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BONN CLIMATE NEWS UPDATE

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Developed countries chided over attempts to renegotiate climate treaties

Bonn, Kuala Lumpur, 19 June (Hilary Kung and Meena Raman) – The closing plenary of the Bonn climate talks of the 58th session of the UNFCCC's Subsidiary Bodies (SB58) held on June 15, saw statements by groupings of Parties providing their assessment of progress or lack of it.

There were strong reactions from developing country groupings led by the Group of 77 and China, that attempts continued by developed countries to renegotiate the Paris Agreement (PA), delete references to the UNFCCC and the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), and move away from their existing commitments especially on the delivery of the means of implementation to developing countries.

"We have seen at these SBs, continuous attempt from developed countries to renegotiate the existing binding climate regime and neglect the fundamental principles such as CBDR-RC and equity," said **Ambassador Pedro Pedroso of Cuba** on behalf of the **G77/China**, at the closing plenary. Other sub-groups of developing countries also reflected sharp remarks in the same vein.

The intersessional meeting of the SBs advanced work on some agenda items, with conclusions adopted in Bonn which will see negotiations continue further in Dubai, UAE, where decisions will be adopted at COP 28 and CMA 5 (the 5th session of the Conference of Parties to the Paris Agreement), scheduled to take place from November 30 until December 12 this year.

The SB58 meetings began on June 5, and concluded on June 15, with the provisional agendas of the respective bodies being adopted only on 14 June. The adoption of the agendas was deadlocked since the talks began, over the Mitigation Work Programme (MWP), divergences persisted between the European Union (EU) and the Like-minded Developing **Countries (LMDC)**. Discussions behind closed doors with Heads of Delegations (HODs) finally saw resolution, and the agendas were adopted, without the MWP agenda item, on the understanding that an informal note on the discussions will be produced by the SBs' Chairs under their own responsibility, and which will be reflected in the report of the SBs. (For background on this, see <u>TWN Update 9</u>)

At the closing plenary of the SBs which began around 7 pm of June 15, the Chair of the Subsidiary Body for Scientific and Technical Advice (SBSTA,) Harry Vreuls (Netherlands), and Chair of the Subsidiary Body on Implementation (SBI), Nabeel Munir (Pakistan), conducted the session jointly that



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Tel 60-4-2266728/2266159 Fax 60-4-2264505 E-mail twn@twnetwork.org Website https://twn.mv/ led to various decisions under the respective bodies being adopted, and this was followed by closing statements from groups of Parties.

The closing was delayed due to consultations on the conclusions on a few outstanding agenda items to reach consensus, including on the Global Goal on Adaptation, Research and Systematic Observation, the Santiago Network for Loss and Damage, the work programme on Just Transition Pathways, and the Forum on the Impact of the Implementation of Response Measures, that had been contentious. (Details on these items will be dealt with in forthcoming articles).

CLOSING PLENARY STATEMENTS

Cuba, speaking for the **G77 and China**, while acknowledging that there has been some progress made on specific areas said, "...we are still lacking the necessary ambition and compromise from the developed countries to make a balanced progress on all issues, particularly with regards to means of implementation and loss and damage."

The group expressed concerns over the matter of Research and Systematic Observation (RSO) where Parties were not able to reach a consensus on the call for urgent action, adding further that this is because the "developed country counterparts would rather have no call for action than acknowledge the role of equity, CBDR-RC and historical responsibility."

It also emphasized the need for technical and financial support to bridge the technology gaps in developing countries. On the way forward, Cuba called for an agenda item at CMA5 and COP 28 for Parties to discuss Article 10.5 of the PA, to facilitate the implementation of the Agreement's vision on technology cooperation and innovation.

On the Glasgow Sharm El Sheikh work programme on the Global Goal on Adaptation (GGA), the group said that while there was some progress, greater effort is needed for a substantive outcome that delivers on the urgent need for progress on adaptation action and support and to set the GGA roadmap beyond CMA5.

On the new work programme on Just Transition Pathways, Cuba reiterated its expectations of a

broad work programme to enhance international cooperation towards securing a transition to a low carbon and climate resilient future that is just, which contributes to reducing inequalities within and among countries. It also expressed serious concern about the growing impact of unilateral coercive measures on the capacity of developing countries to carry out their climate actions.

