

UNFCCC Sessions of the Subsidiary Bodies

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UNFCCC Subsidiary Bodies meet in virtual format

Penang, 31 May (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 the SBSTA.

According to the note, decisions or conclusions are expected to be adopted only 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, the 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 whether all views will be reflected 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 are those revolving 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 implementation of the PA and signal the lack of consensus in arriving at conclusions or decisions that could be adopted.

Article 6

At COP 25, 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 include 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 on 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 other metrics 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 than tCO₂eq, while some developing countries such as the Like-Minded Developing Countries (LMDC), the Arab Group, India, and South Korea were in support of 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 Latin America and the 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 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 this clear 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 Article 6.4 and 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 recognize 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 the many issues and managed to adopt only 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 “recognizing 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, were 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 the 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, on 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 a 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 10-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 is 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 says “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 would 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 sessions. 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, to enable information collection and preparation for the stocktake in 2023.

Forum on response measures

The impacts of implementation of response measures are 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 of 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 work plan 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 sessions.

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

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, 31 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 26th meeting of the UNFCCC's Conference of Parties (COP 26), expected to take place in Glasgow, the 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 the 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 three-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 of 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 of 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 (CBDR-RC) 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, adding 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 mobilisation goal of USD 100 billion annually by 2020 and for the next five 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 mobilisation of climate finance must be done in an accountable, adequate, and transparent manner, 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 concern 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 operationalisation 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 operationalisation of the Network, and that it would be necessary to give

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 prejudge any eventual outcomes.

Bolivia on behalf of the **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 added that countries also face grave challenges in having to undertake stricter health restrictions which are impacting on 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 CBDR-RC.

The LMDC, noting 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 difficult to discuss 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, in ensuring 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 SBs. 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 five-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 operationalisation 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 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 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 operationalisation 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 road map on their continued existing obligations to mobilise 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 emphasised 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 it stressed the importance of recording virtual meetings so that all Parties can have access to the work accomplished. It said that the work in this virtual mode was on an exceptional basis due to the 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 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 (LDCs)** 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 mobilisation of the USD100 billion-per-year goal by 2020.

Bhutan expressed concern 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 was 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 a 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 finance and access to it. It also called for the initiation of the deliberation on the new collective goal on finance in Glasgow. AOSIS also emphasised 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)** said 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 trade-off. 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-COVID-19 context. It expressed disappointment that little substantive progress has been made on 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 the 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 enhance transparency, it said.

With regard 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 an 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 emission reductions and are underpinned by environmental integrity.

Nicaragua for the **Bolivarian Alliance for the Peoples of Our America (ALBA)** said that calls by social movements for “system change and not climate change” are 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 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 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 finalise some decisions. It emphasised 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** 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 emission inventories and tracking of progress of the NDCs. The group also underlined the urgency to complete negotiations this year on Article 6.

It also recognised 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 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 a 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

Parties exchange views on common time frames for NDCs

Kathmandu, 3 June (Perna Bomzan) – The first informal consultation on common time frames (CTFs) for nationally determined contributions (NDCs) was conducted on 1 June, under the UNFCCC’s Subsidiary Body for Implementation (SBI). The Subsidiary Bodies are meeting virtually from 31 May to 17 June.

[Under Article 4(10) of the Paris Agreement (PA), Parties agreed to consider CTFs for NDCs. Most Parties have communicated their first NDCs with a 10-year time frame from 2021 to 2030, with only the Marshall Islands with a five-year time frame up to 2025. At the 24th meeting of the UNFCCC’s Conference of Parties (COP 24) in Poland in 2018, Parties agreed to apply common time frames to NDCs to be implemented from 2031 onwards.]

Parties could not agree to conclusions at the 51st session of the SBI, held in conjunction with COP 25 in Madrid in 2019, and hence “Rule 16” was applied. [Rule 16 refers 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.]

The SBI Chair provided an informal note dated 29 May to assist Parties. The note informs that the proposals contained in the annex of the note are from SBI 50 (Bonn, June 2019) as Parties were “unable to agree conclusions” at SBI 51. The annex contains “six options” with “possible elements of a draft decision”. The note further states that “a key first step in 2021 is for Parties to consolidate the many options proposed” and its aim is to “facilitate this process by laying the foundation for a solution by setting out all the existing options”.

The informal note also presents “possible elements in consolidating the options” as follows: “The elements below are without prejudice to the structure or elements of any draft conclusions or

draft decision or to the placement of any provision within that structure.

1. NDCs referred to in Article 4(10), of the PA and communicated in accordance with Article 4 (9), to be communicated from 2025 and every five years thereafter shall/will/should/may have common time frames of:

(a) Five years;

(b) Five years plus five years;

For NDCs to be implemented from 2031 onward, Parties shall/will/should/may communicate two successive NDCs with starting points of 1 January 2031 and 1 January 2036, respectively

(c) 10 years;

Parties whose NDCs to be implemented from 2031 onward contain a 10-year time frame shall/will/should/may include an indicative [waypoint] [target] at the five-year mark or shall/will/should/may update their NDCs five years after they were communicated so that their NDCs can be informed by the latest global stocktake

(d) 5 or 10 years.

Parties may choose either a 5- or a 10-year time frame for their NDCs.”

Facilitator **Kishan Kumarsingh (Trinidad and Tobago)** opened the informal consultation clearly stating “we know what the options are and each other’s positions”, expecting that the current session would conclude with at least an agreement of a minimum set of options articulated in clear and unambiguous terms for Glasgow (COP 26). **Kumarsingh** expressed that his engagement on the issue with Parties until now has shown a willingness to resolve it in Glasgow and his co-facilitator **Andrew Rakestraw (United States)** also shared his optimism.

China for the **Like-Minded Developing Countries (LMDC)** shared its strong concern about the “imbalanced approach” adopted at COP

25 in Madrid, which was a “pick and choose” approach that did not include the group’s options in the final version of the informal note. It sought clarification on why the imbalanced Madrid informal note was published by the secretariat on the UNFCCC website given application of Rule 16 and said that therefore, the document had no status.

(In response, the secretariat explained that the informal notes were in-session documents and that the CTF agenda in Madrid did not have any conclusions.)

On the linkages between the CTF and other aspects of the PA, China said that the NDC communication is done every five years while the global stocktake (GST) is carried out every five years. It also pointed out that there is nothing that says that a five-year time frame is more ambitious than a 10-year one.

Referring to the current updating of NDCs, it said that there are NDCs which have been improved (from when they were first submitted). It reiterated its position that both five- and 10-year time frames will definitely enable ambition with the key issue being the implementation of NDCs rather than about the time frames. It also stressed the need to take into account the different national circumstances and domestic policy time frames of countries, adding that developing countries have just started implementing their NDCs and they will gain more confidence as they learn by doing.

It said that the LMDC’s proposal of having the option of a five-year or 10-year time frame works for all Parties and borrows from the PA decision to accommodate the different national circumstances. It also pointed out that the PA refers to common time frames and not a common time frame. The logic for its proposal was to set up what Parties needed to do in 2025 and was appropriate for all countries.

China also underlined that it preferred the previous version of the informal note from Bonn, 2019 as a starting point for discussions with the condition that all views of Parties must be captured. It expressed its expectation of a “balanced, comprehensive outcome with no pick and choose approach” at the current session.

Switzerland for the **Environmental Integrity Group (EIG)** said that the five-year term is the only option, thus going with option A in the SBI Chair’s informal note. It also urged for drafting a decision text as clearly and unambiguously as possible, stating that it is fully committed to reaching a decision in Glasgow.

Panama for the **Independent Alliance of Latin America and the Caribbean (AILAC)** hoped to complete negotiations on the issue in Glasgow with a decision that is coherent and strengthens ambition. It stated that the CTF is necessary to implement the “ambition mechanism” and drew functional connections to the five-year NDC communication cycle with progression, as well as the GST.

Bangladesh for the **Least Developed Countries (LDCs)** called for a single five-year time frame starting from January 2031 onwards to avoid locking in low ambition and stressed on building common understanding as regards implications of single versus multiple time frames, with the latter leading to different target years. It was concerned about the lack of consistency, comparability and transparency of NDCs with different time frames.

Zimbabwe for the **African Group** reiterated its position for a five-year CTF that is ideal for environmental integrity and ambition. Given that other Parties are also calling for a 10-year time frame, it stated that the group could be flexible for a 5+5 years’ time frame and looked forward to a decision in Glasgow.

Saudi Arabia for the **Arab Group** said that a 10-year time frame is the most suitable option, with NDC communication in 2025 for the period 2030 until 2040, and with future time frames to be assessed “based upon learning”. It also highlighted that each NDC represents the unique national circumstances of countries and alignment with domestic planning, as well as reflecting the common but differentiated responsibilities and respective capabilities (CBDR-RC) principle of the PA. Hence, the decision on the issue should be inclusive, taking into account differences among Parties.

Singapore for the **Alliance of Small Island States (AOSIS)** expected a substantive outcome at COP 26 with a decision to ramp up ambition. It said that the group saw redundancy in some of the options proposed. In its national capacity, it agreed to “consolidating the six options into a single one” and echoed Brazil’s comment on having clarity on start/end reference points of NDCs.

India said that CTF does not equal to one common time frame, adding that there can be more than one option which can help everyone. It said further that the CTF is also linked to the availability of climate finance and technology transfer, which also needs to be taken into account. The availability of climate finance will help to assess the prospective NDC formulation and its achievability. Hence, a

breakthrough in the climate finance decision is equally important for the CTF agenda.

Brazil, referring to the SBI Chair's informal note, said that it was ready to engage with the elements in consolidating the options. It pointed out that options in the annex of the note did not reflect the "current" status, referring to the decision adopted in Poland where Parties agreed to apply CTF from 2031. It underscored that the decision in Glasgow should provide clarification on the year to communicate a successive round of NDCs, as well as the end point of the NDCs, clarifying that for Brazil, the next communication will be in 2025 and the end point will be 2035.

South Africa called for a decision on the issue, stating its preference for a five-year time frame.

Russia called for a 10-year time frame as this was adequate time for sustainable development and low-carbon strategies, stressing that NDCs are nationally determined so national features and peculiarities need to be taken into account.

The **United States** said that the informal note contained potential building blocks and suggested having "textual options" based on it, including other inputs reflecting Parties' views. It hoped to see an outcome that recognises the nationally determined nature of NDCs and further stated that a five-year time frame gives the option for ambitious NDCs.

Japan made specific comments on the 10-year option (option C) with regard to bracketing the "waypoint" and "target" calling for a simple 10-year option (just like an option A for five years) as a sub-option under option C. It also suggested adding elements of start/end points of NDCs in the 10-year option.

The **European Union** said that the CTF is part of the PA "ambition cycle" so as to put in place the highest possible ambition by Parties. It looked forward to exploring the options, saying that the informal note provides a good basis for continued discussions, and at COP 26, the options could be whether merged or combined for highest ambition, including accommodating different domestic capacities.

Australia said that there is a need to focus on consolidating the options, in order to make the political resolution take place and to have a decision well in advance of the next NDC submission. Although it preferred the five-year option, it also recognised the nationally determined nature of NDCs.

Facilitator **Kumarsingh (Trinidad and Tobago)**, in his sum-up, recollected that there was general agreement that a decision on the issue in Glasgow is required. He also highlighted the need for clarification in terms of the year of communication of NDCs and the end point/date of NDCs. He encouraged Parties to further meet informally in "inf-inf" (informal-informal) mode via the "self-service meetings" menu made available online and further requested **Brazil** to lead the technical discussion in those inf-inf meetings.

The next informal consultation is scheduled for 10 June at 11:00 pm (Central European Summer Time).

Edited by Meena Raman

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>

Article 6 of the Paris Agreement is not about carbon markets – says Bolivia

Penang, 4 June (Meena Raman) – At a session of the climate talks held virtually, **Bolivia** firmly stressed that Article 6 of the Paris Agreement (PA) did not mention the development of market mechanisms.

In a strong intervention, its lead negotiator, **Diego Pacheco**, said that Bolivia has supported a PA “which does not have a single mention of markets”. Elaborating further, he said, “We did not agree to putting in motion market-based mechanisms in this context (of Article 6),” adding that “Article 6.2 is about ‘cooperative approaches’ (internationally transferred mitigation outcomes), and is not about markets while Article 6.4 is about a sustainable development mechanism and is not about markets.”

Bolivia was speaking at the first informal consultation on Article 6, which was held on Wednesday, 2 June under the UNFCCC’s Subsidiary Body for Scientific and Technological Advice (SBSTA).

Developing countries and developed countries were invited to provide their views on “Enabling ambition on Article 6 instruments”. The Article 6 informal consultations are being co-facilitated by **Anshari Rahman (Singapore)**, **Peer Stiansen (Norway)**, **Hugh Sealy (Barbados)** and **Kim Solberg (Netherlands)**.

Bolivia said further that it was concerned with the understanding of the UNFCCC secretariat which highlighted markets in the context of Article 6 in several places of the Convention’s webpage. It also did not agree with some Parties’ views that the PA has approved market mechanisms. “This is completely misleading. We have to strictly abide by the text of the PA where ...there is no single mention of markets or carbon trade,” it said. “On the contrary, we have approved the development

of a framework on non-market-based approaches (NMAs). This is textual and there is no way of confusion,” it stressed further.

It added that “After many years of discussion about instruments to address climate change, we are still recycling previous instruments that did not have success in the fight against climate change. The instruments highlighted in Articles 6.2 and 6.4 of the PA did not contribute to fight climate change,” and that “on the contrary, these are at the center of policies and instruments raising the temperature beyond 1 degree C by 2010 and moving the world closer to 1.5 degrees C in the following years.”

Bolivia said that it “has systematically opposed the commodification of nature, taking into account that this goes against a civilizational model which defends Mother Earth as a subject of law. Instead of promoting an anthropocentric world, where nature is at the service of human beings, we fight for a cosmo-centric world, where nature and human beings are a totality; the totality of Mother Earth”.

It also expressed concern that efforts in the climate talks have only focused on developing Articles 6.2 and 6.4, while almost abandoning the discussions on the implementation of Article 6.8 on NMAs. It said further that this was not the right way to move forward in a process based on trust, transparency and balance among all articles of the PA.

It added that Parties can no longer abandon Article 6.8, which is a key instrument for the implementation of the Convention and its PA. It called for equal progress between all the sub-articles under Article 6 which should result in a COP26 (26th meeting of the Conference of Parties to the UNFCCC) decision for the full and expedited implementation of Article 6.8.

Bolivia said that efforts which are against the development of NMAs are indicative of modern colonialism and a lack of leadership in promoting the plurality of views necessary to achieve the objectives of the Convention.

It said further that as a Party with a duty to Mother Earth, there have to be limits to the implementation of instruments such as “Internationally Transferred Mitigation Outcomes” (ITMOs) and the “Sustainable Development Mechanism” (SDM). In this regard Bolivia proposed that ITMOs and the SDM must not be implemented following a market-based approach or a market-based framework, which have potential environmental risks on the integrity of Mother Earth or negative social or economic impacts, in the context of objectives and principles of the Convention.

It also stressed that ITMOs and SDM must take place only if it helps Parties cut significantly their emissions within the remaining carbon budget to keep the temperature below 1.5°, and help them reduce the gap from the current 65 GT (gigaton) of carbon per year, to less than 20 GT per year, allowing them not to increase the temperature beyond the 1.5°C. Bolivia also provided very detailed ideas on how to advance the NMAs under Article 6.8.

Saudi Arabia, speaking for the **Like-Minded Developing Countries (LMDC)**, said that ambition should also include ambition on adaptation with developed countries taking the lead in demonstrating ambition, as indicated in other provisions of the PA. It said further that what defines ambition is not the same for all Parties, as Parties are not all working with the same capabilities or access to finance, technology and capacity-building, adding that increasing the levels of ambition should extend to adaptation and finance, technology and capacity-building support offered by developed countries under the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC).

It also said that successfully increasing the ambition levels of Article 6 is dependent on the ability to address other major challenges under discussion, such as the extension of the share of proceeds under Article 6.2 for financing adaptation, and the inclusion of all nationally determined contributions (NDCs) and all metrics. It said further that ambition should not come at the cost of inclusivity of all NDCs and metrics, as well as equal progression in the pace of discussions on Articles 6.2, 6.4 and 6.8, adding that the ambition reflected

in Article 6.4 should also apply to Articles 6.2 and 6.8.

