

OUTCOMES OF THE U.N. CLIMATE CHANGE CONFERENCE IN KATOWICE

24th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 24)

December 2-15, 2018



In the most pivotal moment in international climate negotiations since the 2015 Paris summit, delegates to the 24th session of the Conference of the Parties (COP) to the U.N. Framework Convention on Climate Change (UNFCCC) in Katowice, Poland, produced a comprehensive “rulebook” fleshing out the implementing details of the landmark Paris Agreement.

Ending a three-year round of negotiations, COP 24, which also served as the 1st Meeting of the Parties to the Paris Agreement (CMA 1), adopted rules and procedures on mitigation, transparency, adaptation, finance, periodic stocktakes, and other Paris provisions. Unable to agree on rules for Article 6, which addresses market-based approaches, parties deferred those decisions to COP 25.

Alongside the rulebook, the COP also completed the Talanoa Dialogue, a year-long assessment of progress toward the Paris Agreement’s long-term goals, which is meant to inform parties as they prepare for a new round of nationally determined contributions (NDCs) in 2020.

While the rulebook marks a major milestone—successfully turning Paris into a functioning multilateral system—the political signals from COP 24 were in other ways less ambitious. The new **Special Report on Global Warming of 1.5°C** of the Intergovernmental Panel on Climate Change (IPCC) received only a tepid welcome, and the COP stopped short of any explicit call to parties to step up ambition in 2020.

The rulebook negotiations proved in some ways more challenging than those leading to the Paris Agreement. Parties faced a mix of technical and political challenges—and, in some respects, higher stakes—as they sought to elaborate the agreement’s broad provisions through detailed guidance. At the same time, the talks

lacked the kind of high-level political leadership that was instrumental in delivering the Paris deal.

Negotiators again struggled with the perennial issues of climate finance and the differentiation of responsibilities among developed and developing countries. A push by China and some other developing countries to revert to a more bifurcated approach was abandoned late in the talks, paving the way for rules creating a common transparency system with only limited flexibilities for developing countries—perhaps the most significant outcome in Katowice.

The conference also focused attention on the **difficulties** countries face in managing the distributional impacts of climate policies; challenges highlighted by street protests in France triggered by a new gas tax and by Germany’s continued struggle to chart a path away from coal. For its part, Poland strongly defended its continued reliance on coal and urged countries to join it in a **declaration** on “just transition.” More than 50 **countries** signed on, declaring that a “just transition of the workforce and the creation of decent work and quality jobs are crucial to ensure an effective and inclusive transition to low greenhouse gas emission and climate resilient development.”

The United States played a split role at COP 24—on the one hand, blocking a stronger response to the IPCC report and trumpeting the White House’s pro-coal messaging, while, at the same time, proving instrumental in shaping the Paris rulebook. It achieved its top negotiating objective—a transparency system applying common rules to all countries.

Looking ahead, the focus turns to the climate **summit** being convened by U.N. Secretary-General António Guterres in September in New York to rally countries

to higher ambition in 2020. COP 25 will be held in Santiago, Chile, with the dates to be determined.

Following are further background and details on key outcomes.

SCIENCE AND AMBITION

Two major political issues outside the rulebook were parties' response to the IPCC's Special Report and the collective signal parties would send regarding the ambition of the next round of NDCs.

In a mid-COP skirmish, the United States, Saudi Arabia, Kuwait, and Russia balked at text "welcoming" the IPCC report, insisting that parties should only "take note of" it. In the end, the COP said it "welcomes the timely completion" of the report, but language summarizing its key findings was stripped out.

Similarly, the references to upcoming NDCs were largely procedural. The COP reiterated its decision in Paris requesting that by 2020 parties communicate new NDCs (in the case of those whose initial NDCs end in 2025) or communicate or update their NDCs (in the case of those whose initial NDCs end in 2030). Some had hoped for a more explicit call to parties to begin domestic preparations toward more ambitious NDCs. The European Union and 25 other developed and developing countries pledged, as the **High Ambition Coalition**, to "step up" their ambition by 2020, including through enhanced NDCs.

The COP welcomed the summit being convened next year by Secretary-General Guterres, who played a strong role in Katowice, with three separate visits. It called on parties to participate in the summit and "demonstrate... enhanced ambition in addressing climate change."

TALANOA DIALOGUE

In Paris, parties decided to convene a "facilitative dialogue" at COP 24 to assess collective progress toward the agreement's long-term mitigation goals. In organizing the process as President of COP 23, Fiji rechristened it the Talanoa Dialogue, drawing on a Fijian tradition of participatory story-sharing that informs collective decision-making.

