

FIJI / BONN HIGHLIGHTS: FRIDAY, 10 NOVEMBER 2017

The Fiji / Bonn Climate Change Conference continued on Friday. In the morning, the facilitative sharing of views convened, followed by the multilateral assessment in the afternoon. Informal consultations and contact groups under the COP, CMP, APA, SBSTA, and SBI convened throughout the day.

COP

MATTERS RELATING TO FINANCE: Process to Identify the Information to be Provided by Parties in Accordance with Agreement Article 9.5: Opening the informal consultations, co-facilitator Outi Honkatukia (Finland) invited parties' views on the way forward at this session.

Stressing this item belongs to the Paris Agreement work programme and requires an outcome at COP 24, developing country groups and parties, opposed by some developed countries, called for a COP 23 decision forwarding this item to one of the SBs, citing the need to ensure continued consideration throughout 2018.

Parties then shared views on the potential elements and format for the preparation of information.

Many developing country groups and parties stressed the need to track progress towards the collective finance goal. Developed countries supported the use of biennial submissions on strategies and approaches as a basis, and stressed the feasibility of additional qualitative information.

Parties highlighted, *inter alia*: an overview of trends of support to be provided; pledges; indications for mitigation and adaptation finance; base years; channels used; economic sectors; instruments, such as grants and loans; the principle of new and additional; strategies and approaches for scaling up climate finance; enhanced transparency and comparability of information; drawing from the common tabular format; and a definition for climate finance.

Some developing and developed countries' views diverged on whether the mandate for this item also includes a focus on mobilizing climate change finance, and whether official development assistance (ODA) and climate finance can be separated.

Informal consultations will continue.

ASSESSMENT OF THE TEP ON MITIGATION AND ADAPTATION: In the informal consultations, facilitated by Deo Saran (Fiji), parties and observers shared views on a facilitator's

summary note on: context; and improving the effectiveness of the TEP pre-2020 generally, and the TEP on mitigation (TEP-M) and TEP on adaptation (TEP-A) specifically.

Many groups and parties called for the recommendations to contain "strong" language that captures the sense of urgency to act, and more detail on how they will be implemented.

Parties also supported: mandating expert organizations to organize TEMs; organizing regional TEMs under existing forums for cost effectiveness; enhancing TEP-A based on the "needs for climate action"; enhancing TEC and CTCN involvement in developing a multi-year workplan for TEP-M; and ensuring stronger non-party stakeholder involvement, including thorough processes that facilitate conversations with governments.

Saran will prepare a second iteration of the text, and informal consultations will continue.

APA

FURTHER GUIDANCE IN RELATION TO THE MITIGATION SECTION OF DECISION 1/CP.21: In informal consultations, co-facilitated by Sin Liang Cheah (Singapore), parties reacted to a 45-page "preliminary material" document containing text on all three sub-items, with substantive elements for information and accounting placed in appendices containing parties' views grouped in three clusters.

A large number of groups and countries commended the co-facilitators' work and supported using the document as a basis for further work, but noted it contains redundancies and duplication, and called for shortening it. One developed country supported the existence of the document but opposed working on the basis of it.

One developing country group called for moving the clusters into the main text and for removing duplication across two information-related clusters. A number of countries opposed removing duplication across clusters but supported doing so inside clusters. One developing country group proposed an additional information-related cluster reflecting a broad NDC scope. A number of developed countries said the document gave more visibility to one group, calling for all views to be treated equally.

Parties did not agree on proposals to streamline the text at this stage, and a number of parties and groups called for time to further examine it. Sin encouraged parties to consult informally. Informal consultations will continue.

ADAPTATION COMMUNICATION: Informal consultations were co-facilitated by Julio Cordano (Chile). Discussions continued on the "skeleton" list presented in the preliminary

materials document. One developing country group called for referring to the adaptation communication as a tool to achieve the global goal on adaptation. Several developing countries stressed that support should be for developing countries, and guiding principles need to include CBDR-RC, national circumstances, and flexibility. Many developed countries objected to including guiding principles, saying these are covered under the Paris Agreement. One developed country stated that mandatory or common reporting formats increase burdens and reduce flexibility, and proposed that a list of elements would ensure the least burden. Some countries also discussed whether some of the headings would be better placed in a decision accompanying the guidance. Several developed countries expressed a wish to see a clean-up of the “skeleton” list of headings, with one asking to also populate the heading on elements and have a preliminary list of key ideas. Informal consultations will continue.

