

# COP24 Katowice

## Setting the Paris Agreement in Motion



*The COP venue and the Silesian Museum in Katowice; photo by Tobias Hunzai*

### Highlights from Katowice

- **Struggling to raise ambition** – COP24 comes to a close with no crystalized collective targets to boost climate action
- **Paris Rulebook agreed** – the new Rulebook is the backbone to set the Paris Agreement in motion and raise ambition
- **Consensus on Transparency Reporting** – all Parties have to submit ‘Biennial Transparency Reports’ from 2024
- **No luck for Article 6** – Article 6 is the only agenda item not agreed in the Paris Rulebook, shifting remaining work to COP25
- **Scaled up finance needed** – developed countries are to step up their climate finance contributions from 2020 onwards, as pre-2020 finance misses the mark
- **Issuance of the ‘Talanoa Call for Action’** – Parties only ‘invite’ countries to ‘consider’ the outcomes of Talanoa in preparing their NDCs

The 24<sup>th</sup> session of the Conference of the Parties to the UNFCCC (COP) convened at the beginning of December 2018 in Katowice, a city in the heart of Poland’s coal region. COP24 marked a deadline to produce a rulebook on how to implement the provisions of the Paris Agreement (PA) that will apply from 2020 onwards.

An old coal mine that lent the backdrop to the COP venue and the scent of coal in the air provided the right setting to remind negotiators of the urgency of action. With some considerable hiccups at the start of the two-week conference, including a heated political discussion on whether to ‘welcome’ or simply ‘note’ the IPCC Special Report on Global Warming of 1.5°C, the Polish Presidency managed to deliver an almost complete Paris Rulebook.

## At last, the Paris Rulebook

Coined the ‘[Katowice Climate Package](#)’, the Paris Rulebook provides a framework for tracking and reporting greenhouse gas (GHG) emissions and aims to incentivize Parties to implement and periodically update their climate goals. It also delivers assurance for financial support to help weaker developing countries to implement mitigation and adaptation measures.

### Key points in the Rulebook include:

- Guidelines on reporting and accounting that enable a meaningful stocktake of action in 2023 (Art. 14 PA)
- Guidelines on how to formulate and submit Nationally Determined Contributions (Art. 4 PA)
- Guidelines on how to report and track transfer of technology and capacity building (Art. 10 PA)
- A process to establish new financial targets from 2025 onwards (Art. 9 PA) – building on the pledge of USD 100 billion per year from 2020

One aspect Parties did not manage to fully agree on, are the rules to govern the cooperative approaches outlined in Article 6 of the PA. Despite the efforts made by Parties (with negotiations moving 1.5 days into overtime), agreement on the rules for market and non-market cooperation was shifted to COP25, which is to be hosted by Chile.

While some agenda items saw more success than others, three underlying themes shaped the negotiations and are evident throughout the discussions: the question of differentiation between developed and developing countries; the increase of finance and support for developing countries; and the need to ramp up ambition.

<sup>1</sup> Parties are also ‘strongly encouraged’ to “provide this information in relation to their first NDC, including when communicating or updating it by 2020”.

## The Global Stocktake

The overarching concern of the Paris Rulebook is to provide appropriate rules that enable Parties to collect information and compare efforts towards achieving the global climate goals of the PA. Many of the guidelines and rules agreed to in Katowice provide for the harmonization of communication and reporting to the UNFCCC, including on information that is needed to back up Nationally Determined Contributions (NDCs), reporting on implementation and the achievement of national contributions as well as on finance and support. Such harmonization is essential for the periodic Global Stocktake (mandated in Article 14 of the PA) to become a useful tool to verify progress and enable an increase in ambition regarding mitigation and adaptation efforts.

In Katowice, Parties agreed that the Global Stocktake will consist of information collected by Parties that will be fed into technical assessments. These assessments will allow Parties to evaluate the progress of national and collective action and inform a review and revision of their NDCs. The first stocktake is scheduled for 2023.

## Guidance on NDCs

Parties also agreed on guidance for the information that must be included in their second and subsequent NDCs to enable clarity, transparency and understanding<sup>1</sup>. Such information includes the reference point for emissions targets, time frames of implementation, and scope and coverage of targets.

With respect to accounting, guidance requires Parties to explain the underlying assumptions and methodologies applied to the accounting of emissions and removals and, in light of their national circumstances, make the case of how their NDC is fair and ambitious. In accounting for their emissions and removals, Parties should be comprehensive in coverage and include all relevant sources of emissions, avoiding slipping back by excluding previously included sources. They should also, to

the extent possible, apply IPCC methodologies and maintain consistency in scope and coverage, definitions, data sources, metrics, assumptions and methodological approaches.

