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Summary of the Bonn Climate Change Conference: 5-15 June 2023

With the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) underscoring once more the urgent need for enhanced climate action, and less than six months to go before the 28th meeting of the Conference of the Parties (COP) convenes in Dubai, delegates had their work cut out for themselves in Bonn. The United Nations Framework Convention on Climate Change's Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA) featured over 20 items on their respective agendas and more than 20 mandated events had to be crammed into the schedule, including on big ticket issues such as loss and damage, the new collective quantified goal on climate finance, and the first Global Stocktake under the Paris Agreement.

One thing that this conference will be remembered for is that, up until the penultimate day, the lack of agreement over the agendas for the 58th meetings of the Subsidiary Bodies (SB 58) hung like a sword of Damocles over the negotiations. Despite consultations among Heads of Delegation before the conference, there was no agreement. Parties nevertheless worked on the basis of the SBSTA's provisional agenda and the SBI's supplementary provisional agenda. Negotiations went on largely undisturbed, but whether their outcome would be captured and forwarded to the COP in November hinged on agreement on the agenda.

Heads of Delegations managed to sort out some of the disagreements, notably by removing reference to specific paragraphs in the title of the agenda item on the work programme on just transition pathways. But the proposed inclusion of an agenda item on the mitigation ambition and implementation work programme (MWP) remained problematic.

The European Union and the Environmental Integrity Group had submitted a request to add it ahead of the conference. But that sparked debate. Three days into SB 58, the Like-minded Developing Countries proposed what some dubbed "a counter item" on "urgently scaling up financial support from developed countries in line with Article 4.5 of the Paris Agreement to enable implementation for developing countries in this critical decade." Parties engaged in lengthy discussions on these two items, both in consultations among Heads of Delegation and in plenary. Neither ultimately made it onto the agendas. However, since the MWP was on the provisional agendas going into the meeting, consultations took place on the matter and the SB Chairs will prepare an informal note capturing the discussions. Delegates also had heated debates over the recognition of the IPCC's findings. Many developing and developed country groups and parties underscored AR6 is the most robust and comprehensive assessment to date. But one developing country held up agreement, pointing to "disputes" among IPCC members and emphasizing knowledge gaps. Many groups and parties expressed concerns over the weak language in SB 58's draft decisions on AR6.

UNFCCC SBs FINAL

Overall, progress remained rather elusive as parties:

- could not agree on recommending a host for the Santiago Network on loss and damage;
- did not advance the development of a framework for guiding the achievement of the Global Goal on Adaptation and the review of overall progress in achieving it; and
- only noted an indicative draft structure of the decision on the Global Stocktake, which contains for options for the title of a section on finance.

The 58th meetings of the SBSTA and SBI convened from 5-15 June 2023 at the World Convention Center in Bonn, Germany. 5,647 people were registered for on-site participation and 1,249 for virtualonly participation in the meeting, without counting party overflow, staff, and holders of temporary badges.

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A Brief History of the UNFCCC, the Kyoto Protocol, and the Paris Agreement

The international political response to climate change began with the 1992 adoption of the United Nations Framework Convention on Climate Change (UNFCCC), which sets out the basic legal framework and principles for international climate change cooperation with the aim of stabilizing atmospheric concentrations of greenhouse gases (GHGs) to avoid "dangerous anthropogenic interference with the climate system." The Convention, which entered into force on 21 March 1994, has 197 parties.

To boost the effectiveness of the UNFCCC, parties adopted the Kyoto Protocol in December 1997. It commits industrialized countries and countries in transition to a market economy to achieve quantified emission reduction targets for a basket of six GHGs. The Kyoto Protocol entered into force on 16 February 2005 and has 192 parties. Its first commitment period took place from 2008 to 2012. The 2012 Doha Amendment established the second commitment period from 2013 to 2020. To date, 145 parties have ratified the Doha Amendment.

In December 2015, parties adopted the Paris Agreement. Under the terms of the Agreement, all countries will submit nationally determined contributions (NDCs) and will review the aggregate progress on mitigation, adaptation, and means of implementation every five years through a Global Stocktake (GST). The Paris Agreement entered into force on 4 November 2016. To date, 193 parties have ratified the Agreement.

Recent Key Turning Points

Paris: The 2015 UN Climate Change Conference convened in Paris, France, and culminated in the adoption of the Paris Agreement on 12 December. The Agreement includes the goal of limiting the global average temperature increase to well below 2°C above preindustrial levels, and pursuing efforts to limit it to 1.5°C. It also aims to increase parties' ability to adapt to the adverse impacts of climate change and make financial flows consistent with a pathway towards low GHG emissions and climate-resilient development. The Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances.

Under the Paris Agreement, each party shall communicate, at five-year intervals, successively more ambitious NDCs. Under the common timeframes decision adopted in 2021 in Glasgow, each NDC will last ten years, but will still be updated every five years. The Paris Agreement also includes a process known as the GST, which convenes at five-year intervals to review collective progress on mitigation, adaptation, and means of implementation. The Agreement further sets out an Enhanced Transparency Framework (ETF) and includes provisions on adaptation, finance, technology, loss and damage, and compliance.

When adopting the Paris Agreement, parties launched the Paris Agreement Work Programme (PAWP) to develop the Agreement's operational details. Parties also agreed on the need to mobilize stronger and more ambitious climate action by all parties and nonparty stakeholders to achieve the Paris Agreement's goals. Several non-party stakeholders made unilateral mitigation pledges in Paris, with more than 10,000 registered actions.

Marrakech: The UN Climate Change Conference in Marrakech took place from 7-18 November 2016, and included the first meeting of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA). Parties adopted several decisions

related to the PAWP, including: that work should conclude by 2018; the terms of reference for the Paris Committee on Capacitybuilding; and initiating a process to identify the information to be provided in accordance with Paris Agreement Article 9.5 (*ex ante* biennial finance communications by developed countries). Other decisions adopted included approving the five-year work plan of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM), enhancing the Technology Mechanism, and continuing and enhancing the Lima work programme on gender.

Fiji/Bonn: The Fiji/Bonn Climate Change Conference convened from 6-17 November 2017 in Bonn, Germany, under the Presidency of Fiji. The Conference of the Parties (COP) launched the Talanoa Dialogue, a facilitative dialogue to take stock of collective progress towards the Paris Agreement's long-term goals. The COP also established the "Fiji Momentum for Implementation," a decision giving prominence to pre-2020 implementation and ambition. Parties also provided guidance on the completion of the PAWP and decided that the Adaptation Fund shall serve the Paris Agreement, subject to decisions to be taken by CMA 1-3. Parties also further developed, or gave guidance to, the Local Communities and Indigenous Peoples Platform, the Executive Committee of the WIM, the Standing Committee on Finance, and the Adaptation Fund.

Katowice: The Katowice Climate Change Conference convened from 2-14 December 2018 in Katowice, Poland, concluding a busy year that featured an additional negotiation session to advance work on the PAWP. Parties adopted the Katowice Climate Package, which finalized nearly all of the PAWP, including decisions to facilitate common interpretation and implementation of the Paris Agreement on the mitigation section of NDCs, adaptation communications, transparency framework, GST, and financial transparency, among others. Work on cooperative approaches, under Article 6 of the Agreement, was not concluded, and parties agreed to conclude this work in 2019. The COP was unable to agree on whether to "welcome" or "note" the IPCC's Special Report on 1.5°C of Global Warming.

Chile/Madrid: The Chile/Madrid Climate Change Conference convened from 2-13 December 2019 in Madrid, under the Presidency of Chile. Delegates adopted decisions on the review of the WIM and some finance-related issues, such as guidance to the Global Environment Facility (GEF) and Green Climate Fund (GCF). Parties established the Santiago Network for Averting, Minimizing, and Addressing Loss and Damage, and adopted the enhanced fiveyear Lima Work Programme and its Gender Action Plan. Parties also adopted three cover decisions under the different governing bodies, each named the Chile/Madrid Time for Action. On many other issues, notably Article 6 and long-term finance, parties could not reach agreement.

Glasgow: The Glasgow Climate Change Conference convened in Scotland from 31 October 2021 – 12 November 2021, following the COVID-19 pandemic-related interruption. Parties finalized the Paris Agreement rulebook, adopting guidelines, rules, and a work programme on Article 6 and agreeing on the format of reporting under the ETF. Parties adopted the Glasgow Climate Pact, a series of three overarching cover decisions that, for the first time, included a reference to phasing down unabated coal power and phasing out inefficient fossil fuel subsidies. They also agreed to work programmes on a global goal for adaptation, and on urgently scaling up mitigation; created the Glasgow Dialogue on loss and damage; established a process towards defining a new collective quantified goal on climate finance; and launched an annual dialogue on oceanbased climate action.

Sharm El-Sheikh: The Sharm El-Sheikh Climate Change Conference convened in Egypt from 6-20 November 2022 and concluded with the adoption of 60 decisions. For the first time, parties recognized the need for finance to respond to loss and damage associated with the adverse effects of climate change and established a fund and the necessary funding arrangements, with the details to be worked out in 2023. Key elements in the package leading to this agreement were work programmes on urgently scaling up mitigation ambition and the Global Goal on Adaptation (GGA). Parties also adopted two overarching cover decisions, together called the Sharm El-Sheikh Implementation Plan. Highlights of the cover decisions include:

- retaining the call to phase down unabated coal power and phase out inefficient fossil fuel subsidies, as adopted in the Glasgow Climate Pact;
- urging parties that have not yet communicated new or updated NDCs or long-term low GHG development strategies to do so as soon as possible before CMA 5;
- establishing a work programme on just transition to discuss pathways to achieve the goals of the Paris Agreement; and
- calling for multilateral development bank reform.

The meeting also launched the selection process for the host of the Santiago Network secretariat and continued the technical dialogue under the GST, among other issues.

Report of the Meetings

The Bonn Climate Change Conference opened Monday, 5 June. Executive Secretary Simon Stiell encouraged parties to "be brave" and prioritize the common good, noting this perspective would serve national interests. He said discussions on mitigation are key to unlock innovation, which must be used to revise and strengthen NDCs and long-term strategies. He highlighted that a strong agreement on just transition can enable action, build trust, and drive transformative development.

Sweden, for the EUROPEAN UNION, called for enhanced and immediate transformation of all sectors to reach net zero by 2050. He expressed optimism that developed countries will meet the USD 100 billion climate finance commitment in 2023.

Australia, for the UMBRELLA GROUP, urged to keep a clear focus on 1.5°C ahead of COP 28 and called for all GHGs to be included in NDCs, which should also reflect parties' ambitions to reduce and peak emissions by 2025. They also welcomed the United Kingdom to the group.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), highlighted that "we are on the brink of missing out on 1.5°C," and reminded participants the upcoming GST provides the only chance to avoid an overshoot and adopt a full range of decisions to this end. He called for a mosaic approach to loss and damage funding and reiterated the importance of non-party stakeholder involvement.

