

UNFCCC Subsidiary Bodies meet in virtual format

31 May, Penang, (Meena Raman): The first sessional meetings of the Subsidiary Bodies (SBs) under the UN Framework Convention on Climate Change (UNFCCC) will take place in a virtual format from 31 May to 17 June 2021.

The 52nd sessions of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) were supposed to take place in Bonn, Germany last year, but were postponed due to the COVID-19 pandemic.

The virtual SB sessions are being convened informally and no decisions are expected to be taken, or conclusions adopted, according to a note on the modalities for the sessions issued by Marianne Karlsen (Norway), who is Chair of the SBI and Tosi Mpanu Mpanu (Democratic Republic of Congo), who is Chair of SBSTA.

According to the note, decisions or conclusions are expected to be only adopted at the next in-person session of the SBs, expected to take place later this year, in conjunction with the 26th meeting of the UNFCCC's Conference of Parties (COP 26) in Glasgow, United Kingdom.

The note by the SB Chairs states further that the draft provisional agendas (DPAs) for both bodies, which were issued earlier this year, contain the mandates from 2020 and 2021, and will not be formally adopted at the current session, but will be adopted at the next in-person session of the SBs. The DPAs will, however, guide the work of the SBs.

Progress made during the virtual sessions will be captured in informal documents to be prepared under the authority of the SB Chairs. The

informal documents produced will be made available on the SBSTA and SBI session web pages. The SB Chairs will be assisted by facilitators who will undertake the various informal consultations.

Developing countries can be expected to raise concerns about conducting negotiations in a virtual format, given the challenges they face over connectivity and technology issues, and difficulties in coordinating among members of their respective groupings who are from various time zones, in addition to interpretation problems.

Also of key concern will be whether the views of Parties will be captured accurately and will reflect all views in a balanced way in the informal notes and outcome documents to be prepared under the responsibility of the SB Co-chairs.

Among the important and difficult issues to be resolved revolve around Article 6 of the Paris Agreement (PA) on 'cooperative approaches, common tables/formats for the Enhanced Transparency Framework (ETF), Common time-frames for nationally determined contributions (NDCs), the fourth review of the Adaptation Fund, the Response Measures Forum, the Second Periodic Review and inputs to the Global Stocktake.

COP 25 held in Madrid in 2019 was also loosely referred to by some delegates as a COP of 'Rule 16', referring to the UNFCCC Rules of Procedure, where if an item on the agenda of a session's consideration has not been completed at the session, it shall be included automatically in the agenda of the next session.

Rule 16 was applied to several important agenda items that included the items on Common time frames for NDCs and the ETF, which relate to the implementation of the PA and signal the lack of consensus in arriving at conclusions or decisions that could be adopted.

Article 6

In Madrid at the last COP 25 in 2019, negotiations on Article 6 of the PA were embroiled in many difficult and contentious issues, making the path to reaching an outcome agreeable to all Parties a rather challenging task.

Article 6 generally deals with what is known as ‘cooperative approaches’ among Parties, which includes the use of market and non-market mechanisms in the implementation of their (NDCs). Parties had initially agreed that rules for the implementation of the mechanisms would be adopted in 2018 in Poland. However, negotiations in this regard had proved difficult then and continued to be so in Madrid, with Parties having different understandings of how the mechanisms are to be implemented.

Despite protracted negotiations in Madrid that included ministerial led consultations, Parties were nowhere closer in resolving the issues, which included the following:

- adaptation financing in the context of the cooperation under Article 6;
- accounting aspects;
- issues relating to metrics;
- use of the approaches for other international mitigation purposes (apart from the purpose of achieving a Party’s NDC);
- transition of activities under the Kyoto Protocol (such as the emission reduction credits from the Clean Development Mechanism [CDM]);
- delivering on the overall mitigation in global emissions; and
- the governance of the framework for non-market approaches

Article 6.2

Article 6.2 allows Parties to engage “on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes (ITMOs)” towards their NDCs, that promote sustainable development,

ensure environmental integrity, transparency and avoid double counting.

The foremost contentious issue was the definition of ITMOs and whether the mitigation outcomes to be transferred can be measured in metrics other than the metric tonnes of carbon dioxide equivalent (tCO₂eq), which are consistent with the NDCs of the participating Parties.

In Madrid, developed countries (but not including Japan) and the Alliance of Small Island States (AOSIS), were opposed to having any other metrics other than tCO₂eq, while some developing countries such as the Like-Minded Developing Countries (LMDC), the Arab Group, India, and South Korea were in support for the use of other metrics as well.

The other key issue was over the application of corresponding adjustments to emission reductions and removals from sectors and greenhouse gases not covered by the NDCs.

While developed countries and the Independent Alliance of the Latin America and Caribbean (AILAC) supported this proposal, some developing countries such as the LMDC, the Arab Group, Brazil, India and China were opposed to it.

It is important to note that the decision adopted in Paris in 2015 requested the SBSTA to develop and recommend guidance as regards Article 6.2 “to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties for both ..emissions by sources and removals by sinks covered by their NDCs” Also noteworthy is the fact that Article 6.2 does not make any reference to the use of ITMOs for other purposes other than towards a Party’s NDC.

A further matter related to the issue of overall mitigation in global emissions with the AOSIS as the key proponent of this, while developed countries were against it. The PA in relation to the Article 6.4 mechanism makes clear that the mechanism shall aim “to deliver an overall mitigation in global emissions”, whereas Article 6.2 does not make this explicit, thus raising the problem over this issue.

One of the most contentious issues in relation to Article 6.2 was over the share of proceeds (SOPs)

to be levied on the ITMOs to assist developing countries to meet the costs of adaptation and which will contribute to the Adaptation Fund. In the PA, Article 6.7 makes clear of this in relation to the Article 6.4 mechanism but is silent on this in relation to Article 6.2.

Developing countries such as the Africa Group, the LMDC, and AOSIS, were proponents of proposals for the SOPS to also apply to Article 6.2 to ensure a balanced treatment between both approaches (under Articles 6.2 and 6.4), while developed countries were all against it, especially the United States (US).

Article 6.4

Under Article 6.4, another mechanism has been agreed to in order to “contribute to the mitigation of greenhouse gas emissions and support sustainable development.” Some Parties see this as an expansion of the CDM under the Kyoto Protocol (KP).

A major issue with divergent views was in relation to the transition from the KP as regards the transfer of pre-2020 credits from the CDM into the Article 6.4 mechanism.

Most developed countries and some sub-groups of developing countries such as the AOSIS, Africa Group and AILAC were opposed to this transfer, with countries like India in favour of this.

The issue of corresponding adjustments to avoid double counting was another sticky issue in relation to the Article 6.4 mechanism, with many developed and developing countries supporting its application to both this Article 6.4 and to Article 6.2. However, the LMDC (including India) and Brazil were not in favour of this.

Article 6.8

Article 6.8 of the PA deals with non-market approaches and states that “Parties recognise the importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their NDCs... including through, *inter alia*, mitigation, adaptation, finance, technology transfer and capacity-building, as appropriate...”.

The governance of the framework was the key contentious issue and relates to whether or not to have a “permanent” institutional arrangement to implement the framework and the work programme.

Developed countries were opposed to having a “new” permanent governance arrangement, while developing countries were proponents of some new arrangements, such as that of a “forum” or a “taskforce” under the SBSTA.

In Madrid, Parties could not find agreement on many issues and managed to only adopt a procedural decision under the CMA, that requested the SBSTA to continue the consideration and adoption by the CMA of decisions next year, “on the basis of draft decision texts” which were prepared by the COP 25 Presidency in Madrid, while “recognising that these draft texts do not represent a consensus among Parties”.

Hence, the ball is now at the feet of the current SBSTA session, to see if issues can be resolved, in time for COP 26 on the Article 6 issues.

In the scenario note by the SBSTA Chair, it is stated that a series of short technical expert dialogues, particularly on unresolved issues, was launched in April this year. Further expert dialogues have been planned under the current SBSTA session on the topic of ensuring rapid operationalisation of the Article 6 provisions.

Enhanced Transparency Framework (ETF)

Parties are currently discussing on finalising the common reporting tables and common tabular format to facilitate the submission of the biennial transparency reports by 2024. This matter is being handled by SBSTA, and according to the Chair’s scenario note, an informal technical workshop was held in early May on this. The Chair has proposed that Parties use the current session to identify outstanding issues that need to be resolved to finalise the reporting tables.

For developing countries, the issue has been on how to operationalise the flexibilities accorded to developing countries as agreed to in Poland in the use of the common tables/formats. According to developing countries who spoke to TWN, the

technical workshops that have been organised in a virtual setting have not been conducive in resolving issues which are highly technical in relation to the reporting tables.

Whether the current informal consultations will help resolve these technical issues remains to be seen.

Common Time Frames for NDCs

Under Article 4(10) of the PA, Parties agreed to consider common time frames for NDCs and at COP 24 in Poland, they agreed that common time frames would apply for the NDCs to be implemented from 2031 onwards. Discussions have been going on in the SBI sessions but reaching consensus has not been possible.

According to the scenario note, the SBI Chair intends to share a note prepared under her own authority that will preserve all options proposed by Parties for their consideration at the current session.

The issue here is whether to have only a five-year time frame for the NDCs for all or if Parties can also have the option of a ten-year time frame, as is the case in the first NDCs of Parties.

Fourth Review of the Adaptation Fund (AF)

An important issue especially for developing countries relates to the fourth review of the AF. This matter is under the SBI, and the Chair intends to share a note prior to the session under her own authority, which will preserve all proposals made by Parties to the terms of reference for the review of the AF. It can be expected that developing countries, among other issues, will want to include discussions on whether the scale of resources of the Fund commensurate with the scale of the needs of developing countries in adaptation, and for enhancing the direct access modality of the AF, which has been viewed as a good modality to access resources.

Scope of the 2nd periodic review under the Convention

On the scope of the second periodic review, in the decision adopted in Madrid, Parties agreed that it should be “in accordance with the relevant principles and provisions of the Convention and on the basis of the best available science: (a) Enhance Parties’ understanding of: (i) The long-term global goal and scenarios towards achieving it in the light of the ultimate objective of the Convention; (ii) Progress made in relation to addressing information and knowledge gaps, including with regard to scenarios to achieve the long-term global goal and the range of associated impacts, since the completion of the 2013–2015 review; (iii) Challenges and opportunities for achieving the long-term global goal with a view to ensuring the effective implementation of the Convention; and (b) Assess the overall aggregated effect of the steps taken by Parties in order to achieve the long-term global goal in the light of the ultimate objective of the Convention.”

Parties had also agreed that “the outcome of the second periodic review will not result in an alteration or redefinition of the long-term global goal stated in decision 10/CP.21” (which refers to “the goal is to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels).

COP 25 also decided that the review start in the second half of 2020 and conclude in 2022, with the structured expert dialogue (SED) under the review to be held in conjunction with the SB sessions. The first session of the SED took place during the ‘Climate Dialogues’ held last year, and the next session of the SED will be held at the current SB session. Due to the postponement of the SB sessions last year, the contact group to consider the second periodic review has not yet been convened.

Developing countries have been insisting on a review of the overall progress and implementation of actions of Parties in the pre-2020 period under the Convention and the Kyoto Protocol, while developed countries have been opposing the need for such a review, arguing that

the ‘Global Stocktake’ (GST) that will take place in 2023 to assess the collective progress of Parties in achieving the purpose of the PA and its long-term goals is sufficient.

At the current SBSTA session, there will also be discussions on the sources of inputs for the GST, in order for the information collection and preparation to enable the stocktake in 2023.

Forum on Response Measures

The impacts of implementation of response measures is understood as the effects arising from the implementation of mitigation policies and actions taken by Parties under the Convention, the KP and the PA, and how these mitigation policies/actions could have impacts on countries, particularly developing countries, including cross-border impacts. COP 17 (in 2011) established a forum on the impact of the implementation of response measures (RM forum).

Decisions were adopted in Poland in 2018 to relaunch the work of the RM forum on the impact of the implementation on response measures. The decisions identified four areas for the work programme viz. (a) economic diversification and transformation; (b) just transition of the workforce and the creation of decent work and quality jobs; (c) assessing and analysing the impacts of the implementation of response measures and; (d) facilitating the development of tools and methodologies to assess the impacts of the implementation of response measures. The decisions also provided for the creation of the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) to support the work programme of the forum.

The RM forum is implementing its six-year workplan and its KCI. The implementation of the work by the forum is linked to progress by the KCI. The KCI has implemented two of the four activities mandated for 2020, with the remaining two activities held in May and June this year, including in conjunction with the current SB session.

The Chairs of the SB have requested Parties to engage in informal consultations to provide any further guidance to the KCI and the RM forum on advancing the workplan and to implement activities in line with the mandates.