The G77 reiterated its expectation that "the Loss and Damage Fund (LDF) will provide new, additional, adequate, and predictable grant-based funding for ongoing and ex-post actions that developing countries have to take to address the impacts of slow onset and extreme events, including rehabilitation, recovery, reconstruction. We look forward to having, at COP 28, the LDF as a stand-alone operating entity of the Financial Mechanism of the Convention and its PA." On Response Measures, the G77/China expressed disappointment that "SB58 resulted in no outcome at this session on this very important agenda item. The midterm review of a workplan which was adopted in Madrid in 2019 was delayed for three consecutive sessions, and the mandate to agree on questions and scope of the review of the functions, work programme and modalities of the forum is being delayed at this session as well."

(The UNFCCC's Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) was established in Katowice, Poland, in December 2018 to support the work programme of the forum on the impact of the implementation of response measures (forum). Response measures. arising from the implementation of mitigation actions could have negative impacts, especially cross-border environmental, social and economic impacts such as the contentious Carbon Border Adjustment Mechanism [CBAM], proposed by the EU, which was brought up during the Bonn talks).

On the Global Stocktake (GST), the group said Parties had rich discussions on how the outcomes should be shaped, to enhance the implementation of the UNFCCC and the PA in a comprehensive manner.

Cuba also expressed regret over the fact that climate finance continues to be overlooked as a relevant agenda item during SB58, adding further that, "Despite the fact that the provision of climate finance is now recognized as widely insufficient, and the gap between the needs of developing countries and the support available is growing by the day" and "we have witnessed attempts to deviate existing obligations of developed countries through the twisted interpretation of Article 2.1(c) of the PA." (Article 2.1(c) of the PA relates to the making of finance flows consistent with a pathway to low greenhouse gas emissions and climate resilient development).

Bolivia on behalf of the LMDC expressed deep concern that the proposal for an agenda item on the mitigation finance, titled "Urgently scaling up financial support from developed countries in line with Article 4.5 (of the PA), to enable implementation for developing countries in this critical decade" was rejected by developed countries. "Mitigation ambition is contingent on the means of implementation and support from developed countries; it is an obligation and responsibility that our partners are backtracking from" said Bolivia, adding that this "is not a healthy signal".

The LMDC also expressed concerns over what it heard in the negotiating rooms of attempts by developed countries to renegotiate the existing legal treaties of the climate regime. It cited examples where developed countries suggested the following: "that (i) the Convention does not matter anymore; (ii) the PA does not recognize equity; (iii) there is no link between the Convention and the PA; and (iv) that CBDR is not a principle."

Bolivia said further that in relation to the issue of finance, for developed countries, it was all about Article 2,1(c) of the PA, and they seem to have forgotten that Article 9 (which makes it mandatory for developed countries to provide and mobilise finance) is still a part of the PA that they signed on to" adding that it was even suggested that "support to developing countries is not an obligation of developed countries."

It also stressed that according to developed countries, "outcomes from scenarios and modelled pathways (in the 6th Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) that restrict energy and income growth in

the global South are acceptable targets regardless of the severe trade-offs they cause" and "that Just Transition is a national issue, delinked from any means of implementation," and that developed countries were arguing on whether to allow the conduct of workshops or not under the Just Transition work programme. In relation to the GST, developed countries wanted "more forward looking elements than actually taking stock of gaps, including gaps in the pre-2020 period."

The LMDC also lamented that despite proposals by developed countries to introduce unilateral CBAMs in the name of climate change responses, they are unwilling to have real discussions on such measures under the Response Measures agenda item.

Bolivia asked "What kind of hypocrisy is this?", adding that "such measures violate international trade rules, as well as the principles of equity and the UNFCCC provisions, particularly Article 3(5) of the Convention."

The LMDC also called out "the contradictory stance of developed countries in the treatment of issues on adaptation and mitigation," adding that "On the one hand, in the GGA discussions, they (developed countries) resisted capturing the progress of work at this session,... signaling that it is premature to discuss substantive elements of the GGA framework (despite one and a half years of negotiations) and they do not see the work undertaken to date as 'progress'. On the other hand, they took the opposite approach by pushing for an agenda item on the MWP, where we have just started during this session (to hold) the first dialogue of two global dialogues mandated for this year."

