



# COP24 in Katowice

MANUAL

Forum Energii is a Polish think tank forging the foundations of an effective, secure, clean and innovative energy system.

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# Foreword

Poland will host the climate summit for the fourth time, and has invited negotiators from around the world to Katowice. The Paris Agreement implementation rules will be outlined this year, which is of fundamental importance to the joint global effort towards climate protection. From Poland's perspective, it is important to ensure that action is taken world-wide – this is the only way to share costs fairly and act efficiently.

On account of the Paris Agreement rulebook to be prepared at the summit, the conference in Katowice will probably be the most important COP organized by Poland thus far. Hosting a global climate summit is a highly prestigious and responsible task. It creates an opportunity to show Poland as a country capable of effectively moderating global negotiations and tending to the interests of the global community. This approach will have a significant impact on the international role and effectiveness of Poland in the UN Security Council, among others.

For this to happen, the following four tasks should be accomplished at COP24 in Katowice:

- developing the Paris Agreement implementation guideline (the so-called rulebook),
- supporting the implementation of the Talanoa Dialogue,
- promoting the Polish initiative that will inspire other countries and will permanently enter into the global climate agreement,
- organising the summit efficiently.

With this manual we hope to support the implementation of the third task outlined above. Promoting the Polish initiative requires the commitment and cooperation of many Polish entities: the government administration, business, and non-governmental organisations – which the international community pays particular attention to in this process. This task could be successfully fulfilled by showing new perspectives for the Polish energy sector and efforts aimed at improving air quality. Counteracting smog is also associated with climate protection. And such activities are part of Forum Energii's mission.

We present to you the COP24 manual. It is worth familiarizing oneself with the behind-the-scenes of negotiations that the global community will witness in December.

I hope that this manual will be of support for the Polish Presidency of COP24.

Yours faithfully  
**Joanna Maćkowiak Pandera, PhD**  
President, Forum Energii

## 2. Introduction

The climate summits, referred to as Conferences of the Parties (COPs), are part of the global negotiating process under the United Nations Framework Convention on Climate Change (UNFCCC). In this process, governments strive to agree on global actions which will limit the average global temperature increase and the resulting climate change. Following the recommendations of the convention's main scientific advisory body, the Intergovernmental Panel on Climate Change (IPCC), the 2015 Paris Agreement set the increase threshold at 2° Celsius (the 2°C goal) and encouraged efforts to stop it at 1.5°C.

The COPs are organised annually in different countries. In 2018, Poland, as the representative of the Eastern European Group, will host COP24 in Katowice on December 3-14. Representatives of 196 governments and the European Union will gather for the negotiation process. It is also expected that around 20,000 participants will join the negotiations and witness the international effort to adopt long-term decisions impacting the global climate change policy landscape. Therefore, due to the level of complexity of the negotiations and their political implications, Poland as the COP24 Presidency will face the challenging task of delivering a successful outcome of the summit.

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COP24 is perceived as one of the most important climate summits in years. Two key goals for this summit are:

- Adopting the rulebook – a detailed guideline for the implementation of the Paris Agreement;
- Organising the high-level facilitative/Talanoa Dialogue meeting to sum up current climate actions and encourage more ambitious targets in the future.

All decisions taken at a COP are unanimous. With 196 governments representing their national interests and other, non-governmental stakeholders, trying to influence the process, reaching a global agreement is a formidable challenge. The stakes are high as the implementation of global goals will take place on regional and national levels. It is therefore clear that, with time, the COP decisions will have a tangible effect on European and Polish legislation, in particular in the energy sector.

Besides governmental delegations, the COPs draw attention of non-governmental groups and business organisations which assess the event, attempt to influence it, and use it for other strategic purposes, such as planning for future actions and investments, as well as marketing.

## 3. COP24 in Katowice

### 3.1. Organizational issues

The summit embracing the meeting of three supreme decisive bodies COP24/CMP14/CMA1 (COP24 in short) and their subsidiary bodies will be organized between 3-14 December 2018 in Katowice.

The summit will be preceded by at least a week of coordination meetings for negotiating groups and other preparatory meetings. Additionally, on 22-24 October, as in the case of previous COPs, the COP24 Presidency organises a pre-COP: it invites ministers of chosen countries to meet, discuss, and give a good political signal ahead of the summit. The pre-COP will be accompanied by Business Days (22-23 October).

Table 1: COP24 agenda

COP first week: Monday-Saturday (3-8.12.2018)
Mainly technical negotiations with various groups meeting under COP/CMP/CMA/SBSTA/SBI/APA and preparing documents to be adopted during plenary meetings.
Free Sunday – also used for environment-related discussions and meetings (09.12.2018)
COP second week: Monday – Friday* (10-14.12.2018)
<p>Only the most difficult issues remain in negotiation</p> <p>High-Level Segment</p> <p>Ministers** decide on unresolved issues</p>

\*If the negotiations are difficult, the summit finishes with a plenary meeting, quite often after (a day or two) the official ending date. This can be expected at COP24 in Katowice.

\*\*Some countries may be represented above ministerial level – with their heads of state and government.

During the whole 2 weeks, governments and other organisations can organise side events: small open meetings, up to 90-minutes long, to present their achievements, ideas, plans or programmes.

## Participation

Judging from the last years experiences, the COP24 can expect around 20,000 participants. The participants who are not in national delegations, called non-party participants/stakeholders, are present at the COPs and are categorised into three types:

- The United Nations system and its specialized agencies
- Inter-governmental organizations (IGOs)
- Non-governmental organizations (NGOs). The NGOs represent a broad spectrum of interests, and embrace representatives from business and industry, environmental groups, farming and agriculture, indigenous populations, local governments and municipal authorities, research and academic institutes, labour unions, and other groups.<sup>1</sup>

With only governmental delegates taking part in actual negotiations, the observers come to witness and/or influence the negotiations in directions coherent with their statutory aims. What has changed, is not only their number which has also been increasing and often exceeded the number of parties' delegates.<sup>2</sup> The climate summits have evolved to gradually award them with more visibility on the main fora of the process, organising joint events and debates, thematic days, and encouraging them to present their views in a manner similar to those of the parties. The „Climate action zone” used to display sustainable businesses and technologies is currently considered to be an indispensable part of the COP. Also other actions, such as demonstrations and marches, are a traditional part of COPs and allow the venting of emotions which cumulate among its participants.

*Due to security reasons, all participants of COP must be registered in the United Nations system as PARTY/UN/IGO/NGO and possess a badge indicating their status.*

The registration of all participants serves also other purposes: it allows to estimate the potential space needed for their participation and prepare adequate amenities. Therefore, the registration process for COPs begins long before the summit itself. The registration procedures and preparations are steered by the Secretariat in Bonn: more information is on the website: [www.unfccc.int](http://www.unfccc.int).

<sup>1</sup> UNFCCC, 2018, available at: [http://unfccc.int/parties\\_and\\_observers/observer\\_organizations/items/9524.php](http://unfccc.int/parties_and_observers/observer_organizations/items/9524.php)

<sup>2</sup> UNFCCC, 2018, available at: <https://cop23.unfccc.int/index.php/process/parties-non-party-stakeholders/non-party-stakeholders/statistics-on-participation-and-in-session-engagement>

### 3.2. COP24 in Katowice – its main aims and what to expect

Table 2:

The Success of COP24 in Katowice	
2 tasks set in 2015 steered by the CMA (supreme body of the Paris Agreement)	
<p>1. The rulebook</p> <ul style="list-style-type: none"> <li>· adoption of implementation guidelines for the Paris Agreement's</li> </ul>	<p>2. The facilitative/Talanoa dialogue</p> <ul style="list-style-type: none"> <li>· organisation of high-level meeting summarizing up-to-date global efforts</li> </ul>

#### The rulebook

A set of over a dozen highly interconnected, technical and, at times, political decisions which need to be agreed to unanimously by all parties to the Paris Agreement (also called Paris Agreement work programme (PAWP)). In other words, these are the actual implementation rules which will make the new, post-2020 system work in all areas: emission reductions (so-called mitigation), adaptation, capacity building, technology transfer and financing.

***The rulebook will indicate in detail which actions, in what form, on what basis, when, and by whom, should be taken under the Paris Agreement, meaning the whole post-2020 period.***

The more technical issues include i.a. accounting for emissions, their reporting and verification, synchronisation of submission of NDCs. On the political side one can expect a heated discussion on how to organize the global actions' sum-up event which will take place every 5 years starting from 2023 (the Global Stocktake) or how to increase international cooperation with relation to, i.a. climate financing. Negotiations of the rulebook at COP24 is expected to be the most complicated and most probably dramatic, part of the COP24 summit in Katowice.

#### The facilitative/Talanoa Dialogue

A process which began in January 2018, will have its high-level final in Katowice. It will take a form of discussion in roundtables among the ministers.

