

## TWN

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### BONN CLIMATE NEWS UPDATE

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# UNFCCC Subsidiary Bodies commence work after delayed start

June 18, Bonn (Radhika Chatterjee and Meena Raman): The 62<sup>nd</sup> sessions of the United Nations Framework Convention on Climate Change's (UNFCCC) Subsidiary Bodies (SBs) launched work late evening on Tuesday 17 June, in Bonn, Germany, after a delayed start, due to opposition from developed countries over the inclusion of two new agenda items proposed by the Group of 77 and China (G77 and China) to the provisional agendas of the Subsidiary **Body** for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

The two proposals were titled "Implementation of Article 9, paragraph 1, of the Paris Agreement" (PA) and "Promoting international cooperation and addressing the concerns with climate change related trade-restrictive unilateral measures." The proposal on implementation of Article 9.1 of the PA was proposed for inclusion in the SBI's supplementary provisional agenda, while the one for addressing concerns related to unilateral measures was proposed for addition to the agendas of both SBs. (Article 9.1 of the PA provides that "Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.")

These two agenda items were initially proposed by the **Like-Minded Developing Countries (LMDC)**, but after gathering the support of all developing countries, became proposals of the **G77 and China**. However, developed countries were opposed to the inclusion of these agenda items which delayed the proceedings from starting.

The SBI Chair Julia Gardiner (Australia) and SBSTA Chair Adonia Ayebare (Uganda) delayed convening the opening plenaries of the SBs to allow for intensive consultations among Parties which began already on Sunday, 15 June, a day ahead of the scheduled official talks which were initially expected to begin on Monday, 16 June.

The opening plenaries were convened late night of Monday at around 9.30 pm, with the hope that agreement among Parties would be secured despite compromises from the G77 and China but this proved elusive, as developed countries continued to resist the proposals, and the session was suspended to allow for more consultations the following day, Tuesday, 17 June. The COP 29 Presidency from Azerbaijan was invited by the SB Chairs to assist in finding a resolution to the impasse.



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After a series of extensive consultations, the supplementary provisional agendas of the SBI and SBSTA were adopted at around 5.30 pm on June 17, without the inclusion of the two agenda items but with certain understandings on how to proceed with them. (See details below.)

As a compromise on the proposal related to implementation of Article 9.1 of the PA, Parties agreed to the following: "The SBI and SBSTA Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB62 and report back on the outcomes of these consultations at SB63 (at the SBs next session in Belem, Brazil in November this year) for Parties consideration with a view to determining a way forward, including potentially as a standalone agenda item on this matter. This understanding will be reflected in the report of the session." It is to be noted that the adopted SBI agenda as appears on the website did not contain a footnote in respect of Article 9.1 of the PA.

On the issue of unilateral measures, Parties agreed with the G77 and China proposal to withdraw the agenda item on the understanding that "related issues will be discussed in relevant agenda items, including the just transition work programme (JTWP)." It was agreed that this understanding will be included as a footnote. The adopted agendas of the SBs carry the following footnote under the 'United Arab Emirates just transition work programme' - "Related issues will be discussed in relevant agenda items, including the just transition work programme."

### **EXTENSIVE AGENDA CONSULTATIONS**

According to sources, during the Heads of Delegations' (HODs) consultations convened on 15 June, the **G77 and China** was unanimous on wanting a smooth launch of work at SB62. The **Africa Group** supported the LMDC proposals, and other G77 sub-groups agreed on the importance of the two proposals. Sources also said that developed countries led by the **European Union** (EU), the **Umbrella Group** and the **Environment Integrity Group** (EIG) objected to the proposals by the LMDC.

As per sources, the G77 and China eventually presented a "package as a way forward". According to the package, the unilateral measures agenda would be withdrawn, and while adopting the agenda, the SB Chairs would read out the following: "On agenda item xx contained in document xxxx in supplementary agenda, Parties agreed to withdraw the agenda item on the understanding that related issues will be discussed in relevant agenda items, including the just transition work programme". The compromise proposal, which TWN received a copy of, further stated that "a footnote will be added in the agendas adopted on just transition linking back to the report of the meeting to the reflecting understanding." paragraph the Developed countries had already agreed to this package "in principle", sources shared with TWN.

