



COP 24 REPORT

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1. Summary of outcomes

During the first two weeks of December 2018, Parties to the United Nations Framework Convention on Climate Change (UNFCCC), Kyoto Protocol and Paris Agreement met in Katowice, Poland, for the latest round of climate change negotiations. The negotiations, referred to as **COP 24**, focused on two main objectives: first, to make the Paris Agreement operational through the completion of the Paris Agreement Work Programme (PAWP) and the adoption of the Paris Agreement "Rulebook"; and second, to raise climate ambition and drive transformative action through the Talanoa Dialogue and the pre-2020 stocktake.

The urgency of the need to complete the PAWP led Patricia Espinosa, Executive Secretary of the UNFCCC, to call the December negotiations the "most important" Conference of the Parties (COP) since the Paris Agreement was concluded in 2015.

COP 24 took place in the context of several important developments. Notably, many participants expressed an escalated sense of urgency following the release in October of the Intergovernmental Panel on Climate Change's special report on the impacts of global warming of 1.5° Celsius above pre-industrial levels (IPCC Special Report on 1.5°C), which found significantly greater risks if the planet warms by an average of 2 degrees Celsius by comparison to 1.5 degrees Celsius. While the Parties failed to officially "welcome" the IPCC's Special Report on 1.5°C, it nonetheless provided support for the call by many countries to urgently raise climate ambition and accelerate climate action.

As outgoing President of the COP, Fiji's Prime Minister, Frank Bainimarama, stressed there is an urgent need to scale up climate ambition, enhance the commitments that nations have made under their nationally determined contributions (NDCs), and deliver on the financing that will be essential to deploying renewable energy on the scale needed to keep global warming within a limit that is relatively safe for human civilizations.

"We gather tonight at a critical phase of our collective struggle to persuade the world to accelerate our response to climate change," Bainimarama told a gathering in London on the eve of the Poland talks. "[W]e must not only be much more ambitious in reducing greenhouse gas emissions to cap the rise in the average global temperature at 1.5 degrees Celsius over the pre-industrial age— the most ambitious target of the Paris Agreement. We must also be much more ambitious in raising the many billions of dollars needed to finance climate action and adaptation for the most vulnerable. And much more ambitious in continuing to develop alternative clean technologies and making them more affordable and accessible throughout the world."

Fiji's presidency came to an end after a year of leading a process called the Talanoa Dialogue, which resulted in hundreds of meetings across the globe between States and non-State actors to discuss how to deliver on climate action, and which culminated in political level engagement in Katowice. Although not specifically referenced in the formal COP 24 decisions, the joint Fiji-Poland Presidencies "Talanoa Call to Action" was widely supported by the Parties. The Talanoa Call to Action calls on all stakeholders to show bold leadership by acting together to fulfil the goal's of the Paris Agreement, with particular emphasis on achieving a "just transition" to a better world and the transformative use of technology.

The strong engagement of non-State actors in the Talanoa Dialogue was matched by a number of commitments from the business community and other stakeholders to scale up finance and ambition, including:

- ING, BBVA, Société Générale, Standard Chartered and BNP Paribas, with a combined loan book of €2.4 trillion, made the "Katowice Commitment" to develop tools for measuring the alignment of their lending portfolios with the goals of the Paris Agreement, finance low-emissions technologies and work with customers on their transition to the low-carbon economy.
- The World Bank Group announced that it will invest \$200 billion over 2021–2025 to support countries in taking ambitious climate action. This doubles its previous commitments, and in particular boosts funding for adaptation and resilience.

The host nation, Poland, took up the presidency of COP 24 with a strong focus on forests, electric vehicles and "a deep but just transition" to a low-carbon economy. To this end, the Polish presidency released the "Forests for Climate" declaration which recognised the key role of forests in achieving the goals of the Paris Agreement and called on all stakeholders to take ambitious forestry related climate action; the "Solidarity and Just Transition Silesia Declaration" which highlighted the need for social approval and a just transition of the workforce, and the "Driving Change Together—Katowice Partnership for Electromobility" declaration which established a new fund to support increased electric transport.

Paris Agreement "Rulebook" Outcomes

The negotiations on the Paris Agreement "Rulebook" were set to be challenging due to strongly entrenched positions from many Parties. A key issue in the negotiations was differentiation, namely how to operationalise "differentiation" in the Rulebook, which considers balancing the need to afford flexibility to developing countries based on their national circumstances and capacity, with the need for common guidance that ensures greater ambition. Another key issue was the level and predictability of financial support provided to developing country Parties, including the establishment of a new long-term finance goal and the communication by developed country Parties' of indicative information on the provision and mobilization of climate finance.

