

Bonn Highlights: Tuesday, 14 June 2022

As the Bonn Climate Conference nears its end, finance was a stumbling block in negotiations over several agenda items—with other items stumbling for reasons of their own. In two mandated events, related to the Global Stocktake under the Paris Agreement and the new finance goal, delegates underscored their interest in interactive discussion formats.

Contact Groups and Informal Consultations

Guidance on cooperative approaches referred to in Article 6.2 of the Paris Agreement: Discussions focused on the draft conclusions prepared by the co-facilitators, which outlined intersessional work including: calls for submissions by parties and observer organizations; and requests to the Secretariat to prepare a technical report, conduct a survey of parties, and organize a technical workshop.

Parties considered the topics to be included in the call for submissions and the technical report, with views diverging on topics such as: whether internationally transferred mitigation outcomes could include emission avoidance, and the options for reporting tables and outlines. Some parties opposed some topics based on the need to prioritize issues needed to operationalize the Article 6.2 cooperative approaches. Others opposed requesting the Secretariat to prepare a technical paper on topics that some parties have not yet expressed views on.

Rules, modalities, and procedures for the mechanism established by Article 6.4 of the Paris Agreement: Discussions focused on the draft conclusions prepared by the co-facilitators, which set out intersessional work including: calls for submissions by parties and observer organizations; and requests to the Secretariat to prepare technical reports and organize technical workshops. Parties discussed the proposed topics for these submissions, technical papers, and technical workshops. Several parties opposed calling for submissions on topics such as: lessons learned from the Clean Development Mechanism (CDM), and the baseline approaches and additionality requirements to be applied to Article 6.4 activities. They noted existing submissions and

relevant decisions on these topics, and said calling for submissions would amount to reopening settled issues.

Parties also discussed how to reference the capacity-building programme referred to by CMA 3, specifically whether the Secretariat has “commenced implementation” of the programme or “commenced the design” of the programme. One developing country group proposed requesting updates on the design and scheduling of the work programme.

Work programme under the framework for non-market approaches referred to in Article 6.8 of the Paris Agreement: Co-Chairs Giuliana Torta (Italy) and Maria AlJishi (Saudi Arabia) introduced the draft conclusions and the second iteration of the informal note. Responding to a question by the US, Torta said the intention is for parties to finalize the draft conclusions, not to reopen the informal note. The US, supported by CANADA, the EU, and other parties, preferred to provide additional comments to be included in a third iteration of the note. Following further consultations, parties agreed to consider the draft conclusions, and to “table” references in the conclusions to the informal note. The co-chairs indicated they will accept further written comments on the note, and then decide if a third iteration is possible at this point.

Commenting on the draft conclusions, the US opposed the call for submissions on topics such as: initiatives and programmes to be enhanced through the framework for non-market approaches (NMAs), and criteria for determining which initiatives and programmes will be included within the framework. He said the conclusions should instead refer to the mandate of the Glasgow Committee on NMAs contained in decision 4/CMA.3. Senegal, for the AFRICAN GROUP, supported by Bolivia, for the LIKE-MINDED DEVELOPING COUNTRIES (LMDCs), and several other developing country groups, supported retaining the call for submissions, noting the text should reflect progress rather than simply repeat the mandate.

The US, the EU, and CANADA opposed requesting the Secretariat to prepare a technical paper on various topics, including in relation to establishing the coordination network of NMAs and reviewing existing safeguards under the UNFCCC

applicable to NMAs. Opposed by the LMDCs and others, they said there was no agreement yet on these topics nor the actions the topics refer to.

Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation: Co-Facilitators Patience Dampney (Ghana) and Bastiaan Hassing (the Netherlands) presented parties' collected inputs on draft text. Several developed countries argued that the text is too unwieldy to discuss and requires streamlining. They also said it prejudices outcomes, especially given that only one workshop in the work programme has taken place. Developing country groups expressed willingness to work on the draft text. One developing country group expressed concern that certain views have been annexed, and said they could not accept these annexes. Several parties discussed the importance of finding commonalities among parties' views as a starting point for substantial discussions. Discussions will continue informally.

