

BONN HIGHLIGHTS: TUESDAY, 9 MAY 2017

The Bonn Climate Change Conference continued on Tuesday. In the morning, the APA contact group and SBI plenary convened. Contact groups, informal consultations and mandated events convened throughout the day.

SBSTA

NWP: Julio Cardano (Chile) co-facilitated. Delegates considered progress made under the NWP. The Secretariat presented an overview of work on human health, human settlements and ecosystem-based adaptation. There was broad agreement on the value of the work and its collaborative nature. Co-Facilitator Cardano suggested that parties consider how the NWP might fit into the implementation of the Paris Agreement. Some parties suggested postponing this discussion until next year's review. Informal consultations will continue.

MODALITIES FOR THE ACCOUNTING OF FINANCIAL RESOURCES (PARIS AGREEMENT ARTICLE 9.7): Contact group Co-Chair Rafael da Soler (Brazil) noted the available inputs, including a technical paper (FCCC/TP/2017/1) and the Co-Chairs' reflection note.

Many countries described the inputs as a good basis for work. The Philippines, for the G-77/CHINA, identified further areas, including additionality of finance and clarifying developing countries' needs. Some developing country groups underscored the importance of coordination with APA discussions on transparency. SWITZERLAND, supported by NORWAY, the EU and Belize, for AOSIS, proposed structuring discussions around clusters, as in the technical paper. Informal consultations will convene.

PARIS AGREEMENT ARTICLE 6: The workshop met all day. In the morning, parties exchanged views on issues surrounding the Article 6.4 mechanism. On implications of NDCs, parties considered how the scope of the NDCs in terms of sectors, gases and timeframes impacts the accounting of emission reductions. Many parties noted the need to, among others: encourage movement towards economy-wide targets and avoid perverse incentives; synchronize reporting of activities with NDC timeframes; and distinguish between conditional and unconditional targets. Parties also focused on how NDCs may impact the determination of additionality and baseline setting, with several calling for a different understanding of additionality from that used under the Kyoto Protocol. Many parties suggested tracking all activities against baselines and assessing increased ambition.

On assimilating experiences into the mechanism, several parties suggested an enhanced role for designated national authorities. On transitioning projects, credits and rules from existing mechanisms, parties discussed, *inter alia*, using eligibility

checks of existing projects against new rules, and conditions under which Certified Emission Reductions would be valid.

SBI

OPENING STATEMENTS: The EU stressed, *inter alia*: the MA and FSV; review of the Technology Mechanism; improved response measures forum; and PCCB meeting. She called for the UNFCCC budget to ensure transparency and efficiency, urging all parties to contribute.

Mali, for the AFRICAN GROUP, and Venezuela, for ALBA, stressed the importance of enhancing the Secretariat's resources given pre-2020 work and preparations for the Paris Agreement's implementation.

Ethiopia, for the LDCs, called for: additional resources for the LEG; replenishing the LDCs Fund; and enhancing access to GCF funds.

Republic of Korea, for the EIG, called for the IAR and ICA to provide lessons for the Paris Agreement's transparency framework and for resolving outstanding issues on the budget.

Maldives, for AOSIS, stressed the need for public registries to provide accessible information on parties' NDCs, and suggested linking the adaptation communications and NDC registries.

Saudi Arabia, for the ARAB GROUP, stressed that mitigation measures should contribute to economic diversification in developing countries and the need for measurement, reporting and verification (MRV) of support.

The Democratic Republic of the Congo, for the CfrN, called for increased financial support to REDD+, adaptation, and loss and damage.

WOMEN AND GENDER called for concrete steps towards a comprehensive gender action plan and for gender-responsive climate finance.

YOUNGOs called for transparency and for youth voices to be heard at the PCCB, Durban Forum and ACE Dialogue.

CAN called on parties to scale up resources for NDC implementation.

The PHILIPPINE MOVEMENT FOR CLIMATE JUSTICE stressed the need to address conflicts of interest in the context of non-party stakeholder engagement.

FARMERS reminded that a changing climate threatens farmers' ability to feed a growing population.

INDIGENOUS PEOPLES urged inclusion of indigenous peoples in the implementation of NDCs and NAPs.

LOCAL GOVERNMENTS AND MUNICIPAL AUTHORITIES (LGMA) welcomed the workshop on engaging non-party stakeholders, identifying complementarities with the Marrakech Partnership for Global Climate Action.

REVISION OF THE MODALITIES AND PROCEDURES FOR INTERNATIONAL ASSESSMENT AND REVIEW (IAR): Informal consultations were co-facilitated by Helen Plume (New Zealand). Two developing countries suggested broadening the scope of the IAR to include support. Various developed countries argued that a revision of the IAR's modalities and

procedures is unnecessary, urging focus on the development of the Paris Agreement's transparency framework. Another developing country argued that the revision is needed, but that its timing should be set. The Co-Facilitators will circulate draft conclusions.

CAPACITY BUILDING: In informal consultations, Co-Facilitator Bubu Jallow (The Gambia) invited country presentations on the implementation of the capacity-building framework for economies in transition (EIT), requesting reflections on: kind of support received; results; lessons learned; current and emerging gaps; and relevance to the Paris Agreement and other related provisions. One EIT presented, followed by a discussion among parties.

Parties mandated the Co-Facilitators to prepare draft texts on the fourth review of the implementation of the capacity-building framework for EITs, and on the implementation of the framework for capacity building in developing countries, based on submissions, discussions and textual inputs sent by parties at SBI 46, for consideration at the next informal session.

