

What to expect at the intersessional Climate Talks

Bonn, 5 June (Meena Raman+) – The 58th sessions of the UNFCCC’s subsidiary bodies (the Subsidiary Body for Implementation [SBI] and the Subsidiary Body for Scientific and Technological Advice [SBSTA]) are meeting in Bonn, Germany from 5 to 15 June, 2023.

The SB sessions will be presided over by the respective Chairs: **Nabeel Munir (Pakistan)** for the SBI and **Harry Vreuls (Netherlands)** for SBSTA.

The intersessional meeting of the subsidiary bodies (SBs) is key to advancing further work from the decisions adopted at the UNFCCC’s 27th meeting of the Conference of Parties (COP 27) in Sharm-el-Sheikh last year, as they prepare to adopt new decisions at COP 28, to be held in Dubai, UAE later this year.

The Bonn talks are taking place against the backdrop of scorching heatwave across many parts of the world, including from Asia to Africa and Europe, in part, attributed to climate change and global heating.

According to the latest news from the [World Meteorological Organization](https://www.wmo.int/) (WMO), “global temperatures are likely to surge to record levels

in the next five years, fuelled by heat-trapping greenhouse gases and a naturally occurring El Niño event”. Said the WMO further, “there is a 66% likelihood that the annual average near-surface global temperature between 2023 and 2027 will be more than 1.5°C above pre-industrial levels for at least one year. There is a 98% likelihood that at least one of the next five years, and the five-year period as a whole, will be the warmest on record.”

“A warming El Niño is expected to develop in the coming months and this will combine with human-induced climate change to push global temperatures into uncharted territory,” warned the WMO Secretary-General Prof. Petteri Taalas, adding further that “This will have far-reaching repercussions for health, food security, water management and the environment” and that governments need to be prepared for this.

Amid this grim alarm, the Bonn talks are also expected to be ‘heated’ on many fronts, especially along North-South lines. Some of the main issues to watch at the SBs are set out below.

MATTERS RELATING TO LOSS AND DAMAGE

Loss and Damage Fund and the Glasgow Dialogue

COP 27 delivered on what was the ‘litmus test’ for its success – consensus on the establishment of new funding arrangements and a fund on loss and damage to assist developing countries. Parties agreed that the fund’s mandate include a focus on addressing loss and damage. They also agreed to establish a Transitional Committee (TC) to make recommendations on how to operationalise both the new funding arrangements and the fund for the consideration and adoption by COP 28 later this year.

The TC has met twice already this year; the first meeting took place in Luxor, Egypt from 27-29 March, while the second meeting took place in Bonn, Germany from 25-27 May. Discussions during the first TC meeting were not smooth, with differences of views across developing and developed country members on what should be discussed first, viz. the funding arrangements or the establishment of the fund. Developing country members wanted to focus on the operationalisation of the new fund for loss and damage, whereas developed country members wanted to focus on matters that would inform the funding arrangements and the fund, saying that more information was needed on the current landscape and institutions that are funding activities related to loss and damage. (See related [update](#)).

During the second meeting the TC, members had substantive exchange covering institutional arrangements, modalities, structure, governance and terms of reference for the fund; defining the elements of the new funding arrangements; identifying and expanding sources of funding; and ensuring coordination and complementarity with existing funding arrangements. Developing countries continued to express their preference of the fund over funding arrangements, and stressed that existing funding arrangements were far from enough and that there is very little explicit funding for loss and damage needs. Developed countries on the other hand, while covering all the four areas, stressed how the humanitarian assistance can be further improved (see related [update](#)).

In Bonn, the 2nd Glasgow Dialogue (GD) on loss and damage will be held, focusing on the operationalization of new funding arrangements and the fund, as well as on maximizing support from existing funding arrangements relevant for responding to economic and non-economic losses, slow onset events and extreme weather events. This Dialogue will inform the work of the TC. The 1st GD took place last June.

