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## MESSAGE TO PARTIES AND OBSERVERS

### UN Climate Change Quarterly Report: Q2 2023

#### Introduction

Welcome to UN Climate Change's Q2 2023 Quarterly Report, covering the period from 1 April to 30 June. During this quarter, we made strides on key issues discussed at the Bonn Climate Change Conference (SB58). The June conference saw more than 70 meetings of mandated events take place, totaling 210 hours and representing a 40% increase compared to previous sessions. In addition, more than 170 informal consultations and contact groups were held at SB58.

While our collective efforts have been commendable, the intense deliberations in Bonn served as a reminder of the challenges we still face in reaching agreement. The latest science makes it clear that our current trajectory is not in line with limiting global warming to 1.5 degrees Celsius. Urgent action is needed to reduce emissions by some 43% by 2030 and achieve near-zero emissions by mid-century.

As we approach COP28 in the United Arab Emirates, the global stocktake will reveal that our current efforts are insufficient, both in terms of pledges and implementation.

The global stocktake is an opportunity for us to course-correct.

We cannot afford disparate approaches when the first global stocktake concludes at COP28; instead, we need your collaboration, dedication, and innovative solutions.

On our part, we remain committed to facilitating dialogue, promoting cooperation, and supporting faster and more ambitious implementation of climate solutions. In this report, we present some of the highlights and achievements of the past quarter. Together, we must continue to make considerable progress towards a sustainable and resilient future for all.

Yours sincerely,

*(Signed by)*

Simon Stiell

**Distribution:** To Parties and observer States through their national focal points for climate change and diplomatic missions accredited to the Federal Republic of Germany, as well as United Nations and related organizations, specialized agencies and observer organizations admitted by the Conference of the Parties.



## **Supporting Global Efforts to Address Climate Change**

### **Taking Stock of Climate Action and Charting a Better Course Forward**

The third and final technical dialogue of the [global stocktake](#) took place at SB58 with a series of roundtables and events spread across six days. Parties and non-Party stakeholders discussed how to accelerate collective progress on mitigation, including response measures; adaptation, loss and damage and means of implementation (climate finance, technology transfer, and capacity building).

In early September, the co-facilitators will publish a synthesis report, capturing the key findings of the three meetings of the dialogues. It will contain technical information, good practices and lessons learned to help Parties and non-Party stakeholders identify what to do to course-correct and achieve the Paris Agreement goals. The first global stocktake is scheduled to conclude at COP28, where the findings of the technical assessment will be presented, and their implications discussed and considered.

At SB58, four meetings of the joint contact group of the global stocktake also took place, culminating in a [conclusion](#), based on deliberations with Parties. A workshop to develop elements for the ‘consideration of outputs’ phase and to inform the work of the joint contact group is scheduled to take place in October. Parties and non-Party stakeholders are invited to submit their views by 15 September 2023 via the [submission portal](#), taking into consideration the [informal note](#) by the co-chairs of the joint contact group.

### **Helping Countries Strengthen Resilience to the Effects of Climate Change**

In Q2, the [Transitional Committee](#) on the operationalization of the funding arrangements and new fund for responding to loss and damage advanced its work. During the second Glasgow Dialogue at SB58, discussions focused on the operationalization as well as ways of maximizing support from existing funding arrangements.

Prior to the Dialogue, the Transitional Committee held its second meeting, where it considered a synthesis report from the secretariat on existing funding arrangements and innovative sources to address loss and damage, and well as a [report of its first workshop](#) on loss and damage held at the end of April in Bonn. The Committee outlined questions for the Technical Support Unit to address ahead of its [third meeting](#) taking place in August in the Dominican Republic.

In Q2, the secretariat organized three regional scoping workshops on loss and damage under the Santiago Network for [Latin America and the Caribbean](#), [Africa](#), and [Asia-Pacific](#). The workshops helped developing countries communicate their technical assistance needs in addressing major climate impacts, particularly loss and damage resulting from hydro-meteorological hazards and extremes.

