

## BONN HIGHLIGHTS: SATURDAY, 13 MAY 2017

The Bonn Climate Change Conference continued on Saturday. In the afternoon, the APA contact group met to facilitate interaction between parties and representatives of the Adaptation Committee, the LDC Expert Group (LEG), the Standing Committee on Finance (SCF) and the Green Climate Fund (GCF). A joint informal plenary of the SBI, SBSTA and APA also convened in the afternoon. Informal consultations and mandated events met throughout the day.

### SBSTA

**PARIS AGREEMENT ARTICLE 6.8 (NON-MARKET APPROACHES):** In informal consultations, on overarching principles, a party suggested including non-commoditization as a principle, while some parties opposed the inclusion of principles noting that the Paris Agreement already identifies them. Several asked to include language on avoiding duplication of work under UNFCCC and other multilateral forums. A few asked to include examples of non-market approaches (NMAs) such as policies and strategies. Co-Facilitator Hugh Sealy (Maldives) urged avoiding a list of NMAs to leave options open. A few countries suggested adding a new element on transparency. On functions of the framework for NMAs, a party called for further discussion and a group of parties said NMAs should address the social and economic impacts of market approaches (Article 6.2 and Article 6.4). Parties' views diverged on whether all NMAs need to fulfill the three aims listed in the Paris Agreement. A next iteration of the compilation will be available on Monday, 15 May.

**MODALITIES FOR THE ACCOUNTING OF FINANCIAL RESOURCES (PARIS AGREEMENT ARTICLE 9.7):** In informal consultations, Co-Facilitator Outi Honkatukia (Finland) led a discussion on support mobilized through public interventions. Several developing countries argued that definitions must precede discussion on reporting modalities. Some questioned whether investments mobilized by supporting frameworks should be counted as climate finance, while some developed countries argued that it should. One group argued that the entirety of a leveraged investment should not be attributed to one funder. Others noted challenges, including establishing causality, attribution for multilateral development bank support, and double counting. Discussions will continue.

**PARIS AGREEMENT TECHNOLOGY FRAMEWORK:** Elfriede More (Austria) co-facilitated informal consultations. Parties commented on Co-Facilitators' two non-papers.

On the framework's structure, several parties called for clarifying alignment with the periodic assessment to inform future updating of the framework. Some opposed "premature" discussions.

Parties suggested requesting input from the TEC and CTCN on how their work fits into the framework. Many welcomed capturing technology readiness and technology cycle, with the latter opposed by one party.

One group emphasized the framework should support NDC implementation and transformational change. One party opposed reference to "transformational change."

On the framework's principles, some parties preferred mentioning only general attributes. Several opposed mentioning principles in draft conclusions. The Co-Facilitators will revise the non-papers and draft conclusions.

### SBI

**MANDATED EVENTS: Multilateral assessment (MA):** Portugal, Romania, the Russian Federation, Slovenia, Spain and the US presented. Underlining he could speak to past and present emissions trends, but not to future policies, the US reported emissions have declined since 2005 while its GDP increased. Parties asked, *inter alia*: why emissions decreased after 2005; whether there are plans for a market mechanism; about GCF contributions; and if economic benefits of climate policies are assessed.

Concluding the MA, SBI Chair Tomasz Chruszczow, identified carbon pricing, energy efficiency measures, renewable energy deployment and forestry initiatives as common policies.

**Paris Committee on Capacity-building (PCCB):** In the morning, summarizing the previous day's discussions, Moderator Ari Huhtala: noted the need for complementarities with existing processes; and outlined knowledge management and sharing, and coordination at different levels as possible areas of work for the PCCB. The PCCB then convened informally to finalize discussions on the workplan and other matters.

In the afternoon, the PCCB adopted decisions on all remaining agenda items (PCCB/2017/1/4-9), including on: the PCCB rolling workplan for 2017-2019; guidance on the capacity-building portal; and linkages with other constituted bodies and Financial Mechanism operating entities. The PCCB Co-Chairs explained the workplan constitutes a general approach, with details to be finalized intersessionally, considering observer inputs, as appropriate.

Closing the meeting, the Co-Chairs thanked PCCB members and observers for the successful outcome.

**ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS:** In a contact group, Chair Collin Beck (Solomon Islands) invited views on enhancing the engagement of non-party stakeholders. Many commended the workshop held on Tuesday, 9 May, and the Secretariat's report on it.

On proposals to differentiate among non-party stakeholders to safeguard against possible conflict of interest, all parties supported inclusiveness and transparency, but diverged on the need for a policy or participation criteria.

The US described the proposed conflict of interest policy as a “conceptual misapplication.” SAUDI ARABIA stressed the need to include social and economic interests in the process. NORWAY, supported by AUSTRALIA, opposed “differentiated engagement,” saying defining criteria would be difficult. CANADA called for inclusiveness across all stakeholder groups. JAPAN said the implementation of the Paris Agreement requires all stakeholders’ participation.

ECUADOR, CHINA, CUBA and Uganda, for the LDCs, called for submissions. Senegal, for the AFRICAN GROUP, agreed, noting that, while everyone should participate, rules are required. CHINA said procedural equality does not necessarily lead to substantive equality, calling for “better management.”

The EU, supported by NORWAY and AUSTRALIA, proposed procedures to enhance stakeholder participation, including through interventions and dialogues. The PHILIPPINES enquired about the financial implications of enhanced stakeholder engagement.

The Co-Chair will revise the draft conclusions.

