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What to expect at the intersessional UN Climate talks

Bonn, 3 June (Prerna Bomzan and Meena Raman) - The 60th sessions of the UNFCCC's Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) are convening in Bonn, Germany, from 3 to 13 June 2024, presided over by SBI Chair **Nabeel Munir (Pakistan)** and SBSTA Chair **Harry Vreuls (Netherlands)**.

The climate talks are taking place in what appears to be a rather cold Bonn, with low temperatures unlike the usual summer weather, and with unprecedented and unbearable heatwaves in many parts of the world, which have already claimed lives and is causing much disruption.

The key objective of the intersessional meeting of the Subsidiary Bodies (SBs) is to advance work on the decisions adopted at the 28th session of the Conference of the Parties to the UNFCCC (COP 28) held in Dubai, UAE, last year, as well as the 5th session of the Conference of Parties to the Paris Agreement (CMA 5). The work in Bonn will lay the ground for new decisions to be adopted at the climate talks scheduled in November later this year in Baku, Azerbaijan.

COP 29 in Baku has been dubbed as the 'Finance COP', as Parties have to fulfill the mandate agreed

to in Paris in 2015 for a decision on the new collective quantified goal on climate finance (NCQG), from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries. Although the NCQG is under the purview of the CMA, negotiations on it will take place in conjunction with SB 60 under the ad hoc work programme (AHWP), to enable the production of a draft negotiating text well in advance of Baku. Besides climate finance, other critical issues in the spotlight are set out below.

FINANCE RELATED MATTERS

Besides the NCQG, the other two finance items which will be discussed in Bonn are:

(i) 2024 First workshop under the Sharm el-Sheikh Dialogue on Article 2.1(c) of the Paris Agreement (PA) and its complementarity with Article 9 and (ii) Matters related to the Adaptation Fund. The rest of the bulk of finance issues will be negotiated under the COP and the CMA later in November.

NEW COLLECTIVE QUANTIFIED GOAL ON CLIMATE FINANCE

At COP 28/CMA 5, by <u>decision 8/CMA.5</u>, Parties decided to transition into a mode of work to

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Address 131, Jalan Macalister, 10400, Penang, MALAYSIA. Tel 60-4-2266728/2266159 Fax 60-4-2264505 E-mail twn@twnetwork.org Website https://twn.my/ to enable them to engage in developing the "substantive framework for a draft negotiating text" on NCQG for consideration by CMA 6 in November. Led by reappointed Co-Chairs **Zaheer Fakir (South Africa)** and **Fiona Gilbert** (Australia), in 2024, at least three meetings under the NCQG's AHWP are to be conducted back-toback with the preceding Technical Expert Dialogues (TEDs) on the elements of the NCQG, with a view to informing the meetings under the AHWP.

The first meeting under the AHWP was convened in a hybrid format in Cartagena, Colombia on 25-26 April following the 9th TED on 23-24 April. Divergences between developing and developed countries were more pronounced on the key political issues that have dominated the NCOG negotiations, most prominent being the push by developed countries on who would contribute to the goal (expanding the donor base), and who would receive the finance (limiting the recipients of finance). Developing countries are maintaining that the provision and mobilization of the NCQG is the legal obligation of developed countries under the PA and that all developing countries are eligible to receive climate finance. The quantum element of the goal is the most crucial outcome but discussions on this until now have remained elusive, as well as what the timeframe of the goal will be. (See TWN Update)

On 24 May, the AHWP <u>Co-Chairs' note</u> was published on progress made at the first meeting and the way forward, which also includes an input paper for the second meeting to be conducted in Bonn. The input paper as an annex contains proposed elements of the framework for a draft negotiating text with an explanatory note from the Co-Chairs stating that the input paper is "NOT exhaustive and has NO status".

The second meeting under the AHWP will be conducted over multiple two-hour slots on the 5th, 8th, 10th and 11th June, following the 10th TED on 3 June which will cover four issues – ambition and qualitative elements of the NCQG; as well as structure and transparency arrangements of the NCQG.

