompanying Decision 1/CP.21. Together, these subsidiary bodies and other constituted bodies provide advice, technical input and expertise, and provide platforms to advance the PAWP. There are no less than 66 individual and linked tasks that have to be undertaken. Progress is being tracked via an online tracker most recently updated on 22 October 2018, which revealed the completion of just 7 mandated tasks.

The PAWP is extremely complex. The work is derived directly from the Agreement and Decision 1/CP.21 and can be broadly categorised into six issues: Nationally determined contributions (NDCs) and mitigation; Adaptation communications; Transparency framework for action and support; Facilitation of implementation and

promoting compliance; and further matters related to implementation of the Paris Agreement. When the APA adopted its agenda, it agreed to work within a single meeting called a contact group. Each of these issues were subsequently taken up separately in breakout meetings known as informal consultations chaired by co-facilitators who had to report progress back to the presiding officers of the APA. In Bangkok, countries also launched “informal-informal” consultations, which can have negotiators organise in small huddles to iron out issues, and their co-facilitators have to report back on progress made.

In reality, issues are rarely discussed on their own due to the interconnected nature of the provisions of the Agreement. Joint stocktaking meetings have proven useful to ensure coordination and to manage cross-cutting issues and linkages. The challenge for countries therefore is to ensure that they draft a set or sets of workable, coherent, efficient, and mutually reinforcing guidelines for implementation to be contained in the Paris Climate “rulebook”. Nevertheless, on each agenda item, countries are considering issue-specific “tools” to facilitate deliberations. Following the Bangkok Climate Conference, additional revised textual proposals contained as addenda to the PAWP compilation document were issued by the presiding officers of the APA, SBI and SBSTA in mid-October for consideration. The following sections will consider the most contentious issues going into COP24, and conclude with expectations on the package that needs to be delivered by countries.

Guidance for Nationally Determined Contributions

Discussions on this issue focused on developing further guidance on (1) features of NDCs; (2) information to be provided to facilitate clarity, transparency and understanding of NDCs (ICTU); and (3) accounting of NDCs. A key element of divergence centres on the features of NDCs—whether guidance applies to existing features or new/additional features, and if they might include adaptation. The successive nature of NDCs also presents a roadblock, given that they have to represent progression beyond the previous one and reflect highest possible ambition. Since NDCs are nationally

determined and each existing NDC is different, some countries question if targets contained in NDCs need to be quantified as part of accounting. Because of the varied nature of NDCs, comparison and calculation of collective action is immensely difficult and this has implications on another aspect of the Agreement—the Global Stocktake.

Adaptation Communication

Agreement Article 7.10 states that each party should, as appropriate, submit and update periodically an adaptation communication, which may include its priorities, implementation and support needs, plans, and actions. Discussions under this item focused on whether guidance, such as common elements of adaptation communications, should be developed for NDCs. In other words, should adaptation be included in NDCs?

Enhanced Transparency Framework

Work under this issue focused on developing common modalities, procedures and guidelines (MPGs) for the transparency framework established in Agreement Article 13. The issue of transparency is central to the PAWP given the voluntary nature of NDCs as a means to measure implementation progress. One of the key principles of the transparency framework is the provision of flexibility to developing countries that need it in light of their capacities. The difficulty lies in finding an appropriate formula to reflect flexibility in the MPGs and in cross referencing linkages to information on NDCs, adaptation communications, and information on support provided and mobilised, needed and received among others. Current negotiations point to a biennial transparency report (BTR) that will be reviewed through a technical expert review (TER) and facilitative multilateral consideration of progress (FMCP). This process will succeed the current reporting arrangements – although the question of when remains to be decided. There is concern over how the MPGs may be differentiated but not bifurcated as is the current practice, where different sets of MPGs apply to developed and developing countries.

Markets and Non-Market Approaches for International Cooperation

Discussions under this item is aimed at operationalising three types of market and

non-market mechanisms under the Paris Agreement, namely, a cooperative mechanism for transfers between countries involving internationally transferred mitigation outcomes (ITMOs) (Article 6.2); a mechanism for allowing private sector parties to generate and sell emission reduction units (Article 6.4); and a non-market mechanism (Article 6.8). The common principles uniting these three elements are that they involve voluntary participation, help increase ambition of both mitigation and adaptation actions, and promote sustainable development.