After a mammoth 48 hours of intense ministerial negotiations the Katowice Climate Package was adopted by the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA) at 10pm on 15 December—a day after the meeting was due to close—a ritual that has become the norm in the annual COP meetings.

Parties reached agreement on the majority of the issues mandated under the PAWP, including:

- **NDCs:** establishing guidelines that provide further clarity on features, minimum requirements and accounting, which will allow for greater comparability of NDCs;
- **Adaptation:** increasing the profile of and reporting on adaptation through the Adaptation Communication;
- **Finance:** mandating additional reporting on ex ante and ex post climate finance flows, agreeing to commence discussions on the new long-term finance goal and agreeing on the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement;
- **Technology:** elaborating the Technology Framework, which will serve the Paris Agreement by furthering innovation, implementation, enabling environments and capacity-building, collaboration and stakeholder engagement, and support;
- **Transparency Framework:** operationalising a robust and common system that all Parties must use in accounting for their emissions, with some flexibility afforded to developing country Parties if required;
- **Global Stocktake:** operationalising the Paris Agreement's key mechanism for driving ambition through taking stock of collective progress; and
- **Compliance:** operationalising the Compliance Committee, which has the power to initiate consideration of Parties' non-compliance with mandatory reporting requirements.

The Katowice Climate Package largely delivered the Paris Agreement "Rulebook", a significant achievement given the political sensitivity and technical complexity of the negotiations. In particular, the decision on the Transparency Framework represents an important step in allowing Parties to move forward on implementing their NDCs.

The failure to adopt a decision on Article 6 of the Paris Agreement relating to cooperative approaches (ie market mechanisms) was disappointing, however substantial progress was made in reducing the length and eliminating some options of the draft decision text, and Parties will continue work in 2019 with the aim of reaching an agreement at CMA2.

At the close of the negotiations, Parties generally welcomed the outcome of the PAWP, and in particular the EU, Switzerland, Mexico, South Korea, India, Brazil, South Africa and China were of the view that the Paris Agreement "Rulebook" provides Parties and non-party stakeholders the necessary tools to begin to fully implement the Paris Agreement. Civil society urged Parties to increase their ambition, noting that the global response to climate change remains inadequate.

Perhaps the most important result is that Parties demonstrated a continued commitment to multilateralism in general, and to the Paris Agreement in particular—a significant achievement given the political challenges faced by negotiators.

2. Deep Dive

2.1 Mitigation | NDC Guidance and Accounting

Mitigation—or reducing emissions and enhancing sinks—lies at the heart of Parties' efforts to achieve the overall purpose and long-term temperature goal set out in Article 2 of the Paris Agreement, of holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius.

Under the Paris Agreement, each Party is required to put forward successive NDCs representing its highest possible mitigation ambition. As part of the PAWP, Parties elaborated on the guidance for NDCs, including:

- further guidance on the features of NDCs;
- further guidance for the information to be provided by Parties to facilitate clarity, transparency and understanding (ICTU) of NDCs;
- elaborating guidance for accounting for NDCs to apply consistent approaches and avoid double counting;
- the development of a public registry for NDCs;
- common time frames for updating or communicating NDCs; and
- the impacts of response measures.

The key sticking point in the negotiations was how to operationalise differentiation in the guidance, allowing for Parties' different starting points and national circumstances, and in particular (i) whether the ICTU should be binding on all Parties or only for developed country Parties; and (ii) the extent to which flexibility should be afforded to developing country Parties in accounting for their NDCs.

Other key issues were whether the guidance should relate to mitigation only or additional features (ie adaptation), and how prescriptive the guidance should be. There was general agreement on the need to provide capacity building support to developing country Parties.

KATOWICE DECISIONS ON MITIGATION

In general terms, the CMA adopted a common set of elements that each Party will apply, as appropriate, based on the type of its NDC. The guidance focuses on mitigation but also allows for the inclusion of information on adaptation and mitigation co-benefits resulting from adaptation actions. All NDCs will be available in the online Public Registry.

The CMA noted that the features of NDCs are outlined in the Paris Agreement, and decided to continue consideration on further guidance at CMA 7 in 2024. This means that while no additional features of NDCs (eg adaptation efforts) were decided upon, the issue will be re-visited in the future.

Parties agreed on guidance to facilitate ICTU, and agreed that Parties will provide this information in communicating their second and subsequent NDCs. The decision also strongly encourages Parties to provide the agreed ICTU in relation to their first NDC when communicating or updating it by 2020. Examples of the information that Parties must include are a quantified reference point, time frames for implementation, scope and coverage of the NDC target and how the NDC contributes towards achieving the Paris Agreement's long-term temperature goal.

It was decided that Parties shall apply common time frames to their NDCs to be implemented from 2031 onwards, however there was no decision on what that timeframe will be. Parties will continue to consider common time frames at subsequent negotiations.

