

COP24·KATOWICE 2018

UNITED NATIONS CLIMATE CHANGE CONFERENCE

Katowice COP; Paris 2.0 or Copenhagen 2.0

STRONG AND HONEST LEADERSHIP, LITTLE BIT OF HISTORY, RESPECT TO SCIENCE AND FAIRNESS CAN PREVENT KATOWICE BEING ANOTHER COPENHAGEN

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This note was prepared as note for discussion for CSOs PRECOP Consultation held in Delhi on 27th November, 2018

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November 2018

Published by

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peaking at Brussels last year after the Bonn COP Patricia Espinosa said that she looks at Katowice as Paris 2.0.1 The biggest Challenge before Katowice COP beginning 3rd December is to finalize the Paris rulebook that will guide the implementation of Paris Agreement, which 195 countries adopted in winter of 2015. At Paris, the urgency to have a global agreement trumped the need to work out greater details on whether or how the agreement will work. Since then negotiators have struggled to crease out the differences. The talks at Bonn and Bangkok stalled on almost every issue that is important for the developing countries and reminded of bottlenecks of almost two decades of pre Paris days. Finance, guidance on how the countries should report their commitment and efforts in the NDCs, and how the global stock take should take place, have been major stumbling blocks. At the end of an additional intersessional which concluded in mid September, the negotiators have handed over a docket of more than 300 pages to the co-chairs of different tracks to turn it into a neat and lean draft, which will form the basic document for the Ministers to negotiate upon.

The genesis of the recent disagreement lies in the fact that developed countries look at Paris Agreement as a new treaty, which invokes all the countries to make efforts to limit rise in temperature well below 2 degrees Celsius and make ambitious efforts to limit it at 1.5 degrees Celsius. They vouch that Paris Agreement has sufficient provisions to lay down justice and equity, and differentiation, however, they balk at every proposal that other countries make, branding these poor countries as trying to take Paris Agreement to "old firewall days." Developing countries, small island nations and most vulnerable countries included, have got very little cooperation from the developed

¹ https://unfccc.int/news/cop24-will-be-paris-20

countries in terms of how differentiation can be operationalized in the Paris Agreement. Developed countries succeeded in taking Paris a little far from Kyoto, however, they forget that Paris cannot be divorced from Rio which gave birth to the overarching framework of the Convention, which is well rooted and rightly so in the historical context. Attempts to do away with history in the climate change will increasingly introduce complications in operationalization of the agreement, which emerged out of a particular context. Strong but honest leadership to acknowledge this reality and then rallying around countries in a sincere diplomatic efforts and living by example are the biggest challenges plaguing global climate action. Katowice being the last stop to come up with rulebook has huge burden of expectations and global leadership needs to be equal to the task lest it be Copenhagen 2.0.

MAJOR ISSUES AND CHALLENGES IN NEGOTIATIONS

FINANCE

Finance is the first impediment that meets the eye. Very little has been achieved since 2009 when the developed countries first promised making available \$100 B every year from 2020 in the form of Green Climate Fund. Till now, almost a decade later, about 1/10th has been pledged and far less realized in real currency.² When the wrangling on finance begins with the basic question of what constitutes climate finance, a lot of ground needs to be covered.

Developed countries have done little beyond counting every cent they have given in assistance (many times over) as climate finance. With there clever maneuvering of negotiations away and away from the context, climate finance has been increasingly being looked as charity. Frustrated over decades of slack progress, developing countries

² As of September 2018 pledged amount to GCF stood at \$10.3 B out of which pledges of \$ 2 B by the USA are unlikely to be realized after US announced its withdrawal from the Paris Agreement. The GCF has approved 74 climate projects in 78 countries totaling about \$ 3.5 B.

are asking for predictability in the finance (ex ante), and a process to set up a new floor beyond \$100 B from 2025 (as suggested in the PA).

Developed countries have deployed well-known ploys to postpone this discussion insisting that the calls are beyond the mandate of the PA and can only be considered when other details of the Paris Rulebook are finalized. For majority of the countries (including LDCs, SIDS and developing countries who are on the frontlines of impact finance is the main building block and its impossible to imagine real progress without enhanced clarity on finance. Smaller but important funding mechanisms like Adaptation Fund, LDCs Fund and Special Climate Change Fund also needs attention to be sustained and predictable rather than depending on ad hoc largesse of developed countries.