On the agenda proposal on Article 9.1 of the PA, the G77 and China's proposal read, "It is the will of the G77 and China - representing the global south to adopt the supplementary provisional agenda with Article 9.1 on it. On the supplementary provisional agenda footnote on 9.1 item: This agenda item will be considered through substantive consultations held by the SBI and SBSTA chairs at SB62." [The compromise here was that instead of a contact group, the SBs would launch substantive consultations].

Following the agreement within G77 and China, further HODs consultations convened on  $16^{th}$  June, where sources said that developed countries rejected the compromise proposal offered by the G77 and China.

In an effort to launch work, the SB chairs convened the opening plenary late evening on June 16th. As soon as Parties were invited by the SBI Chair, Julia Gardiner. to consider the supplementary provisional agenda of the SBI, the EU said it could not accept the document with the inclusion of item on implementation of Article 9.1 "as is". It tabled a counter proposal and said paragraphs 1,2, and 3 of Article 9 of the PA should be included in the agenda instead of focusing only on Article 9.1. The EU also proposed the addition of a footnote to this item which would state that by having an extended discussion on finance on Articles 9.1, 9.2, and 9.3 of the PA "would allow us to streamline a number of finance agenda items such as the long-term finance agenda item."

Regarding the proposal on unilateral measures, the EU said, "in our understanding it should say 'may discuss' rather than 'will discuss'.

Following EU's statement, **Iraq**, speaking for **G77** and **China** read out its package as detailed above. This however was rejected by the EU which reiterated its counter proposal. Subsequently, Iraq requested the SB Chairs for time to consult with the G77 and China's sub-groups on the EU's counter proposal. However, the SB Chairs said that time had run out on the matter.

**Bolivia**, for **LMDC** said it could not support EU's counter-proposal on combining Article 9.1's implementation with Articles 9.2 and 9.3 of the PA because "it is mixing" different issues. It said Article 9.1 relates to the legal obligations of developed countries to provide financial support to developing countries. While Article 9.2 of the PA is a voluntary provision. It added Parties "cannot just integrate these discussions in just one agenda" and fully supported the perspectives of G77 and China, which it said was the result of much flexibility and discussions with the G77 and China. Regarding the EU's proposal on the unilateral measures, it said that it could not support shifting the word "will" with "may" as this completely changes "the perspective, diminishing the importance of the unilateral measures in the context of our discussions." It further expressed support for G77 and China's proposal on this issue.

**Saudi Arabia**, for the **Arab Group** aligned fully with G77 and China's proposal and said it could not support EU's proposal. It added "this suggestion was made in the consultations with the HODs" and that "they were explicitly not supported by several groups and Parties. We are surprised to see these proposals resurfacing now in the plenary."

Given the lack of consensus amongst parties, the SB chairs suspended the plenary.

On 17<sup>th</sup> June, sources informed TWN that the G77 and China offered a further compromise in the spirit of work being launched. The group offered to retain its proposal on unilateral measures but agreed to drop Article 9.1 from the agenda, but with consultations being launched on the issue. The following text is said to have been tested for agreement in confidence: "The SBI and SBSTA

Chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of Article 9.1 of the PA. The SBI and SBSTA Chairs will take stock of progress on these consultations at SB62 and report back on the outcomes of these consultations at SB63, for Parties' consideration with a view to determining a way forward, including potentially a standalone agenda item on this matter."

Sources revealed that developed countries continued to have a problem with the G77 and China's position on the issue of unilateral measures. Consultations convened throughout the day behind closed doors under the leadership of the COP 29 Presidency. One of the key disagreements was over the issue of unilateral measures with the word "may" as proposed by the EU, versus "will".

The opening plenary finally resumed on June 17th evening during which Yelchin Rafiyev, as a representative of COP29 Presidency, announced the agreement based on which the supplementary provisional agendas of SBI and SBSTA were adopted. Reading out the agreement reached by Parties, Rafiyev said on the agenda item regarding implementation of Article 9.1, a "footnote will be added to the SBI 62 agenda item 2a, adoption of the agenda, outlining the following understanding: The SBI and SBSTA Chairs will hold substantive consultations on article 9.1 of the PA to consider substantive elements regarding implementation of Article 9.1 of PA. The SBI and SBSTA chairs will take stock of progress on these consultations at SB62 and report back on the outcomes of these consultations at SB63 for Parties consideration with a view to determining a way forward, including potentially a standalone agenda item on this matter. This understanding will be reflected in the report of the session."

On the agenda item related to unilateral measures, Rafiyev said "on agenda item XX, contained in the supplementary agendas, Parties agreed to withdraw the agenda item on the understanding that related issues will be discussed in relevant agenda items, including the just transition work programme (JTWP). A footnote will be added in the agendas adopted on just transition linking back to the report of the meeting the paragraph reflecting

the understanding. Based on our consultation with the Parties, it was an understanding of the Parties that the way forward on agenda x contained in the supplementary provisional agenda in the doc xxx will continue to include discussion of issues outlined in decision 3/CMA.5 of (the) JTWP."

The SBI Chair, Julia Gardiner, finally announced the adoption of the supplementary provisional agenda of SBI without the inclusion of items related to implementation of Article 9.1 of the PA and unilateral measures. Similarly, the supplementary provisional agenda of SBSTA was adopted without the inclusion of item related to unilateral measures. She added, "Parties agreed to withdraw the agenda items with the understanding that related issues will be discussed in relevant agenda items, including the JTWP. Accordingly, a footnote will be added in the agendas adopted for just transition linking back to the report of the meeting to the paragraph reflecting this understanding. Text will read: related issues will be discussed in relevant agenda items, including the JTWP."

With regard to the withdrawn SBI agenda item related to implementation of Article 9.1, she said, "the SBI and SBSTA chairs will hold substantive consultations on Article 9.1 of the PA to consider substantive elements regarding the implementation of article 9.1 of the PA. The SBI and SBSTA chairs will take stock of progress on these consultations at SB62, and report back on these consultations at SB63, for Parties consideration with a view to determining the way forward including potentially a standalone agenda item on this matter."

The SB Chairs then invited Parties to adopt the respective agendas of the SBs and they were adopted according to applause.

Following the adoption of the agendas, several groups of countries made interventions.

#### SOME HIGHLIGHTS OF INTERVENTIONS

**Iraq** for the **G77** and **China**, said "Adopting the agenda is key for our group, and we appreciate the engagement of the efforts made to move forward. G77 and China is the largest group of members and the work is a token of unity, and hard work of 134 Parties that represent countries that are highly

vulnerable to climate change." It said it had "worked with extreme commitment to ensure through a lot of compromises to ensure that we would be able to move forward. As you are all aware, we had many hours of discussion today – and have worked with our partners with many compromises. We had two proposals at the start were submitted, and we have gone through many changes and we as G77 and China have made a lot of compromise, to ensure that we are all Parties are united."

It further added, "we will continue to stress the importance of addressing unilateral measures, it must not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. In a context when we are all doing efforts to increase our climate action, it is an issue of serious concern, the growing impact of unilateral economic coercive measures on the capacity and ability of developing countries to meet their obligations under the Convention and the PA. (The) G77 and China have been very flexible in discussing and engaging on the proposal on unilateral measures. In light of the and China's renewed and continued commitment to international cooperation and climate action, as well as the rising climate impacts affecting lives and livelihoods in the Global South. there is no space or time to hold on finance commitments and obligations and leave developing countries behind."

It said, "scaling up climate finance in accordance with the principles and provisions of the UNFCCC and PA forms the core of the priorities for the G77 and China, (and) this includes ensuring developing countries inclusively contribute to the work related to Baku to Belem Road Map and their voices are influential so as to ensure that the process leads to addressing the evolving needs and priorities of the developing countries."

It added further that "developed countries must significantly scale up the provision of climate finance and means of implementation to enable ambitious and urgent climate action at the scale and speed required. We must secure an outcome that enables the provision and mobilisation of finance for developing countries at the necessary scale and quality, while addressing the systemic dis-enablers of climate finance. This is why G77

and China is highlighting the great importance of article 9.1, and the importance of the proposed agenda item."

Bolivia, for LMDC, said, "we are extremely disappointed with the reluctance of developed countries to discuss their legal obligation to provide finance to developing countries. We proposed an agenda item for the implementation of Article 9.1 of the PA as well as on unilateral measures — which impact our countries negatively. Let us also be clear about the reason for the delay. We were ready to get to work on Monday. G77 came together — 134 developing countries, we made a proposal. But it was rejected. We came up with a counter proposal. Developed countries blocked this as well. All of today, we have been consulting behind closed doors on footnotes and verbal assurances. Our partners are not willing to discuss formally issues that impact developing countries. This is unacceptable." Elaborating further, it said "the finance conversation has been taken over with words such as "investments", "mobilization", "bankability", and the majority of the responsibility transferred to the private sector for whom developing countries have to create "enabling environments". This is contrary to the regime here and its principles. The fact that we are gathered here around the table today is a testament to our commitment to multilateralism and international cooperation. We are fully committed to both. It is 10 years of the PA, but it is 30+ years of the Convention. We have staved the and demonstrated tremendous commitment despite the challenges we face. Public finance from developed countries is a necessary condition for implementation of the Paris Agreement. But we cannot make progress by simply bypassing the roadblocks and the impediments to implementation. We have to address them meaningfully. This must be the starting point of the discussions. We have been denied the starting point. But rest assured, the LMDC will back to this item/these items at COP 30/CMA 7."

**India,** aligned with the statement made LMDC and said, "without enough affordable financial support, developing countries struggle to address the challenges posed by climate change. In this context, LMDC proposed an agenda item for the

implementation of Article 9.1 of the PA....However, we are extremely disappointed with the reluctance of developed countries to discuss their legal obligation to provide finance to developing countries. We are committed to the process and we were ready to get to work on first day itself. (But) we saw that it had been rejected. We worked very hard yesterday and today consulting behind closed doors. Our partners are not willing to discuss issues that impact developing countries. This is completely unacceptable. We don't understand how this process (not) engage in conversations on Article 9.1, without which climate actions of developing countries cannot be taken in scale, scope and speed. We are fully committed to multilateralism and international cooperation. It is 10 years of the PA, but it is 30+ years of the Convention. Still the most important provisions on enablers remains unaddressed. Public finance from developed countries is a necessary condition for implementation of the Paris Agreement. We have to address them effectively. India will come back with this item at COP 30/CMA 7."

**Saudi Arabia**, for the **Arab Group** aligned with the positions of G77 and China and LMDC. It also said the issue of unilateral measures was of "utmost importance" to it.

**Tanzania**, for the **African Group** also aligned with G77 and China and added that its agreement on the footnote on the agenda item related to implementation of Article 9.1 of the PA would not prevent any other Party from proposing this issue again for inclusion in future agendas.

The **EU** said "our goal since arriving here in Bonn is to get our work underway under the mandate of work programmes. It is hard to remain silent when our positions and our motivations are mischaracterized by our partners. This is a multilateral process in which the views of all Parties must be respected and when we don't agree, we work here together to reach compromises which allow us to move ahead. That is the spirit that EU and many other Parties have engaged in adopting this agenda."

Similar remarks were made by **Australia** for the **Umbrella Group** and **Switzerland** for the **Environmental Integrity Group**.