Zambia, for the AFRICAN GROUP, said discussions on the GGA should conclude with a decision that advances the resilience of developing countries. He also stressed: National Adaptation Plans (NAPs) should be a standing item on the SBI agenda; COP 28 is the "GST COP" and the outcome should help countries implement their NDCs; and a trust fund and work programme on just transition should be adopted at COP 28.

Samoa, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), emphasized the need to ratchet up ambition through the outcome of COP 28 on the GST, MWP, and GGA, and the need to operationalize fit-for-purpose funding for loss and damage, focusing on particularly vulnerable countries.

Senegal, for the LEAST DEVELOPED COUNTRIES (LDCs), underscored that funding is not keeping pace with the growing need for building adaptation capacities in the face of increasingly extreme climate events. He lamented that loss and damage is being sidelined in the GST discussion and progress on gender equality has been slow.

Bolivia, for the LIKE-MINDED DEVELOPING COUNTRIES (LMDCs), said negotiations must be inclusive, transparent, and guided by the principle of common but differentiated responsibilities. He stressed the importance of balanced texts and reiterated "our people are suffering from a climate crisis they have not contributed to." He noted some countries are "playing to the gallery" but not fulfilling pledges.

Costa Rica, for the INDEPENDENT ASSOCIATION OF LATIN AMERICA AND THE CARIBBEAN (AILAC), said the GST is a chance for multilateralism to build a global response to the "pivotal challenge" of climate change and called on the Subsidiary Bodies to develop a decision-making roadmap thereon. She called for COP 28 to agree on a fund on loss and damage and stressed the need to step up efforts to eliminate fossil fuels with clear dates.

Saudi Arabia, for the ARAB GROUP, called for balanced work, emphasizing the importance of attention to adaptation, and urged that discussions should not deviate too much from the achievements of COP 27. She reiterated the importance of financial and technological support for developing countries to address climate change and eradicate poverty.

Papua New Guinea, for the COALITION OF RAINFOREST NATIONS, urged for the findings of the IPCC's Sixth Assessment Report to feed into the SBs' work. She highlighted that addressing land-use change poses the most promising and immediate opportunity to achieve reductions in emissions.

South Africa, for BRAZIL, SOUTH AFRICA, INDIA, and CHINA (BASIC), noted the importance of the GST in identifying gaps and spurring an enhanced global response. He called for more finance to support developing countries' climate action.

Uruguay, for ARGENTINA, BRAZIL, and URUGUAY (ABU), called for concrete results from the technical dialogue of the GST and a clear mandate on targets and indicators to achieve the GGA.

Venezuela, for the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA (ALBA), stressed that loss and damage funding must be predictable, adequate, and stem mainly from public funds. She urged a climate justice, rights-based approach to just transition and emphasized the need for non-market based approaches to strengthen implementation, while avoiding "unilateral coercive" measures that restrict development.

The IPCC highlighted the robust scientific knowledge contained within the reports of the sixth assessment cycle.

The WORLD METEOROLOGICAL ORGANIZATION (WMO) stated there is a 66% chance the world will temporarily exceed 1.5°C of warming due to the effects of El Niño.

The INTERNATIONAL MARITIME ORGANIZATION highlighted maritime transport's indispensable role in global trade and noted their efforts to develop measures and solutions to the industry's contribution to air pollution and climate change, and support island states and developing countries. WOMEN AND GENDER, emphasizing there is "no climate justice without gender rights," highlighted the need to support care work and social protection and called on parties to "ensure a full, fair fossil fuel phaseout."

CHILDREN AND YOUTH underscored that, *inter alia*: visa issues have reduced youth participation in the SBs; delayed action is shifting the burden to frontline communities and future generations; climate finance goals must "get out of the UNFCCC silo"; and the IPCC must be shielded from the influence of polluters.

BUSINESS AND INDUSTRY called for scaling up mitigation ambition, leaving Bonn with a "robust text" on Article 6, and setting an ambitious goal that would "supercharge" climate finance.

ENVIRONMENTAL NGOs stressed that a "legitimate COP is a fossil fuel-free COP" and called for rapid, real emission cuts based on the principles of justice and equity, rather than relying on mechanisms such as carbon markets and geoengineering.

INDIGENOUS PEOPLES called for: real emissions reductions at the source and rapidly phasing out fossil fuels rather than carbon offsets; prioritizing prevention in loss and damage mechanisms; and not combining their group with local communities.

LOCAL GOVERNMENTS AND MUNICIPAL AUTHORITIES called attention to a local community that has conducted its own equivalent of a global stocktaking process.

RESEARCH AND INDEPENDENT NGOs stressed the need for the GST to follow a science-led approach and include science that is generated in the Global South.

TRADE UNIONS called for including stakeholders in discussions to ensure there is a just transition, and clear and ambitious conclusions from the GST, including for a structured exit from fossil fuels.

Joint Opening Plenary

On Monday, 5 June, SBI Chair Nabeel Munir (Pakistan) and SBSTA Chair Harry Vreuls (the Netherlands) pointed to consultations with groups and parties on the SB agendas, both ahead of the meeting and throughout the morning. They noted there is no agreement, but parties converged on launching work on the basis of the SBI's supplementary provisional agenda (FCCC/SBI/2023/1/ Add.1) and the SBSTA's provisional agenda (FCCC/SBSTA/2023/1) with the understanding that consultations will continue and the agenda will be adopted at a later stage.

On <u>Monday, 12 June</u>, SBI Chair Munir and SBSTA Chair Vreuls invited parties to adopt the agendas, amending the title of item 8 to read work programme on just transition pathways referred to "in the relevant paragraphs of" decision 1/CMA.4.

Bolivia, for the LMDCs, delineated the rationale for a proposed additional agenda item on urgently scaling up financial support from developed countries in line with Article 4.5 of the Paris Agreement to enable implementation for developing countries in this critical decade. Supported by Saudi Arabia, for the ARAB GROUP, he emphasized the need for balance between discussions on ambition and means of implementation and underscored the "record of broken promises and failed commitments" by developed countries.

Agreeing that finance is critical, the EU, US, UK, CANADA, NORWAY and Switzerland, for EIG, opposed the LMDCs' proposal but indicated the MWP provides space to discuss finance. Samoa, for AOSIS, and Costa Rica, for AILAC, emphasized the importance of the MWP, with AOSIS underscoring it is a priority for the group, as it is key to staying below 1.5°C of warming. The EU questioned the submission of a proposed agenda item after work was already launched at the opening of the meeting and pointed to other finance-related processes already established. The US emphasized Article 4.5 of the Paris Agreement does not specifically refer to support by developed countries. The LMDCs highlighted the lack of a CMA mandate to address the MWP at SB 58, noting the matter was added to the agenda at the request of some parties after the publication of the provisional agenda, and underscored the need for negotiations rather than dialogues on scaling up finance.

The PHILIPPINES urged moving forward and adopting the agenda. Venezuela, for ALBA, objected to the inclusion of the MWP, but expressed openness toward adopting the rest of the agenda. The EU, EIG, and AILAC opposed.

Parties could not reach agreement and consultations continued. During an evening plenary on <u>Wednesday</u>, 14 June, the SBI and SBSTA adopted their respective agendas (<u>FCCC/SBI/2023/1/Add.1</u> and <u>FCCC/SBSTA/2023/1</u>), with an amendment for the relevant agenda items to read "work programme on just transition pathways referred to in the relevant paragraphs of decision 1/CMA.4" and with the exception of the agenda items on the Sharm el-Sheikh mitigation ambition and implementation work programme, noting the understanding that work carried out on the MWP on <u>Thursday</u>, 8 <u>June</u>, <u>Friday</u>, 9 June, <u>Saturday</u>, 10 June, and <u>Tuesday</u>, 13 June, will be captured by the SB Chairs in an informal note issued under their own authority.

The SB Chairs expressed appreciation for parties' flexibility in reaching an agreement and allowing work to be launched prior to the adoption of the agendas. They noted this does not set a precedent for future work.

Subsidiary Body for Scientific and Technological Advice

Nairobi work programme on impacts, vulnerability, and adaptation to climate change: The Nairobi work programme (NWP) aims to facilitate and catalyze the development and dissemination of information and knowledge to support developing countries' adaptation action and to build on the momentum of work to date and strengthen its role as the UNFCCC knowledge-toaction hub on adaptation and resilience. In informal consultations, co-facilitated by María del Pilar Bueno (Argentina) and Maria Samuelsen (Denmark) on <u>Wednesday, 7 June</u> and <u>Friday, 9</u> <u>June</u>, parties reflected on progress under the NWP (<u>FCCC/</u> <u>SBSTA/2023/2</u>), highlighting areas where further work should be strengthened and how to best support developing countries, in particular, in a regionally balanced way.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2023/

- L.1), the SBSTA, inter alia:
- recognizes the NWP's role in closing knowledge gaps to scale up action related to adaptation, particularly in developing countries;
- recognizes the NWP's work is crucial to facilitating the achievement of the goals of the Convention and the Paris Agreement;
- notes the NWP's role in addressing knowledge gaps identified by parties and the need to provide outputs and knowledge products in additional formats, including all six UN languages; and
- requests the Secretariat strengthen the Universities Partnership Programme, striving for regional balance.

Research and systematic observation: Elizabeth Bush (Canada) and Ladislaus Chang'a (Tanzania) co-facilitated informal consultations on this item. On <u>Tuesday, 6 June</u>, parties lamented the absence of a separate agenda item for the consideration of the IPCC's AR6, noting the "clear messages" and "new insights" provided by the report. Developing countries underscored equity as central to all aspects of climate change, including in the representation of developing countries among IPCC authors, and stressed the need to acknowledge gaps in knowledge and research needs. Parties agreed to mandate drafting of COP and CMA decision texts and a draft conclusions text.

Parties discussed draft conclusions on research and systematic observation and draft COP and CMA decisions on AR6 at informal consultations on <u>Wednesday</u>, 7 June, and <u>Friday</u>, 9 June, <u>Monday</u>, 12 June, and <u>Wednesday</u>, 14 June, among others. Discussions centered on achieving a balance between underscoring the progress of scientific understanding achieved since the Fifth Assessment Report (AR5), including references to AR6 as the most comprehensive assessment of climate change to date, and pointing to knowledge gaps and needs.

On the draft conclusions text, some developing countries suggested adding references to equity and historical responsibilities to a paragraph noting the urgency of action in this decade. Developed countries noted consideration of equity was included in a paragraph of the conclusions text related to knowledge gaps and research needs, although developing countries stressed the need to reference equity specifically in relation to action.