GUIDANCE ON THE NDCs

Nationally determined contributions submitted till now range from 3 pages submitted by New Zealand to above 30 pages NDC of Pakistan. They also vary in their approach, methodology, requirements and commitment. As such they are incapable of being compared and monitored. While developed countries are most concerned about mitigation; developing countries faced with the dual burden of mitigation as well as adaptation, perceive mitigation, adaptation, finance and technology equally important to be covered and communicated in the NDCs. Developed countries have also insisted that all countries have a similar framework for reporting, which is absurd given that countries with almost no emissions comparable to industrialized countries and for which first challenge is to save its people from increasing impacts of climate change and increasing frequency and ferocity of climate impacts, should be compelled to prioritize and report on how they have reduced or avoided their emissions! Similarly, there is no meaning of an industrialized country NDC, which keeps away from reporting how much finance and technology they have provided (and are willing to provide in coming years), and how they have supported adaptation in poorest of the countries and communities; if they are only keen on showcasing their emissions reduction. Reporting adaptation is necessary but challenging for developing countries as they lack data

and established methodologies to report and monitor. This requires greater understanding in the approach of devising a framework which is common yet flexible.

TRANSPARENCY, FAIRNESS AND NEW MARKET MECHANISMS

Besides the big ticket issues of finance and NDC guidelines, Enhanced Transparency Framework, Global Stock Take (GST) and New Market Mechanisms are some issues that would require attention at Katowice. The "transparency framework" covers a range of issues, including methodology for reporting on national greenhouse inventories, tracking progress, climate change impacts, adaptation and the support provided by developed countries to poorer nations. The talks on the framework and details have been inconclusive till now. To enable all countries to report on the same timeline, developed countries will have to support poorer countries with finance and capacity building. In its absence, fewer than 60% developing countries have been able to report since January 2015.3 COP 24 is also important from the point of view of global stock take which will be undertaken in 2023 based on the revised NDCs provided by countries by 2020 (five years after adoption of the PA and every five years thereafter). Operationalization of equity and including loss and damage as a separate work stream have been vexing issues in the global stock take as has been common reporting frameworks and timelines. A G 77 proposal by China suggesting separate timeframes has been opposed vehemently by developed countries.

Despite fair bit of understanding on the failure of market mechanisms under the Kyoto Protocol, Paris Agreement brought it in the form of Sustainable Development Mechanism (SDM). However, countries have failed to come to an agreement on how to avoid double counting, what constitutes additionality and what to do with credits from existing CDM projects. Issues closer to the lives of communities, which these projects are supposed to help, like safeguards for human

³ Yamide Dagnet, INSIDER: Ministers to Advance Climate Negotiations and Keep the Spirit of the Paris Agreement Alive, October 19, 2018, WRI

rights, no harm rule for environment and ecology, regulation and minimum compliance/accountability standards of companies engaging in these projects, have attracted minimum attention is these debates. Framing rules for non-market mechanisms including cooperation on technology have proved more challenging.

ROBUST OUTCOME FROM TALANOA DIALOGUE

Fijian Presidency started the process of Talanoa (inclusive) dialogues as manner of taking stock of the situation. Over the year countries, observers, NGOs and other stakeholders have pondered over questions of (i) where we are, (ii) where do we want to go, and (iii) how to get there. The process has been met with enthusiasm and hundreds of responses. In Katowice the Talanoa dialogue enters into its political phase, where the Ministers will deduce outcomes from the process. This is yet to be known what form this outcome will take; however, there are expectations that the process should come up with an honest assessment of the situation and result in enhancing ambition of countries. Expectations are also high due to the fact that it was first COP Presidency under a small island developing state Fiji which started the process. With the latest input from the IPCC Special Report on 1.5 degrees Celsius, the Talanoa Dialogues must leave an unforgettable legacy of honest and competent leadership, a strong camaraderie and spirit of inclusive dialogue.

IMPLICATIONS OF 1.5 DEGREES REPORT BY THE IPCC

The latest report by the IPCC released on 8th October will be one of the most talked about thing in the COP for sure.⁴ However, how much influence will the report have on the COP process and the decision is not sure. The report unmistakably brings out the reality of fast climate impacts and closing window for limiting temperature up to 1.5 degrees as compared to pre industrial days. The report reaffirms that huge impacts will occur even at 1.5 degrees; however it will be far less in expanse and severity as compared to temperature rise of 2 degrees. It