The CMA agreed on guidance for accounting for NDCs, and agreed that Parties shall account for their second and subsequent NDCs in accordance with this guidance. A key feature of the guidance is that Parties are to ensure the avoidance of double counting. Parties are required to account for their NDCs in their biennial transparency report.

The CMA decided that the forum on the impact of the implementation of response measures will serve the Paris Agreement and adopted the modalities, work programme and functions of the forum. The Katowice Committee of Experts on the Impacts of the Implementation of Response Measures was established to support the work of the forum.

RELEVANCE TO GOVERNMENTS AND NON-PARTY STAKEHOLDERS

These measures amount to significant progress towards developing a common and clear basis on which Parties can measure and communicate their plans to reduce greenhouse gas emissions, and their progress toward meeting those goals. It marks a substantial improvement on the current situation, in which Parties submit NDCs that do not follow common structures, and which use different baselines and methodologies, making them difficult to understand and compare.

The decision to ensure the avoidance of double counting will have particular significance when it comes to integrating the cooperative approaches under Article 6 and avoided deforestation and forest degradation (eg REDD+) under Article 5 of the Paris Agreement. Although Parties at Katowice did not reach agreement on the cooperative approaches under Article 6, the decision in paragraph 15 of the mitigation decision (FCCC/CP/2018/L.22) to ensure that double counting is avoided, is likely to influence the ongoing Article 6 negotiations and outcome.

2.2 Article 6—Cooperative Approaches

The Paris Agreement established three voluntary tools to allow for higher ambition in Parties' mitigation and adaptation actions and to promote sustainable development and environmental integrity through the use of market and non-market mechanisms.

Article 6.2 refers to internationally transferred mitigation outcomes (ITMOs) that may be used by Parties towards their NDCs. The language in the Paris Agreement is broad and provides a significant degree of flexibility in how cooperating Parties voluntarily define and choose to use ITMOs, provided that such Parties promote sustainable development and ensure environmental integrity and transparency, including in governance, and apply robust accounting to ensure, inter alia, the avoidance of double counting. This is to be done consistent with guidance that is still not agreed by the Parties.

Article 6.4 establishes a new UNFCCC-governed market mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development. Domestic projects, programmes or activities in Host Parties will generate transferrable emission reduction units (6.4ERs) which may be available for use towards another Party's NDC. The mechanism is intended to build on experience with the Kyoto Protocol's Clean Development Mechanism (CDM) and Joint Implementation (JI) and aims to deliver an overall mitigation in global emissions. Significant debate remains on the degree to which Article 6.4 should operate essentially the same as the CDM and JI for developing and developed countries, respectively, or whether it must be an evolved mechanism that recognizes the fundamental difference between the Kyoto Protocol and the Paris Agreement—ie, under the Paris Agreement, all Parties have NDCs with which they must comply.

Article 6.8 refers to a Framework for non-market-based approaches. It covers adaptation and mitigation instruments which do not result in internationally tradable reductions, such as domestic joint mitigation and adaptation schemes for sustainable management of forests, carbon taxes and eco-labels.

PARTIES FAIL TO REACH AGREEMENT ON COOPERATIVE APPROACHES

Despite significant efforts by negotiators who achieved good progress in addressing many long held differences during the two weeks, the Parties in Katowice were unable to reach agreement on the Article 6 mechanisms. Parties will work on Article 6 at SB50 in May 2019 with a view to reaching agreement at CMA 2 in November 2019.

Key sticking points related to disagreements over double counting, allowing the transfer of ITMOs from emissions and removals covered or not covered by the sectors/gases included in Party's NDC, whether there should be limits relating to the use of ITMOs and 6.4ERs for purpose other than meeting NDC commitments, the transition of the CDM, whether a "share of proceeds" should be generated on ITMO trades under Article 6.2 to fund adaptation

activities in developing countries, and how to ensure an overall mitigation in global emissions (ie through voluntary cancellation).

Prior to Katowice, several groups that represented businesses, investors and other potential sources of funding had called for the market mechanisms to be finalized to create the level of certainty usually required for large, long-term investments. The International Emissions Trading Association (IETA) called for robust accounting under Article 6 in order to enhance certainty and ensure environmental integrity. This was strongly aligned with calls by Parties including New Zealand, Australia, Canada, the EU and AILAC member states for corresponding adjustments on ITMO transfers.

While some in the investment community have reacted with concern that this delay will lead to a slowing of capital for another year, we expect some early action and pilots to continue in this space—albeit with caution. Examples include the linking of the EU and Switzerland ETSs, which is due to occur in 2020; the launch of the Asian Development Bank's ITMO Pilot Facility and ongoing cooperation between Nordic countries and Peru in the waste sector.

