COP 22 - Marrakech
A slow climb to the top

Key Points

- COP 22 made clear that the main task that lies ahead is devising rules that are inclusive and flexible in the context of environmental integrity. Ambition and transparency are essential for the successful implementation of the Paris Agreement.

- COP 22 established a timeline for negotiations on elaborating the Paris rulebook and taking initial steps on understanding how all pieces of the Paris Agreement could fit together.

- Political momentum is building up for 2018, when it is expected that the Paris Decision's work programme will be concluded, and a complete set of guidelines, modalities and procedures adopted.

- Although little progress was achieved on finance, Parties agreed that the Adaptation Fund should serve the Paris Agreement. The increased profile of the Adaptation Fund can also be partly attributed to the true African focus given by Morocco to COP 22, placing the initiative for the Adaptation of African Agriculture at the heart of the discussions.

- Workshops and events outside the negotiating rooms took centre stage, bringing together a range of stakeholders and signalling that climate change is increasingly becoming a global, multi-level and cross-sectoral regime.

- This briefing note provides a quick overview of developments in the areas of mitigation, finance and market mechanisms and REDD+ during COP 22.

Overview of progress

On 4 November 2016, the Paris Agreement entered into force less than eleven months after its adoption in December 2015. The record speed with which countries ratified the agreement and met the double threshold of 55 Parties and 55% of global emissions is unprecedented in climate policy. Enthusiasm had been damaged by the results of the US elections on 12 November, and reduced the chances of involving the US in the collaborative efforts needed to mitigate climate change. However, the pessimism surrounding the US elections did not affect the resolve of other Parties to support the Paris Agreement.

After a year of individual countries' attempts to interpret the Paris Agreement, negotiators and observers were eager to evaluate a common understanding of the text. Overall, the spirit of collegiality and cooperation that prevailed made a substantive contribution to the success of the Marrakech climate conference.

Given the early entry into force of the Paris Agreement, Parties opted to divide the work assignments for the first session of the Conference of the Parties serving as Meeting of the Parties of the Paris Agreement (CMA1) into three parts, to allow sufficient time for the negotiations and conclusion of the Paris rulebook as an entire package. Therefore, whereas part 1 of CMA1 took place alongside COP 22, part 2 will be held during COP 23 to be hosted by Fiji (but held in Bonn) in 2017. The third part of CMA1 will be convened in conjunction with COP 24, set for 2018 in Poland.

The first part of CMA1 decided on a timeline for developing the 'Paris rulebook'. Parties agreed to adopt a package of decisions that will enable full implementation of the Paris Agreement by December 2018 (at CMA1-3). The 2018 deadline coincides with the 2018 Facilitative Dialogue agreed in Paris, which will take stock of collective mitigation efforts and create momentum for increasing ambition of countries' Nationally Determined Contributions (NDCs).

December 2018 (CMA1-3) has now become the new deadline and political moment for the adoption of a package of decisions that will set the Paris Agreement in motion.

Meanwhile Parties agreed that the COP would continue to oversee the implementation of the Paris Agreement's work programme referred to in decision 1/CP.21. Substantial groundwork will be required to understand and connect together the pieces of the Paris Agreement, identifying possible links and overlaps between, for instance:

- features and further information to facilitate clarity, transparency and understanding of NDCs and general accounting of NDCs;
- the accounting of NDCs and the specific accounting provisions that may be designed for market mechanisms under Article 6 of the Paris Agreement;
- the accounting of NDCs (and market mechanisms) and the enhanced transparency framework established by Article 13 of the Paris Agreement; and
- the enhanced transparency framework, the global stocktaking exercise (Article 14), and the new compliance mechanism (Article 15) of the Paris Agreement.

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Issues related to mitigation

Going forward, the Ad Hoc Working Group on the Paris Agreement (APA) and CMA1 will continue negotiations on further guidance and upfront information to facilitate clarity, transparency and understanding of NDCs, as well as on general accounting issues. Parties will have to sort out, among others, whether further guidance on the features of NDCs is required and, if so, what would that entail, and whether NDC-related guidance should identify both common and specific information elements, bringing some measure of consistency to the diversity of NDCs while avoiding any possible interference with the voluntary and discretionary nature of NDCs.

