



State of negotiations on the Paris Rulebook

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Introduction to Paris Agreement and Rulebook

- Paris Agreement was adopted and opened for ratification at the 21st Conference of the Parties (CoP) to the UNFCCC in December 2015. The Agreement entered into force in November 2016.
- US announced to pull out of the Agreement on June 1 2017, actual withdrawal to take place in late 2020.
- Overarching temperature goal — to keep the increase in global average temperature to well below 2°C above pre-industrial levels, and pursue efforts to limit the temperature increase to 1.5°C, need to increase adaptive capacity and make fina
- Agreement requires countries to
 - implement domestic planning processes on various aspects of climate policy (adaptation, mitigation, finance etc.),
 - develop national targets, identify gaps or needs (through the domestic planning processes), and
 - communicate this information regularly at the international level (through various reporting requirements).



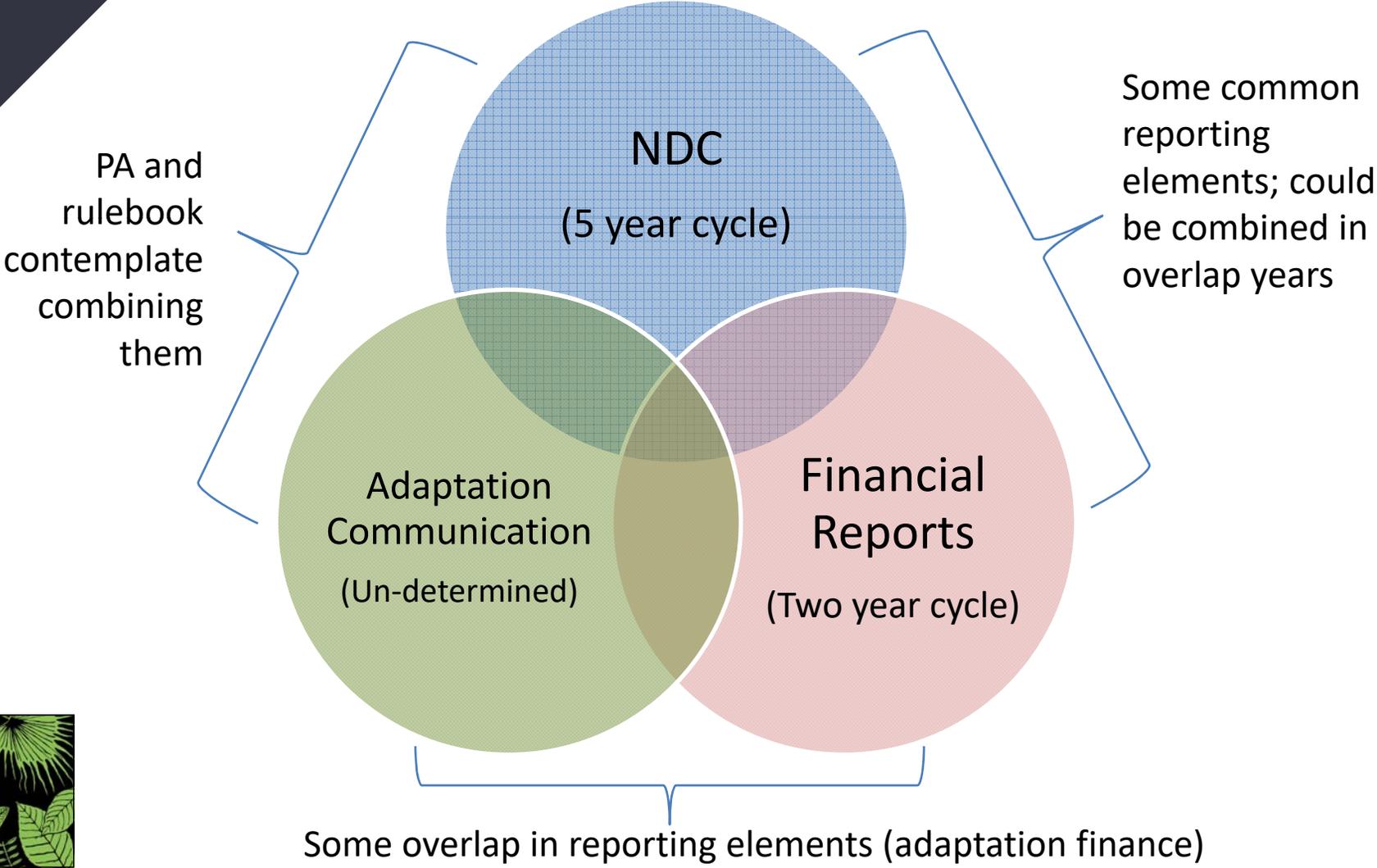


Introduction to Paris Agreement and Rulebook

- Paris Decision [paragraph 91] requested the Ad Hoc Working Group on the Paris Agreement (APA) to “develop recommendations for modalities, procedures and guidelines” (MPGs) for each subject under the agreement.
- These MPGs have been referred to as the “**Paris Rulebook**”. The current draft of the Rulebook is 307 pages long
- Guidelines described here are still subject to removals and additions by negotiators, Rulebook mandated to complete by COP 24.



Relationship between basic reporting elements





Nationally Determined Contributions (Article 4)





Nationally Determined Contributions

(basic obligations)

- Paris Agreement Article 4.2 –
 - “Prepare, communicate and maintain successive nationally determined contributions”
 - “pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions”
- Article 4.4 – Each successive NDC will represent a progression beyond the then current NDC and reflect highest possible ambition
- Article 4.9 – shall communicate an NDC every five years”
- Comparison important for meaningful assessment of NDCs.
- Parties already communicated first round of NDCs in 2015–**very diverse and heterogenous**



Nationally Determined Contributions

(reporting elements required by rulebook)