On the draft decisions text, many parties converged on recognizing AR6 as the most comprehensive and robust assessment of climate change to date. A developing country opposed the reference to "robust," noting different countries have different definitions of the word, and suggested language expressing concerns with "disputes" and the "inclusiveness" of IPCC decision-making. Other parties noted the IPCC is a separate organization with its own rules and procedures beyond the purview of the UNFCCC. Parties were unable to reach agreement on these revisions.

During the closing plenary, CHILE, COLOMBIA, COSTA RICA, PERU, AOSIS, the EU, EIG, CANADA, NORWAY, the US, NEW ZEALAND, AUSTRALIA, the UK, and LDCs expressed their disappointment over the outcome of the discussions, underscoring once again that AR6 is the most comprehensive and robust assessment of climate to date.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2023/ L.7), the SBSTA, *inter alia*, notes significant advances in scientific understanding of climate change since AR5, as well as knowledge gaps and research needs related to, among others, transboundary risks, policy implications of different emission metrics, and the consideration of equity.

The SBSTA also recommends draft decisions for the COP (FCCC/SBSTA/2023/L.7/Add.1) and CMA (FCCC/SBSTA/2023/L.7/Add.2) that, *inter alia*:

- recognize AR6 represents a more comprehensive and robust assessment of climate change than AR5, with an increased scope, compared with previous assessment cycles, providing integrated scientific, technical and socio-economic information; and
- encourage the scientific community to continue expanding the scientific knowledge base on climate change and addressing knowledge gaps with a view to supporting the AR7 cycle.

Methodological issues under the Convention: *Greenhouse gas data interface:* This sub-agenda item relates to creation of an online data portal through the Secretariat website as part of technical review of the GHG inventories and other information reported by parties. Informal consultations on this item were co-facilitated by Thiago Mendes (Brazil) and Daniela Romano (Italy) and were held <u>Thursday, 8 June</u>, and <u>Tuesday, 13 June</u>, among others.

In informal consultations on <u>Thursday, 8 June</u>, the Secretariat indicated development of the interface would take up to year at a cost of EUR 300,000 and some countries noted concern over creating an unfunded mandate. A developed country proposed deferring consideration of the matter to SBSTA 60 (June 2024), while a developing country preferred deferring to SBSTA 62 (June 2025). Parties were unable to converge on this matter in informal consultations. Applying Rule 16 of the draft rules of procedure, the issue will be placed on the agenda for SBSTA 59.

Emissions from fuel used for international aviation and maritime transport: Informal consultations on this sub-item took place on <u>Thursday, 8 June</u>, and <u>Monday, 12 June</u>, among others, and were co-facilitated by Martin Cames (Germany) and Pacifica F. Achieng Ogola (Kenya). Parties discussed submissions from the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO). Discussing draft conclusions, some developed countries called for deleting a reference to divergent views expressed by parties on submissions by ICAO and IMO, while developing countries stressed the language accurately reflected discussions. Applying Rule 16 of the draft rules of procedure, the issue will be placed on the agenda for SBSTA 59.

Guidance on cooperative approaches referred to in Article 6.2 of the Paris Agreement: Article 6 of the Paris Agreement recognizes that some parties choose to pursue voluntary cooperation in the implementation of their NDCs. Article 6.2 relates to direct cooperation between parties. Maria Jishi (Saudi Arabia) and Peer Stiansen (Norway) co-facilitated informal consultations on <u>Monday.</u> 5 June, <u>Tuesday. 6 June, Wednesday. 7 June, Thursday. 8 June, Friday. 9 June, and Monday. 12 June</u>, among others.

Developing countries underscored the need for rapid capacity building to empower them to contribute to the technical discussions on the development of the agreed electronic format (AEF) for reporting annual information. Parties agreed a manual should be developed to assist with the preparation of the AEF, with some groups calling for featuring illustrative examples, such as on assumptions and information on leakage, and others emphasizing the non-binding nature of the manual and preferring to not include country-specific examples.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2023/L.6), the SBSTA, *inter alia*:

- takes note of the Co-Facilitators' informal note from SBSTA 58;
- requests the Secretariat to prepare a technical paper without formal status on, among others, the process of authorization, the draft version of the AEF, and processes pertaining to inconsistencies identified in review and data on Internationally Transferred Mitigation Outcomes;
- requests the Secretariat to organize a hybrid workshop to consider the technical paper before SBSTA 59;
- requests the Secretariat, in developing a manual containing illustrative elements of information for the initial report, updated initial report, and annex to the biennial transparency report (regular information), to consider including therein explanations of key terms and concepts, illustrative elements of information, templates, examples, and case studies that are not countryspecific;

- requests the Secretariat to regularly update the manual, noting the first version of the manual should be available by the end of 2023;
- requests the Secretariat to prioritize, as part of the capacitybuilding programme, activities related to the preparation of the initial report;
- requests the Secretariat to make available prior to SBSTA 59 updated technical specifications and cost estimates for the international registry; and
- invites parties to make contributions to the Trust Fund for Supplementary Activities for operationalizing the guidance on cooperative approaches and supporting the intersessional work referred to in the conclusions.

Rules, modalities, and procedures for the mechanism established by Article 6.4 of the Paris Agreement: Article 6.4 relates to cooperation through a market-based mechanism. Informal consultations were facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan), and took place on <u>Tuesday, 6 June</u>, <u>Wednesday, 7 June, Thursday, 8 June, Saturday, 10 June</u>, and <u>Monday, 12 June</u>, among others.

Parties discussed the inclusion of emission avoidance and conservation enhancement activities in Article 6.4, with some saying it would create another workstream for the CMA and calling for more guidance and clarification on the activities currently included in the provision. Several parties also underscored the importance of connecting the Article 6.4 registry and the Article 6.2 international registry to ensure information on Article 6.4 emissions reductions is centralized. Several developed countries said units from the Article 6.4 registry should be transferable to the Article 6.2 international registry and to Article 6.2 national registries, recognizing these two approaches can co-exist and be accommodated.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2023/ L.3), the SBSTA, *inter alia*: recalling the request by CMA 4 to organize a technical expert dialogue to be held before SBSTA 59, and to facilitate deliberations on further guidance on the rules, modalities, and procedures for the mechanism established by Article 6, paragraph 4 of the Paris Agreement, requests the SBSTA Chair to prepare an informal document, based on the views expressed at SBSTA 58 and the outcomes of the technical expert dialogue, for consideration at SBSTA 59 with a view to recommending a draft decision on further guidance on the rules, modalities, and procedures for consideration and adoption at CMA 5.

Work programme under the framework for non-market approaches referred to in Article 6.8 of the Paris Agreement: Article 6.8 relates to climate cooperation between countries that does not involve trading the resulting mitigation outcomes. A contact group co-chaired by Kristin Qui (Trinidad and Tobago) and Jacqueline Ruesga (New Zealand) considered this item. In the closing plenary, GHANA requested it be put on record that the conclusions do not reflect consensus among all parties.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2023/L.4), the SBSTA, *inter alia*:

- encourages the Secretariat to complete the development and operationalization of the UNFCCC web-based platform for nonmarket approaches (NMAs) in time for the fourth meeting of the Glasgow Committee on NMAs;
- invites parties and observers to submit, by 18 September 2023, views and information on the key elements of the framework for NMAs;

- requests the Secretariat to prepare a synthesis report on the basis of the submissions for consideration by the Glasgow Committee on NMAs at its fourth meeting and organize the in-session workshop to be held in conjunction with the fourth meeting of the Glasgow Committee on NMAs on matters related to the submissions and creating opportunities for cooperation and engagement on, including, but not limited to, alternative approaches, with a focus on the Amazon region and other forest ecosystems, encouraging broad participation of interested public and private sector stakeholders, including Indigenous Peoples and local communities, technical experts, businesses, civil society organizations and financial institutions; and
- encourages parties and other stakeholders to actively engage in developing and implementing NMAs under the framework for such approaches.

Cooperation with other international organizations: The Secretariat prepared a <u>summary</u> of its cooperation with UN entities and other international organizations.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2023/ L.2), the SBSTA took note of the Secretariat's cooperation with UN entities and other international organizations in relation to supporting parties' efforts to enhance the ambition of their climate action, including with regard to mitigation, adaptation, and means of implementation, and encouraged opportunities for parties and stakeholders to exchange views and provide guidance on the Secretariat's cooperative activities.

Annual report on the technical review of greenhouse gas inventories of Annex I parties: This agenda item considers annual reports prepared by the Secretariat on the technical review of the GHG inventories and other information reported by Annex I parties. At all the SBSTA sessions since 2020, parties have deferred consideration of these reports to the following session. The SBSTA took note of the information and the Chair proposed deferring consideration to SBSTA 59.

Subsidiary Body for Implementation

Reporting from and review of Annex I parties: Status of submission and review of national communications and biennial reports from Annex I parties: The SBI Chair conducted consultations on the way forward for this agenda item. In its closing plenary, the SBI took note of the status of submission and review of national communications and biennial reports from Annex I parties.

Compilations and syntheses of biennial reports from Annex I parties: The SBI Chair conducted consultations on the way forward for this agenda item. In its closing plenary, the SBI took note of the status of the compilations and syntheses of biennial reports from Annex I parties.

Reports on national greenhouse gas inventory data from Annex I parties: The SBI Chair conducted consultations on the way forward for this agenda item. In its closing plenary, the SBI took note of the reports on national greenhouse gas inventory data from Annex I parties. ARGENTINA and the UK drew attention to a territorial dispute over the Malvinas, South Georgia, and South Sandwich islands.

Reporting from non-Annex I parties: *Information contained in national communications from non-Annex I parties:* Chair Munir recalled this sub-item has been held in abeyance since SBI 25. **SBI** Conclusions: In its conclusions (FCCC/SBI/2023/L.9), the SBI noted the status of national communications and biennial update reports from the parties not included in Annex I and agreed to include this matter in the provisional agenda for SBI 59.

Provision of financial and technical support: This item relates to the provision of support for developing countries' reporting under the Convention. Informal consultations were co-facilitated by Eve Deakin (UK) and Sandra Motshwanedi (South Africa). In informal consultations on Monday. 5 June, parties suggested cross-references and mirroring of text with an SBI agenda item on provision of support for developing country reporting under the Paris Agreement. One developing country group noted discussions should inform negotiations on provision of guidance to the GEF.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.12), the SBI agrees to continue consideration of the matter at SBI 59, taking into account the draft text prepared by the Co-Facilitators at SBI 58.

Summary reports on the technical analysis of biennial update reports of non-Annex I parties: In its closing plenary, the SBI took note of the summary reports on the technical analysis of biennial update reports of non-Annex I parties.