The sixth Global Goal on Adaptation workshop also took place during Q2, with participants tackling target-setting, metrics, methodologies and indicators. The discussions also included mainstreaming adaptation in national priority areas or sectors, as well as approaches for enhancing and tracking action and support throughout the adaptation cycle, reviewing progress and contributing to the global stocktake.



At SB58, Parties agreed on draft conclusions after making efforts to bridge differences on the status and elements of the Global Goal on Adaptation framework. The framework was established during COP27. Since then, steady progress has been made through the Glasgow-Sharm el-Sheikh work programme, which is set to conclude at COP28, where an ambitious outcome aligned with the global stocktake is anticipated.

Two workshops were organized under the [Local Communities and Indigenous Peoples Platform \(LCIPP\)](#) to enhance capacities of local communities and Indigenous Peoples and strengthen the collaboration between Parties and constituted bodies within and outside the UNFCCC process.

In addition, the ninth meeting of the Facilitative Working Group of the LCIPP took place just ahead of the Bonn Climate Conference. The meeting resulted in 12 decisions and a strategic vision, which amplifies the leadership role of Indigenous Peoples and local communities, embraces their values and perspectives, and encourages full and inclusive participation in achieving the objectives of Convention, Kyoto Protocol, and the Paris Agreement.

Work on National Adaptation Plans (NAPs) continues to ensure that all Least Developed Countries (LDCs) and Small Island States (SIDS) will have a NAP by COP28 (or be in the process of developing one), and that each is making steps to implement adaptation priorities associated with their NAP with funding from the Green Climate Fund or other sources. The Least Developed Countries Expert Group (LEG) is continuing to assist all the LDCs in creating adaptation-project pipelines through a series of dialogues with each LDC to identify and address bottlenecks in making progress. In-session events at SB58, NAP writing workshops, a regional NAP Expo for Asia and the Pacific, and a regional UN4NAPs Forum at end of August are all helping advance the delivery of technical assistance.

## **Reducing Greenhouse Gas Emissions**

### **Boosting the Transition**

The first [Global Dialogue and first Investment-Focused Event](#) under the Sharm el-Sheikh Mitigation Ambition and Implementation Work Programme took place in conjunction with SB58. Both events focused on the topic of ‘accelerating the just energy transition.’ Discussions included addressing financial, technological and capacity-building needs in this area, such as through international cooperation, including with non-Party stakeholders, and provision of support to developing countries.

The secretariat will produce a summary report of the first Global Dialogue and Investment-Focused Event in Q3. The second event will take place prior to COP28.

### **Cooperative Implementation**

In Q2, the [Article 6.4 Supervisory Body](#) continued to advance work on the operationalization of the Article 6.4 mechanism. The Body met to prepare recommendations for COP28 regarding methodological requirements, as well as for activities involving removals. In addition, the Body also progressed on developing regulations, which will be key to the eventual functioning of the mechanism.



## **Response Measures**

The eighth meeting of the [Katowice Committee of Experts](#) took place in Q2. Among other outcomes, the meeting resulted in draft technical papers on country-driven strategies and best practices on just transition and economic diversification, as well rolling out a questionnaire for best practices in engaging the private sector to facilitate the creation of decent work and quality jobs in low greenhouse gas emission sectors.

In addition, a workshop on ‘country-specific case studies for assessment of response measures to facilitate just transition and economic diversification’ was held in Q2. Representatives from various countries shared their experiences related to just transition and economic diversification, focusing on challenges and best practices.

## **Regional Collaboration Centres**

The Regional Collaboration Centres hosted a series of webinars for [Sub-Saharan Africa](#), [Latin America and the Caribbean](#), [MENA and South Asia](#), [Asia and the Pacific](#), to share details about the planned 2023 nationally determined contributions (NDCs) and long-term low-emission development strategies (LT-LEDS) synthesis report. The webinars also explored Parties’ plans to submit or update NDCs or LT-LEDS ahead of COP28.

