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THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

# BULLETIN

No. 2 (1073), 4 January 2018 © PISM

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## Between Bonn and Katowice: The Challenges in Global Climate Negotiations

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*The global climate summit in Bonn (COP23) in November 2017 was supposed to bring compromise close on areas such as rules for monitoring national climate actions. The universality of these actions, that is, covering both developed and developing countries, was one of the main ideas of the Paris Agreement. In Bonn, however, the divisions between the parties were again made stark, making it difficult to reach compromise. For Poland, as host of the next climate summit (COP24) in December 2018 in Katowice, finalising these negotiations will be a top priority.*

The conclusion of the global climate agreement in Paris in 2015 was to be a turning point in the struggle to limit climate change and prevent its consequences. The UN Framework Convention on Climate Change (UNFCCC), on which negotiations have been held since the 1992 Earth Summit, divides the parties into two groups: those listed in Annex I (developed economies and those undergoing transformation, which are obliged to act) and non-Annex countries (developing economies). In the Paris Agreement, all parties agreed to submit national pledges (Nationally Determined Contributions, or NDCs) to protect the climate. However, this system is based on goodwill and does not provide any mechanisms to verify compliance or press those states that do not meet their own determined targets. The next stage of the talks, which is set to end during the summit in Katowice in December 2018, has the goal of defining the details and determining how the system will function (the so-called Paris rulebook). At the Bonn summit, however, the tendency to restore the division into Annex and non-Annex countries resurfaced, which may be a stumbling block to reach agreement on the Paris rulebook. This is crucial for Poland, which, as host of the climate summit, will also hold the presidency of the talks at the beginning of the conference.

**Return of Divisions.** The text of the Paris Agreement does not detail the shape of national pledges. The parties can declare any purpose (including mitigation, reaching peak emissions, or adaptation to climate change) and any period. The system lacks transparency and comparability between the declared contributions, emissions monitoring, verification of actions, and provision of finance. That makes it more complicated to determine whether the pledged actions will be sufficient to limit the global average temperature increase from the pre-industrial period to the end of the century at well below the 2°C threshold set as a target under the Paris Agreement.

However, attempts in Bonn to ensure comparability between the parties' pledges raised opposition from developing countries (non-Annex), especially China and India, which prefer fully voluntary declarations and want to avoid potential external pressure. At the same time, developing countries suggested that more detailed provisions should apply only to Annex I developed countries, which would mean the restoration of the formal division in areas of transparency, control, and verification. That would undermine the main idea behind the Paris Agreement of establishing universality of pledges and limitation of that division. Developed countries, especially the U.S., will not agree to this formal differentiation. At the same time,

some of them (the so-called Umbrella group consisting of Australia, Japan, Russia, and others) oppose not only the differentiation but also what they consider to be overly restrictive regulations on reporting climate actions.

An assessment of the progress on implementation of the Paris Agreement is to be made every five years (“global stocktaking”), and a facilitative review starts this year in the form of what is called the Talanoa dialogue. According to it, first, information, expert analyses, and recommendations will be collected, and then during the summit in Katowice, the political phase of the talks will take place. Among the parties, however, there is no agreement as to whether the purpose of this dialogue is to verify the formula for the global stocktaking or should result in an attempt to raise the level of ambition of actions to be taken before 2030. The lack of willingness to establish universally binding provisions guaranteeing transparency of the NDCs may weaken the agreement. This will make it difficult to verify whether the activities are sufficient to meet the common goal of keeping the global mean temperature in check.

**Climate Finance.** Another contentious point is the provision of financial assistance by developed countries to developing ones and finding measures to ensure the transparency and predictability of finance flows. At the summit in Copenhagen in 2009, developed countries promised to mobilise a total of \$100 billion annually starting in 2020. However, the support is still based on one-time declarations rather than long-term commitments, which makes them unpredictable. At the Bonn Summit, African states blocked the adoption of the conclusions by the *ad hoc* working group on the implementation of the Paris Agreement (APA) over the lack of progress on finance transparency. The APA’s work did not include Art. 9.5 of the agreement concerning a non-binding obligation of developed countries to report biannually on the planned level of funding. The negotiations were unblocked by a commitment from negotiators to present possible solutions to this issue during COP24 in Katowice. At the end of the Bonn summit, the issue of increasing the pre-2020 level of ambition (both financial support and mitigation) was raised, which the developed countries did not want to address. In the end, the Bonn conclusions foresee two additional reviews (once during COP24 and again during COP25) of pre-2020 actions.

The Bonn summit illustrated well the negotiating tactics of the developing countries, which raised their most important issues at the end of the negotiations, blocking the progress of the talks until they were addressed. The situation may be repeated in 2018 in Katowice, when these issues will once again be on the agenda of the political negotiations.

**Consequences of the U.S. Withdrawal from the Paris Agreement.** In June 2017, President Donald Trump announced his decision to withdraw the U.S. from the Paris Agreement. Formally, the U.S. will be a party to the agreement to 2020, which is why the American delegation participated in the Bonn negotiations. There, the U.S. delegation stuck to Trump’s declaration but also signalled the possibility of U.S. re-entry in the future. Nevertheless, the prospect of losing the U.S. as a party to the agreement negatively affected the course of the negotiations. The downscaled government delegation ceased to be the driving force of the talks, or one of China’s most important partners. In turn, the decision to halt climate finance went against the developing countries’ most important goal and stiffened positions on both sides: developing countries, which want reliable financial assurances, and developed countries, which have lost a significant payer (e.g. \$3 billion out of the \$10.2 billion pledged to the Green Climate Fund). The U.S. withdrawal turned to distrust among the parties and strengthened calls to increase the scope of the formal differentiation.

**Perspectives and Outlook.** Although the Paris Agreement was a significant diplomatic achievement, for it to become an effective tool to prevent climate change, it is still necessary to adopt provisions detailing how it will function. One or two negotiating sessions will still be held before the summit in Katowice, but the main challenge facing the Polish presidency of the summit will be to avoid an impasse in negotiations, like in Bonn. The developing countries, especially India or China, are not willing to define the NDC system or change their stances on differentiation, and developed countries, especially after the U.S. withdrawal, are not ready to make long-term financial commitments. The first facilitative talks (the Talanoa dialogue) may further strengthen these divisions. Reaching compromise on the Paris rulebook is the goal of the summit in Katowice, but without the goodwill and determination of the parties to achieve a common goal, the rulebook alone will not guarantee the necessary transparency of the NDCs and thus, the effectiveness of the Paris Agreement.

The second challenge is to develop an approach towards the United States. Allowing the U.S. to have special status that gives it an opportunity to avoid mitigation and at the same time to participate in the talks, negatively affects both the negotiations and the functioning of the agreement. Further, the U.S. withdrawal significantly changes the equation, because the rules will not apply to the largest economy in the world. Although the parties to the convention have until November 2019 to prevent the Trump administration from formal withdrawal, the issue may influence the progress of the negotiations in 2018.