The LMDC called on the incoming COP 28 Presidency and the SB Chairs to address these systemic issues because these will have a bearing on the success of COP 28. "We cannot talk about mitigation without any provision of finance as a legal responsibility under the Convention. We have to be able to talk and progress meaningfully on adaptation, loss and damage and means of implementation... We cannot talk about Article 2.1(c) in isolation; we have to talk about it in the context of Article 9 of the PA and Article 4.3 of the Convention," stressed Bolivia further.

While recognizing that addressing climate change requires global collective action, Bolivia said that "we do not live in an equal world" stressing that "this is why differentiation is important...The reality of developing countries is that we are trying to develop sustainably, making efforts to eradicate poverty, battling climate change and a thousand other crises, mostly with our own resources. But we did not create the problem of climate change. English is not our mother tongue, but even we understand the meaning of the word 'responsibility and compliance with obligations'. We cannot afford to ignore historical responsibility and shift the burden to developing countries, " emphasized Bolivia further.

For LMDC, operationalising CBDR and equity in the climate regime is about recognizing historical emissions, equitable distribution of the remaining carbon budget, developed countries paying their climate debt to the developing world, and that developing countries are able to meet their developmental requirements, highlighted Bolivia.

Zambia on behalf of the **African Group** registered its concern over the efforts of some Parties that were slowing discussions and reiterated that the PA is clear that developed countries should take the lead in the efforts to address climate change by enhancing their mitigation targets and provision on finance in line with Article 9. It said, "...promises need to be delivered to build trust and enhance our multilateral efforts."

On GGA, the Zambia pointed out that the slow pace of work meant that no progress was made on the target-setting, adding that it hopes the work done thus far, including the informal note (produced from the consultations), will form the basis of the discussions at CMA5 for the establishment of the framework on the GGA.

On finance, the African group expressed concerns "with the attempts of some developed country Parties to divert the obligations of delivering financial resources to support the implementation of climate action to a focus on identifying the nature of financial flows." The group warned that this is a shift from Articles 9.1, 9.3 and 9.5 of the PA which state the obligation of developed countries to provide support to developing countries.

South Africa on behalf of **the BASIC (Brazil, South Africa, India** and **China)** reiterated the need to recognise the broad scope and wide diversity of Just transition pathways, and the international and national dimensions, adding that "The focus must be on international cooperation to help ensure that the transitions are just and contribute to a better and more equal world."

On MWP, the group expressed its disappointment that "a great deal of time was wasted on attempts to alter the agreed mandate from Sharm el-Sheikh to secure an agenda item on mitigation," adding that the group was particularly concerned to see repeated attempts by some developed countries during this session to impose new interpretations of the PA to undermine the Convention.

Elaborating further, it called out the attempt of some developed countries across all relevant workstreams at the SB session, to try to elevate the status of Article 2.1(c) of the PA and lift it out of the context of the rest of the financial ecosystem. It said, "The effect of this would have been to divert attention from the non-delivery of financial commitments and to link existing financial flows with conditionality, policy prescriptions and commercial and other interests of only some Parties, to the detriment of others."

It also said it will continue to defend and promote a more progressive and inclusive vision of Article 2.1(c), where the UNFCCC sends signals to encourage financial flows, including all other aspects of finance, technology and capacity building, as well as for a fundamental transformation of the global financial architecture to make it fit-for-purpose to support sustainable development in developing countries.

Samoa on behalf of the Alliance of Small Island States (AOSIS) highlighted that the work on GGA must have a meaningful contribution at CMA5 in Dubai. Commenting on the Santiago Network on Loss and Damage (SNLD), (where Parties were unable to reach a consensus on recommending a host for the secretariat of the SNLD at this session), it emphasized the importance to make such an important decision based on merits, and called for this to be resolved as a matter of great urgency. Further, it also said that finance is what underpins

all actions in this regime but also noted that for the most part, Parties were limited to discussing finance in workshops and dialogues.

Commenting further, Samoa said that AOSIS cannot afford to make good on all fronts in implementing their commitments using their own limited resources, especially when those very resources are also being used to respond to extreme events and loss and damage associated with climate change. The group said it looks forward to making further progress on the New Collective Quantified Goal (NCQG) on finance to operationalise the special circumstances of small island states.