### **SBI/SBSTA**

**RESPONSE MEASURES:** The Secretariat presented a paper on just transition of the workforce (FCCC/TP/2016/7) and many commented on its usefulness. Co-Facilitator Andrei Marcu (Panama) asked for input on the Co-Facilitators’ forthcoming draft reflection note. Several developing countries called for case studies, intersessional work and continuing work by the Technical Expert Group. Some developed countries opposed, arguing for in-session work and further reflection during the 2018 review, and suggesting “minimal neutral” conclusions. Parties agreed on the value of collaboration with international organizations.

### **APA**

Co-Chair Sarah Baashan (Saudi Arabia) chaired the contact group. The Adaptation Committee, LEG, SCF and GCF reported on their mandates arising from the Paris outcome and ongoing work.

Iran, for the LMDCs, underlined the “interlinked” pace of progress and stressed the need for the APA to identify recommendations to fill climate finance gaps and articulate a division of labor among the SBs on MOI.

Ethiopia, for the LDCs, suggested that the APA Co-Chairs: encourage the Adaptation Committee and LEG to complete their work and present a joint report to COP 23; and invite COP 23 to refer the mandate on modalities for recognizing adaptation efforts to the SBI for outcomes to be considered by the CMA in 2018. Botswana, for the AFRICAN GROUP, emphasized the need to provide guidance to constituted bodies.

Australia, for the UMBRELLA GROUP, with the EU, among others, welcomed progress made by the constituted bodies.

Responding to questions, among others, the SCF highlighted that biennial assessments provide clarity on gaps and climate finance flows relevant for the APA’s work on MRV of support. The Adaptation Committee clarified that it reports to the CMA through the COP.

Co-Chair Baashan said the APA conclusions would reflect the discussions.

**ADAPTATION COMMUNICATIONS:** Co-Facilitator Nicolas Zambrano Sanchez (Ecuador) called for views on vehicles and flexibility. Parties agreed on the need to avoid additional burden to developing countries. Some noted that communications under Agreement Article 13.8 (information on climate impacts and adaptation) could constitute a vehicle. Noting parties can choose the vehicle, several called for focusing on some common elements for guidance. Co-Facilitator Beth Lavender (Canada) presented a table of possible elements combining lists submitted previously by parties. The Co-Facilitators will update their informal note and encouraged parties to consult on the table. Informal consultations will continue.

**GLOBAL STOCKTAKE (GST):** Co-Facilitator Xolisa Ngwadla (South Africa) called for views on inputs. Parties agreed that: Decision 1/CP.21, paragraph 99 (sources of input to the GST) could provide the basis for developing a non-exhaustive list of inputs; balance among inputs on adaptation, mitigation and MOI should be ensured; and IPCC is the source of the best available science. Various developing countries called for inputs on loss and damage, while some developed countries questioned the basis for its inclusion. Various developing countries mentioned inputs on equity, with some developed countries opposing a separate workstream on equity. Some parties underlined the need to balance IPCC and non-IPCC sources and for criteria to select inputs from non-state parties

### **FURTHER MATTERS: Matters except the Adaptation**

**Fund:** Co-Chair Sarah Baashan (Saudi Arabia) facilitated. On a process for setting a new collective quantified finance goal, many developing countries proposed the CMA provide a mandate for discussions on this item to identify the format and modalities for negotiations. A party urged taking up this item “as early as possible” while another party, supporting inclusion in the CMA’s agenda, opposed deliberations at CMA 1. A party opposed considering this issue under the SBI.

Co-Chair Baashan then provided a status “snapshot,” noting that: parties could raise the response measures forum matter under relevant SBI and SBSTA discussions; views differ on the need for a mandate to develop modalities for recognizing adaptation efforts and on whether modalities on biennial finance communications are already included in work under the COP; and discussions on (initial) guidance to the Financial Mechanism operating entities, LDCF and SCCF could be merged.

The Co-Chairs will prepare a first iteration of an informal note by Monday, 15 May.

### **JOINT SBSTA/SBI/APA INFORMAL PLENARY**

APA, SBI and SBSTA Chairs outlined the linkages among issues under their respective agendas related to the Paris work programme. Several noted the usefulness of the Secretariat’s progress tracker.

Maldives, for AOSIS, said the transparency framework and GST negotiations should address loss and damage.

Several developing countries commented on linkages between, *inter alia*, the GST and APA items on adaptation communications and the global financial goal, and SBSTA items on technology transfer and accounting of finance mobilized with NDC guidance and transparency.

SWITZERLAND cautioned against creating artificial linkages, and highlighted the value of joint meetings. CHINA suggested joint consultations between APA work on NDC guidance, and SBI and SBSTA work on information regarding finance.

Guatemala, for AILAC, urged a common understanding of interlinkages guided by questions on: issues being addressed; necessity of input from other agenda items; where final decisions are made; and space for further inputs.

SAUDI ARABIA called for continuing the Improved Forum on the impact of the implementation of response measures.

The Chairs noted the suggestions for joint events and said “a communication” on linkages would be issued by COP 23.

### **IN THE CORRIDORS**

At the close of the first week, delegates reflected on how this meeting would help breathe life into the Paris Agreement. Many welcomed the good spirit and positive engagement of the past few days, especially in the multilateral assessment, where delegates recognized a party’s difficult position by engaging in a constructive and friendly way. However, concerns were heard about the uneven balance of progress across agenda items, which APA Co-Chair Jo Tyndall picked up on, saying that the SBI, SBSTA and APA Chairs are a reincarnation of the band “One Direction.” Looking at the complex work ahead, a seasoned delegate said we might have to recognize the band plays in “polyrhythm.”