

Chair's Summary  
Meeting of the Major Economies Forum  
September 22-23, 2016

The Major Economies Forum met in New York City on September 22-23, 2016. The meeting was chaired by Brian Deese, Senior Advisor to President Obama, and attended by ministers and officials from seventeen of the major economies, with ministers and officials from Egypt, the Republic of the Marshall Islands, Morocco, Norway, Saudi Arabia, Singapore, Slovakia (as President of the European Union), and the United Arab Emirates also participating. The Co-Chairs of the APA attended, as did representatives of the UNFCCC Secretariat and the UN Secretary-General's Office.

U.S. Secretary of State John Kerry hosted a Foreign Ministers segment of the meeting, including those from Australia, Italy, Norway, and Singapore to highlight the important link between climate change and national security. Secretary Kerry opened by emphasizing the importance of sustaining climate action in the years to come, with particular focus on near term issues of the Paris Agreement entering into force, of adopting a hydrofluorocarbon (HFC) amendment under the Montreal Protocol, and of adopting a global market-based measure at the International Civil Aviation Organization (ICAO). He underscored that these issues were important to Foreign Ministers because of the impact of climate change on national security and stability. In the latter regard, he highlighted the recently issued U.S. Presidential Memorandum on Climate Change and National Security, which, among other things, provides for the consideration of climate change impacts in the development of national security-related policies and plans.

Ministers discussed the key role that Foreign Ministers can and should play in delivering on the promise of the Paris Agreement, including through promoting implementation of climate action in their own countries and abroad, as well as laying the groundwork for ambitious nationally determined contributions (NDCs) in the future. Ministers supported successful outcomes in the upcoming ICAO and HFC meetings, and also noted the importance of making progress under the IMO as well. They also discussed their countries' respective efforts to integrate consideration of climate impacts into all areas, including security planning, and foreign assistance and development.

Brian Deese introduced the rest of the meeting by recognizing the significant momentum ahead of the ICAO Assembly, the Montreal Protocol Meeting of the Parties, and the Marrakesh Conference of the Parties (COP). He welcomed the fact that more than 55 Parties have now joined the Paris Agreement and that countries are making great efforts to reach the 55% emissions threshold swiftly. He highlighted the launch of the Coalition to Secure an Ambitious HFC Amendment, which favors an early freeze date and increased financial support for Article 5 Parties, and noted the strong support for adoption of the ICAO global market-based measure, including almost 60 countries representing more than 80% of international aviation activity that have volunteered for the pilot phase and phase one of the measure. The Chair called on all countries represented to continue pushing for ambitious climate action on these issues and on their own domestic efforts in the coming months.

Ambassador Aziz Mekouar of Morocco introduced the segment on preparing for Marrakesh. He reaffirmed the view that Marrakesh will be the COP of Implementation and Action. He also noted that the Presidency, with support from the Secretariat, is engaged in contingency planning for the scenario in which the Paris Agreement enters into force before Marrakesh. Patricia Espinosa, UNFCCC Executive Secretary, elaborated on Ambassador Mekouar's remarks. She explained that, if we reach the double threshold for entry into force by October 7, then the Paris Agreement would enter into force before COP 22 in which case we would have the first meeting of the Parties to the Paris Agreement (the “CMA”) in Marrakesh, likely during the second week. She noted that many Parties had expressed support for suspending the CMA until 2018. She underscored that it would be important for non-Parties to be able to participate, but noted that such non-Party participation would need to be time-limited.

Participants then discussed various aspects of the upcoming COP:

- They welcomed the news that many more States, including the United States and China, had deposited their instruments to join the Paris Agreement, including 31 States during the Secretary General’s UNGA event on September 21<sup>st</sup>. They expressed strong support for entry into force of the Agreement in 2016, noting how much closer the double threshold had come to being fulfilled. There was convergence on the view that, if the Agreement enters into force before Marrakesh, there should be a short, suspended meeting of the CMA. This would provide

additional time to prepare decisions for adoption by the CMA, as well as enable contributions to the development of guidelines and modalities by Parties to the Convention that have not yet joined the Paris Agreement. Parties agreed on the need for an inclusive process and a clear timeline to keep work and momentum going. In service of these objectives, there was support for a 2018 timeline to complete the work.