The Regional Collaboration Centres also supported capacity building, technical support and strategic networking events on [youth empowerment in climate action](#), integration of climate action into the core functions of ministries of economy and finance, gender and climate change, [participation of Indigenous Peoples and local communities in the Article 6 process](#).

## **Boosting Finance, Technology and Capacity Building**

### **Finance**

In Q2, the [needs-based finance project](#) conducted a [training workshop](#) on access to and mobilization of climate finance for the seven East African Community Partner States in collaboration with the Green Climate Fund, Adaptation Fund, and Global Environment Facility. The workshop generated three regional project concepts based on the priorities of partner states, to be further developed into full proposals for submission to financial institutions.

In conjunction with SB58, the sixth Technical Expert Dialogue (TED6) of the ad hoc work programme on the new collective quantified goal on climate finance (NCQG) took place. The dialogue focused on options for determining the quantum of the NCQG and mobilization and provision of financial sources, including the rationale for each option and associated challenges and opportunities. The outcomes of the discussions are summarized in a [note by the co-chairs](#) and will be included in their annual report for consideration at COP28 and at the 2023 high-level ministerial dialogue on the NCQG.

Additionally, during TED6, the third [Climate Finance Public-Private Dialogues](#) enabled policymakers and private sector finance leaders to provide insights and suggestions to mobilize finance, align the finance system with climate goals, and build a just and sustainable future.



Participants at a [workshop](#) in conjunction with SB58 discussed information on projected levels of climate finance to be provided by developed countries to developing countries. The participants deliberated on the challenges related to predictability, accessibility, and sustainability of climate finance. The outcomes of the workshop, including a comprehensive summary report and [synthesized information](#) of the biennial communications prepared by developed country Parties, will form the basis for Parties' deliberations on Article 9, paragraph 5, of the Paris Agreement and the second high-level ministerial dialogue on climate finance during COP28.

A positive dynamic to the finance negotiations at COP28 can be provided by a successful replenishment of the Green Climate Fund aimed at securing the Fund's financial foundation for the period 2024-2027. Key meetings ahead of COP28 and a High-level Pledging Conference in Bonn in October are opportunities to demonstrating commitment to operationalizing ambitious and accessible climate finance.

### **Technology**

The Technology Executive Committee (TEC) embarked on several initiatives in Q2, including joining the ['early warning for all'](#) initiative to work on innovations in risk knowledge through developing a joint knowledge product together with the Group on Earth Observations.

In addition, the TEC and Climate Technology Centre and Network (CTCN) launched the Technology Mechanism initiative on [Artificial Intelligence for Climate Action](#), which explores the potential role of artificial intelligence as a tool to advance and scale up transformative climate solutions for mitigation, adaptation, and resilience, particularly for the most vulnerable communities.

The TEC also published a summary for policy makers on strengthening [national systems of innovation](#) at SB58 and will expand this to the regional level later this year, as part of its activities at the upcoming regional climate weeks.

At SB58, negotiations on the linkages between the Technology Mechanism and Financial Mechanism successfully concluded. Parties also agreed to launch a call for submissions, organize an in-session workshop, and consider the outcomes of these activities at SB60 to advance the work on this topic.

### **Capacity Building**

New [mapping studies](#) on the knowledge gaps and capacity-building needs were published in Q2 to enable the private sector, and in particular small and medium-sized enterprises, to take climate action and accelerate implementation of the Paris Agreement. These studies were conducted in the Middle East, North Africa, Southeast Asia, and in Eastern and Southern Africa.

In addition, six [capacity-building sessions](#) for young people attending SB58 took place under the [Youth4Capacity programme](#). Participants learned about topics ranging from loss and damage to access to finance for young innovators and entrepreneurs.