Article 6.2 discussions focused on “Corresponding Adjustments”, i.e. the accounting and reporting to avoid double counting, and the necessary flow of events in the course of a cooperative approach. Both *ex-ante* and *ex-post* reporting were discussed, and in the context of the technical expert review referred to in Agreement Article 13. The Paris Climate “rulebook” will need to specify if reviews for this particular market approach should be carried out by a dedicated Article 6 body, or by the review body constituted under Article 13 due to its technical nature. On Article 6.4, discussions focused on whether to transition from the current Kyoto Protocol mechanisms such as the Clean Development Mechanism (CDM), national baselines, involvement of activities beyond NDCs, how to ensure overall mitigation in global emissions (OMGE), and the composition and rules of procedure of a supervisory body for the mechanism. As for Article 6.8, countries need to finalise the design of its work programme, and how to achieve parity of results across all mechanisms when there still lacks full clarity on non-market approaches.

Global Stocktake

The Global Stocktake (GST) is a crucial element of the Paris Agreement’s ambition mechanism. While the GST’s objective is to assess collective action towards not exceeding the Agreement’s global temperature threshold and is to be informed by the best available science, there is no consensus yet on the sources of input and information. Discussions in Bangkok focused on identifying the sources of input for as well as developing the modalities of, the GST. In Katowice, countries will need to decide procedural elements, such as who should manage the sources of input to the GST and if

non-party stakeholders should be allowed to participate.

Climate Finance

Finance, unfortunately, has been a recurring roadblock in the climate negotiations. Developing countries have repeatedly called for assurances on finance and have asked for explicit commitments to new and additional finance by developed countries. According to Article 9.5 of the Paris Agreement, developed countries shall communicate *ex ante* information on the projected levels of public financial resources to be provided to developing countries every two years. Other contributing countries are encouraged to do so on a voluntary basis. Developed countries intend to continue their existing collective mobilisation goal through 2025 in the context of meaningful mitigation actions and transparency on implementation. Whether or not to initiate consideration of a new collective finance goal from a floor of USD100 billion per year and to approve this new goal prior to 2025 will have to be decided in Katowice.

In Bangkok, climate finance negotiations reached stalemates on both issues as developed countries maintained that there is no mandate from the Paris Agreement to discuss these two areas and said it was too early to set a goal for 2025. A number of developed countries also noted the packed PAWP agenda and preferred to focus on the tasks at hand. Unsurprisingly, developing countries interpreted this stance as a lack of engagement and “broken promises” on climate finance by developed countries and led to festering distrust between the two sides.

CONCLUSION

Countries have less than two months to deliver a PAWP outcome as a package. However, it remains unclear if countries prefer the format of the outcome to be presented as one or several decisions and what implications either might have. Thus far, insufficient attention has been given to determining which issues would need to be covered in the decision text and which could be annexed to a technical guidance.

While countries need to stay focused to complete the immediate task at hand under APA1–7, SBI49 and SBSTA49, the other three

bodies (COP24, CMP14, and CMA1–3) meeting in parallel as well as the High-Level Segment and the arrival of Heads of States and ministers could potentially distract and limit time further. It may be necessary to consider if some non-PAWP-related items might not need to be completed in Katowice in order to make the most of the remaining two weeks to complete the work. Thus realistically, not everything can and will be done in Katowice. Countries will have to identify follow-up work of a technical nature needed from 2019 and find effective and practical avenues to conduct such work so as not to cause undue burden to developing countries and the UNFCCC Secretariat.

WHAT TO LOOK OUT FOR

- The 24th Conference of Parties in Katowice, Poland from 2–14 December 2018, where countries will adopt the Paris Climate “rulebook”.
- The emerging concept of “Just Transition” and whether the Katowice COP24 outcomes will see “decarbonisation” replaced with that of “climate neutrality” to take into account the economics of a low carbon transition.
- The IPCC’s sixth assessment report (AR6) due to be published in 2021, which will serve as further input to future climate talks including the Global Stocktake.

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