

## UNFCCC Subsidiary Bodies launch work

Penang, 1 June (Evelyn Teh) – The first sessional meetings for this year of the Subsidiary Bodies (SBs) under the UN Framework Convention on Climate Change (UNFCCC) kicked off yesterday on the 31<sup>st</sup> of May, in a virtual format. The SB sessions will end on 17 June.

Due to the postponement of the previous sessions of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) that were supposed to take place in Bonn, Germany in 2020, Parties are meeting in an unprecedented format of virtual meetings this year, based on the draft provisional agendas of the SBs. The draft provisional agendas will be adopted when Parties meet at in-person meetings to be held in conjunction with the 26<sup>th</sup> meeting of the UNFCCC's Conference of Parties (COP 26), expected to take place in Glasgow, United Kingdom, later this year.

The SB sessions are being convened informally, and no decisions are expected to be taken, or conclusions adopted according to **Marianne Karlsen (Norway)**, who is Chair of the SBI and **Tosi Mpanu Mpanu (Democratic Republic of Congo)**, who is Chair of SBSTA. The Chairs launched the work of the SBs guided by their respective draft provisional agendas.

The SB Chairs mentioned that due to the constraints of working remotely, and the limited time allocated for the informal work each day, some of the issues on the agenda will be addressed in the sessional period later this year. Several developing country groupings expressed their concerns over this. (See further details below).

The Chairs also stated that some groups and Parties had expressed the view that as long as there was consensus among all, Parties may decide to take decisions relating to process matters such as the adoption of the agenda. The Chairs also conveyed that there were other groups and Parties who were not in favour of this approach.

At the joint-plenary session to hear statements from groups of Parties to outline their priorities for the session, it soon became evident that some groups were encountering connection issues which foreshadows the challenges expected to arise throughout the 3-week virtual informal sessions. Due to these delays, the order in the list of the interventions was based on Parties that could take the floor without issues, while waiting for other Parties to sort out their connectivity issues.

The **Republic of Guinea** speaking on behalf of the **Group of 77 and China** noted that the virtual format posed challenges to negotiations and decision making in a consensus-based, inclusive, and transparent Party driven process. It added that the urgency of work as Parties in the UNFCCC required innovative solutions.

It said further that Parties are at a critical juncture at which whatever we commit to, will mark our collective success or failure in delivering on our common objective of holding global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C consistent with the priority needs as developing countries in the context of sustainable development and efforts to eradicate poverty.

It called on systems under the UNFCCC to ensure that Parties are able to deliver on ambitious action on mitigation, adaptation, and the provision of the means of implementation, consistent with climate justice and principles of equity and common but differentiated responsibilities and respective capabilities (CBDRRC) as provided for in the UNFCCC, the Kyoto Protocol and Paris Agreement.

Guinea highlighted that there has been a deficit in ambition and called on developed countries in particular, to very quickly correct this and added that pre-2020 action and commitments were unquestionably inadequate and that developed countries have also failed to provide adequate financing for climate action in developing countries. It said that the financial obligations and commitments to provide finance by developed countries under the Convention and Paris Agreement must be fully implemented, including the mobilization goal of USD 100 billion annually by 2020 and for the next 5 years until 2025.

The Group called for the launch of negotiations on a new post-2025 collective quantified goal on finance from a floor of USD 100 billion that must be initiated as a matter of urgency, learning from the lessons of the pre-2020 commitment and the needs of developing countries. It also said that the provision and mobilization of climate finance must be done in an accountable, adequate, and transparent manner and based on a climate finance definition and common accounting modality.

It also said that climate finance must be new, additional, adequate and predictable, commensurate to the urgent and pressing needs of the developing world. Additional support from developed countries is also needed for developing countries to be able to swiftly recover the impacts of the COVID-19 pandemic in a manner which is both sustainable, equitable, and climate-compatible.

It reiterated the importance of maintaining eligibility of all developing countries for climate financial support from the operating entities of the financial mechanism of the Convention, and

there should not be any conditionality to limit developing countries' eligibility to receive funding support.