***The aim of the facilitative/Talanoa Dialogue is to review the to-date actions against climate change as a whole (e.g. emission reduction targets, innovative policies and solutions), assess their results, and encourage parties and non-state actors to do more, both before and after year 2020.***

This dialogue will discuss information coming from science (including an IPCC special report on 1.5°C) and other views submitted by parties and non-party stakeholders. It is bound to draw the attention of high-level officials and media, making COP24 an extremely attractive event. The result will be a summary of key messages from the discussions prepared by COP23 (Fiji) and COP24 (Poland) presidencies. Some countries may take those key messages as basis to increase their 2025 or 2030 targets.

### **The stakes of the play**

The final negotiations at COP24 are expected to be very difficult due to high level of interlinkages between the topics, and their long-term significance for global climate policy, as the changes in the implementation rules may lead to actual changes in the classification of countries. For example: countries, who in the past were not obliged to undertake specific actions, like financing or detailed reporting, may accept new responsibilities as part of the general bargain. This means that the core of negotiations is no less but the actual change of the system and its old (1992), simplistic division between the developed and developing countries. The new one will need to be more flexible, to take into account current and possible future changes in the global economy.

Because of the above, the current climate negotiations have a chance to influence not only the climate and energy policy all over the world, but the whole United Nations system as well. This may happen by showcasing how countries can go beyond their formal developmental classification in other areas of international policy. The Paris Agreement can actually set a successful example for all other multilateral processes. However, for that to happen, it has to be fully implemented and start its functioning no later than in 2020. The achievement of this goal is relying, to great extent, on the results of COP24 in Katowice.

***The aim of the facilitative/Talanoa Dialogue is to review the to-date actions against climate change as a whole (e.g. emission reduction targets, innovative policies and solutions).***

## What not to expect

It is not very probable, that new emission reduction targets will be announced by governments at COP24 in Katowice. The country delegates will be focused mainly on securing good results in the rulebook negotiations and facilitative/Talanoa Dialogue discussions.

## 3.3 Other important issues discussed at COP24

### Loss and damage

There are many issues which are deemed important as determined by national perspectives and circumstances. Countries most vulnerable to the tragic effects of climate change will stress the issue of the loss and damage mechanism, which helps understand and assess actual damage happening on the ground.

### Response measures

This is a process assessing the interlinkage between climate policies of developed countries and their negative impacts on economies of developing countries, especially those dependent on oil.

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The role of **land and forests** (LULUCF, REDD+) in limiting climate change is also bound to be stressed by many. The list of issues which can appear in discussions is not finite, and may include: agriculture, gender, just transition, human rights, rights of indigenous peoples, participation of NGOs in the negotiations and so on.

### Financing

One of the most difficult issues to discuss has always been financing of climate action. The current goal is \$100 billion climate finance per year by 2020 to be mobilised by the developed countries to support developing countries. For the post-2020 period a new one will need to be agreed upon. The new climate finance target will certainly be a decisive bargaining chip at COP24, and a part of a political agreement sealing the implementation package.

Apart from the above, the discussion on climate finance is also conducted on other levels. Over the years, the discussions have included increasingly more non-governmental representatives, seeing input banks, business, industry and other institutions dealing with investments. Before COP21 many of these institutions announced their own internal or external initiatives and targets. Their interest in the negotiating process, including formulation of the definition of climate-responsible financing, is expected to further increase.

## The future membership of the United States of America in the Paris Agreement

The position of the U.S. may have a significant impact on the atmosphere of COP24. The U.S. remains one of the biggest economies, emitters and donors. In 2017 President Trump announced that the U.S. would withdraw from the agreement. However, this withdrawal can only come to effect after 4.11.2020.<sup>3</sup> and would become valid only after the next Presidential elections in U.S. This allows for speculations on the future decision of the next American administration.

*Practically and legally speaking, the U.S. will remain in the Paris Agreement until November 2020, and will fulfil all its commitments and participate in negotiations.*

## 4. Poland and its roles in the negotiating process

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At COP24 Poland will be present in the negotiations in its 3 roles:

1. A party to the convention, Kyoto protocol and the Paris Agreement,
2. Member state of the European Union,
3. COP24/CMP14/CMA1 Presidency.

### 4.1. Poland as a party to the convention, Kyoto protocol and the Paris Agreement

Poland's national delegation to the climate negotiations usually consists mainly of representatives of governmental institutions lead by the Minister of Environment as the head of delegation, and his deputy from the same ministry.

Although the head of the delegation can decide to include representatives of other, non-governmental, in the national delegation, the core negotiating team usually consists of experts from the Ministry of Environment, Ministry of Finance, Ministry of Foreign Affairs and the National Centre for Emissions Management (KOBiZE). These experts participate in the climate-related meetings throughout the year. During UN meetings and summits they take part in negotiating formal and informal meetings and deliver information and work on relevant documents and strategy to be adopted by the head or – in the case of COP24, deputy head of delegation. Other members of the delegation usually also have designated roles, such as media contacts, outreach and schedule maintenance or strategic advice.

<sup>3</sup> 3 years after the Paris Agreement entered into force and 1 year after a formal note of withdrawal can be formally submitted to the United Nations

At the majority of COPs, the minister is usually not present for the entirety of the negotiating session. The strategic decisions are taken by the deputy head of delegation, who also usually leads the Polish delegation at the EU coordination level.

For every global negotiating meeting the Polish government prepares a negotiating instruction which states the main points of Polish interest. It provides conditions and guidelines for possibility of changing the Polish position in course of the negotiations. The Polish delegation is obliged to follow the instruction at all times. The negotiation strategy of the Polish delegation is discussed at daily coordination meetings. Participation in those meetings is described in detail, but a special invitation to other individuals can also be issued by the head or deputy head of delegation.

In order to promote its interests in Europe and at a global level, the Polish national delegation not only discusses issues in coordination with EU, but also organizes and participates in numerous multi and bilateral meetings. These meetings can relate directly to negotiations but can also have a “business” component – presenting Polish companies, technologies and programmes. It is worth noting, due to the requirement of impartiality, such an approach would be completely unacceptable for the COP24 Presidency team.

#### 4.2. Poland as a member state of the European Union

The EU Member States and the EU agreed to together fulfil climate targets together under the Kyoto protocol and the Paris Agreement. The EU itself is classified in the negotiation process as regional economic integration organization, which is the party to the Convention, Kyoto protocol and the Paris Agreement, and is represented by the delegates from the European Commission.

***In the climate negotiations, the EU and its member states agreed to be represented by chosen individuals who are speaking on their behalf – the “one voice” principle.***

These individuals are mainly representatives of the EU Presidency and designated “main negotiators” with relevant experience and skills. This is why Poland itself does not speak at the global level, its position is clearly expressed during internal EU coordination process.

The EU’s position for UN climate negotiations is a result of negotiations between its Member States, the Commission, and of the constant developments on the global level to which the EU needs to react. The changes in the EU negotiating strategy cannot, however, go beyond negotiating guidelines agreed by the Ministers of the Environment at the EU Environment Council (ENVI Council Conclusions), or, in more crucial matters, beyond the agreement reached by EU leaders at the European Council (European Council Conclusions).

During the COP, the daily morning EU coordination is led by the EU Presidency (Austria in the second half of 2018) which is also responsible for organising the coherent and efficient functioning of the whole EU member states during and between the UN climate negotiation meetings. This includes finding internal compromises in regard to the EU's position, presenting it publically, showing initiative in international relations, and arranging the whole preparation process to that end. EU Presidency representatives also take part in or lead multiple expert groups dealing with specialised topics under negotiations.

***Similarly to the COP Presidency, the EU Presidency needs to be impartial and make a substantial effort in moderating the internal discussion: the EU's position cannot be presented publically unless it is agreed by all Member States and the Commission.***

In times when the negotiating situation is extremely dynamic and requires a change of position, it is up to the EU Presidency to ensure that the EU will be ready to agree and then present its position at the global level.

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### 4.3. Poland as the COP24/CMP14/CMA1 Presidency

The moment when the COP President is formally chosen at the first plenary meeting, is also the moment his role as the ultimate mediator of the negotiating process begins. While working on securing the success of the summit, he needs to constantly bear in mind that successful moderation of the global process depends, to large extent, on his ability to maintain an unbiased image and interact with all participants of the summit. Since the Presidency and its team is expected to be impartial, the protection and promotion of the host country's national interests should remain in the hands of a separate, national team which works as part of the EU.

***The cardinal rule for the COP President and the Presidency's team is that of impartiality.***

The COP President and his team (COP Presidency) is responsible for the general atmosphere before and during the negotiations, which is often referred to as "atmosphere of openness and trust". This means that the governments and observers can freely participate in the negotiations with their rights observed and needs catered for. This atmosphere can deteriorate easily, as a lot of tension (social, physical and political) accumulates before and during the summit.

In many situations the Presidency is not in power to solve the problems alone, especially if they do not concern logistics. What it can do, however, is to secure sufficiently constructive approach throughout the negotiating process, form alliances and mitigate possible and existing conflicts between the COP participants. For that reason the image and personality of the COP President may prove to be crucial if it is to encourage trust of the participants of the summit. The President is not only expected to maintain contact with the participants, but also show initiative to forward the negotiations.

