

Bonn Highlights: Monday, 30 April 2018

On Monday, the meeting's focus was on launching work and establishing negotiating groups under the Subsidiary Body for Implementation (SBI), the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the *Ad Hoc* Working Group on the Paris Agreement (APA). Several of these groups began their work in the afternoon. A joint SBSTA, SBI, and APA plenary also convened to hear statements. A training workshop on economic modeling tools related to the work programme on response measures was held throughout the day.

SBSTA

SBSTA Chair Paul Watkinson (France) opened the session.

Organizational matters: SBSTA 48 adopted the agenda (FCCC/SBSTA/2018/1) and agreed to the organization of work. Responding to concerns raised by SAUDI ARABIA, UNFCCC Executive Secretary Patricia Espinosa assured delegates that the Secretariat would ensure access to information and documents on the new UNFCCC website.

Election of officers other than the Chair: SBSTA Chair Watkinson noted ongoing consultations on the SBSTA Vice-Chair and Rapporteur. Vice-Chair Annela Anger-Kraavi (Estonia) and Rapporteur Aderito Manuel Fernandes Santana (São Tomé and Príncipe) will remain in office until new nominations are received.

Research and Systematic Observation: A poster session and dialogue will take place on 3 May and parties will consult informally on this item.

Local Communities and Indigenous Peoples Platform: A multistakeholder workshop will be held on 1 May and parties will consult informally on this item.

Cooperation with other international organizations: On this item (FCCC/SBSTA/2018/INF.2), SBSTA Chair Watkinson will undertake consultations.

The IPCC highlighted progress on its work programme, including on the forthcoming special reports. The World Meteorological Organization encouraged parties to establish national frameworks for climate services. The World Climate Research Programme shared information on its forthcoming ten-year strategic plan. The Global Climate Observing System highlighted a series of upcoming regional workshops.

The Intergovernmental Oceanographic Commission of the UN Educational, Scientific and Cultural Organization noted the need to better understand changes occurring in ocean systems, and for more oceans research capacity in developing countries. UN Oceans stressed the importance of enhancing synergies between the oceans and climate change regimes, encouraging the UNFCCC to become a member.

The International Civil Aviation Organisation (ICAO) reported on efforts to promote sustainable aviation fuels, and highlighted the complementary roles of the UNFCCC and ICAO. The International Maritime Organization reported on the "initial strategy" to reduce GHG emissions from international shipping by at least 50% by 2050 as compared to 2008. SAUDI ARABIA emphasized that it had not joined the consensus on the IMO strategy. The UN Food and Agriculture Organization applauded the adoption of the Koronivia joint work on agriculture.

The SBSTA referred the following items to contact groups:

- Nairobi work programme on impacts, adaptation and vulnerability (NWP);
- Improved forum on response measures and work programme;
- Modalities, work programme and functions under the Agreement of the forum on response measures;
- Koronivia joint work on agriculture;
- Agreement Article 6 (market and non-market approaches); and
- Accounting of financial resources provided through public interventions under Agreement Article 9.7.

The following items were referred to informal consultations:

- Adaptation Committee's report;
- Technology framework under Agreement Article 10.4;
- Revision of Annex I reporting guidelines on annual inventories;
- Guidelines for the technical review of information related to Annex I GHG inventories, biennial reports and national communications; and
- Methodological issues under the Protocol.

The SBSTA Chair will consult on Protocol Article 2.3 (adverse effects of policies and measures) and on bunker fuels.

Other matters: CHINA requested that the Secretariat provide information on the number of meetings under each agenda item related to the Paris Agreement. VENEZUELA called for the SBSTA to consider the IPCC's Special Report on 1.5°C. SBSTA Chair Watkinson will consider how to include it on the SBSTA 49 agenda.

SBI

SBI Chair Emmanuel Dlamini (Swaziland) opened the session.

Organizational matters: Parties agreed to change the title of an agenda item to "Scope and modalities of the periodic assessment of the Technology Mechanism in relation to supporting the implementation of the Paris Agreement" and adopted the agenda (FCCC/SBI/2018/1) as modified. TIMOR LESTE expressed support for an agenda item on loss and damage.

