

Bonn talks fail to make operational Network on loss and damage

Kathmandu, 27 June (Perna Bomzan and Hilary Kung) - Negotiations on the institutional arrangements for the Santiago Network on Loss and Damage (SNLD) at the recently concluded 56th session meetings of the UNFCCC's Subsidiary Bodies (SB 56) from 6 to 16 June in Bonn, Germany, resulted in only procedural conclusions, and failed to significantly advance the institutionalization of the Network, to make it operational as soon as possible in catalyzing the delivery of loss and damage-related technical assistance and other support to developing countries on the ground.

Coming from the major step forward achieved in Glasgow last year at COP26 in reaching agreement on the functions of the SNLD, Parties were expected at SB56 to focus their attention on the structure, operational modalities, funding arrangements, and other elements regarding its' institutional arrangements to make it operational.

As can be seen in the various submissions put forward by developing countries before SB56, developing countries generally favored a more deliberate and robust approach towards the elaboration of these institutional elements that would ensure policy accountability to and oversight by the Parties and make sure that the SNLD's activities are need-based and demand-driven. Such an approach (as viewed from the submissions) involved, inter alia:

- the establishment of a new advisory board in which Parties as well as relevant stakeholders are represented;
- the establishment of a secretariat to be selected subject to agreed criteria; and
- a clear identification of the roles and responsibilities of these bodies that would reflect and carry out the SNLD's functions agreed at Glasgow.

Developed countries generally favored using existing bodies such as the Executive Committee (ExCom) of the Warsaw International Mechanism (WIM) on Loss and Damage to exercise oversight over the SNLD and its secretariat, and wanted the discussion to focus on the criteria and selection of the secretariat for the SNLD.

Negotiations on the SNLD in Bonn were mainly conducted in 'informal-informal' ('inf-inf') mode (where only Parties are present without the appointed co-facilitator or the secretariat), which spanned 21 hours since the first informal consultations held on 7 June, as was reported by the co-facilitator at the closing informal session on 15 June.

Over the course of the two weeks of SB56, the negotiations floundered as Parties were not able to find consensus on any of the elements for the institutional arrangements of the SNLD.

In the first week, a draft negotiating text was released as the [co-facilitator's elements paper](#) on 9 June, which was drawn from the interventions of Parties at the first informal consultations, but was not acceptable, especially to developing countries, as the key issue of the 'advisory board' in the structure of the SNLD was missing in the text.

The **G77 and China** and its sub-groups including the **Alliance of Small Island States (AOSIS)**, **Least Developed Countries (LDCs)**, the **African Group**, **Arab Group**, **Argentina, Brazil, Uruguay (ABU)**, and the **Independent Alliance of Latin American and Caribbean (AILAC)** underscored the need to have an advisory board; however, the **European Union (EU)** and **Norway** were not in favour of having one.

By the start of the second week of SB56, the Group of 77 and China and its sub-groups had put forward concrete proposals for the structure and operational modalities of the SNLD, together with proposals on the roles and responsibilities of proposed new bodies. These proposals were heavily debated during the inf-infs.

The divide between developing and developed countries could be clearly seen in the development of the informal negotiating text discussed by the Parties during the inf-infs. The proposal from the G77 and China and its members to have an 'advisory board' (paragraph 2.bis) was a key sticking point in the 15 June iteration of the text (the accompanying "document" of draft conclusions) which read as follows:

"[[Draft decision elements][Informal note]

Parties agreed to discuss, inter alia, without prejudice to the outcomes of the discussion in Sharm-El-Sheik the following aspects of the SN:

1. Operational modalities;
2. Structure/ (role) (including but not limited to a potential convening / coordinating body/ secretariat of the Santiago Network, host, advisory body/ body with an advisory role, (Ex-Com), (OBNEs/ network members)); (details could be attached as Annex)
2. bis [Advisory board]
3. The role(s) of the Executive Committee and its ex-

pert groups, task force and technical expert group (including related to the structure);

4. The role of loss and damage contact points and other relevant stakeholders at the subnational, national and regional level;

5. Possible elements for the terms of reference of a potential convening or coordinating body that may provide secretarial services to facilitate work under the Santiago network;

6. Modalities for the management of funds provided for technical assistance under the Santiago network and the terms for their disbursement

6. (alt) [Funding [arrangements] for the operation of the Santiago Network and modalities for the management and disbursement of funds provided for technical assistance under the Santiago Network]

7. Selection processes]"

The delegates from **Canada** and **Pakistan** (representing the **G77 and China**) led the consultations in the inf-infs and reported the progress of work during the five informal sessions conducted. Parties agreed to advance the work from these inf-infs setting with the negotiating texts evolving out of those discussions, capturing both convergences as well as contentious issues in the form of a "compilation text".