Despite the failure to reach a decision, progress was achieved in some areas. With regards to Article 6.2, Parties came closer to agreement on (1) voluntary cancellation of a percentage of traded units to ensure a higher ambition is achieved; (2) Parties trading ITMOs will have to use a registry but will not be governed by a centralised body; (3) Parties with emissions intensity targets (rather than absolute reduction targets) will be able to participate; and (4) measures to enable Parties that do not account for their NDCs in CO₂ equivalent to participate. If formally agreed, these outcomes will encourage trading of ITMOs under Article 6.2.

Parties also came closer to agreement on the establishment of a supervisory body and a grievance process for the Article 6.4 mechanism. Parties also considered requirements to "scale up" activities from a project-based approach to a regional approach, in order to address leakage and drive large-scale (rather than incremental) emissions reductions.

While the Parties must continue to negotiate the final guidance for Article 6 this year, Katowice made progress in establishing with clarity all of the Parties' positions. Given the complexity of Article 6 in light of the varied nature of NDCs, the progress in Katowice should assist Parties in their negotiations this year as they will start from a clear set of positions and issues to be resolved.

2.3 Transparency

Transparency of action and support is at the heart of the Paris Agreement. It is related to sharing of comprehensive and comparable information that can help to track progress made on mitigation and adaptation actions in NDCs, as well as on providing the capacity building, financial and technological support needed by developing countries. In practice, it is about what kind of accounting and reporting will be needed under the Paris Agreement.

Under the PAWP, Parties were tasked with developing the modalities, procedures and guidelines (MPGs) for the transparency framework for action and support referred to in Article 13.

Countries already have extensive experience with reporting under the Convention and the Kyoto Protocol to draw upon, and have identified possible elements. Historically, however, these have been differentiated. The discussions on differentiation, flexibility and support needed to be resolved to decide whether there should be one single reporting system under the Paris Agreement or two different ones—for developed and developing countries.

KATOWICE DECISIONS ON TRANSPARENCY

The CMA adopted MPGs for the Transparency Framework, which was a significant achievement given the technical complexity and political sensitivity of the issues involved. The MPGs cover the following topics: national inventory reports of anthropogenic emissions; methods; metrics; reporting guidance; information necessary to track progress made in implementing and achieving NDCs; information related to climate change impacts and adaptation; information on financial, technology development and transfer, and capacity building support provided and mobilised; technical expert review; and facilitative, multilateral consideration of progress.

The MPGs balance the need for a common system with the need to afford flexibility to developing country Parties that need it. They contain legally binding language and prescriptive guidance, for example in relation to the use of common reporting tables, which ensures that Parties' reports are comparable. Developing country Parties can determine which provisions they require flexibility to achieve, and concisely clarify their capacity constraints that necessitate flexibility in relation to those specific provisions. Parties must also nominate estimated time frames for improvement in their reporting. However, flexibility is only written into certain provisions of the MPGs, and where flexibility is afforded, Parties are often still required to meet a minimum standard.

Parties are required to submit their first biennial transparency report and national inventory report in accordance with the MPGs by 31 December 2024. Least Developed Countries and Small Island Developing States may submit the information relating to inventories, progress towards NDCs, adaptation, means of implementation (support) provided and means of implementation received at their discretion. The CMA urged the Global Environment Facility (GEF) to support developing country Parties in preparing their first and subsequent biennial transparency reports.

Information provided by Parties will be subject to non-judgemental technical expert review, which will consider a Party's implementation and achievement of its NDC, and if applicable, its provision of support. The technical expert review may also identify areas for improvement and capacity needs. Parties will also be required to participate in a facilitative, multilateral consideration of progress with respect to efforts in relation to finance, and implementation of its NDC. Building upon existing approaches, this will allow for questions to be posed by other parties in respect of the information provided, both in writing and in an open session.

The UNFCCC Secretariat is to produce synthesis reports on Parties' biennial transparency reports and national inventory reports, produce an annual report on the technical expert review, and publish Parties' biennial transparency reports and national inventory reports on the UNFCCC website.

The MPGs will be reviewed and updated no later than 2028, which is likely to result in more stringent MPGs. Some Parties were of the view that this review is too late given the urgency of increasing ambition and ensuring a high level of accountability.

RELEVANCE TO GOVERNMENTS AND NON-PARTY STAKEHOLDERS

Reaching agreement on the MPGs for the Transparency Framework was key to unlocking progress in many linked areas of the negotiations, and an essential part of operationalising the Paris Agreement. The MPGs developed provide sufficient certainty to all stakeholders to drive investment certainty and enable early implementation. The publication of information on the UNFCCC website will allow civil society to track and assess their governments' climate efforts.