It also elaborated that under Article 6.2, to enable ambition, the emission reductions need to be real, verified and additional, and that depends on how we define an ITMO. The definition needs to ensure that only real mitigation undertaken is eligible regardless of the metric used.

As regards Article 6.4, enabling further ambition in the mechanism and enabling broad participation will depend on the mechanism’s ability to adapt, accommodate and evolve over time, and this can only happen by encouraging participation in the mechanism, which will be operating with a handicap of having to provide a share of the proceeds for adaptation financing, which is not applied to Article 6.2.

The LMDC said that in relation to the Article 6.4 mechanism to accommodate increased ambition, there is a need to answer first the vital question of who the mechanism is being designed for. This will determine the balance necessary to achieve increased ambition while maintaining interest in participation in the mechanism.

For more ambition under Article 6.8 through NMAs, in order for Parties to achieve the increasingly ambitious NDCs, increased ambition on finance, technology and capacity-building support by developed countries was needed, said the LMDC further.

Egypt on behalf of the **Arab Group** said that Parties need to ensure that Articles 6.2, 6.4, and 6.8 are completed and operationalised in a parallel manner without advancing one against the other. It also said that before talking about ambition, Parties should define what we mean by the level of ambition and how it should be considered as the level of ambition differs between Annex I Parties and non-Annex 1 Parties according to the principles of CBDR-RC and equity.

Article 6.1 clearly states that participation of Parties is based on voluntary cooperation, so as to help the implementation of their NDCs and allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity. Hence, ambition has to cover both adaptation and mitigation, said Egypt.

In order to enable ambition, it stressed the need for inclusivity to accommodate the different types of NDCs, including those based on policies and measures, leaving no one behind; accommodate all metrics as determined by participating Parties, include non-GHGs metrics; equal treatment

between Articles 6.2 and 6.4 in applying the share of proceeds for the Adaptation Fund as well as on overall mitigation in global emissions (OMGE), addressing the negative social and economic impacts arising from the operationalisation of cooperative approaches and having sustainable arrangements for Article 6.8.

It also said that the provision of continuous support such as capacity-building support to developing countries was needed as most lacked the required infrastructure, arrangements and capacities that can enable them to participate in Article 6 approaches.

St. Kitts and Nevis, speaking for the **Alliance of Small Island States (AOSIS)**, said that the NDCs are insufficient, and that Article 6 speaks to higher ambition in mitigation and adaptation; thus it cannot undermine ambition. There is a need to go beyond zero sum offsetting approaches to accelerate abatement (of emissions) whether Parties participate in the Article 6 approaches or not, it said further, stressing that it cannot be a tool for cost savings but to implement the PA goals. It added that offsetting of emissions will not advance the PA goals.

AOSIS added further that the rapid operationalisation of Article 6.2 is not just about reporting and review but that substantive provisions are needed for ensuring environmental integrity in NDCs and transparency, including governance, and addressing the issue of share of proceeds and OMGE. There is a need to strengthen and improve baselines and annual information, including on share of proceeds and OMGE.

It said that capacity-building opportunities in particular for LDCs and SIDS who have not had much exposure to project-based mechanisms are needed. It called for systems to be in place to ensure environmental integrity with regard to issues of permanence and displacement in the land sector.

On Article 6.8, AOSIS said that NMAs are important in supporting Parties in the implementation of NDCs and the article explicitly aims to promote mitigation and adaptation ambition, enhance public and private sector and coordination across instruments. It was of the view

that NMAs could allow SIDS to unlock activities for higher ambition that otherwise could not be accessed.

Senegal for the **Africa Group** said that the main objective of Article 6 is to enhance ambition in mitigation and adaptation. It called for substantial contributions for financing adaptation needs and in carrying out activities with direct co-benefits. On mitigation ambition, it said that this could only be done by ensuring the large participation of Parties and did not want any exclusion based on the nature of the NDCs.

It stressed the need for ensuring quality of mitigation outcomes, with robustness of the mechanism through corresponding adjustments, tracking, and reporting of transactions, as well as a systematic review of all transactions. On Article 6.8, it said that a lot was discussed on the mitigation part of NMAs and there is a need to address adaptation, finance, technology transfer and capacity-building.

Ethiopia for the **Least Developed Countries (LDCs)** said that Article 6 can increase or decrease ambition depending on the rules (to be put in place). It said that if there was no accounting for OMGE, it will result in a decrease in ambition. It also said that under Article 6.8, there are many options where NMAs can increase ambition that do not involve the trading of units for mitigation and adaptation activities, with funding support to help technology transfer and capacity-building.

The session also saw interventions from other developing countries as well as developed countries.

Further sessions on Article 6-related matters have been scheduled, including on the transition of Clean Development Mechanism activities to the Article 6.4 mechanism, which will take place Friday, 4 June. This session is expected to be controversial, with diverging views among Parties.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019:
<https://tinyurl.com/3p6tw5vx>

Developing countries convey difficulties faced in virtual meetings

Penang, 7 June (Meena Raman) – Developing countries at the climate talks held under the UNFCCC's Subsidiary Bodies (SBs) to take stock of the first week's meetings, conveyed the challenges they faced with the virtual format. The stocktake session was held on Saturday, 5 June.

The **G77/China**, as well as some of its sub-groups of developing countries, highlighted challenges dealing with Internet connectivity, poor audio, power cuts, as well as different time zones and other problems in capitals that hampered their effective participation and engagement.

The stocktake session of the SB sessions was conducted in a joint plenary by **Marianne Karlsen (Norway)**, who is Chair of the Subsidiary Body for Implementation (SBI), and **Tosi Mpanu Mpanu (Democratic Republic of Congo)**, who is Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA). The SBs began meeting on 31 May and will end on 17 June.

Guinea speaking on behalf of the **G77/China** said that the past week experiment using virtual means, while allowing Parties to continue discussions on issues, has also exposed the challenges such as Internet connectivity and technological problems. This, in addition to working with different time zones, posed difficulties and heightened the inequalities in Parties' level of participation and engagement.

The G77 said that the conclusion was clear that in-person meetings and negotiations are indispensable to credible and legitimate decision-making that is based on transparent, inclusive, and Party-driven processes, and called for the current limitations to be addressed to comprehensively enable this.

Bolivia for the **Like-Minded Developing Countries (LMDC)** said that the concerns it had with the virtual talks were justified, adding that key members of its delegations were logged out of

sessions at critical moments, thus losing the thread of the discussions. They also encountered power cuts in their parts of the world, which prevented them from being able to engage in and witness the discussions that were going on. It also added that it was not easy to understand some of the Parties, given the poor quality of the audio on important agenda items and some countries were not able to engage due to connectivity issues, and were therefore not heard.

It also said that many of delegations also had to attend to pressing challenges at home, including that of the pandemic, which has not abated in many countries. Checking the box of having met - albeit virtually - is not the same as in-person constructive engagement on pending issues under the SBs, said the LMDC further, adding that this goes to show that this virtual process is not ideal for a process that must be Party-driven.

The **Least Developed Countries (LDCs)** also highlighted challenges of connectivity, saying that it was a significant barrier for engagement where their lead negotiators had to communicate via the chat function and emails to get their views through during the consultations.

India for the **BASIC (Brazil, South Africa, India and China)** also said that delegates continued to experience technical glitches which resulted in them missing out on key discussions. It also said that technical-level discussions via virtual platforms were challenging, and that decision-making was not conducive through such means.

Concerns were also expressed over the conduct of the consultations and included how informal notes were prepared even before Parties had a chance to begin discussions as was the case on the Adaptation Fund (AF) review, which prejudiced the outcome; and informal notes that did not capture the views of all Parties as was the case in the Article 6 discussions (of the Paris

Agreement relating to “cooperative approaches”). They also gave their views on the substance of the discussions on various matters. (See further details below.)

The **G77** said that as regards National Adaptation Plans (NAPs), there seemed to be some disconnect between what is being planned and implementation on the ground. The discussion should be elevated to bridge the gap between the full continuum of adaptation actions and reliable financing for adaptation implementation. It added that NAPs are connected to the nationally determined contributions (NDCs), adaptation communications and long-term sustainable development strategies. It said that the UNFCCC processes should enable the building of strong synergies between the various adaptation-related items under the Convention and its Paris Agreement (PA). It also underscored that challenges remain in accessing Green Climate Fund (GCF) support for NAPs, due to a myriad of complexities surrounding the GCF NAP Readiness Support Programme.

On the review of the AF, it called for the process to be inclusive and Party-driven. The results of these SB sessions should capture all the views expressed in an informal manner which will serve as a basis for further sessions, said the **G77**. It requested the co-facilitators to use the next session as an opportunity to get the various proponents of the submissions to provide clarity, which would allow all Parties to have a better understanding of positions.

On technology transfer, it said that all Parties were actively engaged in expressing their views regarding the “Alignment between the Independent Review of Climate Technology Centre and Network (CTCN) and the Periodic Assessment of the Technology Mechanism” and agreed that the alignment was essential to make the processes more efficient and effective. It also reiterated the long-term vision in fully realising technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas emissions (GHGs), and urged for the provision of adequate support, including finance, to enable developing country Parties to implement their NDCs.

On capacity-building, the **G77** welcomed the successful hosting of the 10th meeting of the Durban Forum on capacity-building focusing on building capacity to facilitate the coherent implementation of NDCs, in the context of national development plans. It called for the outcomes of this event to contribute significantly to inputs of the report of

the Paris Committee on Capacity Building (PCCB), taking into account challenges faced in the midst of the COVID-19 pandemic.

On response measures (as regards the effects of measures taken to respond to climate change), the **G77** expressed that only one meeting of the Katowice Committee of Experts (KCI) took place in 2020 despite two meetings being required, and the activities under the work plan were not fully implemented. It called for the time lost to be made up to ensure that the work plan is fully implemented and for an additional meeting of the KCI to take place.

As regards loss and damage, the **G77** said that it would be useful to have space during this session for an informal conversation among Parties about the modalities for the operationalisation of the Santiago Network, while noting that the COP Presidencies already have an initiative taking place in this regard. Such a meeting could help clarify views and can be convened under the auspices of the Presidency of COP 25 (25th meeting of the UNFCCC’s Conference of Parties) given that this issue was not on the agenda of the SBs at this session, it added further.

Bolivia for the **LMDC** said that despite the claim that the SB sessions are solely for the purpose of discussions and compilation of ideas, there was always a veiled reference to go beyond discussions and to aim at negotiated outcomes.

On the issue of the fourth review of the AF, it expressed concern that the first informal note prepared by the SBI Chair prior to the start of informal consultations was premature, jeopardising trust and putting into question the inclusiveness, transparency, and Party-driven nature of the process. It reiterated the need for the SB Chairs to be more mindful about rushing to produce conclusions at this session, when this process is about capturing the views of all Parties and nothing more.

It also said that there should not be any text and material presented on the screen before discussion and overall acceptance is established, adding that the conversation is being prejudged and pre-empted by posting documents on the screen and on the website. It was also against the holding of “informal-informal” sessions which it said were not acceptable given the current working environment. (An informal-informal session was convened on the issue of the common time frames for NDCs.)

As regards consultations on Article 6 of the PA on “cooperative approaches”, it said that the SBSTA Chair’s summary of the informal

consultations held on 4 June was clearly attempting to move forward some options while excluding others, while stating that the document did not attempt to provide a record of all views. On response measures, the LMDC also stressed the importance of ensuring the full implementation of the six-year work plan.

As regards adaptation, it said that developing countries are struggling to get funding to formulate their NAPs as well as for their implementation. It said that an opportunity was lost at this session to discuss key areas on the adaptation architecture such as the global goal on adaptation and hoped in the following sessions, this would be advanced.

Saudi Arabia, speaking for the **Arab Group**, expressed strong concern on procedural matters, adding that in many sessions, text and tables were presented on the screen without having a general agreement by Parties to display such material. Such display of text and tables is pre-empting and prejudging the conversations and limits conversations to specific views expressed in these materials, it said further, adding that this was the case in the session on “Common Tabular Formats for tracking progress of NDCs” which resulted in a number of calls for points of order.

It also said that not all interventions and contributions were reflected in the discussions and that selective views were treated favourably, which was the case in the session pertaining to “Enabling Ambition in Article 6 Instruments”. It added further that in many sessions, there were tendencies to go beyond the allocated time, which posed challenges for Parties who needed to attend other planned sessions, which was particularly difficult for small delegations.

It expressed concern with informal-informal meetings outside the agreed organisation of work, which led to a bad experience with a discussion on common time frames for NDCs, organised at the very last minute without the consent of Parties. On the informal-informal meeting itself on this issue, the Arab Group said that it was mishandled and not in line with inclusivity and Party-driven process principles, as the facilitator was controlling the floor, giving it to some Parties, ignoring other calls for the floor, and totally dismissing the views expressed by some Parties. The Arab Group said that the (informal-informal session) facilitator took matters into his own hands and decided to convene another session that was limited to 30 participants and by invitation only. This is objectionable, unacceptable and intolerable in the conduct of business, it stressed further.

Gabon for the **African Group** said that on the transparency framework, there was a lack of balance in how examples were presented by the co-facilitators and added that while there were very detailed examples of common reporting tables (CRTs) for GHG inventories presented, there were no detailed examples of CRTs for support and tracking progress presented for discussions. It said that beyond the level of detail, the comparability of the information reported by Parties should be an essential parameter of the new reporting table, to ensure that the figures can be aggregated to inform ongoing discussions such as the new collective goal on finance or the global stocktake.

On process, the African Group said it had shared concerns on the process following the publication of an informal note prior to any form of consultations, in reference to the AF review. It stressed the importance of respecting the integrity of the process by following the UNFCCC rules and established practices. On the review of the AF, it was concerned with attempts to redefine already agreed decisions in a way that complicates work.

It also called upon the SB Chairs and co-facilitators to organise their work in a manner that adheres to the mandates of the SBs, with equal and balanced consideration of all issues and avoid reinterpreting or singling out mandates, and added that the informal notes summarising discussions should be inclusive of all views expressed.

Antigua and Barbuda for the **Alliance of Small Island States (AOSIS)** said that virtual engagement has challenges. It said that there were procedural debates in the transparency framework discussions, and little movement on Article 6 of the PA, and called for a better picture of progress, captured in writing, as there was no luxury of time to complete work given the planetary emergency.

Bhutan for the **Least Developed Countries (LDCs)** noted with concern that the virtual format is slowing progress, with technical glitches taking up valuable time. It believed that the informal notes were critical to capture progress, consolidating all options, while ensuring all views are captured. It reminded the Chairs that it had called attention to addressing loss and damage and gender, which were not being considered in the SBs. It also said that connectivity was a significant barrier for LDCs, with lead negotiators having to send suggestions by chat and emails. It stressed the need for translation in mandated events.

India for the **BASIC** said that there were significant differences in the approach of co-facilitators across various agenda items, adding that

the current session should be used for informal exchanges among Parties and should not pre-empt decision-making. It stressed that virtual platforms are not conducive to decision-making and that principles of transparency, inclusivity and a Party-driven nature must be upheld. India said that the Chairs must ensure that all views of Parties are captured in a balanced manner. It also called for more discussions on scaling up adaptation finance and other climate finance matters and reiterated the need for balanced treatment of all agenda items.

Paraguay, speaking for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, said that connectivity issues were a clear challenge. On the transparency framework, it said that the different options must be narrowed down, and that the new reporting requirements will need financial support. It said that it was willing to have agreement on having draft decisions for consideration.

Argentina for **Argentina, Brazil and Uruguay (ABU)** expected discussions to be captured in informal notes but not in terms of drafting decisions. Issues should be dealt with without prejudging outcomes, it said further, expressing concern at the lack of treatment given for adaptation finance. It also said that there is a need to avoid having informal-informal meetings. It said that the search for the highest possible ambition must come from NDCs rather than from market mechanisms. It also expressed high expectations that the AF will have more resources from the Article 6 mechanisms. On the review of the AF, the focus should be on the terms of reference, it said, expressing serious concern about discussing issues about governance which was outside the scope of the review. It also wanted a common definition and accounting modality on climate finance.