Matters relating to the Adaptation Fund: Eva Schreuder (the Netherlands) and Diann Black-Layne (Antigua and Barbuda) co-facilitated the session. On the fourth review of the Adaptation Fund, parties agreed on revised text capturing that the Fund "has been and is currently providing full-cost, grant-based finance." On membership of the Adaptation Fund Board, parties were unable to agree on a way forward. Developed countries preferred to resolve legal issues around authority over the Fund at the next session of the subsidiary bodies. A developing country group argued that parties are not mandated to discuss authority under this agenda item and preferred to defer discussion until the Fund receives a share of proceeds from the Article 6.4 mechanism.

Matters relating to the Santiago network under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts: Co-Facilitator Cornelia Jäger (Austria) requested parties' feedback from "informal informals" and guidance on the way forward. Parties reported they were converging on potential elements for the roles and responsibilities of the network's secretariat and advisory body. They requested additional time to agree to conclusions. A party suggested considering the role of the Executive Committee for the Warsaw International Mechanism for Loss and Damage, as well as the criteria for selecting a host organization. Co-Facilitator Jäger encouraged them to continue discussions, emphasizing that inability to forward draft conclusions would send a "very bad signal."

Common metrics to calculate the carbon dioxide equivalence of greenhouse gases: Co-Facilitators Marina Vitullo (Italy) and Felipe Díaz (Chile) presented a bridging proposal integrating parties' views. Parties were unable to agree, with one key sticking point around mirroring Paris Agreement language in the draft COP decision text. One party regretted "continuing multiple hours of fruitless negotiations every year," lamenting

the lack of a way forward. Another recommended a shortened, procedural draft conclusion, which parties accepted.

Matters relating to reporting and review under Article 13 of the Paris Agreement: Co-Facilitators Yamikani Idriss (Malawi) and Noriko Tamiya-Hase (Japan) invited views on a new iteration of draft text, containing many brackets and options. Discussions mainly centered on a paragraph inviting financial resources to be made available to enable the Secretariat to implement the training courses for the voluntary review. One option for the paragraph expresses an invitation to "developed country parties" to provide such resources, while the second option addresses "parties." Following strong objections by developing countries, who underscored they would not agree for such a text to be the basis of future discussions, a developed country said it was willing to take the second option off the table "in the spirit of compromise." With this, parties agreed to the SBSTA conclusions, including a footnote to the draft decision text.

Matters relating to the Global Stocktake under the Paris Agreement: Co-Facilitator Alison Campbell (UK) thanked participants for the over 30 hours of input into the first Technical Dialogue, and expressed her gratitude to the co-facilitators of the dialogue. Parties broadly agreed to procedural conclusions, and provided some reflections on future iterations of the dialogue.

Trinidad and Tobago, for the ALLIANCE OF SMALL ISLAND STATES; Brazil, for ARGENTINA, BRAZIL, and URUGUAY (ABU); CANADA; and AUSTRALIA expressed interest in additional intersessional work, with the US suggesting that such work should not be a part of the formal process. Colombia, for the INDEPENDENT ASSOCIATION OF LATIN AMERICA AND THE CARIBBEAN; Zambia, for the AFRICAN GROUP; and Brazil, for ABU, stressed the continued involvement of non-party stakeholders. The co-facilitators will present text for a draft conclusion.

Arrangements for intergovernmental meetings: SBI Chair Marianne Karlsen (Norway) solicited parties' views on the second iteration of draft conclusions. The G-77/CHINA requested to add text:

- encouraging the Secretariat to address logistical challenges, such as the availability of meeting rooms and distance between them;
- ensuring balanced geographical representation in meetings; and
- alternating observer statements with those by parties.

The US requested to "pare down" the text by striking a number of references to "geographical balance" and "balance between developed and developing countries." ANTIGUA AND BARBUDA, supported by the EU, offered a bridging proposal whereby parties request the Secretariat to prepare an information paper reflecting, among others, data on participation by developed and developing country observers. This information paper would

inform a workshop that would in turn inform other efforts to ensure inclusive and balanced participation in meetings. SBI Chair Karlsen will revise the draft decision to reflect this proposal and other inputs.