Reporting and review pursuant to Article 13 of the Paris Agreement: provision of financial and technical support to developing country parties for reporting and capacity building: In informal consultations, Co-Facilitator Sandra Motshwanedi (South Africa) recalled the SBI decided to continue consideration of this matter at SBI 58 with a view to recommending a draft decision for consideration and adoption by CMA 5. In informal consultations on <u>Monday, 5 June</u>, developing country groups noted restrictions on financial support that foster commissioning of external consultants rather than in-country capacity building and called for a rolling approach to avoid interruptions between support cycles. In informal consultations on <u>Friday, 9 June</u>, the GEF provided an update on support for developing country reporting, and developed countries agreed the application process should be streamlined.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.7), the SBI agrees to continue consideration of this matter at SBI 59, taking into account submissions prior to SBI 59 on how to address challenges faced by developing countries in implementing the Enhanced Transparency Framework (ETF) in a sustainable manner, including establishment and enhancement of national reporting systems within their respective national governments.

Review of the status of the Trust Fund for the Clean Development Mechanism: Kate Hancock (Australia) and Sonam Tashi (Bhutan) co-facilitated informal consultations.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.1), the SBI agrees to continue consideration of this matter at SBI 59.

Matters relating to the least developed countries: Bob Natifu (Uganda) and Jens Fugl (Denmark) co-facilitated informal consultations on <u>Tuesday, 6 June</u>, and <u>Monday, 12 June</u>, among others, during which parties discussed draft conclusions on the Least Developed Countries Expert Group (LEG) report (<u>FCCC/</u><u>SBI/2023/7</u>). One party sought to remove language on mandating the LEG to develop and propose solutions to identified challenges in NAP development of LDCs, but several developing countries stressed the importance of solutions from the LEG.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.3), the SBI, among others:

 requests the LEG to continue enhancing efforts to support LDCs that have yet to make progress in the process to formulate and implement NAPs; and • requests the LEG, in line with its mandate, to continue assessing and proposing potential solutions for challenges faced by many LDCs on the formulation of NAPs.

Development and transfer of technologies and implementation of the Technology Mechanism: linkages between the Technology Mechanism and the Financial Mechanism of the Convention: Stephen Minas (Greece) and Vositha Wijenayake (Sri Lanka) co-facilitated informal consultations during which parties considered the progress of the Technology Executive Committee (TEC), the Climate Technology Centre and Network (CTCN), the GEF, and the GCF in strengthening linkages between the Technology Mechanism and the Financial Mechanism.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.4), the SBI, *inter alia*:

- invites the TEC and the CTCN to use the collaboration with operating entities of the Financial Mechanism to support technology development and transfer in developing countries with measurable, time-bound, and result-oriented actions; and
- encourages the TEC and the CTCN to consider opportunities to support developing countries in accessing funding from the GEF and/or the GCF for work on climate technology incubators and accelerators.

Second review of the functions of the Standing Committee on Finance: Ali Waqas (Pakistan) and Gabriela Blatter (Switzerland) co-facilitated informal consultations on this agenda item between <u>Thursday, 8 June</u>, and <u>Wednesday, 14 June</u>. Discussions centered on guidance to the Secretariat for the preparation of the technical paper on the review. Several parties cautioned against preempting findings on areas of improvement. Regarding disaggregated information on participation in sessions of the Standing Committee on Finance (SCF), parties converged on referring to Annex I and non-Annex I parties, in line with language on the SCF's composition.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.6), the SBI, *inter alia*:

- initiates the second review of the SCF's functions in accordance with the terms of reference contained in the annex to decision 15/CP.27 and affirmed by decision 15/CMA.4; and
- acknowledges the important contribution of the SCF in assisting the COP and serving the Paris Agreement in exercising its functions and recognizes the potential for improvements.

The SBI also requests the Secretariat, in preparing the technical paper on the second review, to take into account the relevant deliberations and conclusions of SBI 58 and consider:

- action taken by the SCF to address the outcomes of the first review;
- the transparency of the SCF decision-making process;
- the participation of SCF members and party observers in the SCF meetings and events, disaggregated by gender, geographical representation, and Annex I and non-Annex I parties;
- how and to what extent the SCF has engaged with party and nonparty observers and other constituted bodies;
- the workload of the SCF;
- the extent to which the outputs of the SCF fulfilled all of the core functions of the SCF and mandated activities and how the mandates received correspond to the core functions of the SCF;
- the effectiveness and timeliness of delivery of the four core functions of the SCF and its mandated activities;
- $\boldsymbol{\cdot}$ the quality and user-friendliness of SCF outputs; and
- · gender-responsiveness in implementing its workplan.

Matters relating to capacity building: Catherine Goldberg (US) and Gonzalo Guaiquil (Chile) co-facilitated informal consultations on <u>Friday, 9 June</u> and <u>Saturday, 10 June</u>, among others, during which parties considered annual monitoring of implementation of the capacity-building framework and terms of reference for the second review of the Paris Committee on Capacity-building (PCCB).

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.2), the SBI, *inter alia*:

- welcomes <u>synthesis reports</u> prepared by the Secretariat on the implementation of the framework for capacity building in developing countries;
- acknowledges progress in implementing the framework for capacity building in developing countries under the Convention at the individual, institutional, and systemic level; and
- reiterates needs and gaps remain in addressing the priority issues identified in the framework for capacity building in developing countries, particularly in addressing the capacity needs and gaps of the LDCs and small island developing states.

The SBI also recommends that the COP (FCCC/SBI/2023/L.2/ Add.1) and CMA (FCCC/SBI/2023/L.2/Add.2) conduct the second review of the PCCB, adopt the terms of reference for the second review, and invite submissions by 29 February 2024, for consideration at SB 60 (June 2024).

Arrangements for intergovernmental meetings: SBI Chair Munir conducted consultations on this item on <u>Monday, 5 June</u>, <u>Wednesday, 7 June, Friday, 9 June</u>, and <u>Monday, 12 June</u>, among other. Parties discussed, *inter alia:* possible locations for upcoming meetings of the COP; the need to ensure sessions are safe for all and to specify that no harassment, bullying, or reprisals should occur before, during, or after the COP; and the need to ensure greater participation from observer organizations from developing countries.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.10), on preparations for the UN Climate Change Conference to be held from 30 November to 12 December 2023, the SBI, *inter alia*:

- requests the Secretariat to take note of the views of parties on the possible elements of the provisional agendas for COP 28, the 18th meeting of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 18) and CMA 5; and
- emphasizes the importance of openness, transparency, inclusiveness and adhering to established decision-making practice in making arrangements for the Conference.

On the host of future sessions, the SBI:

- urges the Eastern European States to accelerate consultations with a view to presenting an offer to host COP 29 no later than at COP 28;
- expresses appreciation to the Government of Brazil for offering to host COP 30 (November 2025);
- notes that, in keeping with the principle of rotation among the UN regional groups, the President of COP 31 (2026) would come from the Western European and Other States;
- encourages the Secretariat and hosts of future sessions of governing and subsidiary bodies and mandated events to make arrangements that will facilitate the inclusive and effective participation of parties and observer organizations, including timely issuance of visas, availability of affordable accommodation, a safe and secure conference venue for all, and ensure participants can exercise human rights included in human rights law without fear of intimidation and repercussions; and

- notes that the host country agreement for sessions of the COP should be made publicly available.
- On the efficiency of the UNFCCC process, the SBI:
- invites parties and observer organizations to submit, by 31 March 2024, views on streamlining the provisional agendas of the governing and subsidiary bodies; and
- requests the Secretariat to prepare a technical paper for consideration at SBI 60 (June 2024) on options for reducing overlapping items on the provisional agendas of the governing and subsidiary bodies.
- On observer engagement, the SBI:
- reiterates the urgent need for solutions to improve the representation of observer organizations from developing countries in the UNFCCC process;
- recommends current and incoming COP Presidencies ensure open, inclusive, and meaningful engagement of observer organizations in the lead-up to, during and after sessions of the COP;
- encourages parties to remain in plenary meetings to listen to all observer statements and consider including civil society, in particular youth, in their national delegations; and
- requests the Secretariat to prepare a technical paper on options for increasing the participation of observer organizations from developing countries including, but not limited to, providing financial support.

Administrative, financial, and institutional matters: The SBI first took up this item and its sub-items on budgetary matters, the continuous review of the functions and operations of the Secretariat, the implementation of the Headquarters Agreement, and the UNFCCC annual report during its opening plenary on Monday, 5 June. UNFCCC Senior Director Chhaya Kapilashrami reported on the: continuous review of the functions and operations of the Secretariat; implementation of the headquarters agreement; and UNFCCC report (FCCC/SBI/2023/9). Delegates took note of the reports.

On the budget, UNFCCC Executive Secretary Stiell informed the opening plenary that three budget scenarios had been presented: 0% nominal growth; actual needs based on COP mandates; and a proposed budget, which would result in 16% net growth. He also said parties are in arrears by EUR 30 million. SWITZERLAND said the level of arrears is unacceptable.

Discussions continued in a contact group co-chaired by Kishan Kumarsingh (Trinidad and Tobago) and Georg Børsting (Norway) on <u>Tuesday, 6 June</u>, and <u>Wednesday, 7 June</u>, among others. During their first discussion, parties said the Secretariat should focus the core budget on ensuring parties are carrying out their responsibilities and not for engagement with non-party stakeholders or implementation of recommendations from bodies other than the parties. One said the ETF tools should be funded with core funding, not through supplemental sources. A party suggested adopting a decision on how future budgets would be developed. Parties asked the Secretariat to prepare a 0% real growth budget option.

Following several contact group sessions, many developed countries agreed to a 19% increase in the core budget compared to the 0% nominal growth proposal. They also stressed: the increase was not linked to inflation; the methodology for calculating the budget should not be used in the future; and a large part of the ETF should be included in core activities. Some developing countries supported 0% nominal growth for the core budget, while one

developing country group supported the actual needs scenario. Developed countries also stressed the need for transparency in future budget processes.

SBI Conclusions: In its conclusions (FCCC/SBI/2023/L.11), the SBI, *inter alia*:

- recommends a core programme budget of EUR 74,105,511 for the biennium 2024-2025;
- requests the Secretariat to prepare a document that contains its applied policy and criteria for engagement and collaboration with non-party stakeholders, as well as safeguards to avoid any reputational or other risks, and make it available at least 60 days before the start of SBI 59; and
- notes with concern the inadequacy of the budget for the biennium 2022-2023 to support all mandates from the parties and the increased reliance on supplementary funding.