Portugal for the **European Union (EU)** said that virtual work has limitations, but substantive work must progress to develop and strengthen guidance for the implementation of the PA. To arrive at Glasgow for COP 26, the EU remained supportive of the work and called for ensuring the rules of procedure and practices to be applied consistently in all processes. It said that there was a need for efficiency in the work including on the use of informal-informal sessions and to capture work through informal notes.

Australia for the **Umbrella Group** said that on adaptation-related items, it welcomed focus on enhancing practical and effective adaptation actions for SIDS and LDCs, as well as focus on social inclusion like gender and indigenous peoples. On climate finance, it welcomed technical work on transparency of support, review of the AF, and technical support for reporting obligations. On the transparency framework, it called for progress and acceleration of technical work.

Switzerland for the **Environmental Integrity Group (EIG)** noted technical difficulties in the virtual platform. It said Parties could learn from processes under the Convention on Biological Diversity. It supported informal-informal meetings and for any material to be discussed to be uploaded before any meeting. It said that the consultations should be used for substantive discussions rather than on useless procedural debates. It stressed the need to progress towards decisions at this session with concrete work on texts.

Week two of the SB sessions begins today, 7 June.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>

Developing countries oppose EU proposal to sunset long-term finance discussions

Kathmandu, 8 June (Perna Bomzan) – At an in-session workshop on “long-term climate finance” held under the UNFCCC, developing countries expressed their firm opposition to a call by the **European Union (EU)** to sunset discussions on the matter under the Convention.

(The long-term finance – LTF – work programme was first launched in 2011 at the 17th meeting of the UNFCCC’s Conference of Parties.)

At the workshop held on 7 June virtually, **Gabon**, for the **African Group**, in a strong rebuttal to the **EU** made clear that the LTF includes addressing the goal of mobilising USD 100 billion per year by 2020 by developed countries, which is far from being fully met. Since the goal’s new deadline for fulfilment was extended to 2025 (via a decision in Paris in 2015), it questioned how the matter could be sunset when its elements have yet to be fulfilled, and stressed the importance of continuing the LTF agenda under the Convention.

Other developing countries supported the **African Group** and explicitly called for continuation of the LTF agenda beyond 2020, including the **Like-Minded Developing Countries (LMDC)**, **Argentina, Brazil, Uruguay (ABU)**, the **Least Developed Countries (LDCs)** and **Guinea** in its national capacity.

The developing countries were responding to an intervention by the **EU** that called for the discussions on the LTF agenda to be sunset. (See further details below.)

The in-session workshop was co-facilitated by **Zaheer Fakir (South Africa)** and **Georg Borsting (Norway)**. Opening remarks were made by UNFCCC Executive Secretary **Patricia Espinosa** and Chief Negotiator of the **COP25 Presidency Julio Cordano (Chile)**.

Espinosa expressed frustration that the USD100 billion-per-year-by-2020 commitment (by developed countries) remains unfulfilled after more than 10 years. The pledge, she added, was one of the main elements ensuring the adoption of the Paris Agreement (PA). The non-fulfilment of the goal was “unacceptable”, given that more than a decade later, “we are still talking about it”, despite experiencing the highest concentration of greenhouse gas emissions ever, extreme weather events that decimate countries with greater intensity and the most vulnerable people continue to suffer and lose lives, she said further.

The Executive Secretary added that the world has suffered from the COVID-19 pandemic, and that there were valuable lessons that show that climate impacts are likely to be far worse, highlighting that global emergencies do not stop at national borders, and that multilateralism is the only step forward. Espinosa stressed further that if we are to achieve success at COP26 (the 26th session of the UNFCCC’s Conference of Parties), we need this commitment (of USD100 billion) to be met and it would be a signal as to whether future commitments under the PA can be trusted.

Cordano also said that the USD100 billion commitment was overdue after almost a decade of discussing the issue. He looked forward to practical views and efficient discussions on what has been done, what could and should be improved and what other tools and methodologies need to be identified. He highlighted the need to assess the volume of finance to developing countries, the imbalance between mitigation and adaptation finance, timely and adequate finance, how to make sure public finance is an enabler and multiplier in a complementary manner and how financial

instruments and sources can be articulated in a fair approach. Cordano stressed on achieving more clarity on the LTF and that the credibility of the UNFCCC was at risk if there were no clear and adequate deliverables at COP 26 in Glasgow.

(The 2020 in-session LTF workshop was designed to be held in two parts. Part 1 of the workshop was conducted virtually on 27 November 2020 and part 2 was organised in conjunction with the ongoing sessional meetings of the UNFCCC's Subsidiary Bodies. COP24 in 2018 had mandated the annual in-session workshops in 2019 and 2020. The LTF work programme comes to an end in 2020.

(At COP25 in Madrid in 2019, developing countries led by the **G77 and China** wanted a decision on the LTF to continue deliberations on climate finance under the COP beyond 2020. This was met with strong opposition by most of the developed countries of the **Umbrella Group**. With the impasse, the agenda item concluded with the application of Rule 16 of the UNFCCC's 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. Given postponement of COP26 in 2020 due to the ongoing pandemic and consequent pending decision, the crux of the issue is whether the LTF would now be addressed under the COP, post-2020.)

At the current in-session workshop, on the mobilisation and delivery of the USD100 billion goal, co-facilitator **Fakir** reported on the key findings from part 1 of the workshop as follows:

(a) Mitigation finance continues to represent over two-thirds of total climate finance provided and mobilised, while loans represent the larger proportion of public climate finance provided and mobilised. In addition, middle-income countries have benefited most from the climate finance provided and mobilised, and the LDCs and SIDS (Small Island Developing States) have received the larger share of adaptation finance;

(b) The net financial value of climate finance provided to developing countries may be less than half of that reported by developed countries after adjusting for grant equivalence.

The substantial part of the workshop was dedicated to three breakout group discussions, each facilitated by a moderator. At the breakout group discussion moderated by **Amr Osama Abdel-Aziz (Egypt)**, **Gabon** for the **African Group** highlighted the lack of a clear definition of what constitutes climate finance, and stressed the crucial need for

moving forward from a generic version to a more detailed definition with several elements, entrusting the role to the Standing Committee on Finance (SCF) to elaborate this further.

The African Group shared that private sector finance is still lagging behind despite innovative sources of financing and that the multilateral development banks (MDBs) continue to have a huge role in channelling climate finance which comes with eligibility criteria to access finance. It stated that the USD100 billion goal clearly is far from being met even with relaxed assessment, and called for raising ambition by developed countries. Giving the context of the COVID-19 pandemic situation and the resulting financial stress faced by many developing countries especially in terms of debt, the Group said that more loans provide less appetite for decision-makers in developing countries, and cautioned about how much of the USD100 billion comes through in the form of loans and grants, as well as how much for mitigation and adaptation with less finance going to the latter. Gabon reiterated the Group's position that finance is the cornerstone and that it is essential to move from ambition and targets into implementation on the ground.

It also said that the SCF's "Needs Determination" report will play a major role in completing the picture of climate change action. It clarified that the developing countries' national adaptation plans (NAPs), nationally determined contributions (NDCs) and national adaptation programmes of action (NAPAs) of LDCs are the ingredients for financing the needs of developing countries while responsiveness must come from the climate finance providers (developed countries).

India for the **LMDC** clarified that the USD100 billion is a mobilisation goal while Article 4.3 of the Convention talks about the provision of climate finance. It called for the need to have an assessment report of how much of the goal has been achieved, delving then into the definition of climate finance, highlighting the elements of "new and additional finance" and "grants". Saying that there is a very skewed approach against adaptation initiatives, it also stressed on the importance of trust, ambition and transparency and on the scope, speed and scale of climate finance.

India said that achieving "trust" through continuation of the LTF is vital, while "ambition" should be reflected through the scope, speed and scale of the new collective goal for finance, and "transparency" required a multilaterally agreed definition of climate finance. It further highlighted

Articles 4.7, 4.8 and 4.9 of the Convention relating to commitments of the developed countries on both finance and technology transfer. It added that signals from climate finance providers are not sufficient enough for proper enhancement of adaptation finance.

Gambia for the **LDCs** also said that mobilisation of finance and implementation of actions are not taking place at the scale and speed required, especially for adaptation, with support to address loss and damage being very minimal. It stated that a big portion will have to be repaid since they involve mostly loans and highlighted that only a few funds reach the local level, and called for more support for local-level climate action. Gambia also called for channelling funds to the Green Climate Fund (GCF) and other funds for developing countries, stressing the need to scale up grant-based support to reverse current trend in the share of loans and highlighted that many countries are facing a debt crisis.

The **Alliance of Small Island States (AOSIS)** called for transparency and accountability as regards the USD100 billion, adding that there is no way of tracking finance especially to SIDS. It underlined that access continues to be a challenge with burdensome procedures and lack of flexibility, particularly for local organisations. It highlighted that the main issue in relation to finance is about public policy with high ambition in developed countries, which will send the right signals to drive investments. AOSIS also said that SIDS were battling to get grants and faced eligibility criteria problems, adding that crisis-struck countries cannot be subject to criteria based on GDP per capita.

Brazil for **ABU** stressed that provision and mobilisation of climate finance should be new and additional with a clear balance between mitigation and adaptation. It questioned the lack of comprehensive data and a common definition and accounting method, which posed additional challenges to track progress on the finance mobilisation goal and financial flows. It also called for a mandate to be given to the SCF to complete a synthesis report on the USD100 billion goal. It recalled that at COP25, some developing countries had wanted such a review by the end of 2021 at the earliest and that at COP26, there is no time to lose, considering the need to address the new collective finance goal. It also called for a decision to continue the LTF work programme (beyond 2020).

Guinea in its national capacity commented on the uncertainty of climate finance definition given the repayment of loans, and that mitigation

has been over-prioritised while adaptation has been marginalised. It agreed only a few funds have reached the local level and on the lack of information on finance mobilised and provided, calling for predictability to ensure ambitious climate action.

Sweden said that it has seen encouraging developments in relation to finance mobilisation and from its country perspective, financial actors are aligning their decisions and investments in line with the PA. It said that in moving forward, the country will introduce regulatory measures and investment pipelines which support the goals of the PA and for scaling up finance. It highlighted that one key lesson to learn is the integration of climate actions into its national process and development cooperation.

Australia said that exploring lessons learnt on the effectiveness and impact of finance would be useful in setting the new collective finance goal. It said trillions of dollars are required for low-carbon pathways and climate resilience, and hence, relying on public finance alone is not possible, adding that action by all countries and both public and private finance is needed. It recognised grants particularly for adaptation, but given the scale of the challenge, it was essential to involve a wide range of instruments and a broad range of sources. It also looked forward to the SCF's "Needs Determination" report in terms of not only quantitative but also qualitative needs as well as the tools and methodologies to determine the needs. It recognised the need for increased adaptation finance and that it is a priority for its region especially in the Pacific with over 70% of its bilateral and regional funding towards adaptation, focusing on SIDS and LDCs.

Nepal agreed on the need for a common definition for climate finance and pointed out that the LDCs prepared their NAPAs and are still awaiting funding, with the LDC Fund and the Adaptation Fund still remaining empty. It commented on the lack of private sector participation especially in adaptation actions, as well as a lack of financing for loss and damage. It pointed out that LDCs were spending a lot of resources addressing extreme events.

Uganda highlighted the need to stress the difference between the LTF and official development assistance (ODA), with the former being "additional" to ODA. It also stressed on capacity-building to access financial resources.

The **United States (US)** commented that it was not constructive to focus on the provider and

recipient problem (referring to previous interventions by developing countries) but rather on true and genuine partnership. It stressed the importance of strong national financing frameworks and alignment of developing countries' NDCs. On the issue of adaptation finance, it said that the real issue is of mainstreaming of broader infrastructure projects and planning towards climate resilience. Responding to the **US'** comment on "mainstreaming", **Malawi** clarified that developing countries have already "mainstreamed" climate change in their NDCs, NAPs and NAPAs, and that it was now time for implementation.

At the closing plenary on reflections, the **African Group** reiterated that it is not the developing countries' responsibility anymore with their NDCs, NAPs, NAPAs already put forward and that the developed countries have more responsibility in terms of providing finance. It recalled that in Madrid, the African Group wanted the continuation of the LTF discussions, and once again, it expected this as a major outcome of COP26.

The **EU** said that it has managed to scale up private finance and as regards definition of climate finance, there was already a good, operational definition and that there was no need to task the SCF further on defining this. It said that it did not want to shift responsibilities to developing countries but stressed that the mainstreaming of climate policies and creating an enabling environment including in addressing fossil fuel subsidies and carbon pricing do matter. On

adaptation finance, it said that the recipients have to prioritise this because there has to be demand for this in the project pipeline. It called for the LTF discussions to be sunset.

In response to the **EU**, the **African Group** clarified that bankable projects entail eligibility criteria by providers (developed countries) and access to finance, which eventually impact implementation of action. It firmly objected to sunsetting of the LTF discussions.

In his closing remarks, chief negotiator of the COP26 Presidency **Archie Young (United Kingdom)** presented a brief summary of what he picked up, which included the importance of meeting the USD100 billion goal, increasing access to finance, and scaling up adaptation finance and climate finance as a whole. He said that the priority for the UK is to continue efforts to increase mobilisation specifically for the USD100 billion and added that the UK is cognizant of the finance agenda in COP26. He shared that the G7 finance ministers committed to increasing and improving climate finance through 2025, including for adaptation finance, and said that the UK had also increased its dedicated public finance to USD11.6 billion for the period 2021-2025. He further stated that they looked forward to picking up the agenda at the fourth Long-term Finance Ministerial Dialogue at COP26.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>

Developed countries need to be at “real zero” now – say developing countries

Penang, 9 June (Meena Raman) – A group of developing countries at the ongoing climate talks being held virtually under the Subsidiary Bodies of the UNFCCC, said that net zero targets by developed countries several decades into the future shift the focus away from the unprecedented emission reductions needed at present. The group called for real zero emissions now.

India speaking for the **Like-Minded Developing Countries (LMDC)** said that the large volume of historical emissions in the decades of unrestricted high-carbon development cannot be ignored from any standpoint, and that assumptions of future targets, decades ahead, delay immediate action. Developed countries must shift focus from distant net zero targets to real emission reductions now, it said, adding that they need to lead and attain “Real Zero to 2020” first, and then we follow by example and make declarations of future neutrality.

These remarks were made at informal consultations on the agenda item of the “Second periodic review of the longterm global goal under the Convention and of overall progress towards achieving it”, held on 8 June. The consultations were conducted by co-facilitators **Una May Gordon (Jamaica)** and **Frank McGovern (Ireland)**.

(Parties had agreed in Madrid in 2019 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 last year and the following session of the SED took place last week.)

During the informal consultations, **India** recollected what Switzerland said last November at a pre-2020 roundtable, that there was a need to avoid “lenses of bifurcation and polarization”, rather than foster an atmosphere of common

understanding, where “we see each other as partners”, noting that “all have to commit based on their capacity and responsibility”.

India said that however admirable the notion of equality and partnership may be, it equivocates from the real issues, and added that equity is not prevalent in these discussions and that net zero targets several decades into the future shift our focus away from the immediate and unprecedented emission reductions needed.

It said further that developed countries talk of bifurcation as if the Convention and the Paris Agreement (PA) did not provide for “developed countries taking the lead” in emission reductions.

Suggesting that their leadership was not borne out by the data, India referred to the Summary Report (by the UNFCCC secretariat, presented at the pre-2020 roundtable in November last year) to show that the non-EIT (economies in transition) Annex I Parties have not managed to reduce their aggregate emissions between 1990 and 2020. Instead, these non-EIT Parties’ aggregate emissions increased from 13,227.97 MTCO₂eq (metric tons of carbon dioxide equivalent) in 1990 to 13,331.23 MTCO₂eq in 2020. Based on current trends, their emissions are predicted to decrease, albeit by a meagre reduction of 2.2 to 5.8%, elaborated India further.

India highlighted that the literature being considered is also not based on equity and the principle of common but differentiated responsibilities and respective capabilities, adding that the 1.5°C Special Report of the Intergovernmental Panel on Climate Change (IPCC) does not focus on pre-2020 emissions but restricts itself to future mitigation, thereby completely overlooking historical emissions.

It asked developed countries if the world started from 2015 with the signing of the PA or

from 2020 with the kick-start of the Paris-era, and whether this era negates the Convention and its Kyoto Protocol.