The development of a common set of guidelines, with in-built flexibility, is an important step forward from the existing approach where there are much more stringent requirements for developed country Parties. Importantly, all countries agreed to use the latest IPCC methodologies to estimate their greenhouse gas emissions, which will increase the accuracy of accounting and reporting.

2.4 Adaptation

Adaptation refers to adjustments in environmental, economic and social systems to respond to the impacts of climate change, including those that have already occurred. For many low-income nations, adaptation is a high priority because they are particularly vulnerable to both sudden and slow-moving climate events (eg cyclones or shifting rain patterns), both in terms of the harm to their people and to their economies.

Adaptation Communications were introduced by the Paris Agreement and represent a new voluntary instrument for Parties to communicate ambitions and needs for national adaptation actions.

The Paris Agreement 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, without placing any additional burden on developing country Parties. The Adaptation Communications will provide input to the Global Stocktake commencing in 2023.

KATOWICE DECISIONS ON ADAPTATION

The CMA decided that the Adaptation Communication is country-driven and flexible, including in the choice of communication or document, and that it will not pose any additional burden on developing country Parties. The Adaptation Communication is not a basis for comparisons between Parties and is not subject to review. The CMA also decided that Parties can, as appropriate, submit and update their Adaptation Communication as a component of or in conjunction with the report on impacts and adaptation as envisaged in Article 13 of the Paris Agreement. Parties are invited to submit their Adaptation Communications in time to inform each Global Stocktake.

The possible contents of Adaptation Communications include:

- national circumstances;
- institutional arrangements and legal frameworks;
- impacts, risks and vulnerabilities;

- national adaptation priorities, strategies, policies, plans, goals and actions (and their implementation, monitoring and evaluation, as well as how they contribute to other international frameworks and conventions);
- implementation and support needs of, and provision of support to, developing countries; and
- gender-responsive actions and the use of traditional knowledge, the knowledge of indigenous peoples, local knowledge systems.

The decision contains language that increases emphasis on the importance of adaptation and the need for increased support for adaptation communications and plans for developing countries to be provided by developed country Parties and intergovernmental and international entities, including UN organisations, the Global Environment Facility, the Green Climate Fund, the Adaptation Fund, the Climate Technology Centre and Network, and the Paris Committee on Capacity-building, as well as through bilateral and multilateral agencies.

RELEVANCE TO GOVERNMENTS AND NON-PARTY STAKEHOLDERS

During the Poland meetings, Parties and other stakeholders announced increased financial support to go toward adaptation. Governments and non-Party stakeholders should assess these additional funds to determine the types of projects that could qualify, and appropriate funding or financial arrangements for them. Governments may also need to obtain advice relating to their adaptation communications and plans.

2.5 Finance

At the Copenhagen negotiations in 2009, developed countries committed to a goal of jointly mobilising USD 100 billion per year by 2020 to address the needs of developing countries. The Paris Agreement further requires developed country Parties to provide financial resources to assist developing country Parties mitigate and adapt to climate change, extending the mobilisation goal and putting in place a requirement to set a new goal by 2025, as well as providing for greater transparency in reporting on public financial flows.

The PAWP required Parties to consider:

- the information to be provided in accordance with Article 9.5 (*ex-ante* reporting on indicative provision and mobilisation of climate finance) and Article 9.7 (*ex-post* reporting on climate finance provided); and
- setting a new climate finance goal.

An issue of critical importance for developing country Parties is ensuring finance for adaptation. The Adaptation Fund was established under the Kyoto Protocol as an innovative mechanism that includes as a key source of funding a share of proceeds on carbon market transactions. It was agreed at COP 23 in 2017 that the Adaptation Fund shall serve the Paris Agreement. Under the PAWP, Parties were tasked with agreeing on the transition of the Adaptation Fund, making it operational under the Paris Agreement and ensuring reliable sources of funding.

KATOWICE DECISIONS ON FINANCE

In relation to Article 9.5, it was decided that developed country Parties "shall biennially communicate indicative quantitative and qualitative information" regarding finance, "as available". While the provision of quantitative and qualitative information has the potential to provide developing country Parties with the necessary certainty on expected financial flow, the qualifier "as available" may limit the information that is reported. Importantly, the guidance provides for synthesis reports, workshops and ministerial meetings, which establishes a process to assess and review the sufficiency of information communicated by developed country Parties. Biennial communications will be published on the UNFCCC website, which will enhance transparency and allow non-Party stakeholders to hold countries accountable for climate finance flows.

The Adaptation Fund shall serve the Paris Agreement from 1 January 2019 and will exclusively serve the Paris Agreement (and not the Kyoto Protocol) when the share of proceeds begins to flow from Article 6. In the meantime, the share of proceeds will continue to flow from CDM and JI projects. The Adaptation Fund will also be financed by a variety of voluntary public and private sources. The Board of the Adaptation Fund will include members from developed and developing country Parties.