Santiago Network on Loss and Damage (SNLD)

At CMA 4 (the 4th meeting of Parties to the Paris Agreement) last year, Parties agreed on the institutional arrangements to operationalise the SNLD in order to catalyse technical assistance to developing countries. The structure of the Santiago network and its terms of reference were agreed to. The decision was also that a selection process for the host of the network secretariat be launched in order to select the host by this year.

A call for proposals by the UNFCCC secretariat to host the Santiago network followed and the secretariat convened an evaluation panel for selecting the host on 5 April 2023 and supported the panel in preparing an evaluation report that includes a shortlist of proposals for the consideration of Parties. At SB 58, a draft decision is hoped for, with one proposal to host the network, which will then be adopted at COP 28.

According to the scenario note prepared by the Chairs of the SBs, a proposal from the Caribbean Development Bank and a joint proposal from the UN Office for Disaster Risk Reduction and the UN Office for Project Services were received.

JUST TRANSITION WORK PROGRAMME

A new and significant outcome from COP 27 was the decision to establish a work programme on just transition on the pathways to achieve the goals of the Paris Agreement. Parties also noted that the global transition to low emissions provides opportunities and challenges for sustainable economic development and poverty eradication and emphasised that just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social

protection so as to mitigate potential impacts associated with the transition.

At the Bonn session, Parties are tasked to develop the work programme and as per the scenario note of the Chairs, discussions are expected to focus on pragmatic approaches and technical aspects, with the focus on preparing a draft decision text for consideration and adoption at CMA 5, as mandated.

SHARM EL-SHEIKH MITIGATION AMBITION AND IMPLEMENTATION WORK PROGRAMME

At COP 27, Parties confirmed that the objective of the work programme “shall be to urgently scale up mitigation ambition and implementation in this critical decade in a manner that complements the global stocktake.”

Parties decided “that the work programme shall be operationalized through focused exchanges of views, information and ideas, noting that the outcomes of the work programme will be non-prescriptive, non-punitive, facilitative, respectful of national sovereignty and national circumstances, take into account the nationally determined nature of NDCs and will not impose new targets or goals.” (This was a grave concern to many developing countries).

It was also decided that implementation of the work programme will start immediately after CMA 4 and continue until its CMA 8 (2026), “with a view to adopting a decision on the continuation of the work programme at that session”.

As part of the work programme, CMA 4 decided that at least two global dialogues be held each year and the first of this was held under the SBs from June 3 to 4th in Bonn, followed on 5th June by what is called an “investment focused event”.

At the opening of the global dialogue on 3rd June, **Ambassador Mohamed Nasr of Egypt**, as the COP 27 Presidency, remarked that as Parties deliberate issues under the mitigation work programme with a focus on energy this time, “We also need to be reminded that substantial percentage of mitigation component of developing countries’ nationally determined contributions (NDCs) are conditional, which reflects how much impact this work programme can deliver in terms of supporting implementation and enhancing ambition.”

He also highlighted some of the key findings of latest reports including the International Energy Agency (IEA) which reports on energy that “Average growth rate in clean energy investments has reached 12% compared to 2% in 2015, but the investments were concentrated in China, the European Union (EU) and the United States (US), while the rest of developing economies has witnessed no or very limited increase in clean energy spending compared to 2015.”

He said further that the high cost of capital and rising borrowing costs threaten to undercut the economic attractiveness for investments in clean energy in developing countries, and that most of the positive trends in clean energy investments are leaving developing countries behind. Nasr also stressed that “while we are talking about energy transition, there are 600 million Africans who have no access to energy.” He added further that with these information and facts in mind, “the deliberations will provide the needed space to consider them and deliver real implementable recommendations.”

Separate from the mandated global dialogue above, **Sweden** on behalf of the **EU** has also proposed that the work programme be included in the provisional agendas of the SBs “in order to support the objectives of the mitigation work programme and robust annual decisions at the CMA, it’s necessary to include an agenda item at the SBs in June, in addition to the SB’s sessions at every COP.” Parties will be asked to consider this proposal by the EU when the agendas of the SBs are presented for adoption. If the proposal is accepted, a contact group or informal consultations on the matter will have to be established and for conclusions to be agreed to and presented to CMA 4 for adoption.