Referring to the 1.5°C Special Report, India said that it indicates “significant gaps in pre-2020 action even amounting up to 40-50% and called for emissions reductions by about 25-40% by developed countries in this period”. India further pointed out that it was the IPCC that had indicated that developed countries were required to cut their greenhouse gas (GHG) emissions by at least 25-40% below 1990 levels by 2020; and to revisit their 2020 targets no later than 2014. Between 2008-2012, Annex I countries reduced emissions by only 5%, it said, and that thereafter, even after taking on the commitment to cut their GHG emissions at least by 18% relative to 1990 levels between 2013 and 2020, the actual achievement is only 13% as per assessment reported by the Secretariat.

This, India said, points towards the widening gap between mitigation ambition and actual emission reductions by developed countries, who are boasting of over-achievement of their commitments even though the ambition was not high enough to begin with.

It said further that developed countries must revisit their pre-2020 emission reduction targets and evaluate the implementation of the road map for achieving emission reductions at least 40% below 1990 levels. India said that there is no carbon budget remaining for wealthy, high-emitting Annex-I nations to pass the burden for cutting their emissions on to developing countries. Any emissions gap which was part of the pre-2020 period must be carried over and fulfilled in the post-2020 period and developed countries which were responsible for them must take that responsibility, it stressed further.

India re-emphasised with serious concern the urgent need to address the significant gap between the aggregate effect of Annex I Parties’ mitigation efforts in terms of global annual GHG emissions by 2020 and the aggregate emission pathways consistent with holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C.

China said that Parties must understand what “ambition” means and its implication on the long-

term global goal, elaborating that there needs to be a comprehensive understanding of the word which needs to include three aspects: (1) ambition in climate action targets/pledges; (2) ambition in implementation and progress made; and (3) ambition on the means of implementation, especially the finance and technology transfer support provided to developing countries. If any one of the three is missing, the result will be in the failure to achieve the long-term global goal. It added that focusing only on future targets is “fake ambition”, as this is without understanding the history of implementation and progress made towards previous pledges, and without understanding the support that developing countries received. China requested the SED and the periodic review to balance the three “ambitions” in a comprehensive and holistic manner.

Saudi Arabia recalled the decision adopted in Madrid in 2019 (decision5/CP.25) and said that questions should be asked: Has understanding been enhanced on the long-term global goal and scenarios towards achieving them? Has progress been 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? What are the challenges and opportunities for achieving the long-term global goal with a view to ensuring the effective implementation of the Convention? It asked if the process has assessed 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.

It noted that evaluations of how the mandate of the periodic review has been met are essential before planning consecutive meetings prior to realising the real objective behind the SED in the first place. It said that the theme of assessing 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 has not been addressed.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>

Rich exchange over non-market approaches under Article 6.8

Penang, 10 June (Meena Raman) – A very rich exchange of views on the Framework for Non-Market Approaches (FNMA) under Article 6.8 of the Paris Agreement (PA) took place on 10 June at the ongoing virtual climate talks.

The talks under the UNFCCC's Subsidiary Bodies (SBs) involve the consideration of the PA's Article 6 mechanisms and approaches. The informal consultation held on 10 June was co-facilitated by **Peer Stiansen (Norway)** and **Hugh Sealy (Barbados)**.

(Article 6.8 of the PA deals with non-market approaches and states that “Parties recognize the importance of integrated, holistic and balanced non-market approaches (NMAs) 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 FNMA continues to be 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 have been opposing “new” permanent governance arrangements, while developing countries are proponents of some new arrangements under the SBs.

In Madrid in 2019, at COP 25 (the 25th Conference of Parties of the UNFCCC), Parties could not find agreement on the many issues and managed to only adopt a procedural decision under the Conference of Parties to the PA (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, while “recognizing that these draft texts do not represent a consensus among Parties”.

At the 10 June informal consultation, Parties were asked to consider how implementation of the FNMA can be accelerated.

Saudi Arabia, speaking for the **Like-Minded Developing Countries (LMDC)**, countered the views of some Parties who have been saying that the FNMA currently in the Madrid texts is sufficient for the operationalisation of Article 6.8. The LMDC explained that for over a year now, countries have been battling a global pandemic which has had devastating effects especially in developing countries, and the toll that it has taken both economically and socially extends far into the future, jeopardising a swift recovery, while the countries have been maintaining the commitments made in the nationally determined contributions (NDCs) and the ambition levels. It said that there has been a wide call for a green recovery, but at this point, with the capacity that exists and with the current access to technology and finance, a green recovery is all but positive, with impacts on vulnerable populations.

It added that the FNMA is meant to contribute to integrated holistic and balanced approaches assisting Parties in the implementation of their NDCs through mitigation, adaptation, finance, technology transfer and capacity-building and this must be properly addressed. The FNMA needs to be enhanced at COP26 and its implementation accelerated so that the framework is fully operational by the end of next year, it said further.

To accomplish that, the LMDC proposed the establishment of a **task force** to develop the work programme for implementing and operationalising the FNMA, providing institutional support under the authority and guidance of the CMA. It said that the task force would develop three items viz. the definition and registry of the actions under the scope of NMAs including the actions in countries' NDCs;

the development of institutional arrangements for the functioning of the framework and the establishment of modalities, procedures and guidelines for coordination among relevant institutional arrangements. It said the task force will develop all necessary arrangements with the joint support of the SBs in one calendar year; present the progress and outcomes of the work programme at COP27 (in 2022) along with a decision proposal to be adopted, at which point the task force will be dissolved.

Explaining the creation of a registry hub for NMAs, it said interested Parties can register in a UNFCCC hub to be scaled up at the national, regional and global level actions such as NDCs, joint mitigation and adaptation for the sustainable management of forests, social ecological resilience, avoidance of greenhouse gases (GHGs), ecosystem-based adaptation, integrated water management, energy efficiency schemes and agriculture, among others.

It also proposed a facilitative mechanism to be established, which is meant to serve as a tool for guiding and enhancing NMAs. On the establishment of a network for the internal coordination of support for NMAs, it said that this could allow coordination among the different entities of the Convention such as the Green Climate Fund (GCF), Adaptation Fund, Global Environment Facility, etc. including the Local Communities and Indigenous Peoples' Platform.

The Cook Islands for the Alliance of Small Island States (AOSIS) said that the current NDCs were insufficient, and that Article 6.8 must be treated in equal balance with Articles 6.2 and 6.4. It said Small Island Developing States (SIDS) face risks such as the dumping of obsolete technologies. On how to accelerate implementation of the FNMA, it said that the work programme should be implemented in 2022. It proposed the identification of synergistic NMAs which have been successful, enabling environments and policy frameworks, the replication of successful initiatives, the identification of support and implementation, ways to engage the private sector and address their needs, the identification of barriers, ways to enhance public and private sector efforts, etc. NMAs could unlock access to activities for high ambition for SIDS, it said, adding that the outputs should aim to support synergies. It added that recommendations could be forwarded to the GCF for transformative low-carbon approaches, and there could also be approaches with adaptation co-benefits, health co-

benefits, clean energy and so on from NMA approaches.

The Solomon Islands for the Least Developed Countries (LDCs) said that Article 6.8 should enter into operation without delay. In response to the LMDC proposal for a task force, it was concerned this could delay operationalisation of the FNMA. It proposed instead a body similar to the Paris Committee for Capacity Building to enable implementation. It also suggested that the CMA should have technical workshops in 2022 for innovative ideas.

Senegal for the African Group said that there is a need to adopt institutional arrangements for NMAs in the nature of an entity, such as a body, task force or committee. Members should be designated to this body and the modality of work should also be defined. It said that the main issue is whether there is a need to agree to institutional arrangements now before the work programme implementation, or to start working under the Subsidiary Body for Scientific and Technological Advice (SBSTA) while discussing the arrangements. It said the implementation of the work programme could start. It also said that there is a need to have reporting requirements for activities under the framework and to address how the development of the FNMA will be funded. It called for the setting up of a platform to exchange experiences on activities.

Ecuador, India, Kuwait and Bolivia echoed the proposal by the LMDC. **Bolivia** said that NMAs need to be fully operational in an expedited way and are important to developing countries to enhance linkages and synergies. It said that the COVID-19 pandemic is pushing a rethink in the approaches and pathways to limit temperature rise to 1.5°C, and that NMAs can be the centre of the economic recovery. It emphasised the importance of trust, transparency and balance. Explaining further, it said that developed countries must trust the values of the Global South in their vision for scaling up current climate actions. On transparency, it said there should not be conceptual and operational confusion. It said that there is confusion over the scope of the FNMA and its implementation. On the issue of balance, it said this relates to the entirety of Article 6 where there cannot be tangible instruments for Articles 6.2 and 6.4 but not for Article 6.8. The latter needs an institutional structure and cannot remain an empty box. It stressed further that the FNMA is no longer about knowledge sharing but is about

implementation, as an instrument to scale up ambition.

Papua New Guinea for the **Coalition of Rainforest** said that while Articles 6.2 and 6.4 deal with reductions in emissions, Article 6.8 could be seen as an adaptation mechanism, adding that there could be adaptation credits for NDCs, for which financing is badly needed.

Egypt for the **Arab Group** said that the FNMA can be accelerated in important areas with a sustainable governance structure like a task force, to implement the framework. It could match mitigation and adaptation to finance, technology and capacity-building, supported by existing institutional arrangements such as the Standing Committee on Finance. The modalities for the work programme could be workshops, publication of outcomes and submissions, and technical papers. The reporting of progress and outcomes to the CMA on the basis of information from the work programme activities could include recommendations on how to enhance existing linkages of NMAs; and how to enhance support for NMAs through relevant bodies and institutional arrangements, including on identifying the source of funding for NMAs.

Costa Rica for the **Independent Alliance of Latin America and the Caribbean (AILAC)** said that the majority of cooperation occurs in NMAs. It supported the rapid operationalisation of the FNMA to realise the full potential for decarbonisation, adaptation and for sustainable development.

Switzerland for the **Environmental Integrity Group** said that the process has to be guided by Parties through a bottom-up approach, building on the submissions of Parties and not by a task force.

The **European Union (EU)** said that it was a major funder of cooperation and has a wealth of experience. On acceleration of the implementation of the FNMA, it was concerned about more haste and less speed. The EU was happy with the text from Madrid. In response to the LMDC, it asked how the task force could accelerate implementation, and was concerned that a task force could be crowding out potential for wider engagement. It also asked how additional institutional processes will help and how they will be engaged and enhanced, and how synergies will be fostered, while avoiding duplication of efforts. It said a more open and broad process is needed. It welcomed calls to enhance ambition and the tools to implement that. It said there is a need to restructure diverse

economies and move away from fossil fuels and that the FNMA could help deliver that in long-term strategies. It said that there are opportunities to deliver on both the social and climate agendas. On the issue of balance in the various articles of Article 6, it said there are risks with Articles 6.2 and 6.4 which export low ambition, while in Article 6.8, it said that there is opportunity to raise ambition without those risks. It was also concerned that more bureaucracy in having institutions for the sake of it could stifle innovation.

Canada said that it was sceptical about centralised ideas, adding that Article 6.8 is to enhance linkages and synergies and not to duplicate efforts. It stressed that Article 6 is a package and decisions need to be adopted for Articles 6.2, 6.4 and 6.8 as well. **New Zealand** expressed similar views. **Japan** also supported advancing work on the basis of the Madrid COP 25 Presidency text.

Russia too said that the Madrid text provides a basis for work and that the issue of the governing body remains. It said that there is a need for a deeper understanding of the various NMAs to make the framework work.

The **LMDC** in response to the questions raised said that the purpose of the facilitative mechanism it proposed was precisely to avoid duplication, adding that there were different entities under the UNFCCC that were entitled to speak to each other to move in one direction. The registry hub was for Parties to state their interest and in what area they needed support and the facilitative mechanism facilitates the support needed. The networking of connections is to streamline the process, explained the LMDC.

Australia said that Article 6 is a package and there is a need to address the challenges of all the respective articles, adding that Articles 6.2 and 6.4 were not as well advanced compared with the Article 6.8 work programme. Parties are already engaging in NMAs, it said, and that they were not constrained to do so. The framework needs to be enhanced, which requires identification of relevant approaches and priority focus areas. This must be guided by Parties and can commence in 2022, it added.

The **United States** said that workshops and other activities of the work programme are not a waste of time. This is how the NMAs will be enhanced, it added. It said that the issue of institutional arrangements is outside the bounds of the framework as it is now. Such proposals could not be accepted in Paris (in 2015) and its views have not changed in this regard. The NMA forum

is a fair compromise which is in the Madrid text, it said further, adding that it does not believe that there is a need for financial support for the implementation of the FNMA. The US was for version 3 of the Madrid text, which it said allows for finalisation.

Bolivia in response agreed that all the sub-articles of Article 6 are different, but they all have a common objective to enhance implementation of NDCs and ambition, including on the means of implementation. Enhancing actions with the provision of the means of implementation is where enhancing of NDCs happens and Article 6.8 is closely related to this and goes beyond knowledge sharing, it said, stressing that it is about action and implementation. It did not see the duplication as currently, mitigation and adaptation are seen in silos and the innovative nature of Article 6.8 is that it brings both together. So this is a value-add, said Bolivia, and is about the creating of synergies. It also did not see any place where the means of implementation is linked to the NDCs. So, this is not duplication but there are a lot of synergies and potential for enhancing the scaling up of actions. It said that the registry proposed by the LMDC is to give visibility to the NDCs in terms of scale and scope. The objective, it said, is precisely for the means of scaling up implementation. It explained that the role of the facilitative mechanism is to connect the needs of Parties for comprehensive support for the means of implementation. It can also provide guidance for the coordination needed, it said further. On the network for coordination, it

said that this is essential to develop as it is currently fragmented under the Convention.

In response, the **EU** expressed confusion and said that co-ordination and facilitation are good things to do but this has to be on the basis of what the gaps are. It said that if there is a lack of coordination and synergies in the UNFCCC, this could be raised through the SBs. Agreeing with the US, the EU said that in Paris, Parties agreed to a work programme and that is sufficient. It was open to being convinced otherwise and stressed that there is a need to move in stages.

Bolivia in response said that market schemes have not done much and that there seemed to be a lack of will to advance the FNMA.

The **US** said that Parties are “putting the cart before the horse” in talking about institutional arrangements when what is needed is to implement the work programme first.

Japan said that on the institutional framework, the NMA forum is where Parties could start from, which can be chaired by the SB Chairs. It agreed with Bolivia that NMAs are not just about knowledge sharing, but involve actions and actual synergies that allow the implementing of NDCs.

Co-facilitator Sealy said that all Parties want the implementation of Article 6.8 but there is divergence about whether the work programme is adequate and there are issues still about the institutional arrangements.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019:
<https://tinyurl.com/3p6tw5vx>

Developing countries disappointed at lack of information on future climate finance

Kathmandu, 14 June (Prerna Bomzan) – Developing countries unanimously expressed their disappointment over the lack of predictability and clarity in the information provided on the financial support to be provided by developed countries post-2020, at a workshop held on 11 June at the ongoing climate talks under the UNFCCC’s subsidiary bodies (SBs).

The first biennial in-session workshop on “Information to be provided by Parties in accordance with Article 9.5 of the Paris Agreement (PA)” aimed to share views on the information included in the first biennial communications (BCs) from developed countries, as well as to discuss potential improvements of the overall state of predictability and clarity of available information based on the lessons learnt. The workshop was co-facilitated by **Andres Mogro (Ecuador)** and **Gabriela Blatter (Switzerland)**.

The workshop was informed that **Australia, Canada, Germany** and the **European Commission, on behalf of the European Union (EU), Japan, Monaco, New Zealand, Norway, Switzerland** and the **United Kingdom** have submitted their BCs.

In response to the communications provided on ex-ante information on climate finance post-2020, **South Africa** candidly expressed disappointment over the synthesis report prepared by the UNFCCC secretariat on the BCs, saying that the information provided did not speak to the core issue of the qualitative and quantitative information on finance provided and mobilised by developed countries, including about the future finance to be provided and mobilised.

South Africa said further that there was no information that really provided a sense of the “granularity” needed, such as what amounts are loans or grants, as well as the delivery mechanisms

and channels. It said that there was a lack of robustness in providing predictive information on the element of support, which is key for developing countries in submitting ambitious nationally determined contributions (NDCs). On the question of whether the BCs build “trust, transparency, predictability, and ambition”, South Africa said emphatically that the answer was “no”, with the information woefully lacking and not reflecting ambition.