- Scope and coverage – The draft rule-book proposes to include all categories of anthropogenic emissions or removals in their nationally determined contributions
- Assumptions and methodological approaches – Including information on: how the NDC is consistent with the Party's national circumstances; separate detailed information on sector-based approaches, *quantification of emissions in tCO₂eq etc*
- Fairness and ambition – Including information on: approaches and concepts used to operationalize equity; obligation to show progress in ambition under PA Art. 4.3; developed countries' obligation to take lead under PA Art. 4.4; features of geography, climate or economy that set practical limits on ambition; link with objectives of PA, sustainable development, poverty eradication, food security and temperature goal in PA Art. 2.





Nationally Determined Contributions

(reporting elements required by rulebook)

- Proposals that countries account for their emissions in accordance with methodologies and metrics assessed by the IPCC
- Also an option on how countries intend to achieve their NDCs
- Should there be common baselines, timelines, common time frame for implementation of NDCs

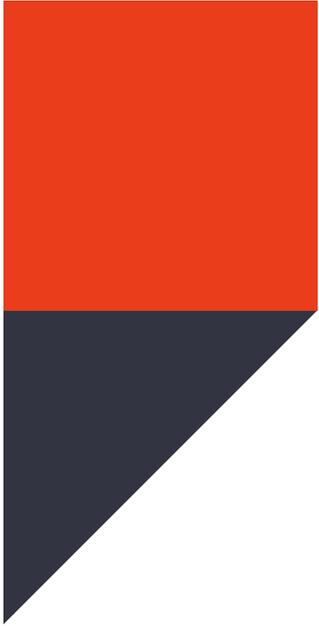




Nationally Determined Contributions

(reporting elements required by rulebook)

- Proposal for reporting requirement for other parts of Paris Agreement including adaptation, finance and market mechanisms, [NDC main reporting document](#)
- Planning processes – Including information on: relevant domestic laws, policies, legal and institutional frameworks; plans and processes; stakeholder consultations and other processes to achieve the NDC objectives; information gaps, barriers or issues faced during the NDC process.



Market mechanisms (Article 6)





Market Mechanisms

(basic obligations)

Article 6 of the Paris Agreement stipulates three provisions

- Allows Parties to use Internationally Transferable Mitigation Outcomes (ITMOs)
- Establishes Sustainable Development Mechanisms to contribute to GHG mitigations and support sustainable development
- Also creates framework for non-market approaches (now shifted to work programme post-COP 24)



Focus on environmental integrity, additionality

Market Mechanisms

(rulebook options)

Draft rulebook proposes MPGs regarding:

- **Oversight responsibility** - Parties are considering allocating the responsibility to either the CMA, a designated 6.2 body, a general Article 6 body or national entities of countries participating in the cooperative approach.
- **Measurement** – options are to either measure emission in terms of a metric tonne of CO₂e, other metrics, or other metrics that are approved by the CMA. Parties are yet to decide whether the ITMOs should be calculated based on metrics assessed by the IPCC or by parties participating in cooperative approaches.
- **Form of ITMO** – Parties view the ITMO to take the form of either a) a unit with a unique serial number, b) a net flow between participating parties during a certain period, c) an amount recorded in a database or d) a non-freely tradable unit. Parties are also considering a combination of the aforementioned options for ITMOs' form
- Status of CDM projects and their integration into the new regime





Market Mechanisms

(rulebook options)

Draft rulebook proposes MPGs regarding:

- Corresponding adjustments: How and when to make the adjustments
- Limits on use towards achievement of NDCs: Should there be limit on the use of ITMOs towards achievement of NDCs
- Countries are also discussing the participation requirements and responsibilities of Host Parties



Market Mechanisms

(rulebook options)

Parties required to report (in NDCs and transparency reports) on:

- How it has ensured that the requirements set out in the definition of environmental integrity have been met;
- How it has ensured that the ITMOs used towards achievement of its NDC will not be further transferred, acquired or used (e.g. through cancellation, retirement of such ITMOs);
- How it has ensured environmental integrity of cooperative approaches;
- How the cooperative approaches support implementation of its NDC and/or the mitigation of greenhouse gas emissions;
- How the cooperative approaches foster transition to a low emissions economy
- How the use of ITMOs promotes sustainable development in the creating Party
- How the creation, first transfer and use and/or transfer and acquisition of ITMOs avoided environmental harm;
- How the creation, first transfer and use and/or transfer and acquisition of ITMOs avoided a violation of human rights;
- How the creation, first transfer and use and/or transfer and acquisition of ITMOs avoided negative social or economic impacts on any Party.





Adaptation communications (Article 7)





Adaptation

(basic obligations)

- Paris Agreement establishes a “global goal of adaptation” to reduce vulnerability and enhance adaptive capacity.
- Also mentions that Countries shall engage in (domestic) adaptation planning processes and the implementation of actions, including the development or enhancement of relevant plans, policies and/or contributions
- Countries should submit and update periodically an adaptation communication, which may include its priorities, implementation and support needs, plans and actions
- AC can be submitted independently or in conjunction with other reports , such as national communications, NDCs, or the transparency report



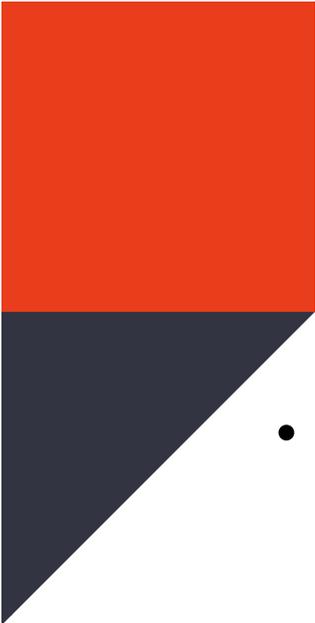


Adaptation

(reporting elements indicated by rulebook)

- National circumstances, including population, levels of development, legal frameworks and institutional arrangements, as appropriate.
- Expected impacts, risks and vulnerability assessments, and adaptive capacity
- Adaptation priorities, policies, plans, actions, strategies, programmes, resilience-building activities, national goals related to adaptation, and expected results, as appropriate.





Adaptation

(reporting elements indicated by rulebook)

- Barriers for implementation of adaptation, challenges, and gaps, good practices and learnings
- Cooperative efforts towards adaptation at different levels
- Indicative projected levels of public financial resources to be provided by developed country Parties to developing country Parties, including finance, technology and capacity building.
- Traditional knowledge or community-based adaptation climate change and local communities' involvement.





Adaptation

(reporting elements indicated by rulebook)

- Challenge is to strike a balance between presenting comprehensive reporting needs without extra planning and burden, especially for developing countries
- Parties need to decide on timeline of submission of adaptation communication and its relation to other reports as national communications and NDCs, **relation yet to be established**





Reporting on Finance (Article 9)





Finance

(basic obligations)

Ex-post reporting
requirement
(Article 9.5)

Ex-ante reporting
requirement
(Article 9.7)

Developed countries shall biennially communicate indicative quantitative and qualitative information [on financial support] including, as available, projected levels of public financial resources to be provided to developing countries; and provide transparent and consistent information on support for developing countries provided and mobilized through public interventions.

