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## Bonn Highlights: Wednesday, 5 June 2024

Negotiations convened throughout the day, addressing issues such as the cooperative implementation of the Paris Agreement (Article 6) and how to cope with the increasing number of issues to be addressed in the climate negotiations. Delegates also discussed the new collective quantified goal on climate finance (NCQG).

#### Negotiations

Modalities of the Dialogue on Implementing the Global Stocktake Outcomes: Ricardo Marshall (Barbados) and Patrick Spicer (Canada) opened the informal consultations by recalling the dialogue was established in the CMA 5 outcome on the first Global Stocktake (GST) and highlighted the aim to operationalize it at CMA 6.

The ENVIRONMENTAL INTEGRITY GROUP (EIG), EU, ALLIANCE OF SMALL ISLAND STATES (AOSIS), the US, NORWAY, JAPAN, and others argued that the scope of the dialogue should consider all aspects of the GST outcome. The AFRICAN GROUP, LIKE-MINDED DEVELOPING COUNTRIES (LMDCs), SOUTH AFRICA, and CHINA argued that the paragraph establishing the dialogue was contained in the section on means of implementation, specifically finance, and that the dialogue should focus on finance.

The EIG proposed that the Secretariat produce a report by 2025 on global progress on all GST calls to action. The US suggested that the dialogue takes place at a high level.

Mitigation Ambition and Implementation Work Programme: In informal consultations co-facilitated by Carlos Fuller (Belize) and Kay Harrison (New Zealand), parties expressed their views on the way forward for the work programme and specifically on whether or not to prepare draft decision text for consideration by CMA 6. Most parties supported this and proposed elements for inclusion in such a text.

AOSIS underlined that the mitigation work programme (MWP) should play a more substantive role in helping unlock transformation in all sectors and, with JAPAN, called for including headline mitigation messages from the GST outcome. The US suggested an overarching message reflecting urgency of action and guidance for future work of the MWP. Most parties also supported reflecting key messages and recommendations from the global dialogues and investment-focused events.

The LMDCs preferred an exchange of views and reflections on the recently-concluded third global dialogue under the MWP and, with the ARAB GROUP, opposed preparation of decision text. The ARAB GROUP said that rather than inscribe diverging views in draft text, these should be discussed in the informal consultations.

Guidance on Cooperative Approaches referred to in Paris Agreement Article 6.2: In informal consultations co-facilitated by Maria Al-Jishi (Saudi Arabia) and Peer Stiansen (Norway), discussions focused on the "authorizations" elements of the text. Parties expressed diverging views on the types, format, and content of authorizations, as well as on the permissibility of revoking authorizations, whether before or after first issuance of internationally transferred mitigation outcomes (ITMOs). While some parties asserted the need to authorize each cooperative approach and ITMOs, others stated the rules only require authorizations of ITMOs and a general authorization to participate in the Article 6.2 cooperative approaches.

On revocation, the EIG, AOSIS, JAPAN, NEW ZEALAND and others opposed language in the draft text allowing changes in authorization of ITMOs whether before or after first issuance. The AFRICAN GROUP, LDCs, LMDCs, CHINA, GRUPO SUR, and others highlighted changes in authorization as a national prerogative, and stated that provided participating parties agree, it should be permitted before first issuance. Parties also called for a clear definition of what "extreme circumstances" would be grounds for changes in authorizations as specified in the draft text.

Parties also considered the format of authorizations, with the UK, LDCs, CANADA, and others supporting minimum mandatory requirements for authorizations of ITMOs. LMDCs, the RUSSIAN FEDERATION, and others, however, noted authorizations are part of initial reports and that the existing guidance for initial reporting is sufficient for authorizations.