India, sharing its experience with the use of information from the BCs, highlighted the expectations for more predictability and clarity of information on financial support for the implementation of the PA. It spelt out that predictability and clarity can be increased by precisely setting out financial resources projected annually in the coming years; identifying what resources provided will be new and additional to existing commitments and what is not; indicating what proportion of resources will be provided for adaptation and mitigation; and the nature of finance in terms of grants, loans or other forms of financing.

Similar views of disappointment were expressed with strong calls for improvements in future communications by **Antigua and Barbuda**, the **African Group**, the **Least Developed Countries (LDCs)**, the **Independent Alliance of Latin America and the Caribbean (AILAC)** and the **Like-Minded Developing Countries (LMDC)**.

(Article 9.5 of the PA provides that developed countries shall biennially communicate indicative quantitative and qualitative information on the finance to be provided and mobilised including, as available, projected levels of public financial resources to be provided to developing countries. In 2018, Parties agreed to set out the post-2020 arrangements for the provision of information and

these include: the BCs starting in 2020, a dedicated online portal, compilation and synthesis of the BCs, biennial in-session workshops, and biennial high-level ministerial dialogues. The compilation and synthesis of the information included in the BCs will also inform the global stocktake to be held in 2023.)

In a comprehensive scene-setting presentation, **India** shared that a multilaterally agreed clear definition of climate finance is needed, and also called for increased clarity on projected levels of public financial resources to be provided which requires the scale of finance and time frame over which it will be provided to be precisely set out.

Commenting on the BCs, it said that a number of countries stated a general commitment to contribute to collective efforts to provide USD 100 billion per year in the coming years, without providing any indication of the scale of this contribution, and how it is projected to compare with the pre-2020 contributions. Communications often restated pledges to the Green Climate Fund (GCF) made in the first replenishment period (2020-2023) and to other financial mechanisms such as the Global Environment Facility (GEF) for its seventh replenishment period (2018-2022). On new and additional resources, India said that many of the submissions have been accounting official development assistance (ODA) as climate finance, and a few submissions discussed and increased focus on climate within development assistance rather than explaining what funds would be new and additional to existing support provided internationally.

On ensuring balance between adaptation and mitigation, India said many submissions recognised and indicated this as a priority, but only a couple reflected specifically in their projections to indicate what proportion of climate finance is anticipated to flow to each. Additionally, information on resources for loss and damage was not considered but this would also be a valuable addition to enhance understanding of support to be provided.

On the nature of financial instruments, it said that the break-down of grant and non-grant financing was usually not made clear in the projections, adding that what must count is only the grant equivalence of any claimed climate finance and not the gross face-value of all loans, guarantees, export credits and other elements.

India said further that on ensuring provisions as per needs and priorities of developing countries, many of the submissions were descriptive rather

than supporting it with the financial data. Submissions are also referred to “green recovery” but stressed that scaled-up climate finance is for enhancing the implementation of the PA. It also said that submissions were completely silent on the detailed in-depth data on support for technology transfer and capacity-building for mitigation, adaptation, loss and damage as well as on cross-cutting efforts. It also said that granularity in the information on the flows from developed to developing countries is completely missing in all submissions. Increasing specificity in the information provided in BCs has the power to significantly enhance the implementation of the PA by developing countries, said India.

Sharing its experience with the preparation of the first BC, **Austria** on behalf of the **EU** presented some of the lessons learned: providing ex-ante information on longer-term planning for the provision of means of implementation to developing countries depends on the national budget systems; improving national coordination processes in developed countries by internal capacity-building will lead to the better provision of information; providing support to improve enabling environments to ensure alignment of all financial flows is important; and improving the coordination of actors at national and international levels will enhance effectiveness of action.

On the key issue of predictability of climate finance, it shared that the EU recognises predictability of finance is a key ask but commitments on climate finance have to be based on political decisions. Short-term budget cycles in many countries are a barrier to longer-term planning of bilateral climate finance, while contributions to multilateral funds are more likely to cover a longer time period.

Antigua and Barbuda focused on the improvements needed in the BCs, pointing out a lack of synthesis in relation to the collective projected levels of finance from developed countries, especially on an annual basis. It said that its NDC is conditional on getting the means of support, especially in light of debts and the COVID-19 situation. It added that understanding the limitations of budgetary processes, the information that is needed is only indicative. It also pointed out that the time frames in the submissions were not standard and were also outdated, with 2018-19 references which did not reflect projections anymore.

Guinea for the **African Group** reiterated that the provision of ex-ante information to developing

countries is crucial to implement their conditional NDCs, adding that the BCs did not give any assurance of financial commitments by developed countries. It highlighted the lack of “burden sharing” and “fair share” of the collective commitment by developed countries and called for clear quantitative and qualitative information. It pointed out that most developed countries failed on indicating predictable finance as well as what are new and additional financial resources.

Malawi for **LDCs** also highlighted the importance of predictability and adequacy of support including progression and scaling up. It stressed on the need to isolate ODA from climate finance and suggested bringing in lessons learned from long-term finance and the USD 100 billion goal. On the improvements needed, it echoed South Africa and India on the need for more information on reporting of future commitments, as well as more clarity on allocations towards mitigation and adaptation, and a clear indication of what support there is for loss and damage. It said that different approaches and methodologies pose a challenge on comparability of financial resources among developed countries.

Colombia for **AILAC** said that the next round of communications must come up with additional quantitative as well as qualitative information on how developed countries plan to support developing countries. It also sought clarification on what is the new and additional element of financial resources, expressing its disappointment that developed countries do not consider the region a priority even though they are particularly vulnerable to climate change. It also commented that most AILAC countries have really ambitious NDCs but do not have resources to implement them.

Norway, Canada and Australia shared some key elements of their respective BCs and highlighted that their budget cycles and the need for parliamentary approval are a common challenge and barrier towards providing ex-ante information on financial resources.

The **EU** took note of the comment (by South Africa) that the communications did not help in terms of trust, transparency, predictability and ambition and remarked that the BCs were “a learning by doing exercise”. It shared that their ODA budget is their tool for channelling climate finance to developing countries and in relation to the need for a multilaterally agreed definition of climate finance (in response to India), it said the Standing Committee on Finance is already using

an “operational definition” and that “we must not let the perfect be the enemy of the good”.

The **United States** said that it has not yet turned in its BC but with the change in administration, this was a top priority. It also shared that it released its first-ever international climate finance plan which should give the high-level overview of the direction of travel and commitment for scaling up climate finance. It said that effectiveness of finance is an important aspect and highlighted scaling up finance for adaptation and resilience. It stressed on the role of all financial instruments that will have to come to play as well as in ensuring finance is fit for purpose. It also referred to the scaling down of support for public subsidies for carbon-intensive infrastructure and activities including fossil fuel subsidies.

India for the **LMDC**, in response to the EU, reiterated the utmost importance of definition of climate finance, stating that the existing “operational” definition was not good enough, and that “aiming for the better” should not be discouraged.

UNFCCC Executive Secretary **Patricia Espinosa** and **Lorena Palomo Parada (Chile)**, representing the Presidency of the 25th session of the UNFCCC’s Conference of Parties (COP 25), provided opening remarks at the workshop.

Espinosa said finance plays a critical role in the PA implementation process while Parties continue to work to boost climate ambition. She highlighted the importance of scaled-up financial resources and striking a 50:50 balance between mitigation and adaptation, with rapid scaling up of grant-based resources for adaptation. She added that financial resources must reflect the needs and priorities of developing countries and that the message of the workshop must be clear and unmistakable, one that tells developing countries that their ambitious actions will be matched with climate finance. She stated that the outcome of the workshop will feed into the high-level ministerial dialogue at COP26 in Glasgow.

Parada said that the Article 9.5 ex-ante information provides predictability of financial resources in the context of PA implementation, while also providing transparency in the mobilisation of the USD 100 billion goal to address the needs of developing countries. She stressed that predictability is a crucial aspect of aid effectiveness.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>

Virtual climate talks end with preparations for COP 26 in Glasgow

Penang, 21 June (Evelyn Teh) – The climate talks held virtually under the UNFCCC’s Subsidiary Bodies (SBs) from 31 May 2021 ended on 17 June 2021 with a closing plenary session where Parties gave their views on both process and substance following an intense three-week session.

The May-June session saw the generation of “informal notes” produced under the responsibility of the respective Chairs of the SBs, following efforts to capture progress and the views of Parties from the various meetings held. According to the Chairs of the SBs, these informal notes do not have any status but are viewed as helping to advance further work in preparation for the 26th meeting of the UNFCCC’s Conference of Parties (COP 26) to be held in-person in Glasgow from 31 October-12 November.

The virtual meetings saw Parties, from both developed and developing countries, often facing connectivity issues, poor quality audio, and technical disruptions, with some developing countries encountering power cuts.

On 17 June, the final plenaries of the SBs were held one after the other. The **Subsidiary Body for Implementation (SBI)** was convened by Chair **Marianne Karlsen (Norway)**, while that of the **Subsidiary Body for Scientific and Technological Advice (SBSTA)** was convened by its Chair, **Tosi Mpanu Mpanu (Democratic Republic of the Congo)**.

The **SBI Chair Karlsen** stated that the SBI session was not closed but suspended so that work can continue, and all agenda items can be considered when the body formally completes its work at COP26. She informed Parties that looking forward, she will be preparing a scenario note that will cover all items of the provisional agenda of the SBI, which aims at identifying ways forward, including textual proposals that would be helpful for advancing Parties’ deliberations. The Chair will

also provide updates of planned activities to engage Parties to advance work in preparation for COP26.

The **SBSTA Chair Mpanu Mpanu** stated that the provisional agenda includes all mandates and no issue will be left behind, and emphasised that the informal notes (from the May-June session) capture the work in progress, and that the notes and all its elements have no formal status, are not exhaustive and should not be considered as final in any way. With further work and inputs from Parties and continued engagement, the informal notes can offer the foundation help in advancing work in various areas, said Mpanu Mpanu. For some items, informal notes are also issued to reflect further views from Parties and serve as inputs for further deliberations, he added.

The United Kingdom on behalf of the incoming **COP 26 Presidency** stated that it will, together with **Chile** (the COP 25 Presidency), continue to set out plans for activities taken forward under their authority as presidencies. Consultations, calls for submissions and other tools will be utilised, while remaining guided by the principles of transparency, inclusivity and accelerating progress towards outcomes at COP26. These plans will build on the monthly series of multilateral heads of delegations’ consultations that the presidencies have conducted since January - including the stocktake on the way forward to be held on 30 June and the focus on the “Loss and Damage” issue in late July.

A joint plenary of the SBs was convened to hear statements from groupings and countries.

The **Republic of Guinea**, speaking for the **G77 and China**, expressed that the multilateral climate finance architecture must be adequate and predictable in terms of both financial and technical support and that this includes building the capacity of developing countries to report and implement the reporting requirements under the Convention

and the Paris Agreement, as well as the Enhanced Transparency Framework.

With regard to the Nairobi Work Programme, Guinea said that the virtual meetings proved to be a challenge for some developing countries, in addition to the insufficient time to peruse the 2021 progress report as it was issued only on the first day of the virtual SB session. The Group also said that it expects the informal note on the National Adaptation Plans (NAPs) discussion to reflect appropriately the issues captured during the session.

On matters relating to the Fourth Review of the Adaptation Fund (AF), the G77 stressed that the AF is the only fund fully dedicated to concrete adaptation efforts via full-cost grants. Hence, the Group hoped that the informal note will capture the needs on adequacy and predictability of the finance available and the sustainability of the AF, and emphasised that the note produced is not exhaustive, has no formal status and should not be considered final in any way; nor does it prejudice further work or prevent Parties from providing additional views.

As regards matters on loss and damage, the G77 stated that rapid and effective operationalisation of the Santiago Network is invaluable and welcomed an informal process that can help the COP Presidencies obtain inputs from Parties and other stakeholders on how to move forward its operationalisation.

The G77 raised its grave concern about the progress on implementing the work plan activities of the response measures forum and the Katowice Committee of Experts on the Impacts (KCI) and underscored the need to make up for the time lost and ensure progress on the technical work related to the work plan activities and the recommendations.

As for the Enhanced Transparency Framework (ETF), the G77 reiterated that the virtual format posed challenges for Parties to discuss and resolve differences due to the highly technical nature of this topic. It also expressed disappointment that some developed countries objected to discussions on the provision of enhanced financial, technical and capacity-building support for developing countries to cover the cost of ETF requirements.

Since raising adaptation ambition is a priority for developing countries alongside mitigation, the G77 and China called for a balance between adaptation and mitigation in the 2022-2023 programme budget of the secretariat.

Bolivia on behalf of the **Like-Minded Developing Countries (LMDC)** said that this virtual setting cannot be the format or substitute for actual in-person negotiations in order for COP 26 to succeed. On adaptation, the LMDC said topics such as the global goal on adaptation, the recognition of efforts and other key elements of adaptation to operationalise the Convention and the Paris Agreement were left out and efforts to compensate this unbalanced treatment were attempted by adding more hours to ongoing discussions in a virtual mode, which burdened small delegations.

On the common time frames of nationally determined contributions (NDCs), the LMDC was very disappointed to see that the elements for further consideration in the informal note did not capture all Parties' views.

On Article 6 of the Paris Agreement (on cooperative approaches), the LMDC believed that no progress was made on resolving the outstanding issues, adding there have been repetitive statements with some calling for a compromise on the variety of issues but these same Parties did not offer compromises. No solutions are emerging despite having discussed these issues for more than five years, it added further.

On finance issues, the LMDC said that the informal note shared on financial and technical support reflected neither the interventions nor the inputs presented by developing countries and the revised version came as a text which was previously rejected by the G77, adding that this was highly irregular and unacceptable.

Reflecting on the workshop held on the biennial communications by developed countries under Article 9.5 of the Paris Agreement, the LMDC said that exchanges clearly reflected that the required transparency of ex-ante information of finance is severely lacking, doing very little to improve predictability of finance. Trust, ambition and predictability of finance are not supported by these reports.

The LMDC stated that the virtual discussions for the complex issues under transparency were not very productive and therefore physical meetings are still needed.

On the Second Periodic Review and the Structured Expert Dialogue (SED) held under it, the LMDC said that the equity issue was not prevalent in the discussions. The literature being considered in the SED is not based on equity and the principle of common but differentiated

responsibilities and respective capabilities (CBDR-RC). It highlighted the need to not only focus on the Paris Agreement but also include the long-term global goal of the Convention, adding that the operationalisation of the principle of equity also applies on the work for the Global Stocktake.

Gabon on behalf of the **African Group** emphasised the challenges of virtual negotiation, which were noticeable. The Group also stressed the need for support to be provided by financial entities for the Koronivia Joint Work on Agriculture, to increase adaptation actions and projects on the ground, ensure food security, and reach the expected co-benefits.

The African Group also emphasised the need for strengthening the engagement of African Parties, national focal points and experts in the different modalities of work of the Nairobi Work Programme and expand its thematic focus and knowledge products to address areas related to drought, water scarcity and land degradation.

Saudi Arabia on behalf of the **Arab Group** stated that the challenges posed by the virtual meeting have impacted the ability to follow discussions and participate efficiently and therefore, this mode of virtual discussion should be exceptional. It expressed concern with the various procedural problems, seeing attempts to bypass the rules of procedure that had been agreed upon before holding this informal session. It added that the remarks made by the Arab Group were not reflected entirely in the outcome notes of this session and therefore underscored that the documents will have no legal status as they were not negotiated and are not a basis for negotiations and for making decisions.

With regard to the response measure agenda, the Group underscored the need to achieve progress on technical work on the impact of response measures and the need to make necessary arrangements to achieve further progress on this item. On Article 6 of the Paris Agreement, it echoed similar views as those expressed by the LMDC. On the transparency framework, it also said that it was very difficult to achieve progress because the highly technical nature of the work did not support work in a virtual mode for these items.

India on behalf of **Brazil, South Africa, India and China (BASIC)** emphasised the need for balanced progress across all agenda items as they are intrinsically linked. On Article 6, the BASIC group said that it needs to be operationalised as a package with provisions for environmental integrity, transparency and

governance which must be equally robust and balanced under all sub-articles. On the issue of common time frames for NDCs, India emphasised the need to be cognizant of the nationally determined nature of NDCs and to keep all options available.

