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## Bonn Highlights: Thursday, 6 June 2024

Negotiations continued on various issues on the meeting agendas, including refining the process for the Global Stocktake (GST) under the Paris Agreement. Delegates also continued discussions on the new collective quantified goal on climate finance (NCQG) and how to ensure coordination between different institutions working on loss and damage.

### Negotiations and Mandated Events

**Procedural and Logistical Elements of the Overall Global Stocktake Process:** Co-Facilitator Patrick Spicer (Canada) presented an <u>informal note</u> outlining potential categories of procedural and logistical refinements of the GST process. Co-Facilitator Thureya Al Ali (UAE) presented examples of potential procedural refinements, based on previous discussions, for the purpose of inviting views.

The G-77/CHINA expressed frustration that the document does not reflect the views his constituency had previously expressed. The EU, ENVIRONMENTAL INTEGRITY GROUP (EIG), LEAST DEVELOPED COUNTRIES (LDCs), ALLIANCE OF SMALL ISLAND STATES (AOSIS), GRUPO SUR, and the US considered the text a helpful basis upon which to make additional suggestions.

Parties made extensive technical suggestions. Points of concordance related to, among others, ensuring that: documents submitted to inform the Global Stocktake (GST) start with a summary of key points; information from the IPCC's seventh assessment cycle can be considered; and there is more time to engage in negotiations over the output.

The Co-Facilitators will consolidate these views and submissions into a more detailed informal note.

Modalities of the Dialogue on Implementing the Global Stocktake Outcomes: Co-Facilitator Ricardo Marshall (Barbados) invited views on potential objectives for the dialogue.

The LIKE-MINDED DEVELOPING COUNTRIES (LMDCs) argued that the scope of the dialogue should be constrained to means of implementation and finance. The EU, EIG, LDCs, INDEPENDENT ASSOCIATION FOR LATIN AMERICA AND THE CARIBBEAN (AILAC), the UK, AUSTRALIA, NEW ZEALAND, and others demurred, highlighting that the dialogue needs to consider all aspects of the GST's outcome rather than focus on a single one. MALAWI called for implementation of

GST outcomes with finance at the center. The EIG suggested mandating a mapping of GST outcomes.

**First Annual Dialogue on the Global Stocktake Informing the Preparation of Nationally Determined Contributions:** This <u>mandated event</u> aims to facilitate the sharing of good practices on how the GST's outcomes will inform the preparation of parties' next nationally determined contributions (NDCs). Executive Secretary Simon Stiell reminded participants that "we cannot succeed without cooperation; no country can fight climate change alone."

Discussions highlighted challenges in synchronizing national legislative processes with the NDC update cycle. Several countries gave examples of policy planning at different time scales and pointed to linkages between climate policy and broader national development plans.

Mitigation Ambition and Implementation Work Programme: In informal consultations, Co-Facilitator Carlos Fuller (Belize) proposed that parties hold informal informals to agree on the list of elements to be included in the draft text.

GRUPO SUR, AOSIS, LDCs, AILAC, AFRICAN GROUP, EU, EIG, the US, AUSTRALIA, NORWAY, REPUBLIC OF KOREA, JAPAN, CANADA, INDONESIA, AUSTRALIA, BANGLADESH, and THE GAMBIA supported this proposal, with BANGLADESH proposing that parties provide written submissions. BELIZE emphasized the importance of keeping the work programme alive and moving forward in the climate process, especially for small island states.

The ARAB GROUP, LMDCs, and RUSSIAN FEDERATION opposed, noting informal informals would be premature and that discussing additional elements for the draft decision text would be outside the consultations' mandate.

Discussions will continue in informal informals, based on which the Co-Facilitators will prepare an informal note.

Guidance on Cooperative Approaches referred to in Paris Agreement Article 6.2: Discussions in informal consultations co-facilitated by Maria Al-Jishi (Saudi Arabia) and Peer Stiansen (Norway) focused on sequencing of reviews and addressing inconsistencies. Parties considered, among other things:

- the importance of sequencing for the environmental integrity of the framework;
- what should be the consequences of inconsistencies;
- whether parties should be allowed to re-submit information or reports to address inconsistencies; and

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• whether and what information should be made publicly available, both during the reviews and if inconsistencies are identified.

On the Agreed Electronic Format (AEF), many parties expressed general satisfaction with the current design and supported adopting it with some fine-tuning. UKRAINE underscored that the information submission method should not impede parties' ability to authorize internationally transferred mitigation outcomes. The AFRICAN GROUP called for focusing on key decisions that need to be adopted, rather than negotiating the actual AEF tables. The LMDCs said the current AEF does not reflect all parties' views and the ARAB GROUP expressed doubt that the AEF will be ready for adoption this year.