The G77 also said that adaptation is a great priority for developing countries and must be treated in a balanced manner with mitigation and called for scaled-up adaptation financing, including from Article 6 (of the Paris Agreement) mechanisms.

It also expressed concerns that finance and adaptation issues have not been given their due time and space for discussion in the agendas.

The Group also said that many regions of the world are already experiencing loss and damage and stressed the need for continuing discussions and deliverables on tackling action and support for loss and damage. It said that the operationalization of the Santiago Network (related to loss and damage) is also necessary for developing countries to have increased access to technical support to address loss and damage. It flagged the need for a decision for the full operationalization of the Network, and that it would be necessary to give to this issue appropriate time and space for discussion in the agenda of the SBs.

On the transparency framework under the Paris Agreement, the G77 said that if Parties are to report at a higher standard of transparency, it must be ensured that developing countries have access to adequate and timely support, including in having an effective Consultative Group of Experts (CGE) with their new terms of reference as soon as possible. It also said that transparency is a heavily technical and politically sensitive issue, and it will be challenging for the Group to engage on the technical details virtually.

The Group took note of the SB Chairs' intention to informally capture progress in the form of informal written outputs on their own responsibility and stressed that these should reflect all views, inputs, and positions by Parties in a transparent and inclusive manner, given the current virtual mode of work. It also reiterated that such outputs have no formal status, are prepared under the responsibility of the Chairs, and do not prejudice any eventual outcomes.

**Bolivia** on behalf of **Like-Minded Developing Countries (LMDC)** said that despite the assistance provided by the UNFCCC Secretariat in overcoming some of the technical issues, many of its member groups will continue to face immense challenges due to issues of connectivity and technological handicaps and called for the exercise of extreme caution and sensitivity on how these informal consultations are conducted.

It said that the outcome documents produced by the co-facilitators and the SB Chairs must contain the balanced views of all Parties and should refrain from containing any conclusions. It also added that groups and Parties should be allowed to reflect on the notes produced out of these informal consultations and be given the opportunity for feedback. The LMDC called on the SB Chairs to ensure close oversight and control over the co-facilitators in conducting their work, so that this remains a party-driven process.

The LMDC also said that many developing countries continued to face very challenging and difficult times in dealing with the COVID-19 pandemic and that with the lack of adequate vaccines and the emergence of new strains, health systems are in grave crisis and stretched to the limits. It also added that countries also facing grave challenges in having to undertake stricter health restrictions which are impacting losses to their economies, with rising unemployment, poverty and indebtedness in many developing countries.

Despite these extraordinary circumstances, the LMDC said that it was committed to implementing the climate actions that were to be undertaken under the nationally-determined contributions (NDCs). It said further that increasing the level of ambition in many of the member countries has to be commensurate with increased ambition on the means of implementation from developed countries, in line with respect for the principles of equity and CBDRRC.

The LMDC also noted that many of the items of importance to developing countries such as finance, adaptation and loss and damage had been relegated to future SB sessions said that the imbalance must be rectified in the future sessions.

On the transparency framework, it stated that the issues were very technical and made it difficult to discuss matters in a virtual format.

The **Republic of Gabon**, speaking for the **Africa Group** said that the continent is under severe pressure now more than ever due to climate change, environmental challenges and the devastating setbacks to sustainable development brought about by the COVID 19 pandemic. It said that they are facing a multi-faceted crisis that is gravely impacting the already overstretched capacity and unsustainable levels of debt.

Gabon said that physical meetings are the only way to achieve concrete outcomes and that virtual formats are challenging, not only because of the technical problems of connection but, more importantly, to ensure facilitated discussion. It wanted the informal consultations and working arrangements to be inclusive and transparent, with all views, inputs and concerns taken into account.

The Group also expressed concerns with the proposal to defer agenda items on reports of the Adaptation Committee, Executive Committee on Loss and Damage and development and transfer of technology to later sessions of the SB. It said that it would not accept these key issues being left behind.

On transparency issues, it said that developing countries would be expected to report biennially starting in 2024. However, it will be a daunting task implementing the enhanced transparency framework without the required support in place, added Gabon. It called for a full and clearly defined support package, which includes capacity building and financial support for reporting.