GLOBAL GOAL ON ADAPTATION (GGA)

Parties had last year initiated the development of a framework for the GGA which is to be undertaken “...through a structured approach under the Glasgow-Sharm el-Sheikh work programme in 2023, with a view to the framework being adopted at CMA 5” later this year. The framework is “to guide the achievement of the GGA and the review of overall progress in achieving, it with a view to reducing the increasing adverse impacts, risks and vulnerabilities associated with climate change, as

well as enhance adaptation action and support.”

Developing countries had firmly called for the establishment of a framework on GGA as a substantive COP 27 outcome, proposing detailed elements in the form of dimensions; themes; indicators/metrics/targets; among others. The means of implementation - finance, technology transfer and capacity building - being one of the integral components of the dimensions of the framework.

Negotiations on the GGA will continue at the current Bonn session. In addition, a workshop on mainstreaming adaptation, including target-setting, methodologies and indicators will take place from 4th to 5th June in conjunction with the SBs. This is the 6th workshop of 8 workshops being held under the GGA work programme since last year, with the hope and expectation that these workshops will result in an “ambitious outcome”, as per the Co-Chairs scenario note for the SBs.

FINANCE

Many of the finance issues will be negotiated under the COP and CMA to be held later this year. Among the main issues are the following:

2nd review of the Standing Committee on Finance (SCF)

Parties initiate the 2nd review of the SCF at this session. The SCF plays a very important role in assisting the COP and the CMA in exercising its functions in relation to the Financial Mechanism of the Convention and the Paris Agreement. This involves among the many roles viz.

- Providing to the COP/CMA draft guidance for the operating entities of the Financial Mechanism of the Convention and the Paris Agreement (such as the Global Environment Facility and the Green Climate Fund);
- Preparing a biennial assessment, overview of climate finance flows, drawing on available sources of information, including national communications and biennial reports of both developed and developing country Parties etc.

It is hoped that Parties will be able to arrive at conclusions at the SBI session with elements of a

draft decision that will be adopted at COP 28.

New Collective Quantified Goal on Finance

In conjunction with the SBs, the sixth technical expert dialogue (TED 6) under the New Collective Quantified Goal on Climate Finance (NCQG) will be convened, and will focus on the themes “quantum” and “mobilization and provision of financial sources”.

The decision from CMA last year acknowledged “the need to significantly strengthen the ad hoc work programme on the NCQG in the light of the urgency of scaling up climate action with a view to achieving meaningful outcomes...and setting the NCQG in 2024 taking into account the needs and priorities of developing countries.”

The objective of TED 6 is to “discuss and identify options for ways to determine the quantum of the NCQG...and options on the mobilization and provision of financial sources.”

Developing countries have stressed the need to have a discussion on the quantum of the NCQG for some time now. However, developed countries have traditionally refused to engage in discussions on the quantum of the goal, in attempts to push this to discussions next year. This was among the key contentious issues in Sharm el-Sheikh (see related [update](#)). TED 6 will offer Parties an opportunity to go in-depth into the issue of quantum for the goal.

Workshop on Article 9.5

The second biennial in-session workshop on information to be provided by Parties in accordance with Article 9.5 of the Paris Agreement will also be convened at this current SB session. (Article 9.5 provides for developed countries to biennially communicate indicative quantitative and qualitative information on the projected levels of public financial resources to be provided to developing countries.)

The objective of the workshop scheduled to take place on 6 June is to “share views, experiences and lessons learned on information contained in the second biennial communications”; and to “present and discuss the overall state of predictability and clarity of information on financial support to developing countries for the implementation of the Paris Agreement...”.

