

The agenda fight over the Glasgow Dialogue on Loss and Damage

24 June, Penang (Meena Raman)--Parties failed to reach consensus on the agenda item on 'Matters relating to the Glasgow Dialogue (GD) on loss and damage' at the recently held 56th Session of the UNFCCC's Subsidiary Bodies (SBs) in Bonn that took place from 6-16 June.

Prior to the Bonn session, the **Like-Minded Developing Countries (LMDC)** had requested for an additional agenda item on the GD under the Subsidiary Body for Implementation's (SBI) provisional agenda. The proposal received support from the **G77 and China**. At the opening of the climate talks on June 6, **Marianne Karlsen (Norway)**, the SBI Chair, informed delegates that the proposed additional agenda item will be kept in "abeyance", pending informal consultations which she will undertake, with the outcome to be reported back to the plenary session in Bonn.

During the Bonn session, Karlsen convened informal consultations with heads of delegations (HODs) and had bilateral meetings with groups of Parties, and reported at the SBI's closing plenary held on June 16 that the consultations did not lead to any consensus on the matter.

TWN spoke to several delegates to find out what transpired in the informal consultations.

(At the Conference of Parties to the Paris Agreement (CMA) last year in Glasgow,

Parties agreed to establish the GD to discuss the arrangements for the funding of activities to avert, minimize and address loss and damage associated with the adverse impacts of climate change, to take place in the first sessional period of each year of the SBI, concluding at its 60th session (in June 2024) and requested the SBI to organize the GD in cooperation with the Executive Committee [ExCom] of the Warsaw International Mechanism (WIM) on Loss and Damage. Decision 1/CMA.3 paragraphs 73 and 74 reflected this agreement, which was also endorsed by the COP under paragraph 43 of decision 1/CP.26.)

Sources said that the **G77 and China** conveyed to the SBI Chair that the group expected the GD to conclude towards a finance facility for loss and damage, and called for a formal process under the SBI agenda to capture the outcomes of the GD and reiterated its stance for an agenda item on the issue.

Venezuela spoke for the LMDC and explained that the GD should be undertaken in the context of continued work by the SBI on loss and damage finance-related issues to ensure that the outcomes of the GD are duly reflected in appropriate recommendations from the SBI for the consideration of the COP/CMA. The LMDC is also reported to have said that Parties should exercise political oversight with respect to the progress and process of the GD, includ-

ing through the development of recommendations by the SBI for draft decisions relating to the progress and process of the GD for the consideration of the COP and CMA. The LMDC it seems also stated that they saw a strong rationale as well as mandate for the discussions on the GD to be converted to action, and reiterated the importance of capturing discussions in the GD via a formal outcome, which could include guidance for the next dialogue as well.

(In relation to the discussions on the GD, the LMDC was referring to the conduct of the first GD that was convened over three half-days from 7, 8 and 11 June, as a mandated event, with presentations and interventions. See TWN Update on the opening of the GD on June 7 - https://www.twn.my/title2/climate/news/Bonn23/No4_TWN%20BNU_08Jun2022.pdf).

According to sources, **Zambia** for the **African Group** reiterated their understanding that through the GD, Parties would consider and establish a financial arrangement, and also stressed the need for an agenda item under the SBI to take this forward.

Antigua and Barbuda for the **Alliance of Small Island States** is reported to have reiterated the importance of a finance facility for loss and damage.

According to sources, **Chile** spoke for **Independent Alliance of Latin America and the Caribbean (AI-LAC)** and emphasized the need for space to provide guidance by way of an agenda item to reflect on the next steps on the GD and not prejudge the outcome.

Fiji it seems recalled the COP 26/CMA 3 outcome on the matter and said that it was very disappointed that developed countries had not agreed on the need for a finance facility to be created, adding that the GD (the mandated event) had no reporting mechanism, no accountability, nor deliverables and that is the reason it needed to be under a formal agenda item.

The **United States (US)** seems to have said that the mandate for the GD came in late in Glasgow in response to very specific proposals that did not enjoy consensus (referring to the call by developing countries for a finance facility). According to sources,

the US said that the GD was not an outcome any Party would have preferred, but it set a process, and its preference was to stick to the mandate and not change the process. In response to statements by some Parties that the GD would lead to a finance facility, the US said that this made it hard for them to engage in the discussion. The US wanted to build understanding on the opportunities and gaps instead, and not prejudge the outcome. The US said it supports a summary of the GD to be presented at Sharm-el-Sheikh and that if there is support, action could be taken in the CMA and be reflected in CMA outcomes.

The **European Union (EU)** is reported to have said that the GD presented an opportunity and space to discuss the issue and understand it better and that this was done without the need for an additional agenda item, and reiterated that there was no need for one. The EU called for a summary of the discussions instead, and said there could be space to reflect on the summary at the COP and CMA session.

Sources said that **Switzerland** for the **Environment Integrity Group (EIG)** said that through the GD, it was clear about the importance of Parties to develop understanding of the issue and benefit from the three-year process and it was open to a report being produced out of the GD and to have a landing point after that.

