

FINAL OUTCOME OF BONN SESSION

Against the backdrop of the conflict in Ukraine, energy, food and economic crises, over 3,300 delegates from over 100 countries, including NGOs and business gathered in Bonn to advance on important technical work in a number of key areas (market approaches, technology, climate finance, climate mitigation and adaptation, agriculture, response measures) and prepare key decisions for the upcoming UN Climate Change Conference (COP27) in Sharm el-Sheikh in November 2022.

It was the first meeting since COP26 in Glasgow, where nations committed, *inter alia*, to scale up mitigation ambition and 2030 climate targets ahead of COP27 and created a new work programme on mitigation. Discussions under the new programme commenced in Bonn.

Some progress was made on important technical issues, including on Article 6 on market and non-market approaches. However, most issues were left unresolved and a large amount of work is to be undertaken in the months ahead in order to ensure a successful outcome in Egypt.

The session was particularly marked by heated debates between developed and developing countries over a new finance mechanism for loss and damage but also funding for adaptation and resilience efforts, as well as over differing mitigation responsibilities. Developing countries called on developed nations to “take the lead” on mitigation efforts, while some developed countries stressed the need to impose similar emission reduction goals on all nations.

The Bonn session closed on Thursday evening last week with Parties agreeing on a number of procedural conclusions and a series of “informal notes” capturing countries views (please see [SBSTA 56](#) and [SBI 56](#)) that will provide the basis for continued work between now and November.

ICC, as the official UNFCCC Focal Point for Business and Industry and members of the business group actively participated in a number of technical discussions and with the incoming COP27 Presidency and key negotiators where we shared our expertise, experience and advice. Our final statement during the Closing Plenary can be found [here »](#)

KEY ISSUES IN NEGOTIATION ROOMS

Article 6

With regards to Article 6 (market and non-market approaches) – historically the “problem child” of the Paris Agreement – we saw relatively constructive discussions amongst Parties that concluded in an agreement on significant intersessional work and requests for a number of technical papers (including on the more contentious issue of corresponding adjustments, reporting, transition of CDM activities) as well as workshops over the coming months.

This technical work is set to assist countries in reaching agreement at COP27 on the important elements under Article 6.2 and Article 6.4 that must be resolved urgently to give the mechanisms a chance to be successfully launched. Throughout the Bonn session, the business group also reiterated the urgent need for countries to finalise nominations for Article

6.4 Supervisory Body so it can start the significant work needed to stand up the crediting mechanism.

Please refer to the conclusion on [Article 6.2](#), [Article 6.4](#) and [Article 6.8](#).

Matters on finance

In Bonn, there were only small items on the official agenda that covered finance but the issue was at the heart of all discussions. We also understand from the incoming COP27 Presidency that finance will be a top priority for Sharm el-Sheikh, with a particular focus on financing for adaptation.

The main finance-specific event was a “technical expert dialogue” concerning the “new collective quantified” goal on climate finance that will take effect in 2025. Co-chaired by Trinidad and Tobago and Italy, the Dialogue focused on milestones, approaches, and topics for discussion in future dialogues (including specific thematic areas of adaptation, mitigation, means of implementation; sources of finance and the relationship between public and private sources; roles of different actors; understanding of the current status of finance flows). Two more technical expert dialogues will take place in 2022, one before and one during COP27.

To build trust, fulfilling the 100 billion dollar-a-year promise and further enhancing on adaptation finance will be critical. Most vulnerable countries also expressed concerns regarding the quality of financing provided, referring to high-interest loans that are often included in climate finance reports.

Adaptation Goal and Loss and Damage

Adapting to climate change impacts and losses and damages caused by climate change as well as linked finance were among the most important issues addressed in Bonn.

Discussions under the two-year [Glasgow–Sharm el-Sheikh work programme on the Global Goal on Adaptation \(GGA\)](#) began in Bonn with the first technical workshop. Parties expressed divergent views on the priorities for future workshops as well as how the findings of the IPCC Working Group II Report on impacts and adaptation can be drawn into the process to help understand global risks and responses.

