

## **Positive movement on finance vital for Paris Agreement implementation- say developing countries**

Bangkok, 7 Sept. 2018 (Perna Bomzan) – At a joint-stocktake session of the Bangkok climate talks held on Sept 6 to assess progress on the work to produce a negotiating text for guidelines to implement the Paris Agreement (PA), developing countries called for progress on matters related to finance.

The **G77 and China** expressed concerns over the reluctance of developed countries in making progress on the issues of finance. The **Like-minded Developing Countries (LMDC)**, expressing similar concerns, said that “without any positive movement on finance, positive movement elsewhere in the PA Work Programme will not be possible”.

The **African Group** also stressed that it was critical to address the issue of finance as this was needed for developing countries to raise their ambition and inform the preparations of their nationally determined contributions (NDCs) under the PA. (The PAWP refers to work being done to implement the PA).

The Ad Hoc Working Group on the Paris Agreement (APA) convened a stocktaking meeting on the progress of work achieved related to the PAWP. The APA stocktaking was followed by the informal joint stocktaking plenary of the UNFCCC’s Subsidiary Body for Implementation (SBI), the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the APA, which also heard feedback from Parties on the progress of work.

**Egypt** speaking on behalf of the **G77 and China** said “time is of the essence” since very little time available given the “complexities” and “Katowice (the venue in Poland where Parties will meet in Dec this year), will not provide enough negotiating time”. It said “balance in progress” and

“comparability” is very important given “substantive linkages” with a number of issues contingent on the outcome of other issues and further expressed concerns on “some reluctance seen particularly on finance”.

**Iran** for the **Like-minded Developing Countries (LMDC)** gave its assessment of the ongoing talks. On the issue of nationally determined contributions (NDCs), it said that “progress is being stalled by developed countries who continue to insist on moving away from the full and comprehensive scope of NDCs as agreed in Paris., and saying that NDCs are only about mitigation. This is contrary to the PA, especially Article 3, which defines the full scope for NDCs (which includes mitigation, adaptation and means of implementation)”. Additionally, the LMDC was also deeply concerned about continued attempts to do away with the principle of common but differentiated responsibility (CBDR) as the fundamental basis for shaping NDCs. “We cannot agree to these attempts at rewriting and renegotiating the Convention and the PA,” it added.

On the issue of adaptation communication, it noted some progress given the last iteration of the informal note. “However, it is important to work with similar approaches in the different sections of the informal note and keep working with the principle of not leaving any input behind. It is of utmost importance to develop guidance for adaptation communication as part of or in conjunction with the NDCs, given the gap on guidance in that regard, and given the nature of information needed in the NDCs”.

On the transparency framework, Iran stressed that “the process needs to be shifted in order to have Parties engage substantively into negotiations on

the structure of the modalities, procedures and guidelines (MPGs), so that we can clearly start identifying which MPGs apply for developing countries and which MPGs would apply for developed countries as a reflection of the flexibility to be accorded to them under the PA. Additionally, we need to wait for (negotiations) on NDCs to define what is to be accounted for while the transparency group will work on how to report the information defined.”

On the matter of the global stocktake (GST) to assess the collective progress on the long-term goals, it said that it is important to highlight that the inclusion of equity as the context in which the GST will take place is non-optional. “Equity must therefore be reflected in operational detail in the modalities for GST. It further stressed that “the outcome of the GST will inform Parties for their future climate actions and international cooperation in a manner that respects the nationally determined nature of the NDCs”.

On the compliance mechanism, it said that there is a need to have a clear section on ‘scope’ in order to be sure that the mechanism will be effective in facilitating and enhancing the implementation by Parties, on the basis of CBDR, their respective commitments under the PA.

On setting the new global goal on finance, Iran lamented that there is a same lack of willingness on the part of developed countries to engage at any level on the issue. “It is truly a shame that we cannot even have agreement that this setting up of a goal on finance is the product of a process or that this process will in any way consider the needs and priorities of developing countries.” The LMDC urged the APA Co-chairs “to guide us towards these discussions and consult with Parties on the way forward”.

On the issue of the public registries for NDCs and adaptation being discussed under the SBI, Iran reiterated its long-standing request for having a joint consultation (on the matter, given that the two issues are closely linked. It seems that a joint-consultations will be conducted Friday, 7 Sept.)

On the identification of information to be provided by Parties in accordance with Article 9.5 of the PA which is being discussed by the SBI, Iran noted that while this discussion is straightforward, it is not organized in a vacuum and it has clear linkages with the discussions on (the issue of the ‘modality’ for such communication taking place) under the APA. It expressed the wish to see both

discussions advance at the same pace, for “otherwise, neither can receive the information it needs to proceed”.

Iran concluded that “it is clear without any positive movement on finance, positive movement elsewhere in the PAWP will not be possible”.

**Gabon** for the **African Group** welcomed progress on the issue of adaptation communication but said that focus on linkages with the GST needed to be emphasized. On the GST, it said that it is important to organise common elements in a forward looking perspective and on the compliance mechanism, the was need to understand the ‘scope’ of the mechanism. On post-2020 arrangements on finance, it underscored that this is critical to “raise ambition and inform NDCs preparations”. Gabon stressed that the “draft legal text” needs to be completed in Bangkok as there will be not enough time at the UNFCCC’s 24<sup>th</sup> meeting of the Conference of Parties (COP24).

**Ethiopia** for the **Least Developed Countries (LDCs)** said that there has been genuine progress on lot of issues “but still a lot to do”. It urged to keep the “positive momentum” going towards a draft negotiating text by the end of the Bangkok session and supported for “more progress on finance” in agreement with the G77.

**Maldives** for the **Alliance of Small Island States (AOSIS)** said that the level of progress remains “hopeful” and it has enabled to identify “landing zones”. It reiterated the importance of “comparable progress” and recognised the “pros and cons of omnibus and separate decisions”, reminding Parties that “all issues are treated equally in order to operationalise the PA”.

**Saudi Arabia** for the **Arab Group** stressed on the “need to make comparable progress” across all PAWP agenda items and emphasized that progress should be made in a “fair and balanced” manner. It said a “country-driven process” was very important and that it should remain so”.

**Colombia** for the **Independent Alliance of Latin America and the Caribbean (AILAC)** said there was need to address the “structural linkages” that exist in the Paris architecture, adding that in order to deliver on the objective to provide a clear textual basis, there is the need to develop clear structural format in terms of decision elements and appropriate annexes.

**India** gave its collective assessment and underscored that Article 9.5 remains one of the most critical and powerful tools for implementing the PA by developing countries. “It speaks of an obligation (by developed countries) to communicate biennial specific information on the provision of financial resources to developing countries, said India. “The issue of new and additional finance, predictability, needs and priorities of recipient countries and importance of public finance and grants are some of the important parameters of quantitative information and qualitative information that we are demanding,” it added.

“We have heard that finance flows are on track. However, regressive financial flows apparent in the important designated climate funds make us hard to believe that the claim on finance flows are on track at all. Also how much of the claim entails the new and additional component is debatable,” said India further.

On the new global goal on finance, it was of the view that Parties should come up with a goal before 2023 to feed into the GST process. India also stressed the importance of issues Article 9.7 as it mentions that developed countries shall provide transparent and consistent information on support for developing country parties provided and mobilized through public interventions biennially. “Climate change finance flows need to be precisely measured flows, meaning, disbursed funds crossing borders. Not promises, pledges, or multi-year commitments about promised sums in the future. It has to be actual disbursements”, said India further.

It reiterated that “it is essential to see progress on the entire PAWP” and also stressed the need for “coherence and harmony of the various decisions under all the bodies has to be maintained. We do need to ensure that the process remains Party driven and Party owned as we move forward”.

**Australia** for the **Umbrella Group (UG)** said that the outcomes of the session should be swiftly turned to the draft decision text. It looked to the “Co-chairs to guide us” and wanted to see a “comprehensive outcome”. On the critical issue of Article 9.5, it stressed that the “modalities for identifying ex-ante information is beyond the mandate of the PA”.

The **European Union** underlined the need to reach text that is “mature” as possible and how to capture the text in a “coherent manner”. It said

that it doesn’t see any immediate need for a ‘heads of delegations setting’ and relied on the presiding officers and co-facilitators to ensure consistency across PAWP items.

**Switzerland** for the **Environmental Integrity Group** said that the next step remains of the challenge to capture positive progress and it hoped to leave Bangkok with a good text reflecting in a clear manner with options that can be translated “legally into a draft text”. It expressed support to “mandate” the Co-chairs to develop such a draft text.

In her opening remarks at the APA stocktake session, Co-chair **Sara Baashan (Saudi Arabia)** informed that there has been “good progress” made across the board and a “stable footing” for agreed basis for negotiations at COP 24 in Katowice. She said that the stocktaking provides an opportunity to “collectively assess” progress and receive an overarching view on all agenda items by hearing back from the co-facilitators on “individual” items and how to move forward for the remaining time in Bangkok.

All six co-facilitators handling the issues under the APA, reported that the respective “additional tools” have been “good basis” to advance work in the informal consultations as well as in “informal-informal” settings, by clarifying and streamlining options to reach “areas of convergence”.

**Baashan** stressed that the “near final iterations” of the revised tools need to be produced by the night of 8 Sept. since the session will close in the afternoon of 9 Sept.

At the joint stocktaking session with the SBI and SBSTA, **SBI Chair Emmanuel Dlamini (Swaziland)** said that he was informed that work has been progressing well and in particular, in relation to the public registries, consultations have been completed on the long-standing request by some Parties on a joint meeting.

**SBSTA Chair Paul Watkinson (France)** insisted on the need to “accelerate” work particularly in “reducing options” and achieve “comparable progress” for the required transition to the draft negotiating text by the end of the week.

**APA Co-chair Tyndall** underlined the need for “tight coordination for comparable progress” in a “balanced and coherent manner” and to give effect to this, “we will take harmonised and coordinated approach” for adopting the procedural conclusions across all three bodies. She further

said that consultations will be held with the heads of delegations on 8 Sept. to discuss draft conclusions in order to adopt conclusions of this session in the afternoon of 9 Sept.