On 10 June, **Canada** and **Pakistan** reported that Parties had agreed in their 'inf-infs' on the need for an "advisory body" and a "secretariat" for the SNLD and that they have started to write down the "roles and responsibilities". They, along with the **African Group** (represented by **Guinea**) and the **AOSIS** (represented by **Jamaica**) requested for a "compilation" of the views, following which the co-facilitator then informed that a "compilation text" would be sent to Parties.

The second restricted (not for circulation) iteration of the draft negotiating text that evolved on 13 June was a clean document (with nothing in brackets), carrying the draft conclusions and a draft decision text with three detailed annexes: Annex X (Roles and responsibilities and constitution of the advisory board of the Santiago network); Annex Y (Elements for the term of reference of the coordinating or

convening body of the Santiago network); and Annex Z (Criteria to be used to evaluate and select the host of the Santiago network and information required to be included in the proposals).

On 14 June, at the informal consultations, **Canada** and **Pakistan** reported that Parties have made a “lot of progress” and found “convergence” on the roles and responsibilities of the advisory body and the secretariat, requesting for more time in ‘inf-inf’ setting to bring something more concrete to the next informal session. Apparently, according to sources, there was willingness among all Parties to discuss the agreement reached within the G77 and China on the roles and responsibilities of the structures, but there was no agreement among Parties to conclude the discussions.

Another key issue during the SB56 negotiations in relation to the institutional arrangements of the SNLD was over the modalities for funding the SNLD, pursuant to the mandate under para 68 of decision 1/CMA.3.

(Parties agreed in Glasgow “that the modalities for the management of funds provided for technical assistance under the Santiago Network and the terms for their disbursement shall be determined by the process set out in paragraph 10 of decision -/CMA.3.” A key part of the Glasgow decision was paragraph 70, of decision 1/CMA.3, under which developed countries are urged “to provide funds for the operation of the Santiago network and for the provision of technical assistance ...”).

To reflect this, the language on provision of funds and paragraph 70 for the operation of the SNLD had consistently appeared in the preceding restricted iteration of the text on 13 June, as well as in the first negotiating texts available as the co-facilitator’s elements paper on 9 June.

However, the reference to “paragraph 70” eventually got dropped from the finalized draft conclusions text of 15 June. Sources said that this was due to opposition from developed countries. The language on funding got struck off during protract-

ed negotiations around the status and naming of the accompanying “document” for the agreed conclusions.

This document was supposed to capture substantive work in progress (including of funding arrangements) but did not constitute agreed text. It finally got adopted as the [document](#) (with text in brackets) annexed to the [final text of the draft conclusions](#) and referred in paragraph 5 of the adopted conclusions.

This document along with the draft conclusions text was circulated as the “latest iteration” on 15 June. Although both developing and developed countries expressed their will to retain the document as work advanced and so as to not start from scratch at the next SB 57 session, its status was in question with some of the text in brackets including its title/headline which was expressed as “[draft decision elements][informal note]”.

The **G77 and China** (represented by **Pakistan**) supported by the **African Group**, **Arab Group**, **AOSIS**, and the **LDCs** wanted to annex the document in its original text. **Canada** also agreed to annex the document while **Norway** and **Switzerland** agreed to annex it but wanted to keep the text in brackets. The **United States** and the **EU** however, wanted to drop the “draft decision elements” from the text.

After long drawn-out discussions with the co-facilitator **Kishan Kumarsingh (Trinidad and Tobago)** on the verge of walking out with no conclusions at one point, **Guinea** (who represented the **African Group**) intervened to take forward the document in its original text and was supported by **Kuwait** (represented the **Arab Group**) who also suggested to keep the text in brackets. In closing, **Guinea** clarified that there was agreement to move forward with the text bracketed and annexed in order not to prejudice future discussions. It also requested the co-facilitator to forward the text as the document referred to in paragraph 5 of the draft conclusions text of the SB 56 session.

Paragraph 5 of the agreed conclusions adopted at the closing plenary reads: “*The SBSTA and the SBI*

initiated their consideration of institutional arrangements of the Santiago Network [footnote 4, reference to decisions] and agreed to continue consideration of the matter at SB 57 (November 2022) taking into account the document prepared at this session [footnote 5, link to document]”.

The SNLD is a joint-agenda item of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the disagreements that surfaced in Bonn are expected to be resolved in SB 57, in Sharm-el-Sheikh, Egypt in November later this year.