The year-long dialogue was guided by three questions: Where are we? Where do we want to go? How do we get

there? Parties and stakeholders provided input through an **online platform**, followed by a series of Talanoa Dialogue sessions at the UNFCCC and around the world. The dialogue culminated at COP 24 in 21 high-level roundtables engaging nearly 100 ministers and more than 40 non-party stakeholders. Fiji and Poland, as Presidents of COP 23 and COP 24, issued the **Talanoa Call for Action**, calling for the rapid mobilization of all efforts to meet the global goals of the Paris Agreement.

THE PARIS 'RULEBOOK'

The major accomplishment in Katowice was the completion of the Paris Agreement Work Programme, which had tasked three different UNFCCC sub-bodies to develop the decisions needed to operationalize the Paris Agreement.

The decisions were prepared under the COP and then formally adopted by the CMA. They are based on the agreement and on the initial implementing guidance provided in the COP decision in Paris formally adopting it. Summarized here are the major provisions of the 100-page rulebook.

MITIGATION

Information for Clarity, Transparency, and Understanding

Article 4.8 requires each party, in communicating its NDC, to provide the "information necessary for clarity, transparency, and understanding" (ICTU), in accordance with the Paris COP decision and any future decisions of the CMA. The Paris decision specified various categories of relevant information that ICTU "may include, as appropriate."

The ICTU **guidance** adopted in Katowice:

Elaborates in considerable detail the categories of information identified in the Paris decision

- Provides that parties "shall" provide this information, "as applicable" to their NDCs, beginning with the communication of their second NDCs
- Does not differentiate between developed and developing countries, but allows parties to self-differentiate by determining which ICTU is "applicable" to their NDC.

NDC Accounting

Article 4.13 requires parties to account for emissions and removals corresponding to their NDCs; to promote environmental integrity; to promote transparency, accuracy, completeness, comparability, and consistency (TACCC); and to ensure the avoidance of double counting.

The Paris COP decision called for the CMA to elaborate further guidance to ensure that parties use methodologies and common metrics assessed by the IPCC and adopted by the CMA, ensure methodological consistency between the communication and implementation of their NDCs, strive to include all emissions and removals in their NDCs, and explain any exclusions.

The accounting **guidance** adopted by CMA 1 elaborates these elements, including that parties:

- Provide information on their own accounting methodology if their NDC cannot be accounted for using methodologies covered by IPCC guidelines.
- Report any methodological changes made during implementation of their NDC.

Provide detailed information on their accounting approach (and how it is consistent with relevant IPCC guidance) for emissions and removals from natural disturbances on managed lands.

- Provide detailed information about which IPCC approach was used to estimate emissions and removals from harvested wood products.

Parties shall apply the accounting guidance to their second and subsequent NDCs and account for their NDCs in their biennial transparency reports under Article 13 (see below). The CMA will review the ICTU and accounting guidance starting in 2024, with a view to adopting revisions in 2026.

COOPERATIVE APPROACHES

Article 6 provides for voluntary cooperation among parties in implementing their NDCs, including through the use of market-based approaches. Article 6.2 requires that parties engaging in the use of internationally transferred mitigation outcomes (ITMOs) toward NDCs apply robust accounting to ensure the avoidance of double counting. Article 6.4 establishes a mechanism, akin to the Kyoto Protocol's Clean Development

Mechanism, to generate tradable emission reductions.

Negotiators struggled with a host of issues, including how to account for ITMOs among such a diversity of NDC types and whether transfers under Article 6.2 would be required to dedicate a “share of proceeds” to support adaptation in developing countries. In the end, the negotiation stalled over Brazil's insistence that units generated under the Article 6.4 mechanism not be subject to the Article 6.2 rules prohibiting double counting. The draft decisions were carried over to next year, with a new deadline of finalizing them at COP 25.

The CMA did adopt high-level **guidance** as part of its decision on reporting under the Article 13 transparency system. The guidance requires that, in their biennial transparency reports, parties involved in the use of ITMOs toward an NDC or for other international mitigation purposes (e.g., the International Civil Aviation Organization's Organization's Carbon Offsetting and Reduction Scheme for International Aviation, or CORSIA) show how they have ensured the avoidance of double counting. This guidance applies pending further decisions on Article 6 and is “without prejudice” to future outcomes.