To enhance the visibility and profile of adaptation and its balance with mitigation – a concern of many developing countries – Parties may also submit their adaptation communication as part of or in conjunction with their NDCs. Starting in June 2019 and onwards, the Secretariat will record Parties' adaptation communications and NDCs in public registries.

Although Katowice produced valuable guidance to ensure clarity and comparability among NDCs, it did not yet deliver a common time frame for implementing these national contributions. Parties only agreed to continue negotiations under the SBI so as to define a uniform time frame to be valid from 2031 onwards.

## Finding common ground on transparency

Whether or not to include flexible or differentiated reporting obligations for countries under the transparency framework (Art. of the 13 PA) remained one of the fault lines between Parties negotiating the Rulebook. Many developed countries pushed for harmonized rules from the start, but developing countries emphasized the risk of overburdening developing countries with reporting requirements for which no capacities yet exist, and which could potentially halt their implementation efforts.

The final Paris Rulebook does not distinguish between reporting requirements for different country groups. All Parties have to submit 'Biennial Transparency Reports' from 2024 onwards, applying common reporting formats. At the same time, countries may self-determine whether they are able to meet all reporting requirements and adjust their reporting accordingly. To ensure progress in reporting over time, countries using this flexibility should indicate which requirements they cannot meet, and how they will improve their reporting capacities in the future.

How Parties carry out their review and reporting obligations, or which accounting methodologies and indicators they use, may to a large extent be determined domestically. The Rulebook sets out that countries may use "nationally appropriate methodologies" to prepare their inventory reports, as long as these are consistent with the 2006 IPCC Guidelines. Moreover, Parties may use self-identified indicators (quantitative or qualitative) to report on NDC progress.

As a mechanism to ensure the quality of Party reporting, the Rulebook furthermore sets out a technical expert review process. The process is intended to review the consistency of information submitted by Parties in their national inventory reports and when reporting on their NDC progress. For developed Parties, the expert review also looks at information provided on finance, technology development and transfer, and capacity-building. The review process is organized by the secretariat and does not put an additional reporting burden on the Parties, however, Parties are required to cooperate with the review team and provide inputs. The review process is concluded with a 'technical expert review report' which sets out recommendations for improvement and may identify capacity-building needs to improve future reporting efforts.

The concluding 'technical expert review report', is the starting point for a facilitative, multilateral consideration of progress to further improve transparency. This follow-up process consists of a Q&A phase and a working group session, aiming to discuss and publicly communicate each Party's progress towards NDC achievement, how Parties are developing their reporting capacities, and the efforts of developed Parties to meet their climate finance obligations. As with the reporting requirements, in Katowice Parties managed to agree on a universal review approach with detailed operational guidance, that still provides flexibility to countries that need it.

## Article 6: the fight against the brackets

The overall atmosphere during the two weeks of Article 6 negotiations had been constructive, with Parties trying very hard to find solutions and compromises to bridge opposing sides. However, some major stumbling blocks persisted and could not be resolved in Katowice. While the number of brackets were considerably reduced, some key aspects of Article 6 still remain in brackets, leaving questions open regarding the role of carbon markets and international voluntary cooperation in the context of the PA.

Most prominently, Parties clashed on the need for accounting of international transfers in relation to the Article 6.4 central mechanism. Brazil vehemently opposes corresponding adjustments to be made in national accounting systems for the “initial transfer” of emission reductions, arguing that this would strangle private sector investments. Most other Parties insist on the need for full accounting of any transfers in the national bookkeeping in order to avoid double counting. Parties also failed to agree on aspects of the transition from the Clean Development Mechanism (CDM) to Article 6.4, in particular the transition of projects, credits and methodologies.

Furthermore, Parties did not find common ground on whether the share of proceeds for adaptation that is levied on transactions under the Article 6.4 mechanism should apply to all international transfers and be extended to cooperative approaches under Article 6.2. Other key points of diversion include the exclusion of activities reducing emissions from deforestation and degradation (REDD) from Article 6 as well as the governance framework under Article 6.8.