On the common time frames for NDCs, the Group supports a 5-year time frame, with the view of avoiding lock-in of low ambition.

**India** on behalf of **Brazil, South Africa, India and China (BASIC)**, stated that further work is still needed on Article 6 of the Paris Agreement, launching the operationalization of the Global Goal on Adaptation, and achieving progress on climate finance. The long-pending issue of Article 6 needs constructive engagement from Parties to resolve the matters including equal treatment of

the share of proceeds and overall mitigation of global emissions under Articles 6.2 and Article 6.4.

India said that the rules and governance structures for cooperative approaches under Article 6.2 should be multilaterally agreed and applicable to all Parties and should ensure that all transactions are based on actual mitigation efforts, consistent with Article 2 of the Paris Agreement. A robust accounting system should be put in place, which should have the flexibility to accommodate different types of NDCs and a central log to register all transactions.

It stressed that the design of the mechanism under Article 6.4 should be conducive to public and private sector involvement and avoid the creation of unnecessary obstacles to investment, provided that environmental integrity is ensured. Under no circumstances is the nationally determined nature of commitments and the bottom-up hybrid character is to be changed, it added further.

The BASIC also stated that is important to secure progress on adaptation, including securing predictable and at-scale sources of financing and the recognition of adaptation efforts by developing countries. The negotiating track on adaptation, within the SBs should provide guidance for the operationalization of the global goal on adaptation. In view of this, the developed countries must honour their obligations under the Convention and its Paris Agreement to provide support to developing countries and should further present a clear roadmap on their continued existing obligations to mobilize USD 100 billion per year from 2021 to 2025. The UNFCCC should set a new collective quantified goal as soon as possible, from a floor of USD 100 billion per year, as agreed in Paris, and significantly publicly funded with greater transparency.

As for the transparency framework, the BASIC emphasized the importance of the Consultative Group of Experts (CGE) as well as providing financial and technical support for developing countries and expressed their concerns on the little progress made on these two agenda items.

It also looked forward to more ambitious outcomes on efforts to bridge the gaps in pre-2020

commitments as well as post-2020 support for means of implementation, including long term finance and technology development and transfer.

**Saudi Arabia** on behalf of the **Arab Group** highlighted several challenges posed by virtual meetings given the lack of necessary technical infrastructure for such virtual meetings. This therefore posed a significant constraint to effective participation and stressed the importance of recording virtual meetings so that all Parties can have access to the work accomplished. It also said that the work in this virtual mode was on an exceptional basis due to pandemic and must be avoided in the future term.

It also noted the need to deal with all outputs of the consultations in an exhaustive and balanced manner while underscoring that these will not be the basis for taking decisions given their informal status.

The Group also highlighted the importance of ensuring the implementation of the six-year work plan of the response measures forum and its Katowice Committee of Experts. It also highlighted the technical nature of the transparency framework and said that it would be a challenge to discuss this comprehensively in a virtual setting.

**Bhutan** on behalf of the **Least Developed Countries (LDC)** said that on transparency, it looked forward to finishing the common tables and formats to implement the framework. On finance, it said a clear process is needed to assess real achievement on the mobilization of the USD100 billion per year goal by 2020.

Bhutan expressed concerns over the postponement of issues relating to adaptation, loss and damage, and gender. It also highlighted that based on the UNFCCC secretariat's NDCs Synthesis Report, the level of commitments expressed were extremely inadequate to limit warming to 1.5°C and expected to see commitments by all countries to strengthen their 2030 targets by presenting a more ambitious target by COP26. It urged countries to come forward with long term low greenhouse gas (GHG) development strategies that map the path

towards net zero world by 2050.

**Antigua & Barbuda** on behalf of the **Alliance of Small Island States (AOSIS)**, said that there is a need to move on to full implementation mode and complete the Paris Agreement Work Programme this year. On the issue of mitigation, it wanted an opportunity to consider the NDCs Synthesis Report. The emissions gap needs to be captured to set out the adaptation goal, it said. On climate finance, most critical is adequate, predictable and access to the financing. It also called for the initiation of the deliberation on the new collective goal on finance in Glasgow. AOSIS also emphasized that new investments in fossil fuel projects should no longer be supported and called on all Parties to ensure that every new dollar invested and budgeted supports the 1.5°C pathway.

