

Issues facing the Bonn climate talks

Bonn, 8 May (Meena Raman and T.Ajit)- The climate change talks under the United Nations Framework Convention on Climate Change (UNFCCC) will kick off in Bonn from 8-18 May, 2017.

The two-week talks will see the convening of the two subsidiary bodies of the Convention - the 46th sessions of the Subsidiary Body for Implementation (SBI 46) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 46), and the third part of the first session on the Ad Hoc Working Group on the Paris Agreement (APA 1.3).

(The APA was created when the Paris Agreement [PA] was adopted in 2015 and was tasked to craft various rules related to the implementation of the PA, commonly known as modalities, procedures and guidelines (MPGs). Some tasks were also passed on to the various subsidiary bodies of the Convention by the UNFCCC's Conference of Parties related to the implementation of the PA).

Temperature rising

The Bonn climate talks begin amidst yet another warning of rising temperature and concentrations of carbon dioxide levels (CO₂) in the atmosphere.

New data released early this year from the U.K Met Office, the US National Aeronautics and Space Administration (NASA) and the US National Oceanic and Atmospheric Administration (NOAA) showed that the Earth's temperature has now risen about 1.1C above the levels seen before the industrial revolution.

This comes dangerously close to the 1.5C limit of temperature rise which Parties under the PA said they would pursue, while agreeing to hold the increase in temperature level to well below 2C above pre-industrial levels.

More recently, on April 18, news broke that the world breached yet another climate change milestone, as atmospheric CO₂ levels hit 410 parts per million (ppm) for the first time in human history in the Mauna Loa observatory in Hawaii. In 1958, the level was 280 ppm, while in 2013, it passed 400 ppm.

450 ppm is commonly viewed among the scientific community as the danger level at which there is only a 50% chance of keeping global temperature rise to 2C. Recent data has also shown that 2016 was the hottest year on record.

Uncertainty over the US

The Bonn talks are also beginning amidst uncertainties over whether the United States (US) will stay put in the PA or withdraw from it. Donald Trump, elected last year, had promised during his campaign that the US would withdraw from the PA within 100 days of him joining office. The 100 days have since recently concluded, and Trump is expected to take a decision soon. However, it is not entirely clear if the announcement of a final decision will coincide with the Bonn session.

Meanwhile, the US action in meeting its pledges for emissions reductions under the Convention in the pre-2020 time frame will come under review at the current Bonn session talks.

The US is one of the countries which will be part of the 'Multilateral Assessment' (MA) process that will take place on 12 and 13 May in Bonn and is expected to draw much attention and concern. The MA process is part of the [International](#) Assessment and Review of developed countries under the Convention.

Under the Convention, the US under the previous Administration, committed itself to achieving a quantified economy-wide emission reduction target in the range of 17 per cent below the 2005 level in 2020. Its main policy framework

and key legislation relating to energy and climate change to achieve this target was the Obama Administration's Climate Action Plan 2013.

As part of the MA process and in response to several written questions by various countries, the US has said that the current Administration (under Trump) rescinded the 2013 Climate Action Plan on March 28, 2017.

In relation to some of the questions posed, the US offered a standard response as follows: *"The Administration is reviewing existing policies and regulations in the context of a focus on strengthening U.S. economic growth and promoting jobs for American workers, and will not support policies or regulations that have adverse effects on energy independence and U.S. competitiveness."*

Also of major concern that will occupy the attention of many Parties will be the intended cuts in the US contribution to the UNFCCC budget. According to sources, the US contributes about 20 percent of the UNFCCC's biennial budget of about \$54 million.

Patricia Espinosa, the Executive Secretary of the UNFCCC's Secretariat has presented to Parties the proposed UNFCCC budget for the biennium 2018-2019, which will be discussed under SBI at the current talks.

The implications of the US cuts can be expected to be on the minds of delegates, as well as what areas for funding are to be prioritised given the budget limitations.