The SBI also recommended a draft decision for consideration and adoption by COP 28 (FCCC/SBI/2023/L.11/Add.1). In the draft decision, the COP, *inter alia*:

- approves the programme budget for the biennium 2024-2025;
- underscores that in implementing the work programme, the functions of the Secretariat relating to parties and non-party stakeholders are distinct and should not be co-mingled;
- confirms the new activities for the biennium relating to nonparty stakeholders should focus on enhancements to the global climate action portal (Non-State Actor Zone for Climate Action platform);
- requests the Secretariat's engagement and collaboration with non-party stakeholders, including through the Marrakech Partnership for Global Climate Action, shall be funded through supplementary budget resources and partnerships;
- notes the Secretariat is committed to updating its partnership policy with a view to ensuring its inclusivity and the wide geographical distribution of future partnerships;
- urges parties that have not made contributions in full to the core budget for the current and/or previous bienniums to do so without further delay;
- takes note of the funding estimates of EUR 13.5 million for the Trust Fund for Participation in the UNFCCC Process specified by the Executive Secretary for the biennium 2024-2025 and the funding estimate of EUR 152.3 million for the Trust Fund for Supplementary Activities specified by the Executive Secretary for the biennium 2024-2025;
- recalling paragraph 22 of decision 22/CP.21 and paragraph 20 of decision 21/CP.23, in which the Executive Secretary was requested to include a zero nominal growth scenario in the same format and at the same level of detail as any other scenario, requests the Secretariat to present zero real growth and actual needs scenarios in future biennium budget proposals;
- requests the Secretariat to actively engage with parties in developing future biennium budget proposals;
- reiterates that activities in the core and supplementary budgets must respond accurately and effectively to mandates from parties; and
- adopts an annexed indicative scale of contributions from parties to the Convention for 2024-2025.

The SBI also recommends two draft decisions for consideration and adoption by CMP 18, one (FCCC/SBI/2023/L.11/Add.2) in which the CMP adopts the indicative scale of contributions from parties to the Kyoto Protocol for 2024-2025, and another on the budget for the international transaction log (FCCC/SBI/2023/L.11/ Add.3), in which the CMP approves the budget for the international transaction log for the biennium 2024-2025, amounting to EUR 3,321,311.

National adaptation plans: In informal consultations, cofacilitated by Antwi Boasiko (Ghana) and Jens Fugl (Denmark), parties heard updates on the work of the Adaptation Committee (AC) and the LEG and progress on development and implementation of NAPs. On <u>Thursday, 8 June</u>, developing countries underscored central issues for the discussions, particularly gaps and needs constraining formulation and implementation of NAPs, including technological and other capacity constraints, and the need for predictable funding.

In informal consultations on Friday, 9 June, the AC and LEG Chairs elaborated on their work to collaborate with other constituted bodies, including the SCF and on training and other events designed to help developing countries develop NAPs. On <u>Tuesday, June 13</u>, parties proposed to underscore Indigenous and scientific knowledge as important for developing NAPs. Developing countries also suggested language requesting the AC and LEG to report on experiences addressing gaps and needs and to organize training for developing countries. Parties did not reach consensus on the informal note.

SBI Conclusions: In their conclusions (FCCC/SBI/2023/L.5), the SBI agrees to continue consideration of this matter at SBI 59, including on the basis of the draft text elements prepared by the Co-Facilitators at SBI 58.

Agenda Items Considered Jointly by the SBSTA and SBI

Review of the progress, effectiveness, and performance of the Adaptation Committee: In informal consultations co-facilitated by María del Pilar Bueno (Argentina) and Morgane Chiocchia (UK), parties considered the work of the AC, including its support for developing countries and the GGA. In informal consultations on <u>Tuesday, 6 June</u>, parties generally spoke positively about the work of the AC, but developing countries highlighted the issue of balanced representation of the Global South among technical experts, the need for more resources to accomplish AC tasks, and the need to collaborate with partners in ways that are reflective of all regions.

In informal consultations on <u>Saturday, 10 June</u>, parties considered draft conclusions text, with developed countries supporting language highlighting the role of the AC in the Paris Agreement and developing countries seeking clarity on the matter.

SB Conclusions: In their conclusions (FCCC/SB/2023/L.2), the SBs agree to continue consideration of this agenda item at SB 59 on the basis of the draft text elements prepared by the Co-Facilitators at SB 58.

Glasgow–Sharm el-Sheikh work programme on the Global Goal on Adaptation referred to in decision 7/CMA.3: The Paris Agreement established the GGA and CMA 3 created the twoyear work programme to better understand, conceptualize, and ultimately achieve this goal. Informal consultations, co-facilitated by Mattias Frumerie (Sweden) and Janine Felson (Belize), took place on <u>Saturday</u>, 10 June, <u>Monday</u>, 12 June, <u>Tuesday</u>, 13 June, and <u>Wednesday</u>, 14 June, among others. Debates centered on whether and how to capture possible elements for the development of a framework for guiding the achievement of the GGA and the review of overall progress in achieving it.

SB Conclusions: In their conclusions (FCCC/SB/2023/L.4), the SBs, *inter alia*:

• take note of the views presented by parties at SB 58;

- consider possible structural elements for a draft CMA 5 decision; and
- invite submissions by parties and observers on the outcomes of and work conducted under the work programme.

The possible structural elements are:

- preamble;
- acknowledgement of progress and conclusions under the Glasgow–Sharm el-Sheikh work programme on the GGA;
- establishment of the framework for the GGA;
- elements of the framework for the GGA: purpose;
- dimensions;
- themes;
- general and cross-cutting considerations;
- enabling conditions (option 1) or means of implementation (option 2);
- reporting;
- overarching targets and specific targets, indicators and metrics (option 1) or shared adaptation priorities under the framework for the global goal on adaptation (option 2);
- link to the GST;
- international cooperation and the role of stakeholders;
- follow-up work (option 1) or no section on follow-up work (option 2); and
- finance and budgetary provisions (option 1) or no section on finance and budgetary provisions (option 2).

Matters relating to the Santiago Network under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts: In informal consultations, co-facilitated by Cornelia Jäger (Austria) and Lucas di Pietro (Argentina) on Tuesday, 6 June, Wednesday, 7 June, Friday, 9 June, and Tuesday. 13 June, among others, parties discussed draft conclusions based on the report of the evaluation panel on a potential host for the Santiago network secretariat (FCCC/SB/2023/1) and welcomed the potential hosts for presentations.

Some parties expressed disappointment in only receiving two proposals to host the secretariat. On the matter of the hosts themselves, there were concerns from some countries on the ability of the Caribbean Development Bank (CDB) to attain sufficient global reach with their network, and in the case of the consortium between UN Office for Disaster Risk Reduction (UNDRR) and the UN Office for Project Services (UNOPS), whether they would have the ability to ensure sufficient technical expertise despite the scope of their work on risk reduction.

Other points related to, among others, the host's in-kind contributions, the handling of conflicts of interest, and the efficient use of the funds for technical assistance and capacity building.

SB Conclusions: In their conclusions (FCCC/SB/2023/L.7), the SBs agree to continue consideration of this matter at SB 59, taking into account the draft text prepared at SB 58.

Matters relating to the Global Stocktake under the Paris Agreement: This joint item considers the outcome from the first GST, which is the process that aims to assess the world's collective progress in implementing the Paris Agreement. In a contact group co-facilitated by Alison Campbell (UK) and Joseph Teo (Singapore), parties discussed their preferred outcomes during meetings on <u>Saturday, 10 June, Tuesday, 13 June</u>, and <u>Wednesday, 14 June</u>, among others.

In addition to a decision on the GST, some speakers also supported recommending that the CMA adopt a political declaration and a technical annex. A developing country group objected, saying the GST needs to conclude before an annex is agreed. Most of the discussions focused on elements for an outline to guide deliberations during an October 2023 workshop that will develop elements related to the GST outputs. Among other items, parties disagreed on whether and how the "indicative" draft structure should refer to funding, with several developed countries insisting "financial flows" should be included in the outline prior to "means of implementation and support," and many developing countries suggesting the outcome should address the pre-2020 ambition gap and focus on "means of implementation and support" but not "financial flows." The conclusions include four options for this part of the outline.

SB Conclusions: In their conclusions (FCCC/SB/2023/L.3), the SBs, *inter alia*:

- request the co-facilitators of the technical dialogue to prepare the summary report on the third meeting of the technical dialogue by 15 August 2023 and the factual synthesis report by 8 September 2023;
- take note of the views exchanged on the indicative draft structure of a decision on the GST to be adopted by CMA 5 and noted the indicative draft structure of the CMA 5 decision contained in an informal note by the Co-Chairs of the contact group;
- invite parties and non-party stakeholders to submit views on the elements for the consideration of outputs component by 15 September 2023; and
- request the Secretariat to prepare a synthesis report on these submissions and to make it available on the UNFCCC website three weeks before the October workshop.

The indicative draft structure includes five sections:

- preamble;
- context and cross-cutting considerations;
- collective progress towards achieving the purpose and longterm goals of the Paris Agreement, including under Article 2, paragraph 1 (a-c), in the light of equity and the best available science, and informing parties in updating and enhancing, in a nationally determined manner, action, and support;
- enhancing international cooperation for climate action; and
 guidance and way forward.

The third section, on collective progress, includes five subsections: mitigation; adaptation; [four options on finance flows and means of implementation and support]; efforts related to loss and damage; and efforts related to response measures.

- The bracketed options for the third sub-section are as follows:
- finance flows and means of implementation and support;
- means of implementation and support, including finance flows;
- · means of implementation and support; and
- making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, with a "bis" section on means of implementation and support.

Work programme on just transition pathways referred to in the relevant paragraphs of decision 1/CMA.4: The Sharm el-Sheikh Implementation Plan adopted at CMA 4 established the work programme for discussion of pathways towards achieving the goals of the Paris Agreement outlined in Article 2.1 in the context of Article 2.2. In informal consultations, co-facilitated by Selam Kidane Abebe (Zambia), Marianne Karlsen (Norway), and Luisa Rölke (Germany), the SBI and SBSTA initiated consideration of this work programme. Discussions took place on <u>Tuesday, 6 June</u>, <u>Wednesday, 7 June, Friday, 9 June, Monday, 12 June</u>, and <u>Tuesday</u>, <u>13 June</u>, and the group sought to provide input to support the preparation of a draft decision for consideration by CMA 5 that fleshes out the work programme.

Parties discussed the objective, scope, institutional arrangements, modalities, linkages, and inputs and outcomes of the just transition work programme. Views on these elements included:

- some calling for annual decisions on outcomes, while others preferred summary reports from the SB Chairs or the Secretariat;
- suggestions on a one-, two-, or three-year mandate, with many emphasizing it should feed into the second GST;
- objections from developing countries to a mitigation-centric approach, emphasizing the need to consider just transition in the context of sustainable development; and
- emphasis from developing countries that the work programme should address how the multilateral process will support nationally-determined just transition pathways.