⁴ IPCC was requested by Paris COP to come up with a special report on 1.5 degree. The IPCC released the report on 8th Oct. in Incheon. For more details please visit https://www.ipcc.ch/index.htm

drives the point emphatically that 1.5 degrees is the new 2 degree, which should be the priority not only for SIDS as before but for whole world. Reiterating that current pledges under the Paris Agreement are far short of even 2 degrees Celsius and the window for 1.5 degrees closing in as soon as 2030, the report underlines that no less than a dramatic and huge transformation in all sectors is required for achieving 1.5 degrees. Carbon emissions need to be reduced by 45% by 2030 and reach net zero by 2050 to be able to remain below 1.5 degrees without overshoot, the report explains. Non carbon emissions including methane and black carbon too, need to be reduced by 35% by 2050. The report is very clear that the severest impacts of climate change will be on South Asia, South East Asia and Sub Saharan Africa in the forms of droughts, floods, sea level rise, rise in cases of malaria and other vector borne diseases, reduced yield from agricultural crops. The report dismisses Solar Radiation Management (SRM) as an option for managing warming, it stresses that in the absence of near term significant emission reduction, the reliance on carbon removal technologies including BECCS will increase. The report says that a land area ranging from 1 million sq km (equivalent to area of Egypt) to 7 million sq km (equivalent to land area of Australia) may be required for growing energy crops, which will have serious consequences in terms of competition with food crops. Also, bio fuels will be indispensible for aviation and shipping. To achieve net zero emission by 2050, it projects that renewable energy will have to provide 70% - 85% of power, limit the contribution of the gas to 8% in energy mix provided it is coupled with CCS; however, the coal will have to be reduced to zero in the energy mix. It also unequivocally lays down role of finance, technology and global cooperation in doing so.

What is very clear from the report that a rise of 1.5 degrees will also have huge impacts on some vulnerable ecosystems like coral reefs which will witness destruction of 70%-90%, however, for many ecosystems impacts will be reduced to almost half as compared to 2 degrees rise. Besides, the average rise of 1.5 degrees (or 2 degrees) in global warming will translate into higher temperatures at poles and differential impacts in different region. For many pacific islands even 1.5 degrees will be too hot to bear. The IPCC report gives a carbon budget

ranging from 420 GT to 570 GT (for 66% probability of limiting the rise to 1.5 degrees) depending on whether we take the global mean surface air temperature or global mean surface temperature.⁵ Even with the emissions held constant in coming years, the carbon space for 1.5 degrees will exhaust by 2030. The carbon space is also so constrained that even if developing countries are given all carbon space they will be hardly able to grow to the level of today's developed countries.

While report highlights the urgency in taking transformative and significant near term actions; it would have been more meaningful if the IPCC could have been also requested for coming with a methodology to calculate fair share of countries in allocation of the available carbon budget.⁶ It is clear that if the world has to take a chance at limiting the rise of temperature at 1.5 degrees, the industrialized countries will have to reach net zero in 5-10 years, so that developing countries can have some development space. While all countries and groups have welcomed the report and the need for quick action, very few have actually talked about aligning their policies in compliance with 1.5 degrees report.

Countries Pledges and Their Preparedness to Respond to IPCC Report

Mr. Trump has made it clear that US will leave the Paris Agreement despite facing global condemnation. However, there are many ambitious climate actions are being planned below federal level. The recent Climate Summit in California (Sept, 2018) manifested the spirit of "We are still in," where in cities, regions, companies and CSOs committed to take Paris Agreement forward even if not supported by federal government. Climate Action Tracker reports that US, even in the absence of federal actions, will be close to achieving its NDC. However, any official response to 1.5 degrees report is not yet known.

EU's NDC commits to 40% reduction in carbon emissions by 2030 (over 1990 standards), 32% renewable energy and 32.5%

⁵ The estimate of carbon budget is only suggestive given the uncertainty of emissions from permafrost melting and positive climate feedbacks, which the IPCC does not traditionally account for.

⁶ This being a political question is out of the IPCC's mandate and any exercise attempting this question will have to be done through negotiations, which may be guided by scientific inputs.

energy efficiency by 2030. EU's emission reduction targets are modest and unambitious and it is not consistent with Paris 2 degrees goal.⁷ Almost half of the EU is in favour of enhancing its commitment to 45% reduction in emission by 2030, raising its RE target to 35%8; however, many countries are buckling due to their dependence on coal (Poland, Russia, Czech, Slovak, Germany) and under the pressure of powerful automobile lobbies.9 While many countries have taken ambitious actions (France committing to shut down all coal plants by 2023, Greece to increase RE to 50% by 2030, Germany setting up Coal Commission to plan phase out etc.); huge dependence on road freight, negligible rate of building renovation, modest energy efficiency targets in automobile are the areas that EU must address immediately. 10 European Parliament has called on countries (including EU) for a 55% emission reduction by 2030.11 EU is likely to come up with its long term 2050 plan by late November. However, if leaks are to be believed, that plan also falls short appropriate ambition as the most ambitious scenario reported to being discussed is net zero by 2050. European Environment Bureau has called EU to decarbonize by 2040. Any change in the EU's pledge will be required to be approved by all 28 countries which is a time taking process.

