18 May 2023

# SB 58: Expectations and approach

# Joint scenario note by the Chairs of the subsidiary bodies<sup>1</sup>

Harry Vreuls (SBSTA Chair) and Nabeel Munir (SBI Chair)

# I. Introduction

- 1. The fifty-eighth sessions of the subsidiary bodies (SB 58) will convene from Monday, 5 June, to Thursday, 15 June 2023 at the World Conference Center in Bonn, Germany, and will be the first conference where we will serve as the Chairs of the subsidiary bodies. Despite the enormity of the tasks ahead, i.e. the number of issues, mandates and events in our process and specifically for this year, we are committed to guiding and supporting Parties in completing the technical work mandated for the June sessions to help deliver robust outcomes at the twenty-eighth session of the Conference of the Parties (COP 28).
- 2. Against the backdrop of an increasing number of joint agenda items and mandated events for SB 58, we decided to prepare this joint scenario note for the upcoming sessions to enhance efficiency, increase transparency and to provide a more holistic view towards the SB agendas. We have prepared this note under our own responsibility to reflect the achievements at SB 57 and to provide insights into how we propose and intend to organize the work at SB 58. This note should be read in conjunction with the report for the fifty-seventh session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 57), the report for the fifty-seventh session of the Subsidiary Body for Implementation (SBI 57), the SBSTA 58 provisional agenda and annotations and the SBI 58 provisional agenda and annotations. We worked closely with the secretariat to develop the provisional agendas, which define the scope of our work up to and during the sessions, and on the approach to our work presented below.
- 3. Accordingly, this note provides:
  - (a) Brief reflections on COP 27 and a look ahead to COP 28 (see chap. II below);
  - (b) Guidance for working efficiently, effectively and transparently at SB 58 (see chap. III below);
  - (c) Information on the status of and proposed approach to the work for SB 58, organized by thematic clusters of agenda items and mandated events (see chap. IV below).
- 4. The clustering of agenda items and mandated events in this scenario note in no way prejudges or limits any approach that Parties may take. We hope that this note will prove useful to Parties in preparing for the sessions and that it will allow us to undertake fruitful pre-sessional consultations; where needed, we will adjust the suggested approaches as guided by Parties.

# II. Brief reflections on COP 27 and a look ahead to COP 28

- 5. In early February 2023, the Presidency of COP 27 and the incoming Presidency of COP 28 convened a <u>virtual</u> <u>consultation</u> with heads of delegation to share their views on the outcomes of COP 27 and their expectations for the work in 2023 to ensure successful outcomes this year. We participated in the consultations and were encouraged by the many constructive views and reflections shared.
- 6. In particular, Parties noted that, in spite of the challenging geopolitical context in which it took place, COP 27 marked a shift to the implementation of the Paris Agreement and resulted in several important outcomes supporting this new phase. The establishment of the new funding arrangements for responding to loss and damage and a fund with a mandate that includes a focus on addressing loss and damage was highlighted as a major breakthrough at COP 27, and other major outcomes included the establishment of institutional arrangements for the Santiago network on loss and damage to enable its full operationalization, the launch of the Sharm el-Sheikh mitigation ambition and implementation work programme, the establishment of a work programme on just transition, and the new Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security.
- 7. Building on the momentum gained in Sharm el-Sheikh, Parties are keen to work towards ambitious outcomes at COP 28 that would respond to the urgency of climate action required in this critical decade and move towards achieving the goals of the Convention and the Paris Agreement.

<sup>&</sup>lt;sup>1</sup> A list with <u>abbreviations and acronyms</u> can be found at the end of the document.

8. The SB sessions in June will be the first formal space for Parties to walk the talk and advance technical work on, inter alia, operationalizing the institutional arrangements established in Sharm el-Sheikh.

# III. Working efficiently, effectively and transparently

- 9. Strong leadership and political engagement would be needed for COP 28 to deliver the ambitious and balanced outcomes that are required to achieve the goals and objectives of the Convention and the Paris Agreement. The importance of ensuring a transparent and inclusive process, guided by the principles and provisions of the Convention and the Paris Agreement, in particular the principles of equity and common but differentiated responsibilities and respective capabilities, cannot be overemphasized.
- 10. We are committed to continuing the tradition of providing Parties with information on how we intend to organize work in a transparent and inclusive manner during the sessions. In return, we invite Parties to look at and keep in mind during the negotiations the bigger picture of the climate challenge. In the process, at times we get caught up in details. Not that this is unimportant. But it should not impede nor significantly delay what is urgent.
- 11. Time management is of absolute essence in our process as the workload seems to be ever-increasing while resources are limited. Parties, especially small delegations, are overstretched. If we want SB 58 to be a meaningful conference where Parties make significant progress, we will need to focus our efforts on delivering results and increasing the efficiency of the process. Continuing business as usual is not an option.
- 12. For instance, over 20 mandated events will be taking place during the sessions, as presented in the <u>overview</u> <u>schedule</u>, which means that over 70 three-hour slots need to be scheduled in or outside of the conference venue, as appropriate, in addition to the time needed for negotiations. This is an unprecedented number of events and it will not be possible to follow the approach implemented at SB 56 whereby no event was held in parallel with negotiations.
- 13. In the light of the urgency of our tasks and the enormous amount of work entrusted to the subsidiary bodies at SB 58, a smooth adoption of our agendas and swift launch of our work at the opening plenary on 5 June is imperative. We therefore appeal to all Parties to come with an open mind and constructive spirit to our pre-sessional meetings in Bonn and encourage all to reach out to us at any time in the run-up to SB 58.
- 14. Given the time and space constraints, and the need to address all items on the agendas, the allocation of slots for negotiation meetings will be given careful consideration, in particular to prevent possible clashes of meetings on similar or closely related topics, including with mandated events. We have given clear guidance to the secretariat on this matter, including a request to provide enough time, to the extent possible, to all negotiating groups to enable progress. We are cognizant, however, that some clashes may be inevitable, in which case we call on the flexibility and support of Parties.
- 15. Looking further ahead, the current approach of trying to manage a growing complexity of mandated events and negotiations during the SBs within the given limitations of time and space needs to be reconsidered. Parties will have to be more pragmatic and find workable solutions, including rationalizing the ever-increasing number of mandates.
- 16. During the pre-sessional week, we will consult with all negotiating groups wishing to do so, with the aim of:
  - (a) Understanding Parties' expectations and concerns;
  - (b) Outlining our proposed approach for the sessions and each agenda item;
  - (c) Seeking support to ensure the smooth adoption of the agendas and an expeditious launch of work at the opening of the sessions.
- 17. SB 58 will open on Monday, 5 June 2023. Noting the increased number of joint agenda items and events, we will convene our respective opening plenaries together, as appropriate and in a manner that addresses the joint items efficiently, on the basis of the successful approach applied by our predecessors in the closing plenaries convened together at last year's sessions. The provisional agendas for SBSTA 58 and SBI 58 will be presented for adoption, after which work will be organized and launched along the following lines:
  - (a) For most items, we will propose to establish a negotiation group (contact group or informal consultations) and assign a pair of co-chairs or co-facilitators;
  - (b) For items that do not require negotiation, we will propose that the respective subsidiary body takes note of the relevant available information;

- (c) On a few items, we may propose to defer consideration to a future session.
- 18. Following the opening of the sessions, statements from Parties, groups of Parties and observers will be heard. In the same spirit as in the plenary meetings in Sharm el-Sheikh, we urge speakers to keep statements short, as the statements can be uploaded in full to the <u>submission portal</u>.
- 19. Our guidance to the co-chairs and co-facilitators for the sessions includes the following:
  - (a) We expect Parties to use time efficiently during the negotiations, with a focus on advancing work and reaching agreement and we encourage Parties to use diverse modalities for negotiations, as appropriate;
  - (b) Draft texts should be brought forward at an early stage of the negotiations. In particular, and where appropriate, Parties should build on progress made at SB 57 and on any technical work conducted prior to SB 58;
  - (c) We attach great importance to openness in the work of the subsidiary bodies. We will continue to encourage Parties to allow informal consultations to be open to observers wherever possible, in accordance with the relevant <u>previous SBI conclusions</u>;
  - (d) In this context, we would like to remind Parties of the previous <u>SBI conclusions</u> stating that requests for submission of information and views can be extended to observer organizations where appropriate and the submissions will be made available on the UNFCCC website;
  - (e) Draft conclusions or recommendations resulting from the work of the negotiation groups have to be finalized at the latest by 6 p.m. on Wednesday, 14 June 2023, to allow time for them to be made available in the six official United Nations languages before the closing plenary, which is scheduled to take place in the afternoon on Thursday, 15 June 2023.
- 20. Again, in the light of the large number of joint items, we intend to convene the closing plenaries of the SBSTA and the SBI together, to the extent possible, similar to the approach applied at SB 57.
- 21. We also intend to hold an informal meeting at the end of the first week, on 10 June 2023, to provide Parties with an opportunity to collectively reflect on progress at that point, in view of the results expected and needed from these sessions for successful completion at COP 28 in the United Arab Emirates and to make adjustments to our approach to the work in the second week, as necessary.
- 22. It is our intention to continue the tradition of maintaining an open communication channel with observers. We will convene a joint briefing with observer organizations on the issues under consideration.
- 23. Building on previous experience and following the same modalities, a conference platform will be accessible to all registered participants. Plenary meetings, mandated events and meetings of negotiation groups will be webcast live and accessible to participants according to their badge. More information is available on the <u>UNFCCC</u> <u>conference web pages</u>.
- 24. In the following section, on the basis of our assessment of the progress of work and our current understanding of Parties' expectations, we propose an approach to organizing the work under the various agenda items that takes into account the specifics of each item and their linkages with other issues being considered by the subsidiary bodies and the governing bodies (the COP, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA)) in 2023. This approach may be revised depending on the outcome of our pre-sessional consultations.