Follow-up from work in Marrakech

The Bonn session is the first negotiating session since Parties met in Marrakech, Morocco, for the twenty-second session of the Conference of the Parties (COP22) in November 2016.

At COP22, there were stark divergences of views between developed and developing countries in how they understand and interpret the PA. These disagreements are expected to continue at the current Bonn session, with the hope that some of them can be ironed out in the course of negotiations.

Central to the disagreement is the question of how differentiation between developed and developing countries will be operationalized in the rules of implementation of the PA.

Another particularly contentious issue was what further guidance should be provided in relation to NDCs as regards their features, information and

accounting. In this regard, the scope of NDCs is a major bone of contention.

At the end of COP22, the agreed conclusions of the APA noted that much remains to be done and there was need to progress on all agenda items in a coherent and balanced manner, and to ensure a coordinated approach with regard to related matters being considered under the subsidiary bodies.

These issues related to implementation of the PA need to be resolved over 2017 and 2018, since 2018 is the deadline for the rules to be completed.

In Bonn, Parties will be encouraged by the APA Co-chairs, **Sara Baashan (Saudi Arabia)** and **Jo Tyndall (New Zealand)** to focus on the development of specific elements of text and textual proposals in relation to the negotiating texts, in the run up to COP 23 scheduled to be held in Bonn in November 2017. In their 'reflections note' issued in February this year, the APA Co-chairs have said that "the APA will need to move to the next phase, by focusing on the development of specific elements of text and textual proposals wherever possible".

The progress of work in Marrakech on the APA agenda items has been reflected in informal notes prepared by co-facilitators. The informal notes also provided questions seeking further clarity from Parties for the Bonn session, on substantive matters and next steps. Various Parties have since presented submissions responding to the questions in the informal notes.

Below are highlights from some of the submissions of countries, corresponding to APA agenda items, as well on other agenda items under the subsidiary bodies.

NDCs

The scope of the NDCs is expected to continue being a contested issue, with developed countries and several developing countries focusing only on the mitigation aspect of NDCs.

The Like-Minded Developing Countries (LMDC), the Africa Group and the Arab Group are of the view that the scope of NDCs is comprehensive, in that it covers mitigation, adaptation and means of implementation (finance, technology transfer, capacity building), consistent with Article 3 of the PA.

Most of the other groupings of Parties only focus

on the mitigation component of the NDCs with many developed countries equating NDCs to be mitigation only. In many of these submissions, there is also no reference to the relation between NDCs and the means of implementation.

This is the case in the submissions of developed countries' as well as the submissions of developing country groups such as the AILAC (Independent Association of Latin America and the Caribbean), LDCs (Least Developed Countries) and AOSIS (Alliance of Small Island States).

A central issue is the purpose of the guidance on the information that needs to be provided by Parties as regards their mitigation contribution. Parties are divided over this.

While many of the submissions stress on the need for the information to be able to quantify the mitigation efforts of Parties into tonnes of CO₂-eq (carbon dioxide equivalent) in order to evaluate progress in relation to the long-term temperature goal, others like the LMDC stress that this is not the purpose of the information to be provided.

The LMDC view in this regard is that the purpose of the guidance is for Parties to provide the information necessary for clarity, transparency and understanding of their NDCs as set out under Article 4(8) of the PA and is not meant to lead to a quantification of the mitigation efforts of all Parties in order to assess the aggregate effort of their individual actions in relation to the temperature goal.

Some groups of Parties, such as the European Union, the Caribbean Island States and AILAC, even urge all Parties to illustrate their future projections of their respective greenhouse gas (GHG) emissions.

This is viewed as an impossible task by the LMDC who state that for most developing countries, there has to be a link between the efforts of developing countries to the means of implementation to be provided by developed countries. They argue further that with no quantification of the financial, technological and capacity-building resources that are available to developing countries in meeting their needs, tracking progress in meeting the temperature goal will be onerous on developing countries.

