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# **Good signs, bad signs.**

## **An Initial Assessment of the Marrakech Climate Conference**

## 1 Overall Situation

From 7 to 18 November 2016, the twenty-second Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change (UNFCCC) took place in Marrakech. Due to the rapid entry into force of the Paris Agreement, Marrakech also hosted the first Conference of the Parties serving as Meeting of the Parties to the Paris Agreement (CMA1).

The election of Donald Trump to the US Presidency was a shock for the international climate negotiations that cast a considerable shadow over the further proceedings. Trump had in the past called climate change a “hoax” invented by China and announced to “cancel” the Paris Agreement and to dismantle US climate policy. There is thus some reason to presume that the US will withdraw from international climate policy, or may even start to actively sabotage the international process.

However, over the course of the conference all other Parties signalled that they were continuing to take the Agreement serious and were not going to be deterred by the election of Donald Trump. This is reflected in the final declaration of the conference, the Marrakech Action Proclamation (MAP). In the very first paragraph the Proclamation signals “a shift towards a new era of implementation and action on climate and sustainable development.”

Apart from these rhetorical signals there were also more tangible indications that the majority of countries remains committed to the Paris Agreement. Notable in this context are, for example, the long-term decarbonisation strategies presented by a Canada, Germany, Mexico and the USA in Marrakech (in the US case presented by the outgoing Obama administration). In addition, 22 countries, numerous cities, regions and companies established a “2050 pathways platform” and announced their intention to develop such strategies. There was also some hope that sufficient numbers of further EU countries will develop such strategies to put pressure on the EU as a whole to strengthen its plans, preferably prior to 2018. As the US will no longer be a driver of the process, global climate policy urgently needs an ambitious EU.

A further highlight was the declaration of the Climate Vulnerable Forum (CVF), an association of countries that are most vulnerable to the impacts of climate change. This includes the small islands states and the least developed countries. All 47 member countries announced their intention to shift to 100% renewable energy as soon as possible. While the share of global emissions of these countries is relatively small, this announcement of the world’s poorest countries overturns the traditional assumption that ambitious climate action is incompatible with economic development and poverty alleviation.

Marrakech also continued the trend of the growing importance of non-state and sub-national actors (municipalities, provinces, federal states). The Marrakech Action Proclamation emphasises their role prominently. In addition, at the initiative of the so-called high-level champions Laurence Tubiana (France) und Hakima El Haite (Morocco) the Marrakech Partnership for Global Climate Action was established to better structure such contributions.

Overall, the Paris Agreement seems to be fairly resilient to the shock of the US election. The transformation dynamic continues to be there. In the immediate future, it

will be important if and how this dynamic may be further channelled by the UNFCCC and the Paris Agreement without (or maybe even against) the US.

## 2 Negotiation Issues

### 2.1 Implementing the Paris Agreement

Due to the rapid ratification of the Paris Agreement by the US – which President Obama had signed prior to the election to be on the safe side – and China (which had agreed on a joint approach with the US), the global ratification process was sped up tremendously and the Agreement entered into force already on 4 November 2016, in time for the start of the Marrakech conference. Nobody had expected this one year ago in Paris – the entry into force of the Kyoto Protocol, by comparison, had taken eight years. In fact, this success posed some procedural challenges as the detailed “rulebook” for the implementation of the Agreement was supposed to be adopted at CMA1. Because CMA1 already convened in Marrakech it had not been possible to prepare these decisions.

A solution was found by formally suspending CMA1, continuing it in a second phase at the end of 2017 and formally ending it only in 2018 (phase 3). At the same time, this decision marks the most significant progress made in Marrakech on implementing the Paris Agreement: the Parties adopted a detailed work programme for the “fine print” of the Agreement as well as a clear timetable. (Preliminary) decisions on substance were not taken in Marrakech. However, this had not been expected and would have contravened the governing principle of “*nothing is agreed until everything is agreed*”.

After the resolution of this “luxury problem” of rapid entry into force, the further negotiations will now have an important advantage compared to the Kyoto negotiations: As the Agreement has entered into force, there is no risk that ratification by important countries will need to be “bought” by concessions in the fine print.

2018 will be the next important moment for international climate policy for another reason as well: The so-called “facilitative dialogue” is scheduled for this year. This dialogue sets the framework for countries to re-assess and strengthen their national contributions against the background of the IPCC special report on the 1.5°C limit. Civil society is already beginning to build pressure for this moment of public awareness. The declaration by the Climate Vulnerable Forum does not only contain a commitment to 100% renewable energy, but also a promise that these Parties want to re-assess and strengthen their contributions as quickly as possible. Argentina already started this re-assessment process.