#### IV. Status of and proposed approach to the work<sup>2</sup>

25. The provisional agendas for SB 58 include new mandates that arose from Sharm el-Sheikh, such as the work programme on just transition and the consideration of the host of the Santiago network secretariat. They also include standing agenda items, such as the SBSTA items on the Nairobi work programme on impacts, vulnerability and adaptation to climate change (NWP) and on research and systematic observation, and the SBI items on the least developed countries (LDCs), capacity-building, transparency and arrangements for intergovernmental meetings, as well as items that are usually only considered during the sessions coinciding with the sessions of the governing bodies but did not conclude at SB 57. Further, the SBI will consider the secretariat's programme budget

<sup>&</sup>lt;sup>2</sup> Joint SBSTA 58–SBI 58 agenda items are marked with an asterisk.

for the biennium 2024–2025, for which an agreement will need to be reached at SB 58 in order to recommend a budget for adoption at COP 28.

- 26. The SB 58 provisional agendas are as extensive as those for last year. We would like to reiterate our invitation to Parties to look carefully at the workload for the SBs, bearing in mind the importance of the efficient delivery of outputs and looking into how streamlining the agenda could be beneficial, including by exploiting synergies, while ensuring that all issues on the agendas that are important to Parties are given due consideration.
- 27. This chapter presents the status and proposed approach to the work for all agenda items and mandated events that will be held in conjunction with SB 58. These are organized by thematic clusters, with each cluster starting with a brief narrative to help provide a holistic view to the agendas and to show linkages between items and events, where appropriate. Items and events that will be considered jointly are presented first under each thematic cluster, followed by items and events that will be considered only by the SBSTA or only by the SBI. The clustering in this scenario note aims to enhance the readability of the note; in no way does it suggest any particular order of importance of the issues, nor does it prejudge any priorities or views of Parties. The following table serves solely to provide orientation to the reader.

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#### Science and assessment of progress

28. Parties have repeatedly recognized the importance of the best available science for effective climate action and policymaking, including in Sharm el-Sheikh (see decisions 1/CP.27, para. 5, and 1/CMA.4, para. 5). As in previous sessions, science will be central at SB 58, including through the work on research and systematic observation, collaboration with the Intergovernmental Panel on Climate Change (IPCC) and in the context of the assessment of progress being undertaken as part of the first global stocktake under the Paris Agreement. The findings of science – on the challenges, but equally on the opportunities – inform and underpin our work across events and agenda items.

#### Matters relating to the global stocktake under the Paris Agreement\*

(SBSTA item 8 and SBI item 7 of the provisional agendas)

# *And:* Third meeting of the technical dialogue under the global stocktake and update by the high-level committee of the global stocktake on progress in planning high-level events\* (Under SBSTA sub-item 2(d) and SBI sub-item 2(e) of the provisional agendas)

- 29. In Sharm el-Sheikh, Parties welcomed the progress of the first global stocktake and noted with appreciation the balanced, comprehensive and inclusive nature of the technical dialogue of that stocktake (see decision 1/CMA.4, para. 74). The third and final meeting of the technical dialogue taking place during SB 58 will provide an opportunity for Parties and non-Party stakeholders to consider how they can progress in their collective efforts towards meeting the Paris Agreement goals and objectives. This consideration will form a solid base for the final phase of the global stocktake: the consideration of outputs, which will focus on discussing the implications of the findings of the technical dialogue, at SB 59 and CMA 5.
- 30. The technical dialogue's co-facilitators prepared a summary report on the <u>second meeting</u> of the technical dialogue and an <u>information note</u> for the third meeting. Informal consultations were held on 12 April and 10 May 2023 with Parties and non-Party stakeholders respectively to discuss both documents. Moreover, Parties, non-Party stakeholders, United Nations agencies and other international organizations have made submissions to inform the third meeting, which are available on the <u>global stocktake information portal</u>.
- 31. We convened an intersessional hybrid consultation, taking into account the submissions received, on preparations for the consideration of outputs, from 27 to 28 April 2023, with an in-person component in Bonn. We prepared an <u>information note</u> with a view to facilitating the discussion, and an informal summary report is forthcoming and will be available <u>here</u>.
- 32. The engagement of Parties as well as experts, observers and other non-Party stakeholders has been invaluable and the very foundation of the productive and constructive dialogue so far. We are deeply grateful for the commitment and engagement shown by all. We especially extend our thanks and appreciation to the co-facilitators of the technical dialogue, Harald Winkler and Farhan Akhtar. While recognizing delegates' time constraints, especially those in small delegations, we would like to ask Parties for some degree of flexibility in relation to the allocation of time for the technical dialogue.
- 33. The joint contact group will be convened for the third time at SB 58. We will invite a pair of co-chairs to assist us in the relevant work during the sessions. Furthermore, the high-level committee, established by decision 19/CMA.1, paragraph 33, will provide an update, during SB 58, on progress in planning their high-level events, as requested by SB 57. We invite Parties to continue their consideration of this matter and to determine further action, as appropriate. This may include considering the structure/outline of a CMA decision on the first global stocktake and inviting submissions on the substantive elements of a CMA decision for consideration at the October workshop mandated at SB 57 to develop elements for the consideration of outputs component of the first global stocktake. In line with decision 19/CMA.1, paragraph 7, we will also issue guiding questions for the consideration of outputs component, at SB 58.

#### Research and systematic observation (SBSTA)

(SBSTA item 7 of the provisional agenda)

34. The research and scientific community will be invited to present findings, provide expert guidance and engage in dialogues at several events at SBSTA 58, including during the fifteenth meeting of the research dialogue and the SBSTA–IPCC special event (see para. 38 below). I invite Parties to consider those findings in undertaking the work under this agenda item, including while preparing conclusions related to research and a possible draft decision on the conclusion of the sixth IPCC assessment cycle, as done for previous assessment cycles, for consideration and adoption at COP 28.

35. I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

#### And: Fifteenth meeting of the research dialogue (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

- 36. The fifteenth meeting of the research dialogue will be organized on 8 June 2023 under my guidance and on the basis of relevant submissions received to date, taking into account topics addressed at previous meetings and relevant mandates. The meeting will include updates on the latest research findings and lessons learned, as well as gaps and needs for regional research and capacity-building. Under these overarching themes, Parties, and experts and scientists, including from the IPCC, will engage in discussions on transformational adaptation, non-CO<sub>2</sub> greenhouse gases and negative emissions technologies.
- 37. An information note on the meeting will be available on the <u>research dialogue web page</u> before the session, and I will prepare a summary report on the meeting, under my own responsibility, as per previous practice.

# **SBSTA-IPCC** special event on the findings in the Synthesis Report of the Sixth Assessment Report of the **IPCC** (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

38. I have followed the recent publication of the synthesis report of the IPCC Sixth Assessment Report (AR6), and I will convene a special event in collaboration with the IPCC, as invited at COP 27 (decision 21/CP.27, para. 10). The IPCC Chair, relevant Co-Chairs and authors will attend the event to answer questions and discuss the findings. Further information will be available on the <u>SBSTA-IPCC special events</u> web pages.

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# Adaptation

- 39. Parties will consider four adaptation-related agenda items at SB 58, namely the Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7/CMA.3 and the review of the progress, effectiveness and performance of the Adaptation Committee (AC) under joint SB items and the NWP under the SBSTA, as well as matters relating to the LDCs under the SBI. In addition, the sixth workshop under the Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation will be convened in conjunction with SB 58.
- 40. Many of the fundamental elements enabling coordinated adaptation action and implementation are ripe. It is now up to Parties to urgently increase momentum towards implementing adaptation action, as climate impacts are worsening every year. The faster climate changes occur, and the longer adaptation efforts are put off, the more difficult and expensive responding to climate change will be. Many nations and communities are already taking steps to build resilient societies and economies. However, greater action and ambition will be needed to cost-effectively manage the risks, both now and in the future.

# <u>Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision</u> <u>7/CMA.3</u>\*

(SBSTA item 5 and SBI item 11 of the provisional agendas)

- *And:* Workshop under the Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation\* (Under SBSTA sub-item 2(d) and SBI sub-item 2(e) of the provisional agendas)
- 41. We have been entrusted by the CMA to carry out the Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation. CMA 4 welcomed the progress made in the first year of the work programme and initiated the development of a framework for the global goal on adaptation. Mindful of the expectations of Parties and non-Party stakeholders and the urgency of adaptation action, we are committed to guide the work of Parties to ensure that the objectives of the work programme are met.
- 42. Workshops 5–8 under the work programme were to be held in 2023 following the four workshops that took place in 2022. We will make available a <u>concept note and guiding questions</u> relating to the theme and areas of work of each workshop. In February 2023, we selected the themes for the workshops in 2023 and issued an <u>information note</u> outlining the proposed arrangements for the workshops. The secretariat, under our guidance, is to prepare a summary of each workshop that takes place in 2023.
- 43. The <u>fifth workshop</u> took place in Maldives from 20 to 22 March and focused on transformational adaptation, including changing mindsets; indigenous wisdom; and cross-cutting issues. A <u>summary</u> of the workshop is

available. The sixth workshop, on mainstreaming adaptation, including target-setting, methodologies and indicators, will take place from 4 to 5 June, in conjunction with SB 58. The seventh and eighth workshops will be held prior to COP 28 on interfacing the global goal on adaptation with other processes and taking stock of the Glasgow–Sharm el-Sheikh work programme respectively.

- 44. We encourage Parties to engage constructively in the sixth workshop and to bring the positive energy from the previous workshops into the negotiations at the sessions. We propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist us in the work.
- 45. The Glasgow–Sharm el-Sheikh work programme will conclude at CMA 5, and although further work will take place during the sixth through eighth workshops, we urge Parties to use this session productively to build towards an ambitious outcome. We encourage Parties to seek areas of commonality and to consider potential elements for a draft decision, building upon progress during the fifth and sixth workshops.