Most submissions of developed countries also stress the need for further guidance on

information according to the types of mitigation contribution being undertaken by Parties.

This is viewed by some developing countries such as the LMDC as a proposal to dilute differentiation between developed and developing countries, as Article 4.4 of the PA clearly differentiates the nature of mitigation efforts between developed and developing countries, and does not differentiate according to the types of mitigation contributions among all Parties.

These differences in approaches of Parties are expected to consume much of the NDC discussions in Bonn.

Adaptation Communications

There are vast differences in the positions of developed and developing countries regarding the matter of adaptation communications.

One of the key differences is that there is no indication of support for adaptation in the submission of developed countries. The EU in its submission mentions support, but it calls on developing countries to provide information on South-South cooperation.

Developing country groups such as the African Group and the LMDC list very useful elements of the adaptation communication along with what information should accompany each element, which includes adaptation needs and costs, and indicative level of support for adaptation provided from developed countries to developing countries.

Transparency of action and support

A reading of the submissions of developing country Parties show many common positions in terms of the scope of the transparency framework (encompassing mitigation, adaptation and support viz. finance, technology transfer and capacity-building).

On the issue of operationalisation of differentiation across action and support, most of the submissions of developing countries (with the exception of the AOSIS), make clear that the MPGs must differentiate between developed and developing countries, with flexibilities for developing countries. The AOSIS submission stresses common MPGs, with differences recognised according to NDC types, limitations and capacities of countries.

There are differences among developing

countries on how to treat adaptation in the transparency framework, with Argentina, Brazil and Uruguay taking the position that there should be no technical review and multilateral consultations in relation to adaptation efforts (while reporting requirements on adaptation is fine). South Africa is for reporting and multilateral consultation of adaptation but not to any technical review of adaptation information.

Most of the proposals of developing countries emphasise the importance of flexibilities for developing countries in relation to the MPGs of action and that developing countries themselves determine their needs.

The developed country submissions show a lot of similarities with the stress on common MPGs which are uniform for all countries with flexibilities in very limited areas for developing countries who need it.

While the developed country submissions do refer to information needed on transparency of support, no emphasis is given on the review and verification aspects of the transparency of support.

Global Stocktake

With respect to GST (to assess the collective progress of Parties in the implementation of the PA), according to the APA Co-chairs' reflections note, in Bonn, Parties will need to confer further on questions such as the management and criteria for a (non-exhaustive) list of inputs; the structure foreseen (phases identified included information gathering, synthesis and analysis, political consideration); and expected duration (many considering that a year would be necessary). A key question remaining is how to ensure the GST is both manageable and genuinely informative, in line with the PA's objectives.

Many developing countries including the LMDC have stated before that the principles to be employed in designing the GST should be comprehensive; facilitative; party-driven; transparent, balanced and holistic; premised on equity and sustainable development; and implementation-focused.

Discussions are expected to be contentious since Parties have different levels of understanding of the GST. Attempts of some Parties to make the GST a naming-and-shaming exercise for non-performance on the mitigation front alone are expected to be resisted by some developing

countries.

Facilitating implementation and promoting compliance

There are lots of similarities in the submissions of developing countries on the mechanism to facilitate implementation and promote compliance of the PA.

The areas of differences are in the areas of trigger (of the mechanism), scope and differentiation. Developing country groupings such as AILAC call for self and party-to-party trigger. AOSIS calls for different kinds of triggers, such as self-referral, referral of a Party by another Party, and referral by the transparency process. The LMDC is of the view that only self-trigger should be allowed.

On scope, developed countries such as Australia are of the view that the mechanism should only apply to those provisions of the PA that speak to the obligations that apply to Parties in their individual capacity.

On differentiation, New Zealand, Australia and EU are of the view that the mechanism should apply to all Parties equally. This will be the most contested aspect with the developing countries calling for differentiation and the developed countries calling for an equal treatment.

