

## Bonn Highlights: Tuesday, 7 June 2022

After a rocky first day filled with discussions on the organization of work, the second day of the Bonn Climate Change Conference was all about substance. Delegates engaged in informal consultations on various agenda items and several mandated events and workshops took place, including the Glasgow Dialogue on loss and damage, a workshop on non-market approaches, and an event on adaptation by the Intergovernmental Panel on Climate Change (IPCC).

### Informal Consultations

#### Revision of the UNFCCC reporting guidelines on annual inventories for Parties included in Annex I to the Convention:

In informal consultations, co-facilitated by Daniela Romano (Italy), discussions focused on: the possibility for Annex I reporting under the Convention in 2023 to be based on Global Warming Potential values from the IPCC's Fifth Assessment Report; reporting alignment from 2024 onwards; and the possible discontinuation of the agenda item. Several developing countries noted unease with the notion that reporting guidelines under the Paris Agreement would "supersede" those under the Convention. They underscored the need to plan for possible future withdrawals from the Paris Agreement. Several developed countries delineated their proposal that non-Annex I parties that are not parties to the Paris Agreement "shall" use the modalities, procedures, and guidelines for the transparency framework, as agreed in Decision 18/CMA.1, starting in 2024. Delegates debated how to address implications for review, with several developed countries noting the item's focus on reporting guidelines, not review. The Co-Facilitators invited written input, indicating they will compile elements of a draft decision for discussion in the next informal.

**Matters relating to the Adaptation Fund:** Co-Facilitator Eva Schreuder (the Netherlands) invited parties to share views on the fourth review of the Adaptation Fund. Parties agreed on the Fund's overall effectiveness in assisting developing countries' adaptation, though many lamented its limited financial resources to date. A number of developing country parties said the review should focus on the adequacy and sustainability of funding, especially in preparing the Fund to receive a share of proceeds from the Article 6 mechanisms. Several developing countries called for the review to focus on identifying ways the Fund can improve and scale up direct access modalities. Noting that the Adaptation Fund now exclusively serves the Paris Agreement, several parties suggested the review should consider how this affects its objectives and procedures. In this light, a developing country party called for the Fund to embed a longer-term perspective into its planning process. A developed country called for reconsidering the "fit-for-purposeness" of the Fund's Environmental and Social Policy.

**Matters relating to the Santiago Network under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts:** In informal consultations, Co-Facilitator Kishan Kumarsingh (Trinidad and Tobago) reminded parties of the need to act quickly to develop a draft decision on institutional arrangements for the Santiago Network for adoption at COP 27, including the Terms of Reference (ToRs) for a governing body. Parties agreed that the rapid operationalization of the network is crucial. They shared views on key elements of the institutional arrangements, including: the role and responsibilities of the Secretariat; the need for an advisory body; the role of loss and damage contact points; reporting and review; a host organization; accreditation procedures for network members; and the role of the Executive Committee of the Warsaw International Mechanism for Loss and Damage (WIM ExCom). They disagreed most significantly over the need for an advisory body and the nature of the link to the WIM ExCom. A developing country group further called for quantifying financial support for the network and clarifying its sources. Parties broadly agreed to first discuss the structure and operational modalities, then to finalize the ToRs. They disagreed, however, about how detailed the operational modalities need to be in order to operationalize the network. One developed country group proposed a "fishbone structure" with only "the basics we need to get started," allowing the process to further develop over time. A developing country group countered that "we do not need something simple, we need something strong," and that "rush should not be at the cost of substance." Discussions will continue in "informal informals."

**Matters relating to the work programme for urgently scaling up mitigation ambition and implementation:** Informal consultations were co-facilitated by Kay Harrison (New Zealand) and Carlos Fuller (Belize). Co-facilitator Fuller opened the session by requesting parties' views about the structure and elements of the work programme, including its scope; institutional arrangements; modalities; inputs and outputs; and outcomes. Many developing country groups stressed the need to uphold the principles of the Convention in a potential mitigation working group, including equity and Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC). Many groups proposed that the work programme include an information-sharing platform. Regarding scope, many argued that the work programme should be cross-sectoral, with some cautioning that a mitigation work programme should not create new mandates outside the Paris Agreement. On modalities, many groups, opposed by one developing country party, proposed annual decisions, as well as intersessional work. Discussions will continue.

**Matters relating to the Global Stocktake under the Paris Agreement:** This contact group was co-facilitated by Alison

Campbell (United Kingdom) and Hana AlHashimi (United Arab Emirates). They sought views from participants on the role of the contact group in advance of the first meeting of the technical dialogue on the global stocktake (GST) which will take place at this SB meeting.

Participants widely praised the work of the Co-Facilitators of the technical dialogue, as well as the proposed guiding questions on mitigation, adaptation, and means of implementation. They also widely agreed that the dialogue should be both “backward”-looking as well as consider the future. Among issues raised, Trinidad and Tobago, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), stressed that the GST should provide policy advice to “course-correct” if it is to be effective. Saudi Arabia, for the LIKE-MINDED DEVELOPING COUNTRIES, stressed the need for developed countries to “take the lead” in closing the pre-2020 mitigation gap. She cautioned that political issues should be raised in a “bottom-up” manner rather than prescribed by a technical dialogue. Ethiopia, for the LEAST DEVELOPED COUNTRIES (LDCs), worried about the treatment of loss and damage in the technical dialogue, and suggested holding a dedicated session in the future. Discussions will continue after the technical expert dialogue later in the week.