*While the success of the summit depends mainly on the will of the delegates to agree, the Presidency is expected to be unbiased and help to reach this agreement.*

To be effective, the COP Presidency needs at least a few basic instruments:

- Timely and credible **information** on all actions in and around the negotiations, as well as other issues which can potentially influence the mood and result of the summit – need for a good and experienced team;
- Close and effective **contacts** at all levels – need to delegate responsibility for areas of action among the Presidency's team, with COP President at the top;
- **trust** of the summit's participants – need to understand the process, be seen as predictable and ready to bear the responsibility, build and trust of the summit's participants.

Table 3: COP Presidency's image

External actions	Internal/domestic action	
	Government	Other actors
<p>Adequate representation at regional and international meetings. Adequate messaging at all levels.</p> <p>Provision of timely information and reassurance on COPs organisation and priorities.</p> <p>Taking/joining regional and global initiatives in line with sustainable development. Formation of alliances with countries considered as climate-ambitious.</p>	<p>Ensures national coordination of preparations, establishes 3 teams: Presidency negotiating team, Presidency logistic team, national negotiating team.</p> <p>Chooses summit's leading theme.</p> <p>Aligns governmental messaging with COP priorities.</p> <p>Fulfils national, EU and international climate-related commitments.</p> <p>Creates, invests and supports national climate-friendly policies, initiatives and actions.</p>	<p>Use the opportunity to internationally promote their environmentally-friendly actions, technologies and solutions.</p> <p>Provide support for Presidency's initiatives in the climate policy area.</p>

For almost 2 years a COP host country holds the most prestigious position in the UN climate negotiating process. This period includes a year preceding the summit as the "incoming COP Presidency" (the COP President is chosen only at the first day of the summit), and the year after the COP – as the actual "COP Presidency". It can therefore significantly increase Poland's visibility on the global stage. Issues of climate change are currently present in discussions on international relations, energy, finance, trade, technologies, business and even at UN Security Council forum.

The COP President and his team are supported by the UNFCCC Secretariat who plays a main role in maintaining the coherence of the whole negotiating process over the years. It organises and supervises the procedures related to the entirety of the negotiations, both on the logistic and substantive side. It also advises the President on possible measures and decisions which can be taken in specific situations according to the Rules of Procedure of the negotiations.

The COP Presidency is deemed to be good when it meets at least a few basic conditions:

- Engages positively in the fight against climate change and encourages other actors to do so,
- Organises and supervises the perfect functioning of logistics during the summit, such as accommodation, meeting rooms, internet connections, and access to food,
- Shows effort to facilitate and engage in the discussion to find solutions among all the actors of the negotiating process,
- Leads by example – initiates its own actions which motivate other countries and actors to undertake effort in the area of environment and climate protection,
- Shows openness to various views presented by all participants of the summit, representing both governments and non-state actors.

***The COP Presidency is the main actor binding all the elements present at the COP, whether it is logistics, negotiating process or negotiating substance.***

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Negotiations in Katowice will be difficult and complicated. However, Poland should develop an action plan that will have a positive impact on the atmosphere of the negotiations. It should be perceived positively by all participants, showing efforts to transform its energy sector. It could underline action to invest offshore, develop electromobility, fight air pollution in cities and transform electricity (eg, recalling its Energy Minister's declaration to stop construction of new coal-fired power plants). Actions aiming to improve the air quality in cities are particularly important not only to Poles as it is a problem which affects many countries around the world. Poland could undertake a global initiative for clean air – as a co-benefit of the fight against climate change. Focusing on air pollution has the potential to engage local societies and improve the acceptance for climate change action. Actions against air pollution – such as the modernization of heating, removing coal from households stoves and electromobility, will be developed in Poland and presenting the efforts on the global forum will be perceived positively.

#### **4.4 The position of Poland in the global climate action process**

Poland has successfully participated in the global climate negotiations process. The climate convention was ratified in 1994, followed by the Kyoto protocol in 2002. The ratification of its second commitment period (Doha amendment) is still under consideration.<sup>4</sup> In 2016 Poland signed and ratified the Paris Agreement.

Poland is also the only country in the world which has already held three COP presidencies: COP5 in 1999 (Bonn), COP14 in 2008 (Poznań) and COP19 in 2013 (Warszawa). The engagement of Poland in organising the fourth one, the COP24 in Katowice, shows an unprecedented interest of Poland in global climate change negotiations. At the same time it

<sup>4</sup> KPRP, 2018, available at: <http://www.prezydent.pl/aktualnosci/wydarzenia/art,936,prezydent-podpisal-trzy-ustawy.html>

inevitably leads to a question about the possible reasons behind the willingness to host not only one more, but also such an important and difficult summit. That is why it is so important to show political goals and the idea for a COP.

By 2020 Poland, together with the EU, will have implemented emission reduction targets embedded in the EU's legislation (2020 climate-energy package). According to European Environment Agency report, Poland, and the EU as a whole, are both on track to fulfil its climate and energy 2020 targets.<sup>5</sup> In the internal EU climate negotiations Poland has been recognised for its strong stance on protecting its right to energy transition which takes into account national circumstances. This image transpires to the international level and has a potential to influence perception of Poland as COP24 Presidency.

The status and perception of Poland due to the level of its development has gradually evolved since the adoption of the UNFCCC climate convention in 1992. While there are no formal changes in classification under the UNFCCC and the Kyoto protocol where Poland remains an economy in transition, the actual perception of Poland started to change when it joined the European Union in 2004. As all parties under the Paris Agreement, Poland is expected to gradually increase its climate efforts, ambitions and financial support.

***With its 23<sup>rd</sup> place in the global GDP ranking<sup>6</sup> Poland is currently perceived as an industrialised country, with capacity to lead emission reduction efforts and support them in developing countries, also through financial aid.***

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#### 4.5. The influence of global climate policy on Poland

The active presence of Poland in the global climate negotiations has, so far, contributed to creating its international image in the area of climate protection and sustainable development. While by the Kyoto protocol required emission reductions, it also allowed Poland to participate in international emissions trading, facilitated improvement in energy efficiency and pace of industry's modernisation. On the social side, it promoted, inter alia, environmental awareness and climate-friendly behaviour. Additionally, the strong and credible presence of Poland in the international climate policy can support achievement of various goals, such as supporting the diplomatic campaign for a non-permanent member in the United Nations Security Council.

Under the Kyoto protocol, as the Economy in Transition with base year of 1988, Poland reduced its emission of greenhouse gases much more than the required -6%. The actual emission reduction, reached around -30%.<sup>7</sup> The reductions achieved under the Kyoto protocol were convertible to units (Assigned Amount Units – AAUs) which could be sold to other countries with the obligation to fulfil their targets under the same agreement.

<sup>5</sup> European Environment Agency, 2017, available at: <https://www.eea.europa.eu/themes/climate/trends-and-projections-in-europe/trends-and-projections-in-europe-2017/overall-progress-towards-the-european>

<sup>6</sup> World Bank, 2016, available at: <http://databank.worldbank.org/data/download/GDP.pdf>

<sup>7</sup> MŚ, 2018, available at: <https://www.mos.gov.pl/srodowisko/ochrona-powietrza/krajowy-system-zielonych-inwestycji-gis/>

Poland made use of the opportunity and as part of the international emissions trading, sold the units (AAUs) reflecting emission reductions achieved under the Kyoto protocol to 6 international partners. By 2015, the overall sum obtained from the transactions amounted to nearly 39 billion zlotych.<sup>8</sup> While using the resources, Poland adhered to the rules of the Green Investment Scheme. This meant that the money could only be used to finance projects supporting emission reductions and adaptation measures (so-called “greening”).<sup>9</sup> Poland has also taken part in the implementation of another mechanism of the Kyoto protocol - the joint implementation (JI).

The Polish government also made investments necessary to implement the Kyoto protocol, including the establishment of emissions inventory.<sup>10</sup> Over the years, it also became clear, that the issue of climate change concerns not only the environment, but the whole of the economy, as well as diplomacy. As a result, in order to adequately assess the pros and cons of climate policy, the government and non-governmental institutions started to employ specialists from various fields in their work on broadly defined climate change issues and economic modelling. This, in turn, strengthened the presence and influence of Poland in discussions on the further shape of European and global climate policy.

The Polish energy sector and economy are influenced by the national and European legislation, as well as the overall technological progress. International climate policy has had an impact on that progress. Since the adoption of the UNFCCC convention, it has indicated the direction of general developmental changes necessary to limit climate change. Followingly, the EU has also acknowledged its role in that process: its 2020 and 2030 climate and energy targets<sup>11</sup> are based on the understanding that every region and every country needs to take responsibility and implement ambitious emission reduction policies. Since joining the EU, Polish industry and economy has officially participated in that effort.

The Paris Agreement’s requirement to prepare, every 5 years, new climate action plans will set the new pace to the national processes. For Poland and the EU as a whole, this global cyclical process is a reference point for continuous internal work on legislation and implementation of climate-energy policy. This means assessing previous efforts and their results, looking for new emission reduction and development opportunities, and determining future targets and actions.