Adaptation Fund (AF)

Discussions on the AF were heavily contested in Marrakech. Developing countries were of the view that the decision taken in Paris was for the AF to serve the PA and that the Marrakech meeting should work to give effect to the decision. Developed countries on the other hand did not agree that such a decision was taken and insisted that work was needed to clarify that the AF serves the PA.

In the final decision adopted, the Conference of Parties Meeting as the meeting of Parties to the PA (CMA) decided that, "the AF should serve the PA, following and consistent with decisions to be taken..." in 2018 "that address the governance and institutional arrangements, safeguards and operating modalities of the AF."

Two kinds of challenges are expected for developing countries on the issue: institutional and governance issues related to how to make the AF serve the PA; and sources of funds for the AF.

On the institutional and governance issues, the

LMDC and the AOSIS have called for the AF to be an integral part of the Financial Mechanism of the Convention. However, the EU and New Zealand make clear that they do not see the AF becoming another operating entity of the financial mechanism. Canada calls for an evaluation of the AF's effectiveness before defining its governance and operations.

There are different views in relation to sources of finance for the AF. While the LMDC calls for ensuring of the sustainability, predictability and adequacy of financial resources to meet the funding needs for adaptation, including the global goal on adaptation, Canada is of the view that the AF should leverage additional public and private resources with its own resources. Norway is of the view that resources could be from a variety of sources such as through the carbon market and bilateral contributions. New Zealand is of the view that the AF should be financed with the proceeds from the activities under the mechanism mentioned in Article 6.4 of the PA (see below further).

Cooperative approaches under Article 6 of the PA

Cooperative approaches under Article 6 of the PA are supposed to be voluntary in nature to assist Parties in the implementation of their NDCs. There is a wide array of views on the various mechanisms and approaches under Article 6 in the submissions of Parties.

Article 6.2 provides for internationally transferred mitigation outcomes (ITMOs), while Article 6.4 relates to a sustainable development mechanism and Article 6.8 focuses on non-market approaches.

While the LMDC and the Arab Group approach is one of caution as regards the mechanisms and approaches, calling for the need for clarifying the context and the overarching issues and the defining of the principles etc. some countries have forwarded very detailed proposals on the workings of the mechanisms, especially as regards ITMOs.

Brazil for example has a very detailed proposal on how international emissions trading can work, while safeguarding environmental integrity. The EU too has referred to the Brazilian proposal in

favourable terms suggesting that the proposal should be considered along with other options, which relate to a common approach to accounting balances and corresponding adjustments to facilitate the accounting of ITMOs.

The submissions of the LMDC, the Arab Group and Venezuela refer to the need to limit the amount of use of ITMOs.

Whilst most of the submissions express the need to ensure environmental integrity, how to ensure this is seen as a challenge, to counter the negative effects of such transfer of units, including in preventing speculation. Hence, several submissions stress the importance of governance and accounting to prevent double counting etc.

The EU proposes a stepwise approach to the implementation of the rules, proposing that there be an elaboration of only the general requirements while leaving the more specific arrangements to be developed by the Supervisory Body under the authority and supervision of the CMA.

2018 Facilitative Dialogue

Another matter that is expected to get attention during the side-lines of the Bonn talks is the Facilitative Dialogue of 2018 (FD 2018) and its design.

It is expected that the COP22 Presidency (Morocco) and the incoming COP23 presidency (Fiji) will undertake consultations with Parties on the FD 2018.

(At COP21, Parties agreed to the convening of a facilitative dialogue among Parties in 2018 to take stock of the collective efforts in relation to progress towards the long-term goal and to inform the preparation of the NDCs.)

Besides these issues, there are other crucial issues under discussions in the subsidiary bodies, and these include important climate-finance related matters, the technology framework, the registry for NDCs and registry for adaptation, response measures, scope of the next periodic review of long-term global goal, arrangements for intergovernmental meetings, issues relating to agriculture, etc.