However, when negotiations are picked up again this year, Parties will be able to build on the [Article 6 texts](#) produced in Katowice. Key progress to highlight includes:

- Art. 6.2 governance - Parties made significant progress in defining the governance arrangements for the generation and transfer of

“internationally transferred mitigation outcomes” (ITMOs) under the Art. 6.2 decentralized cooperative approaches – Parties agreed to having a dedicated technical expert review process that will assess how they apply Article 6.2 guidance and provide recommendations to the technical expert review process under the transparency framework

- Overall mitigation – Parties agreed on a set of options on how the UNFCCC-governed Article 6.4 mechanism will have to go beyond generating offsets and deliver an overall mitigation in global emissions.
- Corresponding adjustments – Parties agreed on the basis for accounting of international transfers, including an agreement on reporting and review of differing metrics.

## Balancing adaptation

Developing countries continue to express concern over developed countries placing priority on defining “a mitigation-centric regime” and relegating the urgent adaptation needs of developing countries “to a second-class status” (Egypt for the G77 at COP 24). The PA has taken vital steps to enhance the role of adaptation in international cooperation, but in the view of many developing countries the status quo remains deeply unsatisfactory.

Parties agreed to report their adaptation efforts via their adaptation communication, which Parties are encouraged to submit as part of their NDCs. Adaptation communication is to bolster adaptation action and aid for developing countries, contribute to the Global Stocktake as well as intensify knowledge and understanding of adaptation needs and actions. Moreover, the Rulebook notes the intrinsic linkage between adaptation and sustainable development and the eradication of poverty.

Another key decision at the COP was to continue the Kyoto Protocol’s Adaptation Fund under the PA. Numerous countries pledged to contribute to the fund, including EUR 70 million from Germany and smaller pledges from France, Sweden, Italy and the EU that totalled a USD 129 million in annual fundraising.

However, many unresolved aspects remained and left especially the most vulnerable Parties wanting more. The discussion on scope and coverage of adaptation in NDCs remains pending and was left in brackets in the text. Another topic that was rightly met with disappointment was Loss and Damage, which is referenced in the Rulebook but lacks any commanding wording or specific rules.

## Compliance and facilitation

The Compliance Committee established under Article 15 of the PA is now mandated to consider cases where Parties fail to submit NDCs or – for developed countries – information on finance. It is facilitative in nature, a fact that the relevant decision of the Rulebook does not fail to stress multiple times. Instead, the Committee shall assist those Parties that have trouble meeting the procedural obligations of the PA, in particular with the consistency of information. It will also identify ‘*systemic issues*’ that constitute challenges for Parties with respect to the implementation of and compliance with the provisions of the PA, and make recommendations on how to deal with these issues.

## Shifting the trillions

As was the case in previous years, negotiations on the rules that will guide ex-ante and ex-post reporting on climate finance contributions proved to be highly controversial.

A recent OECD [Climate Finance Report](#) reveals that although public climate finance from developed to developing countries continues to increase<sup>2</sup>, the volumes still significantly fall short of the commitment made to mobilize USD 100 billion annually in climate finance by 2020 made in 2009, if the commitment is understood as pertaining to public finance only<sup>3</sup>.

Continued debate around how these figures are calculated, complicated the negotiations on climate

finance. There is no internationally agreed definition of ‘climate finance’ under the UNFCCC and countries do not apply a common accounting framework to report on climate financing activities, leading to incomparable and misleading data.

In Katowice, Rulebook negotiations to set ex-post reporting requirements (Art. 9.7 of the PA) led to the inclusion of climate finance reporting modalities as part of the Transparency Framework. In line with the general approach of the Transparency Framework, the text creates a single set of reporting requirements that applies to all Parties, but distinguishes between developed countries that have an obligation to report, and other countries that are invited to report. Unfortunately, the text does not serve to increase harmonization of reporting standards, with the definition of how climate finance is to be considered ‘new and additional’ left to each country.

Regarding ex-ante reporting (Art. 9.5 PA) developed countries are now required from 2020 onwards to report on future climate finance ‘as available’, information which shall serve as inputs for the Global Stocktake. Reporting by other countries is voluntary.

## The technology framework

The Paris Rulebook officially adopts the technology framework under Art. 10 PA. The purpose of the technology framework is to provide underlying guidance to the Technology Mechanism and its work in advocating and facilitating increased action on technology development and transfer for the implementation of the PA.

The Paris Rulebook requests that the Technology Executive Committee and the Climate Technology Centre and Network integrate the technology framework guidance into their work plans, including monitoring and evaluation methods, as well as information on how this guidance has been incorporated in their joint annual report for 2019.

<sup>2</sup> The OECD reported that in 2013 developed countries disbursed USD 37.0 billion public climate finance to developing countries. This figure increased to USD 54.5 billion in 2016. As in previous years, the numbers were criticised by developed countries for being overly optimistic.