Annex I reporting and review: Seventh national communications and third biennial reports: The SBI took note of the submissions and reviews of national communications and biennial reports of 35 parties.

Non-Annex I reporting: *Revision of the modalities and guidelines for international consultation and analysis (ICA)*:

The SBI agreed to consider this item at SBI 50 in light of ongoing discussions on the transparency framework under the APA.

Consultative Group of Experts on Non-Annex I National Communications (CGE): CGE Chair Thiago de Araújo Mendes (Brazil) highlighted the CGE's role in helping developing countries fulfil their reporting obligations, including in preparation of biennial update reports (BURs) and participation in the ICA.

Summary reports on the technical analysis of BURs: The SBI took note of the summary reports on the technical analysis of BURs.

Review of CDM procedures and modalities: The SBI agreed to consider this issue at SBI 49.

Coordination of support for the implementation of activities in relation to mitigation actions in the forest sector by developing countries: Calling for prompt resolution, the Democratic Republic of the Congo (DRC), supported by BRAZIL, noted that this issue was close to completion at COP 23. NORWAY emphasized his understanding that voluntary meetings of REDD+ experts will not continue automatically if negotiations are not concluded at SBI 48. Parties will consult informally.

Administrative, financial, and institutional matters: *Continuous review of the Secretariat's functions and operations*: UNFCCC Deputy Executive Secretary Ovais Sarmad reported, *inter alia*, on efforts to improve coordination and coherence in the Secretariat's work and the engagement of an external consultant to assist with a longer-term structural review of the Secretariat. The SBI took note of the report.

Administrative, financial, and institutional matters: *Budgetary matters*: UNFCCC Deputy Executive Secretary Sarmad highlighted, *inter alia*, "the first ever" annual report on the Secretariat's work. A contact group will convene.

Adaptation Committee's report: Joint SBI/SBSTA informal consultations will be held jointly with the item on matters relating to the Least Developed Countries (LDCs).

Matters relating to the LDCs: Reporting on progress since COP 23, LDC Expert Group (LEG) Vice-Chair Fernandes Santana highlighted, *inter alia*, an expert meeting on national adaptation plans (NAPs), a successful NAP Expo, and two forthcoming Expos. Informal consultations will be held jointly with the item on the Adaptation Committee's report.

Matters related to climate finance: *Information to be provided by parties in accordance with Agreement Article 9.5 (developed countries' biennial ex ante financial communications)*: On this item and the item on LDCs, CHINA drew attention to the annotated agenda (FCCC/SBI/2018/1), which indicates that the outcomes of work at SB 48 will be forwarded to COP 24. He asked if this precluded negotiations on these issues at a possible additional negotiating session before the COP. SBI Chair Dlamini assured that any additional sessions would have a mandate to consider SB 48 outcomes.

CHINA, supported by EGYPT and INDIA, requested clarifying the nature of the expected outcomes from SB 48, which the annotated agenda refers to as "recommendations." Highlighting the APA Co-Chairs' aim to have a negotiating text by the end of this session, CHINA asked whether work on this SBI agenda item and the item on LDCs would also lead to negotiating text. EGYPT suggested revising the SBI annotated agenda to reflect the need for balanced progress. The US argued that it was not possible to prejudge progress. SBI Chair Dlamini emphasized the party-driven nature of the process, pledging to work to achieve progress on all items.

Parties will consult informally.

Response measures: *Improved forum on response measures and work programme*: The issue will be considered in a contact group. The Secretariat will prepare a report on the training workshop on economic modelling tools.

Modalities, work programme, and functions under the Agreement of the forum on the impact of the implementation of response measures: This issue will be considered in a contact group.

Protocol Article 3.14 (adverse effects of policies and measures), and progress on the implementation of Decision 1/CP.10 (Buenos Aires work programme on adaptation and response measures): Informal consultations will be undertaken as needed.