G20 which accounts for 75% of the global emissions is completely off the mark as far as even Paris Agreement is concerned. A report by Climate Transparency (Sept, 2018) says that they have

⁷ EU reduced its emissions at the rate of 1.3% per annum during 1990-2014. 40% reduction commitment means that it will reduce its emission by 1.2% per annum till 2030, therefore effectively it has reduced its ambition rather than raising it when required. For more details please visit https://climateactiontracker.org/media/documents/2018/4/CAT_2016-11-02_CountryAssessment EU.pdf

⁸ EU environment Ministers stop short of 1.5 degrees C warming goal, 10th Oct, 2018 at https://www.montelnews.com/en/story/eu-environment-ministers-stop-short-of-15c-warming-goal/942274

⁹ Great Expectation from COP 24's Polish hosts, Sam Morgan, EUROACTIVE.com, Oct 4, 2018m at https://www.euractiv.com/section/climate-environment/news/great-expectations-from-cop24s-polish-hosts/

Startling IPCC Report projections Spur EU Environmental Ministers into Action, Kaitlin Lavinder, October 15, 2018 at https://www.southeusummit.com/europe/eu-environment-ministers-express-concern-over-ipcc-report-agree-to-action/

¹¹ In the light of COP 24, European Parliament calls on EU to aim for a 55% reduction in its emission by 2030, Brussels, 25/10/2018 (Agence Europe) at https://agenceurope.eu/en/bulletin/article/12125/3

generated 82% energy in past 10 years through fossil fuel.¹² G20 countries have also increased fossil fuel subsidy from \$75 B to \$147 B during 2006 to 2016.¹³ 15 of the 20 G 20 countries have also reported rise in emissions in 2017. According to the report none of the G20 NDC targets for 2030 is in line with the Paris Agreement. India is leading the block in closing the gap between its current action and Paris Agreement trajectories due to the fact that its NDC align with 2 degrees scenario. If India decides to abandon its plan to have new coal power plants, it would be the closet to 1.5 degrees trajectory. Indias is also likely to achieve two of its NDC targets ahead of time.¹⁴ Russia, Saudi Arabia and Turkey are the most laggard nations with a 4 degrees trajectory. The report highlights that UK has made the fastest transition away from fossil fuel with 7.7% decline in the use of fossil fuels between 2012-2015. It has also aligned its transport policy with 1.5 degrees trajectory. China which stabilized its emissions has reported an increase in 2017. Brazil, Indonesia and Argentina have failed to reverse the deforestation.

A recent report by the Grantham Research Institute on Climate Change and the Environment and the ESCR Centre for Climate Change Economics and Policy found that only 16/58 countries that made Paris Agreement have set domestic targets which are ambitious enough.¹⁵

CONCLUSION

The road to Katowice COP 24 is tough with lots of expectations. A climate regime which is removed from the historical context cannot be successful, just, equitous and therefore sustainable. The climate

¹² Brown to Green, the G20 Transition to a Low Carbon Economy, 2018, Climate Transparency

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¹⁴ Draft Report for UN; India set to achieve 2 of its 3 paris Agreement goals, Nitin Sethi, New Delhi, November 11, 2018, Business Standards at https://www.business-standard.com/article/economy-policy/draft-report-for-un-india-set-to-meet-2-of-its-3-paris-agreement-goals-118111100203_1.html

¹⁵ G 20 nations still led fossil fuel industry, climate report finds, 14 November, 2018, the Guardian at https://www.theguardian.com/environment/2018/nov/14/g20-nations-still-led-by-fossil-fuel-industry-climate-report-finds

regime needs to respect and respond to science and fairness. What is needed most is the collective leadership to maintain the momentum and further enhance ambitions. Ambitious action in near terms will prevent the severest impacts, reduce costs as compared to high emission scenario, and will result in net gains for the countries. Developed and industrialized countries should take leadership in taking up the upfront costs. Without ambitious climate action, sustainable development goals will also remain a mirage. To sum up in the words of the LDC Chair "The countries must deliver a robust rulebook that will ensure adequate action is taken to cut emissions, adapt to climate change and address loss and damage, and that support is provided to enable poor countries to do the same." 16

¹⁶ The statement was made by the Chair of the LDC in a meeting at Addis Abbaba reacting to the IPCC Special Report, 8th Oct,2018



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