In relation to the new collective quantified finance goal, the CMA agreed to commence discussions on setting a new goal at CMA 3 in 2020, using the \$100 billion goal as a floor. The CMA also requested an assessment of developing country climate finance needs to be prepared every four years, which may be a useful input to discussions on the ambition of the goal.

RELEVANCE TO GOVERNMENTS AND NON-PARTY STAKEHOLDERS

The Paris Agreement Rulebook delivers increased certainty for developing country Parties on the level of financial support they can expect on a medium-term basis. It also delivers increased transparency on intended and actual flows of public climate finance. Biennial communication will be carefully scrutinised by stakeholders to ensure that reporting is done in an accurate, robust and fair manner.

While progress towards the new goal for climate finance is slow, the agreement to commence discussions in earnest in 2020 is a positive start.

The clarity over the transition, governance arrangements and funding of the Adaptation Fund is another positive development, given the number of projects in the pipeline and awaiting funding.

While additional voluntary climate finance pledges were made, including to the Adaptation Fund, far greater climate finance flows are required to deliver the full implementation of the Paris Agreement. The second round of funding for the Green Climate Fund has commenced and will continue throughout 2019—this will be an important indication of the commitment of developed country Parties (and some developing country Parties) to providing increased levels of public climate finance.

2.6 Technology

Technology transfer refers to all stages of the technology cycle, such as research, development and diffusion of technologies, pilots and technological solutions related to climate-friendly technologies (mitigation and adaptation). Technology, together with capacity building and finance, are also referred to as "means of implementation" or "support".

The Technology Mechanism, established under the Convention, has two arms—for policy and implementation. The policy arm is the Technology Executive Committee (TEC) which is governed by the COP and the implementation arm is the Climate Technology Centres and Network (CTCN) which is operated by UNEP.

The Technology Mechanism serves the Paris Agreement and the Paris Agreement established a new Technology Framework to provide guidance to the Technology Mechanism in supporting the implementation of the Paris Agreement.

KATOWICE DECISIONS ON TECHNOLOGY

The CMA adopted the scope and modalities for the periodic assessment of the Technology Mechanism, and that the assessment should be transparency, inclusive and participatory. The first periodic assessment will commence at CMA 4 in November 2021 and will be completed at CMA 5 in November 2022. It was decided that the outcome of the periodic assessment should serve as an input to the Global Stocktake. The scope of the assessment may include how the Technology Mechanism has facilitated the transformational change envisioned in the Paris Agreement.

The Technology Framework was adopted by the CMA, and has five key themes: innovation; implementation; enabling environment and capacity-building; collaboration and stakeholder engagement; and support. The CMA decided that the TEC and CTCN, under the guidance of the CMA, are to implement the Technology Framework. It was agreed that the Technology Framework can facilitate the strengthening of support provided to developing country parties for strengthening cooperative action on technology development and transfer at different stages of the technology cycle.

2.7 Global Stocktake

The Paris Agreement introduces a dynamic system for increasing climate ambition over time. The Global Stocktake is one of its engines. Every five years Parties will collectively take stock and look back at what has been achieved so far and what must still be done to reach the goals of the Paris Agreement. The first Global Stocktake will take place in 2023.

Under the PAWP, Parties were tasked with developing recommendations on the inputs and modalities for the Global Stocktake.

Parties had expressed very different interpretations and ideas about what the Global Stocktake should be, what it would cover, how it would be held and how the outcomes would be reported. Some developing countries saw it as a continuous process with focus on support provided and efforts by developed countries, while developed countries attached greater importance to getting a global picture of collective mitigation efforts. Some developing countries supported the consideration of loss and damage as a separate work stream in the Global Stocktake, and operationalising equity in every element of the Global Stocktake. Parties also diverged on the participation of non-Party stakeholders.

KATOWICE DECISIONS ON THE GLOBAL STOCKTAKE

The CMA decided that the Global Stocktake will consist of three stages: information collection and preparation; technical assessment; and consideration of outputs. The CMA decided that equity and the best available science will be considered in a party-driven and crosscutting manner throughout the Global Stocktake, however there is no clear guidance on how equity will be considered in the inputs, technical assessment and consideration of outputs.

The Global Stocktake is to organise its work in line with taking stock of the implementation of the Paris Agreement to assess the collective progress towards achieving its purpose and long-term goals in the areas of mitigation, adaptation and means of implementation and support, and it may take into account efforts that address the impacts of response measures and loss and damage. Importantly, the Global Stocktake will include an assessment of how finance flows are aligned with low-emissions and climate-resilient development pathways. This may allow for consideration of phasing out investment in fossil fuels and other high-emissions activities.