Workshop under the Sharm el-Sheikh Dialogue on Article 2.1(c) of the PA

In Dubai, by <u>decision 9/CMA.5</u>, Parties decided to continue and strengthen the dialogue in 2024 and 2025 to exchange views on and enhance understanding of the scope of Article 2.1 (c) of the PA and its complementarity with Article 9, including with regard to its operationalisation and implementation. Negotiations in Dubai revealed that there was no common understanding among developed and developing countries on Article 2.1(c), which refers to "*making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development*". (See TWN Update).

The modalities of the dialogue in 2024 and 2025 include among others, the organisation of at least two workshops per year under the guidance of the reappointed Co-Chairs **Mohamed Nasr (Egypt)** and **Gabriela Blatter (Switzerland)**. On 6 May, the Co-Chairs issued a <u>message</u> on their approach for the organisation of the dialogue through 2024 to 2025, including potential topics and issue areas suggested by Parties and non-Party stakeholders for discussion in 2024.

The Co-Chairs' message informed that the main focus of the first workshop will be on adaptation investments and the consistency of financial flows with a climate-resilient development pathway as well as linkages to broader sustainable development co-benefits and impacts. The 2024 first workshop is scheduled on 12-13 June.

Matters relating to the Adaptation Fund

The key sticky issue in relation to the Adaptation Fund (AF) is over the membership of the Board, entailing consistent attempts especially by the **United States (US)** to change the composition of the Board with the argument that the AF is in transition to exclusively serve the PA. However, decisions 13/CMA.1 and 1/CMP.14 state that only once the share of proceeds to the AF becomes available under Article 6.4 of the PA (on market-based approaches), the AF shall no longer serve the Kyoto Protocol (KP).

The AF is under the KP and the US as well as Canada are not Parties to the Protocol. So they only have an observer status with no decision-making role regarding the AF. The Board currently represents a majority of members from developing countries. This agenda item has been deferred since SB 58. There is no consensus to discuss the Board membership now, as the AF still serves the KP. However, the agenda will open once the share of proceeds of Article 6.4 have been made available. The **Group of 77 and China (G77 and China)** has been pushing for a decision to not include this issue as a future agenda item but this has been in vain.

GLOBAL STOCKTAKE

In Dubai, by decision <u>1/CMA.5</u>, the outcome of the first global stocktake (GST) was adopted following a North-South divide, especially pertaining to the so-called historic decision on "....*transitioning away from fossil fuels.....*" as stated in paragraph 28 of the decision. (See <u>TWN Update</u>). There are three specific mandates from the decision to be addressed at SB 60.

UAE dialogue on finance-related outcomes

Paragraph 97 of the GST decision under the 'Finance' heading of the 'Means of implementation and support' section, decided to "*establish the "xx" dialogue* [now named as the UAE dialogue in the edited version of the decision] *on implementing the global stocktake outcomes*". Further, paragraph 98 also decided that the UAE dialogue will be operationalised starting from CMA 6 (2024) and conclude at CMA 10 (2028), requesting the SBI to "*develop modalities for the work programme*" at SB 60 for consideration by CMA 6.

The key matter on this issue is the 'scope' of the UAE dialogue, with the developed countries and some developing countries viewing the dialogue as a space for the implementation of the entire outcomes of the GST, (especially focusing on paragraph 28 as regards the mitigation efforts including on fossil fuels), while a majority of the developing countries see it as a space to focus only on the finance-related outcomes of the GST, given the placement of the paragraph under the 'Finance' Hence, SB 60 will heading. witness an interpretation fight over the scope of the UAE dialogue.

Annual GST dialogue

Paragraph 187 of the GST decision under the 'Guidance and way forward' section requests the SB Chairs to organise "*an annual GST dialogue*" starting at SB 60 to "*facilitate the sharing of*

knowledge and good practices on how the outcomes of the global stocktake are informing the preparation of Parties' next nationally determined contributions in accordance with the relevant provisions of the Paris Agreement", and also requests the secretariat to prepare a report for consideration at its subsequent session.

The annual GST dialogue is a mandated event scheduled to take place on 6-7 June, comprising the following thematic roundtables:

(i) Integrating GST-1 outcomes into the updating and preparation of NDCs;

- Mitigation and response measures Discussions on experiences and lessons from Parties on efforts and plans with the 1.5 °C objective, setting economy wide targets, focusing on all greenhouse gas emissions and all sectors.
- Adaptation and loss and damage Discussions on experiences and good practices in (1) integrating the objectives and respective targets and good practices in National Adaptation Plan implementation and (2) coherence and synergies across efforts towards averting, minimising and addressing loss and damage.
- Means of implementation and support Discussions on experiences and good practices on enabling environment and support requirements including technology development and transfer, capacity building and finance.