SBI/SBSTA

RESPONSE MEASURES: Co-Chair Peter Govindasamy (Singapore) recalled the mandate of the TEG to elaborate on the technical aspects of the Improved Forum's discussions.

On economic diversification, in presentations, the EU outlined its policy process including assessing impacts, and Maldives highlighted the difficulties of dependence on tourism that is sensitive to transport policies and carbon taxes. The UN Development Programme (UNDP) outlined its work in commodity-dependent resource rich countries. South Africa observed wide divergence in capacity to assess the impacts of response measures, and noted that, for Africa, economic diversification is an imperative not primarily driven by climate considerations. Singapore stressed the need for robust methodologies for assessment.

SCOPE OF THE NEXT PERIODIC REVIEW OF THE LTGG AND OF OVERALL PROGRESS TOWARDS ACHIEVING IT:

Leon Charles (Grenada) co-chaired. Many countries noted ongoing discussions on the modalities of the 2018 facilitative dialogue and global stocktake, and supported postponing the consideration of this item until SB 48. Others argued that discussions on this item should take precedence and inform negotiations on the global stocktake, and therefore take place at this session. Draft conclusions will be circulated.

APA

In the contact group, APA Co-Chair Jo Tyndall proposed a step-wise approach that includes development of elements followed by more detailed textual work. BRAZIL suggested joint sessions between informal consultation groups discussing cross-cutting issues and placeholders. Recalling that most items related to MOI and the Paris Agreement are allocated to SBSTA and SBI, CHINA called for also capturing outcomes of these discussions in informal notes, to ensure a balanced approach.

FURTHER GUIDANCE IN RELATION TO THE MITIGATION SECTION OF DECISION 1/CP.21: Parties reflected on the pre-session roundtable and noted the need for: further guidance to facilitate understanding of the aggregate effect of NDCs while maintaining their nationally-determined nature; preserving flexibility for future NDC types; and distinguishing between issues to be discussed under mitigation and transparency items. Views diverged on how to reflect CBDR. The Co-Facilitators asked parties to consult on the topic they would like to address first.

MODALITIES, PROCEDURES, GUIDELINES (MPGs) FOR THE TRANSPARENCY FRAMEWORK: Andrew Rakestraw (US) co-facilitated. Parties discussed overarching considerations, with many suggesting moving into substantive discussions. Various developing countries supported two sets of MPGs to allow flexibility for developing countries, while developed countries called for a single set of MPGs. Some developing countries voiced reservations about the March 2017

workshop report, noting that it did not fully reflect all views. Several parties proposed using the structure of the report to guide discussions, without using the report as the basis for textual negotiations. Many suggested the outcome of the session be an outline of the MPGs with headings and sub-headings.

Parties also initiated discussions on national inventory reports of anthropogenic emissions by sources and removals by sinks of GHGs. Informal informals will be held on 10 May.

FURTHER MATTERS: Adaptation Fund: During informal consultations, Co-Facilitator Bueno Asesora (Argentina) outlined guiding questions regarding: governance and institutional arrangements as well as operating modalities of the Adaptation Fund that need to be addressed; and issues related to safeguards for the Fund to serve the Paris Agreement.

Parties presented their views on the way forward. Developing countries emphasized focusing on how the Adaption Fund will serve the Paris Agreement, noting it already effectively does, and stressed the need to work on draft decision text as soon as possible. On operating modalities, they stressed direct access for developing countries as essential.

Several developed countries noted the need to engage in deeper discussions and assess the Fund's comparative advantage and supported a Co-Facilitators' reflection note.

Many agreed with some developed countries' call for discussions focusing on: the future role of the Adaptation Fund within climate finance; sources and coherence of adaptation funding; whether the Adaption Fund will continue to serve the Kyoto Protocol and how, in doing so, also serve the Paris Agreement; interim arrangements; who would provide guidance to the Adaptation Fund; and eligibility, considering non-Paris Agreement parties. Discussions will continue.

Matters except the Adaptation Fund: Reminding parties about the lack of official status of the list of nine possible additional matters not addressed under the Paris Agreement work programme included in a Co-Chairs' informal note, Co-Chair Sarah Baashan invited parties to consider each matter, reflecting on questions from the Co-Chairs' reflections note: whether/where work is currently being undertaken; whether/where preparatory work is required; and the timeframe for this work.

Parties exchanged views on: progress and procedural steps to enable the response measures forum to serve the Paris Agreement; and modalities for the recognition of developing countries' adaptation efforts. They mandated the Co-Chairs to seek informal clarification from the SBI/SBSTA Chairs on the scope of ongoing discussions on the improved forum on response measures. Discussions on how to take forward the issue of recognizing adaptation efforts will continue, along with the remaining matters, in informal consultations.

IN THE CORRIDORS

Negotiations picked up speed on the second day as parties dove into technical negotiations under the three subsidiary bodies. One veteran delegate welcomed the "move into substance," after a long period of working on the "clockwork" of the agenda.

Tuesday also marked the start of the COP 22 and 23 Presidencies' informal consultations on the modalities of the 2018 facilitative dialogue, with various delegates welcoming the opportunity to provide input into this important milestone. As pointed out by one rather disenchanted delegate, the foreseeable conclusion is that "we're not on track to achieve the mitigation goals of the Paris Agreement." She wondered if the dialogue will be "robust enough to inject the political momentum needed." Another participant suggested making the right connections between the dialogue and other processes on review and transparency would be crucial for its success, a sentiment echoed across several of the proliferating negotiation groups.

With the Paris Agreement work programme stretching across all bodies' work, making the right links between issues without allowing coordination to become an end itself may, indeed, be the key to success.