It also expressed disappointment that the informal notes and the texts for the different finance agenda items often came as either decision text format or including elements which were not decided following due process. In addition, it stated that more time slots should be allocated for discussions on financial and technical support for transparency and that the virtual mode is not conducive for discussing the technical issues on common reporting tables compounded by the great challenges faced by developing countries when accessing online meetings. It also emphasised the need for enhancing finance for adaptation and a strengthened role of the AF.

Antigua and Barbuda on behalf of the **Alliance of Small Island States (AOSIS)** stated that in relation to Article 6, more technical work is needed on the quantitative implications of different proposals on the table for global emissions and other indicators, including funding for adaptation. AOSIS also stated that a prompt start to the work programme on non-market approaches could help Small Island Developing States (SIDS) with a just transition.

AOSIS also stated that it has taken note of the G7's restated intention to deliver on the USD 100 billion goal, originally promised for 2020. This is a contrast between the long struggle to reach this goal and the fact that USD189 billion of the G7's combined economic recovery funds were spent on fossil fuels during this pandemic, despite pledges to cut emissions. The USD 100 billion goal is clearly inadequate, it said further. In the context of adaptation, AOSIS said it would like to see more adequate, predictable and accessible financing to formulate and in particular to implement NAPs. This includes having the Global Stocktake adequately capturing the progress on adaptation.

It also indicated that climate finance needs to be truly accessible and not restricted by arbitrary criteria, like GDP per capita, that do not reflect Parties' inherent climate and economic vulnerabilities. Meanwhile, COVID-19 remains a serious concern and travel restrictions continue for many countries – therefore, access to vaccines and testing facilities is still a challenge in SIDS, and the safety of its delegates was a priority, it added further.

Argentina on behalf of **Argentina, Brazil and Uruguay (ABU)** stressed the importance of having an inclusive and equitable process in the Global Stocktake that leads us to the future but also looks backward at implementation gaps and challenges, especially regarding pre-2020 implementation. On the Fourth Review of the AF, ABU also said that the membership, representation, eligibility criteria or further differentiation among developing countries on the AF Board should not be discussed.

Bhutan on behalf of the **Least Developed Countries (LDCs)** said that on the transparency framework under the Paris Agreement and the domestic preparations to transition to the Enhanced Transparency Framework by 2024, Parties must ensure that developing countries, especially LDCs, are provided with the resources and capacity-building support needed to produce the reports and to sustain reporting capacity on a permanent basis.

Paraguay on behalf of the **Independent Alliance of Latin America and the Caribbean (AILAC)** stated that on the transparency framework, the informal notes contain most of the technical elements that Parties need to further progress in their deliberations, so this is an effort that should not be lost. AILAC also stated that the second periodic review of the long-term global goal must serve as a key input to the global stocktake, and that the third SED must include the Intergovernmental Panel on Climate Change's reports expected in the first half of 2022.

Nicaragua for the **Bolivarian Alliance for the Peoples of Our America (ALBA)** stated that the financial obligations and commitments to provide finance by the developed countries under the Convention and the Paris Agreement must be implemented fully, including the goal of mobilising USD 100 billion annually by 2020, since there has been a deficit in ambition that must be corrected quickly. Likewise, it reaffirmed that ambition must also include ambition in adaptation, with developed countries taking the initiative and leadership in the provision of financing and means of implementation. On that note, ALBA stated that it is necessary to accelerate the launch of negotiations on a new collective quantified goal on finance by 2025. It also called for a review of the overall progress and implementation of the actions of the Parties in the period before 2020 under the Convention and the Kyoto Protocol to be started immediately without having to wait for the Global Stocktake. It denounced unilateral coercive

measures, which are illegal and violate international law, and deepen the devastating effects of climate change (on countries impacted by such measures).

Australia on behalf of the **Umbrella Group** stated the need to urgently accelerate work on transparency including through technical work in advance of COP26, while ensuring the need for a consistency of outcomes with the decisions agreed at COP 24. It also stressed the need to redouble efforts on matters related to Article 6 to reach an agreement in Glasgow, as Parties pivot to resolving the key political questions. It expressed support to Singapore and Norway to lead the implementation of the UK Presidency's ministerial initiative in this regard. On the first global stocktake, it noted that Parties will be having discussions at the first technical dialogues to be held next year and that the non-paper by the SBSTA and SBI Chairs is a good foundation on which to build and use as a key process to highlight the urgent need to increase ambition.

The **European Union (EU)** acknowledged that this virtual session presented many challenges and constraints, particularly for developing countries. On matters related to Article 6 of the Paris Agreement, the EU recognised that key differences remain between Parties that can only be resolved at a political level. To find common ground on this, it stated that technical exchanges must continue with intersessional work in the coming months. However, the EU stated that the note on the AF represented a step backwards. It welcomed the offer of the incoming Presidency to convene ministers to begin to narrow differences on the key political issues.

Switzerland on behalf of the **Environmental Integrity Group** stated that it will only support holding an additional SB session if there are substantial changes in format. These include the ability to work on draft decision texts, the availability to work through informal-informals for technical work, to take procedural and substantial decisions, and all these are independent of whether the sessions take place face-to-face or virtually. Otherwise, the Group stated, it would be more useful to hold technical workshops to progress technical aspects of work.

Edited by Meena Raman

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>

Equity is a priority issue in first global stocktake – say developing countries

Kathmandu, 22 June (Prerna Bomzan) – As preparatory work for the first global stocktake (GST) under the Paris Agreement (PA) is underway, developing countries highlighted “equity” as a priority issue in both the process and substance of the GST as it plays its proper role in the assessment of progress in achieving the PA goals.

(Article 14 of the PA provides for a GST every five years to assess the collective progress towards achieving the purpose of the PA and its long-term goals. The first GST [GST1] will take place in 2023 and is supposed to be undertaken in a comprehensive and facilitative manner, considering mitigation, adaptation and the means of implementation and support, and in the light of equity and the best-available science. The outcome of the GST will inform Parties in updating and enhancing, in a nationally determined manner, their actions and support. In 2018, Parties agreed that equity and the best-available science will be considered throughout the GST process which will consist of the following three components: information collection and preparation; technical assessment; and consideration of outputs.)

At an information event convened on 15 June by the Chairs of the UNFCCC’s Subsidiary Bodies (SBs), **Guinea** speaking for the **G77 and China** stressed that “as equity is, together with reliance on the best available science, an overarching foundational principle for the GST, this should be reflected in both process and substance”.

The event on preparations for the GST1 during the virtual climate talks under the SBs was presided over by **SBI Chair Marianne Karlsen (Norway)** and **SBSTA Chair Tosi Mpanu Mpanu (Democratic Republic of Congo)**, who introduced a non-paper prepared under their own responsibility in response to the requests by Parties, and agreed to in 2018: “(i) To organise the GST in a flexible and appropriate manner, to work on identifying

opportunities for learning-by-doing, including for assessing collective progress, and to take the necessary steps for the consideration of inputs as they become available; (ii) To develop guiding questions for all components of the GST, including specific thematic and cross-cutting questions, one session of the subsidiary bodies prior to the relevant activities under the GST being carried out”.

The non-paper focused on guiding questions for the information collection and preparation component of the GST. The guiding questions include specific thematic questions for the three thematic areas of mitigation, adaptation and means of implementation and support as well as cross-cutting questions. The non-paper also contains elaborative sections on the above-mentioned requests as well as timelines.

Guinea for the **G77/China** stated that while the non-paper was comprehensive, some priority issues that are of key importance to developing countries have not been given adequate or balanced treatment. These include equity in both outcome and process, adaptation (including the global goal for adaptation), means of implementation (separately for finance, technology transfer, and capacity-building), (the impact of) response measures, and loss and damage, including in the guiding questions that are being proposed, explained Guinea.

It said equity in the process means that participation by Parties and other stakeholders must be equitable; that is, those that have greater difficulty or less capacity to provide inputs should be assisted in doing so, and called for technical support to be further detailed, informing that it had provided concrete proposals in this regard, which require corresponding budget allocations to be provided for in the 2022-2023 programme budget of the UNFCCC secretariat.

As regards equity in substance, Guinea said that it requires a holistic and cross-cutting collection and assessment of the information obtained for the GST from all sources of inputs, so that the technical assessment and political consideration of the outcome will also have substantive equity as a key element. Doing so will help ensure that the outcome of the GST is equitable, looking backward at implementation gaps and challenges (including with respect to historical responsibility and pre-2020 implementation of the Convention and its related instruments), what has been done, what has not yet been done, and how these would be addressed in a forward-looking and equitably ambitious manner in the various areas, taking into account the underlying principle of common but differentiated responsibility and respective capabilities (CBDR-RC), in light of different national circumstances, and in the context of sustainable development and poverty eradication. Such a substantive equity-based outcome would be the best way to enable the GST to inform Parties as they prepare their next nationally determined contributions (NDCs) and enhance international cooperation.

Ghana for the **African Group** also expected equity to feature a lot more prominently in the process and substance than what currently exists in the non-paper, adding that another area equity that needs to be considered is that of “just transition”, and part of its focus should be an assessment of how support provided has enabled a just transition in all developing countries, it said further. In terms of process, it said that if the GST is to be enriched by the knowledge and experience of non-Party stakeholders like local communities and indigenous peoples especially in developing countries, then more proactive measures should be deployed to help them generate the inputs that could feed the GST and this support could be managed by the Secretariat.

Ghana also said that there were deficient aspects in the non-paper, stressing that the elements on finance do not reflect the ecosystem of obligations and actions for finance across the PA. It said that the GST should also focus on efforts and progress made in the delivery of the obligations (under Articles 9.1 and 9.3) by developed countries as the level of the efforts has a direct impact as enhanced support for developing countries is required for effective PA implementation and will allow for higher ambition in their actions. On the global goal on adaptation, it questioned how Parties can enhance ambition on adaptation, both of actions

and of support and what work on metrics would be needed to better understand progress. It also pointed out that the objective or outcome of the GST should stand out clearly with the global response informed by the findings underpinned by the best-available science and based on the principles of CBDR-RC, in light of different national circumstances, and in the context of sustainable development, poverty eradication and social justice.

India for the **Like-Minded Developing Countries (LMDC)** highlighted that equity is not a consideration of fairness but it is the benchmark to measure fairness and ambition, adding that it has repeatedly reiterated that equity is a guiding and overarching principle of the Convention and the PA and needs to be operationalised in each component of the GST and the work on GST therefore must reflect this. It said that the non-paper has been unable to capture the incorporation of equity in concrete terms. There is a unique opportunity to develop guidance on key criteria and metrics (i.e., equity indicators) that evaluate the fairness and equity of climate contributions based on national circumstances and capabilities. This guidance should be drawn from the criteria and metrics/indicators already communicated by Parties in their NDCs and they can thereafter decide if and how such indicators could be applied in subsequent GSTs. The LMDC, it said, is happy to provide a repository of these indicators.

India further pointed out that as the GST is an ambition assessment tool, a very important aspect missing from the ambit of the non-paper is the assessment of leadership and enhancement of ambition and commitments by the developed countries in fulfilling the pre-2020 commitments. It reiterated that at the aggregate level, pre-2020 commitments have not been met in terms of mitigation and support provided. The pre-2020 shortfall will persist in 2023 in the time of the first GST. Therefore, reports submitted by Parties in relation to their actions undertaken for the pre-2020 period must be incorporated in the work on GST going forward. This is important towards historical responsibility in terms of collective assessment of cumulative past emissions of developed country Parties, it added.

Brazil for **Argentina, Brazil and Uruguay (ABU)** stressed the need to ensure that the outcome of the GST is equitable and looks backward at implementation gaps and challenges, especially regarding pre-2020 implementation.

Saudi Arabia for the **Arab Group** emphasised the role of the constituted bodies and

forums especially the forum on response measures and said that the non-paper did not include the outcome of the GST and how to deal with it. It also called for a clearer language in the non-paper being prepared under the responsibility of the SB Chairs and said that its elements are non-exhaustive, have no formal status and should not be considered as final in any way.

Panama for the **Independent Alliance of Latin America and the Caribbean (AILAC)** stressed that establishing an analytical approach for the technical assessment, that refers to the best-available science to frame guidance about future action, is a pressing task for the adequate preparation of the GST and that the approach must balance backward-looking fact gathering with forward-looking analysis that asks critical questions framed by the latest scientific and technical understanding of the transformational changes needed to be undertaken. It raised concerns that the SB Chairs have failed to integrate within the GST design accepted scientific concepts that would enable the GST to deliver elements to guide towards a vision of transformational change. It called for the appropriate consideration of science as an input to the design and framing of the GST in all its components.

Antigua and Barbuda for the **Alliance of Small Island States (AOSIS)** made two points. First, on challenges and barriers, it said it is important to address what is forward-looking, keeping in mind that the GST is ratcheting up of ambition across adaptation, mitigation and means of implementation. Secondly, in consolidating and summarising inputs, it stressed the need to retain background and context, including links to mandates and operational arrangements in relation to inputs by constituted bodies.

Bhutan for the **Least Developed Countries (LDCs)** emphasised that the GST will be key to overall progress and implementation of the NDCs. It said that the GST should have both forward-looking and backward-looking aspects with the current non-paper not being balanced, urging the incorporation of the former aspect in the context of the goal of the PA which can be supported by scientific reports. It asked to follow the mandate without going beyond what was agreed earlier and also stressed on a Party-driven process, along with the participation of non-Party stakeholders whose inputs will be important.

The **European Union (EU)** said that the non-paper provided a valuable basis as a tool to prepare for the GST1 process and called for it to not lead

to changing or renegotiating the important balance agreed before. It stated the GST provided opportunity every five years to look collectively so far and on what needs to be done. It stated the GST's two functions of taking stock of PA implementation to assess the collective goal and the opportunity to enhance support and action, the second part being forward-looking. The guiding questions should be along these lines and appropriate for all three thematic areas. It also stated concerns on the means of implementation and support and stressed that questions related to finance flows (Article 2.1c) need to be on an equal footing with other related long-term goals (Articles 2.1a and 2.1b), thus calling for questions related to finance flows to be moved from the cross-cutting area to means of implementation and support thematic area. It pointed out further that in relation to questions on the adaptation thematic area, they do not correctly reflect the mandates.

Canada said that the non-paper should not rewrite or reinterpret what is already agreed to and that Article 2.1c (on finance flows) needs to be considered on an equal footing with the other long-term goals. It also echoed the need to ensure various mandates and references are more delineated on questions related to the adaptation thematic area. It emphasised on contributions from non-Parties and observer organisations and how their inputs are integrated into the process.

The **United States (US)** welcomed the online portal organised by thematic areas, further suggesting that non-Party stakeholders could be organised in such a manner through multimedia and other online tools, by more than written submissions. It also emphasised on reports by constituted bodies as per their area of expertise and agreed on the need for more forward-looking questions. It echoed the EU on questions related to Article 2.1c, not seeing it as a cross-cutting issue.

Australia said that overall, the non-paper was fit for purpose and agreed with the guiding questions to be general. It also spoke on the reports of the constituted bodies sticking to their area of work. It looked forward to the three technical dialogues and the treatment of the three thematic areas of mitigation, adaptation and means of implementation and support, in a balanced way.

South Africa also stressed on the crucial issues of equity and pre-2020 commitments. It laid stress on the fact that the GST is the centre-piece of efforts to ratchet up ambition collectively under the UNFCCC process. Given that there is no internationally agreed definition of climate finance,

it posed a question to the EU, Canada and the US as to where they were deriving their answers in relation to the financial flows issue of Article 2.1c. It cautioned against getting into negotiating positions in order to avoid politicisation or contestation at a critical phase which is technical, relating to data.

China said the GST input sources and outcomes should be inclusive and that adaptation, finance and technology transfer are essential elements to make the GST a comprehensive, inclusive one. It highlighted the need to have a comprehensive understanding of ambition which not only means ambition of action and target pledges but, more importantly, ambition on the means of implementation and progress made, especially finance and technology support provided to developing countries. It made a point that when assessing the collective progress to reach the long-term global goals, we must bear in mind that before we look forward we need to look backward to learn lessons from the past, to understand the historic responsibilities and implementation and progress made towards previous pledges.