ADAPTATION COMMUNICATIONS

To strengthen adaptation efforts, Article 7.10 says that each party “should, as appropriate,” submit and periodically update an “adaptation communication,” which may include its priorities, implementation and support needs, and plans and actions. Parties can submit the communications via their NDCs, national communications, or national adaptation plans.

The **guidance** adopted in Katowice:

- States that the adaptation communication is not subject to review nor a basis for comparison between parties
- Notes that parties may also submit their communications as part of their BTR
- Invites parties to include information on their national circumstances, impacts and vulnerabilities, adaptation priorities, plans and actions, and support needed and provided; and, as appropriate, additional information, including on implementation.

FINANCE

Article 9.7, building on existing practice, requires developed countries to report biennially on support for developing countries they have provided or mobilized. Article 9.5 also requires developed countries to biennially communicate information on their efforts going forward, including, as available, projected levels of public financial resources to be provided. Both provisions encourage other countries that provide support to also submit these reports.

Defining a process to consider the information submitted under Article 9.5 was a major sticking point. The CMA **decided** that starting in 2021:

- The Secretariat will prepare compilations and syntheses of the information communicated and organize biennial in-session workshops.
- The CMA will convene a biennial high-level ministerial dialogue on climate finance and will consider the compilation and synthesis reports and summaries of the in-session workshops.

In addition to the Article 9 provisions, the Paris COP decision states that, prior to 2025, the CMA will set a “new collective quantified goal” for climate finance higher than the current goal of mobilizing \$100 billion a year by 2020. Developing countries pushed to launch a process to establish the new goal in Katowice. The CMA decided instead to initiate deliberations in 2020.

Heading into Katowice and at the COP, parties, individually and in groups, pledged more than \$2 billion to a range of climate funds, including a single-year record \$129 million to the UNFCCC Adaptation Fund. Germany and Norway reiterated pledges to double their contributions to the Green Climate Fund when its first replenishment round opens next year.

TRANSPARENCY

Article 13 of the Paris Agreement establishes an enhanced transparency framework consisting of two reporting requirements and two review mechanisms:

- First, an obligation that each party provide a national inventory report (NIR) prepared using good practice methodologies accepted by the IPCC and agreed upon by the CMA
- Second, an obligation that each party provide the information necessary to track progress in

implementing and achieving its NDC

- Third, technical expert review (TER) to consider a party’s implementation and achievement of its NDC and its support provided
- Fourth, peer review, referred to as “facilitative, multilateral consideration of progress” (FMCP).

Pursuant to the Paris COP decision, all parties are to provide the required information in biennial transparency reports (BTRs), except for least-developed and small-island countries (LDCs and SIDs), which may submit the required information at their discretion. In order to assist developing countries in meeting the agreement’s transparency requirements, the Paris decision established a capacity-building initiative for transparency.

The transparency framework provides flexibility to those developing countries that “need it in light of their capacities” but does not continue the UNFCCC approach of differentiating the obligations of developed and developing countries.

Despite the efforts of some developing countries to reintroduce a bifurcated approach, the CMA adopted common **modalities, procedures, and guidelines** (MPGs) and required all parties (except LDCs and SIDs) to apply them no later than the end of 2024. At that time, the existing UNFCCC transparency system will be superseded by the Paris Agreement’s enhanced transparency framework. The MPGs are to be updated no later than 2028.

The MPGs operationalize flexibility by (1) carefully specifying the particular types of flexibility available to developing countries that need it in light of their capacities, (2) allowing developing countries to self-determine which of these specified flexibilities they need (without review by the TER); and (3) requiring that a developing country “clearly indicate” which flexibilities it is invoking, “concisely clarify” its capacity constraints, and provide estimated time frames for capacity improvements.

Inventories

Each party has a legally binding obligation under Article 13.7(a) to regularly provide a national inventory report “prepared using good practice methodologies accepted by the [IPCC] and agreed upon by the [CMA].”

The MPGs provide that:

- Each party shall use the 2006 IPCC guidelines and any subsequent version or refinement agreed by the CMA.
- Each party shall report a consistent annual time series starting from 1990 (with flexibility for those developing countries that need it to report data covering the reference year and period for its NDC and a consistent annual time series from 2020 onwards), applying consistent methodologies for each reported year.