Non-developed countries who are providing finance are “encouraged to”





Finance

(reporting elements required by rulebook)

- Methods used to determine the climate-specificity of the finance provided.
 - PA requires that climate finance is “new and additional”; climate-specificity helps establish whether this commitment is being met.
- Instrument (grants/loans /other) and the grant-equivalent value of the finance provided
 - Ensures that loans are appropriately discounted to reflect the actual amount of support that is being provided.



Finance

(reporting elements required by rulebook)

Distinguish between “public” finance (which is provided out of government budgets) and private finance. When including private finance in their reporting, report on how this private finance has been “mobilized” by public funds.

- \$100 billion target in Paris Decision is primarily an obligation on developed country Governments. Refers to public finance and finance ‘mobilized’ by public funds, i.e. through, for example, co-financing or tax incentives.
- Definition and quantification of ‘mobilized’ private finance still very contested.
- Other important elements - reporting on:
 - A) “channel” of finance (bilateral assistance, multilateral institutions etc.)
 - B) how needs and priorities of developing countries have been taken into account
 - C) how the finance provided is balanced between mitigation and adaptation.





Enhanced Transparency framework (Article 13)



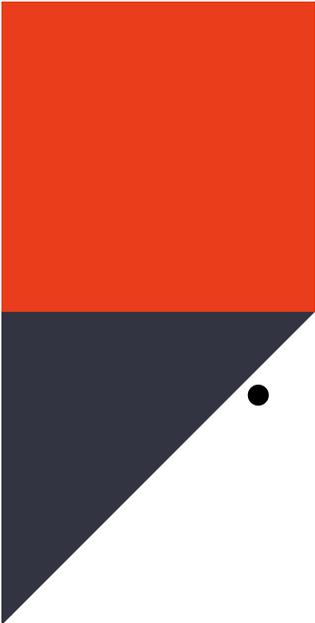


Transparency

(basic obligations)

- Countries should regularly report on:
 - A **national inventory report** of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties serving as the meeting of the Parties to this Agreement; and
 - Information necessary to track **progress made in implementing and achieving their NDCs**.
- **Frequency:** draft rulebook currently indicates that transparency report is to be submitted biennially
- Information submitted by each Party under paragraphs 7 and 9 of this Article shall undergo a **technical expert review**,





Transparency

(reporting requirements indicated in rulebook)

- Regarding GHG inventory
 - Information on national circumstances and institutional arrangements
 - Information on methodologies, parameters and data
 - Built in flexibility– Parties might have to provide reasons for availing flexibility, or could be applied to only LDCs and SIDS.





Transparency

(reporting requirements indicated in rulebook)

- Regarding GHG inventory (continued)
 - Time series consistency and recalculations
 - Use the same methods and consistent approach to data reported every year. Can extrapolate/interpolate if date is not available for certain years. Perform recalculations according to IPCC guidelines.
 - Uncertainty assessment
 - Estimate the uncertainty for all source and sink categories, GHGs between the base year and the latest inventory year. Parties are also encouraged to explain errors.





Transparency

(reporting requirements indicated in rulebook)

- Regarding progress on NDC
 - **national circumstances** including -
Government structure; Population profile;
Geographical profile; Economic profile;
Climate profile;. Sector details
 - **Institutional arrangements** section,
information on Institutional arrangements
need to be mentioned which are used to
track progress for NDCs and for tracking
ITMOs.