According to the [compilation and synthesis report](#) on the second biennial communications on Article 9.5 by the Secretariat, 34 Parties have submitted their communications. This includes Australia, Canada, Czech Republic and the EU, Japan, Monaco, New Zealand, Norway, Switzerland, the United Kingdom and the US.

Developing countries are expected to hold the developed countries to account in terms of the improvements requested in relation to their first biennial communications. Improvements which were sought included the following: “The indicative projections of climate finance for developing countries and specific plans for scaling up the provision and mobilization of climate finance; the information provided on projected levels of climate finance and lack of detail on themes, various channels and instruments across the biennial communications; and the information on the shares of projected climate finance for adaptation and mitigation, and on plans for addressing the balance between the two”.

Improvements were also sought “on enhancing the quality and granularity of information on programmes, including projected levels, channels and instruments, particularly on climate finance for the least developed countries and small island developing States, and on relevant methodologies and assumptions”.

However, the [communication](#) from the US reveals as follows: “Given that these channels are demand-based, coupled with the fact that US bilateral channels depend on annual appropriations from Congress, it is not possible for the US to forecast or project future climate finance levels or quantitative ex-ante information.” The communication by the US also does not make any commitments and only reiterates their “intentional” announcements at best.

THE GLOBAL STOCKTAKE

The first global stocktake (GST) scheduled to take place at COP 28 in Dubai is among the most awaited outcomes in 2023. The GST is to assess the collective progress of Parties in the implementation of the Paris Agreement goals.

At the current SB session, the technical assessment component of the first GST will conclude, with the convening of the third and last meeting of the technical dialogue, with the corresponding summary report to be published in July this year and an overall synthesis of the summary reports to be published later in September.

At the current session, four roundtables will be convened as part of the technical assessment. These will be on mitigation, including response measures; adaptation, including loss and damage; means of implementation and support: finance, technology and capacity building; and integrated and holistic approaches. Discussions are expected to focus on “what next” for each of the roundtables. In these roundtables, Parties are expected to address and develop further the emerging messages (in the four areas corresponding to the roundtable topics) in the second [summary report](#) by the technical dialogue co-facilitators.

A joint contact group will also be convened where Parties are expected to discuss the structure and format of GST outcomes for COP 28, and potential follow up processes, if any. The high-level committee, comprising the Egyptian and the UAE Presidencies along with the SB Chairs, are expected to provide an update, during SB 58 on progress in planning their high-level events.

Several of these areas are likely to see divergences, with developing countries calling for the GST to be based on equity and best available science and the importance of taking stock of collective action and not transferring the burden of developed countries’ inaction onto developing countries via the GST.

ARTICLE 6: MARKET AND NON-MARKET APPROACHES

As regards Article 6.2 of the Paris Agreement (related to the use of Internationally Transferred Mitigation Outcomes [ITMOS] towards the implementation NDCs), CMA4 requested the SBSTA to work on a number of topics including the technical expert review and elements related to reporting.

On Article 6.4 (which is a mechanism to contribute to the mitigation of emissions and support sustainable development), SBSTA has been tasked with further work, including on responsibilities of the Supervisory Body (of the mechanism) and of Parties that host activities under the Article in order for such host Parties to elaborate on and apply national arrangements for the mechanism. The SBSTA was also tasked to continue its work in developing recommendations relating to the rules and procedures for the mechanism, including whether Article 6.4 activities could include emissions avoidance and conservation enhancement activities.

On Article 6.8 (non-market approaches), the Glasgow Committee on Non-market Approaches

(GCMNA) agreed to will move fully into implementing the work programme activities for 2023-2026 in two phases. At SBSTA 58, the GCMNA will hold its third meeting in a contact group format on 5 June 2023, where the secretariat will provide update on the status of the development and operationalisation of the UNFCCC web-based platform for NMAs. There will also be an in-session workshop on 9 June 2023 to exchange information, best practices, lessons learned from identifying, developing and implementing NMAs, including the support needed in terms of financial, technology and capacity building.

+ With inputs from Hilary Kung.