MPGs FOR THE TRANSPARENCY FRAMEWORK

FOR ACTION AND SUPPORT: Informal consultations co-facilitated by Xiang Gao (China) and Andrew Rakestraw (US) met twice in the afternoon. In the first session, the co-facilitators invited countries to address Section G and H of the preliminary material document on the facilitative multilateral consideration of progress and technical expert review (TER). Many countries expressed concern that their submissions had been incompletely or inaccurately captured, and identified missing elements. In the second session, the co-facilitators invited countries to address Section F on support needed and received. Several countries identified missing elements and opportunities for streamlining. A country group expressed concern about the process, emphasizing that comments and edits should, at this time, be limited to countries’ own submissions. Several parties responded that urgency impelled them to speak about both their own material and that of others. Two parties argued that support registered in the transparency framework must be agreed by both providers and receivers to be aimed exclusively at meeting Paris Agreement obligations. Countries mandated the co-facilitators to prepare an informal note as soon as possible and solicit countries’ reactions in informal consultations on Monday, 13 November.

GST: Informal consultations continued, co-facilitated by Outi Honkatukia (Finland) and Richard Muyungi (Tanzania), with discussions focused on Activity B (“Technical Phase”) and Activity C (“Political Phase”) of the revised “building blocks” document. Parties expressed comfort with the document as the foundation for discussion, but disagreed on whether to add elements to the text. One country suggested using the terms “initial” and “final” phase, arguing no technical phase is free of political direction. Countries also offered perspectives on process, with one party, echoed by many others, recommending the group first address guiding principles to reach an understanding of the outcome, specifically whether and how the GST would address mitigation, adaptation, and financial flows. Others suggested that language citing the Paris Agreement could serve to reiterate principles for the GST. All countries welcomed the forthcoming dedicated informal consultation on equity. Informal consultations will continue.

COMMITTEE TO FACILITATE IMPLEMENTATION AND PROMOTE COMPLIANCE:

Janine Felson (Belize) co-facilitated informal consultations, asking for reflections on the preliminary materials document. Three groups of developing countries called for more attention to systemic issues at the aggregate level, while others suggested this is not a role for the committee.

Several developed countries said that the underlying principles section duplicates the Paris Agreement, while many developing countries called for its retention, suggesting additional principles such as non-duplication and not modifying other mechanisms. Some developing countries called for highlighting national circumstances, including CBDR and differentiation, while developed countries preferred the phrase national circumstances and capabilities.

On linkages to other bodies, some did not support a GST link, with others proposing links to the response measures forum and Agreement Article 6 (cooperative approaches). One group underscored that other institutions should not be triggers.

Several commented on the functions section, noting that the committee’s work should be for legally-binding provisions only. Some said that the two functions, for facilitating implementation and promoting compliance, should apply to legally-binding provisions, while the facilitating compliance function should apply to non-legally binding provisions. Informal consultations will continue.

FURTHER MATTERS: Adaptation Fund: Informal consultations convened in the afternoon, co-facilitated by María del Pilar Bueno (Argentina). Parties discussed the first iteration of an informal note issued by the co-facilitators. Del Pilar Bueno outlined three questions that could be used to guide further deliberations: what issues should be developed from now until 2018 and by whom; what issues should be developed after 2018 and by whom; and what is the appropriate sequencing for decisions for the Adaptation Fund to serve under the CMA and/or CMP. Many groups and countries said the informal note was a good starting point for further considerations, while others noted some of their views were absent. Several developed countries asked for the note to be streamlined to identify areas of convergence and divergence. Several developing country groups and parties objected to the mention of “innovative sources of finance” and underscored the need to define the term, with one developed country arguing that CER contributions to the Fund constitute innovative finance. One developing country cautioned against pre-judging negotiations related to Agreement Article 6, and another proposed that the Adaptation Fund Board be mandated to deal with many of the issues identified in the proposed transition period. A developed country noted that the overall future of the Fund is a political decision. The parties mandated the co-facilitators to produce a second iteration of the informal note. Informal consultations will continue.

Other Further Matters: Informal consultations, co-facilitated by Sarah Baashan (Saudi Arabia), focused on the possible additional matter relating to the modalities for Paris Agreement 9.5 (*ex-ante* finance transparency).

Parties’ views diverged on whether preparatory work was already underway on the matter, with many developed countries stating that work mandated from the Paris Agreement on Article 9.5 is being undertaken under the COP. Developing countries called for the COP to mandate APA to take it up, citing linkages to work under APA item 5 on the transparency framework. One developing country group informed it would be submitting a conference room paper containing substantive elements on how the group proposes to take this matter forward. Many developed countries called for attention to the remaining four possible additional matters. Informal consultations will continue.

SBI

MANDATED EVENTS: Facilitative Sharing of Views: SBI Co-Chair Tomasz Chruszczow (Poland) facilitated.

ARMENIA reported that its GHG inventory preparation was guided by relying on 2016 guidelines and prioritizing national inventories and data.

Among voluntary mitigation action, ECUADOR highlighted pillars to implement REDD+, including: its REDD+ action plan; a reference level of forest emissions from deforestation; and a national forest monitoring system.

GEORGIA outlined the support it needs for technology transfer, development of financial schemes for priority economic niches, climate smart agriculture, and research in land-use change.