**Operation of the Clean Development Mechanism:** In the informal consultations, Co-Facilitators Alick Muvundika (Zambia) and Karoliina Anttonen (Finland) introduced two technical papers prepared by the Secretariat on: resources for the functioning and operation of the Clean Development Mechanism (CDM); and the CDM registry's operations beyond 2020. Discussions focused on resources, with parties asking for clarifications on the assumptions that informed the Secretariat's paper. Some parties, including AOSIS, AILAC, and the UK, supported discussing timelines for winding down the CDM's operations and the transfer of surplus resources to, for example, the Adaptation Fund and the Article 6.2 architecture. The LMDCs opposed discussing an end date until the Article 6.4 mechanism is operational.

Informal consultations will continue.

**Global Goal on Adaptation:** In informal consultations cofacilitated by Pedro Pedroso Cuesta (Cuba), parties shared their views on the <u>informal note</u>, debating who should take the lead on mapping adaptation indicators. CANADA, JAPAN, CHINA, AUSTRALIA, and NEW ZEALAND suggested this be done by the Adaptation Committee. The AFRICAN GROUP preferred entrusting an *ad hoc* work programme with the exercise.

The EIG and AOSIS called for the Subsidiary Body Chairs to establish an expert working group for each thematic target, taking into account balanced regional representation and giving special consideration to small island developing states (SIDS). AILAC emphasized the need for financial support to ensure that experts can engage in person.

AOSIS, AILAC, GRUPO SUR, the ARAB GROUP, the UK, and CHINA noted that the criteria listed in the note are not actually criteria, with the ARAB GROUP emphasizing that the criteria should be specific to adaptation. JAPAN noted that the indicators do not support means of implementation.

Parties raised their concerns about the obligatory nature of the indicators; however, the Co-Facilitators reiterated their voluntary nature and promised to clarify this in the next iteration of the text.

Terms of Reference for the 2024 Review of the Warsaw International Mechanism for Loss and Damage Associated with Climate Change Impacts: In informal consultation cofacilitated by Meredith Ryder-Rude (US), parties shared their views on the Co-Facilitators' <u>elements paper</u>. They generally agreed the paper captures points of convergence from parties' submissions, including the evolution in the loss and damage landscape since the last review. AILAC emphasized that the review needs to take into consideration the evolving needs and priorities of developing countries, including for financial and technical support.

The G-77/CHINA requested that the Secretariat prepare reports on:

- institutional arrangements;
- the implementation of the outcomes of the last review of the Warsaw International Mechanism (WIM), the first GST outcome, and the functions of the Santiago Network;
- · submissions on the review; and
- the second and third Glasgow Dialogue.

The G-77/CHINA also suggested the Secretariat conduct a survey of national focal points and loss and damage contact points, as well as a SWOT (strengths, weaknesses, opportunities, and threats) analysis of the work of the WIM Executive Committee (WIM ExCom).

Parties decided to discuss points of divergence in informal informals and requested the Co-Facilitators prepare a clean version of the elements paper.

**Dialogue on Loss and Damage Funding:** Subsidiary Body for Implementation (SBI) Chair Nabeel Munir opened the twoday <u>dialogue</u> by highlighting its objective: to reflect on how to enhance collaboration and coordination between loss and damage institutions.

Jean-Christophe Donnellier, Co-Chair of the Board of the Fund for responding to loss and damage, pointed to ongoing discussions on institutional arrangements with the World Bank, the selection process for the Fund's host country and its executive director, and rules of procedure. He also noted preparations for a high-level event on loss and damage finance are underway.

Alpha Kaloga, Co-Chair of the Santiago Network Advisory Board, noted the Board adopted the Network's <u>work programme</u> and intends to hold meetings back to back with those of the WIM ExCom where possible and prepare joint annual reports.

Camila Minerva Rodríguez, Co-Chair of the WIM ExCom, invited parties to use the 2024 WIM review as an opportunity to reflect on the implementation of the WIM's function in the new loss and damage landscape.

Parties' comments related to, among others: hopes for a quick capitalization of the Fund; minimum allocation for SIDS and LDCs; a quantum on loss and damage funding under the NCQG; and tracking the delivery of loss and damage funding. Discussions continued in breakout groups.

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 participants to continue sharing their views. BARBADOS cautioned that the NCQG cannot be "all things to all people." He noted uncertainty surrounding Paris Agreement Article 2.1c (on aligning finance flows) and said initiatives outside the UNFCCC, such as the Bridgetown Initiative, might be more suitable to address some matters. CHINA underscored developed countries' obligations to support developing countries' climate action and called the definition of the NCQG "almost a decade overdue." MOROCCO called the NCQG "a beacon of hope" for vulnerable communities and cautioned against "taking it hostage" by discussing elements beyond the core mandate. ECUADOR called on developed countries to make proposals regarding the quantum of the goal. The MARSHALL ISLANDS said loans at market rates cannot be considered climate finance. Observer constituencies urged, among others, a beneficiary-centered approach that channels progressively higher grants to communities and called for amending the Enhanced Transparency Framework (ETF) to be the backbone of NCQG transparency.

