



## Co-chairs' conclusions

### **Petersberg Climate Dialogue IX – Changing together for a just transition**

Berlin, 19 June 2018

On 18-19 June 2018, upon invitation of the ministers for Environment of Germany and Poland, Ms. Svenja Schulze and Mr. Henryk Kowalczyk, and incoming COP24-President Mr. Michał Kurtyka, 35 ministers and representatives, the Executive Secretary of the UNFCCC and the chairs and co-chairs of its subsidiary bodies met in Berlin. The informal setting allowed for open and frank discussions on the need as well as the opportunities to enhance climate action, strengthen international cooperation and shape the just transition for our societies and economies. A number of keynote speakers enriched the discussion with their interventions. Ministers were reminded of the need to move beyond incremental change to achieve a transformation consistent with the long-term goals of the Paris Agreement. It was stressed that climate policy needed to reflect solidarity and to put people at the center. The Paris Agreement was highlighted as non-punitive in its nature and called the "most collaborative piece of legislation ever agreed". Ministers were urged to fulfill their mandate for COP24 and bring the Agreement to life, to ensure that voters and business joined the call for action in the "best intergenerational interest". The importance of making more public climate finance available to support climate action in developing countries was stressed. It was also highlighted that global investments in line with climate neutral and resilient development need to become the new norm to secure sustainable development. The Talanoa Dialogue was described as the starting point to build political momentum in support of enhanced collaboration and climate action. Chancellor Merkel stressed that *climate action is a matter of both ecological necessity and economic rationality*. Prime Minister Morawiecki underlined *the need to keep citizens at the centre of climate policy and the fundamental role for spurring innovation to achieve that goal*.

### *Session 1: The impacts of delaying ambitious action*

Ministers highlighted the transformative nature of the Paris Agreement and that its adoption marked a turning point for global development. They also stressed that the global community needed to move ahead together and that the scale and urgency of action needed to achieve the goals of the Paris Agreement created an imperative need for strong political will and leadership. Many interventions emphasized that climate change is already today jeopardizing poverty eradication, peace, food security and our ability to achieve sustainable development. Not only is the severity of climate impacts increasing, but also their frequency. For vulnerable countries and communities this means, that they have no time to recover between each cyclone and hurricane. Many ministers recognized that delaying action increased the costs of implementation and the costs arising from impacts. At the same time, ministers noted that climate action is already delivering benefits for societies such as improved health, environmental quality and competitiveness of their economy. These benefits would be boosted by speeding up the transformation. Ministers shared their experience with policy options and concrete actions being implemented in their countries. These ranged from putting a price on carbon, to engaging stakeholders to advocate for sustainable lifestyles, creating enabling environments and enshrining targets into laws as well as designing long term strategies to create a sense of direction for our societies. Ministers shared a sense of optimism, highlighting that the solutions for reducing GHG emissions at scale and increasing resilience of economies and communities are readily available. Most were able to say that they are on track of meeting or even overachieving their near term targets. Many presented achievements made in different sectors, such as in the deployment of renewable energy, transport or forest conservation. A number of ministers stressed the importance of pre-2020 action. Ministers also underlined the need for continued and strengthened international cooperation on climate action, especially by providing support to developing countries, to enhance implementation of adaptation and mitigation actions.

### *Session 2: Ensuring a just transition*

Ministers recognized that giving due consideration to those whose livelihood and jobs will be affected by structural changes arising from climate policy was paramount for robust and ambitious climate policy. They recognized that each country faces specific challenges and unique obstacles during the transformation towards climate neutrality and, thus, requires specific policy solutions. At the same time, they highlighted that support, international cooperation and learning from each other would be beneficial for the endeavor of ensuring a just transition. Many ministers shared their experiences with setting up frameworks for fostering public discussions around climate policy, such as phasing out the use of fossil fuels and addressing the associated social and economic consequences, while others stressed that climate neutrality enshrined in the Paris Agreement can be achieved in a wide number of nationally determined ways. They stressed the need to engage stakeholders at the national and subnational level in consultative processes to develop shared long-term visions of a just transition. Unions, workers and employers were recognized as important stakeholders for ensuring the quality of future green jobs and allowing the workforce to develop new skills required to fulfill them. A number of ministers called for an honest discussion, recognizing that a transition in energy use and industry would create new jobs, but also cause the loss of traditional employment opportunities. They highlighted that ensuring the economic and social stability of the affected regions required special attention, efforts and investments, especially to protect the people. A number of ministers reported that in their countries workers and

employers were seeing alignment with the Paris Agreement and being part of the solution to the climate crisis as means to ensure competitiveness of their business. At the same time, it was highlighted that inclusion and social protection needed to extend to people who are outside the regular job market today and that a just transition provided the avenue for ensuring that climate action actually benefits all. Ministers recognized that a just transition engaging unions, workers and employers is a means to accelerate the transition and move ahead on the path to sustainable development.

### *Session 3: Completion of the Paris Agreement Work Programme*

Ministers remain committed to successfully completing the Paris Agreement Work Programme at COP24. They recognized that agreeing the detailed guidelines to operationalize provisions and obligations of the Paris Agreement is a necessary condition for its effective implementation. In their interventions, ministers highlighted a number of matters that are essential for achieving a successful outcome in Katowice. These include:

- Preserving the balance of the Paris Agreement by ensuring a comprehensive outcome that covers mitigation, adaptation and finance, technology transfer and capacity building.
- Addressing all pillars of climate action included in the Paris Agreement in a tailored and specific manner, delivering the required level of detail to adequately address and enable their implementation.
- Reflecting the principle of common but differentiated responsibilities and respective capabilities in light of national circumstances in the guidelines in a manner that is faithful to the balance of the provisions of the Paris Agreement and decision 1/CP.21.
- Instructing negotiators to step up their efforts to build consensus on technical issues, narrow down options and prepare the ground for political agreements at COP24.
- Securing the transformative nature of the Paris Agreement by designing implementable and practical guidance that both adequately addresses the nationally determined nature of efforts and strengthens the multilateral framework.

While ministers recognized that negotiations were progressing on the right path, they also underlined the need to step up the pace of negotiations and to make the best use of the Bangkok negotiation session. Many stressed that the balanced package adopted at COP24 needed to cover the essential elements to make the Paris Agreement operational. A number of ministers recalled that we are building a regime that needs to withstand the test of time and for that has to provide a clear direction of travel. They highlighted that especially developing countries would need to be supported in the implementation of the Paris Agreement and its provisions and be granted the flexibility to improve over time. A number of ministers stressed that COP24 needed to address concerns related to climate finance and that this is an essential component of the Paris Agreement Work Programme. Overall, ministers recognized the great value of having clear and robust guidelines to advance national implementation work, for example the design of legislative frameworks. Many also underlined that these guidelines are essential to build trust in collective efforts, learn from each other and give policy certainty to the investment and business community to unlock their ambition.

#### *Session 4: Climate Finance*

During this session, ministers addressed issues on climate finance central to the negotiations and upcoming COP24. They also addressed questions related to financing the implementation of NDCs and to the broader transformational agenda of shifting financial flows. Ministers agreed that climate finance is an integral part of the Paris Agreement Work Programme. Ministers highlighted the importance of enhanced predictability and transparency of climate finance, including on ex-ante information of climate finance. Ministers recognized the need to further scale-up climate finance and to deliver on pledges previously made. Several provided evidence on the progress made towards scaling up climate finance to deliver on the joint commitment by developed countries to mobilize 100 billions USD p.a. by 2020 from a variety of sources. This includes significant scale-up of climate finance by MDBs. Ministers highlighted the importance of public finance for unlocking the trillions of private investments. In this regard, they emphasized the need to further develop and improve the use of various financial tools such as green bonds, carbon pricing, de-risking instruments as well as reassessment of subsidies. However, ministers were also aware of the missing balance between mitigation and adaptation finance and recognized the need of the particularly vulnerable countries. Several ministers pointed to the need of improved and facilitated access to climate finance.

Many ministers shared their experiences from the preparation and implementation of NDCs. Ministers highlighted the importance of dialogue between partners to provide tailor-made support, as enabled by the NDC-Partnership. Ministers also recognized the importance of integrating NDCs into national budgetary and fiscal processes as well as the development of detailed investment plans together with sectoral ministries, stakeholders from private sector and civil society. Through this, ministers noted, governments are able to take the lead to send strong signals, also at the national level, on investment opportunities to the private sector. However, ministers pointed out the importance of creating enabling environments, capacity building and support to developing countries to come forward with thorough investment plans. Minister emphasized as well the importance to mainstream climate change across all policy areas and highlighted the importance to act together and coherently on working towards achieving the goals set out in the Paris Agreement.

#### *Session 5: The Talanoa Dialogue*

Prime Minister Frank Bainimarama, president of COP23, reported on the insights obtained in the technical phase of the Talanoa Dialogue so far. He highlighted that many countries are already in the middle of implementing their NDCs.

Poland's Minister of the Environment Henryk Kowalczyk assured that Poland as COP24 Presidency will make every effort to encourage all Parties to elaborate the consensus being guided by the Talanoa Dialogue messages, the principles of the Convention and the goals of Paris Agreement. Ministers welcomed the report and expressed their resolve to continue the constructive exchange in the political phase of the Talanoa Dialogue at COP24. They called for an interactive setting that would allow for an open exchange, leading to a strong political signal. Several ministers called for a focus on the Talanoa question of "how do we get there" and stressed the helpful contributions that non-party stakeholders can make to the talks and the importance of a clear understanding of the science, especially the IPCC Special Report on 1.5° warming. Ministers expressed their hope that the dialogue will fulfil its mandate to inform parties in the preparation of NDCs by 2020, considering the urgency of action required by the goals of the Paris Agreement. Several ministers highlighted the need for developed countries

to take the lead and enhance their support to developing countries. They emphasized that enhanced collaboration and mutual support would enable more action on the ground. Numerous ministers stressed the interlinkages to other high-level dialogues at COP24, with the pre-2020 stocktake allowing for an in-depth consideration of possibilities for enhanced action and support in the short term and the Climate Finance Ministerial contributing insights on improved cooperation and means of implementation.

Ministers highlighted the need for an improvement of NDCs by 2020 and for increased international cooperation. Several ministers also stressed the importance of enhanced pre2020 action and support. The climate change summit announced for fall 2019 by UN Secretary General Guterres was frequently mentioned as an important stepping-stone on the way to the communication or update of NDCs by 2020.