<sup>3</sup> Developed countries committed to a goal of jointly mobilizing USD 100 billion per year a “wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance” at COP15 in Copenhagen.

## Forests and land use

Land use has a reputation for complexity, and has in the past impeded as well as catalysed international climate negotiations. The Rulebook integrates the accounting for forests and land use into its overall accounting framework, abandoning the practice of the Kyoto Protocol to separate the accounting of “green” aspects of greenhouse gas accounting from the accounting for the “brown” sectors. The Rulebook relies on existing decisions when it calls for the use of IPCC guidelines, harmonized definitions, and an increase in scope for all sources of emissions. Specific rules for forests in the Rulebook include the need to detail accounting for natural disturbances, harvested wood products and explanations on how to address age-class structures in forests and its consistency with IPCC guidance.

The Polish Presidency also made forests a topic of political priority when it sought support for the [‘Katowice Declaration on Forests for Climate’](#). The declaration highlights the role of the world’s forests as carbon sinks and includes references to biodiversity and indigenous communities. While it reinvigorates political commitment and underlines the importance of forests in meeting the goals set in the PA, the declaration was also criticized for seeming to position forests as an offset for continued fossil fuel use.<sup>4</sup> As of January 1<sup>st</sup>, 2019 the Declaration has 66 parties willing to endorse it.

## Elevating Agriculture

Negotiators held the first in-session workshop on the Koronivia Joint Work on Agriculture (KJWA) at COP24. The role of agriculture received elevated attention at the COP following the adoption of KJWA at COP23 and the design of the program’s roadmap in May 2018. The session on [KJWA](#) focused on modalities for implementation, and emphasized the need for existing technical and advisory groups under the UNFCCC to provide additional input and research on the role of agriculture in climate mitigation.

The session also highlighted the need to move from procedural discussions to implementation, with special focus on food security, gender equity, small-scale farmers, and eradicating poverty. The final decision text invites Parties and observers to submit their views on topics for the next two workshops, to be held in June 2019: Adaptation, adaptation co-benefits, and resilience; and improved soil carbon, soil health and soil fertility.

The World Bank announced at COP24 that it will provide USD 200 billion over the next five years for agriculture climate change. However, this amount is likely to be a mere drop in the bucket of what is needed to make the sector ‘climate proof’.

## What else happened?

### Boosting ambition: Talanoa and new pledges

At COP24, the [‘Talanoa Call for Action’](#) was issued: a strong statement stressing the urgency of ambitious and fast climate action by ‘everyone’, referring extensively to the IPCC Special Report on Global Warming of 1.5°C. However, the strong message of the Talanoa call, coming from outside the Rulebook negotiations, failed to impress negotiators, which only ‘invite’ countries to ‘consider’ the outcomes of the Talanoa Dialogue in preparing their NDCs and in their efforts to enhance pre-2020 implementation and ambition.

While the lack of willingness by countries to embrace the Talanoa call for more ambitious climate action was disappointing, initiatives of particularly committed countries and non-state entities continue to push for stepped-up climate action:

- The High Ambition Coalition, committed to [Stepping Up Climate Action](#) through enhanced NDCs, increased short term action and long-term low emission strategies. The statement was supported by a wide range of supporters,

<sup>4</sup> Lang, Chris. (2018, December 13). “Forests cannot be treated as an offset.” The Climate, Land, Ambition and Rights Alliance responds to the

Katowice Declaration on Forests for the Climate. *REDD Monitor*. Available [here](#).

including the EU and a number of its member states: Argentina, Canada and the LDC Group.

- The '[Powering Past Coal Alliance](#)' (PPCA) led by the United Kingdom and Canada, welcomed six new members at COP24, bumping up its members to 80 – 30 of which are national governments, 22 are subnational governments and 28 are businesses. The members are committed to supporting the acceleration of clean development and the phasing out of coal power generation. Not surprisingly neither Katowice nor the region of Silesia or Poland felt any inclination to join the alliance. But even Poland cannot deny the long-term reality of a coal phase-out and launched the "[Silesian Declaration for Solidarity and Just Transition](#)" calling for supporting the workforce and the creation of jobs in the transition to GHG and resilient development.
- Nine European countries, i.e. Denmark, France, Finland, Ireland, Italy, the Netherlands, Portugal, Sweden and the United Kingdom, signed a [Statement to strengthen carbon pricing ambition in Europe](#), affirming European cooperation could increase overall effectiveness. In addition, 415 investors – which represent USD 32 trillion in assets – signed a [statement calling for strong carbon pricing and putting a meaningful price on carbon](#), among others.
- Swedish student [Greta Thunberg](#), who led a student strike in Sweden to raise awareness on climate change, also captured world-wide attention at COP24. Thunberg and other young people strongly voiced the need for more ambition when climate negotiations came to a close. Young people around the world have been inspired to take action and push governments to do more for the climate and the next generations.

