

## Bonn Highlights: Monday, 7 May 2018

Starting its second and final week, the Bonn Climate Change Conference continued to focus on the Paris Agreement Work Programme (PAWP). Discussions under the PAWP centered on the global stocktake (GST), transparency framework, and adaptation communications. Other PAWP discussions included common timeframes for nationally determined contributions (NDCs) and the Local Communities and Indigenous Peoples (LCIP) Platform.

There were several discussions related to finance. A workshop on long-term finance met, and parties discussed financial communications by developed countries and modalities to account for financial resources provided and mobilized through public sources.

### Workshop on Long-Term Finance

The Co-Facilitators highlighted the theme of lessons learned from facilitating enhanced access, and Mikko Ollikainen, Adaptation Fund Board Secretariat, outlined the lessons from last year's workshop. Lia Nicholson, Antigua and Barbuda, described her country's ten-year process of institution building, which culminated in a major project approval at the GCF's first Board meeting. Ermira Fida, UN Environment Programme, described an 18-country multi-partner effort for readiness support. Participants then split into break-out groups, mandated to share challenges and gaps in accessing climate finance, information on non-stakeholder efforts in facilitating enhanced access to finance, and ways to resolve the challenges and gaps.

### SBI

**Agreement Article 9.5 (Developed Countries' Biennial Ex-Ante Financial Communication):** In informal consultations, parties considered a revised informal note that structures the text under five sections. The sections were on enhanced information: to increase clarity on the expected levels of provision and mobilization of climate finance from different sources; on policies, programmes, and priorities; on actions and plans to mobilize additional finance from a range of sources; on the balance between adaptation and mitigation; and on enabling environments. Some proposed short section headings to avoid prejudging the content, and a group suggested streamlining and identifying elements for a decision. The Co-Facilitators will produce a new iteration of the note and provide a draft conclusions text.

**Capacity Building under the Convention:** In informal consultations, parties agreed on paragraphs which: note the progress made by the Paris Committee on Capacity-building (PCCB); welcome the theme of capacity building for the implementation of NDCs for the second meeting of the PCCB

and the seventh Durban Forum on Capacity-building; and note emerging capacity gaps related to NDCs, national adaptation plans, monitoring, reporting, and verification (MRV), and access to finance. On Tuesday, informal consultations will discuss capacity building under the Kyoto Protocol.

**Common Timeframes for NDCs in Agreement Article 4.10:** In informal consultations, parties agreed to draft conclusions. They agreed to refer, in a footnote, to the SBI's welcoming of both submissions and conference room papers (CRPs) from parties, following assurances that CRPs have no formal status and that this will not prejudice any discussions at the next session. They did not agree to one party's proposal that the SBI make a recommendation for consideration and adoption by CMA-1.

### SBSTA

**Agreement Article 6.2 (Internationally Transferred Mitigation Outcomes, ITMOs):** In informal consultations, parties worked through the SBSTA Chair's informal note. Interventions aimed at ensuring that the text accurately reflected the various options on issues, such as whether: ITMOs could be counted toward NDC commitments; ITMOs would be tradable after initial transfer; additionality should be a requirement; and accounting would be project-based or emission-based, or occurring in real time or within accounting periods. Parties were careful to have the text reflect their positions on such items as the operationalization of the environmental integrity requirement, flexibilities for LDCs, and the need to avoid negative social or economic impacts. Others underlined the connections to the Paris Agreement's transparency framework and implementation and compliance mechanism.

**Article 6.4 (Mechanism):** In informal consultations, parties commented on the SBSTA Chair's informal note. On parties' responsibilities, some emphasized the need to avoid negative social and economic consequences, and opposed the inclusion of human rights. A group urged distinguishing between the use of ITMOs towards host country NDCs and the use of ITMOs by acquiring parties. On designated national entities, parties discussed the possibility of providing "blanket" approvals instead of activity-specific approvals as practiced by the Clean Development Mechanism, or if host governments should decide the approach.

On eligible mitigation activities, parties discussed how the text should reflect the lack of agreement on the mechanism's scope, with a group of parties calling for special consideration to the LDCs to use standardized baseline approaches. On transitioning from the CDM, a party noted the projects should meet all of the Article 6.4 requirements for approval. Overall, it was clarified that there was an implicit "no text option." The Co-Facilitators will issue a new iteration of the informal note.

**LCIP Platform:** In informal consultations in the morning, parties worked to streamline a draft text which would, among other things, decide to establish a facilitative working group under the LCIP Platform. Consensus emerged that the working group's objective would be to further operationalize the LCIP Platform and facilitate the implementation of its functions, although views diverged on whether these were two separate objectives or part of one linked objective. On mandate, views diverged on whether modalities would be developed under the COP decision establishing the facilitative working group, or by the working group itself.

In the afternoon, parties exchanged views on, *inter alia*: whether the SBSTA would need to approve the workplan proposed by the working group; whether the working group should carry out its work in accordance with a bounded set of modalities; and elements of the working group's modalities. A consensus emerged that the facilitative working group would be able to carry out initial activities in parallel to developing the workplan.