(ii) Enabling and cross-cutting elements;

- Domestic arrangements Exchange of experiences, lessons and information on processes, plans and procedures that Parties are undertaking in the review, updating and preparation of their NDCs.
- International cooperation Share information and discuss experiences and good practices in bilateral, regional and multilateral cooperation for advancing NDCs.

A key issue which is expected to feature is on what is meant by *"the sharing of knowledge and good practices on how the outcomes of the GST are informing the preparations"* of Parties next NDCs (due in early 2025), i.e. whether the discussion will be on sharing experiences on the process of NDC preparations, or on the substance and content of the NDCs.

Refinement of procedural and logistical elements of the overall GST process

By paragraph 192 of the GST, Parties decided to commence "consideration of refining the procedural and logistical elements of the overall global stocktake process on the basis of experience gained from the first global stocktake" at SB 60 and conclude at CMA 6.

Negotiations on this matter will touch upon the three components of the GST: information collection and preparation; technical assessment; and the consideration of outputs. The <u>synthesis</u> <u>report</u> prepared by the secretariat synthesises information submitted by Parties and non-Party stakeholders on the issue.

MATTERS RELATED TO ADAPTATION

There are four agenda items under adaptation: matters related to the global goal on adaptation (GGA); national adaptation plans; report of the Adaptation Committee (AC) and review of the progress, effectiveness and performance of the AC; Nairobi Work Programme on impacts, vulnerability and adaptation to climate change.

The most pressing issue is matters related to the GGA which entails the development of indicators under the two-year UAE-Belem work programme for measuring progress achieved towards the thematic and dimensional targets adopted by decision 2/CMA.5 under the UAE Framework for Global Climate Resilience at CMA 5. The adoption of this GGA framework was a huge win for developing countries after a tough fight. (See TWN <u>Update</u>). The GGA thematic targets cover water, food and agriculture, health, ecosystems and biodiversity. infrastructure and human settlements, poverty eradication and livelihoods and protection of cultural heritage.

In relation to the work programme, Parties and observers were invited to provide their views via submissions on the development of the indicators and potential quantified elements for the thematic and dimensional targets (paragraphs 9-10 of the decision), as well as on the modalities of the work programme including organisation of work, timelines, inputs, outputs and the involvement of stakeholders. Further, as mandated by paragraph 43 of the decision, the SB Chairs organised a workshop in May in Thimpu, Bhutan, and Parties are now expected to further advance work in this regard at SB 60.

At the workshop in Bhutan, **Uganda** speaking for the **G77 and China** highlighted the priority to focus on the modalities of the work programme to start with in order to ensure a clear roadmap before moving onto the substance of the development of the indicators.

MITIGATION WORK PROGRAMME

CMA 4 decided that at least two global dialogues shall be held each year as part of the Sharm el-Sheikh mitigation ambition and implementation work programme. In 2024, the reappointed Co-Chairs **Amr Osama Abdel-Aziz (Egypt)** and **Lola Vallejo (France)** decided that the dialogues this year will focus on the topic "Cities: buildings and urban systems". A three-day event was held in Bonn prior to the SB 60 session which took place from 27th to 29th May and a report of the session is to be prepared by the Co-Chairs later in the year.

At SB 60, Parties are expected to discuss further steps to be taken, with some attempting to advance the outcomes of the GST decision adopted in Dubai on the global mitigation efforts, including on the issue of transitioning away from fossil fuels.

UAE JUST TRANSITION WORK PROGRAMME

CMA 4 established a work programme on just transition (JTWP) for discussion of pathways to achieving the goals of the PA. At CMA 5 in Dubai, Parties agreed on the elements of the work programme. It also decided that the SBs shall guide the implementation of the work programme through a joint contact group to be convened starting at SB 60, with a view to recommending a draft decision on this matter for consideration and adoption by the CMA.