The Subsidiary Body for Implementation (SBI) will in turn proceed with considering coordinated timeframes for NDC submissions, comparable commitment periods, and developing modalities and procedures for the operation of the NDC registry.

Furthermore, during the Marrakech conference the first mid-century climate strategies were submitted to the Secretariat. Canada indicated an emissions abatement pathway with net emissions decreasing by 80% compared to 2005. Germany has adopted a target of 80-95% reduction compared to 1990. Mexico, in turn, put forward an emissions reduction goal of 50% below 2000 levels. Although the US also presented a pathway for an emissions cut of 80% or more below 2005 levels by 2050 during COP 22, these headline figures were eclipsed by the news of the country's presidential election.

Issues related to finance

COP 22 produced little news on climate finance. Parties initiated a process to identify quantitative and qualitative information on the provision of financial resources (and which must be communicated biennially by developed countries under the Paris Agreement).

Parties did not make progress on defining modalities for the accounting of financial resources provided and mobilized by developed countries. Negotiations will resume in May at the 46th meeting of the Subsidiary Body for Technical Advice (SBSTA). In addition to promoting transparency, accuracy, consistency, and comparability in reporting support, issues to be considered will include clarity on what counts as climate finance, the need to avoid double-counting of finance, and how to integrate these modalities into the enhanced transparency framework established by Article 13 of the Paris Agreement.

It is noteworthy, however, that developing countries succeeded in the battle to have the Adaptation Fund serve the Paris Agreement, raising both the profile of the Fund and allowing it to directly contribute to the objective of the Paris Agreement related to increasing the ability of countries to adapt and foster climate resilience. According to decision 1/CMA.1, the only substantive decision of the CMA in Marrakech, and decision 1/CP.22, the APA will now begin preparations relevant for arrangements needed in governance, safeguards, and operating modalities. Parties are expected to submit their views on this topic by 31 March 2017.

There was also agreement that Parties should seek greater balance between finance for mitigation and adaptation.

Market mechanisms

Under the Kyoto Protocol track of the negotiations (CMP 12), Parties concluded the review of Joint Implementation guidelines without adopting any revisions. With respect to the Clean Development Mechanism (CDM), several issues were debated at Marrakech regarding the review of CDM modalities and procedures (in particular supplementary rules on programmes of activities and the role of designated national entities), and arrangements for appeals against decisions of the Executive Board. However, Kyoto Parties could not reach a conclusion on any of these issues in Marrakech. The main decision taken was to renew the mandate to the CDM Executive Board to simplify the CDM process and explore options for applying the CDM beyond 2020.

Discussions related to Article 6 of the Paris Agreement under SBSTA were carried out at a fairly general level, with most Parties simply restating positions already framed in their respective submissions in the lead-up to Marrakech.

Achieving consensus on the implementation of Article 6 will not be an easy task and so far negotiations have only scratched the surface of the complexities the new approaches will likely entail

On Article 6.2 – cooperative approaches on mitigation – Parties considered overarching issues such as ambition, relationship with other provisions, environmental integrity, and sustainable development. For the new mechanism created by Article 6.4, Parties laid down broader questions on how additionality, governance, and overall mitigation could work. Countries also discussed setting sequencing for rules, that is, whether rules on a project-based mechanism should be developed before or at the same time with other possible rules under the scope of Article 6.4.

It is notable that the CDM has been widely mentioned in the context of Article 6 of the Paris Agreement, with Parties highlighting what they saw as positive and negative CDM features, and the extent to which these could or should be reflected in the design of the market approaches, in particular, of the Article 6.4 mechanism.

Achieving consensus on market mechanisms will surely not be an easy task and so far Parties have only scratched the surface of the complexities these new approaches will likely entail. Countries will undergo another round of submissions by May 2017 and negotiations will restart at SBSTA 46, also in May. However, concrete decisions are not expected before 2018.

REDD+ and land-use

The framework that creates incentives to reduce emissions from deforestation (REDD+) provides the context for implementing REDD+ programs.

During 2014 and 2015, six Parties underwent the review process of their submitted forest reference (emission) levels (FREL/FRL) and lessons learned and experiences gained through this process may help inform the rule-designing process under the enhanced transparency framework of the Paris Agreement, for instance, by providing inputs for the review process of NDCs containing pledges set against business-as-usual baselines and/or of emissions levels of possible sectoral crediting mechanisms generating internationally transferred mitigation outcomes (ITMOs).