The process will be Party-driven. Non-Party stakeholders may make submissions but cannot participate in the consideration of outputs from the Global Stocktake.

The decision emphasised that the outputs of the Global Stocktake will focus on taking stock of collective progress to implement the Paris Agreement, and will not focus on individual Parties. Parties will be able to use the outputs in informing the preparation of updated NDCs, adaptation actions and support. Outputs will be considered at high-level events where ministers will consider the implications of the technical assessment.

RELEVANCE TO GOVERNMENTS AND NON-PARTY STAKEHOLDERS

The operationalisation of the Global Stocktake is a positive step as it is a key mechanism by which ambition will be ratcheted up over time. It will ensure that collectively Parties are held accountable on their progress towards the long-term goals of the Paris Agreement. Some are disappointed that non-Party stakeholders will have less ability to participate in the Global Stocktake process than they did in the Talanoa Dialogue.

2.8 Compliance

Article 15 of the Paris Agreement establishes a compliance mechanism, consisting of a committee, to facilitate implementation and promote compliance with the provisions of the Paris Agreement.

While the Kyoto Protocol Compliance regime had penalties for non-compliant developed countries, such as exclusion from international cooperative mechanisms, the Paris Agreement compliance regime is expressly intended to be non-punitive and facilitative.

Under the PAWP, Parties were tasked with developing recommendations on the Terms of Reference of the committee to facilitate implementation and promote compliance referred to in Article 15.2 of the Paris Agreement (Article 15 Committee).

KATOWICE DECISIONS ON COMPLIANCE

The CMA adopted the modalities and procedures for the effective operation of the Article 15 Committee. The Committee can initiate consideration of a Party's compliance with the legally binding reporting requirements (including submitting an NDC and mandatory biennial transparency and finance reports). However, if the Committee does initiate consideration, it may only consider whether the report has been submitted and it cannot consider the content of the report. With the consent of party, the Committee may initiate consideration of significant and persistent inconsistencies with the Transparency Framework's MPGs.

The Committee may assist Parties to engage with the finance, technology and capacity building bodies in order to receive support for their implementation of the Paris Agreement. The Committee may make recommendations to Parties and forward these recommendations to the relevant bodies. The Committee can make a public finding of fact in relation to a Party's implementation or compliance with legally binding obligations. The Committee has the mandate to review the broader implementation and compliance with the Paris Agreement and make recommendations to the CMA. The Committee is to consider *force majeure* and the special circumstances of Least Developed Countries and Small Island Developing States when deciding measures and outputs.

The modalities and procedures for the Article 15 Committee will be reviewed at CMA 7 in 2024.

RELEVANCE TO GOVERNMENTS AND NON-PARTY STAKEHOLDERS

The ability of the Article 15 Committee to initiate consideration if Parties do not submit their NDC or biennial transparency report is a step forward for accountability. The facilitative nature of the Committee, including its ability to assist Parties to engage with the finance, technology and capacity building bodies and identify systemic issues faced by a broad set of countries, is likely to play an important role in driving higher ambition in the implementation of the Paris Agreement.

3. Non PAWP Outcomes

3.1 Local Communities and Indigenous Peoples Platform (LCIP Platform)

In recognition of the need to strengthen knowledge, technologies and efforts of local communities and indigenous peoples in responding to climate change, the LCIP Platform was established for the exchange of experiences and best practices on mitigation and adaptation.

During COP 24, Parties further operationalised the LCIP Platform through establishing the LCIP Platform Facilitative Working Group. Parties agreed on the composition of the 14 representatives of Working Group (one party representative of each of the five UN regional groups, one representative of a SIDS party, one representative of a LDC party, seven representatives from indigenous peoples organizations, one from each of the seven UN indigenous socio-cultural regions). The working group will meet twice per year and meeting will be open to Parties and observers. A dedicated web portal on the LCIP Platform will be developed on the UNFCCC website.

The establishment of a working group with non-Party stakeholders is a significant step and a first for the UNFCCC process. It recognises the important knowledge, stewardship and contributions that local communities and indigenous peoples have when responding to climate change and could serve as a model for greater cooperation with non-state actors in other areas.

3.2 Koronivia Joint Work on Agriculture

The Koronivia Joint Work on Agriculture was established to consider how to tackle agriculture issues in the context of climate change. The roadmap of the Koronivia Joint Work on Agriculture was developed in May 2018 and its first in-session workshop was held during COP 24.

While the outcomes of the negotiations were largely procedural (welcoming the first in-session workshop, welcoming New Zealand's proposal to host a workshop), Parties and non-Party stakeholders actively participated in the workshop and negotiations in a cooperative spirit, and it is likely that momentum will continue to grow in this thematic area.