Mandated Events

Technical Dialogue of the Global Stocktake: In the closing plenary, the Co-Chairs of the Technical Dialogue, Harald Winkler (South Africa) and Farhan Akhtar (US), lauded the frank and personal exchanges between participants during the roundtable discussions and world café session. They indicated that both written submissions and discussions held during the dialogue will be captured in a summary report. Winkler welcomed proposals for conducting informal GST events in conjunction with regional climate weeks and at the local level.

Participants heard reports from the co-facilitators of the roundtable discussions, which addressed various questions related to mitigation, adaptation, and means of implementation. They highlighted, among others:

- justice and equity issues related to the remaining carbon budget;
- analyzing the impact of divestment on developing countries;
- current adaptation action is less transformational than needed;
- adaptation for the urban poor;
- locally-adapted technology and demand-driven technology transfer; and
- lack of alignment of financial flows with the Paris Agreement.

Groups, parties, and observers then reflected on the dialogue and outlined expectations for future sessions. There was resounding support for the creative format of the dialogue, especially the world café setting and engagement of non-state actors. In terms of process, speakers highlighted, among others: seeking input from regional organizations, ensuring participation of experts and stakeholder from the Global South, and avoiding clashes between the Technical Dialogue and other sessions. Several delegations called for making presentations available ahead of time to ensure more time is available for discussions. Several also urged avoiding delivering prepared statements.

Speakers further suggested issues to consider at future sessions, including: demand-side mitigation and low-carbon lifestyles; maladaptation; fossil fuel phase out and developing countries' capacity for economic diversification; developing a vision of a resilient world; addressing trade-offs; sectoral transitions pathways; and loss and damage. Many supported focusing on concrete actions and how these could be diffused.

Second Technical Expert Dialogue under the Ad hoc Work Programme on the New Collective Quantified Goal on Climate Finance: After a short introduction by Federica Fricano, Co-Chair of the Work Programme, and a panel presentation,

breakout groups convened for participants to reflect on milestones, approaches, and topics for further discussion.

Barney Dickson, UN Environment Programme, shared overall reflections on breakout group discussions. On the structure of the dialogues, he highlighted the need to ensure predictability, time for preparation and written submissions, and inclusion of external stakeholders. He stressed the guiding principles of the new climate finance goal should include transparency, justice, equity, and being based on science. Potential topics suggested for “deep-dives” in the third and fourth dialogues in 2022 included:

- Specific thematic areas of adaptation, mitigation, means of implementation, needs and priorities, and gender;
- Sources of finance and the relationship between public and private sources;
- Roles of different actors;
- Understanding of the current status of finance flows; and
- The relationship between Article 9 of the Paris Agreement (mobilization of financial resources) and Article 2.1.c (making financial flows consistent with a low GHG emissions and climate-resilient development).

On other issues for consideration, he highlighted that, *inter alia*: the dialogue needs to address the time frame of the goal; and the goal must account for changing need levels. Finally, on modalities for reporting progress at CMA 4, he underscored that the report must capture areas of both divergence and convergence, and that it should provide “provisional proposals” for a road map for dialogues in 2023.

The co-chairs will prepare a reflections note indicating a structure for the third and fourth dialogues.

In the Corridors

If COP 26 saw the launch of the “Glasgow Train,” this Subsidiary Body session was a reminder that the engines of ambition are easily derailed. “They’re falling like dominoes out there,” one busy delegate shook his head in frustration. “Not one session I was in today came up with substantive conclusions.” Common metrics, bunker fuels, transparency, and agriculture all ran out of steam before making any real progress.

“We thought we had a common agreement to finally move forward and avoid multiple hours of fruitless negotiations like every year,” another delegate lamented. “I guess we were wrong.”

Optimists will point out that these aren’t major negotiations streams, and that the process can safely wait another year before they get resolved. Yet one seasoned delegate urged caution: every small sticking point is a cog in a much greater engine. “For mitigation, and adaptation to work, there will need to be finance, ways to calculate emissions, and engagement with aviation and shipping,” they counseled. “You can’t just write them off because we’ve never gotten anywhere yet.” As the 2022 conference slows to a halt, it remains to be seen whether these issues will travel onward or simply remain stuck at the station.