

Developing countries raise unhappiness over Global Environment Facility

Kuala Lumpur, 23 May (Jade Chiang) – Dissatisfaction of developing countries with the non-responsiveness of the Global Environmental Facility (GEF) to their requests for assistance surfaced at the closing plenary of the 46th session of the UNFCCC's Subsidiary Body for Implementation (SBI46) on 18 May in Bonn, Germany.

(The GEF as an operating entity of the financial mechanism of the Convention, is responsible for supporting developing countries as regards their climate actions.)

Disagreement between developing countries led by the **G77 and China** and some developed countries led by the **United States (US)** arose when the G77 wanted to place on record in the conclusions to be adopted by the SBI, the concerns of several developing who had expressed difficulties in accessing the necessary resources from the GEF to fulfil their obligations under the Convention.

The matter arose from the outcome of a sub-agenda item of the SBI, dealing with the 'provision of financial and technical support' under the agenda item called 'Reporting from Parties not included in Annex I to the Convention' (who are mainly developing countries.)

The informal consultations on the matter were co-facilitated by **Helen Plume (New Zealand)** and **Stephen M. King'uyu (Kenya)**. During the consultations on the matter, Parties could not reach an agreement to register the concerns of developing countries over the difficulties they were facing in accessing GEF resources. Also in issue was a proposal in the draft conclusion text to include the phrase "others Parties in a position to do so" in reference to developing countries providing financial resources for a training

workshop, which was resisted strongly by developing countries who argued that this was not consistent with the Convention. (For more details, see further below.)

Given the impasse at the informal consultations, at the closing plenary, the **SBI Chair, Tomasz Chruszczow** proposed that the conclusion on the matter as follows: that 'the SBI agreed to continue its consideration of this matter at its 47th session (Nov 2017)'.

Developing countries, led by the **G77 and China** proposed the addition of text that resulted in a protracted exchange over the matter, that saw opposition from the **United States (US) and Australia**.

Philippines representing the **G77-China** wanted the proposed draft conclusion on the issue to include a sentence that read: '*The SBI notes the deep concerns raised by several developing countries in accessing the necessary financial resources to fulfil their obligations under the Convention*'.

In an immediate reaction, the **US** said it could not support the inclusion of the additional text proposed while many countries came in support of the G77.

Representing the **Least Developed Countries (LDCs)**, **Burkina Faso** noted that Parties had many exchanges on this issue (during the informal consultations). "We expressed our concern at the fact that developing countries generally are encountering difficulties in accessing finance. The incorporation (of the concerns) was not accepted by the co-facilitators but the need was clearly expressed (by several developing countries)."

Saudi Arabia speaking for the **Arab Group** echoed the others, noting the importance of financial resources support for developing countries to meet their reporting obligations.

India said it strongly shared the concerns that several countries faced difficulties in accessing GEF support. **El Salvador** in supporting the inclusion of the text, noted that this was an important issue for developing countries and should be reflected in the conclusions.

Egypt said that the concerns should be reflected to allow for the GEF to come back to Parties at the next meeting with information so that Parties can give it the correct guidance. Similar concerns were raised by **Algeria**.

Iran recalled that at the May 2016 climate talks, it had already expressed its deep concerns with regard to the GEF's attitude and treatment towards its request for financial support. It said that "we should ask the GEF secretariat why it has not been responding to some requests (for financial assistance.)"

Following these interventions, **Australia** echoed its support for the US and requested that the issue be moved to the future session "as there is no agreement among Parties on this".

In response, the **G77-China** stressed that the additional text it wanted included was merely stating a fact which was that the co-facilitators heard the deep concerns raised by several countries and that they had difficulties in accessing the necessary financial resources to fulfil their obligations under the Convention. "This is a statement of fact; this is not a position," stressed Philippines for the G77 and China. "I do not understand the position of those countries that object to this. Are they objecting to a statement of fact?" asked the Philippines delegate.

SBI Chair Chruszczow noted that there was clearly no agreement to include the statement into the text of the draft conclusions. He then proposed for the draft conclusion to be adopted and reference to be made in the proceedings of the session that a number of Parties had raised concerns and that Parties decided to continue discussion on this matter at SBI 47.

To this, **Philippines** insisted that the statement was on behalf of all the developing countries under the G77-China (which consisted of 134 members) and stressed that the original draft conclusion (from the informal consultations) included a series of other paragraphs but only this particular concern (over the GEF) was objected to by one country (the US) and now supported by

another (Australia). (See exchanges of Parties at the last informal consultation on 17 May below.)

Chruszczow clarified that the proceedings would faithfully reflect the fact that the proposal was made by the G77-China which was supported by groups and individual countries and that Parties will continue to raise this concern and discuss way forward in the next session.

As a measure of extreme flexibility, the **G77** said it would consider the SBI Chair's proposal but also wanted the countries that supported the G77 proposal to be named as well as those that objected to it. **Egypt** suggested adding a footnote in the conclusion to reflect the proposal of the Group, as good way forward.