Transparency

(reporting requirements indicated in rulebook)

- Regarding progress on NDC
 - **Qualitative and/or quantitative indicators** relevant to tracking progress of NDCs. Egs.: Percentage reduction of [net] GHG emissions below a specified base year, base period, baseline; percentage reduction of GHG intensity below the specified base year or base period;
 - **Information on achievement** of the Party's NDC under Article 4 for the target year/period, including accounting approach
 - **Projections of greenhouse gas** emissions and removals





Transparency

(rulebook procedures for review of information reported)

- Technical Expert Review (TER) is an evaluation of reporting, will not make political judgments, or comment on adequacy of domestic action, or the adequacy and appropriateness of the country's NDC itself
 - TER) will start within 8 weeks of submission of information and the secretariat will inform the party of the planned review 14 weeks in advance of the review.
 - A TER team will be composed at least 10 weeks prior to the review
 - Any preliminary questions to the party by 4 weeks in advance of the review.
 - Secretariat will coordinate consultations between the team and the party
 - At the end of the review, the TER team will communicate draft findings, recommendations to the party.
 - Draft of the review can be sent for comments to the party within 1 or 2 months of the review and returned back by the party within 1 or 2 months after receipt.





Global Stocktake (Article 14)





Global Stocktake

(basic obligations)

- For periodically take stock of the implementation of this Agreement to assess the collective progress towards achieving the purpose of this Agreement and its long-term goals, **in accordance with equity and best available science**
- First global stocktake in 2023 and every five years thereafter





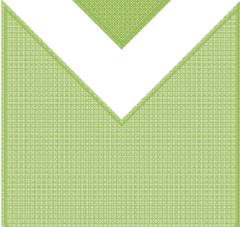
Global Stocktake

(process contemplated by rulebook)



- **Inputs phase**

- 2 years to 6 months before COP/CMA in GST year



- **Technical assessment phase**

- 2 years to date of COP/CMA in GST year



- **Consideration of outputs phase**

- At COP/CMA in GST year (first one in 2023)



Global Stocktake

(inputs required to be collected by the rulebook)

- **INPUTS PHASE** to begin two years before year of stocktake (i.e. 2021 for 2023 stocktake) and end at least 6 months before
- Collect inputs on:
 - Overall effect of parties NDCs; State of adaptation efforts, supports and communications; Mobilization and provision of support; Finance flows globally consistent with climate resilient development pathway; Mitigation efforts from transparency reports; regional impacts; Loss and damage; Social and economic impacts of response measures; Economic diversification and adaptation resulting in mitigation co-benefits; Barriers and challenges ;Good practices and potential opportunities; reference benchmarks or indicators
- UN Climate Change Secretariat to prepare synthesis report(s) based on the above inputs





Global Stocktake

(rulebook proposals for technical assessment of inputs)

- **Technical assessment phase** could follow input collection phase or run parallel to it. Needs to conclude before or at COP at which GST will occur (i.e. first technical assessment should be done by 2023 COP).
- Will either comprise of a series of technical dialogues between parties, expertise and other input providers, OR be carried out through one interactive technical dialogue that will consider all thematic areas
- Output of this phase – Report to be prepared by either the Secretariat OR SBSTA/SBI joint contact group OR committee consisting of the Presidencies, the Chair of the SBSTA and the Chair of the SBI
 - Intended content of such report(s) not yet clear; could be either be neutral (largely descriptive) OR could include recommendations





Global Stocktake

(rulebook proposals for consideration of outputs)

- **Consideration of outputs phase** to occur at COP in 2023 (and every five years thereafter)
- Will consist of a high-level event(s) where the findings from the Technical Assessment will be presented and their implications discussed
- Outcome of this phase will be contained in a report/decision/statement/declaration (to be decided) and is supposed to:
 - Identify gaps on collective progress and how to close these gaps; measures and good practices to enhance action, support and international cooperation;
 - Summarise key political messages agreed by all Parties, including general policies and recommendations from the event(s)





Loss and Damage Art 8

(rulebook proposals for consideration of outputs)

Separate section on loss and damage associated with adverse impacts of loss and damage . However mentions that this provision does not involve liability and compensation

- A separate forum –Warsaw International Mechanism (WIM) to deal with loss and damage. Focus on technical paper on finance for loss and damage and displacement; highly neglected issue at negotiations
- However, references of loss and damage in different elements of rulebook,
 - Transparency—countries to report on economic losses, extreme weather and slow onset events, early warning systems,
 - Global Stocktake— as source of input
 - Adaptation communication—loss and damage incurred and projections



Conclusion

Challenges

- How to avoid duplication of reporting requirements?
- Finance issues are resolved
- Paris Rule Book is fair and robust, considering US obstructionist presence
- How should IPCC 1.5 degree C inform Rulebook negotiations?
- Overall ambition raised?