Gender and climate change: SBI Chair Dlamini highlighted the Gender Dialogue on 5 May and the workshop on gender scheduled for 2 and 9 May. The Secretariat will prepare reports on both events.

Arrangements for intergovernmental meetings: This issue will be considered in a contact group.

NAPs: Parties will consult informally.

Other matters: VENEZUELA proposed exploring the use of cryptocurrency for the Secretariat's budget.

APA

The APA 1-5 opening plenary took place in the evening. Parties agreed to continue with the APA 1 agenda (FCCC/APA/2018/1) and work in a single contact group that will conduct its work through informal consultations. They also agreed to keep the meetings open to observers in line with previous practice.

SBI, SBSTA, and APA Joint Plenary

In the afternoon, a joint SBI, SBSTA, and APA plenary convened to hear statements.

Egypt, for the G-77/CHINA, underscored the importance of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC) for outcomes under the PAWP. He urged maintaining the nationally determined character of NDCs, said the global stocktake should not lead to any mandatory approach to increase ambition, and called attention to adaptation efforts, and for scaling up financial support.

The EUROPEAN UNION (EU) highlighted draft decision text on all Paris Agreement items as a key objective. She emphasized the importance of measurement and reporting and stressed "strong commitment" to participate in the Talanoa Dialogue.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), called for a work programme that is applicable to all, balanced, and comprehensive. Stressing that "balanced" does not mean a "mechanical parity between clauses," he said some elements of the PAWP will be more technical and require more time. The Republic of Korea, also for the EIG, said that: biennial reporting is relevant for the transparency framework; national designated entities should actively participate in the transparency framework; and discussions on Agreement Article 9.5 should be substantive rather than political.

Australia, for the UMBRELLA GROUP, said time allotted to agenda items should be guided by the topics' complexity, and highlighted transparency negotiations as cross-cutting, complex, and time-consuming.

Gabon, for the AFRICAN GROUP, expressed concern with slow progress on Agreement Article 9.5, and APA agenda items 3 (mitigation section) and 4 (adaptation communication). He also highlighted: the technology framework; mandates of the LEG and the Adaptation Committee; response measures; and the NWP.

Maldives, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), highlighted climate impacts suffered by AOSIS members and lamented the “collective failure” to fulfill climate change commitments made decades ago. He called for: completion of the PAWP; meaningful outcomes from the Talanoa Dialogue; access to finance; and progress on loss and damage.

Iran, for the LIKE-MINDED DEVELOPING COUNTRIES (LMDCs), opposed “unilateral and coercive” measures and sanctions. He called for the Green Climate Fund’s and Global Environment Facility’s funding provisions to be “depoliticized” and highlighted, as priority issues: CBDR-RC in all aspects of the APA and SBs; faithful implementation of Agreement Article 3; avoiding negative impacts of response measures; and pre-2020 ambition, including the expedited entry into force of the Doha Amendment to the Kyoto Protocol.

DRC, for the COALITION OF RAINFOREST NATIONS (CfRN), stressed the importance of financial contributions from both parties and non-parties. He regretted the failure to agree on REDD+ finance at COP 23, and urged a “shift in gears” on Paris Agreement Article 6, highlighting REDD+ as a pioneer in elaborating strong rules, modalities, and protocols that achieve environmental integrity and sustainable development.

Ethiopia, for the LDCs, expressed concern that the APA is not on track to complete the PAWP by the end of the year, and requested additional time be allocated to APA agenda items 3, 6 (global stocktake), and 5 (transparency framework). He called for making implementation of Agreement Article 8 on loss and damage a standing agenda item of the SBs.

Venezuela, for the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA (ALBA), called for holistic and integrated progress across all subsidiary bodies, highlighted the role of the technology framework in assisting developing countries to address climate change, and welcomed participation of non-party stakeholders under agreed principles and parameters.

Brazil, for ARGENTINA, BRAZIL, and URUGUAY, called for balanced progress on mitigation, adaptation, and means of implementation; lamented the lack of transparency in the third biennial reports on finance-related information provided by developed countries, and stressed the need to focus on pre-2020 ambition.