SB Conclusions: In their conclusions (FCCC/SB/2023/L.5), the SBs, *inter alia*:

- agree to continue work on the matter at SB 59, informed by the informal note from SB 58;
- invite submissions by parties and observers on different elements of the work programme;
- request the Secretariat to organize a workshop to be held before SB 59 to inform further work thereon, ensuring broad participation of parties and observers; and
- request the Secretariat to prepare a synthesis report on parties' submissions to inform their discussions during the workshop.

Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security: In informal consultations, co-facilitated by Lucia Perugini (Italy) and Milagros Sandoval (Peru), parties considered the establishment of a new joint work programme on implementation of climate action on agriculture and food security, including a road map highlighting workshop topics and the creation of an online portal to capture parties' submissions. In informal consultations on draft conclusions text on <u>Saturday, 10</u> June, developing countries urged financial support for workshop attendance, while developed countries questioned whether the text was the correct place for finance items. Parties also discussed the scope of an annual synthesis report and who should be contact points for online portal submissions.

On <u>Tuesday, 13 June</u>, a developing country group introduced a proposal specifying rules and procedures for a coordination group, which parties discussed in informal-informals.

SB Conclusions: In their conclusions (FCCC/SB/2023/L.1), the SBs establish the Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security and agree to continue consideration of this matter at SB 59.

Matters relating to the forum on the impact of the implementation of response measures serving the Convention, the Kyoto Protocol, and the Paris Agreement: In a contact group co-chaired by Peter Govindasamy (Singapore) and Catherine Goldberg (US), parties discussed the midterm review of the sixyear workplan of the forum on the impact of the implementation of response measures serving the Convention, and the review the forum's functions, work programme, and modalities.

On <u>Tuesday, 6 June</u>, developing country groups called for allocating more time for discussion of the midterm review, while developed countries called for concluding the midterm review and moving to discussing guiding questions for the review of the functions, work programme, and modalities of the forum. *SB Conclusions:* In their conclusions (FCCC/SB/2023/L.6), the SBs agree to continue consideration of this matter at SB 59.

Selected Mandated Events and Other Sessions

Ocean and Climate Change Dialogue: This event, mandated by COP 26, was the second in a series of annual dialogues aimed at strengthening ocean-based climate action. The two topics for <u>this year's dialogue</u>, which took place on <u>Tuesday</u>, <u>13 June</u>, and <u>Wednesday</u>, <u>14 June</u>, were coastal ecosystem restoration, including blue carbon, and fisheries and food security. Exploration of these topics featured breakout group discussions, followed by presentations.

Peter Thomson, UN Secretary-General's Special Envoy for the Ocean, opened the dialogue by underscoring blue carbon as a nature-based solution and warning about the risks of ocean-based carbon dioxide removal.

Breakout discussions highlighted, among others: the need for awareness of coastal ecosystem benefits, including engagement with coastal communities; de-risking investments; and gathering and monitoring data, including mapping blue carbon areas.

Presentations on coastal ecosystem restoration pointed to mangrove and seagrass projects, as well as the creation of new "blue bonds" that provide financial flows to restoration projects. Presentations on fisheries and food security emphasized Indigenous Peoples' knowledge and solutions and spurred discussions of strategies for equitable investment, including ensuring projects respond to the needs of women.

Parties and observers highlighted ways to thread the role of the ocean into climate change mitigation and adaptation through UNFCCC processes, including the GST, by including ocean-based climate action and ocean science in countries' NDCs and integrating ocean action into constituted bodies' work plans.

SBSTA–IPCC special event on the findings in the Synthesis Report of the Sixth Assessment Report of the IPCC: This event, held Monday. 5 June, highlighted findings from the IPCC's AR6 cycle, including the much deeper reductions in emissions needed to achieve the goals of the Paris Agreement. IPCC Chair Hoesung Lee opened the special event by underscoring the need for emissions to drop by half within seven years, relative to 2019. He emphasized "the future depends on the choices we take now." In his remarks covering the three themes of AR6—current status and trends; future climate change, risks and, long-term responses; and responses in the near-term—Lee noted half the world's population lives in highly vulnerable areas, and the 1.1°C rise in global average temperature from 1850-1900 levels means that many people are experiencing soft limits on adaptation. He underscored the need for increased finance and cooperation to achieve a livable future.

During the event, IPCC experts answered questions related to where adaptation limits are being experienced and how AR6 improves on AR5. Experts said low-lying coastal areas are experiencing adaptation limits and stressed AR6's unequivocal attribution of climate change to human activities as a "huge advance" over AR5.

IPCC in-session technical workshop on findings on emission metrics contained in its Sixth Assessment Report: This technical workshop, held on <u>Wednesday, 7 June</u>, opened what SBSTA Chair Harry Vreuls called "a space for dialogue between the scientific community and parties" about the findings on common emissions metrics in IPCC's AR6. During the workshop, the Secretariat gave a historical overview of metrics within UNFCCC processes, leading to the use under the Convention of the global warming potential metric with a 100-year time horizon (GWP-100). IPCC authors noted improvement in AR6 GWP-100 values, particularly in relation to carbon cycles, but stressed the "right" metric depends on policy goals and how metrics are applied. During a question-and-answer period, parties asked for clarification, among others, on the effects of methane reductions, which IPCC authors noted can reduce additional warming.

Third meeting of the technical dialogue under the first Global Stocktake: The third and final meeting of the technical dialogue under the first GST comprised opening and closing plenary sessions, four roundtable discussions, and a world café. The roundtables addressed: mitigation, including response measures; adaptation, including loss and damage; means of implementation and support: finance, technology, and capacity building; and integrated and holistic approaches.

During the opening plenary, UNFCCC Executive Secretary Stiell emphasized the GST process would be "legacy making" and its outputs would frame decisions at COP 28 and beyond. Co-Chairs Harald Winkler (South Africa) and Farhan Akthar (US) said over 170,000 pages of information have been uploaded to the GST information portal. The <u>GST Explorer</u>, which facilitates searches of the submitted information, was presented during a side event.

During the closing plenary, SBI Chair Munir stressed the GST is one of the most consequential events for the UNFCCC in 2023. SBSTA Chair Vreuls highlighted the innovative discussion approaches used during the GST and the online tool to harvest information submitted during the technical phase. Co-Chairs Winkler and Akthar highlighted that the GST would result in a technical dialogue synthesis report, a summary report of the third technical dialogue, and a CMA decision.

Glasgow Dialogue on loss and damage: COP 26 established the Glasgow Dialogue to discuss the arrangements for funding activities to avert, minimize, and address loss and damage associated with the adverse impacts of climate change. The second dialogue was held on <u>Thursday, 8 June, Friday, 9 June</u>, and <u>Saturday, 10</u> <u>June</u>, with breakout group sessions taking place on the second day. The dialogue was co-facilitated by Outi Honkatukia (Finland) and Richard Sherman (South Africa). In opening remarks on the first day, SBI Chair Munir recalled the COP 27/CMA 4 mandate for the second Glasgow Dialogue to focus on the operationalization of the new funding arrangements and fund, and inform the work of the transitional committee.

Presentations from experts and party interventions focused on support for different phases of loss and damage, and their respective preferences for a stand-alone fund or a mosaic approach. A UN Climate Change High-level Champion reflected on ways in which the new funding arrangements and fund could collaborate with nonstate actors, including the private sector.

In breakout group discussions on the second day, parties and observers exchanged views on the capacities of existing institutions to respond to loss and damage and the best way to ensure funding addresses not only immediate needs but also medium- and long-term recovery needs of local communities and should not increase the debt loads of developing countries. Speakers emphasized funding windows and triggers that ensure timely and effective support across all phases of loss and damage, from preparedness and immediate responses to events, to recovery and rehabilitation phases. On the third and final day, additional presenters explored how a variety of NGOs and institutions can coordinate with the fund and maximize support from existing funding arrangements responding to loss and damage.

Technical Expert Dialogue under the Ad hoc Work Programme on the New Collective Quantified Goal on Climate Finance: UNFCCC Executive Secretary Stiell opened this two-day dialogue on the New Collective Quantified Goal on Climate Finance (NCQG) by calling for "bold and creative thought" to unlock the trillions of dollars needed to meet the goals of the Paris Agreement.

On <u>Monday, 12 June</u>, scene-setting presentations underscored the scale and range of assessments of the range of finance needed, which differ in terms of time frames, sectors, and baselines and range from cumulative USD 105-275 trillion needed to reach net zero by 2050. Finance experts also called for tripling public funds, which must mobilize higher multiples of private finance. During breakout sessions, participants underscored the need for predictability and accountability, while noting that contributions based on gross domestic product (GDP) may not be predictable.

Breakout sessions continued on <u>Tuesday, 13 June</u>, addressing sources of finance and the relation between the NCQG and Article 2.1.c of the Paris Agreement (aligning finance flows). Participants urged taking into account lessons learned from the USD 100 billion goal, especially with regard to mobilization of private finance, and to align finance flows not only with climate objectives but also with biodiversity conservation and poverty reduction. Suggestions for future work include burden sharing arrangements between developed countries and tracking the impacts of climate finance.

Executive Secretary meeting with observers: Executive Secretary Stiell shared reflections on ongoing Secretariat-led work on strengthening observer engagement in the UNFCCC process, noting enhanced consideration of the needs of persons with disabilities in site design and pointing to capacity building for youth delegates. He highlighted measures aimed at addressing conflicts of interest, underscoring participant lists will now feature information on all badge types. He said participants will be asked to specify their organizational affiliation and opting-out thereof will be noted on the lists.

Observers welcomed increased transparency as a valuable first step. They called for clear guidance on legitimate reasons for opting out, noting it should be limited to security considerations. Observers also called for having participants disclose their financial sponsorship, with exceptions for at-risk communities. Executive Secretary Stiell welcomed these remarks, noting ongoing discussions on sponsorship declarations.

Closing Statements

On Thursday, 15 June, Executive Secretary Stiell underscored his resolve to ensure the safe and secure participation of all in UNFCCC meetings, with no tolerance for bullying and sexual harassment. He called on all parties to focus on building bridges and convincing their national treasuries and cabinets of the necessity to invest in climate action. He also announced that, going forward, participant lists from UNFCCC meetings will feature information from participants of all badge types, including their affiliation, with a view to enhance transparency.

SBI Chair Munir said SB 58 had unlocked some issues that have been locked for decades, and encouraged parties to rebuild trust and remember "negotiation is not an end in itself." SBSTA Chair Vreuls noted SB 58 had achieved results, but could have achieved more. Cuba, for the GROUP OF 77 AND CHINA, said the decision on research and systematic observation was not reached because developed countries did not want to recognize equity and common but differentiated responsibilities and respective capabilities. He reported it was encouraging to see the new work programme on just transition pathways moving forward, as it is a key part of the full implementation of the Convention.