The **US** objected to the proposals made said that while it was customary to register Parties' concerns in the record of the meeting, it was uncustomary to reference other Parties beyond those who expressed the concerns. In response, the G77 insisted that "everything will have to be referenced".

Chruszczow said that it was not customary to include a footnote. He explained that preparation of the report of the session is the responsibility of the Chair and there will be a full, accurate record of the situation. He also said that it was not customary to name the Parties who objected. The SBI Chair also stressed that the report of proceedings of the session was a technical document that is not negotiated.

Philippines in response said that when a statement is put in record, it is put in record in terms of how it is made. To this, **Chruszczow** assured that the report will reflect the statement.

Informal consultations on 'provision of financial and technical support'

Three informal consultations were conducted during the course of the Bonn session. At the final consultation on 17 May, Parties were presented a six-paragraph draft conclusion dated 11 May. Presiding over the meeting, **co-facilitator Plume** proposed to take editorial comments as Parties work through the paragraphs.

Iran pointed out that the GEF practised different treatment of Parties as despite many requests that it made to the GEF, it had not seen any response. It could not therefore accept any reference to the appreciation of the GEF. **Palestine** and **Syria** echoed similar concerns as Iran.

In response, the **European Union (EU)** preferred to retain the text as initially proposed and was supported by Switzerland.

Plume said she fully understood that there are difficulties faced by Parties in their interaction with the GEF but opined that the problem was not the subject of the agenda item. She said the appropriate place for that was the Conference of the Parties (COP).

Egypt said it is not only one Party but several expressing similar concerns. Besides appreciating GEF's work, it is also the right item to reflect these concerns as the GEF needs to fulfil its commitment (to assist Parties). It the proposed the inclusion of the following paragraph: *"The SBI took note of the concern raised by some developing country Parties in relation to accessing GEF support to fulfil their commitment under the Convention and request the GEF as the operating entity of the financial mechanism to take necessary actions at SBI 47."*

While the proposal by Egypt received support from several developing countries, the **European Union** and the **US** objected to the proposal, leading to **Plume** stating that she will inform the SBI Chair that Parties were not in the state to produce a conclusion.

At this juncture, **Philippines** for **G77-China** said if there was no draft conclusion on the matter, it would bring the matter to the SBI plenary.

Another proposal that saw an intense discussion related to the following paragraph which was proposed as a draft conclusion of the consultations: *"The SBI urged Parties included in Annex II to the Convention and other Parties in a position to do so to provide financial resources for the organization of the remaining training workshops...."*

Many developing countries spoke against the phrase "other Parties in a position to do so".

China, India, Brazil and **Saudi Arabia** requested deletion of those words as well as Ecuador speaking for the **Like-minded Developing Countries (LMDC)**. The LMDC said that the language was not in line with the Convention, which was also echoed by **Philippines** for the **G77-China**.

Other issues at the SBI closing

At the closing plenary, the SBI adopted 22 conclusions on various agenda items that included the programme budget of the UNFCCC

secretariat for biennium 2018-2019, arrangements for intergovernmental meetings, the development of modalities and procedures for the operation and use of a public registry for nationally determined contributions and a public registry for adaptation communications.

The programme budget for the biennium 2018-2019 gained much attention at this session when developing countries expressed their deep dissatisfaction with what they saw as imbalance in the allocation of funds and staff across the programmes of work of the secretariat. They were also unhappy with the limited fund allocation for non-core activities. The budget was proposed by the UNFCCC Executive-secretary Patricia Espinosa.

After much wrangling with additional time and documents demanded of the secretariat, Parties got down to technical details of the budget in the second week and reached an agreement just before the SBI closing plenary was convened.

A key agreement reached is for the secretariat to prepare a revised document of the work programme with budget allocations based on the Parties' deliberations on two documents prepared by the secretariat during the course of the two weeks. The revised document will be considered at the next SBI session in November.

Address by Fiji Prime Minister

Prior to the start of the closing plenary, President-designate of the 23rd session of the Conference of Parties to the UNFCCC, Prime Minister of Fiji, Frank Bainimarama addressed delegates.

Outlining his country's vision for the year-end meeting in Bonn, he believed that pursuing an inclusive process is "the best way and the only way to move our collective agenda forward" in maintaining the momentum of Paris. My role is to be impartial and to act in the collective interests of all nations but I will certainly bring my own perspective," said the Prime Minister.

"Whether it is rising sea levels, extreme weather events and changing weather patterns that threaten our ways of lives and existence, we, the most vulnerable voices must be heard. Together we must speak up for the whole world because no one, no matter who they are and where they live will ultimately escape the impacts of climate change," he added.

Bainimarama said the 'ball' has been passed to Fiji in a critical time but he viewed it as being given the best opportunity for it to kick the challenge forward.

Edited by Meena Raman