After a Heads of Delegation meeting in the morning of the closing plenary, Parties agreed on a [draft conclusion](#). Many developing countries were disappointed that the outcome on the GGA remained primarily procedural and that discussions in Bonn did not lead to any substantive progress. The second and third workshop will be held virtually in August and September, followed by a fourth in-person workshop during COP27.

The [Glasgow Dialogue on loss and damage](#) established at COP26 – as a three-year set of discussions – convened Parties and non-Party stakeholders for its first dialogue in Bonn. We saw difficult and heated discussions amongst Parties. Many developing countries and representatives of small island states emphasised that they had acquiesced to the Dialogue “on the condition that it will lead to a loss and damage finance facility” at COP27. Others argued that existing financial institutions, including some under the Convention – such as the Green Climate Fund and Adaptation Fund as well as efforts by other institutions (World Bank, UN Environment Programme, Sustainable Development Goals Funds, Sendai Framework for Disaster Risk, multilateral, regional and bilateral assistance schemes) should be strengthened and scaled up.

Technology

Discussions under this item focused on the development and transfer of technologies and implementation of the Technology Mechanism as well as linkages between the Technology Mechanism and the Financial Mechanism of the Convention. During informal consultations,

Parties could not reach agreement and decided to forward the issue to the next session in Sharm el-Sheikh. The latest draft text can be found [here](#).

Agriculture

Issues related to agriculture were discussed under the Koronivia Joint Work on Agriculture. Parties welcomed the reports from workshop held in June and October 2021 and highlighted a number of findings from the workshops, in particular the importance of sustainable land and water management for agriculture; the multiple co-benefits of implementing sustainable approaches in agriculture; and the importance of increased access to, capacity building, and technology development and transfer.

Disagreements arose in discussions on the [co-facilitators' informal note](#), with many parties arguing that the note does not fully capture their views. Parties finally [agreed](#) to continue considerations at the next session in November.

As UNFCCC business group, we contributed actively to the discussions where we also stressed the need for a more horizontal approach to climate change and agriculture by also looking at interlinkages with other UNFCCC workstreams, in particular carbon markets and work under Article 6 of the Paris Agreement. Please find the two statements we delivered [here »](#)

Global Stocktake

The Bonn meeting also constituted a milestone in preparing for the [Global Stocktake](#) under the Paris Agreement that will come to a close at COP28 in 2023 in the United Arab Emirates.

The GST convenes at five-year intervals to review collective progress and is seen as an important instrument to drive the climate accord's ambition cycle and accelerated action. The business and industry group participated actively in several roundtable discussions mitigation, adaptation, and finance and delivered the [this](#) statement at the GST closing plenary.

Enhancing stakeholder engagement and conflict of interest

Under the agenda item of Arrangements for Intergovernmental Meeting – also called AIM, we saw significant interest in increasing the efficiency of UNFCCC meetings and enhancing observer participation. With regards to the proposal to host a workshop on increasing the efficiency of the UNFCCC process, no agreement could be found.

As previously mentioned, some stakeholder groups including Climate Justice Network, Climate Action Network and Youth NGOs, advocated restricting, or even banning, certain sectors of business from the UNFCCC discussions and called for a “conflict of interest” policy.

The [final decision](#) on this item did not contain any reference to “conflict of interest” or other stakeholder-restrictive proposals.

Additional informal discussions on the issue of conflict of interest are set to take place later this year in a separate [process to strengthen observer engagement](#) established by the UNFCCC Secretariat earlier this year. The issue will be addressed under the agenda item “Representation and equitable access” and will include representatives from the different civil society groups, as well as Parties, UNFCCC Secretariat, COP Presidencies, SB Chairs. Any outcomes of these discussions will have no legal status within the UNFCCC. We are also in close contact with several countries that reiterated their strong support of the UNFCCC process continuing to include all stakeholders, including all sectors of business. We will keep you informed about any further developments in the months ahead.