The process of a global-wide developmental change will additionally be supported by other provisions of the Paris Agreement, such as the one on climate-friendly financing. It creates opportunities for new businesses and funds implementing projects in the areas of environment and climate protection. As a result more ideas are currently being developed in order to benefit from the global distribution of climate funds under the Paris Agreement and the Green Climate Fund created for that purpose. As an answer to that demand, Poland has started its own programme promoting environment-friendly businesses which can be expanded in the future taking into account guidelines coming from the UNFCCC process. It is important to note that these guidelines may eventually set benchmarks for financial support of technology and energy related projects, including those inside the EU and Poland.

<sup>8</sup> NFOŚiGW, 2018, available at: <http://www.nfosigw.gov.pl/oferta-finansowania/system-zielonych-inwestycji---gis/umowy-sprzedazy-jednostek-unikniete-emisji-aa/>

<sup>9</sup> Currently there is no demand for these units and most of the potential buyers have declared that they would not purchase AAUs in the future.

## 5. Energy sector at the COP

One of the main reasons why climate negotiations have gained popularity over the years, is that their status, from pure negotiations between governments, has evolved into something more of an international exhibition and trade fair. Apart from governmental delegates, the COPs are attended by the high-ranking representatives of international organisations, corporations, companies, banks, media, science and academia, cities and regional governments, environmental non-profit organisations, prominent politicians and celebrities. Their presence at the COP is a powerful business tool and so most of them would aim to organise events, present their activities, make contacts, and influence or understand the direction of global climate-energy policy. This knowledge can further be used in strategic development planning, including investments and public relations.

While maintaining the global character of the whole summit, it is expected that the host country will aim to display the national successes, challenges and opportunities, and, in this way, benefit from its prestigious position and the effort put into the organisation of a big international event. Taking into account that the organisation of climate summits is alternated between 5 regional groups of the United Nations, the events organised and/or supported by the COP Presidency can have also a regional dimension.

Non-governmental entities wanting to successfully take part in a COP look for these parts of their activity which can be related, even very broadly, to climate change and sustainable development. The entities coming from the COP host country should make use of their advantageous position: they can cooperate on aligning their COP PR strategy with the Presidency's leading theme and scenario, plan joint initiatives and obtain better conditions for the organisation of their activities at the COP. In this way they can significantly increase their visibility, marketing effects, and other benefits. The value of first-hand information on the future directions of the global climate and energy policy and establishing contacts with other actors in order to influence it should not be underestimated.

- COP Presidency's leading theme and motto: COP24 in Katowice "Changing together"
  - The companies' initiatives and PR strategy could relate to both
- COP Presidency's regional/global initiative or ministerial declaration
  - Choosing and joining the initiative, co-organising events preceding the COP in order to secure the highest possible interest and participation in the initiative (governmental and non-governmental), co-organising the formal, possibly high-level event launching of the initiative at the COP and other related events (e.g. gala dinners, exhibitions, field trips)
- Pre-COP: a high-level ministerial meeting before the COP (22-24 October) and the connected Business Days (23-24 October)

<sup>10</sup> Project available at: <https://bip.kprm.gov.pl/kpr/bip-rady-ministrow/projekty-ustaw-przeslan/2887,Projekty-ustaw-przeslane-do-Sejmu-RP.html> ,Projekty-ustaw-przeslane-do-Sejmu-RP.html

<sup>11</sup> European Council Conclusions, March 2017, available at: <http://www.consilium.europa.eu/media/33457/22-euco-final-conclusions-en.pdf>

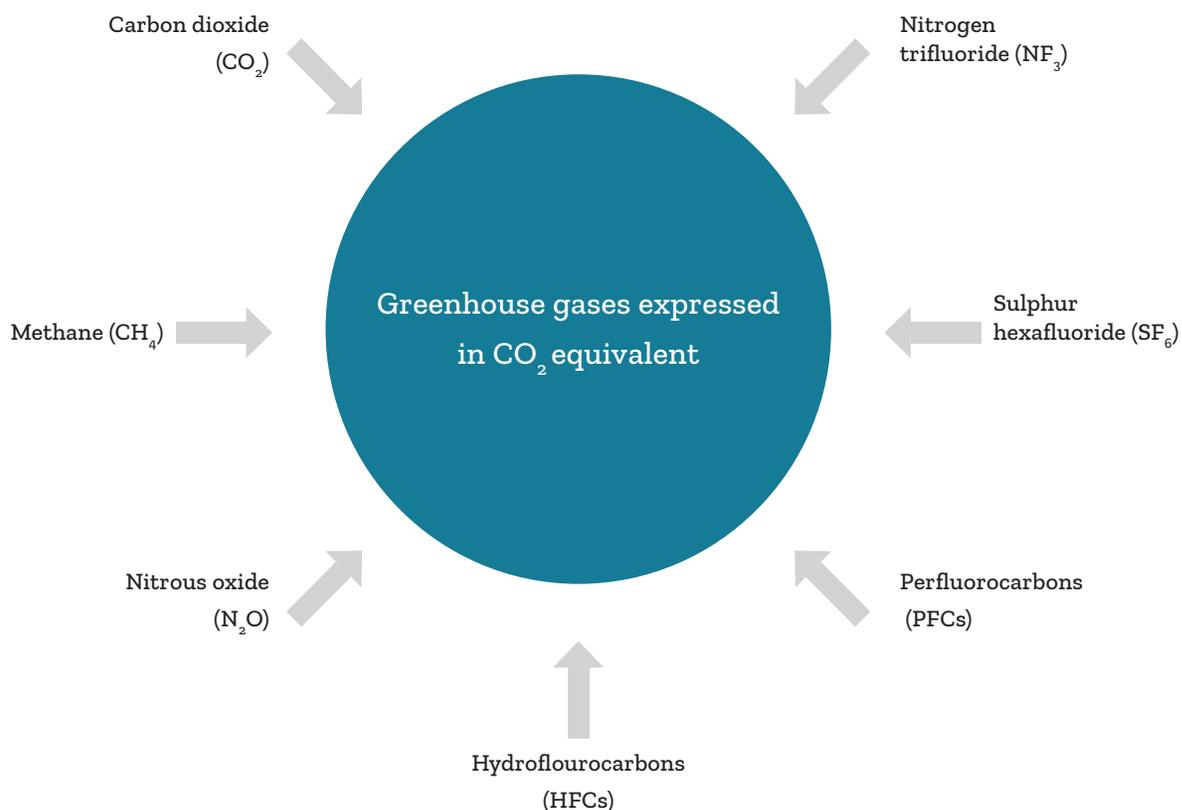
- Co-organising events surrounding the Pre-COP, devoting a minor part of the Pre-COP to a discussion of a chosen theme relating to the regional/sectoral challenges (also as support for initiatives)
- Cooperation with other national, regional and international non-governmental entities taking into account the COP's aim and Presidency's vision
  - Preparing common narratives, initiatives, exhibitions, PR strategy, etc. Can also consider: early contacts and cooperation with representatives of the next COP25 Presidency and its national companies or COP23 Fijian Presidency
- Visual and logistical setting of the COP24 venue
  - Co-organising and co-sponsoring the visual and other elements (e.g. furniture, decorations, lighting, energy delivery, etc.)
- Side-events
  - Organising and participating: max. 1.5 hours to display ideas, achievements, proposals
- Exposed exhibition area in the Climate Action Zone
  - Organising events and exhibitions in the non-negotiations area: this is where majority of business meetings take place
- Formal and informal meetings
  - Organising and co-organising formal events (discussion panels, round tables, forums, dinners) and informal events (cocktails, field trips, bilaterals) with additional participation of COP Presidency or governmental representatives to increase prestige of the event
- Press conferences and briefings, social and other media
  - Regular updates on the company's engagement and participation in the COP
- Thematic days at the COP
  - COPs host should aim at limiting the environmental impact of the event's organisation take steps balance COP's negative carbon footprint (greenhouse gas emissions caused by its organisation). The current ways include: purchase of international carbon credits and planting trees.<sup>12</sup> However, new, innovative ideas to that effect could be of value and have a positive PR effect.
- Other engagement
  - Supporting the transport of participants between their hotels and the venue, designing welcome packs (a bag with souvenirs received by each participant), providing additional access to food and drinks in and around the venue, co-sponsoring/co-organising other events of the COP Presidency, around the COP24 venue and in Katowice (field trips, vouchers, sightseeing tours, local exhibitions and marketing campaigns).

# 6. The Climate Convention

## 6.1. Basic Facts

The 1992 United Nations framework convention on climate change (UNFCCC) is the basis for the 1997 Kyoto protocol and the 2015 Paris agreement. Its aim is to make sure that the average global temperature stays at a level which is safe for environment and people. By ratifying the convention, 197 parties (196 states and one regional organisation - the European Union) confirmed their understanding of the fact that the reason for such increase, and resulting climate change, is the emission of the greenhouse gases caused by human activity:<sup>13</sup>

### Drawing 1: Greenhouse gases under the UNFCCC



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### Who, how and where negotiates and makes the decisions?

