



# COP24·KATOWICE 2018

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# Means of Implementation in Katowice Rulebook

Finance

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# Means of Implementation - Finance

1. New collective quantified goal
2. Information on support from developed country parties
3. Adaptation Fund



# New collective quantified goal



# Origin of the goal

## 1. Copenhagen Accord

- Accord was agreed by 114 parties at the Copenhagen Climate Conference in 2009 (COP 15)
- However, since it was not agreed by all the parties, it was only taken note of by the COP and did not become part of the UNFCCC legal system

## 2. Cancun Agreements

- Agreed at Cancun Climate Conference in 2010 (COP 16)
- Attempt to achieve a global agreement on main issues negotiated in Copenhagen
- Decision 1/CP.16 deals with all the negotiating tracks existing at the time and introduces to UNFCCC legal system several elements of the Copenhagen Accord



# Copenhagen Accord

- **Article 8 of the Copenhagen Accord stated, i.a:**

„8. Scaled up, new and additional, predictable and adequate funding as well as improved access shall be provided to developing countries, **in accordance with the relevant provisions of the Convention.**[...]In the context of meaningful mitigation actions and transparency on implementation, developed countries commit to a goal of mobilizing jointly **USD 100 billion dollars** a year by 2020 to address the needs of developing countries. This funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance.”

- **In consequence, it means that according to art. 4.3 of the Convention it remains an obligation of „developed country Parties and other developed Parties included in Annex II”**



# Cancun Agreements

- **Paragraph 98 of the Decision 1/CP.16:**

„98. Recognizes that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal **of mobilizing jointly USD 100 billion per year** by 2020 to address the needs of developing countries;”



# New collective goal under the Paris Agreement

- **New collective goal was introduced in Paragraph 53 of the decision 1/CP.21, taken at Paris Climate Conference in 2015 (COP 21)**

„53. Also decides that, in accordance with Article 9, paragraph 3, of the Agreement, developed countries intend to continue their existing collective mobilization goal through 2025 in the context of meaningful mitigation actions and transparency on implementation; prior to 2025 the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement shall set a new collective quantified goal from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries;”

- **However, this decision didn't set up a specific proces or timeline for setting up the goal.**
- **Additionally, article 9.1 of the Paris Agreements states that „Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.” This again puts an obligation only on Annex II countries.**
- **According to article 9.2 of the Paris Agreement „Other parties are encouraged to provide or continue to provide such suport voluntarily.”**





# Katowice Decision 14/CMA.1

- 1. *Decides* to initiate at its third session (November 2020), in accordance with Article 9, paragraph 3, of the Paris Agreement, deliberations on setting a new collective quantified goal from a floor of USD 100 billion per year in the context of meaningful mitigation actions and transparency of implementation and taking into account the needs and priorities of developing countries;
- 2. *Agrees* to consider, in its deliberations referred to in paragraph 1 above, the aim to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.



# Next steps

- During COP 26 in 2020 parties will initiate the process for setting up a new goal,

However:

- There is no set end date for the process other than the final date – 2025,
- There is no clear procedure on how COP will deliberate on the goal

Both problems will have to be addressed during COP 26



# Information on support from developed country parties



# Origin

- Long Term Finance Workprogramme
- Submissions on Strategies and Approaches



# Long Term Finance Workprogramme

- Launched in 2011, initially consisted only of several workshops during 2012 and 2013;
- In 2013, at the Warsaw Climate Conference (COP 19) it was decided (in paragraphs 12 and 13 of the decision 3/CP.19) to:
  - Hold in-session workshops between 2014 and 2020;
  - Hold biennial ministerial dialogues on Climate finance between 2014 and 2020.



# Strategies and approaches

## **Paragraph 10 of the Decision 3/CP.19 taken during Climate Conference in Warsaw in 2013 (COP 19):**

„10. *Requests* developed country Parties to prepare biennial submissions on their updated strategies and approaches for scaling up climate finance from 2014 to 2020, including any available information on quantitative and qualitative elements of a pathway, on the following:

- (a) Information to increase clarity on the expected levels of climate finance mobilized from different sources;
- (b) Information on their policies, programmes and priorities;
- (c) Information on actions and plans to mobilize additional finance;
- (d) Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change;
- (e) Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance;”



# Article 9.5 of the Paris Agreement

„5. Developed country Parties shall biennially communicate indicative quantitative and qualitative information related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.”



# Differences between pre-Paris and post-Paris processes

- Submission of Strategies and approaches was not a binding obligation for developed countries. Submission of new information is binding for countries that are required to provide financial support in line with art. 9.1 and art. 9.3 of the Paris Agreement;
- All other parties providing financial support are also invited to submit new types of information, unlike in previous regime;
- New informations are intended to be more standardized – however there is still no common format in which they should be submitted.





# Katowice Decision 12/CP.24 1/2

- Decision adopted in Katowice created a process for preparing new ex-ante informations on support:
  - First of those new informations should be submitted in year 2020 (and it's intended to replace the submission on Strategies and Approaches). Afterwards, informations should be submitted biennially;
  - Secretariat of the Convention should prepare a compilation and synthesis of informations submitted;
  - The compilation and synthesis will form a basis for biannual in-session workshops – first of which will be held in 2021;
  - Report from the workshop, as well as the synthesis report itself will inform biennial ministerial dialogues, first of which will be held in 2021
  - Annex to the decision 12/CP.24 contains the type of information, that should be submitted in the information



# Katowice Decision 12/CP.24 2/2

- In addition to the following, informations are intended to inform the Global Stocktake - first taking place in 2023;
- Types of information contained in the Annex should be periodically updated, first such update should take place in 2023.



# Adaptation Fund



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# Adaptation Fund serving the Paris Agreement

- Paragraph 59 of the Decision 1/CP.21 taken at Paris Climate Conference in 2015:

„59. *Recognizes* that the Adaptation Fund **may serve** the Agreement, subject to relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol [CMP] and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement [CMA];”

- 2016 Marrakesh Climate Conference (COP 22)

CMA adopted a decision 1/CMA.1 deciding, that Adaptation Fund **should serve** the Paris Agreement;

- 2017 Bonn Climate Conference (COP 23)

CMP adopted a decision 1/CMP.13 deciding, that Adaptation Fund **shall serve** the Paris Agreement.



# Katowice Decision 13/CMA.1

- In Katowice, CMA adopted a decision stating that:
  - Adaptation Fund shall serve the Paris Agreement, starting on January 1st, 2019
  - Adaptation Fund will still be funded from market mechanisms operating under Kyoto Protocol
  - When shares of proceeds from mechanism set by art. 6.4 of the Paris Agreement become available, Adaptation Fund **shall exclusively serve** the Paris Agreement
  - Adaptation Fund will be funded from shares of proceeds under art. 6.4 of the Paris Agreement, as well as private and public donations
- This should not lead to any change in how Adaptation Fund operates in practice, however.



# Further Steps

- There are several issues that parties will have to decide on next, to make this arrangement operational:
  - Eligibility of Paris Agreement parties that are not parties to Kyoto Protocol as members of the Adaptation Fund Board;
  - Ways to maintain the coherence between guidance coming from CMP and CMA during the transitional period (i.e. until share of proceeds from art. 6.4 of the Paris Agreement will become available);
- Time for those share of proceeds becoming available is still unknown, however.





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