Senegal on behalf of the Least Developed Countries (LDCs) expressed concerns that the discussions in Bonn was not reflecting the urgency of the climate crisis. Reflecting on the inadequate progress made on SNLD, the group said the LDCs are determined to ensure that a host will be selected and a consultative committee will be in place so that the SNLD is operational as soon as possible. Commenting on the MWP, it hopes to continue the work and focus the implementation of their conditional nationally determined contributions (NDCs) and adaptation. On national adaptation plans (NAPs), it expressed regret that Parties only achieved a procedural decision in Bonn.

Venezuela for the Bolivarian Alliance for the Peoples of our America (ALBA) called out developed countries for continuing to avoid their responsibility to provide the US 100 billion dollars per year that they have promised in terms of climate finance, adding further that in this session, it is concerning that the developed countries even avoided talking about it (referring to the proposal by LMDC to include a new agenda item on urgently scaling up financial support).

Saudi Arabia on behalf of the **Arab Group** highlighted the importance of the KCI by insisting that the results of its work should be a foundation for any additional efforts in the area of mitigation and strengthen the capacity of countries to better deal with the consequences of climate change and mitigate the negative impacts.

Costa Rica for the **Independent Alliance of Latin**

America and Caribbean countries (AILAC) said it regrets not having MWP on the agenda and hoped this will be included in future sessions. On the NCQG, AILAC pointed out the need of having fresh, predictable and accessible resources for developing countries and this will inform the crucial conversation on financial flows which it said should be "broader and addressed separately". Brazil for Argentina, Brazil and Uruguay (ABU) also expressed its disappointment over the SNLD for not being able to come up with a decision to select a host after much deliberation.

Sweden on behalf of the **EU** highlighted the need to have a formal space to address mitigation and transformative actions at every SB session, given the urgency to achieve the 1.5- degree Celsius goal, and expressed regret that it was unable to have such a formal space at SB58. On climate finance, the EU said it recognises the importance of finance across the agenda and it stands by its finance commitment. It also said that the discussion on the Technical Expert Dialogues under the NCQG and ongoing discussion on the arrangements including a fund for loss and damage at SB58 constitute valuable inputs towards convergence at COP28.

The EU also alluded to its intention to have a work programme on Article 2.1(c) of the PA saying, that "financing the transition to net zero emission and climate resilient economies will require an increase in financing from all sources and it is therefore urgent to create a space to consider all relevant aspects for the alignment of all financial flows and define common ground to set up a work programme in this regard." The EU also said that it will continue working on the Just Transitions work programme focusing on just energy transitions to achieve the PA goals, leaving no one behind.

Australia for the Umbrella Group said that it welcomed the progress made on the indicative structure of the GST (decision) and expects the forward-looking elements to guide Parties to develop ambitious NDCs to keep 1.5 degree Celsius within reach. It reiterated that the GST should address all of the goals in PA, including aligning financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development. It expressed disappointment that the deliberation under the agenda item MWP was

blocked at this session, and that this was also the only agenda item for scaling up mitigation ambition and implementation. It looked forward to making up for the lost time at COP28 and the next SB session next year.

Switzerland for **Environmental Integrity Group (EIG)** said, "the GST has to deliver a clear call for the expansion of renewable energy hand in hand with a clear plan for urgent decarbonization, together with an acceleration of the investment needed to enable both to happen." It also highlighted that it has yet to see concrete follow-up to the call from Glasgow to phase down unabated coal and phase out inefficient fossil fuel subsidies. On the MWP, the EIG expressed concern that Parties were unable to formally launch the works towards a robust and substantive decision in Bonn. On finance, it welcomed both the launch of the Article 2.1(c) dialogues (to take place later this

year), and the Technical Expert Dialogue on the NCQG, and also expected that this year will be used to capture all options on a technical level so that Parties can set the new goal through a political process by COP29 at the end of 2024.

The EIG also highlighted nature-based solutions and alluded to its intention to strengthen the synergies between 'biodiversity' under the Convention on Biological Diversity (CBD), 'oceans' under the Intergovernmental Conference on Marine Biodiversity of Areas Beyond National Jurisdiction (BBNJ) and climate agreements.

(Further articles will follow).