There are three superior and independent bodies in the negotiation's process. They make the final decisions on issues within their competence. These decisions are taken by governmental delegates known as the parties, and to be valid they must be agreed upon unanimously.

<sup>12</sup> UNFCCC, How to COP, 2014, available at: [https://unfccc.int/resource/docs/publications/how\\_to\\_cop\\_unfccc.pdf](https://unfccc.int/resource/docs/publications/how_to_cop_unfccc.pdf)

<sup>13</sup> These gases differ in terms how quickly they influence the temperature (the so-called the Global Warming Potentials – GWP). The reason why estimates usually refer to carbon dioxide only, is that for the purpose of general sum-up of the global emissions, all the gases are accounted for in carbon dioxide equivalent.

Table 4: COP bodies

COP	CMP	CMA
Conference of the Parties	Conference of the Parties Serving as the Meeting of the Parties to the Kyoto protocol	Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement
United Nations Framework Convention on Climate Change	Kyoto protocol	Paris Agreement

A final confirmation of decisions is possible only during plenary meetings. Before the decision texts reach that stage, separate topics from the agenda are negotiated among parties in multiple, hierarchical, lower-level groups. Negotiations of issues can also be delegated to other major bodies.

Table 5: COP24 major bodies

PERMANENT BODIES		NON-PERMANENT (AD HOC) BODY
SBSTA	SBI	APA
Subsidiary Body for Scientific and Technological Advice	Subsidiary Body for Implementation	Ad-hoc working group on Paris Agreement

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To assume progress in negotiations, appointed persons chairing every step of the negotiations need to make sure that all parties, without exception, can agree with the proposed negotiating text.

### Negotiating groups and main actors

Since it is not possible to talk to all parties separately, the negotiating positions are mostly agreed in negotiating groups.

*Although the Paris Agreement gradually blurs the outdated division between developed and developing countries, the formation of the main negotiating groups occurred in the early 90's and is maintained in the negotiating process.*

The main division ran between the developed and developing countries. This division was established in 1992 by putting all (at that time) industrialised countries in an annex to the convention, the so-called "annex I"<sup>14</sup>. The rest of the countries would be categorised as "non-

<sup>14</sup> Annex I to the Convention includes the 24 original OECD members, the European Union, and 14 countries with economies in transition. Croatia, Liechtenstein, Monaco, and Slovenia joined Annex 1 at COP-3, and the Czech Republic and Slovakia replaced Czechoslovakia.

annex I” parties. Despite the factual changes in the global economy, this terminology is still traditionally used in the negotiations, also as a reminder of the fact that the whole United Nations climate change negotiations system is based on the UNFCCC convention. The new distribution of the obligations under the Paris Agreement, as negotiated at COP24 in Katowice, has a chance to significantly contribute to the overall update of the global climate protection system.

There are 5 United Nations regional groups: African Group, Eastern European Group (EEG), Western European and Others Group (WEOG), Asia-Pacific Group, Latin American and Caribbean Group (GRULAC). Their main task is to secure meaningful representation of their members in the bodies of the UNFCCC. The COP Presidency also rotates among those 5 groups.

Additionally there are 10 main negotiating groups operating in various configurations - one country can belong to more than one group. Most (134) developing countries agree their negotiating position within the G77&China – a group also present at the United Nations level. The biggest group gathering developed countries is currently the European Union. Otherwise countries group themselves around particular interests, like the OPEC group – gathering petroleum exporting countries, or general developmental circumstances like SIDS – Small Island Developing States.

Table 6: Negotiating groups

UN REGIONAL GROUPS					
African Group		Eastern European Group (EEG)	Western European and Others Group (WEOG)	Asia-Pacific Group	Latin American & Caribbean Group (GRULAC)
NEGOTIATING GROUPS					
Developing	G77&China 134	Least Developed Countries (LDCs)	Alliance of Small Island States (AOSIS)	Arab Group	Like-Minded Developing Countries (LMDCs)
	Small Island Developing States (SIDS)	Independent Alliance of Latin America and the Caribbean (AILAC)	Bolivarian Alliance for the Peoples of our America (ALBA) Coalition of Rainforest Nations	Organisation of Petroleum Exporting Countries (OPEC)	Brazil-South Africa-China-India (BASIC)
Developed & mixed	Umbrella Group (UG)	Environmental Integrity Group (EiG)	European Union (EU)		

The negotiating groups agreed to various settings while presenting their position at the negotiations. The EU for example, agreed to speak with one voice – meaning that the member states do not present their separate positions apart from the one stated by the EU’s representative. In other groups, such as G77&China or Umbrella Group, it is not uncommon that their members also speak individually.

The main players of the process are thought to be those with high economic or diplomatic/ negotiating influence, including: US, China, India, South Africa, Brazil, Russia, Japan, Norway, Korea, Mexico, Canada, Japan, Switzerland and some of the European states such as Germany or France. A special moral role is played by island states whose existence is already endangered by negative effects of climate change

### **Climate convention in sustainable development**

Climate protection is a part of the United Nations 17 Sustainable Development Goals and tightly bound with other global issues such as poverty, access to clean energy, water, or promotion of sustainable economic growth, employment and decent work. All of these issues are discussed during climate summits: both as a part of negotiating process and other events surrounding COPs.

*Such multifaceted approach to the convention inevitably changes the climate change negotiations into the discussion about economic interests and development pathways of countries and regions. Sustainable Development Goals<sup>15</sup>.*

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## **6.2. The Kyoto protocol**

The climate convention set up a general frame for international cooperation on climate change. Only in 1997 did parties adopt the Kyoto protocol which set specific emission reduction targets. These targets were to be achieved only by developed countries in which, as admitted in the convention, most of the global emissions originated. Targets could be fulfilled individually or together – as in the case of the European Union.

After the end of the first commitment period in 2012, and in the absence of an alternative global deal, parties to the protocol agreed to the second commitment period (so-called „Doha amendment”). It is expected that after 2020 the Kyoto protocol will be fully superseded by the Paris Agreement.

<sup>15</sup> United Nations, 2018, available at: <https://www.un.org/sustainabledevelopment/news/communications-material/>

Table 7: The scope and aims of the Kyoto Protocol

KYOTO PROTOCOL	
Developed countries (annex I) emission reduction targets	
First commitment period 2008-2012 at least -5% / 1990	Second Commitment period 2013-2020 at least -18% / 1990
EU-15, Bulgaria, Czech Republic, Estonia, Latvia, Liechtenstein, Lithuania, Monaco, Romania, Slovenia, Switzerland -8% US -7% Canada, Hungary, Japan, Poland -6% Croatia -5% New Zealand, Russian Federation, Ukraine 0% Norway +1% Australia +8% Iceland +10%	UE-28, Iceland, Switzerland, Liechtenstein -20% / -30% Australia -0,5% to -15% or -25%/ year 2000 Belarus -8% Norway -30% to -40%
Sectors covered	
<p><b>ENERGY</b>            fuel combustion: energy industries, manufacturing industries and construction, transport,            fugitive emissions from fuels: solid fuels, oil and natural gas, other sectors, others</p> <p><b>INDUSTRIAL PROCESSES</b>            mineral products, chemical industry, metal production, other production, production of halocarbons and sulphur            hexafluoride, consumption of halocarbons and sulphur hexafluoride</p> <p><b>SOLVENT AND OTHER PRODUCT USE</b></p> <p><b>AGRICULTURE</b>            enteric fermentation, manure management, rice cultivation, agricultural soils, prescribed burning of savannas, field burning            of agricultural residues, other</p> <p><b>WASTE</b>            solid waste disposal on land, wastewater handling, waste incineration, other</p>	

### Kyoto protocol – the effects:

The Kyoto protocol itself did not manage to achieve all its targets – a small group of countries were not able to sufficiently reduce emissions and climate change. Additional inhibition came with the fact, that in 2001 the United States finally decided not to join the protocol which weakened its political and economic impact. Additionally in 2011 Canada withdrew from the protocol while Japan, New Zealand and the Russian Federation decided not to join its second

commitment period but focused on negotiating the new global deal.

However, despite the protocol's shortcomings, its effects on the economies and political systems is tangible. The obligation to fulfil the protocol's targets started the long-term planning for less emissions-intensive development of regions, countries and sectors. As such it has heavily affected industries where the emissions originate and must be reduced -first and foremost the energy sector. The need to reduce emissions resulted also in technological innovation across sectors.

The actions taken worldwide and in the EU included, inter alia:

- Adoption of domestic emission reduction goals.
- Establishment of domestic emissions inventory, reporting, and verification mechanisms.
- Establishment of regional emission trading systems, including EU ETS, with Kyoto protocol's international emissions trading system as predecessor.
- Development of policies promoting renewables in electricity production and bio-fuels in road transport, energy efficiency of buildings, promotion of combined heat and power, regulation of fluorinated gases.

