

## Bonn Highlights: Tuesday, 25 June 2019

The Bonn Climate Change Conference continued on Tuesday with negotiations focused on trying to resolve outstanding issues, including the budget and Article 6 (market and non-market approaches). The multilateral assessment continued, and the Technical Expert Meeting on Adaptation convened.

### SBI

**Reporting from Non-Annex I Parties: Provision of financial and technical support:** The Co-Facilitators referred to their invitation to parties to discuss among themselves on the way forward, noting the inability to find common ground on the input paper they developed regarding possible draft conclusions. Parties agreed to have a procedural conclusion, and to continue consideration of this matter at SB 51.

**Terms of Reference (ToR) for the 2019 Review of the Warsaw International Mechanism for Loss and Damage Associated with Climate Change Impacts (WIM):** Marianne Karlsen (Norway) co-facilitated the informal consultations in which parties completed the first iteration of the elements paper.

On the scope of the ToR, parties' views diverged about referencing Paris Agreement Article 8 (loss and damage), which many developed countries favored. One party said its vision of the WIM has changed over time, pointing to decisions taken up to the Paris Agreement. He asked to reflect the WIM's role as including "minimizing" loss and damage, as this matters for the most vulnerable countries.

Several developing country parties opposed using Paris Agreement language, such as including the term "minimizing," and references to Paris Agreement Article 8. They cautioned against prejudging a governance decision that they expect to be taken at COP 25. Noting that no specific reference to Agreement Article 8 is found in the workplan of the Executive Committee (ExCom), one group proposed language that stays away from the governance issue by stating the review will be undertaken "in the light of the relevant decisions." One developed country party said parties should not single out or prejudge views, including views on the need for a governance decision. Discussions continued into the evening.

**Arrangements for Intergovernmental Meetings:** During informal consultations facilitated by Una May Gordon (Jamaica), parties worked paragraph-by-paragraph on the draft conclusions. Views diverged on dates for the consideration of the efficiency and frequency of meetings. Parties mostly agreed to adhere to previously agreed upon language. On ensuring visa issuance to participants by host countries, underscored as important by some developing countries, several recognized this as a matter of

national jurisdiction. Some developing countries also stressed the need to support the participation of developing countries' NGOs and to strengthen transparency of the process. Many welcomed the responsible participation of the private sector. In this regard, one group said that this must be qualified to ensure their contributions do not corrupt the process. The Facilitator will revise the draft conclusions.

### SBSTA

**Matters Relating to Science: Research and systemic observation:** Co-Facilitator Richard Muyungi (Tanzania) presented draft conclusions and welcomed parties' reflections. On observation, parties agreed on the majority of proposed changes, but could not agree on: a footnote directing readers to the summary report of the 10<sup>th</sup> meeting of the Research Dialogue; and a reference to the WMO Statement on the State of the Global Climate in 2018 and the WMO Greenhouse Gas Bulletin, with the latter causing debate regarding the relationship between the WMO and the UNFCCC. Two parties queried whether the UNFCCC had mandated the Statement on the State of the Global Climate in 2018. The Co-Facilitators will seek advice from the SBSTA Chair.

**GHG data interface:** Takeshi Enoki (Japan) and Clifford Mahlung (Jamaica) co-facilitated. Parties' and groups' views continued to diverge on whether to note the increased number of submissions from non-Annex I parties or whether to request that the Secretariat display submissions in the GHG data interface. The Co-Facilitators proposed the option of deleting the paragraph referring to noting submissions, but were opposed by some. One party, supported by others, recommended that discussions be taken up at SBSTA 54 (June 2021) rather than 52 (June 2020). Parties were unable to reach conclusions. The Co-Facilitators will report to the SBSTA Chair.

**Intergovernmental Panel on Climate Change Special Report on 1.5°C of Global Warming:** Parties were unable to find consensus on the informal draft conclusions presented by Co-Facilitator Ladislaus Chag'a (Tanzania). Parties' views diverged strongly on the latter half of the conclusions, which concerned specific references to scientific knowledge gaps in the report, the report's methodology, and "strengthening scientific knowledge on the 1.5°C goal." Co-Facilitators proposed informal informals, which many parties strongly supported and one party strongly opposed, the latter stating that they were "not willing to engage". The Co-Facilitators will revise draft text to reflect parties' views and seek the advice of the SBSTA Chair.

**Common tabular formats (CTFs) for information necessary to track progress made in implementing and achieving NDCs:** Co-Facilitators Xiang Gao (China) and Helen Plume (New Zealand) presented an informal note containing draft elements, which many welcomed. Many parties made suggestions regarding,

among others, the correction of inconsistencies in language; and indicating flexibility within indicators. Parties recommended changing language on “mandatory and non-mandatory” information to follow “shall and should” language, as well as including an empty placeholder table to note assumptions for projections. The Co-Facilitators will amend the informal note and forward recommendations to SBSTA.

**Article 6 (Market and Non-market Approaches):** Co-Facilitator Peer Stiansen (Norway) introduced the revised versions of the draft texts for the three sub-items, noting that the revisions reflect re-insertions from SBSTA texts as requested by the parties, the “evolution of ideas” on the substance, and the bridging proposals made during the session. He emphasized that the new iterations were a first draft and invited inputs to capture or correct language as appropriate.

