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Bonn Highlights: Thursday, 3 May 2018

A key focus area on Thursday was the negotiations under the Paris Agreement Work Programme (PAWP), which needs to be finalized by COP 24 in December. A range of topics were taken up during the day, including mitigation and Nationally Determined Contributions (NDCs), finance, the transparency framework, and the mechanism to facilitate the Agreement's implementation and promote compliance. Negotiating groups also met to discuss various other issues on the SBSTA and SBI agendas.

Capacity building and loss and damage featured among the other key themes on Thursday. The Suva Expert Dialogue on issues related to loss and damage continued for the second day. In addition, the Paris Committee on Capacity-Building (PCCB) held a meeting, along with the seventh Durban Forum on Capacity-Building. The tenth session of the SBSTA Research Dialogue also took place.

SBSTA

Modalities for the Accounting of Financial Resources (Agreement Article 9.7): Informal consultations focused on climate finance provided through multilateral channels.

Parties noted that finance flows to and from climate-focused funds such as the Green Climate Fund are straightforward, but general contributions to multilateral development banks, for example, are more problematic. Some suggested that it is inappropriate to require individual donor countries to report on climate-specific outflows of funds from such organizations, given the difficulties involved in attribution and the risk of double counting. Some parties suggested tasking the Standing Committee on Finance (SCF) with reporting on such outflows in its biennial assessment, while others cautioned that this is outside the SCF's mandate. Some countries questioned the requirement to report "core general" contributions to multilateral funds, which include non-climate-related funds, while others valued the ability to show the percentage of total resources devoted to climate change. The Co-Facilitators will refine the informal note over the weekend.

Agreement Article 6.4 (Mechanism): During informal consultations, parties finished their first read-through of the SBSTA Chair's informal note. They discussed the mandate for the note's next iteration, with a group of parties characterizing any discussion on the note's next iteration as "premature." Parties agreed to move forward to the second read-through of the note.

Parties also discussed the organization of work under Agreement Article 6, ultimately agreeing to first finish collecting comments on Agreement Article 6.8 (non-market approaches).

SBI

Arrangements for Intergovernmental Meetings: In informal consultations, two observer organizations called for conflict of interest policies that would deny observer status from entities with commercial interests at odds with the objectives of the UNFCCC and its related instruments. Another called for the continued inclusion of all non-party stakeholders, arguing that business has an important role to play in addressing climate change.

Several parties agreed that while inclusiveness is valuable, observer participation should be restricted where there is conflict of interest. On the broader issue of engagement, one party suggested making a distinction between participation in implementation and participation in the rule-making processes, saying there should be limits concerning the latter.

Discussions will continue on Friday.

Review of the Effective Implementation of the Climate Technology Center and Network (CTCN): In informal consultations, parties discussed draft COP decision text.

Some developing countries called for text that is more action-oriented, for example by including a role for developed country national designated entities, and for similar changes to a paragraph on the need for sustainable funding support for CTCN. Some developed countries argued that even the existing amount of detail was unnecessary, given references to the detailed recommendations in UNEP's management response to the CTCN Review.

The Co-Facilitators will produce revised text.

Information to be Provided by Parties in Accordance with Agreement Article 9.5 (Developed Countries Biennial *Ex Ante* Financial Communications): Parties focused their interventions on questions posed by the Co-Facilitators on: possible additional elements not captured in the informal note; duplications and overlaps; and a suitable structure for the text.

A group of parties, opposed by others, called for distinguishing qualitative and quantitative information. A number of parties supported clustering elements to identify areas of overlap. A number of parties highlighted the challenges of providing quantitative *ex ante* information when countries program their assistance on the basis of host country needs. Recognizing differences in domestic processes, a group of countries said financial pledges could be captured as *ex ante* information. A group of parties identified loss and damage as a missing element.

The Co-Facilitators will revise the informal note.

APA

The Transparency Framework: In informal consultations, countries focused on approaches to technical expert review.

On scope, some parties highlighted, *inter alia*, that: it should be limited to what is in the Agreement; the issue should be considered together with "information to be reviewed;" it is useful to define what falls outside the review's scope; capacity-building needs should be determined together with the party in question; and "building on existing guidelines" should be included as an approach.

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On format, some parties noted the need to further clarify some of the approaches presented, and argued that the identified approaches are not mutually exclusive. Several parties opposed removing any approaches from the text at this stage.

On frequency and timing, various parties noted, *inter alia*: that this should be flexible and linked to parties' capacity; reports should be submitted every two years, coinciding with biennial reports; and LDCs and SIDS should be able to exercise discretion concerning frequency.

Parties concluded by beginning discussion on the format and steps of the facilitative multilateral consideration of progress.

Implementation and Compliance: Informal consultations continued in the morning on the basis of a set of framing questions on: how a matter would reach the committee; the steps the committee would take in its consideration; and possible actions and outputs of the committee. Parties' views diverged on whether to distinguish between legally-binding and non-legally-binding provisions, and also between objectively verifiable (binary) and non-binary legally-binding obligations. Views also diverged on modes of initiation. All parties agreed self-referral should be an option, with some additionally supporting an "objective" trigger for binary legally-binding obligations on the basis of information provided through, *inter alia*, the NDC registry.