Also at SB58, the twelfth Durban Forum on capacity-building enabled Parties, experts and practitioners to share experiences and exchange ideas, best practices and lessons learned in relation to implementing capacity-building activities in support of adaptation.

### **Reviewing the Latest Research Findings**

The fifteenth [research dialogue](#) was held at SB58, showcasing the latest research findings in transformational adaptation, non-carbon-dioxide emissions and negative-emissions technologies, including carbon dioxide removal. The dialogue also fostered deliberations on research needs and gaps in these areas.

A [special event](#) on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report was held at SB58 to share the report's key findings. Informal consultations under research and systematic observation led to the [draft conclusion](#) and [draft decision](#) on the Sixth Assessment Report.

### **Underpinning Climate Action with Transparent Reporting and Review**

During Q2, a total of 12 Parties were reviewed. The review processes provide an opportunity to assess transparency and accountability improvements for both developing and developed countries.

Two rounds of technical analysis of [Biennial Update Reports](#) (BURs) were coordinated, including the historic first in-country technical analysis of Israel's second BUR. BURs from four developing countries were also analysed in Bonn in June. These technical analyses provided an opportunity to identify areas of improvement and capacity-building needs to facilitate enhanced transparency and effective implementation of the enhanced transparency framework (ETF) under the Paris Agreement.

The [Consultative Group of Experts](#) organized two regional training workshops on adaptation reporting and also made the second edition of its technical handbook on the ETF available in all UN languages. Further, five in-country sessions of quality assurance were organized, including three sessions on energy statistics and two sessions on greenhouse gas inventories.

During the IPCC in-session technical workshop at SBSTA 58, the IPCC presented a complete overview of the findings on emission metrics in its Sixth Assessment Report. The workshop was a step forward in providing the latest scientific information for the consideration of common metrics under the Convention, and the research needs and knowledge advances required to inform decision-making on key issues such as the choice of emission metrics and their relationship to net-zero greenhouse gas emissions.

Also at SB58, the secretariat reported on progress in the development of the new ETF reporting tools and showcased a live demo of the new tools. The test version of the ETF reporting tools will be available to Parties on 15 August for the first round of testing and commenting. Once the ETF reporting tools are fully implemented, Parties will be able to submit the mandatory information and data in the agreed formats which, in turn, will allow for the comprehensive analysis, review, and assessment of progress and generate verifiable data to inform the global stocktake.



The fourteenth facilitative sharing of views workshop was convened during SB58. It provided a valuable platform for 15 developing countries to showcase the progress achieved with their ambitious climate actions, institutional arrangements and their related needs. Parties and other key stakeholders were also engaged at SB58 under the banner of #Together4Transparency through several [events](#) organized by UN Climate Change and its partners covering a broad range of topics.

### **Strengthening Collaboration Between Governments and Key Stakeholders**

Key moments for engagement and collaboration at SB58 included workshops for Parties and Marrakech Partnership stakeholders on trust-building and on solution pathways to feed into the global stocktake; and the launch, in collaboration with the COP28 Incoming Presidency, of task forces for implementing the Sharm el-Sheikh Adaptation Agenda.

The [Sustainable Fashion Communication Playbook](#) was also published by the UN Climate Change secretariat-hosted Fashion Industry Charter for Climate Action. The product of a consultative process with industry stakeholders, it is designed as a guide to aligning fashion marketing to efforts to limit global warming to 1.5 °C and wider sustainability goals.

In early June, UN Climate Change's Executive Secretary communicated a draft implementation plan with respect to net-zero pledges of non-State actors as a basis for public consultation. A call for written submissions on this draft plan has been opened and an initial dialogue with Parties was held during SB58. A structured consultation process for Parties and non-Party stakeholders will be organized in the coming quarter under the leadership of co-chairs appointed by the Executive Secretary.

### **Boosting Empowerment**

More than 10 events took place during SB58 under the [Lima work programme on gender](#) and its gender action plan and the [Glasgow work programme on Action for Climate Empowerment](#).