Switzerland said that the technical dialogues have the most important role and welcomed the general approach and timelines including the role

of observer organisations. It echoed other developed country speakers on the issue of moving questions related to financial flows and Article 2.1c from the cross-cutting section to the thematic area of means of implementation and support, stressing the equal footing with Articles 2.1a and 2.1b.

Japan said the non-paper served as a very good basis and supported more forward-looking guiding questions. It also emphasised on equal treatment of all three thematic areas.

In closing, SBI Chair **Karlsen** summed up the key points coming out of the discussion, inviting further inputs and submissions anytime while moving forward. SBSTA Chair **Mpanu** informed about further developing the non-paper taking into account all views expressed. He also shared the forthcoming plan to hold another informal meeting at COP26 (the 26th meeting of the UNFCCC's Conference of Parties) in Glasgow on the revised non-paper, with a focus on developing guiding questions for the technical assessment component of the GST1 process.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>

Developing countries call for rapid operationalisation

Kathmandu, 23 June (Perna Bomzan) – At an informal meeting organised on 16 June during the virtual climate talks of the UNFCCC’s Subsidiary Bodies (SBs), **Guinea** on behalf of the **G77/China** underlined that the rapid and effective operationalisation of the Santiago Network on Loss and Damage (SNLD) was of great importance for developing countries, and that this should be done through an appropriate institutional arrangement to enable the Network and its members to respond quickly and adequately to the specific requests and needs for technical assistance.

While developing countries called for a dedicated and organised structure to assist them in relation to their needs to address loss and damage and not merely rely on the setting up of a website, developed countries were opposed to the establishment of new structures, saying that existing arrangements should be sufficient in this regard.

The informal virtual meeting was convened at the request of the **G77/China**, given the absence of this important issue in the meeting schedule of the three-week session of the SBs. Consequently, the current and incoming Presidencies of the UNFCCC’s Conference of Parties (COP) invited Parties and observer groups to share their views about the modalities for the operationalisation of the SNLD. The meeting was presided by **Gladys Santis (Chile)** representing the COP25 Presidency and **Malcolm Ridout (United Kingdom)** representing the incoming COP26 Presidency.

(In Madrid in 2019, Parties decided to establish, as part of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts [WIM], the Santiago Network for averting, minimising and addressing loss and damage associated with the adverse effects of climate change to catalyse the technical assistance of relevant organisations, bodies, networks and experts for the implementation of

relevant approaches at the local, national and regional levels in developing countries.)

Santis in her introductory remarks informed about the activities to date: the first informal consultation held in December 2020 during the UN Climate Dialogues which also included a roundtable on the potential functions of the SNLD; the second informal consultation on 26 April this year involving an input paper as well as the establishment of the “Friends of President” group. She further stated that a paper arising out of the second consultation has already been shared with Parties for comments and a second paper would be distributed before the next informal consultation scheduled for 28 June.

Guinea for the **G77 and China** provided comprehensive comments on the Presidencies’ informal summary paper (resulting from the 26 April consultation) which outlined the form and function as well as the process of development of the SNLD. It said that the initiative being taken to make the SNLD operational is welcomed but wanted sufficient time to be able to provide substantive input from all Parties, due to the technical challenges with the Internet and time zone differences. It shared that flexibility should be provided for any additional inputs to be provided at any time during the process, adding that this will require a process that is inclusive, country-driven and transparent, avoids duplication, and benefits from other UNFCCC or Paris Agreement (PA) processes.

Guinea also sought more clarity with respect to the process of development outlined in the summary paper. It pointed out that clarity would be needed in terms of how the results of this Presidency-initiated operationalisation process would be integrated as part of the official outcomes of COP26 and in the UNFCCC/PA institutional framework.

On the SNLD's functions, Guinea stated that the Network should enable Parties, particularly developing countries, to easily access the full spectrum of technical assistance that may be needed for the implementation of approaches to address loss and damage, emphasising that the SNLD's functions therefore should be evolving, dynamic, non-exhaustive, grounded in practical action, and aligned to the challenges and needs faced by countries.

It further recalled that the WIM (under which the SNLD sits) was established under the UNFCCC to promote approaches to address loss and damage. The PA further identified areas to avert, minimise and address loss and damage. It stressed that both will be important in shaping the SNLD and that there may also be emerging areas which will need additional consideration given the limits to adaptation being realised and projected. The SNLD should hence be flexible enough to respond to Parties' technical needs as they arise and evolve over time, elaborated Guinea further.

On the form (institutional design) of the Network, Guinea said it should be fit for purpose and follow the designated functions of the SNLD. This means that the Network will require a structure that is capable of catalysing technical assistance to address Parties' needs for such technical assistance. It underscored that to be effective, the SNLD needs to go beyond a mere connection of actors and a website. A central structured coordination system for the SNLD should be explored to ensure effective functioning, it said, adding that among the options that could be considered to perform this coordination role with respect to the SNLD is a "secretariat".

Guinea further said that engagement with the SNLD should be open to experts and organisations within and external to the UNFCCC process, including those which self-identify or are identified by Parties. It must therefore be extensive (with a wide range of expertise) and inclusive (such as humanitarian and disaster risk organisations among other entities covering a wide focus area). The dynamic nature of the Network should allow for the technical assistance from organisations and experts to be based on country priorities and needs for technical support.

It said that the real value of the SNLD will be in how to catalyse effective technical assistance to developing countries in a timely and sustained manner. And its role in catalysing the provision of the means of implementation under the UNFCCC and the PA, such as finance, technology transfer,

and capacity-building, to developing countries would also be valuable and important.

Guinea also reserved its comments on the Presidencies' proposal in the summary paper to take up the offer of the Red Cross Climate Centre to convene technical agencies to discuss the Network, adding that Parties should be invited to participate in such convening of technical agencies.

Santis (Chile), in response to questions posed by the G77/China, informed about the specific next steps leading up to COP26. She said that a second version of the paper prepared by the Presidencies will be distributed as soon as possible, before the next informal consultation scheduled for 28 June. The Presidencies expected to receive written feedback from Parties and are open to ideas for further discussions and bilateral meetings. A third version of the paper will be prepared taking into account Parties' inputs which will then be circulated to the heads of delegation meeting. Depending on reactions to that proposal, the Presidencies will convene further informal consultations and bilateral meetings to build consensus over further action needed to develop the network, including at COP26.

On the role of Parties in such a process, Santis said that operationalisation of the SNLD should be a Party-driven process and the Presidencies will lead the process expecting a full engagement of Parties and observers. On how to ensure a Party-driven process, Santis said that consultations are going on, to reflect back ideas that represent points that will find consensus including with non-Party stakeholders, and this will include a check with heads of delegations. She suggested that the COP/CMA (Conference of Parties to the PA) might like to take a view on the process and endorse further intersessional work to develop the Network, if required.

On the modalities that the Presidencies have put in place to ensure Parties' views are reflected, she mentioned informal consultations, written inputs and bilateral meetings that have taken place so far, saying further that they were open to more consultations – together, in groups, and bilaterally – on the way forward. On opportunities to provide additional inputs, Santis said that they will be happy to receive proposals on how to move forward.

Once the Network is operationalised, Santis said that Parties should be involved in the future in an active manner to ensure that the Network is useful for developing countries and to revise and evaluate the progress of the Network, adding that they will be able to make recommendations and provide more mandates in future decisions through:

(i) formal negotiations of the ExCom (WIM Executive Committee) annual reports, in which the ExCom has been called to include information from the organisations, bodies, networks and experts that have reported on their progress in providing technical assistance to developing countries; and (ii) formal negotiations of future reviews of the WIM, since the SNLD is established under the WIM. She added that the next WIM review will take place in 2024.

Timor Leste for the **Least Developed Countries (LDCs)** said that the process of operationalising the SNLD needs to be transparent and Party-driven and should be accountable to Parties. It said that the form and functions of the SNLD should be deliberated by Parties and the result captured in a COP/CMA decision. The Network should have two distinct implementation and coordination functions, it added, and the implementation function needs to support action on the ground. On the involvement of organisations and experts on technical assistance, it said that merely putting organisations into one space will not add to existing support. In view of projected losses in developing countries, this will not be enough and technical assistance needs to be sensitive to needs, it elaborated further.

Sudan for the **African Group** highlighted that operationalisation of the SNLD needs a COP/CMA decision through an inclusive, transparent, Party-driven process, pointing out that many of its members are not even following the current discussions due to challenges posed by the COVID-19 pandemic, modalities of virtual work, Internet connection issues and other problems. It added that the function of the SNLD should be dynamic to match the dynamic nature of loss and damage and should be tailored to the needs of developing countries. It said further that operationalisation of the SNLD should be done through appropriate arrangements and that having a website only is not sufficient.

Jamaica for the **Alliance of Small Island States (AOSIS)** said that the function of the SNLD should be flexible and not limited and that on institutional arrangements, organisations and experts should be extensive, self-identified or identified by Parties. It believed in the usefulness of a core document such as a “terms of reference” and said that the Network is certainly more than a website. It added further it will explore issues relating to whether a COP or CMA decision is needed and what role the ExCom would have, also saying that Parties should be able to reflect their

needs, articulate them, and to get the required technical assistance.

Colombia for the **Independent Alliance of Latin America and the Caribbean (AILAC)** said that it did not envision the SNLD to be merely a virtual website and stressed the need for a dedicated secretariat or coordinating entity with a permanent structure. A dedicated secretariat or structure should provide advice on the technical assistance that would be needed and this function should not be limited to creating spaces for countries to enter into contract with providers, it said further. It looked forward to more personalised service and shared concern that one of the functions of the SNLD should not be just relegated to gathering information while the overall function is to catalyse technical assistance. It strongly urged involvement of organisations outside of the UNFCCC such as disaster and humanitarian organisations. Further, it expressed interest for the SNLD to have a structure capable of delivering in an efficient manner, for instance, building on the Climate Technology Centre and Network’s experience which could be carried forward through the vehicles of COP/CMA as deemed suitable.

Ecuador for the **Like-Minded Developing Countries (LMDC)** said that the views expressed on the implementation of the SNLD have evolved since the first discussion and hoped for its operationalisation in the next iteration of exchanges. It emphasised the need to have an organised institution that can provide enhanced action and include different approaches on the ground. It said that other organisations that are interested in housing this kind of coordination should be linked to the process of the UNFCCC and PA in order to reflect and fulfil the needs of developing countries in terms of addressing loss and damage. It also saw benefits from further exchanges in terms of information in pursuing a COP decision.

Kuwait for the **Arab Group** said that it had hoped for more than one meeting on this issue at this session and looked forward to further elaboration in the second version of the paper for exchange of views and to get a decision at COP26.

India highlighted that for technical assistance to be implemented, there is a need for technologies and associated capacity-building and finance support, which is very critical, and also stressed the strong association and interaction between the SNLD and the WIM.

Sweden for the **European Union** said that technical assistance will be given by the members

and not by a central organisation, and that giving the SNLD an implementation function is not desirable and not within the mandate. It said that the Network should be light and operational, making the best use of existing programmes and instruments to provide added value while minimising duplication. It preferred to have rapid progress rather than delay through discussions among Parties, building on emerging common ground and using the momentum to make the Network operational by the end of the year.

The **United States** said that existing bodies and organisations under the ExCom which are already doing important work should be the starting point for the SNLD. On a secretariat and form of it, it considered that as a limiting approach and said that it would not doubt the utility of a website.

Australia called for operationalising the SNLD as quickly as possible without engaging in further long negotiations. It did not want to start from scratch on the issue of a secretariat but rather build on existing models, saying further that otherwise, it would be time-consuming and a very costly exercise.

Switzerland said the structure of the SNLD should be light, flexible and agile, ensuring that it is open to new members and changing needs. It did not agree on having a dedicated secretariat.

In response to the developed countries who were not in favour of having a secretariat or a central coordinating body, the **G77** explained that if there is no body or organisation running the website, who knows what the needs of developing countries are and what providers can provide, adding that then, the website might be static and not match what the SNLD is supposed to do, which is going beyond merely connecting organisations and is about its operational function.

In closing, **Ridout** as the incoming COP 26 Presidency informed that the next iteration of the paper will be issued early on, as a basis for the 28 June meeting and in seeking to build consensus on the way forward. **Santis** expected substantial progress so that the SNLD can be made operational.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019:
<https://tinyurl.com/3p6tw5vx>

At least 2% of global GDP needed annually for climate/sustainable development ambition – says UNCTAD

Penang, 24 June (Evelyn Teh) – At an event held under the UNFCCC's Subsidiary Bodies (SBs) first week of June, governments were told that a minimum of 2% of global GDP annually (upwards of USD 1.7 trillion) for the next few decades will be needed, with much of it for the developing world in order to deliver on the ambitions set out in the UN Agenda 2030 and the Paris Agreement (PA).

This was revealed by **Dr Richard Kozul-Wright, Director of the Globalisation and Development Strategies Division of UNCTAD**, who said that “with less than a decade to meet the ambitions set out in the Agenda 2030 and the PA, most countries, already falling behind before Covid-19 struck, have been blown further off course by the pandemic”.

He added that “delivering on those ambitions now depends on a coordinated investment programme on an unprecedented scale, across a series of deeply interconnected economic, social and environmental challenges and covering the entire global commons” and that “estimates of the required additional investments are subject to all kinds of caveats but will amount at a minimum to 2 per cent of global GDP annually (upwards of USD 1.7 trillion) for the next few decades, much of it in long-term projects, and with a growing proportion in the developing world”.

These remarks were made at the second session of the first meeting of the Structured Expert Dialogue (SED) under the second Periodic Review of the long-term global goal (LTGG) and the progress towards achieving it (PR2) that was held over three days from 3 to 5 June at the recently concluded meetings of the UNFCCC's SBs.

In his presentation, UNCTAD's **Dr Richard Kozul-Wright**, referring to the USD 1.7 trillion, said that “the numbers, which include public and private investment, can seem daunting; but they

were commonplace in the 1970s and 1980s”, adding that “the Covid-19 crisis has served as a reminder that, when countries can fully use their policy space, public financing mechanisms are unmatched in their power to mobilize resources in the face of a crisis”.

Kozul-Wright stressed that “the climate crisis is of an order of magnitude, in scale and scope, considerably greater than the Covid-19 pandemic” and that “the pandemic has revealed a sharp difference between advanced and developing countries when it comes to mobilising fiscal resources and accessing necessary technologies”. He said further that the current “dominant economic model, and the vested interests behind it, have entrenched a misplaced faith in the recuperative powers of market competition and the free movement of capital, a combination that has not only nurtured a destructive approach to the natural environment but has also failed to deliver a healthy investment climate”.

He cautioned further that “relying on deregulated financial markets, footloose capital and rent-seeking financial institutions will not only shorten investment horizons but also perpetuate a pro-cyclical and inherently volatile economic environment which works against productive investment, in both the private and public sectors and this is the opposite of what the climate crisis requires”.

Kozul-Wright called for “an ambitious programme of financial and fiscal reform”, required “to shift investment horizons from the short-term to the long-term and from speculative to productive investments to decarbonise economies. The first order of business is abandoning austerity as the default macroeconomic adjustment policy”, he said, adding that “Covid-19 has already moved advanced economies in this direction (at least for the time

being). This was however not the case in many developing countries, where creditors (including multilateral financial institutions) retain a misplaced faith in fiscal rectitude”.

According to Kozul-Wright, UNCTAD’s research in the *Trade and Development Report* has shown that “significant, well-planned and stable patterns of public expenditure can crowd-in private investment, support employment creation, boost wages, and trigger technological advances for a ‘green’ productive transformation, all the while helping States grow out of debt burdens. Further, an active public sector can help lift supply constraints, especially in developing economies, and ensure that credit creation and financial conditions serve the real economy, rather than the other way round”.

He added that “significant investments will be needed to improve energy efficiency and reduce the carbon intensity of economic growth but also to ensure a just transition through job creation, retraining and expanded health care”.

Kozul-Wright said that what is needed is a globally coordinated investment strategy, with a focus on structural transformation and environmental recovery in the developing world, which he describes as a “Global Green New Deal”.