Views converged on, *inter alia*: the need for the committee to take into account national capacities and circumstances; a "toolbox" of outputs with "bounded discretion" on the measures to be applied in a particular case; and the importance of dialogue with, and full participation of, the party concerned.

During afternoon informal consultations, parties considered how the committee would address systemic issues. There was convergence on: the process being initiated by the CMA or the committee itself, with one group also suggesting joint party referral; the committee's having a mandate to obtain information from other relevant bodies; and its output being contained in the committee's annual report to the CMA.

On institutional arrangements, most parties agreed that the decision only needed to contain "the bare minimum" necessary for the committee to function, leaving the rules of procedure to be developed by the committee itself.

A streamlined informal note will be produced.

Further Matters Except the Adaptation Fund: Parties discussed whether there are additional matters related to Agreement Article 9.5 (biennial *ex ante* finance communications by developed countries) that require the CMA's consideration.

Parties disagreed on whether the Paris Agreement mandates the PAWP to expand on the modalities of Article 9.5, with several developed countries arguing that the SBI agenda item provides the necessary clarity on finance communications. Developing countries argued that there are two components: one that should fall under the SBI and one that should fall under the APA. A developing country group further argued that there is insufficient clarity on the procedure for implementing Article 9.5, and that developing countries will be unable to raise their ambition without clear information on expected finance.

Further Guidance in Relation to the Mitigation Section of Decision 1/CP.21 (Adoption of the Paris Agreement): In informal consultations, parties considered guidance on NDC accounting. There was agreement that the guidance should operationalize principles outlined in Agreement Article 4.13. Most parties argued against being prescriptive. Developing country groups emphasized the need for guidance to accommodate their respective capabilities, and argued against including land use in the accounting. Several parties identified the need for guidance to parties using cooperative approaches, and for coordination with Agreement Article 6 negotiations. There was general agreement that the results of the accounting should be reported through the transparency framework.

Durban Forum on Capacity-Building

The seventh Durban Forum on Capacity-Building took place in the afternoon.

In her keynote address, Yamide Dagnet, World Resources Institute, noted that there are at least 42 NDC-related capacity-building initiatives and funds.

During panel discussion, Mahawan Karuniasa, Malaysia, explained his country's experiences in implementing its NDC. He highlighted efforts to strengthen institutional knowledge and to encourage domestic innovation. Tara Shine, Mary Robinson Foundation – Climate Justice, urged giving more attention to human rights and gender in capacity building. Hindou Oumarou Ibrahim, International Indigenous Peoples' Forum on Climate Change, explained lessons learned from consultations on Chad's NDC with indigenous peoples. Miriam Hinostroza, UNEP DTU Partnership, described, *inter alia*, the Capacity-building Implementation for Transparency Global Coordination Platform.

Breakout groups then convened on various aspects of capacity-building.

SBSTA Research Dialogue

The SBSTA research dialogue took place in the afternoon.

Amanda Lynch, World Climate Research Programme (WCRP), highlighted key objectives for WCRP's 2019-2029 Strategic Plan and underscored that wider partnerships are needed for climate science to serve society.

Chris Lennard, WCRP Coordinated Regional Downscaling Experiment (WCRP-CORDEX), described how WCRP-CORDEX brings together researchers, impact scientists, and policymakers to develop actionable climate information.

Highlighting the Cities and Climate Change Conference, Shobhakar Dhakal, IPCC, said a key outcome was a global research agenda on the science of cities and climate change.

Corinne Le Quéré, Global Carbon Project, said that CO2 emissions from fossil fuel use and industry rose by 1.5% in 2017, after three years of remaining nore or less constant.

Nicola Tollin, University of Southern Denmark, urged cities to coordinate their mitigation and adaptation efforts with NDCs and national adaptation plans.

Salvatore Aricò, Intergovernmental Oceanographic Commission of UNESCO, highlighted the UN Decade of Ocean Science for Sustainable Development as a global framework for action to boost scientific efforts nationally and internationally.

Stressing that the Arctic is undergoing a monumental system shift, Tero Mustonen, Snowchange Cooperative, proposed indigenous knowledge and science centers for monitoring and action.

Richard Betts, UK Hadley Center, emphasized that vulnerability to food insecurity depends on non-climatic factors as well as climate, but generally increases with global warming.

In the Corridors

In the negotiations on the Paris Agreement Work Programme, procedural debates surfaced throughout the day on Thursday, with some parties insisting on continued reflection on informal notes while others pushed for step-change and entry into textual negotiations. An afternoon APA meeting of heads of delegation sought to refocus on the "big overall picture." Some seasoned negotiators in the corridors saw such efforts as necessary, expressing concern that there are "severe blockages" in some key areas.

Finance has emerged as particularly fractious over the past days. One of the most heated debates relates to developed countries' *ex ante* reporting on climate finance. Developed countries are determined to contain finance discussions under the SBI, while developing countries say they need clear information on forthcoming support to ramp up ambition. As one negotiator said: "There will be no package deal in Katowice without a decision on finance."