### **Mandated Events and Workshops**

**Workshop on non-market approaches referred to in Article 6.8:** SBSTA Chair Tosi Mpanu Mpanu (Democratic Republic of the Congo) opened the workshop, expressing pleasure at the large number of participants in attendance. He explained that the workshop aims to collect views and information relating to the work programme under the framework for non-market approaches (NMAs) referred to in Article 6.8, including on:

- existing NMAs in the initial focus areas identified in Decision 4/CMA.3;
- examples of potential additional focus areas and related existing NMAs;
- the UNFCCC web-based platform for recording and exchanging information on NMAs; and
- the schedule for implementing the work programme activities.

Co-Facilitators Maria AlJishi (Saudi Arabia) and Giuliana Torta (Italy) opened the floor for presentations. Parties and observers identified existing NMAs, including: Copernicus, which is the European Union’s Earth observation programme; the Cleaner Energy Future Initiative for the Association of Southeast Asian Nations; the African Development Bank’s Adaptation Benefits Mechanism; and the Local Climate Adaptive Living Facility. Regarding the web-based platform, participants identified possible uses, such as registering activities and matching activities with funding, and highlighted that it should be user-friendly. They also discussed the possible timeline for implementing the work programme activities, with many calling for quick implementation.

**IPCC Working Group II (WG II) event under the Glasgow Sharm el Sheikh work programme on the global goal on adaptation:** In opening remarks, SBI Vice-Chair Juan Carlos Monterrey Gómez (Panama) recalled that parties to the Paris Agreement acknowledged that adaptation action be guided by best available science and noted that insights from the IPCC WG II report can help with reviewing progress on the global goal on adaptation. In their presentation, IPCC authors highlighted that progress on adaptation is uneven and “we are on our way to low-climate resilient development.” They underscored that there are limits to adaptation, noting that some solutions will not work above 1.5°C of warming. They also shared their assessment of the economic, technological, and social feasibility of different adaptation measures and their synergies with mitigation and the

Sustainable Development Goals. Current global financial flows are insufficient for near-term adaptation needs, they noted. The presentation and discussion also emphasized the importance of attending to equity and justice considerations, notably from a gender perspective.

**Glasgow Dialogue on Loss and damage:** Noting that “the latest science shows that every decimal of warming counts,” SBI Chair Marianne Karlsen (Norway) encouraged participants to “collectively explore practical responses to the tremendous challenges climate impacts represent to the most vulnerable among us.”

Patricia Espinosa, UNFCCC Executive Secretary stressed that loss and damage is “not a distant future challenge” for many countries and called on participants to “not shy away from tough issues” like livelihood diversification and planned relocation. She urged all to be bold: “We need your voice. We need your solutions.” WIM ExCom Co-Chairs Frode Neergaard (Denmark) and Jerome Ilagan (the Philippines) expressed their hope that participants would “think outside the box” in considering solutions to avert, minimize, and address loss and damage and “move beyond a talk shop” in the coming days.

Antigua and Barbuda, for AOSIS, raised a point of order, supported by MARSHALL ISLANDS, Fiji, for SMALL ISLAND DEVELOPING STATES, Timor Leste, for LDCs, and SOUTH AFRICA. He recalled that AOSIS had expressed a grievance with the decision text on the Glasgow Dialogue during the closing plenary of COP 26 and had acquiesced to the Dialogue “on the condition that it will lead to a loss and damage finance facility” at COP 27. He stressed that the current structure of the Dialogue does not permit discussions on gaps that limit financial support to address loss and damage within existing funding arrangements. He requested that the SBI Chair seek parties’ and non-party stakeholders’ views on the structure of future dialogues.

During the session, participants heard presentations on scientific insights, national- and community-level programmes and initiatives, and the financial landscape on loss and damage. Presentations were held by representatives from, among others, IPCC WG II, the International Organization for Migration, and the Green Climate Fund.

### **In the Corridors**

“In a split second the dream / piles before us mountains as stony / as real life,” Polish poet Wisława Szymborska writes. Tuesday was that split second: the dreams and demands of delegates piled into contact groups and dialogues, only to find stony resistance from others. Discussions on a dedicated loss and damage financial facility took over a number of rooms and corridors—with many developing countries and observers recalling the floor discussion in Glasgow that set out a clear expectation for the climate regime to step up on this issue.

“It was always going to come to this,” one well-worn delegate observed. As UNFCCC Executive Secretary Patricia Espinosa said during the previous day’s opening plenary: “the world of COP 27 will look nothing like it did for COP 26.” Loss and damage is not abstract. The world is “beset with conflicts, energy, food, and economic crises,” she emphasized.

Elsewhere in the venue, organizers seemed blindsided by the enthusiasm for certain discussions: rooms rapidly overflowed, preventing some parties from entering and forcing rapid relocations to allow for greater seating capacity. These hiccups, along with occasional livestream glitches, raised old worries about equity for observers and for parties following remotely. “We can’t afford to get bogged down in this!” delegates were overheard complaining. The time for dreaming, it seems, is over; now is the time to build the mountain in real life, piece by heavy piece.