#### Review of the progress, effectiveness and performance of the Adaptation Committee\*

(SBSTA item 4 and SBI item 12 of the provisional agendas)

- 46. The AC provides leadership and promotes coherence of action on adaptation under the Convention and the Paris Agreement, and has over the years provided key guidance, tools and knowledge products for enhancing adaptation. COP 27 was to review the progress, effectiveness and performance of the AC, and the CMA was invited to participate in the review as it relates to the Paris Agreement. COP 27 and CMA 4 could not complete the review and noted that work would therefore continue at SB 58.
- 47. We propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist us in this work during the sessions. We would like to encourage Parties to use the allocated time at the sessions to ensure progress on the substance of the review to make the review useful for the AC to best support Parties in their adaptation efforts.

#### Nairobi work programme on impacts, vulnerability and adaptation to climate change (SBSTA)

(SBSTA item 3 of the provisional agenda)

- 48. The role of the Nairobi Work Programme (NWP) as the UNFCCC knowledge-to-action hub on adaptation and resilience operates through partnerships with over 460 partner organizations, including global and regional partners, NWP expert groups and universities and research institutions. SBSTA 56 recognized the important role of the NWP in closing knowledge gaps in order to facilitate the scaling up of adaptation action in countries.
- 49. The implementation of the 2022–2023 workplan of the NWP is now in its second year (see the annex to document <u>FCCC/SBSTA/2022/2</u>). Last June, SBSTA 56 successfully concluded the stocktake of the operational and institutional modalities of the NWP. On the basis of the outcomes of the stocktake, the SBSTA agreed to strengthen the role of the NWP with a view to enhancing its performance and effectiveness in addressing the knowledge needs of all Parties, in particular developing countries, including the LDCs and small island developing States, relevant to implementing the Paris Agreement.
- 50. As it does every year before the first sessional period, the secretariat has prepared a concise annual progress report with an executive summary on the broad range of activities undertaken under the NWP since May 2022, for consideration by the SBSTA. I invite Parties to consider progress under the NWP, drawing on the progress report, and to provide further guidance as appropriate. Building on the positive outcomes over the past year, I expect SBSTA 58 to reach successful conclusions on the NWP and propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

#### Matters relating to the least developed countries (SBI)

(SBI item 13 of the provisional agenda)

- 51. Building adaptive capacity is critical for the LDCs. The Least Developed Countries Expert Group (LEG) is implementing many activities, such as developing adaptation projects for the LDCs to access funding from the Financial Mechanism under the Convention and the Paris Agreement as well as from other sources. The LEG is also undertaking several activities mandated by the CMA, some of which jointly with the AC.
- 52. COP 27 was an important milestone where the draft rules of procedure of the LEG were adopted. At SBI 58, work under this standing agenda item is back to business as usual, in that the LEG will report on its work in implementing its two-year rolling work programme.

53. I am confident that Parties will expeditiously conclude discussions under this item and I invite Parties to review the <u>report</u> of the 43<sup>rd</sup> meeting of the LEG as input for the negotiations for which I propose to set up informal consultations and to invite a pair of co-facilitators to assist me in this work during the session.

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## Loss and damage

54. Parties will consider one joint item related to loss and damage at SB 58, and SBI 58 will convene the mandated 2<sup>nd</sup> Glasgow Dialogue. At COP 27, governments took the ground-breaking decision to establish new funding arrangements and a fund to assist developing countries in responding to loss and damage. Parties established a Transitional Committee to make recommendations on how to operationalize both the new funding arrangements and the fund established in Sharm el-Sheikh. Parties also agreed on the institutional arrangements to operationalize the Santiago network in order to catalyse technical assistance to developing countries that are particularly vulnerable to the adverse effects of climate change.

#### <u>Matters relating to the Santiago network under the Warsaw International Mechanism for Loss and Damage</u> <u>associated with Climate Change Impacts</u>\*

#### (SBSTA item 6 and SBI item 14 of the provisional agendas)

- 55. Operationalizing the Santiago network also means finding a home for it. Under our guidance, the UNFCCC secretariat issued a call for proposals to host the Santiago network secretariat. A proposal from the Caribbean Development Bank and a joint proposal from the United Nations Office for Disaster Risk Reduction and the United Nations Office for Project Services were received. The UNFCCC secretariat convened an evaluation panel and supported the panel in preparing a report that includes a shortlist of the proposals that met the criteria. The report will be available for consideration prior to SB 58.
- 56. We expect SB 58 to recommend a draft decision with one proposal to host the Santiago network secretariat that best meets the criteria, leading to a smooth decision at COP 28. We propose to set up informal consultations on this matter and invite a pair of co-facilitators to assist us in this work at SB 58.

#### **<u>2nd Glasgow Dialogue</u>** (SBI)

(Under SBI sub-item 2(e) of the provisional agenda)

- 57. The Glasgow Dialogue is organized by the SBI in cooperation with the Executive Committee of the WIM. It engages Parties, relevant organizations and stakeholders in discussing the arrangements for funding activities for averting, minimizing and addressing loss and damage associated with the adverse impacts of climate change.
- 58. The 2<sup>nd</sup> Glasgow Dialogue, to be held at SBI 58, will focus on the operationalization of the new funding arrangements for responding to loss and damage and the fund established in Sharm el-Sheikh, as well as on maximizing support from existing funding arrangements relevant for, inter alia, responding to economic and non-economic losses, slow onset events and extreme weather events.
- 59. The topics and structure of the Dialogue will be informed by submissions from Parties and non-Party stakeholders. It will build on the 1<sup>st</sup> Glasgow Dialogue and ongoing discussions under the work of the Transitional Committee, including the first workshop on addressing loss and damage in the context of decisions 2/CP.27 and 2/CMA.4. In return, my summary report on the Glasgow Dialogue that was mandated by COP 27 and CMA 4 will inform the work of the Transitional Committee.
- 60. I discussed with the Executive Committee of the WIM at its 18<sup>th</sup> meeting and in April 2023 to cooperate in organizing the Glasgow Dialogue, and I am looking forward to making progress at SB 58 towards successful outcomes on loss and damage funding arrangements at COP 28. More information on the Dialogue will be provided in due time on the <u>UNFCCC website</u>.

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# Mitigation

61. 2023 is, again, a critical year for addressing climate change, as clearly set out in the IPCC's AR6 (see the chapter on <u>science and assessment of progress</u> above), including for our efforts on mitigation. As recognized by the CMA limiting global warming to 1.5 °C requires rapid, deep and sustained reductions in global greenhouse gas emissions of 43 per cent by 2030 relative to the 2019 level. Parties need to urgently increase their efforts to collectively reduce emissions through accelerated action and implementation of domestic mitigation measures in accordance

with the Paris Agreement. The Sharm el-Sheikh mitigation ambition and implementation work programme, established at Glasgow and that advanced towards its operationalization at Sharm el-Sheikh by decision 4/CMA.4, is a central piece of this collective effort (see paras. 63–67 below).

62. In the context of the response measures of Parties, maximizing the positive and minimizing the negative economic and social impacts of their implementation remains important. The forum on the impact of the implementation of response measures and its Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) have significant work ahead in conjunction with SB 58 (see paras. 68–72 below).

#### Sharm el-Sheikh mitigation ambition and implementation work programme\*

(SBSTA item 18 and SBI item 21 of the provisional agendas)

- 63. CMA 3 established a work programme to urgently scale up mitigation ambition and implementation in this critical decade. CMA 4 confirmed this objective and decided on various aspects regarding its operationalization, outcomes and timelines (decision 4/CMA.4). The CMA further decided that implementation of the Sharm el-Sheikh mitigation and implementation work programme would start immediately after CMA 4 and that the work programme will be carried out under the CMA. The CMA requested the subsidiary bodies to consider progress, including key findings, opportunities and barriers, in implementing the work programme with a view to recommending a draft decision for consideration and adoption by the CMA at each of its sessions.
- 64. At the <u>fourth multilateral consultations</u>, convened on 9 May by the COP 27 Presidency and the COP 28 incoming Presidency as part of their informal consultations, Parties had an opportunity to exchange views on what would be the key elements of a mitigation outcome at COP 28 to drive ambition in this critical decade of action. We heard many constructive suggestions on how the work programme can be implemented in a solution-oriented manner and how it can facilitate the achievement of results on the ground, and hope that the implementation of the work programme will benefit from these exchanges.
- 65. On 15 March 2023, the secretariat received a proposal from a group of Parties to include the matter in the provisional agendas for SB 58, which was done in accordance with rule 10(d) of the draft rules of procedure being applied. The request was accompanied by a rationale making reference to the various provisions of decision 4/CMA.4 and arguing that, in order to support the objectives of the work programme and robust decisions annually at the CMA, it is necessary to include an agenda item at the subsidiary bodies' sessions in June, in addition to the SB sessions at every COP (the full <u>rationale</u> is accessible on the UNFCCC website).