**Paraguay** on behalf of the **Independent Alliance of Latin America and the Caribbean (AILAC)** in order to limit temperature rise to 1.5°C, there is a need for leadership from the major emitters. AILAC also stated that the design of the guidelines and rules to implement Article 6 should lead to appropriate incentives for progress to be made in the ambition of NDCs, at levels consistent with the long-term temperature goal and the need to achieve carbon neutrality by 2050.

It said that the rules of Article 6 are not negotiable and not a tradeoff. For the group, priority is to guarantee the soundness of the elements required to implement the transparency framework, including the guidelines and rules for Article 6, and information and accounting guidelines for NDCs, so that they contribute to the Global Stocktake.

**Argentina** on behalf of **Argentina, Brazil and Uruguay (ABU)** stated that any formal decisions will have to be made in person, such as the adoption of the final documents. It said that the issue of climate finance is important for the full implementation of the Paris Agreement and scaled up ambition in the post-COVID19 context. It expressed disappointment that little substantive progress has been made for this issue. It also looked forward to the discussion to establish a new collective financial goal in 2025, drawing from the experience related to meeting USD 100 billion pledge and be informed by needs of

developing countries. A compiled report of the achievement of the USD100 billion goal can provide clarity and enhanced transparency, it said.

With regards to adaptation, ABU stated that Parties have agreed on the guidelines for adaptation communications and have provided a basis for information on impacts and adaptation to be reported under the transparency framework. It said that the Adaptation Fund (AF) can play important role in scaling up adaptation finance. ABU, therefore, expects Article 6 negotiations to include provisions to make funds available to the AF. It added that new and additional finance should be made available to address loss and damage by creating a new window for this. On Article 6, it said that it is paramount to ensure that both Article 6.2 and Article 6.4 contribute to the increase of overall ambition in emissions reductions and is underpinned by environmental integrity.

**Nicaragua** for the **Bolivarian Alliance for the Peoples of Our America (ALBA)** said that that calls by social movements for 'system change and not climate change' is important and that it is vital to respect Mother Earth. For ALBA, priority is attached to the issues of adaptation, National Adaptation Plans and loss and damage. It also said that non-market-based approaches are the best to implement the Paris Agreement. It also expressed support for a window in the Green Climate Fund to support loss and damage.

It also called for stepping up efforts in engaging those groups vulnerable to climate change like indigenous peoples, local communities, migrants and women. It also said that the impacts of unilateral measures must be tackled.

The **European Union (EU)** said that it was supportive of work in the virtual format provided that it is transparent and inclusive. Acknowledging the challenges in the virtual work, the EU hoped that Parties arrive in Glasgow ready to finalize some decisions. It also emphasized the importance of informal notes where Parties' discussions and progress are captured, which should be the basis for the next step in the negotiations towards making decisions in Glasgow. It also said that the virtual space should

be used as much as possible, including in arriving at virtual decisions.

**New Zealand** for the **Umbrella Group** it said that it is ready to engage in the virtual format and there is a need to resolve the crucial issues. It expects virtual decisions on the process issues and progress captured in informal notes. It said this is a Party-driven approach and solutions need to be found. It said that completing work on the transparency framework is essential to deliver on the NDCs. It hoped for working draft tables for GHG emissions inventories and tracking of progress of the NDCs. The group also underlined the urgency to complete negotiations this year on Article 6.

It also recognized the critical role that climate finance plays in supporting countries to transition to a net zero future, adapt to the impacts of climate change and enhance nature-based solutions. The group also stated that all countries and finance providers, both public and private, are working to align finance flows for low emissions and climate resilient development as reflected by Article 2(1)(c) of the Paris Agreement.

**Switzerland** on behalf of the **Environmental Integrity Group** proposed to conduct work to accommodate different time zones and said that there is need for a level of formality to carry the process forward and disagreed with having no decisions adopted until the in-person meetings.

*Edited by Meena Raman*