## Breakthrough for indigenous peoples

COP24 also saw a major breakthrough for the recognition of the role indigenous people play in addressing climate change. The Local Communities

and Indigenous Peoples (LCIP) Platform finally gives indigenous communities an official seat at the negotiating table. The LCIP Platform was mandated by the PA and may have significant implications for future negotiations, in particular with respect to natural environments and forests. LCIPs play an important role in conserving the world's forests. They control lands which contain roughly 17 percent of the world's forest carbon.

### Sports for Climate Action

The sports world also came together at COP24 to kick start a new climate action for sport movement. The 17 major organizations, comprised of sporting bodies, athletes and fans, launched the [Sports Climate Action Framework](#). To name a few, [major players](#) include the International Olympic Committee (IOC), the Fédération Internationale de Football Association (FIFA), organizers of the Tokyo 2020 Summer Olympics, the Paris 2024 Summer Olympics, the Rugby League World Cup 2021, and the World Surf League. The Sports for Climate Action has two main objectives: (1) establishing a clear path for the international sporting community to fight climate change through creating partnerships and verified standards of measuring, reducing and reporting GHG emissions in line with the PA; (2) to utilize sports as a means to bring together global citizens for climate action.

## Wrapping up COP24

COP24 did what it set out to do: deliver the Paris Rulebook and provide consensus on the operationalization of the Paris Agreement starting in 2020. While this calls for celebration, the work of Parties is far from complete.

Differentiation between developed and developing countries, the need for more finance as well as raising ambition were key themes that ran

throughout the negotiations and shaped the discussions for the Paris Rulebook.

The Rulebook tries to solve some issues on differentiation between developed and developing countries – an undercurrent to all interpretations of the PA in the negotiations – by favoring self-differentiation. An example for such flexibility are the agreed reporting rules under the Transparency Framework, assigning countries the autonomy to determine which reporting requirements they can or cannot meet. To ensure progress, countries are then to indicate how they will improve their reporting capacities in the future.

On the need for more finance, the Rulebook correspondingly provides only a small win. While in the view of most developing countries, this demand has regularly been frustrated, the Rulebook requires developed countries to now report on future climate finance from 2020 onwards. This is to serve the Global Stocktake and commits all countries to stay on track with maintaining and raising their climate ambition and capacities.

However, while increasing contributions and commitments should boost further progress, the biggest issue coming out of COP24 is that overall ambition continues to fall short of the Paris climate goals.

The agreed transparency reporting in the Paris Rulebook aims to build trust among Parties and raise ambition, as it requires countries to explain how their NDCs are conceptualized and whether it is fair. But, as much as this can place pressure on Parties to provide bolder individual targets, COP24 did not stipulate clear common commitments to improve climate action and explicitly enhance NDC targets. According to the [Climate Action Tracker](#) (CAT), as of December 2018, there still remains a significant gap between emission levels in 2025 and 2030 outlined in Parties' NDCs and the levels that would be consistent with the Paris global temperature goal of below 1.5°C.

The emissions needed to be compatible with a 1.5°C pathway are 41 GtCO<sub>2</sub>e in 2025 and 28 GtCO<sub>2</sub>e in 2030. The NDC pledges submitted, currently result in emissions of 53–55 GtCO<sub>2</sub>e in 2025 and 54–57 GtCO<sub>2</sub>e in 2030. The CAT therefore outlines a gap of 12–14 GtCO<sub>2</sub>e in 2025 and 26–29 GtCO<sub>2</sub>e in 2030.<sup>5</sup> This means, agreeing to Paris rules and merely recognizing the need of boosting ambition is not enough. More ambitious NDCs are essential to close the gap between current emissions and those needed to meet the Paris Agreement goals.

Coming together as a global community to tackle climate issues is not easy to say the least. However, the Paris Rulebook should provide Parties with the tools to set the Paris Agreement in motion and push Parties towards closing the emission gaps. Whether the Paris Rulebook is fair and truly outlines appropriate shares of responsibilities for all Parties will also remain to be seen. Considering the limited progress made on enhancing Parties' ambition to deliver on the goal of limiting global warming to well below 2°C, there is a considerable task that still lies ahead.

### Climate Focus

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<sup>5</sup> These figures are calculated by the Climate Action Tracker. More information is available [here](#).