# <u>Global dialogue under the Sharm el-Sheikh mitigation ambition and implementation work programme</u>\*

(Under SBSTA sub-item 2(d) and SBI sub-item 2(e) of the provisional agendas)

- 66. CMA 4 further decided that, as part of the work programme, at least two global dialogues shall be held each year, with one to be held prior to the first regular sessions of the subsidiary bodies of the year, starting at SB 58. The first of these global dialogues will be organized from 3 to 4 June by the secretariat under the guidance of the cochairs of the work programme, Amr Osama Abdel-Aziz (Egypt) and Lola Vallejo (France), whom we appointed as per decision 4/CMA 4. The dialogues aim to facilitate a focused exchange of views, information and ideas, as well as the active participation of and interaction between Parties and relevant non-Party stakeholders, while encouraging the high-level champions to support the effective participation of non-Party stakeholders, and to reflect the objective and the scope of the work programme. The first global dialogue will be followed by the first investment focused event organized on 5 June.
- 67. Parties, observers and other non-Party stakeholders were invited to submit their views on opportunities, best practices, actionable solutions, challenges and barriers relevant to the topics of the dialogue four weeks prior to the global dialogue to be held at SB 58. Further information on the dialogues, including on the topics, is being made available on the work programme web page and in the message by the co-chairs of the work programme of 12 April. Submissions are available on the <u>submission portal</u> by typing 'mitigation' in the search field and selecting '2023'.

#### <u>Matters relating to the forum on the impact of the implementation of response measures serving the</u> <u>Convention, the Kyoto Protocol and the Paris Agreement\*</u>

(SBSTA item 11 and SBI item 9 of the provisional agendas)

68. In 2022, the forum on the impact of the implementation of response measures and its KCI implemented numerous activities under the comprehensive <u>six-year workplan</u> and agreed on a broad range of recommendations to the governing bodies, which were adopted for further implementation by Parties, observer organizations, stakeholders, and the forum and its KCI, as relevant, in decisions 20/CP.27, 7/CMP.17, and 23/CMA.4. Parties also advanced

on the midterm review of the workplan with a view to enhancing the effectiveness of the forum, but it is not yet concluded; hence, the COP, the CMP and the CMA requested Parties to continue the midterm review at SB 58.

- 69. It will indeed be critical to finalize the midterm review as swiftly as possible in this session so that the forum can initiate the process of conducting review of its functions, work programme and modalities, which is mandated by activity e of the workplan to start at SB 58 and conclude at SB 59. In this regard, we encourage Parties to consider which elements are critical for midterm review and which elements can be considered as part of the review of functions, the work programme and the modalities of the forum. We expect Parties to agree on guiding questions that clearly lay out the scope and modalities for an efficient and effective review of the functions, work programme and modalities of the forum at SB 59. In our view, the summary of views submitted by Parties and observers for this purpose, prepared by the secretariat, will serve as a useful basis for the discussions. The summary will be made available on the <u>SB 58 session web pages</u> in due course.
- 70. We propose to set up a joint contact group on this item, in accordance with the modalities of the forum, and will also invite a pair of co-chairs to assist us in this work during the sessions, where Parties will once again face a heavy workload on response measures. We will appreciate Parties' flexibility in terms of time allocation, and we are confident that, with determination and focus, Parties will efficiently work through the activities and tasks for this session, finalize the midterm review and set the path for successfully completing the review of the forum's functions, work programme and modalities at SB 59. It is also worth reminding that negotiation space should focus on producing conclusions on the mandated work, while out-of-negotiation formats such as an in-session workshop under activity 2 of the workplan, scheduled for 5 June (see para. 72 below), should be used for progressing technical discussions.

#### 8th meeting of the Katowice Committee on Impacts\*

(Under SBSTA sub-item 2(d) and SBI sub-item 2(e) of the provisional agendas)

71. The KCI will hold its 8<sup>th</sup> meeting from 1 to 2 June to carry out technical work related to workplan activities 2, 7, 8 and 9. Information is available on the UNFCCC web pages relating to the <u>KCI</u> and specifically on the <u>KCI-8</u> web page.

#### <u>Workshop on country-driven strategies on just transition and economic diversification focusing on challenges</u> <u>and opportunities</u>\*

(Under SBSTA sub-item 2(d) and SBI sub-item 2(e) of the provisional agendas)

72. As mandated by activity 2 of the workplan, the forum will hold an in-session workshop aimed at identifying country-driven strategies and best practices on just transition of the workforce and creation of decent work and quality jobs and on economic diversification and transformation, focusing on challenges and opportunities from the implementation of low greenhouse gas (GHG) emission policies and strategies towards the achievement of sustainable development. This workshop is scheduled to take place on 5 June. Further information will be made available on the SB 58 session website and the response measures web pages.

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#### Means of implementation and support (SBI)

- 73. Means of implementation and support are key for closing the gap towards achieving the goals of the Paris Agreement and enabling developing countries to take action towards their emission reduction targets and to build robust societies that are resilient to the impacts of climate change. Such means are key for implementing activities mandated in SBI conclusions and decisions, while activities and related matters under the SBI are key for means of implementation to be well targeted and efficient.
- 74. SBI 58 will consider four items directly related to means of implementation and support (on technology development and transfer, the Adaptation Fund, the Standing Committee on Finance and capacity-building), while there are other workstreams in the UNFCCC process that touch upon this thematic cluster, such as relating to capacity-building needs for developing countries to transition to the enhanced transparency framework under the Paris Agreement (ETF).
- 75. Many issues related to financial support are being addressed by the governing bodies directly rather than being on the SBI agenda. At the same time, the corresponding SBI items do contribute to the totality of the landscape of means of implementation and support under the Convention, the Kyoto Protocol and the Paris Agreement.

#### Development and transfer of technologies and implementation of the Technology Mechanism: linkages between the Technology Mechanism and the Financial Mechanism of the Convention (SBI)

(SBI item 15 of the provisional agenda)

76. Under this item, Parties take stock of progress in strengthening the linkages between the Technology Mechanism and the Financial Mechanism. I hope that during this session Parties will be able to make better progress than during the previous session, with a view to recommending a draft decision for consideration and adoption at COP 28, taking into account the <u>draft text</u> from SBI 57. I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

#### Matters relating to the Adaptation Fund (SBI)

(SBI item 16 of the provisional agenda)

- 77. The Adaptation Fund was established in 2001 to finance adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol that are particularly vulnerable to the adverse impacts of climate change. In 2018, Parties decided that the Adaptation Fund shall exclusively serve the Paris Agreement once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available.
- 78. Since 2019, Parties have either been unable to conclude or deferred the discussions on this matter owing to discussions around potential changes to the composition of the Adaptation Fund Board. In view of the earliest possible issuance of proceeds of Article 6, paragraph 4, of the Paris Agreement at the end of 2024, I propose to defer consideration of this item to a later session.

#### Second review of the functions of the Standing Committee on Finance (SBI)

(SBI item 17 of the provisional agenda)

- 79. Parties are expected to initiate the second review at this session, taking into account the views on the review that were submitted by 30 April 2023. I encourage Parties to engage constructively and be ambitious in their deliberations, so that the SBI can make as much progress as possible at this session. This could be done, for example, by providing guidance to the secretariat on the technical paper (mandated in decision 15/CP.27) and identifying possible elements of a decision. Achieving maximum progress at this session will benefit all Parties at the next SBI session, given climate finance negotiations at COP 28 will be extremely busy.
- 80. I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

#### Matters relating to capacity-building (SBI)

(SBI item 18 of the provisional agenda)

- 81. At this session, the SBI will consider the annual monitoring of the implementation of the capacity-building framework as well as the terms of reference for the second review of the Paris Committee on Capacity-building (PCCB) and the need to extend the PCCB.
- 82. As for the first matter, the SBI regularly monitors and reviews progress in the implementation of the frameworks for capacity-building in developing countries under the Convention and its Kyoto Protocol. In 2023, the SBI will conduct a lighter monitoring as no comprehensive reviews are to be conducting that would require decisions from the COP and the CMP.
- 83. To assist the SBI in its annual monitoring, the secretariat prepared two synthesis reports, that are available on the SBI 58 session page, one on the implementation of the capacity-building framework and one on the capacity-building work of bodies established under the Convention and its Kyoto Protocol. Making use of the reports as input to the negotiations, I expect the annual monitoring to be initiated and completed at SBI 58, with the outcome captured in SBI conclusions.
- 84. With regard to the second matter under consideration, the SBI is expected to develop terms of reference for the second review of the PCCB as the body that addresses current and emerging gaps and needs in implementing and further enhancing capacity-building in developing countries. The review of progress and the need to extend the PCCB are to be concluded at COP 29.
- 85. I expect that Parties will reach substantive agreement on the two matters in a timely manner at the session. I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

#### 7<sup>th</sup> meeting of the PCCB (SBI)

(Under SBI sub-item 2(e) of the provisional agenda)

86. The <u>PCCB</u> will hold its <u>7<sup>th</sup> meeting</u> in conjunction with this session, scheduled from 12 to 14 June, with a focus on matters relating to the implementation of its workplan for 2021–2024. I look forward to the annual report of the PCCB that will be considered at SBI 59.

#### 12th Durban Forum on capacity-building (SBI)

(Under SBI sub-item 2(e) of the provisional agenda)

87. The <u>Durban Forum on capacity-building</u> is one of the key modalities that have enhanced progress in implementing the capacity-building framework under the Convention and its Kyoto Protocol, respectively, including by taking forward recommendations from the comprehensive reviews of the implementation of the capacity-building framework in developing countries. Meetings of the Durban Forum are thematically aligned with the annual focus area of the PCCB, which in 2023 is capacity-building support for adaptation with a focus on addressing gaps and needs related to formulating and implementing national adaptation plans. The 12<sup>th</sup> Durban Forum will be held at this session, on 7 June.

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# Cross-cutting

88. Many negotiations and events are addressed within a thematic cluster such as adaptation, loss and damage, means of implementation or mitigation. At the same time, there are some cross-cutting issues on the SB 58 agendas that touch on several clusters, such as for the two joint agenda items on agriculture and food security as well as for just transition pathways. In addition, the SBSTA has mandated events focusing on oceans and events that enhance engagement between indigenous peoples, local communities and Parties to promote diverse and innovative ways in addressing and responding to climate change. The SBI also has two cross-cutting events on gender and Action for Climate Empowerment (ACE).

#### Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security\*

(SBSTA item 10 and SBI item 10 of the provisional agendas)

- 89. At COP 27, Parties completed the Koronivia joint work on agriculture and acknowledged its numerous achievements (decision 3/CP.27). The COP also decided to establish an online portal under the joint work for sharing information on projects, initiatives and policies for increasing opportunities for implementation of climate action to address issues related to agriculture and food security.
- 90. Now, the subsidiary bodies are requested to establish the four-year Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security. At the June sessions, we encourage Parties to agree on a road map for the joint work that captures the elements of that work, including workshop topics, to ensure the meaningful use of the four-year window. We also encourage Parties to agree on the operationalization of the online portal. The large number of submissions from Parties and observers on both topics demonstrated strong interest in this agenda item.
- 91. To achieve this, we encourage Parties to continue work in the same good spirit that was visible throughout the Koronivia joint work on agriculture from SB 48 to SB 57 and at COP 27. We also invite Parties to consider the broader question of how the joint work under this item and the associated online portal could contribute to enhanced implementation of climate action on agriculture and food security.
- 92. We propose to set up informal consultations on the joint work and to invite a pair of co-facilitators to assist us in this work during the sessions.

#### Work programme on just transition pathways referred to in decision 1/CMA.4, paragraphs 50-52\*

(SBSTA item 9 and SBI item 8 of the provisional agendas)

93. For the very first time, Parties collectively created, at the conference in Sharm el-Sheikh, a work programme on just transition pathways. In section VIII of decision 1/CMA.4, the Parties affirmed that sustainable and just solutions to the climate crisis must be founded on meaningful and effective social dialogue and participation of all stakeholders and noted that the global transition to low emissions provides opportunities and challenges for sustainable economic development and poverty eradication. Just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally

defined development priorities and include social protection so as to mitigate potential impacts associated with the transition.

- 94. As a practical step, CMA 4 established a work programme on just transition for discussion of pathways to achieving the goals of the Paris Agreement outlined in Article 2, paragraph 1, in the context of Article 2, paragraph 2, and requested the subsidiary bodies to recommend a draft decision on this matter for consideration and adoption at CMA 5. We want to recall that, as part of the work programme on just transition, the CMA will also convene an annual high-level ministerial round table on just transition, beginning at CMA 5.
- 95. Since CMA 4, Parties and other stakeholders have had time to reflect on this Conference outcome as it relates to pathways to achieving the goals of the Paris Agreement and share their expectations for the elements, scope and modalities of the work programme. The <u>third multilateral consultations</u>, focused on just transition and held on 5 April by the COP 27 Presidency and the COP 28 incoming Presidency as part of their informal consultations, provided a valuable opportunity for Parties to exchange views in this regard (see the <u>informal summary</u> on that meeting).
- 96. Now, it is for our two Subsidiary Bodies to start filling the work programme with life and set the parameters for its implementation in a manner that builds on and complements the relevant workstreams under the Convention and the Paris Agreement, including the Sharm el-Sheikh mitigation ambition and implementation work programme. As the Chairs, we stand ready to support Parties in this important new task and expect the discussions at SB 58 to focus on pragmatic approaches and technical aspects, with the focus on preparing a draft decision text for consideration and adoption at CMA 5, as mandated. We also encourage Parties to reflect on the views exchanged during the third multilateral consultations and to develop a work programme that caters to the needs of all Parties. We propose inviting a pair of co-facilitators to help us guide the negotiations on the work programme at this session.

#### Annual ocean and climate change dialogue (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

- 97. Since its launch at COP 25, the annual ocean and climate change dialogue has been further consolidated through decisions 1/CP.26 and 1/CP.27 and has become an integral component of SBSTA sessions to facilitate discussions on how to strengthen ocean-based climate action.
- 98. COP 27 welcomed the outcomes of and key messages from the 2022 dialogue and decided that future dialogues will be facilitated by two co-facilitators, selected by Parties biennially, who will be responsible for deciding the topics for and conducting the dialogue, and for preparing the informal summary report to be presented at the subsequent COP. In line with this mandate, I appointed two co-facilitators for the biennium 2023–2024. In March 2023, the co-facilitators held a total of four <u>virtual meetings</u> on 29 and 30 March to provide an informal exchange of views on preparations for the upcoming annual ocean and climate change dialogue. By 5 May, one of the co-facilitators resigned and I am in consultation with Parties to appoint a new co-facilitator from the developed country Parties.
- 99. The 2023 dialogue will be held in conjunction with SBSTA 58, from 13 to 14 June 2023, focused on the two topics chosen by the co-facilitators on the basis of the informal exchange of views. Further information is available at the <u>ocean and climate change dialogue</u> web page. I encourage Parties to attend the dialogue and consider how to enable ocean-based climate solutions and optimize institutional connections within the context of their national circumstances and in response to the Paris Agreement goals.

#### Activities related to the Local Communities and Indigenous Peoples Platform (SBSTA)

#### And: 9th meeting of the Facilitative Working Group of the LCIPP (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

- 100. Work under the Local Communities and Indigenous Peoples Platform (LCIPP) has made momentous progress under the second three-year workplan of the LCIPP, for 2022–2024 (FCCC/SBSTA/2021/1, annex IV). In addition to relevant COP decisions and workstream activities aimed to promote such engagement, the Facilitative Working Group (FWG) of the LCIPP, with support from the secretariat, will organize two mandated capacity-building training workshops as part of this workplan.
- 101.In accordance with decision 2/CP.24, the FWG will hold its 9<sup>th</sup> meeting in conjunction with SB 58, from 31 May to 3 June 2023. Two capacity-building workshops will be held during SBSTA 58. The first workshop will take place on 6 June and will focus on ways to enhance meaningful engagement of indigenous peoples and local communities in the UNFCCC process, including in the LCIPP, to achieve the objectives of the Convention and

the Paris Agreement. The second workshop, scheduled for 7 June, aims to build capacities of Parties, constituted bodies and other stakeholders to respectfully engage with local communities and indigenous peoples.

102. Additional information about the FWG meeting and LCIPP workshops will be made available on the LCIPP web portal. I invite everyone to participate in these events, learn from the exchanges and actively contribute to advancing the engagement of the values and knowledge of indigenous peoples and local knowledge systems in the collective effort to address and respond to climate change in a holistic way.

#### **Dialogue on Action for Climate Empowerment** (SBI)

(Under SBI sub-item 2(e) of the provisional agenda)

- 103.People are at the centre of the causes of and any responses to climate change, which are in fact constituted by actions undertaken by authorities at different levels, organizations, business, communities and each and every one of us. Increasing the awareness, skills and participation of all of society, including children and youth, is therefore vital. The Glasgow work programme on Action for Climate Empowerment and an action plan thereunder were established in Glasgow and Sharm el-Sheikh respectively, building on and carrying forward the elements of ACE, namely climate education and public awareness, training, public access to information and participation, and international cooperation. The work programme identifies four priority areas to accelerate implementation, namely policy coherence, coordinated action, tools and support, and monitoring, evaluation and reporting.
- 104. The annual in-session <u>ACE Dialogue</u> will be convened at this session under the Glasgow work programme and its action plan, focusing on the priority area of monitoring, evaluation and reporting, which will include an interactive workshop with experts, national ACE focal points, youth leaders and other stakeholders to discuss ways of assessing the effectiveness of ACE implementation. Submissions from Parties and non-Party stakeholders will inform the structure of the ACE Dialogue, such as proposed speakers and lists of guiding questions. The ACE Gallery, which is a poster session on ACE and youth, will take place as part of the ACE Dialogue to showcase ACE implementation at all levels.
- 105.I encourage Parties and other stakeholders to actively participate in the ACE Dialogue, scheduled for 8 and 9 June, to advance the implementation of the Glasgow work programme and its action plan.

#### Dialogues and meeting under the gender action plan (SBI)

(Under SBI sub-item 2(e) of the provisional agenda)

- 106.Gender-responsive climate action, programmes and policies are vital to any effective climate response. This is also the case for gender equality and balance in the UNFCCC intergovernmental process. Progress has been slow and there is a long way to go. The gender work programme was established to provide guidance and support across all elements of climate change, also serving to integrate gender into different workstreams in the UNFCCC process, including the constituted bodies, which now work more systematically to integrate gender into their work.
- 107.At SBI 58, two dialogues and one meeting under the gender action plan will be convened:
  - (a) A dialogue on 6 June with UN Women, national gender and climate change focal points and other stakeholders on how their work contributes to the achievement of the objectives of the gender action plan under activity A.2;
  - (b) A dialogue on 15 June with the Chairs of constituted bodies on progress in integrating a gender perspective into constituted body processes under activity C.2;
  - (c) An expert group meeting on 13 and 14 June to, inter alia, share experience and support capacity-building on gender budgeting, including on the integration of gender-responsive budgeting into national budgets to advance gender-responsive climate policies, plans, strategies and action.
- 108.I encourage Parties and other stakeholders to actively participate in these events to advance the implementation of the work programme and its gender action plan.

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#### Market and non-market approaches

109.After the breakthrough on Article 6 of the Paris Agreement at CMA 3 in Glasgow, the Conference in Sharm el-Sheikh achieved another set of milestones with the adoption of three decisions (6/CMA.4, 7/CMA.4 and 8/CMA.4) that further advance the operationalization of the voluntary cooperative approaches under Article 6, paragraphs 2, 4 and 8, of the Paris Agreement. At the same time, the CMA entrusted the SBSTA and the secretariat with

significant further work, making 2023 and 2024 again very important years for the SBSTA to deliver on the Article 6 workstreams. Under the Kyoto Protocol, CMP 16, as part of its annual guidance relating to the clean development mechanism in 2021, requested the SBI to review the status of the Trust Fund for the Clean Development Mechanism and to develop recommendations for CMP 18 in the UAE.

# Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and in

decision 2/CMA.3 (SBSTA)

(SBSTA item 13 of the provisional agenda)

- 110.On Article 6, paragraph 2, of the Paris Agreement, CMA 4 adopted a comprehensive set of further guidance on cooperative approaches (decision 6/CMA.4). Still, significant further work is needed by the SBSTA to enable full operationalization of the guidance, with important deliverables for CMA 5 and CMA 6.
- 111.CMA 4 requested the SBSTA to continue its work on a number of topics: the draft version of the agreed electronic format contained in annex VII to decision 6/CMA.4 and on common nomenclatures; the outstanding elements from last year related to the Article 6 technical expert review and the special circumstances of the LDCs and small island developing States; and the newly identified elements related to reporting, including authorization, first transfer, methods for converting non-GHG metrics into tonnes of carbon dioxide equivalent, as well as the process for managing inconsistencies in the data reported to the Article 6 database and the operations of the international registry.
- 112.For the SBSTA to be able to develop the recommendations requested for consideration and adoption at CMA 5, a significant amount of preparatory work has been and is being undertaken in the run-up to SBSTA 58. This includes an invitation for submissions on all work programme elements, intersessional workshops on initial reports and on the draft version of the agreed electronic format and technical papers by the secretariat on options for funding the activities related to the infrastructure and the Article 6 technical expert review (Art. 6 TER) (FCCC/TP/2023/2); and on the preparation of the reporting on elements listed in the initial report (FCCC/TP/2023/3). An update on progress in developing the training programme for Art. 6 TER experts (FCCC/SBSTA/2023/INF.2) will also be available for the session. All intersessional work products can be accessed on the cooperative implementation web pages. I am impressed by the work done intersessionally and strongly encourage all participants in the discussions on Article 6, paragraph 2, to study the documents listed above in preparation for the session.
- 113.In addition to developing recommendations for the CMA, SBSTA 58 is invited to reflect on the outcomes of the workshop and the technical paper relating to the initial report and, where appropriate, to make recommendations to inform the preparation of the manual referred to in paragraph 22 of decision 6/CMA.4 to support the submission of initial reports by participating Parties.
- 114.I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session. The task before Parties is onerous and my hope is that participants will come prepared with an open mind and be eager to advance work expeditiously at this session. As the work mandated at CMA 5 is very ambitious, I request Parties, while discussing all elements of the mandate at this session, to explore the possibility of prioritizing the work that is most critical for full implementation of Article 6, paragraph 2.

# <u>Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris</u> <u>Agreement and referred to in decision 3/CMA.3</u> (SBSTA)

(SBSTA item 14 of the provisional agenda)

- 115.Parties made good progress in 2022 on the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism). In decision 7/CMA.4, the CMA elaborated the processes referred to in decision 3/CMA.3, paragraph 7(b–g), in particular the process for implementation of transition, use of certified emission reductions towards nationally determined contributions, reporting by host Parties, operation of mechanism registry, share of proceeds and overall mitigation in global emissions. The CMA also adopted the rules of procedure of the Supervisory Body of the Article 6.4 mechanism.
- 116.However, several elements were mandated to the SBSTA for further work, including on further responsibilities of the Supervisory Body and of Parties that host activities under Article 6, paragraph 4, of the Paris Agreement in order for such host Parties to elaborate on and apply national arrangements for the mechanism under the approval and supervision of the Supervisory Body. Further, the SBSTA was asked to continue its consideration of, and to develop recommendations on the basis of the rules, modalities and procedures for, the Article 6.4 mechanism on matters listed in paragraph 9 of decision 7/CMA.4, including emission avoidance and conservation enhancement;

connection and interoperability of the mechanism registry; and host Party authorization (timing, relevant information and any revisions).

- 117. The tasks often require deep-dive technical work. Parties worked diligently last year and, at CMA 4, set in motion a range of intersessional activities in preparation for SBSTA 58. In response to the call to submit views on these matters, submissions from Parties and admitted observer organizations have been received and are accessible on the <u>submission portal</u> and on the <u>cooperative implementation</u> web pages. As requested, the secretariat is preparing a synthesis report on these submissions, which is being made available also at these <u>web pages</u>, for consideration by SBSTA 58. Work conducted by the SBSTA is, of course, complemented by the work of the <u>Supervisory Body</u>, including work undertaken at its 4<sup>th</sup> and 5<sup>th</sup> meetings. Furthermore, a technical expert dialogue will be organized between SBSTA 58 and 59 to consider the matters listed in decision 7/CMA.4, paragraph 9, as well as the submissions and the synthesis report on the submissions.
- 118. The work mandated for SBSTA this year is ambitious. I therefore encourage Parties to come fully prepared and to engage in the constructive manner they have demonstrated many times in the Article 6 workstreams. I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

# Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement and in decision 4/CMA.3 (SBSTA)

(SBSTA item 15 of the provisional agenda)

And: <u>Meeting aimed at enhancing collaboration between the Glasgow Committee on Non-market Approaches</u> <u>and relevant constituted bodies and institutional arrangements under or serving the Paris Agreement</u> <u>and/or the Convention (SBSTA)</u> (Under SPSTA subjictor 2(d) of the provisional goes da)

(Under SBSTA sub-item 2(d) of the provisional agenda)

#### And: In-session workshop on non-market approaches (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

- 119. The work of the SBSTA under Article 6, paragraph 8, of the Paris Agreement builds on the successful initiation, at CMA 3, of the activities of the work programme under the framework for non-market approaches and the establishment of the Glasgow Committee on Non-market Approaches (GCNMA). In its first year of operation, 2022, the first two meetings of the GCNMA were convened as mandated by SBSTA Chair Tosi Mpanu Mpanu, at SBSTA 56 and 57. In response to a request by the CMA, the GCNMA developed a schedule for implementing the work programme activities, including a timeline and expected outcomes, as well as specifications for the UNFCCC web-based platform for non-market approaches.
- 120.Following a recommendation by the SBSTA, CMA 4 adopted the last remaining items for negotiation mandated by CMA 3 and a schedule, and requested the GCNMA to continue implementing the work programme activities for 2023–2026 in two phases. Further, CMA 4 requested the secretariat to develop and operationalize the UNFCCC web-based platform for non-market approaches in a user-friendly and accessible manner. With these decisions, the GCNMA now moves fully into implementation, with no outstanding mandated items for negotiation.
- 121.At SBSTA 58, I will convene, as SBSTA Chair, the 3<sup>rd</sup> meeting of the GCNMA, operating as a contact group. As mandated, the secretariat will provide the first of its regular updates on the status of the development and operationalization of the UNFCCC web-based platform for non-market approaches. Early on in the session, I will, as convener of the GCNMA, invite representatives of relevant UNFCCC constituted bodies and institutional arrangements to explore ways to enhance collaboration between the GCNMA and relevant constituted bodies and institutional arrangements, as requested by CMA 4. This meeting is planned to take place on 5 June; further information will be made available on the <u>SBSTA 58 session page</u> and the <u>cooperative implementation</u> web pages.
- 122. This meeting will be complemented by a technical paper without formal status that the secretariat was requested to prepare on possibilities for enhancing engagement with public and private sector stakeholders, including technical experts, businesses, civil society organizations and financial institutions, at meetings of the GCNMA, which will soon be available on the UNFCCC cooperative implementation web pages.
- 123.Also following a request by CMA 4, the secretariat will organize an in-session workshop in conjunction with the 3<sup>rd</sup> meeting of the GCNMA to exchange information, best practices and lessons learned from identifying, developing and implementing non-market approaches and non-market approaches that may require financial, technology and capacity-building support and the support available for such non-market approaches. The workshop is scheduled on 9 June (for further information, see the <u>SBSTA 58 session page</u> and the <u>cooperative</u>

implementation web pages). As mandated, the secretariat will prepare a report on the workshop for consideration by the GCNMA at its 4<sup>th</sup> meeting, to take place at SBSTA 59.

- 124.I expect that insights from the meeting and the technical paper, together with those from the aforementioned workshop, will provide valuable inputs and assist Parties in their work at the 3<sup>rd</sup> meeting of the GCNMA. In line with established practice at previous meetings, I will invite a pair of co-chairs to assist me in facilitating the work of the GCNMA. As highlighted by CMA 4, Parties are also invited to use, as appropriate, spin-off groups to enable more detailed discussions on specific topics identified by the GCNMA.
- 125. With the focus and determination seen at the first two GCNMA meetings in 2023, I am confident Parties will make full use of this SBSTA session for implementing the work programme activities on non-market approaches, engaging fruitfully with each other and with experts and stakeholders.

#### Review of the status of the Trust Fund for the Clean Development Mechanism (SBI)

(SBI item 6 of the provisional agenda)

126. Following the request by CMP 16, the SBI is to review the status of the Trust Fund for the Clean Development Mechanism and to develop recommendations for consideration at CMP 18. This session will be the first time that Parties consider this matter under the SBI. I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

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#### Transparency

127.Implementation of climate action needs to be accompanied by reliable, transparent, comprehensive and relevant reporting and review for building mutual trust and confidence among countries and providing a better understanding of climate action taken and support needed and provided.

#### SBSTA items and events

- 128. After the successful completion of several methodological issues under the Convention in Sharm el-Sheikh, only two sub-items remain under this standard item on the SBSTA agenda: the GHG data interface, and emissions from fuel used for international aviation and maritime transport (also sometimes referred to as bunker fuels). In addition, an IPCC in-session technical workshop will be organized related to emission metrics (paras. 136–137 below)
- 129. With regard to the ETF, two further mandated events will be held at this session relating to progress in the development of reporting tools and of the training programme for review experts under the ETF (paras. 138 and 139 below).