Saudi Arabia, for the ARAB LEAGUE, urged a firm commitment to the UNFCCC’s principles. South Africa, for BRAZIL, SOUTH AFRICA, INDIA, and CHINA (BASIC), expressed concern that its call for equal treatment of pre-2020 ambition has gone unheeded, and highlighted the Talanoa Dialogue and the Doha Amendment’s ratification as opportunities to build trust.

Chile, for the INDEPENDENT ALLIANCE FOR LATIN AMERICA AND THE CARIBBEAN (AILAC), stressed the importance of the transparency framework, the global stocktake, and the mechanism to facilitate implementation and promote compliance.

A webcast of country and observer organization statements is available at: <https://unfccc-sb48.cloud.streamworld.de/webcast/joint-plenary-of-the-sbi-sbsta-apa>.

Training Workshop on Economic Modelling Tools

SBI Chair Dlamini opened the two-day joint SBI/SBSTA workshop on the use of economic modelling tools, an in-forum session of the forum on the impact of the implementation of response measures. Chaired by Andrei Marcu (Panama) and Natalie Kushko (Ukraine), the event aims to highlight the modelling tools that exist to understand and quantify the cross-border impacts of climate-related response measures.

An overview session presented basic information on the different types of models available, and discussed what various models can and cannot do. The Secretariat presented on its previous work on the subject, including the creation in 2005 of a web portal on modelling tools.

Presentations from experts illustrated the application of existing models, for example an International Labour Organization model to assess the labor impacts of response measures, and modelling of the transition towards green jobs and a low-carbon economy in Mauritius.

Contact groups and informal consultations

NWP: Informal consultations focused on the review of the NWP’s effectiveness based on three questions agreed at SBSTA 47, on how to: enhance partner organizations’ engagement to improve linkages of their workplans to the NWP’s themes; ensure that the NWP has delivered on its mandate; and enhance the NWP’s relevance for the work of the Adaptation Committee and LEG. A group of parties highlighted the importance of avoiding duplicating activities across adaptation workstreams.

Koronivia joint work on agriculture: During informal consultations, many parties called for a roadmap for the Koronivia joint work on agriculture. Elements of the roadmap proposed by parties included: a timeline; topics for consideration; dates of workshops and/or expert meetings; and submissions from parties, non-party stakeholders, experts, and international organizations. Some parties urged consideration of desired outcomes, such as recommendations or guidelines.

Many parties emphasized the need to shift the focus towards implementation. Some suggested that the Secretariat carry out a mapping exercise on the agriculture-related work of the constituted bodies under the UNFCCC. The Co-Facilitators noted consensus on the need for a roadmap, and suggested further questions for parties to consider prior to the next informal consultations.

Agreement Article 6 (market and non-market approaches): During the contact group, SBSTA Chair Watkinson introduced informal documents containing draft elements on: guidance on cooperative approaches; rules, modalities, and procedures of the mechanism referred to in Agreement Article 6.4; and a draft decision on the work programme of the framework for non-market approaches.

Several parties welcomed the documents as a basis for further work, with some posing clarifying questions. Parties diverged on the mode of work, with some calling for further clarification of the options in the text while others urged a more substantive discussion. Co-Chair Hugh Sealy (Maldives) presented a timeline of the negotiations to COP 24, noting progress but the need for substantial technical work.

In the Corridors

Monday morning, delegates gathered in the familiar surroundings of the World Conference Center in Bonn. After a full day of plenary meetings, delegates seemed pleased that all bodies had been able to get to work swiftly. Many anticipated, however, “tough negotiations” before this year’s main deliverable - agreement on issues under the Paris Agreement Work Programme - will be ready for adoption at the Katowice Climate Change Conference in December. Some speculated that finance and mitigation would again be among the most challenging topics, while others pointed to transparency as being particularly challenging. Few expected major breakthroughs at this session, but there was a shared sense that good progress during the next two weeks is necessary. As SBI Chair Dlamini said, “success in Katowice starts here in Bonn.”

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