During COP 22, REDD+ came up in the context of NDCs and the collaborative approaches established under Article 6 Paris Agreement. Emphasis was placed on the importance of linking REDD+ to NDCs as countries realize that REDD+ (and land-use in general) will be crucial for achieving a balance between anthropogenic emissions by sources and removals by sinks of GHGs in the second half of the century.

Furthermore, the side event organized by the GCF and the UNFCCC secretariat titled “Green Climate Fund dialogue on REDD+ results-based payments: sharing experiences and lessons learned”, attracted a large audience, including country delegates, NGOs, researchers, private sector and community' representatives.

The GCF is now looking into ways of how to translate the Warsaw Framework on REDD+ into specific procedural and technical elements in line with the goals and criteria of the Fund, including, among others, scale of intervention, operationalization of the Cancun safeguards, predictability of funding, and the risk of double financing.

Agriculture, in turn, featured strongly in the Marrakech Action Proclamation (see below), where Parties were called on to take stringent action to deal with climate challenges in agriculture.

GCF is looking into ways of how to translate the Warsaw Framework into specific procedural and technical elements for REDD+ results-based payments.

Outside negotiating rooms

In the absence of an urgent negotiation agenda, COP 22 workshops and gatherings outside the negotiating rooms took centre stage. Several informal events brought together country representatives, subnational governments, civil society organizations, the private sector, and multilateral institutions, providing evidence that climate change is an increasingly global, multi-level and cross-sectoral topic, rather than just an international environmental concern.

In Marrakech, Parties to the UNFCCC issued the **Marrakech Action Proclamation,** a political call for the highest political commitment and worldwide cooperation to face climate change, marking a turning point towards ambitious action that draws together the entire international community.

Non-state actors also figured prominently in the **Marrakech Partnership for Global Climate Action** launched by the first High Level Champions, Moroccan Minister Hakima El Haite and French Ambassador Laurence Tubiana, focusing on an all hands on deck approach to propel climate action by Parties and non-Party stakeholders between 2017 and 2020.

COP 22 also saw the launch of an independent initiative on options for taking elements of the CDM forward under the Paris Agreement and provide a platform for interested governments and stakeholders to discuss and refine them. This “transition initiative” was launched at the German Pavilion during COP 22 in Marrakech.

Moreover, the Global Environment Fund (GEF), public and private financiers, have joined forces to set up the first private adaptation and resilience investment vehicle, the **Global Adaptation and Resilience Fund (GARF)**. The GARF will use public concessionary finance to catalyse private capital and invest in companies and technologies designed to alleviate climate-related impacts.

Morocco made sure that COP 22 is remembered as an African COP. The country placed agriculture adaptation at the heart of the discussions and presented the **Initiative for the Adaptation of African Agriculture (AAA),** promoting good practices in soil management, agricultural water use, and climate-risk management. The initiative is currently supported by 25 African countries, the UNFCCC, and the UN Food and Agriculture Organisation (FAO).

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Other relevant multi-level initiatives announced in Marrakech include the **2050 Pathways Platform**, a hub for supporting long-term climate strategies via a larger constellation of stakeholders, and the **NDC Partnership**, a coalition formed to assist developing countries in achieving their NDCs through sharing of best practices and facilitating accelerated action.

Conclusions

It became clear in Marrakech that countries still need to align their understanding of the various elements of the Paris Agreement. While there is consensus that all issues are interconnected, a clearer view of how the Paris components relate and/or overlap with each other is required before any rulemaking can actually begin, including the relationships between NDC accounting, accounting of cooperative approaches, the enhanced transparency framework, the global stocktake and the mechanism to promote compliance.

Keeping the all-inclusive approach of the Paris Agreement, finding the right balance between the centralization and decentralization of its different components, creating the right incentives for raising ambition that is rapid and steadfast, and devising an effective transparency mechanism, are the key building blocks of the new climate regime.

Above all, Marrakech showed that none of the above is possible without meaningful and sustained engagement from a multitude of stakeholders at various levels. In this emerging global climate regime, states are more and more likely to take on a facilitative approach, making it necessary for subnational governments and non-state actors to be able to lead the way in finding practical and workable solutions.