Australia, it appears, did not want to risk rushing to a “simple solution” to support the most vulnerable communities since the GD afforded Parties the time to ensure they come up with the right mechanism. **Canada** echoed Australia that Parties need to make sure they do not jump to a simple solution.

Following the HODs consultations, the SBI Chair convened further bilateral consultations with Parties and came up with a proposal.

According to sources, Karlsen’s proposal was that since there was no consensus among Parties for a specific agenda item on the GD, instead of that, the SBI Chair could provide a report under the CMA/COP agenda item on the WIM, since the GD sits un-

der the WIM. This, according to her, would create the space for consideration by the COP and CMA and which would formally anchor the discussions held in June in Bonn. She also suggested convening an SBI special event at COP 27 for reflections on the GD. This approach, she said, would translate from what is being done under the GD in June to be reflected on at COP 27.

Following further consultations, the SBI Chair came up with another proposal. Sources said her revised proposal was as follows:

- the GD would be organized at the first session of each SBI until 2024;
- the second session of each year, i.e. at SBI 57, SBI 59, SBI 61 would address outcomes of the GD of the session before and give inputs to the next GD. This would be reflected in the conclusions of the SBI or as deemed by Parties on how to reflect these from the SBI;
- the agenda item would be called the ‘GD to discuss the arrangements for the funding of activities to avert, minimize and address loss and damage associated with the adverse impacts of climate change’;
- the SBI would annually report to the COP and CMA; and
- at SBI 61, after the completion of the last GD held in SBI 60, the SBI may forward conclusions to CMA 6 session for further consideration and endorsed by the COP.

According to sources, the proposal was premised on the following two conditions:

- One was that all discussions on the GD would be under the SBI. Sources said the SBI Chair conveyed to Parties that it is a concern of some (developed countries) that there would be calls for other agenda items by developing countries that would be of a similar nature to the GD. The SBI Chair said that while it is the prerogative of Parties to propose agenda items, but this must be the unrecorded agreement and understanding among Parties to move on the GD in a positive direction only in the SBI;
- Two, the outcomes of the GD would not be prejudged by any Party.

In the meanwhile, as consultations on the GD were happening, **Pakistan** for the **G77 and China** sent a letter to the UNFCCC’s Executive Secretary, Patricia Espinosa, with a proposal for an additional agenda sub-item under ‘Matters related to finance’ of the provisional agendas of both the COP and CMA.

The G77 letter was made available to TWN, and the specific proposal was for the inclusion of the following: “Sub-Item under Item X: ‘Matters relating to finance’: (with the sub-item) ‘Matters relating to funding arrangements for addressing loss and damage.’”

The letter further states as follows:

“The Group proposes that this agenda sub-item as a standing one in order to provide a decision-making space on this crucial issue. The space will allow us to discuss and conclude on solutions to address the long-standing gaps in the existing funding arrangements for addressing loss and damage.”

Based on informal discussions at this SB meeting with all represented Parties of our Group, we propose that under this sub-item, the governing bodies would take decisions on:

- *clarifying the status of funding arrangements to finance averting, minimizing and addressing of loss and damage at COP 27,*
- *the further elaboration of the design and operational modalities of the facility at COP27, and*
- *other matters relating to the operationalization of the facility.*

Given the decision-making nature of the proposed sub-item, it is substantively and procedurally distinct from the Glasgow Dialogue. The discussions and conclusions under this sub-item are not contemplated under the Glasgow Dialogue. As such, both can proceed concurrently without redundancy. The Group is of the firm view that the Dialogue is a standalone one with no clear destination. This agenda sub-item seeks to address this shortfall”.

Following the letter, the SBI Chair convened a HODs’ consultations on the GD and announced to

Parties about the letter by the G77 and China and sought Parties' reflections on the way ahead.

Sources revealed that she said that it was her understanding that the SBI should be the unique place for discussions on GD and her proposal was made on that understanding. She also seems to have said that since there is a very similar item being proposed under the COP and CMA, it "changed the context" under which she had made the proposal on the GD.

According to sources, developed countries too seemed to suggest that the context had now changed with the letter by the G77 and China.

Sources also said that the **G77 and China** explained that the two were different issues (i.e. the issue under the SBI and their call for a COP/CMA agenda), and that these must not be conflated.

Pakistan for the **G77 and China** said they did not agree with the linkage being created to the letter. The COP-CMA agenda item was proposed as per the Rule 10(d) of the draft rules and procedures and was intended for the COP Presidency and the Secretariat and the G77 and China felt that the SBI had no authority to discuss or refer to the letter.

Sources also said that Pakistan also conveyed that the sharing of the letter with the SBI Chair created an atmosphere of confusion and diminished prospects of reaching a compromise, building on the proposals made by the SBI Chair. The G77 is seems also expressed its willingness to engage on the SBI Chair's proposed SBI item on GD in a constructive manner.

Sources also said that the US was clear that it would be difficult to agree on an agenda item on the GD (under the SBI), since this would overlap with the substance of the proposal by G77 and China (under the COP/CMA).

Further consultations did not lead to any resolution, and according to sources, the SBI Chair said that she would report to the closing plenary that despite considerable efforts by Parties, consensus could not be achieved on the matter (which the Chair did convey in the final closing plenary of the SBI).