The Co-Chairs will revise their input paper.

**Just Transition Work Programme:** Contact-Group Co-Chair Kishan Kumarsingh (Trinidad and Tobago) invited further views on the <u>draft text</u> introduced the previous day.

The LDCs and CANADA suggested requesting constituted bodies to include information on progress towards integrating just transition into their processes in their reports. The EIG requested that the work of the pre-sessional just transition dialogue be better reflected in the text. COLOMBIA called for referencing internally displaced persons and, with NORWAY, urged ensuring children's inclusion in the annual just transition dialogues. AUSTRALIA stressed highlighting the economic benefits of just transition.

The G-77/CHINA reiterated its call for a new draft text which would, among others, include an assessment of the financial and technical needs for implementing just transition pathways. SOUTH AFRICA argued that the current text is biased towards the domestic dimension of the just transition and emphasized the importance of the international dimension.

AOSIS suggested the work programme focus on just transition pathways in 2025, and on comprehensive just transition policies and implementation in 2026.

Discussions will continue.

**Provision of Financial and Technical Support for Non-Annex I Reporting Under the Convention:** In informal consultations, Co-Facilitator Stephen Brine (Australia) recalled that parties adopted <u>procedural conclusions</u> on this item at SBI 59, but agreed to continue discussions at SBI 60, taking into account the <u>draft text</u> prepared in Dubai. He also pointed to a <u>written</u> <u>update</u> by the Global Environment Facility (GEF), which the GEF then presented orally at the request of SOUTH AFRICA.

Parties gave the Co-Facilitators the mandate to update the draft to reflect recent developments, such as changes in the number of submitted reports. Several parties indicated they would provide further submissions, such as on the provision of technical support and the need for the GEF to support parties in an integrated way regarding their reporting under both the Convention and the Paris Agreement.

At the request of SOUTH AFRICA, supported by SWITZERLAND, the Secretariat will provide an overview of the support it provides at the outset of the next session.

**Reporting Tools under the Enhanced Transparency Framework:** During the informal consultations co-facilitated by Daniela Romano (Italy), discussions focused on the Secretariat's <u>technical paper</u> on parties' experience with the test version of the ETF's reporting tools. Responding to parties' questions, the Secretariat clarified that:

- user manuals will be available for all reporting tools once their final version is launched;
- there will be instruction videos and technical documents on how to navigate the tools;
- a support team has been established within the Secretariat that will address any technical issues reported by parties; and
- training sessions will be held in the Africa and Latin American and the Caribbean regions ahead of COP 29, as well as at COP 29.

The Co-Facilitator then introduced draft text for parties' consideration. Informal consultations will continue on the text.

**Capacity Building:** Discussions in informal consultations co-facilitated by Cristina Carreiras (EU) focused on <u>draft decision</u> <u>text</u> on the second review of the Paris Committee on Capacitybuilding under the COP and the CMA. Parties considered the text line by line. The Co-Facilitators invited written input on the section on priority areas for future work of the Committee. Informal consultations will continue.

**Gender:** In informal consultations co-facilitated by Marc-André Lafrance (Canada), parties discussed the review of the enhanced Lima work programme on gender (LWPG) and its gender action plan (GAP), as well as the reflections on future work to be undertaken on gender and climate change.

The G-77/CHINA underscored the need to move from planning to implementation, with the AFRICAN GROUP, supported by AOSIS, CHINA, and INDONESIA, urging financial and technical support for the action plan's implementation to close the gap between developed and developing countries.

AILAC, BRAZIL, and MEXICO called for concluding the review of the enhanced LWPG before working on a more ambitious GAP. AILAC, with the US, the UK, and PHILIPPINES, also emphasized the need to advance gender mainstreaming in the climate change process.

Parties agreed to use the decision on the review of the first LWPG and its GAP (<u>Decision 3/CP.25</u>) as a basis for draft text.

#### In the Corridors

Are there secret Swifties walking around the World Conference Center? Suspicions were raised when one delegate implored Just Transition Work Programme colleagues to recognize that "this isn't *1989*, and these aren't *champagne problems*. Clearly, *everything has changed*."

Taylor fans and delegates alike recognized *all too well* that many points need to be sorted out in the discussions on the new finance goal—or else, noted an observer, "we're going to have *bad blood* at the finance COP."

The need to *shake it off* was just as clear in the Global Stocktake dialogue. Rather than remaining trapped in *folklore* from past decisions, many saw a need to fill in the *blank space* of the next round of NDCs.

"There aren't 22 ways about it," one long-time participant stressed. "Ten *cruel summers* have gone by since we adopted the Paris Agreement—now we need to get *out of the woods* and make real strides towards making it a *love story* (UNFCCC's version)."



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