

Bonn Highlights: Tuesday, 6 June 2023

The second day of the Bonn Climate Conference was as inconspicuous as the first one was tense: debates over the meeting agendas were largely confined to the level of Heads of Delegation, leaving technical negotiations to take their usual course.

Subsidiary Body for Scientific and Technological Advice

Nairobi work programme on impacts, vulnerability and adaptation to climate change (NWP): During informal consultations co-facilitated by María del Pilar Bueno (Argentina) and Maria Samuelsen (Denmark), parties reflected on progress under the NWP (FCCC/SBSTA/2023/2). They suggested: work on risk management related to agriculture and food security; enhancing partnerships with universities, especially in the Global South; and more tailored support, especially in terms of language. Several parties called for exploring further cross-cutting work and synergies, such as with the Convention on Biological Diversity (CBD). There were requests for clarification on a few elements of the progress report, including on new activities for the NWP. Some parties called for working on draft conclusion text during the next informal consultations.

Research and systematic observation: In an informal consultation co-facilitated by Elizabeth Bush (Canada) and Ladislaus Chang'a (Tanzania), many parties lamented the lack of a separate agenda item to consider the IPCC's Sixth Assessment Report. They nevertheless mandated the Co-Facilitators to draft COP and CMA decision texts on the conclusion of the IPCC's Sixth Assessment Cycle (AR6), and SBSTA conclusions on research and systematic observation, leaving room for outcomes from the 15th meeting of the research dialogue to be held on 8 June 2023.

Parties congratulated the IPCC on the completion of its Sixth Assessment Cycle and noted the “clear messages” and “new insights” it provided. They also identified research gaps and underscored elements of the report for inclusion in the COP and CMA draft decision texts, including:

- the need for better integration of findings between IPCC Working Groups in synthesis reports;
- more balanced representation of authors between the Global North and Global South;
- lack of funding, which contributes to adaptation gaps;

- synergies and tradeoffs between climate action and the Sustainable Development Goals;
- the importance of ensuring that climate policies are consistent with national circumstances; and
- findings on emission metrics.

Guidance on cooperative approaches referred to in Article 6.2 of the Paris Agreement: Informal consultations were co-facilitated by Peer Stiansen (Norway) and Maria Al-Jishi (Saudi Arabia). A few parties pointed out the need to clarify the required information, activity types, affected sectors, and stage of authorization before submission of the agreed electronic format (AEF), with one country proposing the creation of a separate table for authorization.

On the sequencing and timing of initial reports, several parties agreed that review of the initial report is crucial to understanding how parties use the mechanism to achieve their nationally determined contributions (NDCs), but pointed out that the sequencing and timing of submission of initial reports were already agreed upon at CMA 4.

On inconsistencies in the information provided, several parties considered that, while inconsistencies should be reported, parties must be allowed sufficient time to address and correct them. In case of non-responsiveness, some parties advised that this could be considered an inconsistency and be raised as an issue.

On confidentiality, several parties emphasized the need for transparency but pointed out that CMA 3 already specified what information parties can designate as confidential.

Rules, modalities and procedures for the mechanism established by Article 6.4 of the Paris Agreement: In informal consultations facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan), discussions focused on parties' feedback on the inclusion of emission avoidance and conservation enhancement activities in Article 6.4 and the timing of authorization by host countries.

Several parties opposed the inclusion of emission avoidance, with some pointing out that avoidance would be merely hypothetical, particularly when it involves the forestry sector. A few parties noted inclusion of emission avoidance would create another track of work for the CMA and called for more guidance and clarification on the activities currently included in the provision.

On the matter of timing of authorization by host countries, several parties stressed that authorization must be given as early

as possible in the process, noting this helps with project financing and reduces uncertainty for stakeholders, especially for those in the private sector. Others emphasized authorization is a national prerogative and should be left to the discretion of the host countries to ensure cooperative approaches do not compromise their NDCs.

Subsidiary Body for Implementation

Matters relating to the least developed countries (LDCs):

In informal consultations, Co-Facilitator Jens Fugl (Denmark) invited parties to share views on the LDC Expert Group's (LEG) report on its work (FCCC/SBI/2023/7). One party expressed reservation over the fact that 11 countries have yet to begin the process of developing their National Adaptation Plans (NAPs), with another requesting an expansion of the LEG's mandate to not only identify gaps but also develop and propose solutions to the challenges identified.

Alongside expressions of support and appreciation for the LEG, parties looked forward to considering a draft text during the next informal consultation.

Administrative, financial, and institutional matters: Co-Chairs Kishan Kumarsingh (Trinidad and Tobago) and Georg Børsting (Norway) informed parties that the contact group will discuss: the 2024-2025 budget, contributions, efficiency, and transparency for the budget process.

UNFCCC Executive Secretary Stiell highlighted that the next two years are exceptionally important for achieving the Paris Agreement's objectives, which he said justifies a budget increase. He indicated the increase in the budget proposal reflects the growing number of COP mandates: whereas COP 25 resulted in seven major mandates, COPs 26 and 27 resulted in 60 major mandates. Of the three budget scenarios, Stiell noted that while the "realistic" scenario represents a 42% increase over the last biennium, it is a 16% increase in real terms. He called attention to the risks involved with heavy reliance on supplemental funding.

The UN Board of Auditors Office briefed parties on their audit cycle, which included a focus on risk management during 2022. He said four main audit findings related to: reputational risks linked to the conclusion of partnerships and selection of contributors; legal risks; resource risks; and problematic accounting in the context of the growing complexity of climate finance.

Parties raised questions about whether UN salaries should always rise with inflation, the risks from earmarks and arrears, and what the Secretariat has done to ensure due diligence on the selection of partners.

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 Chiochia (UK), parties noted the Adaptation Committee generally performed well and highlighted areas for continued focus or improvement. Suggestions related to, among others:

- outreach and information sharing;

- collaboration with other bodies, including partners beyond UNFCCC;
- locally-led adaptation; and
- virtual meeting formats that allow for enhanced participation and transparency.

Several developing countries called for achieving balanced and equal representation from the Global South among technical experts and for developed countries to provide sufficient resources. Some proposed extending the focus of the committee's work to support the Global Stocktake (GST). Many emphasized the need to maintain a flexible work plan, especially to respond to potential mandates coming out of the Glasgow-Sharm El-Sheikh work programme on the Global Goal on Adaptation (GGA).

The Co-Facilitators will produce a draft text for consideration during the next informal consultations.

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 SBSTA Chair Harry Vreuls (the Netherlands) and SBI Chair Nabeel Munir (Pakistan), parties engaged with the two potential hosts of the Santiago Network's secretariat (FCCC/SB/2023/1).

Responding to some parties' concerns, the Caribbean Development Bank (CDB) pointed to existing Memoranda of Understanding with their proposed partners to ensure sufficient global reach. Discussions also related to, among others, how the CDB would use its position as a development bank to leverage more funding for the network and on how quickly it could launch the secretariat.

Regarding the consortium between the UN Office for Disaster Risk Reduction (UNDRR) and the UN Office for Project Services (UNOPS), some parties sought clarification on the provision of technical support and expertise on loss and damage, which goes beyond the organizations' scope of work and mandate. Other questions related to, among others: coordination with local communities; the mobilization of in-kind contributions; and having a "lean" secretariat.

Both potential hosts were asked to clarify: their anticipated relationship with the Network's secretariat; anticipated administrative costs; general procurement procedures; and how they intended to ensure most of the funding for the secretariat would go to technical assistance and capacity building.

Discussions with the potential hosts will continue informally.

Work programme on just transition pathways: In informal consultations, Co-Facilitators Selam Abebe (Zambia) and Marianne Karlsen (Norway) said whether the outcome of discussions on contentious items, such as the just transition work programme, will be captured depends on the pending agreement on the agendas. Recalling the mandate to prepare a draft decision for consideration by CMA 5 that fleshes out the work programme, they invited parties' views on its: objective, scope, institutional arrangements, modalities, linkages, and inputs and outcomes. Several developing country groups called for going beyond knowledge sharing and emphasized means of implementation.

On the scope, many developed countries pointed to the Paris Agreement's preamble, emphasizing workforce training. Developing countries called for a broader scope ensuring sustainable development, with some emphasizing green technology transfer.

On the timeline of the work programme, suggestions included a one-, two-, or three-year mandate. Many emphasized feeding into the second GST.