Among obstacles and barriers, JAMAICA highlighted timely data collection and procuring suitable experts.

SERBIA underscored the need to strengthen capacity for BUR preparation, including trainings for specific stakeholders and sectors.

In the discussions, participants addressed, *inter alia*: calculations for emissions from biomass; instruments to ensure that involvement of local communities supports national mitigation goals; and regional cooperation to strengthen capacity.

MATTERS RELATING TO CLIMATE FINANCE:

Review of the Functions of the SCF: In informal consultations, Co-Facilitator Ngedikes Olai Uludong (Palau) invited parties to provide comments on remaining paragraphs in a draft text first introduced in the previous session.

On paragraphs relating to the SCF Forum, parties diverged on a proposal to organize the Forum biennially.

On requests to the SCF, many developed countries opposed and developing countries supported requesting additional activities “in line with its mandate such as resource mobilization and the scaling up of resources.” Many opposed a request to produce a biennial report assessing what is required to stay below 2°C.

On the working modalities of the SCF, developed and developing countries disagreed on whether to allow for appointment of alternative members. Parties also diverged on whether to request parties to ensure that SCF members possess the necessary technical background and expertise in the area of finance, environment, and/or development.

On COP guidance and the next SCF review, parties called for streamlining the text, with one party opposing text deciding the timing of the second review of the SCF. Parties mandated the co-facilitators to revise the text. Informal consultations will continue.

SBSTA**MATTERS RELATING TO AGREEMENT ARTICLE 6:**

The contact group convened throughout the day, co-chaired by Kelley Kizzier (EU) and Hugh Sealy (Maldives). Kizzier invited general comments on the three revised informal notes, and many countries indicated that they were a basis for moving forward. BRAZIL noted that the drafts did not adequately reflect some positions, especially the one on Article 6.2 (ITMOs), which he said was unbalanced in favor of project-based activities, and on Article 6.4 (mechanism) where the international registry was not sufficiently prominent. Egypt, for the ARAB GROUP, supported by Saudi Arabia, for the LMDCs, pointed out that, *inter alia*, their request for response measures as a major heading was not respected. Saint Lucia, for AOSIS, remarked that the draft did not

adequately reflect AOSIS’ desire for Article 6 implementation to contribute to overall global mitigation. The EU said it wanted to see more coherence between the accounting elements in Articles 6.2 and 6.4.

In the afternoon session, parties suggested specific additions and clarifications to the revised notes, many offering concrete proposals that elaborated on their interventions in the previous session. PANAMA, supported by SAUDI ARABIA, suggested replacing text on reporting and accounting with a reference to Agreement Article 4.13 (accounting for NDCs). NEW ZEALAND, supported by AUSTRALIA, suggested amalgamating text relating to issuers and users of ITMOs. Discussions will continue in a contact group.

SBSTA/SBI**JOINT ANNUAL REPORT OF THE TEC AND CTCN:**

Informal consultations convened, co-facilitated by Balisi Gopolang (Botswana). There was disagreement, *inter alia*, on whether to refer to enhanced support for capacity building to National Designated Entities (NDEs), with some noting the importance of NDEs in accessing support from CTCN and others noting the competing budget priorities. Group consultations produced agreement on a final text, but there was still disagreement on whether to place some paragraphs in the joint annual report or in the CTCN report decision. Informal consultations will continue.

REPORT OF THE ADAPTATION COMMITTEE AND

THE LEG: Joint-informal consultations were co-facilitated by Richard Merzian (Australia) and discussed how to take the work forward. Parties subsequently discussed three options for addressing the recommendations in the report and when to forward them to the COP and ultimately CMA: that the recommendations are forwarded at COP 23; that the joint informal group take ownership of the recommendations, and work on and strengthen them to conclude at either COP 23, SB 48, or COP 24; or take ownership of the recommendations, and work on and strengthen them under a new joint agenda item during SB 48 and potentially COP 24. Informal consultations will continue.

IN THE CORRIDORS

Friday was for finance and frustration, at least for one delegate who characterized the process as “the dog chasing the tail.” Schedules were carefully choreographed to accommodate the many finance conversations taking place under nearly every body. In some, delegates wondered which decisions and discussions were “theirs,” or if they were really negotiating issues that should be dealt with under other agenda items.

The emergence and expansion of “preliminary materials documents” – an interim step to help clarify ideas before the co-facilitators revise their informal notes – left some questioning how to proceed, with one veteran delegate saying to her co-facilitators: “I don’t envy you; I don’t know how we are going to do this.” Another veteran wondered how this step-wise approach would lead to an APA outcome by Wednesday, but said these documents may be a “price to pay” to bring parties on board before informal notes are drafted and could yield rapid agreement next week.

There were signs that other frustrations could be subsiding. In loss and damage, again a contentious issue, informal informals may have produced a bridging proposal that could bring parties closer together in the days to come.