Negotiations in Dubai on the JTWP were contentious, including on the scope of the work programme. Developing countries wanted the scope to be broad and cover all three pillars of sustainable development (social, economic and environmental) in the context of equity and common but differentiated responsibilities and respective capabilities, while developed countries preferred it to be narrower and focus on the work programme on the workforce, primarily in relation to the energy transition and also enhance ambitious domestic climate actions. (See <u>TWN</u> <u>Update</u>)

How the JTWP will be implemented is expected to be interesting and closely watched. The <u>first</u> <u>dialogue</u> under the JTWP on "Just Transition pathways to achieving the goals of the PA through NDCs, NAPs and LT-LEDs" is scheduled on 2-3 June. (LT-LEDs are Long Term-Low Emission Development Strategy).

ARTICLE 6 of the PA

In relation to Articles 6.2 and 6.4 of the PA on market-based cooperative efforts, the SBSTA Chair **Vreuls (Netherlands)** produced an <u>informal note</u> on 29 May to facilitate the discussion for SB 60 since there was no agreement at the CMA in Dubai. The note suggests that the first week of SBSTA 60 focus the discussions on the agreed electronic format for the submission of annual information, sequencing of reviews and address inconsistencies within Article 6.2 as well as deal with authorisations and the issues regarding registries for both Articles 6.2 and 6.4.

The aim by the end of the Bonn session is to produce a first draft of CMA decisions for Articles 6.2 and 6.4 to forward to SBSTA 61 for further consideration.

In relation to Article 6.8, the <u>first in-session</u> workshop on the 4th and 6th of June will be on an exchange of views on financial, technology and capacity building support available or provided for identifying and developing non-market approaches, including enhance access to various types of support and identifying investment opportunities and actionable solutions that support achievement of NDCs.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS

In their joint note, the SB Chairs have called on Parties "to build on previous discussions to identify concrete steps for increasing the efficiency of the UNFCCC process." They state further that "The increasing scale of UNFCCC conferences in recent years has implications for the transparency, inclusiveness and effectiveness of the process, and has at times stymied progress." At SB 60, four documents have been prepared by the secretariat for consideration by Parties to recommend a draft decision on the relevant matters for consideration and adoption at COP 29. These cover:

(i) Arrangements for intergovernmental meetings (AIM): This document provides information on the preliminary scenario for the organisation of the November 2024 sessions of the governing bodies, including possible elements of the provisional agendas; planning for future sessions; increasing the efficiency of the UNFCCC process towards enhancing ambition strengthening and implementation; and engaging observer organisations in the intergovernmental process, including their admission to the UNFCCC process.

(ii) Implications of changing the frequency of sessions of the governing bodies: This document provides an overview of the implications of changing from the current annual cycle, as well as options pertaining to, the frequency of sessions of the governing bodies taking into account mandates and commitments under the Convention, the KP and the PA and the views of Parties.

(iii) Options for increasing the participation of observer organisations from developing countries in the UNFCCC process: This technical paper presents options for increasing the participation of observer organisations from developing countries, including, but not limited to, providing financial support, as well as options for enhancing the effective and meaningful engagement of observer organisations, in the UNFCCC process.

(iv) Options for reducing overlapping items on the provisional agendas of the governing and subsidiary bodies: This technical paper provides an overview of the preparation of the provisional agendas for sessions of the UNFCCC governing and subsidiary bodies, including trends observed in 1995–2023 and risks and challenges related to agenda-setting; highlights the approaches taken by the secretariat, in consultation with the presiding officers, to reduce overlap of items on such agendas; and presents a synthesis of options, including those proposed by Parties, for rationalising the agendas.

The AIM agenda is expected to be highly contentious and closely watched, given the implications of the decisions taken on the way future meetings are to be conducted.

ADOPTION OF PROVISIONAL AGENDAS

It is also to be noted that in the SB 60 provisional agendas, two new matters have been included,

proposed by Bolivia viz. - (i) "Developed countries' immediate and urgent action to achieve net zero emissions at the latest by 2030 and net negative emissions thereafter"; and (ii) "Roadmap on financial support and means of implementation for alternative policy approaches to results-based payments such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, to be effective at COP 29 and CMA 6." How these two proposed agenda items will be dealt with by the SB Chairs, will be known on the opening day of the SBs, during the adoption of the agendas on 3 June