**Modalities for the Accounting of Financial Resources Provided and Mobilized through Public Interventions in Accordance with Article 9.7:** In informal consultations, parties considered the second iteration of the informal note. Views diverged on how best to reflect party submissions, including the treatment of CRPs. A group of parties, opposed by others, said the informal note is not the basis for textual negotiations. Parties exchanged views on: differentiation in the modalities, and linkages with the transparency framework discussions; reporting on loss and damage as a distinct type of support; alignment with internal accounting procedures of donor countries; and how best to define "new" and "additional" finance. The Co-Facilitators will issue a new draft note and propose draft conclusions.

### **SBSTA/SBI**

**Agriculture:** In informal consultations, parties agreed to a decision text, containing a roadmap for the joint work until SB 53 in 2020. Parties highlighted the roadmap's inclusive and participatory nature, comprehensive and ambitious scope, and linkages with constituted bodies. Some parties emphasized the importance of adaptation, means of implementation, and the need to focus on food security and farmers' livelihoods. Others stressed the role of farmers as agents of change.

**Modalities, Work Programme and Function under the Agreement of the Response Measures Forum:** The Co-Facilitator presented an informal note that revised the SBSTA Chair's document, explaining that he had aimed to retain all options from submissions and in-session discussions, and to streamline and eliminate overlap. He proposed that parties allow him to draft conclusions that would forward the text to the next SBSTA session. All parties agreed the text was an improvement. Some developed countries and groups objected to an annexed detailed workplan, saying that this goes beyond the mandate to elaborate a work programme. Several developing countries expressed concerns with the text but agreed to forwarding it to the next session. The Co-Facilitator said the draft conclusions would clarify that the text is for future consideration.

### **APA**

**Further Guidance in Relation to the Mitigation Section of Decision 1/CP.21:** In informal consultations, parties discussed the "navigation tool" put forward by the Co-Facilitators to navigate the 180-page APA 1-4 informal note, and parties' submissions and interventions since that session. While various delegations registered concerns about the tool, all characterized it as useful. They agreed to accept the tool on the understanding that it does not replace or supersede the informal note, which remains on the table.

**Adaptation Communication:** In informal consultations, delegates discussed the second iteration of the informal note. On the preamble, parties diverged over whether to differentiate between the overarching provisions of the UNFCCC and the Paris Agreement. Parties also discussed adding to the guidance's preamble references to other Agreement articles, including the GST and transparency framework, as well as to national communications, biennial reports, and national adaptation plans. Several parties suggested references to the Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction. Informal consultations will continue.

**Transparency Framework:** In informal consultations, on approaches to information on means of implementation, many parties supported incorporating the accounting of financial resources provided and mobilized through public interventions in accordance with Agreement Article 9.7, being developed under SBSTA. One group, supported by a party, suggested continuing work while anticipating SBSTA's outcome, while another group noted additional work would be needed to translate inputs from these financial accounting modalities into reporting guidelines.

On national inventory reports of anthropogenic emissions by sources and removals by sinks, parties expressed their preference for different approaches to methodologies, parameters, and data; sectors and gases; and reporting formats. Many countries highlighted the need to ensure the reflection of the "no backsliding" principle for developed countries on these issues, while noting the need for flexibility for developing countries, or a subset thereof. Views differed on how to operationalize this flexibility.

**Global Stocktake:** In informal consultations throughout the day, parties agreed to the informal note. Several parties sought confirmation that its annex, which lists specific guiding questions for the GST, is non-exhaustive.

The Co-Facilitator presented an "illustrative timeline" to chart progress to the first GST, and parties shared views on when the stocktake should begin, to ensure adequate time to undertake the preparatory, technical, and political phases. Parties stressed that the stocktake process should: allow flexibility for stocktakes to differ over time; provide adequate time for synthesizing inputs; consider other potential inputs, such as IPCC reports; and pay attention to non-negotiated outputs. On timing, parties' suggestions included that the list of inputs should be completed in 2021 and institutional bodies should complete their inputs throughout 2022, and that the stocktake process should take at least one year.

### **In the Corridors:**

Delegates started the second week looking beyond Bonn. The incoming COP 24 Polish Presidency held a briefing on logistics, and concerns about arrangements resurfaced as delegations highlighted challenges in securing accommodation in the host city of Katowice. With many hotels more than an hour away from the venue, many wondered how delegations would juggle busy meeting schedules and sleep. Beyond logistics, observers are waiting to see how the Polish government will react to a letter sent by five UN special rapporteurs expressing concerns about a new Polish law that prohibits spontaneous demonstrations and expands police surveillance powers.

Looking even further afield, many attended an evening presentation by the "We Are Still In" group, which pledged a "wave of action" by signatories representing more than half the US population, reinforcing the view held by many that non-party stakeholders will play a key role in upholding the Paris Agreement.