The events covered several topics, including: gender-budgeting for climate policy and action; the 'what and how' of monitoring, evaluating and reporting Action for Climate Empowerment (ACE) elements; good practices and lessons learned on progress of constituted bodies in integrating gender in their work; and the inaugural ACE Gallery showcasing climate action by a broad range of stakeholders and young people.

In addition, the first-ever, in-person [orientation session](#) for youth delegates was held on the first day of SB58, which received positive feedback from the more than 200 Party and youth delegates who participated.

Prior to SB58, the secretariat provided National Gender and Climate Change Focal Points and National ACE Focal Points with opportunities to contribute to the design of the gender and ACE events at SB58 through collaborative tools, such as virtual meetings and document-sharing platforms. During the SBs, in-person meetings were organized for the Focal Points, providing skills-building, peer-to-peer information-sharing and networking opportunities.



In response to complaints at SB58, the secretariat has established a robust system for responding to misconduct complaints during its events. To ensure transparency and accountability while upholding a safe and respectful atmosphere for all participants, the secretariat has comprehensively updated its Code of Conduct applicable to UN staff and non-UN personnel to address misconduct complaints during conferences or events. Work is ongoing to review communication and training measures.

### **Event participation and inclusivity**

The participation of civil society and observers enriches the intergovernmental process, facilitating the sharing of experiences and insights which help Parties make informed decisions, while at the same strengthening the transparency and legitimacy of the decision-making.

As part of its overall efforts to enhance the transparency of participants engaging in the UN Climate Change process, the secretariat has introduced changes to the registration process and the final list of participants, which will see more information made publicly available about all attendees. The information published will include the participant's organization (now a mandatory field) and a new, optional field for declaring the relationship to the nominating Party or observer organization. The choice not to fill in the optional field will be recorded in the list of participants.

### **Budget Process for the Biennium 2024–2025**

During Q2, preparation for the budget discussion intensified, with the secretariat preparing and translating all budget documents which included the proposed UNFCCC 2024-2025 biennium budget, 2022-2023 updated programme of work, financial statements for year-end 2022, and budget performance reports.

At SB58, Parties agreed on draft conclusions after making efforts to reach consensus on the proposed UNFCCC 2024-2025 biennium budget.

As a compromise, a 19% increase was agreed against a 42% increase requested, which continues the reliance on unpredictable and unsustainable supplementary funding. This situation is untenable and puts key party mandates at risk of delay or non-delivery. Without complete funding for a comprehensive core budget, more and more mandates are dependent on voluntary supplementary funding. Such funding by its nature does not materialize on a timely and reliable basis and adds to the administrative workload of the secretariat, while increasing the potential for disruption to and credibility of the secretariat's work.

### **What to Expect in Q3**

Following the closing of [SBSTA58](#) and [SBI58](#), preparations for COP28 are already well underway; the draft provisional agendas for the forthcoming sessions of the COP, CMP, CMA, SBSTA, and SBI prepared by the secretariat in agreement with the Presiding Officers, will be published in Q3. Post-session reports for [SBSTA](#) and [SBI58](#) are available.

Immediately following SB58, the secretariat organized a deep-dive workshop for the COP28 incoming Presidency. The workshop reflected on the outcomes of SB58 with a view to preparing for COP28,





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covering various thematic areas such as the global stocktake, mitigation, adaptation, loss and damage, finance, just transition work programme, among others.

The secretariat will continue to support the COP28 incoming Presidency on preparations for COP28, including their engagement and consultations with Parties and groups during the coming months in the lead-up to COP28.

Q3 will be a busy time for UN Climate Change with four [Regional Climate Weeks](#) on the horizon. These events are important not only to amplify climate action in the regions, but to feed those regional challenges and solutions into the global stocktake.

We look forward to updating you on all of our other work, in our Q3 2023 report.

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