On outcomes, some called for annual decisions while others preferred summary reports to be prepared either by the SB Chairs or the Secretariat. References were also made to, among others: fossil fuel subsidy reforms, intergenerational equity, and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC).

The Co-Facilitators invited further submissions in writing.

Matters relating to the forum on the impact of the implementation of response measures serving the Convention, the Kyoto Protocol and the Paris Agreement: Catherine Goldberg (US) and Peter Govindasamy (Singapore) co-chaired contact group discussions.

Saudi Arabia, for the G-77/CHINA, called for allocating more time for discussions on the mid-term review of the forum, while the US, UK, EU, and others called for concluding it and moving to discussing guiding questions for the review of the functions, work programme, and modalities of the forum.

On guiding questions for the review, parties converged on mandating the Co-Chairs to produce a draft text that incorporates both questions listed in the Secretariat's summary report on views and guiding questions (FCCC/SB/2023/2) as well as further questions raised by parties during the contact group discussions.

Additional questions included: whether the forum has addressed the negative impacts of climate policies in an inclusive and holistic manner; and how the impacts of climate policies compare to the impacts of climate change. GHANA asked whether there should be new and/or more modalities.

Mandated Events and Other Sessions

Third meeting of the technical dialogue under the global stocktake: In opening remarks, Co-Chairs Harald Winkler (South Africa) and Farhan Akhtar (US) recalled that the GST is the first opportunity to take stock of collective progress towards the Paris Agreement's objectives. They said over 170,000 pages of information have been uploaded to the GST information portal, and options for examining this data using artificial intelligence are being explored.

UNFCCC Executive Secretary Stiell said the GST process would be "legacy making" and its outputs would frame decisions at COP 28 and beyond.

Negotiating groups highlighted priorities for the GST outcomes. The EU and Trinidad and Tobago, for AOSIS, and others supported the identification of best practices, including through a "menu of options" or an annex. Saudi Arabia, for the LIKE-MINDED DEVELOPING COUNTRIES (LMDC),

cautioned that it would be difficult to make such an annex "non-policy prescriptive."

LMDCs said the GST must signal: finance from developed countries needs to be adequate and predictable; technology development and transfer is lacking but important; and capacity building is essential. Cuba for the G-77/CHINA said there should be balanced treatment across all issues, not only mitigation. LMDCs and Algeria, for the ARAB GROUP, called for a focus on the pre-2020 ambition gap.

Other points related to, among others: common methodologies for reporting on loss and damage; identifying synergies across sectors; and the role of the GST in informing parties' next NDCs and the GGA discussions. In the afternoon, discussions continued in a world café format.

Second biennial in-session workshop on information to be provided by parties in accordance with Article 9.5 of the Paris Agreement: This workshop provided room for parties to reflect on lessons learned with regard to ex-ante climate finance information. The Secretariat presented a [compilation and synthesis of the second biennial communications](#) (BCs). Developed countries shared their experience in preparing their second BCs, noting lessons learned from reading other parties' reports and hearing how developing countries use these.

On topics for the high-level ministerial dialogue on climate finance to take place at COP 28, parties highlighted, among others: identifying barriers and potential reforms to budgetary systems; linkages to the objective of aligning financial flows towards to the goals of the Paris Agreement; doubling adaptation finance; loss and damage funding; and funding instruments. Parties called for interactive discussions between ministers.

In the Corridors

"Today was actually quite civil," summed up a seasoned delegate. Despite the pending disagreement on the meeting agendas, negotiations on the just transition work programme started smoothly and negotiators are already calling for draft text on a range of agenda items.

The technical dialogue under the Paris Agreement's first Global Stocktake lived up to its reputation as a testing ground for innovative session formats. With the "world café" setting now well established, delegates were asked to role play and put themselves in the shoes of actors ranging from local farmers to the head of a multilateral development bank. Not all were convinced of the exercise's conduciveness.

A stocktaking of a different kind was taking place in discussions involving budgetary challenges. The Secretariat implored parties for funding to ensure the successful and timely development of the tools for reporting under the Paris Agreement's Enhanced Transparency Framework. Pointing to the 60 major mandates added during COP 26 and COP 27, the Co-Chair of the budget consultations recalled that "Parties decide. And, at the end of the day, they suffer the consequences of what they decide," leaving participants pondering the implications for climate ambition.