On Article 6.8 (non-market approaches), parties raised issues, including: the permanence of governance arrangements; removals by means other than sinks; the adaptation benefit mechanism as an activity; and limiting submissions to parties and observer organizations.

On Article 6.4 (mechanism), a group of parties, supported by some, worried that the text did not capture the new context of the Paris Agreement that requires a re-consideration of the role of host parties. Parties diverged on the possibility of addressing transition issues under the CMA as opposed to the CMP. Several parties expressed concern about deferring a share of proceeds to the supervisory committee as indicated in the covering decision to the text.

On Article 6.2 (internationally transferred mitigation outcomes, ITMOs), parties identified: the need for balanced treatment between Articles 6.2 and 6.4 on both share of proceeds and overall mitigation of global emissions; consistent treatment between the use of mitigation outcomes and ITMOs; frequency and content of reporting; and the applicability of guidance for mitigation outcomes other than NDC use. Discussions will continue on Article 6.2 on 26 June, after which the Co-Facilitators will issue a second iteration of the text.

**Bunker Fuels:** Co-Facilitators Luiz de Andrade (Brazil) and Bert van Loon (Belgium) put forward a bridging proposal for parties. Parties agreed to communicate that the SBSTA continued consideration of the matter; took note of the information provided by the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO); and noted parties’ views. Views strongly diverged on inviting the ICAO and IMO to continue to report, and on continuing discussions at SBSTA 51. Views will be communicated to the SBSTA Chair.

### **SBSTA/SBI**

**Koronivia Joint Work on Agriculture:** Heikki Granholm (Finland) and Milagros Sandoval (Peru) co-facilitated informal consultations. Parties agreed to: welcome the presentation made by the Green Climate Fund on its work on issues relating to agriculture, and clarifications on the process for parties to submit views to the Standing Committee on Finance, thereby providing a template to the Co-Facilitators for clean text on similar issues. Parties agreed to mandate the Co-Facilitators to clean up the draft and for a final informal consultation.

**Response Measures:** In the context of the Co-Chairs’ proposal to develop a 6-year work plan, parties exchanged proposals for streamlining activities. In initial reactions to draft conclusions, some parties proposed brackets around a paragraph on the adoption of the six-year work plan, noting that not all elements of the work plan, including time frames, have been discussed by parties. Discussions continued into the evening.

**Scope of the Next Periodic Review of the Long-term Global Goal (LTGG) under the Convention and of Overall Progress towards Achieving it:** Reporting back from informal informal consultations, a party noted “comfort” in taking discussions to SB 51. Parties then considered revised draft conclusions. Parties exchanged views on how to capture work at this session, and how best to refer to the scope of the periodic review in the text. After a discussion on different proposals, including preambular paragraphs and changes to the footnotes, parties agreed to the draft conclusions with some amendments.

### **Technical Expert Meeting – Adaptation**

Marianne Karlsen, Co-Chair of the Adaptation Committee, opened the session. Tomasz Chruszczow, High-Level Champion, Poland, encouraged participants to highlight ways to engage with the private sector in partnerships and to close the adaptation finance gap. Gonzalo Muñoz, High-Level Champion, Chile, underscored the role of the private sector as a catalyzing force for climate action.

Musonda Mumba, UN Environment Programme (UNEP), moderated the session on an overview of evolving and emerging sources of adaptation finance.

Anne Olhoff, UNEP Denmark Technical University (UNEP DTU) Partnership, reported that the adaptation costs are 2-3 times higher than current international climate finance provided for adaptation.

Adis Dzebo, Stockholm Environment Institute, highlighted that most of the adaptation finance flows from bilateral, not multilateral, sources.

Panelists highlighted the need to increase finance flows while correcting the imbalance toward mitigation finance. From country experiences, panelists identified links between economic growth and adaptation, given the economic importance of sectors that are vulnerable to climate change.

On the private sector, a panelist outlined the need to approach adaptation as a material risk that companies are experiencing, with another giving the example of tourism as a sector with an interest in investing in adaptation.

### **In the Corridors**

On Tuesday, delegates focused on the final, and most divisive, issues. While the IPCC report, the WIM review, and Article 6 all captured attention, the small group of delegates diligently negotiating the budget started sounding the alarm.

Budget negotiations can be fraught; this year’s are more so than most. No group seemed ready to accept a 12.6% increase, already less than the Secretariat’s initially proposed 21% increase based on the mandates arising from the Katowice Climate Package. Instead, many parties insist on a zero nominal growth budget.

As the Secretariat crunched and re-crunched the numbers to respond to parties’ questions, it became clear that there would be real costs associated with continuing the work under the subsidiary bodies under a zero nominal growth scenario. Two “ugly” zero nominal growth scenarios emerged. One would provide full funding for transparency, but cuts to mitigation, adaptation, and means of implementation. The second would see “significant” cuts to transparency, but would fully fund the constituted bodies. For one delegate, these costs were too high: “if the budget is a reflection of priorities, it is clear that parties don’t really feel the sense of urgency that they publicly convey.” Some participants left a bit heartened that the two scenarios were rejected and parties would work from a revised Co-Facilitators’ middle ground.