*In the case of Poland, the international emissions trading under the Kyoto protocol provided a tangible result in financing environmentally friendly technologies and projects. Thanks to the establishment of domestic "Green Investment Scheme" (GIS) Poland was able to sell its reduction credits (AAUs) and finance programmes contributing to further emission reductions.*

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### 6.3. The Paris Agreement

*In the 2015 Paris Agreement, for the first time the history of climate negotiations, it was agreed that counteracting climate change need the actions of all governments, as well as recognizing the important role of other actors. Such a decision visibly changed the old system in which only the developed countries were obliged to deal with emission reductions.*

The agreement has been in force since November 4, 2016 and is currently ratified by 175 parties<sup>16</sup> and does not have an end date.

The role of the Paris Agreement was to accelerate global climate action. Contrary to the Kyoto protocol, it does not say by how many percent and by what the emissions should be reduced, but sets a so-called "temperature goal". This goal determines the limit to the increase of global temperature. If the temperature increases beyond that level, risks resulting from climate change, such as flood, droughts or hurricanes will become unacceptable.

<sup>16</sup> As of April 2018, information available at: <https://unfccc.int/process/the-paris-agreement/status-of-ratification>

**The goal of the Paris Agreement**  
 expressed as the limit in the increase of the average global temperature above  
 pre-industrial levels  
**well below 2°C**  
**ideally 1.5°C**  
 + increase **adaptation** to negative effects of climate change  
 + make **financial flows** consistent with climate protection

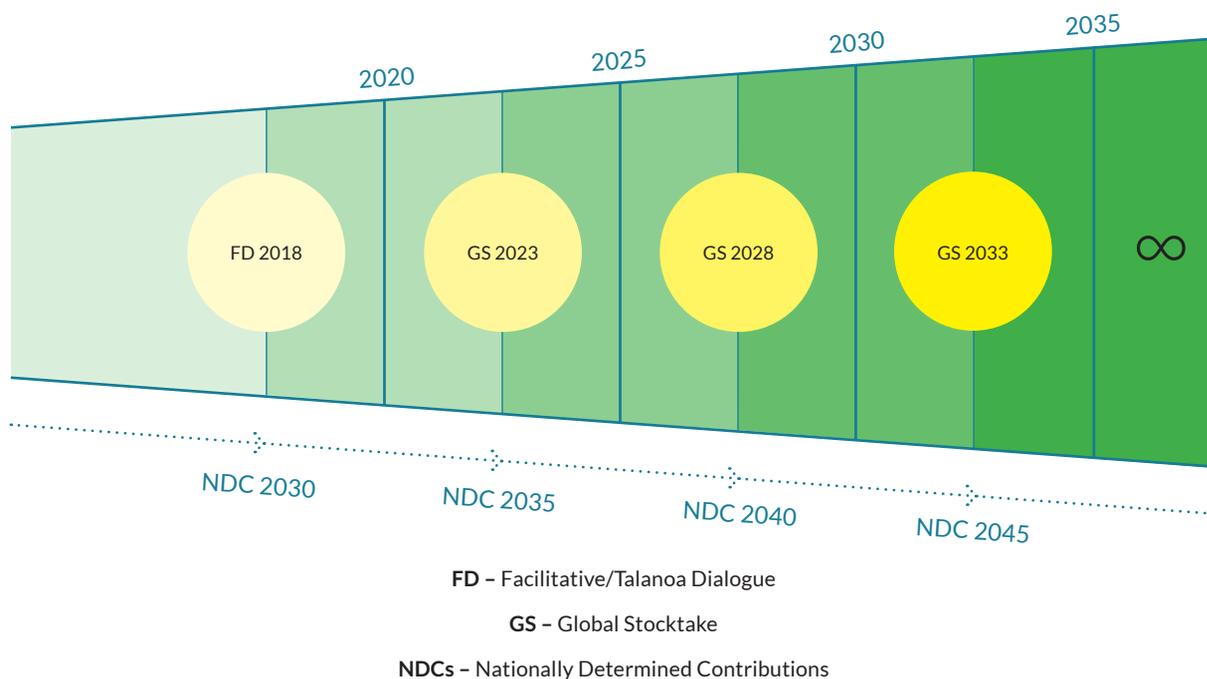
**The ambition cycles**

The main mechanism to lead to the fulfilment of these goals, is based on gradual increase of climate action ambition of all its parties, the so called “ambition cycles”.

Starting with 2020, every 5 years parties will themselves prepare and submit their plans for action to limit the climate impact. These plans, named nationally determined contributions (NDCs), may include emission reduction and renewable targets, technological, adaptation and financial support aims. Every new NDC is to be more progressive/ambitious than the last one. This means that parties will need to constantly work on increasing their existing commitments and targets.

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**Drawing 2: Ambition cycles**



In the current system no penalty is foreseen for those who do not fulfil this obligation. However, international credibility in the first place, followed by peer scrutiny as well as public, economic, political, and moral pressure to stay fully included in the process, are considered to be sufficient to make the system functioning in the long term. Other than that, consistency of a country's policy is necessary for its business community to know how to invest.

Further possible ways to approach assessment of actions taken will be explored at COP24 negotiations in the discussion of the shape of the event or process named global stocktake. The primary role of the stocktake, taking place every 5 years starting from 2023, is to sum up what has already been done and encourage parties to make their next NDC plans even more ambitious. The 2018 facilitative/Talanoa Dialogue is considered by many to be a "trial version" of the future global stocktakes.

Other main issues mentioned in the Paris Agreement:

- Development of long-term (2050) strategies by parties. So far these have been submitted by: U.S., Mexico, Czech Republic, France, Canada, Benin, the United Kingdom.<sup>17</sup>
- New ways of financing climate actions, and increase of financial support, especially for developing countries.
- Support of capacity building and technology transfer.
- Development of new, post-2020 market mechanisms, such as emissions trading.
- Strengthening of global system for measurement, reporting and verification of emissions.

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### Science and the targets

Over the years many countries, including the EU based preparation of its climate targets on the results of continuous scientific research. A special role with that respect is played by the IPCC - International Panel on Climate Change which is a scientific body acknowledged by all the parties of the convention. It indicated that the strategic objective is to limit the global average temperature increase to not more than 2°C above pre-industrial levels. EU's current 2020 and 2030 targets are based on that assumption. The 1,5°C became a point of attention in 2009 with island states claiming that for them 2°C cannot be seen as a safe limit for global warming.

The regular IPCC's reports are called "assessment reports" and they are published every few years<sup>18</sup> with a view to inform the governments on the up-to-date data relating to climate change. In the summary for policy makers they recommend regional actions and targets (usually in ranges) which could be adopted to stop climate change and allow ecosystems to adapt.

The EU's current 2020 climate targets are based on IPCC's 4<sup>th</sup> assessment report (2007). The IPCC special 1,5°C report to be discussed at COP24 can further influence EU's emission reduction targets.

<sup>17</sup> As of April 2018, information available at: <https://unfccc.int/process/the-paris-agreement/long-term-strategies>

<sup>18</sup> First assessment report: 1990, second: 1995, third 2001, fourth 2007, fifth 2014

However, it is already known that the submitted climate plans under the Paris Agreement (NDCs) will not be sufficient to reach the 2°C goal. It is, therefore, even less possible that they would allow to limit the increase of temperature to 1.5°C – an aspirational goal stated in the Paris Agreement. This is why it is evident that more effort will be needed from everybody, the EU included. More information on to-date global efforts should result from the facilitative/Talanoa Dialogue process at COP24 in Katowice.

***If the IPCC special report shows that achieving 1.5°C is not only needed but also possible, and that current global efforts are insufficient, there will be strong internal and external pressure on the EU to increase its 2030 target and submit it before 2020. The EU-internal target renegotiation process would have to start immediately after COP24 for the targets to be submitted before 2020.***

#### 6.4. The influence of global negotiations on the EU climate-energy policy

The international climate negotiations has been a reference point for taking and accelerating national and European action, including climate-energy legislation. The very same negotiating process is made by countries which base their positions according to their interests and possibilities. In order to effectively defend its interests, the EU needs to take an active part in the global negotiations.

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***The EU which is currently responsible for only around 12%<sup>19</sup> of global emissions, takes climate change and its emission reduction responsibilities very seriously. It also closely follows and engages in shaping the global climate protection system: its targets, institutions, implementation.***

So far, the climate-energy legislation in the EU has been connected to 5 major results of the international climate negotiations:

- The UNFCCC convention.
- The Kyoto protocol (1st and 2nd commitment periods).
- The Copenhagen COP15 climate summit.
- The Paris Agreement.

Knowing that credibility of negotiators at the global level is to a large extent based on their domestic action and legislation, the EU works constantly to fulfil of its existing obligations, as well as set new long-term strategies and targets.