The EU said divisive narratives are a zero-sum game. He regretted the SBs were unable to discuss the MWP and called for space at every SB session for such discussions. He reported the EU stands by their climate finance commitments, but added that financing the transition will require increased finance from all sources. He looked forward to selecting the host for the Santiago Network and to developing the framework for the GGA at COP 28. He also called for future COP hosts to uphold the human rights of participants and to ensure open, inclusive, and meaningful engagement.

Australia, for the UMBRELLA GROUP, expressed concern that the IPCC AR6 was not recognized as the most comprehensive and robust assessment yet of climate change, welcomed progress on a structure for the GST, noted disappointment that parties could not agree on a host for the Santiago Network, and welcomed discussions on linkages between the finance and technical mechanisms.

Switzerland, for EIG, stressed that the first GST in Dubai must reach an "ambitious and actionable conclusion," including an expansion of renewable energy, decarbonization, and phasing out fossil fuel subsidies. He noted it was "highly problematic" that the MWP was not formally launched and lamented the lack of agreement on the host of the Santiago Network. Mexico, for EIG, officially announced the departure of Franz Perrez (Switzerland) and commended him for his "superhero" energy and expressed appreciation for his decade of work in the UNFCCC process.

Zambia, for the AFRICAN GROUP, emphasized developed countries should take the lead in climate action. He noted targets, metrics, and indicators are crucial elements of the GGA and expressed concern about efforts by developed countries to focus on types of finance rather than financial obligations. He welcomed AR6 and stressed it must inform work on climate change based on principles of equity.

Samoa, for AOSIS, underscored the process must be supported by the best available science. She lamented the lack of agreement on putting the MWP on the agenda and called for the decision on a host for the Santiago Network to be determined by merit and the host's track record of supporting vulnerable countries.

Bolivia, for LMDCs, expressed concern over attempts to separate the Paris Agreement from the Convention and refusal from some parties to make substantive progress and "capture what progress has been made." He called for developed countries to "pay their climate debt" rather than shifting the burden to developing countries.

Senegal, for LDCs, expressed concern that negotiations are not meeting the required level of urgency, as climate change continues to get worse with each degree of warming. She called for strong engagement at the upcoming Climate Ambition Summit and lamented parties' lack of willingness to sufficiently fund the Secretariat despite the increased scope of its mandates.

Venezuela, for ALBA, expressed regret that developed countries had failed to reach the goal of providing USD 100 billion in climate finance by 2020. She said the mechanism on loss and damage should be operationalized quickly. Saudi Arabia, for the ARAB GROUP, said development progress should be the foundation of efforts to mitigate emissions. She looked to the GST to help focus efforts on adaptation and loss and damage.

Papua New Guinea, for the COALITION FOR RAINFOREST NATIONS, highlighted the achievements of REDD+ and said the first GST will be the most significant outcome at COP 28.

South Africa, for BASIC, welcomed work on just transition pathways and recognized a wide diversity of pathways. He expressed concern with efforts by developed countries to "impose new interpretations of the Paris Agreement" and link financial flows to policy and commercial interests. He emphasized the need to achieve a global financial system "fit for purpose for sustainable development."

Costa Rica, for AILAC, regretted the absence of the MWP from the agenda and stressed adaptation as a priority, with GGA as a key component for reducing the risks of climate change. She urged improving connections between Technology Mechanism and Financial Mechanism and closing the technology gap.

Brazil, for ABU, stressed adaptation as a priority, lamented the lack of a decision on a host for the Santiago Network, and underscored finance, technology, and capacity building are key.

The UNITED ARAB EMIRATES, as the incoming COP 28 Presidency, said humanity is at "a watershed moment" and urged transformational change and bold outcomes at COP 28. He highlighted the need to get back on track to keep 1.5°C degrees within reach while leaving no one behind.

INDIGENOUS PEOPLES called for preventing maladaptation and violations of rights. She said the green energy revolution should not perpetuate Indigenous Peoples' exclusion from energy systems.

LOCAL GOVERNMENTS AND MUNICIPAL AUTHORITIES said the second Habitat Assembly adopted a resolution calling for enhancing the interlinkage between urbanization and climate change resilience.

RESEARCH AND INDEPENDENT NGOs praised the IPCC's role, suggested further work on Indigenous knowledge, and called for integrating health, biodiversity, and the Ocean into the climate agenda.

TRADE UNIONS expressed concern that the COP 28 Presidency wants to reduce just transition to an energy issue for only the Global South.

WOMEN AND GENDER stressed that rights cannot be realized without scaled up funding for mitigation, adaptation, and loss and damage.

CHILDREN AND YOUTH demanded meaningful engagement with youth in NDCs, including youth in delegations at all levels, and reforming the international financial system to relieve debt.

ENVIRONMENTAL NGOs called for a clear roadmap for a just transition and urged a rapid, just, equitable transition away from fossil fuels.

BUSINESS AND INDUSTRY underscored the need for a MWP and for urgently scaling up climate action, stressing the need to focus on national implementation and expressing disappointment at limited progress on the GGA.

Closure of the SBI: Parties adopted the draft report of SBI 58 (FCCC/SBI/2023/L.8). SBI Chair Munir closed the meeting at 11:39 pm on Thursday, 15 June.

Closure of the SBSTA: Parties adopted the draft report of SBSTA 58 (FCCC/SBSTA/2023/L.5). SBSTA Chair Vreuls closed the meeting at 11:40 pm on Thursday, 15 June.

A Brief Analysis of the Bonn Climate Change Conference

"The collective response remains pitiful, [...] we are hurtling towards disaster, [...] it is time to wake up and step up." UN Secretary-General António Guterres

Negotiators commonly report that "everyone is equally unhappy" with an agreement on a contentious issue. As odd as it might sound, this is a positive spin on the outcome of tough negotiations because it indicates parties engaged in a give-and-take that led to a compromise containing elements that were agreeable to all. However, coming out of the 58th session of the Subsidiary Bodies (SB 58) to the UN Framework Convention on Climate Change (UNFCCC), it was evident that many delegates were just plain unhappy—unhappy with the process and equally unhappy with its outcome.

Many are desperate for step-changes on numerous fronts. They want the UNFCCC to be more efficient and effective, to be more inclusive and transparent, and to facilitate enhanced climate action in line with the 1.5°C target of the Paris Agreement.

This brief analysis picks up on some of these aspirations, reflecting on discussions held in Bonn and their implications for future meetings and change on the ground. The analysis is framed using the call by COP 28 Youth Climate Champion Shamma Al Mazrui (United Arab Emirates) to challenge how things have always been done by asking "what if?"

What if... we cleaned up the process?

One thing was clear from the outset: SB 58 would be "jampacked." The SBs had over 20 items on their respective agendas. In addition to the many time slots for informal consultations on these items, the SB Chairs highlighted they had to fit over 70 three-hour slots into the schedule to accommodate over 20 mandated events. A schedule like this doesn't leave much room to breathe, especially for small delegations. It is draining for individual negotiators, and many think it also slows down progress in the negotiations, as there is little room to engage in candid discussions between country groups and come up with bridging proposals that move things forward, let alone consider the bigger picture. With rooms booked for back-toback sessions, there wasn't much opportunity for delegates to recess until the very last days of the SB meeting, when the schedule finally thinned out.

It is not only the sessions of the SBs and the Conference of the Parties (COP) that are jam-packed. The increasing number of workstreams and their associated submission deadlines and workshops eat into the intersessional period. During the SBs' closing plenary, the UNFCCC Secretariat pointed to some of the new mandates from SB 58, including workshops and associated reports related to the just transition work programme, the Nairobi work programme on adaptation, and cooperative approaches under the Paris Agreement—all to be held in the remainder of 2023.

Obviously, this comes at a cost, both in terms of human and financial resources. Delegates need to digest new mandates, submit views, participate in workshops, and read reports. And the Secretariat needs to facilitate it all. Costs vary depending on the complexity of the task at hand. Technical papers are more extensive than synthesis reports, and online tools, such as for reporting under the Paris Agreement's Enhanced Transparency Framework (ETF), can take years and dozens of skilled people to develop. Workshops that take place during or around SB meetings or COPs are cheaper than stand-alone events, both for the Secretariat and attendees, although either way, many negotiators end up being on the road for significant periods of time.

Budget questions were overall very prominent at SB 58, as new Executive Secretary Simon Stiell presented his first proposed biennium budget to parties. Negotiators focused on how much the proposed budget has grown in "real" or "nominal" terms, rather than the actual cost to implement their mandates, and questioned what was proposed as part of the Secretariat's core vs. supplementary budget. Ultimately, the SBs recommended the COP adopt a budget for which core costs—which are covered by parties' assessed contributions—are half the size of the proposed "supplementary" budget activities for which the Secretariat must solicit specific funding. And yet, the growth in agreed mandates has to be funded one way or another.

"Surely you could fundraise from Bloomberg Philanthropies or the like to support the development of the accountability framework for non-party stakeholders' climate action," contemplated a seasoned observer. "Such a framework would be a welcome thing to rein in greenwashing, but the ETF tools should obviously be a priority."

The Secretariat will surely face many challenges in navigating priorities and safeguard principles to implement these mandates. Executive Secretary Stiell reported that, while COP 25 in 2019 resulted in seven major mandates, COPs 26 and 27 resulted in 60 major mandates. "At this rate, who knows how many work programmes we'll establish at COP 28," wondered an observer.

While attention to these process-related questions is increasing, resolution isn't in reach just yet. The agenda item on "arrangements for intergovernmental meetings" gave way to very constructive discussions, but it isn't until SBI 60 (June 2024) that delegates will consider options for streamlining agendas or increasing the participation of observer organizations from developing countries, let alone decide on actual reforms. "There are a number of things we could lay to rest or turn dormant," considered a negotiator, and a thematic bundling of agenda items would already be helpful. "For starters, let's have simple, to-the-point workstream titles," she implored. "We don't need Presidencies to put a stamp on everything, crowding our agendas with their Glasgow-this, Sharm el-Sheikh-that."

In one respect, SB 58 did bring one improvement to the process. In his closing statement, Stiell announced that, going forward, information on all participants' organizational affiliation would be publicly disclosed. If greenhouse gas emissions weren't still rising three decades into the life of the Convention, such a measure might not receive much attention. But news of corporate lobbyists flocking to the negotiations and the designation of an oil-executive as COP 28 President are making it increasingly difficult to defend the UNFCCC's legitimacy. Civil society organizations welcomed this transparency measure as an important first step towards addressing conflicts of interest.

What if... we strengthened climate action?

Until the penultimate day of SB 58 it was unclear whether there would be any formal outcome of the meeting, as parties could not reach agreement on the SBs' agendas. "This might sound like a bunch of bureaucrats haggled over nonsense to pass time," noted a seasoned delegate, "but the disagreement struck right to the core of the process."