#### Methodological issues under the Convention (SBSTA)

(SBSTA item 12 of the provisional agenda)

#### Greenhouse gas data interface (SBSTA)

(SBSTA sub-item 12(a) of the provisional agenda)

- 130.SBSTA 51 considered matters relating to the further development of the GHG data interface and agreed that consideration of these matters would continue at SBSTA 54. SBSTA 52–55 agreed to defer the consideration to SBSTA 56, which subsequently agreed to defer the consideration to SBSTA 58. At this session, Parties are invited to continue consideration of this matter and provide further guidance to the secretariat as necessary.
- 131. When determining next steps in further developing the GHG data interface, I encourage Parties to take into account decision 5/CMA.3, in particular the developments on the common reporting tables. It is my view that ensuring the availability of the latest GHG data submitted by all Parties enhances the transparency in the climate process. I therefore propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work during the session.

#### Emissions from fuel used for international aviation and maritime transport (SBSTA)

(SBSTA sub-item 12(b) of the provisional agenda)

132.Emissions from fuel used for international aviation and maritime transport account for a substantial amount of global emissions, and the trend is rising. While Parties' views often differ when considering the matters under this SBSTA sub-item, Parties have demonstrated a constructive spirit by listening to and engaging with each other and with representatives of the secretariats of the International Civil Aviation Organization and the International

Maritime Organization, particularly at the two sessions in 2022, and Parties agreed to continue consideration of this matter at SBSTA 58.

133.I encourage Parties to continue their exchange on this matter in a constructive manner and to explore ways to reach agreement on further conclusions at this session. I propose to set up informal consultations on this item and to invite a pair of co-facilitators to assist me in this work.

#### Annual report on the technical review of greenhouse gas inventories of Parties included in Annex I to the **Convention** (SBSTA)

(SBSTA item 17 of the provisional agenda)

- 134. The annual reports that the secretariat has been preparing under this item include information on the technical review of the GHG inventories and other information reported by Parties included in Annex I to the Convention in 2020–2022.
- 135. At the SBSTA sessions held since 2020, Parties agreed to defer consideration of these reports to the respective subsequent session; most recently, in Sharm el-Sheikh, the consideration was deferred to SBSTA 58. I will propose to defer consideration of the matter to SBSTA 59.

#### IPCC in-session technical workshop on findings on emission metrics contained in its Sixth Assessment Report (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

- 136.On the issue of common metrics, Parties reached a milestone at SBSTA 57 with conclusions and a recommendation to COP 27, adopted as decision 7/CP.27. Among other things, Parties agreed that, until the COP adopts a further decision on the matter, the global warming potential values used by Parties in their reporting under the Convention to calculate the carbon dioxide equivalence of GHG emissions and removals shall be based on a 100-year time-horizon as listed in the contribution of Working Group I to the IPCC Fifth Assessment Report, excluding the value for fossil methane (decision 7/CP.27).
- 137. In its conclusions the SBSTA invited the IPCC to present the findings on emission metrics contained in its AR6 at an in-session technical workshop at SBSTA 58. I encourage everyone to participate in the event scheduled for 7 June to advance the understanding and use of common metrics. The secretariat will prepare a technical report as an outcome of the technical workshop.

# Information event on progress in the development of reporting tools for the electronic reporting of common reporting tables and common tabular formats under the enhanced transparency framework (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

138.It is also worth noting that the secretariat will hold, at this session, several events related to the most recent developments under the ETF. Responding to a request from CMA 3, the secretariat will continue to inform the SBSTA on progress in the development of reporting tools for the electronic reporting of common reporting tables and common tabular formats under the ETF, at an information event planned for 6 June and a live demonstration event planned for 14 June. I intend to open the events and encourage all interested delegates to attend. Details on the events are available on the UNFCCC session web page. Further information is also available on the transparency webpages. There will be a related IPCC side event on the ongoing work for the IPCC Inventory Software for the National Greenhouse Gas Inventories.

## Information event on progress in the development of the training programme for technical experts participating in the technical expert review of biennial transparency reports, including progress in the development of the training course for experts participating in the review referred to in decision 9/CMA.4 (SBSTA)

(Under SBSTA sub-item 2(d) of the provisional agenda)

139.At a second event also planned for 6 June, the secretariat will provide information on the development of the training programme for technical experts participating in the technical expert review of biennial transparency reports (BTRs). This will include the reporting on progress in the development of the training course for experts participating in the review referred to in decision 9/CMA.4, which relates to information relevant to adaptation and reported by the Party pursuant to decision 18/CMA.1, annex, chapter IV. I invite everyone to participate in this event, benefit from the exchanges and contribute actively to advancing work under the development of the training programme.

#### SBI items and events

- 140.Starting no later than 2024, under the ETF, all Parties to the Paris Agreement will follow a single, universal transparency process, including to track the progress of implementation and the achievement of nationally determined contributions. The requirements are universally applicable while recognizing the need for flexibility towards and capacity-building of developing countries. In the light of the upcoming transition, I encourage Parties to start reflecting on how the SBI agenda will look in terms of transparency (sub-)items once the ETF is operational.
- 141.Parties will consider four transparency-related items under the SBI, namely the Facilitative sharing of views under the international consultation and analysis process; Reporting from and review of Parties included in Annex I to the Convention; Reporting from Parties not included in Annex I to the Convention; and Reporting and review pursuant to Article 13 of the Paris Agreement: provision of financial and technical support to developing country Parties for reporting and capacity-building.

#### Facilitative sharing of views under the international consultation and analysis process (SBI)

(SBI sub-item 2(d) of the provisional agenda)

- 142. The international consultation and analysis (ICA) process under the SBI provides a unique opportunity for Parties not included in Annex I to the Convention (non-Annex I Parties) to inform the international community of their needs and transparently showcase their climate action. The modalities and guidelines for ICA serve as the basis for the process, including the technical analysis of biennial update reports (BURs) and facilitative sharing of views (FSV).
- 143.From 6 to 7 June, the fourteenth FSV workshop will be conducted for up to 17 non-Annex I Parties that submitted a BUR and for which a technical analysis summary report was finalized and published on or before 22 March 2023. The workshop is open to all Parties.
- 144.For better time management, those non-Annex I Parties are asked to pre-record their presentations, which will be made available by the secretariat on the <u>FSV web page</u> before the workshop. In the pre-recorded presentations, Parties are invited to showcase their climate action and share success stories, innovative approaches, experience and lessons learned from participating in the ICA process and ongoing initiatives and preparations at the national level to implement the ETF and to submit the first BTR. They will be played during the workshop following a three-minute national statement provided by the representative of the respective Party.
- 145. The <u>message to Parties</u> sent on 24 March 2023 provides the operational details of the workshop. In the light of the potential that this process holds for increasing climate action and ambition and for assessing Parties' readiness to transition to the ETF, I invite Parties that have not yet been able to engage in the ICA process to participate in the FSV workshop.

Reporting from and review of Parties included in Annex I to the Convention (SBI)

(SBI item 3 of the provisional agenda)

# <u>Status of submission and review of national communications and biennial reports from Parties included in</u> <u>Annex I to the Convention</u> (SBI)

 $(SBI \ sub-item \ 3(a) \ of \ the \ provisional \ agenda)$ 

<u>Compilations and syntheses of biennial reports from Parties included in Annex I to the Convention (SBI)</u> (SBI sub-item 3(b) of the provisional agenda)

#### <u>Reports on national greenhouse gas inventory data from Parties included in Annex I to the Convention</u> (SBI)

(SBI sub-item 3(c) of the provisional agenda)

146.I propose to defer consideration of sub-items 3(a-c) to the next session.

#### Reporting from Parties not included in Annex I to the Convention (SBI)

(SBI item 4 of the provisional agenda)

#### Information contained in national communications from Parties not included in Annex I to the <u>Convention</u> (SBI)

(SBI sub-item 4(a) of the provisional agenda)

147. This sub-item has been held in abeyance since SBI 25.

148. The previous SBI Chair proposed to conduct consultations on the way forward during SBI 57. No requests from any Party or Group were received to hold consultations. It is my understanding that Parties need more time to agree on the way forward for this sub-item.

#### **Provision of financial and technical support** (SBI)

(SBI sub-item 4(b) of the provisional agenda)

- 149. Financial and technical support provided to developing countries to implement the existing measurement, reporting and verification arrangements under the Convention includes funding from the Global Environment Facility, which regularly reports on its activities relating to the preparation of national communications and BURs, the Capacitybuilding Initiative for Transparency, the Global Support Programme for Preparation of National Communications and Biennial Update Reports of non-Annex I Parties and technical support provided by the secretariat.
- 150.I propose to set up informal consultations on this sub-item to facilitate the submission of the final BURs by 31 December 2024, to be held back-to-back with SBI item 5. I will invite a pair of co-facilitators to assist me in this work during the session.

## <u>Summary reports on the technical analysis of biennial update reports of Parties not included in Annex I to</u> <u>the Convention</u> (SBI)

(SBI sub-item 4(c) of the provisional agenda)

151.I will invite the SBI to take note of the <u>summary reports</u> finalized in the period up to 22 March 2023. Twenty-six rounds of technical analysis covering 154 BURs had been conducted as at 22 March 2023. The twenty-seventh round was conducted from 14 to 18 May 2023.