He said further that “the responsibility to lead a big investment push lies with the world’s richest economies, whose prosperity rests on a century or more of high carbon growth and, more recently, from offshoring their emissions-intensive manufacturing activities. That responsibility extends to meaningful financial support to help developing countries decarbonize their growth regimes without compromising efforts to raise living standards and the welfare of their populations, including support to mitigate accelerating loss and damage and to meet the adaptation challenge, already stretching resources in many climate-vulnerable countries”.

“For many developing economies, servicing their external debts constrains resource mobilization for productive investment; and when environmental disaster strikes any hope of meeting the Sustainable Development Goals by 2030 is extinguished. A multilateral mechanism for restructuring sovereign debt is therefore integral to meeting the investment demands of a Global Green New Deal,” elaborated Kozul-Wright.

He also said that “we must also learn from failed approaches to the financing challenge. The available evidence on public private partnerships suggests that de-risking measures have

been unable to attract private capital on the scale promised, let alone required. Moreover, such financing tends to be more expensive than more traditional public financing arrangements as the public sector assumes the risks that should be borne by private investors, with the extra burden falling on poorer sections of society”.

Kozul-Wright explained that UNCTAD’s research indicates that “despite the large amounts of public money received since the financial crisis, private banks and other financial institutions have continued to finance dirty industries and have been reluctant to finance large-scale climate-related investments, particularly in the developing world”.

“Development banks across the world can provide more reliable sources of finance for sustainable infrastructure projects, can help countries to identify low-carbon, high-productivity activities and to design complementary industrial policies to support a just transition for workers and communities,” he said, further adding that “in our own proposals to advance a public financing agenda we have drawn lessons from the Marshall Plan to support a more coordinated response”.

He also pointed out that “over the past 30 years restricting policy space has worked to the advantage of corporate monopolies with detrimental effects on the global commons. The pandemic, in particular around access to vaccines, has highlighted the way existing trade rules, such as trade-related intellectual property protections, perpetuate technological asymmetries and generate sub-optimal global outcomes. Excessive protection of intellectual property, if left in place, will compromise effective responses to the climate crisis”.

“Accordingly, a Global Green New Deal will require a thorough audit of trade and investment rules and, where necessary, rolling back of free trade agreements and bilateral investment treaties, including their mechanisms to settle disputes. A plan such as this for a Global Green New Deal has the potential for generating the required income and employment growth across all countries as well as ensuring climate stabilisation, cleaner air and other environmental benefits. This process can drive developed countries closer to full and decent employment and help achieve more diversified economies and improved working conditions in developing countries,” stressed Kozul-Wright further. “Doing too little too late is not an option in the face of the catastrophic consequences of rising global temperatures. Rather, and in step with Martin Luther King at another transformative moment, this

is a time for vigorous and positive action,” he concluded.

To highlight some of the key takeaways relating to means of implementation, **Dr Sara Traerup** from **UNEP-DTU** said that the current annual adaptation costs in the developing countries are estimated at USD70 billion and are expected to rise to USD140-300 billion by 2030. This figure is anticipated to increase to USD280-500 billion by 2050. However, the total tracked adaptation finance is currently at USD30 billion, and has remained around a mere 5% of total climate finance since 2015. Hence, Traerup stressed that there is a real risk that adaptation costs will increase faster than adaptation finance, and therefore, further ambition is required in this regard. Economic and financial challenges are the most frequently reported challenge for technology transfer and diffusion across all adaptation and mitigation technologies, mostly due to the high up-front cost of technologies, the difficulties in obtaining loans, uncertainties regarding returns on investments, and a general lack of financial resources, she said further.

During the question-and-answer session, **India** speaking for the **Like-Minded Developing Countries (LMDC)** said that while the SED presentations were very much welcomed, the sessions have left several questions unanswered with regard to the assessment of the effectiveness of steps taken by Parties. There was a lack of analysis of the progress made, as there should be information on the effectiveness of policies, identification of best practices and technology needs. India pointed out that there was no mention of the scaling up of ambition by developed countries, considering that they continue to increase their emissions as evidenced in the compilation of the synthesis report produced by the Secretariat.

India also mentioned that there were no answers on how or where the Parties will see the committed USD1 trillion mobilised and provided (USD 100 billion per year by 2020 from 2009), including the status of the Adaptation Fund, and where are the new and additional sources of funding over and above what has been committed. Meanwhile there has been a considerable slowdown on the technology development from the Annex 1 countries across sectors, on the registration of new technologies and their development. In view of this, India asked how the transfer of technology to developing countries will be undertaken.

In addition, India also said that the presentations which focused on the future in terms

of several decades forward, have shifted the attention away from the review in the immediate term. Given that the emissions of developed countries are considerably distanced from the 1990 levels, in the context of existing and committed scenarios, it asked how the discussion can go back to the immediate need for emission reductions, instead of focusing on future carbon neutrality predictions.

China raised a question on the need for a common understanding regarding the LTGG, saying that if we are to have it below 1.5°C according to the PA, what are the means of implementation required to achieve this, in terms of finance and technology transfer.

Saudi Arabia also referred to the LTTG in its intervention, by raising a concern of how Parties can achieve these goals in an equitable way, taking into consideration the historical emissions and common but differentiated responsibility and respective capabilities (CBDR-RC), and the need for development imperatives to be met.

In response to some of the questions, Kozul-Wright from UNCTAD said that the debt constraints in many developing countries was profound. “Unless there is a serious initiative to alleviate the debt, which essentially means to restructure and relieve on a significant scale, most of the developing countries cannot generate the resources required to meet the kind of investment challenges that we are talking about in terms of climate and development goals. Unless we take that constraint seriously, it is difficult to see a way forward,” he said.

He added further that “the debt service suspension initiative launched by the G20 is inadequate compared to the pressures that these countries are actually facing, up to USD5-10 billion. This is not debt relief, but debt suspension which is insignificant compared to the pressure that it is putting on public finances.”

In a more encouraging note, Kozul-Wright referred to the issuance by the International Monetary Fund of Special Drawing Rights (SDRs) in a few months, in the order of USD 650 billion. “This is an important liquidity generating tool, although there will be a debate on whether we can use the SDRs for long term type investment project, including climate, as it can release significant amount of resources to meet this challenge.”

The UNCTAD representative explained that “the current structure of SDR is quota-based for developing countries. That’s why we propose greater support for development banks, including

the multilateral development banks (MDBs), as they need more resources and scaled up significantly”. Kozul-Wright said further that he was “worried about policy conditionality, and undue policy conditionality that many developing countries feel is unhelpful when lending comes from MDBs”.

In response to India’s question about technology transfer, the UNCTAD representative said that in the past, the institution tried to fashion a code of conduct for technology transfer which did not come to anything. “There is a case to be made for reviving this initiative for climate related technologies,” he said further.

The SED sessions were co-chaired by **Gao Xiang (China)** and **Tara Shine (Ireland)** and were organised as a fact-finding exchange of views between experts and Parties. Experts from various international organisations were invited to give their presentations on the work done by their organisations, including some findings from their latest reports.

Some of these included presentations on the first day by the **World Meteorological Organisation (WMO)** on the current state of climate and progress in providing climate services; while the **United Nations Environmental Programme (UNEP)** presented on the new scenarios compatible with the LTGG, and information on mitigation and adaptation gaps. The

International Energy Agency (IEA) also presented its findings from its recently launched report, “Net Zero by 2050: A Roadmap for the Global Energy Sector”, while the **Food and Agriculture Organization (FAO)** presented on agriculture, food security and the LTTG.

On the second day, representatives from the secretariats of the **Convention of Biological Diversity (CBD)** presented lessons from the fifth edition of the Global Biodiversity Outlook (GBO-5); the **United Nations Convention to Combat Desertification (UNCCD) Secretariat** spoke on the topic of desertification and land degradation and their impact on natural ecosystems and food security; and supporting climate action with systemic impacts by the **Global Environment Facility (GEF)** as well as the **World Health Organisation**. The final day saw officials and experts from the **Green Climate Finance (GCF)**, **World Bank**, **United Nations Conference on Trade and Development (UNCTAD)**, **UNEP/Denmark Technical University (UNEP-DTU)** and **United Nations Industrial Development Organization (UNIDO)** giving their perspectives on their organisations’ contributions in the context of climate change.

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All options on time frames for NDCs remain for COP 26 consideration

Kathmandu, 25 June (Perna Bomzan) – At the recently concluded virtual climate talks of the UNFCCC’s Subsidiary Bodies (SBs) held from 31 May to 17 June, the final informal consultation on common time frames (CTFs) for nationally determined contributions (NDCs) was conducted on 16 June, with Parties expressing the need to reflect all options on possible time frames for further consideration at the UNFCCC’s 26th meeting of the Conference of Parties (COP 26) to be held in Glasgow later this year.

At the second consultation, Parties were asked to consider four new questions which were introduced by the co-facilitators **Kishan Kumarsingh (Trinidad and Tobago)** and **Andrew Rakestraw (United States)** as follows:

(i) For NDCs communicated by 2025, which time frame should Parties apply? Of the various options put forward, which option or combination of options would work best for all Parties? (ii) How strong should the call be (e.g. shall, invite, encourage)? (iii) For NDCs communicated in 2030, 2035, 2040, etc., what guidance should the decision on common time frames provide? Specifically, for Parties supporting the option of a 10-year time frame (whether 10 years, 5 years plus 5 years, or 5 or 10 years), what will Parties communicate in 2030? and (iv) Should there be a call for Parties to review and update existing NDCs every five years?

Parties provided views based on their well-established positions and/or preferences on CTFs (See [TWN update](#) for respective positions). The **Like-Minded Developing Countries (LMDC)** and **Bolivia** also provided additional options to be included both in the informal outcome of the meeting as well as in the informal note prepared by the Chair of the Subsidiary Body for Implementation (SBI). The **Arab Group** and the **Alliance of Small Island States (AOSIS)**

registered their disappointment over the questions not having been received well in advance, hence affecting their ability to respond. **Ecuador** said that the questions do not reflect all particularities of countries and preferred to have all the options on the table.

On the second question not delved into before, **Brazil**, the **Environmental Integrity Group (EIG)**, the **Independent Alliance for Latin America and the Caribbean (AILAC)**, the **Least Developed Countries (LDCs)** and the **African Group** explicitly called for the use of the term “shall” while the **LMDC** preferred the word “invite” and the **United States** was for “invite/encourage”. **Australia** noted that the process over the last four months did not have a strong “shall” requirement in the need to update NDCs but a number of other political processes did lead to updating the collective ambition across Parties generally. The **European Union (EU)** stated its understanding that the call “should be rather strong to achieve our goals”.

The final informal consultation on 16 June aimed at receiving feedback from Parties on the [informal note](#) published by co-facilitators under their own responsibility on 15 June. Co-facilitator **Kumarsingh** invited comments which would be relayed to the SBI Chair for consideration.

Switzerland for the **EIG** said that the informal note’s introduction provides a factual description of consultations and is in the direction to streamline options which is useful for ministers for political guidance. It appreciated the attempt to capture one communication date of 2025 for the NDCs. It reiterated that its views are best captured by the first option (five years) and with regard to the second option (10 years), it noted that not many voices supported the longer time frame. Since Parties have already agreed to communicate NDCs

every five years, the 10-year option was not really in line with the mandate, it said, adding that it will be useful if future iterations recall provisions under Article 4.3 of the Paris Agreement, viz. for progression and highest-possible ambition.

China for the **LMDC** noted the inclusion of its additional options (options 7 & 8) in the annex but expressed disappointment that the options were not reflected in the “elements” section of the note. It also pointed out one missing scenario with regard to communication of five-year NDCs in 2025, which is for the period 2026-2030.

Referring to the mandate under consideration, China underscored that the discussion was about CTFs and the issue of “ambition” was not part of that. It provided four additional options to be included in the “elements” section which accurately reflects its position (five or 10 years), emphasising that flexibility is provided for developing countries. It expected its detailed suggestions to be well captured in the next iteration and proposed to start the next discussion with the “options” language.

Zimbabwe for the **African Group** reiterated its preference for the first option of a five-year time frame and expressed disappointment in the process, stated the need to do better and recommended a session by the COP Presidency to facilitate work beyond the technical. It stressed the need for political will to get a decision in Glasgow at COP 26 (the 26th meeting of the UNFCCC’s Conference of Parties).

South Africa aligned with the African Group on the process, expressing frustration at the pace of progress. It reiterated its position on a single CTF of five years and underlined that it requires political will from all Parties to take a decision at the COP. It said further that placing brackets (not agreed language) and proliferation of options will not take the process forward and highlighted that a single CTF is very important and a longer time frame is not consistent with environmental integrity, adding that there is no need for further technical work as the key problem is lack of political willingness. It did agree that the discussion is about the CTF and not ambition. It appealed to the LMDC and the EU to provide a clear position as the matter required political attention.

Saudi Arabia for the **Arab Group** pointed out that Parties are just expressing views and not engaging on negotiating texts, emphasising that the informal note had no status. It noted how NDCs must reflect the principle of common but differentiated responsibility and respective capabilities (CBDR-RC) and that the options reflect

this and must be included in the “elements” section. It echoed the LMDC that ambition is beyond the mandate of Article 4.10.

Russia said that the informal note has no status and will engage in further discussions in Glasgow. It stated that neither of the options reflected its position and expected to see proposals that addressed its concerns rather than make a choice among the options. It also suggested a similar repetition of paragraphs 23-25 of the Paris decision in 1/CP.21, which it said would allow different views of Parties on the different approaches for CTFs.

Indonesia said it was open to the option of 10 years with a mid-term review as well as to multiple time frames.

The **EU** said that it could live with the informal note in the spirit of compromise which provides a good start with clear options for consideration in Glasgow. In response to South Africa, it said that the EU has not legislated on the CTFs and that it was analysing the options in relation to the EU climate law including in preparing for a solution at COP 26.

Ecuador stressed that some options were not reflected very well in the “elements” section of the text and also shared the view that the issue of ambition was not within the mandate of discussions.

Bangladesh for the **LDCs** expressed frustration that the discussions were moving in circles with no progress and called for clear options for the ministers, so that it was understandable to them and for clarity in deciding the most appropriate option, taking into account the national contexts. It reiterated its position that multiple time frames are not compatible and consistent with the PA, with a five- or 10-year option significantly weakening the function of the Agreement.

Colombia for the **AILAC** suggested that the “elements” have cross references with the options in the annex in order to give assurance to Parties that their options are on the table.

Following the interventions, co-facilitator **Kumarsingh** informed that since the meeting was the final one, there was no time to issue another version of the informal note, but said that the comments and views of Parties would be forwarded to the SBI Chair.

On 16 June, an informal note by the SBI Chair was published bearing the caveat: “*The elements outlined in this note are not exhaustive, have no formal status and should not be considered final in any way. They are offered to assist Parties in advancing the discussions on this matter and do*

not prejudice further work or prevent Parties from expressing their views at any time.”

In the earlier informal consultations, discussions were mired in conflict between Parties over procedural issues. It started when the first informal consultation on 1 June concluded with co-facilitator **Kumarsingh** encouraging Parties to meet informally in “informal-informal” (“inf-inf”) mode by requesting **Brazil** to lead those technical discussions (See [TWN update](#)).

At the second informal consultation on 10 June, **Saudi Arabia** on behalf of the **Arab Group** strongly expressed its objection over the “inf-inf” proposal and stressed on adhering to established organisational procedures, pointing out that the “inf-inf” format was not part of the agreed plan as stated in the scenario note by the Chair of the SBI. It said further that the inf-inf discussions were totally mismanaged as it was not given the floor despite multiple requests. Attempts were also made to remove its known preferred option on the CTF, it added, and that another inf-inf was also planned to be conducted with limited invitation in a manner

that was not transparent and Party-driven. It called for keeping all options on the table especially when the SBI Chair also had assured many times that no options would be eliminated, with all views of Parties preserved.

China for the **LMDCs** also raised concern that the inf-inf meeting was not conducted in a Party-driven manner.

Brazil provided clarification about the inf-inf meeting under its leadership, stating that it was very constructive, and that there had been some kind of grave misunderstanding on the matter of the second inf-inf proposed.

Co-facilitator **Rakestraw** took note of the concerns over the inf-inf which had also been raised with the SBI Chair and encouraged Parties to resolve misunderstandings amongst themselves.

The CTF issue is expected to be discussed further in Glasgow in November this year.

More information about the outcomes and negotiations at UNFCCC from 2007 to 2019: <https://tinyurl.com/3p6tw5vx>