Reporting of Progress

Article 13.7(b) of the Paris Agreement requires each party to regularly provide “[i]nformation necessary to track progress made in implementing and achieving” its NDC. The guidance adopted in Katowice provides that each party shall:

- Provide a description of its NDC, against which progress will be tracked.
- Identify quantitative and/or qualitative indicators to track its progress and provide current information for each of these indicators.
- Clearly indicate its accounting approach and how it is consistent with Article 4.
- After the conclusion of its contribution period, provide an assessment of whether it has achieved its NDC.
- Provide a structured summary of the information in its BTR.
- Provide information on its actions, policies, and measures, together with estimates if possible of the expected and achieved emission reductions.

Technical Expert Review

Article 13.11 requires that the information provided by each party (including its inventory, reporting of progress and, in the case of developed countries, reporting of support provided) undergo a technical expert review. This review is to consider the party’s implementation and achievement of its NDC and, as relevant, its provision of support; identify areas of improvement; review consistency with the reporting MPGs; and, in the case of developing countries, identify capacity-building needs. The review also is to pay particular attention to the national capabilities and circumstances of developing

countries.

The MPGs adopted by CMA 1:

- Clarify that TER teams shall not make political judgments, review the adequacy or appropriateness of a party’s NDC, review the adequacy of a party’s domestic actions, review the adequacy of support provided, or review a determination by a developing country to apply flexibility under the transparency framework.
- Provide that TER may be conducted as a centralized review, in-country review, desk review, or simplified review. Parties shall undergo an in-country review for their first BTR and at least two BTRs in a 10-year cycle. Developing countries that need flexibility are encouraged to undergo an in-country review but can choose a centralized review.

Facilitative, Multilateral Consideration of Progress

Article 13.11 requires each party to participate in a facilitative, multilateral consideration of progress (FMCP) with respect to: (1) efforts under Article 9 (finance); and (2) its implementation and achievement of its NDC.

The MPGs adopted in Katowice largely draw on existing practice, with parties exchanging questions and answers in written form and in open session. They provide that:

- The FCMP will follow and consider a party’s TER report but will be conducted even if a party does not submit a BTR and there is no TER.
- The FCMP will consist of a written question and answer phase, and a working group phase. The guidance permits questions only from parties.
- Developing countries that need flexibility may take extra time in submitting written responses to questions.

GLOBAL STOCKTAKE

Article 14 requires the CMA to take stock every five years of the Paris Agreement’s implementation, in order to “assess the collective progress towards achieving the purpose of [the Paris] Agreement and its long-term goals.” This is to be done “in a comprehensive and facilitative manner, considering mitigation, adaptation and the means of implementation and support, and in

the light of equity and the best available science.” The outcome of the global stocktake (GST) is to inform parties in updating and enhancing their actions, support, and cooperation, including their NDCs under Article 4.9.

Pursuant to the Paris decision, the CMA **decision** identifies sources of input to the global stocktake and its modalities. In particular, it provides that:

- Equity and best available science will be considered throughout the GST in a party-driven and cross-cutting manner.
- The GST will be conducted by the CMA with the assistance of the UNFCCC’s two standing subsidiary bodies (the SBI and SBSTA) and will consist of three phases: information collection, technical assessment, and consideration of outputs.
- The GST will include a technical dialogue that assesses collective progress in the thematic areas of mitigation, adaptation, and means of implementation and support, taking into account efforts, as appropriate, issues related to loss and damage.
- Inputs will include submissions from non-party stakeholders, as well as information on fairness, including equity, and on efforts related to loss and damage.

IMPLEMENTATION AND COMPLIANCE

Article 15 establishes a mechanism to “facilitate implementation of and promote compliance with” the

provisions of the agreement. The mechanism consists of an expert-based committee that is “facilitative” in nature and is to function in a “transparent, non-adversarial and non-punitive” manner.

The **modalities and procedures** adopted in Katowice provide that:

- Consideration of an issue by the committee may be initiated in four ways: first, by a party regarding its own implementation and compliance; second, by the committee in cases where a party has failed to submit an NDC or a required report or has failed to participate in the FMCP; third, by the committee, at its discretion and with the concerned party’s consent, regarding persistent and significant inconsistencies with the Article 13 MPGs, as evidenced by the TER; and fourth, by the committee concerning systemic issues.
- The committee may make decisions by three-quarters majority vote, if consensus is not possible.
- The committee may, as outputs, engage in a dialogue with the party concerned, help it get assistance, make recommendations, or issue findings of fact.



The Center for Climate and Energy Solutions (C2ES) is an independent, nonpartisan, nonprofit organization working to forge practical solutions to climate change. We advance strong policy and action to reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.