Rules and Ambition:
A Preview of COP 24 in Katowice

Elliot Diringer
Executive Vice President, C2ES

November 26, 2018
COP 24 Overview

• Most pivotal moment in the international climate effort since Paris summit in 2015

• Two major outcomes expected:
  • Adoption of the Paris ‘rulebook’
    – Parties gave themselves until COP 24 to decide operational details on transparency, accounting, markets, compliance, stocktake, etc.
  • Conclusion of the Talanoa Dialogue
    – Year-long review of collective progress meant to inform the next round of NDCs in 2020

• In addition, a perennial concern: finance
  • Only limited issues on the table; more about the signals being sent
Context

• IPCC Special Report and upcoming UNEP ‘gap’ report highlighting both urgency, and inadequacy, of climate action

• Climate-related disasters highlighting here-and-now impacts and the growing costs of inaction

• Many states, cities, companies are stepping up climate efforts

• High-level political attention is elsewhere: trade, immigration, nationalism, competing priorities

• Rulebook poses both political and technical challenges – it’s where the rubber meets the road
Paris Agreement: A refresher

• A ‘hybrid’ of top-down and bottom-up elements designed to achieve broad participation and promote rising ambition

• Bottom up
  • The nationally determined nature of countries’ contributions (NDCs)
  • Each can tailor its commitment to its own circumstances

• Top down
  • Long-term goals on mitigation, adaptation and finance
  • Common, binding procedural commitments to: maintain successive NDCs, pursue domestic efforts; report periodically on emissions and implementation
  • Ongoing reviews: of each party’s implementation and achievement of NDCs; and of collective progress toward long-term goals
• ‘Talanoa’ Dialogue – first of the 5-year global stocktakes
  • This time, focused only on mitigation; to inform next round of NDCs
  • Conducted by Fiji as COP 23 President

• Likely outcomes
  • A report of the dialogue prepared by Fiji (possibly with Poland)
  • A COP decision accepting the report and looking forward

• Key issues – how the COP decision will:
  • Address the Talanoa report
    – Simply welcome? Express concern about level of ambition?
  • Reflect the findings of IPCC Special Report
    – Simply welcome? Express deep concern?
  • Address the earlier commitment by parties to revisit their NDCs by 2020
    – Simply recall? Encourage parties to initiate domestic processes to enhance ambition?
• Deciding the nuts and bolts of the Paris architecture, including:
  • What information parties must provide:
    – To ensure the “clarity, transparency understanding” (ICTU) of their NDCs
    – On their emissions
    – On ”progress...in implementing and achieving” their NDCs
    – To account for their NDCs and use of international markets
  • Details of the expert and peer reviews that parties will undergo
  • Role of the implementation and compliance committee
  • How global stocktakes will be conducted
  • How parties will communicate on adaptation and finance

• Cross-cutting challenges – a common set of rules that:
  • Address diverse NDC types (e.g., absolute, intensity, BAU-based)
  • Balance national discretion and international direction

• On transparency, a particular challenge:
  • How to provide “flexibility” in reporting and review for developing countries that “need it in light of their capacities”
• **Issue within the rulebook negotiations**
  • Guidance on developed countries’ “indicative” ex ante biennial communications on future finance (Article 9.5)
  • Guidance on developed countries’ biennial reporting of finance provided and mobilized (Article 9.7)

• **Another potential issue**
  • Whether, and if so how, to address the agreement in Paris to set, prior to 2025, a new collective mobilization goal beyond $100 billion/year

• **Broader concerns about ‘predictability’ of finance extend well beyond the formal agenda**
  • Require positive signals from developed countries on further progress toward the $100 billion goal and on replenishment of Green Climate Fund
Based on in-depth workshops with senior negotiators from 20+ countries in all the major negotiating groups

Some of the suggested outcomes:

• ICTU and reporting on progress
  – Specify types of information to be provided, as applicable to a party’s NDC

• Inventories
  – All to follow 2006 IPCC guidelines with additional time-limited flexibility in specified areas for developing countries that need it

• Expert review
  – To evaluate whether a party's reported as required, not whether it’s “on track”

• Implementation and compliance committee
  – Can look at failure to fulfil binding obligation (e.g., submit NDC or report); chronic reporting issues; any issue raised by a party with respect to itself

• Ex ante finance communication (Article 9.5)
  – Hold biennial consultations to deepen understanding of the info provided
Some key countries/groups

• United States
  • Actively negotiating Paris rulebook, despite intent to withdraw, to “protect U.S. interests and ensure all future policy options remain open”

• China
  • Hard-liner in the room on issues like bifurcation; pressing on finance for developing countries; biggest concern is international scrutiny

• European Union
  • Pushing for strong rules but missing past champions like Angela Merkel of Germany, who is hampered by domestic politics, including future of coal

• Climate Vulnerable Forum
  • Group of about 50 countries, led by Marshall Islands, pushing for ambition

• Africa Group
  • Top issue is finance for mitigation and adaptation
• Despite the many challenges, agreement on rulebook more likely than not
  • Governments know that a failure will be seen as the unraveling of Paris and another blow to multilateralism

• ‘Successful’ outcome is no guarantee of success
  • Paris can facilitate stronger action, but real progress depends ultimately on domestic drivers and decisions

• Rulebook is about ambition too
  • The signals countries send about ambition in 2020 are important, but a strong transparency system is much more critical to building ambition over the long haul
  • The more confident countries are that others are doing their fair share, the more willing they are to do more
Essential Elements of the Paris ‘Rulebook’

General Issues in Elaborating the Paris Agreement

Elaborating the Paris Agreement: National Greenhouse Gas Inventories

Elaborating the Paris Agreement: Transparency of Finance

Accounting Approaches Under Article 6 of the Paris Agreement

Elaborating the Paris Agreement: Information and Accounting

Elaborating the Paris Agreement: Implementation and Compliance