<sup>19</sup> Information provided in accordance with paragraph 104 of decision 1/CP.21 related to entry into force of the Paris Agreement, available at [http://unfccc.int/files/paris\\_agreement/application/pdf/10e.pdf](http://unfccc.int/files/paris_agreement/application/pdf/10e.pdf)

Such an approach serves two other major purposes:

- Externally: sets an example to other negotiating countries, showcasing the best possible standards and ambition in developing and implementing climate policy, as well as the preparation of the nationally determined contributions - “Leading by example”.
- Internally: provides internal certainty on the direction and coherence of the long-term policies to EU member states and investor

### The EU and the UNFCCC

- **The EU’s international commitments.** Both the EU itself and its member countries are parties to the convention. Since the aim of the convention was very general, its parties were not obliged to take on individual reduction targets. The EU-15<sup>20</sup>, together with other industrialised countries agreed to provide financial and technological help under the convention. This category of states would be marked as “annex II” parties. Additionally, already in the negotiations of the Kyoto protocol, the EU-15 had to consolidate itself to agree on a common emission reduction target.
- **The EU’s internal process and legislation.** The climate action on EU level started in the field of renewable energy and energy demand management, followed by the first (2000) and second (2005) European Climate Change Programme which resulted in, inter alia, the draft legislation for the EU Emission Trading Scheme.<sup>21</sup>
- **The other countries / Poland.** In 1992, then member states, negotiated individually. Even though they were marked as developed “annex I” parties, the understanding was that their economies could not have been comparable to those of western Europe. In order to secure a different, more favourable treatment of these countries, under the annex I a special category was agreed: the “economies in transition” (EiTs).

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### The EU and the Kyoto protocol’s first commitment period (2008-2012)

- **The EU’s international commitments.** Under the first commitment period, the EU-15 (called also the “EU bubble”) would together reach the target together: -8% with base year of 1990 in the period of 2008-2012. In 2006 the burden-sharing agreement was agreed to specify how much is there to be done by individual member states.
- **The other countries / Poland.** Currently EU member states, negotiated their individual targets under the first commitment period of the Kyoto protocol. Their “economies in transition” (EiTs) status also gave them the possibility to negotiate other base years, more beneficial when accounting for achieved reductions, such as 1988 (Poland, Bulgaria), 1989 (Romania), 1986 (Slovakia), average of 1985-87 (Hungary). This, in turn, is significantly

<sup>20</sup> Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden, the United Kingdom of Great Britain and Northern Ireland

<sup>21</sup> European Commission, 2018, available at: [https://ec.europa.eu/clima/policies/eccp/first\\_en](https://ec.europa.eu/clima/policies/eccp/first_en)

increased the amount of international emission reduction credits (so-called AAUs)<sup>22</sup> owned by these countries under the Kyoto protocol. They could be traded internationally, and the proceeds from the sale were spent on projects supporting climate protection. Other benefits included possibilities for support from other annex II countries and a special market mechanism named “joint implementation”.

Table 8: The scope and aims of the Kyoto Protocol

EU-15 (the bubble) -8% /1990	EU-11
Austria -13%, Belgium -7,5%, Finland 0%, Germany -21%, United Kingdom -12,5%, France 0%, Denmark 21%, Ireland +13%, Italy -6,5%, Spain +15%, Sweden +4%, Luxembourg -28%, Netherlands 6%, Portugal +28%, Greece +25%	Poland (-8% / 1988), Romania (-8% / 1989), Hungary (-6% / 1985-87), Bulgaria (-8% / 1988), Slovakia (-8% / 1986) Czech Republic (-8%), Lithuania (-8%), Estonia, (-8%), Latvia (-8%), Croatia (-5%), Slovenia (-8%).

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**The EU's internal process and legislation.** The EU as a whole, already started its emissions trading scheme (EU ETS): the first (2005-2007) and second (2008-2012) phases. The collection of data in order to establish the actual level of emissions, the possibility of their reduction, and the number of allowances (permits to emit) received by installations covered by the system, was based on national allocations plans (NAPs).

### Post-2012 agreement negotiations

It was obvious that the Kyoto protocol, with its limited effectiveness, was not enough for the countries to prevent climate change. This is why in 2007 the idea about the post-2012 global deal emerged at the COP13 climate summit. The idea was to combine the possible Kyoto protocol's second commitment period with a post-2012 new, and broader agreement, where all countries would be participating. It was to be finalised in 2009 at COP15 in Copenhagen.

- The EU's internal process and relevant legislation.** Post-2012 targets negotiations took almost 3 years and consisted of such main stages:

<sup>22</sup> Assigned Amount Units

## 2007

Communication of European Commission – European Council’s general approval for the plan – European Commission’s proposal for the final package – European Council’s political deal on the package – European Parliament’s adoption of the package – European Council’s adoption of the package and its legislative acts

## 2009<sup>23</sup>

By 2020: 20% renewable energy, 20% efficiency,  
- 20% emission reductions /1990 = - 14% / 2005\*

**Revised EU Emissions Trading System (effective from 2013) -21% /2005**  
**2020 Effort Sharing Decision (non-ETS sectors) -10% /2005**

New EU rules promoting the use of energy from renewable sources  
regulation setting the first legally-binding standards for CO<sub>2</sub> emissions from new passenger cars, (effective from 2012) new environmental quality standards for fuels and biofuels  
a regulatory framework for carbon capture and storage

\* the base year 2005 guaranteed the most reliable and available data both for EU ETS and non-ETS<sup>24</sup>

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- **The EU’s international commitments.** The EU was prepared to offer the target of 20% by 2020 counted against the 1990 base year – as elaborated on the basis of its first climate-energy package, and increase it to 30% if other developed countries offered comparable efforts (so-called “conditional offer”).

*The new, global post-2012 deal did not happen in 2009 but the EU decided to continue with pursuing its -20% target. It currently constitutes the EU’s obligation in the Kyoto protocol’s second commitment period (2013-2020).*

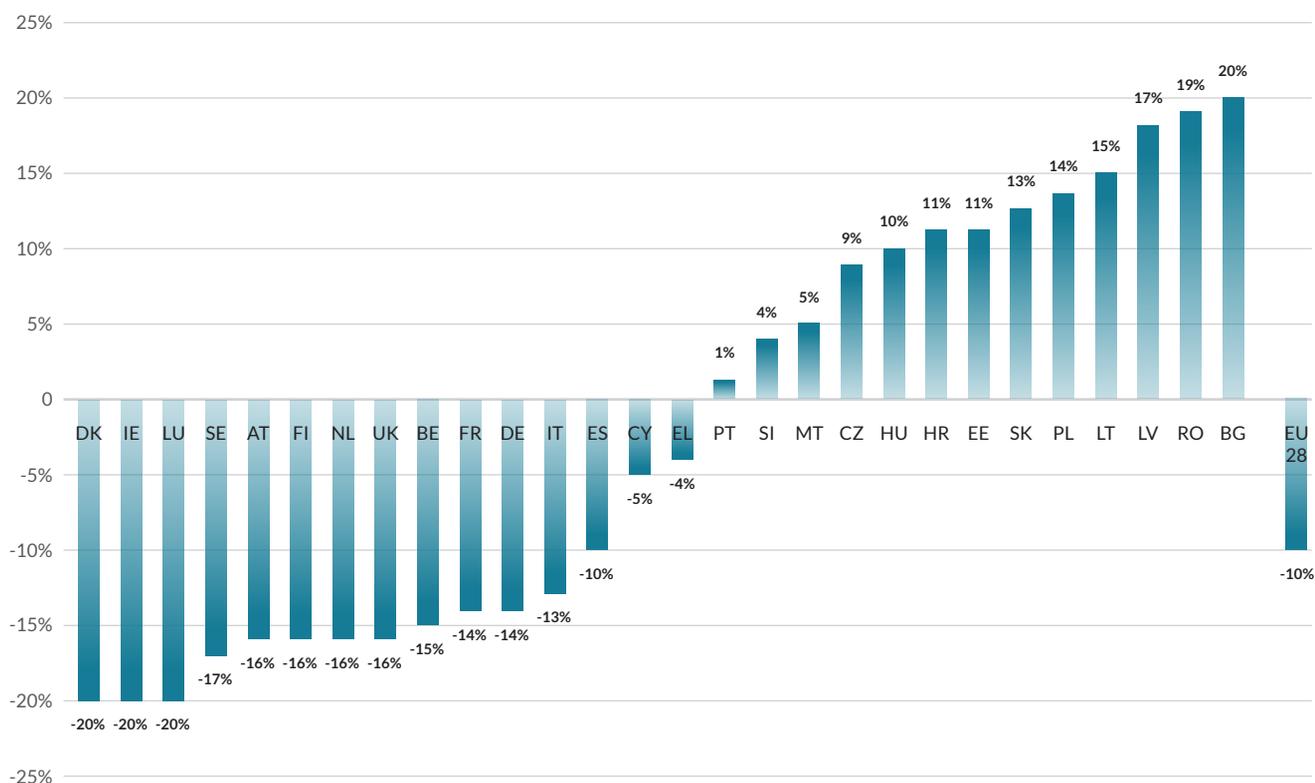
### The Kyoto protocol second commitment period (2013-2020)

- **The EU’s international commitments.** In the absence of the global deal, the EU submitted its already agreed 2020 target as a part of the second commitment period under the Kyoto protocol. The -20% target with the base year of 1990 was divided with respect to the international legal responsibility taken for the emissions: the EU would be responsible for the part of reductions under the EU ETS, and the individual member states for their emissions under the sectors not covered by EU ETS (non-ETS sectors)<sup>25</sup> - as agreed under the Effort Sharing Decision.