- Participants shared expectations regarding the review of the WIM and the capacity-building package. They welcomed the significant progress this year on capacity-building, including in relation to the Capacity-Building Initiative on Transparency and the Paris Committee on Capacity-Building, and underscored the importance of capacity-building in developing countries to support effective implementation of the Agreement. They emphasized the importance of the high-level segment in shining a spotlight on real-world action, including by accelerating pre-2020 action, early planning and action to implement NDCs, and the important role of non-State actors and private sector finance. They also stressed the need for ongoing tangible progress on the technical elements of the Paris work program. Finally, the UK and Australia provided an update on the development of the climate finance roadmap in response to the call from the decision accompanying the Paris Agreement for a concrete roadmap to achieve the US\$100 billion goal while significantly increasing finance for adaptation.

Participants proceeded to engage in a discussion on implementation, in which that Participants were invited to focus on domestic adaptation efforts, public finance, the Green Climate Fund (GCF), and updates regarding the development of mid-century strategies:

- Participants exchanged views on national adaptation implementation, particularly moving from planning to action and working to ensure long-term transformation toward climate resilience. They also discussed barriers they face in reducing vulnerability and enhancing adaptive capacity.
- Participants identified ways in which they are orienting their bilateral support to facilitate NDC implementation. They noted opportunities for further international cooperation and coordination in this regard.

- Participants also discussed the critical role that multilateral institutions (e.g., MDBs, the GEF, the GCF, and the CTCN) must play both in effectively supporting the implementation of NDCs and in facilitating the broader transformational shift needed to make finance flows consistent with a pathway toward low greenhouse gas emissions and climate-resilient development.
- In particular, Participants discussed the need for the GCF to play a catalytic role in mobilizing finance – which will require a GCF with strong leadership, governance, and a transformational investment strategy. They welcomed ongoing progress, including recent GCF board decisions to allocate \$40 million for a Project Preparation Facility, which will help countries establish a pipeline of bankable projects, as well as an additional allocation of up to \$3 million per country to formulate national adaptation plans and strategies.
- Several participants re-affirmed their commitment to complete their mid-century strategy either before the end of the year or well ahead of the 2020 deadline. In particular, Canada, Mexico, and the United States noted their intention to finish their strategies this year. Germany, China, UK, India and Norway have also committed to or are in the process of developing low greenhouse gas emission development strategies. Many emphasized the importance of developing national low-emission development pathways, consistent with the long-term temperature goal of the Paris Agreement, as a way to identify the benefits of the transition to a low-emission and climate-resilient economy. It was proposed by some that the MEF become a platform to share the lessons learned and discuss the results of these mid-century strategies, and that the G20 should seek to take the lead on this issue in 2017.

Turning to the upcoming meeting of Parties to the Montreal Protocol, Participants were informed of the previous day's declaration, in which over 100 Parties voiced their support for an ambitious HFC amendment that includes an early freeze date for Article 5 parties, an early first reduction step for non-Article 5 countries, and an ambitious phasedown schedule for all Parties. Participants discussed ways in which progress has been made since July, including several domestic actions taken to phase down HFCs, as well as further convergence during a recent informal meeting in China. Participants welcomed the announcement from donor countries and philanthropists of their intent to provide \$80 million in fast-start support in

2017 to help countries in need of assistance (i.e., Article 5 countries) implement an ambitious amendment and improve energy efficiency. The \$27 million from donor countries represents the largest-ever plus-up to the Montreal Protocol's Multilateral Fund, while the \$53 million from philanthropists represents the largest-ever non-governmental grant made for energy efficiency in this sector. Participants concluded by identifying ways in which MEF participants can help ensure the adoption of an ambitious amendment in Kigali in October.

At a MEF dinner on September 22, MEF participants engaged with representatives from the investment community on ways to enhance the mobilization of private finance. Investor representatives highlighted that the investment community has taken notice of the Paris Agreement, and its implementation is likely to spur continued interest in low carbon, climate resilient investments, though these represent a relatively small share of private capital flows. Participants discussed avenues for enhancing the attractiveness of such investments, including through stable regulatory and price signals, improved climate data to support investor risk analysis, and the use of public finance to reduce risks and support the development of markets in climate-related investment vehicles. Several underscored the importance of the work of the Financial Stability Board to promote transparency in corporate climate-related risk as helping investors better understand the value of investments that may be in line with, or contrary to, low-emissions, climate-resilient development. Some others highlighted the potential role of the GCF in promoting investor confidence in climate-related instruments.

Noting that this was the last MEF of the Obama Administration, many participants commented on how useful a forum it had been. Since 2009, the MEF has provided a forum for the world's largest economies to take stock of their progress addressing climate change and to make progress on issues fundamental to successful international climate agreements. Parties expressed their intention to continue participating in these meetings in the future.