LOSS AND DAMAGE

While there was no separate PAWP agenda item on loss and damage, the COP undertook its annual consideration of the report of the Executive Committee of the Warsaw International Mechanism on loss and damage and it was considered in negotiations on the Transparency Framework and Global Stocktake.

In the guidelines for the Transparency Framework, loss and damage is reflected as a separate heading in the section on Impacts and Adaptation. In their biennial transparency reports, interested Parties may provide information on observed and potential climate change impacts, activities related to averting, minimising and addressing loss and damage, and institutional arrangements to facilitate the implementation of such activities. The inclusion of loss and damage in the guidelines of the Transparency Framework will enable countries to report on the impacts they have experienced, the current and planned activities to address loss and damage, the institutional arrangement to implement these activities and the support required. These reports will feed into the Global Stocktake, which will collect information on loss and damage, conduct technical assessment and include findings on loss and damage in its outputs.

This represents a step toward integrating of loss and damage in the Paris Agreement, and was welcomed by the Alliance of Small Island States, however the Least Developed Countries called for future negotiations to more adequately address loss and damage.

Countries, in particular Least Developed Countries and Small Island Developing States, will need to develop the capacity to report on loss and damage in their biennial transparency reports. The IPCC Special Report on 1.5°C is a starting point for scientific literature on loss and damage. Biennial transparency reports, synthesis reports and the outputs from the Global Stocktake will form an important evidence base on the costs of climate change, and it is important that this information feeds into government policy and business planning.

4. Climate Action and Ambition

4.1 Talanoa Dialogue

In 2015, the COP decided that it would convene a facilitative dialogue among Parties in 2018 to take stock of the collective efforts of Parties in relation to progress towards the long-term goal temperature goal of the Paris Agreement and inform the preparation of NDCs. Under the leadership of the Fijian Presidency, the facilitative dialogue was launched as the Talanoa Dialogue at COP 23 in 2017.

Talanoa is a traditional word used in Fiji and across the Pacific to reflect a process of inclusive, participatory and transparent dialogue. The purpose of Talanoa is to build empathy and trust, and to make considered decisions for the collective good. The process of Talanoa involves the sharing of ideas, skills and experience through storytelling.

The preparatory phase of the Talanoa Dialogue was convened throughout 2018. The concept took hold across hundreds of government and civil society events, and drew together participants who represented not just Parties to the Paris Agreement, but also representatives from business, finance, technology, religious institutions, non-profits and non-governmental organisations, cultural and community groups, as well as representatives of sub-national entities such as regions, states, provinces and cities.

The Talanoa Dialogue culminated in political discussions between ministers and with civil society leaders at COP 24 and resulted in the COP Presidencies "Talanoa Call for Action", which used Parties to "work closely with non-Party stakeholders to enhance global ambition by 2020 and to develop long-term, low-emission development strategies." It noted that the key messages emerging from the Talanoa Dialogue and synthesis report can "inform Parties NDCs by 2020, as well as their participation in the 2019 Secretary-General's Climate Summit."

While the Talanoa Dialogue did not result in a formal requirement for Parties to communicate new, more ambitious NDCs by 2020 (as some Parties and civil society groups had pushed for), the Marshall Islands has already communicated a second, more ambitious NDC, and Fiji and Canada have communicated their intention to do so. Other countries are likely to face pressure from civil society and other countries to update their NDCs in the lead up to the UN Climate Summit in 2019.

The response to the Talanoa Dialogue has been overwhelmingly positive. By including non-Party stakeholders, the Talanoa Dialogue forged connections between stakeholders from across the world who learned from each other, and who can take those lessons and swiftly transform them into concrete climate actions.

5. Conclusions

Parties have further work ahead of them in elaborating and reviewing some aspects of the Paris Agreement Rulebook. In particular, it is critical that Parties agree on the rules for the cooperative approaches established by Article 6 at COP 25 in 2019.

Now that the majority of the Paris Agreement Rulebook has been agreed, national governments can (and must) urgently move forward in their development of climate policies and laws. We note that many countries have already developed, or are in the process of developing, policies and laws that will implement their NDCs and a number have introduced or enhanced their carbon pricing mechanisms.

Businesses are already facing greater scrutiny on their performance in addressing climate change and aligning their business with the goals of the Paris Agreement. An increasing number of businesses are taking up the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As the Paris Agreement moves into its implementation phases, businesses will be under pressure to align their strategies with the Paris goals and report against that.

There is growing momentum and pressure on Parties to enhance the ambition of their NDCs leading into the UN Secretary General's Summit in September 2019. This meeting will be an important milestone for climate action and may result in some countries signalling enhancements to their NDCs.

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