<sup>23</sup> Council of European Union, April 2009, available at: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/misc/107136.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/misc/107136.pdf)

<sup>24</sup> Commission of the European Communities, Commission staff working document impact assessment, Document accompanying the Package of Implementation measures for the EU’s objectives on climate change and renewable energy for 2020, 2008, page 5, available at: <http://ec.europa.eu/transparency/regdoc/rep/2/2008/EN/2-2008-85-EN-1-o.Pdf>

### Drawing 3: 2020 individual targets for member states in non-ETS sectors<sup>26</sup>



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- **EU's internal process and legislation.** The EU ETS phase 3 began in 2013. The distribution of allowances was based mainly on auctions. Starting from 2014 the number of allowances on the market has been decreasing annually by 1.74% (Linear Reduction Factor - LRF).

At the same time, the functioning of the EU ETS, and the consequential fulfilment of the 2020 and 2030 reduction targets was deemed to be endangered low by prices of “carbon” (emission allowances), caused by:

- economic crisis which caused unexpected decrease of emissions.
- high usage of international credits (from Kyoto protocol's international emissions trading).

The resulting decision was to limit the surplus of allowances was implemented with two tools:

- (2014) backloading, a short-term solution: postponement of auction of 900 million allowances until 2019-2020.
- (2015) market stability reserve (MSR), a long-term solution, starting in 2019, regulating the number of allowances on the market.<sup>27</sup>

<sup>25</sup> Non-ETS sectors: most sectors not included in EU ETS, such as transport, buildings, agriculture and waste. More information available at: [https://ec.europa.eu/clima/policies/effort\\_en](https://ec.europa.eu/clima/policies/effort_en)

<sup>26</sup> Decision no 406/2009/EC of the European Parliament and of the Council, 23 April 2009, available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009D0406&from=EN>

<sup>27</sup> European Commission, 2018, available at: [https://ec.europa.eu/clima/policies/ets/reform\\_en](https://ec.europa.eu/clima/policies/ets/reform_en)

## The Paris Agreement and the post-2020 system

Despite the earlier failure, all countries decided to try again to agree on a completely new global deal – this time in 2015 in Paris. With no clear requirement on what kind of targets should be offered, countries submitted their plans – Nationally Determined Contributions (NDCs) with targets reaching year 2025 or 2030.

- **The EU's international commitments.** The EU's offer was to reduce emissions by at least 40% by 2030 with base year of 1990. Based on the Paris Agreement's cycles of ambition, the EU will need to reaffirm (resubmit) or update its 2030 target by 2020, and by 2025 and present a new one (for post-2030).
- **The EU's internal process and legislation.** The 2030 target, similarly to 2020 target, was backed-up by the 2030 Climate-Energy Framework. According to this, emission reductions are to be achieved in EU ETS (-43% / 2005) and non-ETS (-30% / 2005), with continuation of policies supporting renewables and energy efficiency. Additionally, in order to make sure that the 2030 target will be met, new ideas were introduced, such as inclusion of forests (so-called LULUCF) and revision of EU ETS. The revision's goal is to strengthen the EU ETS without hampering the member states' economies and includes the following measures:
  - annual decrease of the number of allowances on the market by 2.2% (LRF) from 2019.
  - revision of carbon leakage prevention rules.
  - innovation fund.
  - modernisation fund.

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## The 2050 roadmap/strategy

The Paris Agreement encourages preparing and submitting long-term low greenhouse gas emission development strategies – these are interpreted as reaching year 2050. Further decisions specify that such submission should be done by 2020. The EU will start the process of negotiating the next 2050 road map in November 2018.

Table 9: The scope and aims of the Kyoto Protocol

CONVENTION		POLAND
1992 Rio de Janeiro no individual reduction targets	EU agreement to negotiate joint emission target for the KP / Annex II	Separate party EiT
	EU action	From 2004 – covered by EU policies & EU ETS
	Regulations on renewable energy and energy demand management First (2000) and second (2005) European Climate Change Programme EU ETS Directive Phase 1 of the EU ETS (2005-2007)	
<b>KYOTO PROTOCOL FIRST COMMITMENT PERIOD</b>		
1997 COP3 / Kyoto result: Targets implemented: 2008-2012 <b>The EU-15 joint target -8% /1990</b> <b>Other countries: diff. targets /base years</b>	EU 2006 Burden sharing agreement for EU-15 -8% emission reduction / 1990	Separate target -6% / 1988 EiT
	EU Action	Implementing EU ETS
	Phase 2 of EU ETS (2008-2012)	
<b>POST-2012 AGREEMENT NEGOTIATIONS (2007-2009)</b>		
2009 COP15/CMP5 Copenhagen  targets to start post-2012  result: No global deal	EU prepared to offer the target of -20% by 2020/1990	Together with EU
	EU Action	Together with EU
	<b>Agreement on 2020 Climate Energy Package (3 x 20%)</b> 20% renewable energy, 20% energy efficiency - 20% emission reductions/1990	
	-14% emission reductions/2005	
	EU ETS – 21% / 2005	Non-ETS -10% / 2005 2009 effort-sharing decision: separate targets for EU Member States

KYOTO PROTOCOL SECOND COMMITMENT PERIOD			
<p>Doha COP18/CMP8 Doha Amendment</p> <p>result: targets implemented: 2013-2020</p>	EU to implement 2020 target -20% / 1990	Together with EU EiT	
	Decisions at EU level	EU Action	
	<p><b>Implementation of 2020 Climate Energy Package (3 x 20%) (3 x 20%)</b></p> <p>20% renewable energy, 20% energy efficiency - 20% emission reductions/1990</p>		
	-14% emission reductions/2005		
	<p>Phase 3 of EU ETS -21% / 2005 (2013-2020) LRF: 1,74% Backloading Market Stability Reserve</p>	<p>Non-ETS -10% / 2005 2009 effort-sharing decision: separate targets for EU Member States</p>	<p>Implementing EU ETS  Non-ETS +14% / 2005</p>
PARIS AGREEMENT			
<p>2015 Paris COP21/CMP11 Global Agreement</p> <p>Targets implemented from 2020</p>	EU binding target to implement 2030 target: -40% / 1990	Together with EU	
	EU Action	Together with EU	
	<p><b>Agreement on 2030 Climate energy Framework</b></p> <p>27% renewable energy, 27% energy efficiency - 40% emission reductions /1990</p>		
	- 43% emission reductions /2005		
	<p>Phase 4 EU ETS - 43% / 2005 (2021-2030) Revision of EU ETS: LRF: 2,2% Carbon leakage Innovation Fund Modernisation fund</p>	<p>Non-ETS -30% / 2005 2018 effort-sharing regulation: separate targets for EU Member States Implementing EU ETS Non-ETS -7% / 2005</p>	<p>Implementing EU ETS  Non-ETS -7% / 2005</p>
	- 43% emission reductions /2005		
	<p>Integration of land use, land use change and forestry (LULUCF) into reduction efforts</p>	<p>Strategy for long-term EU greenhouse gas emissions reduction in accordance with the Paris Agreement, taking into account the national plans: EU objective to reduce of emissions by 80-95% / 1990 by 2050</p>	Together with EU

### How to read the table:

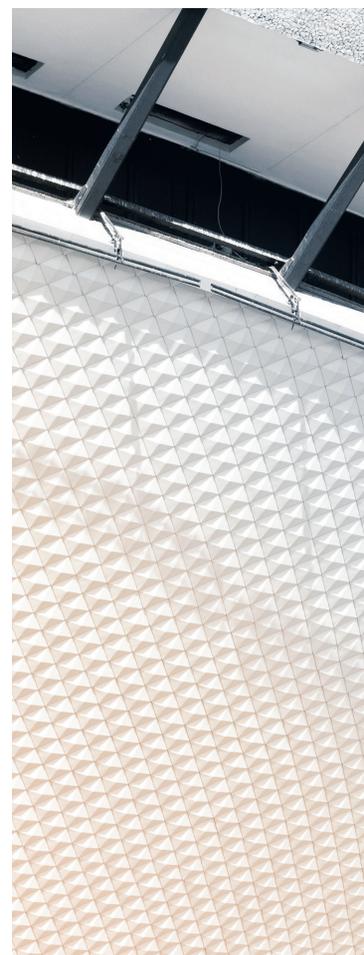
- GLOBAL CLIMATE POLICY WITH EU'S AND POLISH COMMITMENTS IN IT
- EU'S POLITICAL AGREEMENT ON INTERNAL TARGETS LEADING TO ACHIEVEMENT OF ITS GOALS ANNOUNCED GLOBALLY
- EU'S INTERNAL LEGISLATION IMPLEMENTING THE TARGETS AGREED ON POLITICAL LEVEL
- STATUS OF POLAND AS ECONOMY IN TRANSITION (EIT)





# COP24 in Katowice

## MANUAL



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