#### <u>Reporting and review pursuant to Article 13 of the Paris Agreement: provision of financial and technical</u> <u>support to developing country Parties for reporting and capacity-building</u> (SBI)

(SBI item 5 of the provisional agenda)

- 152. Provision of support and capacity-building to developing countries for reporting is key towards achieving the full implementation of the ETF and informing the global stocktake. It is therefore crucial that Parties make substantive progress under this agenda item.
- 153.Parties engaged in constructive discussions at the first meeting for this agenda item at SBI 57. As momentum picks up towards ensuring universal participation in the ETF, in particular for the timely submission of the first BTRs by 31 December 2024, the SBI 57 underscored the importance of the support provided to developing country Parties, in particular the LDCs and small island developing States, for building their institutional and technical capacity for implementing the ETF. SBI 57 also invited Parties and interested stakeholders to submit views on how to address the challenges that developing country Parties face in implementing the ETF in a sustainable manner, including by establishing and enhancing national reporting systems within their respective national governments. I encourage Parties to consider the submissions to further inform their deliberations and constructively engage with each other to advance the work on this matter, with a view to recommending a draft decision for consideration and adoption at CMA 5.
- 154.I propose to set up informal consultations on this sub-item to be held back-to-back with SBI sub-item 4b. I will invite a pair of co-facilitators to assist me in this work during the session.

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#### Intergovernmental, institutional and administrative matters

- 155. In this chapter, we have grouped together several matters of intergovernmental, institutional and administrative character, most of them standing standard items for the first sessions of the subsidiary bodies of the year. The chapter comprises the SBSTA item on cooperation with other international organizations and the SBI items on arrangements for intergovernmental meetings and administrative, financial and institutional matters.
- 156. The international climate change process has entered a critical decade and UNFCCC needs a high-performing secretariat. The secretariat, in turn, needs sufficient, timely and predictable funding. It is also key to enhance the efficiency of the UNFCCC process towards increasing ambition and strengthening implementation in view of what seems to be an ever-increasing number of mandates. Parties will consider both matters under the SBI. Finally, it is part of the central functions of the UNFCCC secretariat to ensure the necessary coordination with the secretariats of other relevant international bodies and the COP to seek and use, where appropriate, the cooperation of, and

information provided by, competent international organizations and bodies. This matter of cooperation with other international organizations is considered under the SBSTA.

#### Cooperation with other international organizations (SBSTA)

(SBSTA item 16 of the provisional agenda)

157.Responding to a request by the SBSTA, the secretariat prepares a summary of its cooperative activities with United Nations entities and other international organizations for the first session of the year. I encourage everyone to read through the useful overview prepared for this session (FCCC/SBSTA/2023/INF.1) and benefit from the information contained in it. Similar to previous sessions, I plan to consult with Parties on possible short procedural elements of conclusions reflecting on the progress in this work.

#### Arrangements for intergovernmental meetings (SBI)

(SBI item 19 of the provisional agenda)

- 158. Arrangements for intergovernmental meetings are traditionally considered by the SBI at its first session of each year. The scope of the work under this item covers issues related to the intergovernmental process such as organizational scenarios for the annual session of the COP, including a review of the possible elements of the provisional agendas of the governing bodies, and preparations for future sessional periods, including the hosts of future sessions of the governing bodies. Making arrangements for intergovernmental meetings includes looking for opportunities to further enhance the effective engagement of observer organizations.
- 159.At this session, Parties will be invited to consider and recommend the hosts for COP 29, COP 30 and COP 31. This will ensure that the incoming Presidencies of the next COPs collaborate and continue to build momentum at each COP. It is of critical importance that regional groups finalize consultations and submit offers on the hosts as soon as possible with a view to facilitating timely planning.
- 160.In addition to the organizational matters, this agenda item has been used as a space to discuss the efficiency of the UNFCCC process towards increasing ambition and strengthening implementation. The SBI agreed to continue the discussion at this session based on the views exchanged on a range of proposed options at SBI 56, including streamlining the agendas of the governing bodies and subsidiary bodies, and enforcing efficient time management in meetings, the timely availability of official documents and the need to adopt the draft rules of procedure.
- 161.I am very much engaged in the discussions on how to make the UNFCCC process fit-for-purpose. I am committed to working with the Parties, presiding officers and secretariat to enhance the efficiency of the UNFCCC process. Time management is of absolute essence if the sessions of the subsidiary bodies and COP are to be meaningful sessions where Parties make significant progress. The workload seems to be ever-increasing while resources are limited. Parties, especially small delegations, are overstretched. Parties may also wish to consider the implications of the increasing number of items on the agendas and of the increased number of mandated events on the negotiations, budget, timing, inclusivity and transparency of the UNFCCC process. Streamlining the agendas is part of these deliberations. It will be necessary to discuss this further, but this will need to be done at its own pace, incrementally and in a participatory manner, without surprises, to ensure trust, which lies at the centre of the UNFCCC process, is maintained among Parties. I hope that Parties will engage in a constructive exchange of views on this matter at the session as there is a critical need to identify short- and longer-term solutions to increase ambition and strengthening implementation in the UNFCCC intergovernmental process. I encourage Parties to review the information paper on past sessions and the regional distribution of observer organizations that will be available on the SBI 58 session page, as well as the submissions available on the submission portal, before the session as input for the negotiations. Based on the above, I expect the discussions under this item to revolve around three major workstreams, namely (i) issues related to preparations for COP 28, including elements of agendas, the host of future sessions and dates for future sessional periods, (ii) increasing the efficiency of the UNFCCC process and (iii) discussions on the engagement of observers. I propose to set up and chair a contact group to guide these discussions and I expect Parties to reach substantive agreement on this item in a timely manner at the session.

#### Administrative, financial and institutional matters (SBI)

(SBI item 20 of the provisional agenda)

162.Central to this agenda item will be the consideration of the UNFCCC programme budget for 2024–2025. I trust that Parties will agree with me that it is critical that the SBI completes its work on the budget in June and recommends draft decisions on the core and international transaction log budgets. To this effect, I intend to provide sufficient time for the consideration of this item. I have requested the secretariat to identify slots that would not clash with climate finance related events and negotiations to convene the contact group that I will propose to

establish on this item. I will designate a pair of co-chairs to facilitate the consideration of matters under this item and ensure that Parties come to an agreement at the June session and forward recommendations on this matter to the COP and the CMP.

- 163.It is also my understanding that work on this matter could advance swiftly, as Parties should arrive well prepared:
  - (a) A series of documents such as the proposed programme budget are available on the <u>UNFCCC website</u> for consideration by SBI 58. I would like to encourage Parties to read all relevant material before the start of the session;
  - (b) On 12 and 13 April earlier this year, I convened two virtual briefings and question and answer sessions with Parties and observer States on the programme budget with the intention of enhancing the transparency and efficiency of the budget process and to facilitate early engagement of Parties. Representatives from the major negotiation groups participated in the sessions and Parties provided positive feedback on the timely availability of the official documents and on the information provided. A complete set of questions and answers will be published on the <u>UNFCCC website</u>. A further briefing for Parties on the 2024–2025 programme budget is planned on Sunday, 4 June, during the SBI 58 presessional period.
- 164.In addition to the budget discussions, I will invite Parties to take note of any updates from the secretariat on the following matters related to SBI sub-items 20(b–d): Continuous review of the functions and operations of the secretariat; Implementation of the Headquarters Agreement, and UNFCCC annual report. Finally, the Board of Auditors will provide a statement on the secretariat's 2022 financial statement, risk management and other management issues.

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# V. Concluding remarks

- 165. With this joint scenario note we have attempted to provide all readers with a comprehensive overview of the work mandated for the upcoming SB sessions in June. We hope that the proposed approach and expectations for SB 58 that we have laid out are helpful to delegates. We acknowledge the challenges ahead of all of us, in particular the heavy workload on the one hand and the time constraints on the other. There is a significant amount of technical work to be undertaken at these sessions both through negotiations and mandated events. Time management is thus of particular importance as is delivering results and increasing the efficiency of the process. We trust that all participants will engage swiftly and constructively from the first day of the sessions, and we encourage everyone to focus on the opportunity we have in front of us to take another important step in the implementation of the Convention and the Paris Agreement, building on what was coined the 'Implementation COP' of Sharm el-Sheikh, only six months ago.
- 166.We have been inspired by exchanges among Parties over the past six months and by the excellent work and leadership of the current and the incoming Presidencies in following up from COP 27 and planning ahead towards COP 28. We are committed to working in close collaboration with each other, as SB Chairs, and with the Egyptian and the UAE Presidency teams and all Parties and stakeholders to make this year a success, through constructive and fruitful SB sessions. The global stocktake is one of the key deliveries at the Climate Change Conference in the UAE this year that gives us the chance to correct course and step up climate action and support in this critical decade an opportunity that we cannot miss. Alongside it, we have a broad range of critical mandates on which we must deliver outcomes. There is not much time: let us use it to the best of our abilities and use the central opportunity at SB 58 to advance the technical work under the subsidiary bodies, focusing on solutions and on the big picture, and to contribute to the success of COP 28 and achieving the ultimate objective of our Convention and the goals of the Paris Agreement.

# Abbreviations and acronyms

AC	Adaptation Committee
ACE	Action for Climate Empowerment
AR6	Sixth Assessment Report
Art. 6 TER	Article 6 technical expert review
Article 6.4 mechanism	mechanism established by Article 6, paragraph 4, of the Paris Agreement
BTR	biennial transparency report
BUR	biennial update reports
СМА	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
СМР	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
COP	Conference of the Parties
ETF	enhanced transparency framework under the Paris Agreement
FSV	facilitative sharing of views
FWG	Facilitative Working Group
GCNMA	Glasgow Committee on Non-market Approaches
GHG	greenhouse gas
ICA	international consultation and analysis
IPCC	Intergovernmental Panel on Climate Change
КСІ	Katowice Committee of Experts on the Impacts of the Implementation of Response Measures
LCIPP	Local Communities and Indigenous Peoples Platform
LDCs	least developed countries
LEG	Least Developed Countries Expert Group
NWP	Nairobi work programme on impacts, vulnerability and adaptation to climate change
РССВ	Paris Committee on Capacity-building
SB	sessions of the subsidiary bodies
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
UAE	United Arab Emirates
WIM	Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts