

BACKGROUND PAPER

# Implementation guidelines for the Paris Agreement adopted

## Evaluation of the results of COP24 in Katowice

The framework agreed at the UN-Climate Summit in Katowice, Poland, (COP24) provides a solid technical basis for the global implementation of the Paris Agreement. But in order to prevent the climate crisis, it is now important that all states show significantly more political will to increase their ambition to implement the agreement rapidly.

The result of Katowice is particularly remarkable because there have been attempts of sabotage from the White House, Saudi Arabia and Brazil. It is above all the merit of the poorest and most vulnerable developing countries in the climate crisis that have advocated for strong decisions. It is precisely for these countries that preventing the climate crisis is a question of survival. Germany, too, has made a constructive contribution to this result through its financial commitments and its presence within the "High Ambition Coalition" of industrialised and developing countries.

The outcome of Katowice is also a victory for multilateralism. But the real test now follows when it comes to implementing the Paris Agreement. Governments must now show decisive climate action at home. The climate movement, which has been formed worldwide – examples rank from the Hambach Forest to the resistance against pipelines to climate school strikes – has also become visible in Katowice. It will now demand the necessary climate action from the governments ever more rigorously. In Germany, the coal commission decision on a phase-out must now be implemented in a way that makes it compatible with the Paris climate targets. The transport commission must set the course for a genuine change in transportation patterns, and the climate protection law and the necessary implementation package must lay down the necessary measures including a CO<sub>2</sub> price. This will also allow the inadequate European climate target for 2030 to be increased, as German Environmental Ministry and the EU promised in Katowice.

### Response to the IPCC Special Report on 1.5 degrees warming and greater mitigation efforts

The form in which the final document refers to the Special Report of the Intergovernmental Panel on Climate Change on 1.5 degrees warming (IPCC SR1.5) was one of the most controversial topics at COP24. Saudi Arabia and the USA, supported by other Arab countries and Russia, tried to avoid clear references to climate science. A coalition from the group of least developed countries (LDCs), the alliance of small island states (AOSIS), a group of Latin American states (AILAC), the EU and other countries nevertheless succeeded in pushing through comprehensive language on the IPCC in the COP decision. It is emphasized that the IPCC has the function of providing information to the Parties to strengthen global climate policy. The decision thanks the IPCC for its work on the recent Special Report on 1.5 degree warming. It also recognises that the report reflects the best available science. A clear reference to the global emissions still possible to emit by 2030, if global warming is to be limited to 1.5° C, was unfortunately vetoed by the USA. From this value – 25 to 30 gigatons of CO<sub>2eq</sub> – it would have been even clearer to deduce to what extent countries would have to tighten their climate policy in order to comply with the 1.5° C limit formulated in Paris. On a global average, this would involve an annual reduction in emissions of around 4 %.

The COP decision underlines the call already agreed in Paris for all countries to submit or update their 2030 climate change contributions (NDCs) by 2020. Many of the most vulnerable so-called developing countries had fought here for an even clearer formulation that explicitly states that these targets must be higher than

the previous ones and should be based on the IPCC Special Report. However, since other paragraphs in the same document emphasise both the urgency of raising ambition and the IPCC's function of providing orientation for climate policy, this statement is at least indirectly anchored. On the positive side, the COP decision mentions the Special Summit of the UN Secretary-General in September 2019 as a place where increased ambition should be shown – widely understood as enhanced NDCs.

Even if the COP decision remains very veiled on this point, at least the members of the "High Ambition Coalition", including the EU Climate Commissioner and the German Environment Minister, have clearly defined their positions in their declaration published in Katowice on 12 December. They pledge to take three steps by 2020:

1. more immediate climate mitigation measures,
2. raising their 2030 climate targets and
3. presenting a long-term strategy for the period up to 2050.

If Germany and the EU had acted more clearly from the beginning of the conference to raise the 2030 targets (Germany had even slowed down internal EU discussions on raising the target), it would probably have been achievable in Katowice to bring further countries on board.

With the decisions of COP24, the voluntary commitments of the "High Ambition Coalition" and the invitation of the Secretary-General to his special summit it is clear, however, that the first round of target increases is now starting and must be completed by early 2020.

## **The rulebook – implementation guidelines for the Paris Agreement**

### **Transparency in the rulebook**

The main result of COP24 is the so-called rulebook on the implementation guidelines of the Paris Agreement. At the heart of the Paris Agreement are the nationally determined contributions (NDCs) of the countries. In Katowice, rules were laid down for the structure and content of these national climate plans as well as for reporting and monitoring.

In Katowice, agreement was achieved to formulate one common transparency framework for all countries. Among other things, all countries must now use at least the 2006 IPCC Guidelines for Greenhouse Gas Inventories (GHG Inventories). The transparency framework provides flexibility for developing countries that – according to their self-assessment – do not yet have sufficient capacity to reach the reporting standards. However, long-term improvements of these reports are supported with the aim that all countries can produce transparency reports of equal quantitative and qualitative value. It is disappointing that the first transparency reports of all countries will only be submitted until the end of 2024. This is too late to utilize the reports for the first round of the global stocktake in 2023. Brazil, in particular, urged that countries should be free to choose to include quantitative indicators in their greenhouse gas reports or to limit themselves to a purely qualitative description. However, this dilution of the transparency rules could largely be avoided.

### **Transparency in climate financing**

The rules for reporting on planned and achieved contributions to climate financing give a detailed framework to deliver more clarity and planning security for developing countries in the future. Nevertheless, there is still some scope for donor countries, for example to limit the level of detail of their reports and to determine what they consider as climate financing. In particular, it is inconclusive that loans can be counted towards their total amount, as can grants. For comparability purposes, only the grant portion would have to be shown here, even to avoid artificially inflating the sum. It is to be hoped that the progressive countries will set the standard by which all countries will soon be guided. In a few years' time, however, this should

become compulsory for everyone. On the positive side, a synthesis report on planned financing should be considered as input for the global stocktake rounds every five years, starting 2023.

### **Adaptation communication**

As stipulated in the Paris Agreement, countries should regularly communicate their priorities, support needs, plans and activities for adaptation to climate change. In Katowice, guidelines were adopted for this purpose. Although voluntary, they were controversial because they set a standard for reporting on support. It will be up to the reporting countries themselves to decide in which document the information will be provided. For example, they may be part of the National Adaptation Plans (NAPs) or the NDCs. However, the directive on content is the same for all documents – some countries had requested different guidelines, which would have made comparison difficult. Furthermore, the guidelines contain important reporting points, such as the inclusion of traditional and indigenous knowledge or gender-responsive adaptation measures. It is also important that the focus is put on future adaptation needs, even if the report on adaptation can also provide information on what has been achieved. However, in order to identify and address future needs and gaps, it is essential to look ahead. One shortcoming is that poorer countries have not been promised direct support for the preparation of the reports. Closing this gap is now also the task of bilateral assistance.

### **Global stocktake to raise ambition**

In Paris, it was agreed to review every five years how far the international community has come collectively in achieving the objectives of the Paris Agreement and to what extent nationally determined contributions need to be stepped up. The so-called global stocktaking (GST) is the core of this ambition mechanism of the Paris Agreement. Its aim is to hold a joint assessment of existing global measures on climate mitigation, adaptation and support in the light of the three Paris objectives on limiting temperature rise, building resilience and re-directing financial flows. In Katowice, the global stocktake was provided with sufficiently robust rules: it will review the collective efforts of the international community while taking equity and the best available science into account and also permits a (limited) role for non-state actors. Inputs on loss and damage will also inform the global stocktake. Its outcomes will be captured in COP decisions.

### **Climate finance**

The decisions on climate finance can be rated as overall good. The above-mentioned agreements on the transparency of climate finance are central. In addition, the future of the Adaptation Fund under the Paris Agreement was secured by a decision in Katowice. In future, the fund will be fed by a levy on international emissions trading and public and private sources. Regarding the crucial new long-term target for climate finance from 2025 onwards, a process has been set up to discuss the new target – starting in 2020. Learning from the earlier target, it must now be ensured that the target is set as precisely as possible through concrete sub-objectives in order to minimise possible scope for interpretation.

In addition, the Finance Committee of the Framework Convention on Climate Change was given important working mandates, the results of which could serve as important input for further debate, including in the context of the global stocktake exercise. These included a regular report to identify the needs of developing countries to implement the Paris Agreement and a regular stocktaking analysis of how global financial flows are being diverted.

Climate finance rules and institutions have been strengthened – now more money is needed. More than US\$ 129 million were pledged for the Adaptation Fund at COP24, a new record. However, as these are one-off voluntary contributions, it will be important in the coming years to secure more stable sources of finance for the Adaptation Fund. 2019 will also see the replenishment of the Green Climate Fund (GCF). Germany and Norway have announced a doubling of their GCF contributions; other rich countries will also have to double their contributions next year.

## Dealing with climate-related loss and damage

The issue of climate-related loss and damage was anchored in the global stocktake. This is a clear upgrade comparing to earlier texts in preparation for the Katowice decisions. As such, it is a step in the right direction, reflecting that not all loss and damage can be prevented – as recognised by a separate article in the Paris Agreement. However, there is still no process in place to clarify how funding for climate-related loss and damage can be secured. Thus, the Katowice decisions as a whole do not suffice to clarify the most important issues of climate change – including protecting the most vulnerable.

## Market mechanisms

Article 6 of the Paris Agreement provides for mechanisms for international emissions trading by which countries can offset climate mitigation measures in other countries against their own climate targets. If no precautions against double counting are taken in these decisions, large loopholes can arise which would threaten the integrity of the entire Paris Agreement. Brazil, in particular, has fiercely resisted rules to exclude such double counting until the last hours of COP24 – both in the implementation rules of Article 6 and in the transparency framework. As a result, all decisions on market mechanisms were postponed until next year's conference (COP25). It is very welcome that the other countries have not given in to Brazilian pressure here. Market mechanisms are highly complex and can do more harm than good without stringent rules. It is the right decision that the negotiators have given themselves another year to develop these rules.

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