### 2.2 Climate Finance

The industrialised countries have drawn their lessons from the fiasco they suffered in Paris from the assessment of their financial contributions. In the run-up to the Paris conference, a report by the OECD and the Climate Policy Initiative had attested that industrialised countries had made strong progress on the way to mobilising 100 billion US\$ annually by 2020. However, this report was sharply criticised by developing

countries due to strong methodological discrepancies, which made adding up individual provisions of countries highly questionable. The new “roadmap” for meeting the 100 billion target is much more differentiated and apparently also finds more agreement among developing countries, though many lament the obvious imbalance between resources for mitigation and adaptation.

However, there continues to be the question of how global climate finance will in future be accounted and assessed. The CMA still has a lot of work ahead in this respect. There were initial discussions in Marrakesh but with little result.

## 2.3 Adaptation

Financing of adaptation measures is still not ensured. However, in particular for developing countries this is an important building block. In Marrakech, the controversies in this regard revolved around the future of the Adaptation Fund. Until the very last moment Parties argued about whether and how this Fund, which was established under the Kyoto Protocol, could be transferred to the Paris Agreement. Some industrialised countries raised formal objections against such a transferral (the Fund is financed by a levy on the Kyoto Protocol’s Clean Development Mechanism (CDM)), which are, however, not very cogent (the CDM is only one form of financing). This discussion substantially darkened the mood of poorer countries in Marrakech. At the last minute, however, Parties decided that the Adaptation Fund should also serve the Paris Agreement.

## 2.4 Cooperative Mechanisms (Art.6)

There was a very informative exchange of views on possible cooperative mechanisms under Art. 6 of the Paris Agreement. However, opinions on their future design are very far apart. Some countries essentially want a continuation of the CDM, others focus on linking domestic emission trading systems, many South American countries would prefer not to have any market-based cooperation whatsoever. Questions of governance (pro and contra central oversight) and the accounting of emission transfers were particularly controversial. The exchange will be continued at the intersessional meeting in May 2017. Overall, however, it became clear that the introduction of these instruments should not be expected in the immediate future.

## 3 Conclusions

Overall, the mood in Marrakech was positive after the initial “Trump bump” and Parties worked constructively. It remains to be seen which turn US international climate policy will take. Even if the US does not withdraw from the UNFCCC, they are very likely to drop out as a progressive cooperating partner. It is therefore extremely important for the international process that the driver’s seat does not remain vacant. Germany is expected by many to be a progressive voice within the EU, but it could and should also take a leading role during its G20 Presidency next year. China could also fill the vacuum, given its high self-interest in climate protection and strong influence on many developing countries. However, the task is not only to fill the leadership vacuum, but also the hole in climate finance that the US will very probably leave.

A further promising approach is the further strengthening of non-state and sub-national actors in the process. Especially the US is home to a strong movement of progressive states, such as California and some East Coast states, local communities and companies. If it was possible to integrate such actors more firmly into the international process, this could considerably reduce the gap likely to be left by the US federal level. The recognition of such initiatives has continuously increased, but so far there have been no ways and means to entwine these activities with the formal negotiation process.

The impacts of the US election on the international negotiations will only manifest themselves in the course of next year – whether the good or the bad signs will prevail. It should become visible rather quickly whether the new administration will actually try to actively torpedo the process. On the other hand, it remains to be seen how the other Parties will react. That is, whether the fighting spirit of Marrakech will abide – the negotiating mandates for Marrakech were determined before the US election. The negotiation mandates for the next intersessional meeting in May will already provide an indication of the length of the US election shadow.

Should the US under Trump actually obstruct the international negotiation process significantly, alliances of frontrunner states that cooperate within and outside the UNFCCC and the Paris Agreement and strengthen their efforts will be more important than ever. Some such alliances entered the limelight in Marrakech already. This includes the “high ambition coalition” with its statement directly after the US election, the Climate Vulnerable Forum with its “Marrakech Vision”, and the “2050 pathways platform” of countries that intend to develop long-term strategies.

## 4 Next Negotiation Rounds

The next COP will take place under the presidency of Fiji in Bonn. Bonn is relatively small as a venue and has limited capacity for temporary expansion. One may therefore expect that significantly less participants than this year will be admitted, which usually comes at the expense of civil society.

Poland applied once again for the following COP24 in 2018 – this would be the third COP in Poland in 10 years. The previous Polish COPs are not remembered as historic milestones, as Polish policy is latently climate sceptic and pro-coal. A strong presidency would, however, be of utmost importance for the 2018 COP, the first real stocktake of current efforts by all Parties (facilitative dialogue).

*The Wuppertal Institute will publish a detailed analysis of the Marrakech conference in December.*