In March 2023, the European Union and the Environmental Integrity Group requested the inclusion of the mitigation work programme on the provisional agendas. But that—and some other issues—sparked debate that held up their adoption at the outset of the meeting. It also motivated the Like-minded Developing Countries to propose what some dubbed "a counter item" on urgently scaling up financial support from developed countries three days into SB 58. Despite lengthy discussions, both in consultations among Heads of Delegation and in plenary, neither item ultimately made it onto the agendas. "We have a conundrum on our hands," because the assessment is unequivocal. Mitigation is insufficient and needs to be drastically and swiftly ramped up, and developed countries have yet to deliver on their commitment to mobilize USD 100 billion per year by 2020 to support developing countries' climate action.

In terms of strengthening climate action, lack of progress on mitigation and finance is obviously problematic. Measuring progress at SB 58 based on these two issues somewhat misses the point, however. A more fitting assessment would be that the meeting never had the necessary ingredients for making big strides on either of these issues. Such progress would rather manifest through the outcome of and follow-up to the first Global Stocktake under the Paris Agreement and the definition of a new collective quantified goal on climate finance at a level significantly above the current USD 100 billion commitment. Yet, the more fitting assessment of SB 58 isn't any rosier, as the meeting largely failed to shift the needle on most of the issues where it was actually supposed to make significant progress.

Parties could not agree on a host for the secretariat of the Santiago Network on loss and damage. Yet doing so is key to finally operationalizing the Network, which was established in 2019 to catalyze technical assistance in developing countries that are particularly vulnerable to the adverse effects of climate change. They also did not make notable progress on the development of a framework to guide the achievement of the Global Goal on Adaptation (GGA) and the review of overall progress in achieving it, with some saying adaptation ended up becoming a "hostage" of the mitigation vs. finance agenda debate. The GGA is a key component of the Paris Agreement, and delegates are set to adopt the framework at CMA 5, but SB 58 didn't bring about much clarity on what this framework would entail, especially with regard to possible targets, indicators, or metrics.

As was apparent during the SB's closing plenary, another big disappointment was the consideration of the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). In the words of Saint Kitts and Nevis, for the Alliance of Small Island States (AOSIS), it should be "a no-brainer" to acknowledge AR6 as the most comprehensive and robust assessment to date. But the SB 58 draft decisions merely recognize that AR6 represents a more comprehensive and robust assessment of climate change than AR5. AOSIS and many others underscored the pivotal role of the IPCC in supporting effective climate action and registered their dismay as to the conduct of negotiations on the matter, with agreement largely being held up by one developing country.

In comparison, many considered the discussions on the work programme on just transition pathways to have been quite fruitful. Granted, much remains to be resolved when it comes to fleshing out the programme and, as is typical for climate negotiations, developed and developing countries are far apart when it comes to the question of means of implementation. But many take this first exchange of views as a win, especially given that the establishment of the work programme was "catapulted into the cover decision in Sharm el-Sheikh without much of an actual discussion," as one delegate recalled. All emphasize the importance of leaving no one behind in the necessary transition towards low-carbon economy, with Stiell and others emphasizing it is a key enabler of enhanced ambition.

Progress on the just transition work programme doesn't hold up too badly either when compared to the "relatively meager" advances on the first Global Stocktake (GST) to evaluate progress in implementing the Paris Agreement. While the GST technical dialogue's Co-Chairs said the GST was fed with 170,000 pages of information and succeeded in getting parties and non-party stakeholders to engage on a range of issues, especially during world café sessions, it remains unclear how delegates will bring it over the finish line.

The conclusion of the first GST is the most awaited outcome of CMA 5: it is supposed to foster the ratcheting up of the nationally determined contributions (NDCs) to be submitted by the first quarter of 2025. As the IPCC's latest findings shows, such a ratcheting up is crucially needed, as we are not collectively on track to reach the Paris Agreement's objectives. Yet much work remains. All that parties could agree to at SB 58 was to note the indicative draft structure of the CMA 5 decision, although even that agreement has a large question mark. The indicative draft structure contains four different options for the title of a section on finance. "I have no idea how we are supposed to go from this to a strong call for action in just five months," wondered a puzzled delegate.

What if... we looked to COP 28/CMA 5 to bring about a course-correction?

While short on specific accomplishments, the discussions and conclusions reached at SB 58 feed into important intersessional work. For one, there is the GST. The summary report from the technical dialogue of the first GST and the October 2023 workshop that is supposed to develop elements for the consideration of its output component could both pave the way for a course-correction. Whether the honest assessments of responsibility, acceptance of accountability, and restoration of trust necessary to deliver a step change, will be possible when these discussions move out of public view will largely determine how the debates in Dubai will be framed.

For another, there is the ever-present issue of finance. Albeit only in the form of dialogues, SB 58 laid the building blocks for the two defining finance issues: loss and damage finance and the new collective quantified goal on climate finance (NCQG). Now all eyes are on the Transitional Committee tasked with making a recommendation to COP 28/CMA 5 on the operationalization of the funding arrangements and new fund for responding to loss and damage. Expectations are high for political guidance on the NCQG as well, both with respect to the quantum of the goal and to qualitative aspects such as concessionality. In this case, many are also looking for political guidance from discussions outside the UNFCCC process, including the Summit for a New Global Financial Pact taking place in late June 2023.

Finally, while mitigation was kept off the agenda at SB 58, it is likely to be the key issue the COP 28 Presidency will be evaluated on: How will they address the issue of fossil fuel phase-out? Will they pick up and advance the idea of a renewable energy goal? How much prominence will be allocated to technologies such as carbon capture and storage? The COP 28 Presidency kept a low profile in Bonn. Some noted they were "awfully quiet" during the agenda fight, which makes some observers worry the Presidency is not prepared to be the mediator it needs to be to secure a successful outcome in Dubai. But, circling back to COP 28 Youth Climate Champion Shamma Al Mazrui, "What if COP 28 becomes the defining moment for the necessary course correction?"

Upcoming Meetings

Summit on a New Global Financing Pact: This event aims to build a more responsive, fairer, and more inclusive international financial system to fight inequalities, finance the climate transition, and achieve the Sustainable Development Goals. **dates:** 22-23 June 2023 **location:** Paris, France **www:** <u>nouveaupactefinancier.org</u>

Fourth Global Climate and Sustainable Development Goal (SDG) Synergy Conference: This event will take place under the theme, "Delivering a Just Transition through Climate and SDG Synergies." date: 16 July 2023 location: UN Headquarters, New York www: sdgs.un.org/events/fourth-global-conferencestrengthening-synergies-between-paris-agreement-and-2030-agenda

59th Session of the IPCC (IPCC 59): During this first meeting of the seventh assessment cycle, the IPCC will hold elections for the incoming Chair and Bureau. **dates:** 25-28 July 2023 **location:** Nairobi, Kenya **www:** ipcc.ch/meeting-doc/ipcc-59

African Climate Week (ACW 2023): The Regional Climate Weeks provide a platform for policymakers, practitioners, businesses, and civil society to exchange on climate solutions, barriers, and opportunities. dates: 4-8 September 2023 location: Nairobi, Kenya www: unfccc.int/climate-action/regional-climateweeks/africa-climate-week-2023

Climate Ambition Summit: This event is being organized by the UN Secretary-General during the High-Level week of the UN General Assembly. It is an opportunity for "First Movers and Doers" to report how they are responding to the Secretary-General's call to accelerate climate action. **date:** 20 September 2023 **location:** UN Headquarters, New York **www:** <u>un.org/pga/77/2023/04/05/</u> <u>letter-from-the-president-of-the-general-assembly-scheduling-of-</u> mandated-meetings-for-hlw78/

Middle East and North Africa Climate Week (MENACW 2023): The Regional Climate Weeks provide a platform for policymakers, practitioners, businesses and civil society to exchange on climate solutions, barriers, and opportunities. dates: 9-12 October 2023 location: Riyadh, Saudi Arabia www: unfccc.int/ mena-climate-week-2023

Latin America and Caribbean Climate Week (LACCW 2023): The Regional Climate Weeks provide a platform for policymakers, practitioners, businesses and civil society to exchange on climate solutions, barriers to overcome and opportunities realized in different regions. dates: 23-27 October 2023 location: Panama City, Panama www: unfccc.int/event/latin-america-and-caribbeanclimate-week-laccw-2023

Asia-Pacific Climate Week (APCW 2023): The Regional Climate Weeks provide a platform for policymakers, practitioners, businesses and civil society to exchange on climate solutions, barriers, and opportunities realized in different regions. dates: TBD November 2023 location: Johor, Malaysia www: unfccc.int/asiapacific-climate-week-2023

Seventh and Eighth Workshops of the Glasgow-Sharm el-Sheikh work programme on the global goal on adaptation: The seventh workshop aims to look at strategies for interfacing the GGA with other processes, including the GST, while the eighth workshop will focus on taking stock of the programme after its first two years. **dates:** TBD 2023 **location:** TBD **www:** <u>unfccc.int/topics/</u> <u>adaptation-and-resilience/workstreams/glasgow-sharm-el-sheikh-</u> <u>WP-GGGA#Workshops</u>

UNFCCC COP 28: The 28th session of the Conference of the Parties (COP 28), the 18th meeting of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 18), and the fifth meeting of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA 5) will convene to complete the first Global Stocktake, among other matters. **dates:** 30 November – 12 December 2023 **location:** Dubai, United Arab Emirates **www:** <u>unfccc.int/cop28</u>

For additional upcoming events, see sdg.iisd.org

Glossary

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ABU	Argentina, Brazil, and Uruguay
AC	Adaptation Committee
AILAC	Independent Association for Latin America and the Caribbean
ALBA	Bolivarian Alliance for the Peoples of our America
AOSIS	Alliance of Small Island States
AR6	Sixth Assessment Report (IPCC)
BASIC	Brazil, South Africa, India, and China
CMA	Conference of the Parties serving as the Meeting
	of the Parties to the Paris Agreement
CMP	Conference of the Parties serving as the Meeting
	of the Parties to the Kyoto Protocol
COP	Conference of the Parties
EIG	Environmental Integrity Group
ETF	Enhanced Transparency Framework
GCF	Green Climate Fund
GEF	Global Environment Facility
GGA	Global goal on adaptation
GHG	Greenhouse gases
GST	Global Stocktake
IPCC	Intergovernmental Panel on Climate Change
LDCs	Least developed countries
LEG	LDC Expert Group
LMDCs	Like-Minded Group of Developing Countries
MWP	Mitigation ambition and implementation work programme
NAPs	National adaptation plans
NDCs	Nationally determined contributions
SBs	Subsidiary Bodies
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
UNFCCC	United Nations Framework Convention on Climate Change