In the afternoon, parties focused on matters relating to registries. The main point of debate was the extent of the interoperability of parties' national registries and connection between the Article 6.4 mechanism registry and the international registry. Several parties, including the EU, AOSIS, AFRICAN GROUP and others, expressed satisfaction with the current text that permits transfers of authorized Article 6.4 emission reductions, being ITMOs, from the mechanism to the international registry. AOSIS and the AFRICAN GROUP clarified that many of their members will rely on the international registry and therefore need this functionality, as they do not have the capacity to establish national registries. The LMDCs and ARAB GROUP opposed the text, stating the connection should be limited to the ability to pull and view data and information on Article 6.4 emission reductions.

Rules, Modalities, and Procedures for the Mechanism established by Paris Agreement Article 6.4: In informal consultations co-facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan), parties continued sharing views on the informal note prepared by the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA).

On authorizations, the EIG, AOSIS, UK, AUSTRALIA and others proposed deleting language specifying that if no statement has been provided at the time of issuance, the mechanism registry administrator shall assign the mitigation contributions. They underlined mitigation contributions can only be issued after authorization by the host country. The AFRICAN GROUP, LMDCs, ARAB GROUP, BRAZIL, INDIA and others opposed deletion, saying authorization can be provided at or after issuance, and that the quality and stringency of units remain the same regardless of authorization or lack of it.

On the mechanism registry, most parties supported the current text that refers to the interoperability of the mechanism registry and parties' national registries. The AFRICAN GROUP further noted that some countries that do not have national registries

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intend to use the international registry, and highlighted linkages. The LMDCs and ARAB GROUP proposed text stating there will be no transfer of Article 6.4 emission reductions from the mechanism registry to the international registry or national registries.

Most parties preferred to conclude, at this session, the consideration of whether the Article 6.4 mechanism can include emission avoidance and conservation enhancement activities. They suggested agreeing that Article 6.4 will not include such activities. Others expressed willingness to defer consideration to 2028, as provided in the note.

The Co-Facilitators will prepare draft text.

Second Meeting under the *Ad Hoc* Work Programme on the New Collective Quantified Goal on Climate Finance: Work programme Co-Chairs Zaheer Fakir (UAE) and Fiona Gilbert (Australia) invited views on an <u>input paper</u> they prepared building on the first meeting of the work programme. From the outset, parties provided the Co-Chairs a mandate to streamline their paper, which is currently 63 pages long.

With respect to substance, comments related to, among others:

- ensuring the goal is fit for purpose and implementable, responsive to developing countries' needs, and supports implementation of nationally determined contributions (NDCs) and national adaptation plans (NAPs), in line with 1.5°C;
- aligning the NCQG with the NDC and GST cycles;
  the recipient base possibly reflecting vulnerability, macroeconomic circumstances, and regional equity;
- possible burden sharing among developed countries, to enhance transparency and accountability;
- whether to address issues such as the contributor base and alignment of finance flows (Paris Article 2.1c); and
- using tools such as a tax on defense companies or a financial transaction tax to mobilize funds.

The Co-Chairs will revise their text.

**Just Transition Work Programme:** Co-Chair Marianne Karlsen (Norway) introduced draft text and invited parties' views. The G-77/CHINA and LMDCs argued that the draft text was not suitable for engagement, with the AFRICAN GROUP calling the text "completely unbalanced."

Many parties requested additional details to be incorporated in subsequent drafts, including: NEW ZEALAND requesting details on the relevant outcomes of the GST; and AOSIS suggesting to reflect that just transition pathways should aim to achieve the goals of the Paris Agreement. The US called for a placeholder for key messages.

The EU, ARAB GROUP, GRUPO SUR, and CHINA argued that references to response measures were out of scope and should be removed. The US responded that several calls had been made by parties for response measures to be a cross-cutting issue.

Forum on the Impact of the Implementation of Response Measures under the Convention, Kyoto Protocol, and Paris Agreement: Maria Samuelsen (Denmark) co-chaired contact group discussions. Parties shared views on an oral report by the Secretariat on progress in implementing the workplan of the Forum and its Katowice Committee of Experts, with a view to inform the development of a five-year workplan.

The US proposed deleting references to just transition in the workplan as it is already covered under a different agenda item. The G-77/CHINA opposed, stating that promotion of just transition is part of the mandate.

**Research and Systematic Observation:** In informal consultations, Co-Facilitators Patricia Nyinguro (Kenya) and Frank McGovern (Ireland) invited comments on <u>draft conclusions</u> text.

AOSIS, supported by the EU, AFRICAN GROUP, LDCs, US, UK, GRENADA, and BOTSWANA, proposed including a paragraph that acknowledges the organization of the 16th meeting of the research dialogue and captures the discussions that occurred. The ARAB GROUP, KUWAIT, and CHINA opposed, stating that the organization and the topics of the dialogue did not reflect a party-driven process, lacked transparency and inclusivity, and did not provide sufficient time for parties to engage. CHILE, supported by the UK, proposed language to call on the scientific community to respond to parties' research needs, with AFRICAN GROUP proposing to establish a tracking mechanism to capture research needs and their fulfillment. GRUPO SUR, supported by AOSIS, raised concerns about the limited financial support for research and systematic observation on a global level.

Parties agreed to take note of the beginning of the IPCC's seventh assessment cycle, recognizing its role in providing relevant scientific information.

**Local Communities and Indigenous Peoples Platform:** In informal consultations, Co-Facilitator Kajsa Fernström Naby (Sweden) invited comments on the Co-Facilitators' <u>draft text</u>.

BRAZIL and BOLIVIA called for strengthening the Local Communities and Indigenous Peoples Platform (LCIPP) and mainstreaming its work in the UNFCCC process. BRAZIL lamented that language barriers prevent Indigenous Peoples and local communities from participating and asked the Secretariat to engage with the LCIPP on translating relevant information.

The EU proposed approving the LCIPP's Facilitative Working Group's work plan and to refrain from adding more activities, but BRAZIL welcomed further debate on the matter.

INDIGENOUS PEOPLES ORGANISATION (IPO) urged a clear distinction between Indigenous Peoples and local communities and their respective knowledge.

Discussions will continue in informal informals.

Arrangements for Intergovernmental Meetings: In a contact group, Subsidiary Body for Implementation (SBI) Chair Nabeel Munir noted that both smaller delegations and the Secretariat are overstretched due to the increasing number of agenda items to be considered at meetings. The Secretariat presented reports on options for reducing overlapping items (FCCC/TP/2024/5) and the implications of changing meeting frequencies (FCCC/2024/INF.4).

The AFRICAN GROUP, supported by the EIG, argued that maintaining momentum in climate policy is essential. He warned that reducing participation or agenda items could hamper progress.

The EU suggested, *inter alia*, calling on the Bureau to define a manageable number of time slots for mandated events. With the EIG, he suggested taking into consideration support for agenda items before including them in provisional agendas and, with NORWAY, clustering similar agenda items under broader headings.

The EIG suggested exploring measures to reduce participant numbers by, for example: encouraging delegations to limit their numbers; funding only small delegations; or capping the number of official side events and exhibits. EGYPT warned that limiting participant numbers could limit discussion. He noted that the virtual platform can be essential to some participants.

#### In the Corridors

It's never too early in the negotiations to look out for warning signs. So it was that on Wednesday afternoon, some newer delegates saw terrible portents in a daunting 63-page paper on the new finance goal. Yet not all signs are bad omens. Wiser, more seasoned negotiators reassured that this is a normal feature in an inclusive process where all parties' views are captured to lay common ground. "We've given the Co-Facilitators a mandate to streamline the text—and doing that this early in the meeting is a good omen," one commented. "No need to hide under the bed. Not for this, anyway."

Elsewhere in the building, minute discussions were already underway on the just transition work programme. While some were optimistic about substantial work beginning, observers were quick to point out that those who will have to implement just transition—such as labor organizations, businesses, and financial institutions—had no real say. "We can't afford to end up with a mammoth text that reflects parties' views but can't be put into practice," they argued. "I hope negotiators can keep this in mind, but it's too early to tell." Those who emerged into the sunlit Bonn evening searched the heavens for a sign.