

LMDC Closing Statement for Informal SBs Session – 17 June, 2021

Bolivia has the honour of delivering this statement on behalf of the LMDC. We also wish to express our alignment with the statement delivered by the G77 and China.

This session has indeed been an unprecedented experiment, in an effort to make up for lost time due to the interruptions that prevented in-person meetings as a result of the pandemic. We embarked on this virtual SB session with trepidation, largely due concerns over the technological handicaps and power cuts we as developing countries face.

To compound matters, complete and dedicated focus by many of our delegations on the SB issues was a challenge, given that we still continue to deal with urgent matters in our capitals requiring our attention due the pandemic and its effects.

Nevertheless, we persevered as best as we could. Despite our best endeavours, we still encountered being logged out of sessions at critical moments, and in cases, unable to re-join smaller groups established by the secretariat, leading to gaps in the thread of the discussions, faced power cuts in the process and struggled with poor quality audio, which made it difficult to hear and understand some Parties.

Since this ‘experiment’ is meant to only to capture the views of all Parties on issues without the adoption of conclusions and decisions, we managed to do what we could. However, the lesson is clear. The virtual setting cannot be the format or substitute for actual in-person negotiations for COP 26 to succeed.

While engaged earnestly and constructively, and as we appreciate the efforts of all Parties as well as the SB Chairs and the co-facilitators, we have found some shortcomings. We wish to outline some of our concerns and reflections below.

Adaptation –

On adaptation, we have experienced attempts to move away from what we agreed in the Chair’s scenario note both in terms of capturing progress and in the mode of work. Virtual sessions have set a bad precedent of a very unbalanced treatment of the thematic areas, participation and progress.

In addition, key thematic areas on adaptation were not covered at this session, threatening the overall progress of this important pillar. Topics such as the global goal on adaptation, the recognition of efforts and other key elements of adaptation to operationalize the Convention and its Paris Agreement were left out. Efforts to compensate this unbalanced treatment was attempted to be achieved by adding more hours to ongoing discussions in a virtual mode, which further burdened our small delegations.

On the **Nairobi Work Programme (NWP)**, we have conveyed our views that we are not able to accept the informal note if the 2nd version does not fulfill our expectations due to the note neglecting our positions and topics which were brought up in our intervention during the informal sessions.

We have also seen the need to incorporate developing countries in the activities of the NWP. There is a benefit from having Non-Party stakeholders; however, in the entire work of the NWP, in particular the knowledge related-work, this needs to include Parties’ views.

We also see an unbalanced representation of regions in the activities of the NWP. Few Global South institutions are engaging in this process. There is a need to balance the views between developed and developing country Parties, incorporating regions, experts and institutions

from developing countries. In addition, we really need to think through about the groups of experts working on the thematic areas. There is a need to balance the representation of experts from civil society, academia, NGO's and developing country Party governments. Finally, we see the NWP in an iterative process that certainly is not addressing the knowledge needs of developing countries. There is a huge potential to better articulate the exchange of knowledge and lessons learned, although the NWP will need to establish better engagement with Parties.

On the **NAPs**, we see the need to open a straightforward window from the financial mechanisms of the Convention, to implement the adaptation measures identified during the NAP process. We do not expect to leave the NAP as a stand-alone project, we expect it to have allocated funding for a strong implementation afterwards. Hundreds of millions of dollars are needed to address the finance support required for the NAP implementation. We will need to close that gap through the establishment of direct funding without the burden of fulfilling the requirements of the GCF for example. This is key to really providing the balance between the resources allocated to adaptation and mitigation globally. In addition, several developing countries have recognized the limitation to implement NAPs readiness projects, as well as individual adaptation projects in a pandemic context. Therefore, there is need for the GCF and the GEF to extend the time for implementation of these projects, at least to the same amount of time that a country is experiencing due to the grave impacts of the pandemic. The funding to formulate NAPs is a once in a life time opportunity for a developing country; hence, we should not threaten the quality of their outputs because of an administrative decision by the financial mechanism.

We also wish to note that 32 developing countries have not received any funding through the financial entities for their NAPs. We reiterate that funding for the formulation and implementation of NAPs is needed.

On the **Santiago Network on Loss and Damage (SNLD)**, we appreciate the inclusion to further discuss on this key thematic areas. Although, there was only one informal slot, we note that more clarity on the process, both in terms of substance and procedure, is needed to continue our discussions. The SNLD clearly will improve the implementation of approaches on the ground in all developing country Parties. Sufficient time is needed for feedback and deliberations from Parties on the way forward prior to COP 26 on the SNLD.

We trust that enough time will be allocated to discuss further adaptation issues, not just as individual agenda items spread over the process, but it is also vital to provide coherence over the broad matters of adaptation. We will definitely need to have enough space to articulate all the agenda items that are dealing with adaptation, and provide guidance and advice from a focused group to the other streams under the Convention and its Paris Agreement.

Common Time Frames (CTF)

On the common time frames of NDCs, we are very disappointed to see the elements for further considerations in the note does not capture all Parties' views. We are also disappointed to hear that here is only one iteration for the informal note on this item which is very different from other items in this SB session. That is beyond our understanding, as during our last time slot for discussions, it seems that there was no way to capture all Parties' comments in the informal note.

We believe this process to be Party-driven. Unfortunately, under the SBI item5, we saw serious procedural problems, including the addition of 'informal-informal' consultations, the extension and shortening of time slots, changes in the timing just a few hours ahead, and only one iteration for the informal note. All of these problems are not respectful of all Parties, and this undermines trust in the process and the principles of the Convention.

Article 6

As regards Article 6, the informal technical dialogues conducted on the different topics have been helpful as they allowed an open exchange of views and many questions and expectations were shared. We were able to achieve a more technical understanding of the issues in these sessions, while gaining insight on possible paths/compromises as we move towards COP26.

We believe that we have not made progress on resolving the outstanding Article 6 issues.

There have been repetitive statements by many Parties and Groups calling for a compromise on the variety of issues we are still diverging on. The same Parties who are calling for a compromise have made very few statements actually offering a compromise. The burden continues to be put on us developing countries to continue offering compromises on these issues. There is very little flexibility from developed countries. We are not seeing solutions emerge despite discussing these issues for more than 5 years.

In fact, we have heard statements that have moved us away from the compromises that have already been reached in Madrid and ultimatums where Parties have said they are considering completely walking away from Article 6 discussions. Such statements are counterproductive during informal dialogues meant to increase our understanding and facilitate a way forward. They only move us further away from an outcome for Article 6 and create a contentious atmosphere. And we recognize that the lack of an outcome on Article 6 will have an impact on the ability to reach an outcome in other agenda items.

We are all aware that the capabilities, capacities, access to technology and finance in developing countries are nowhere near where they need to be in order to deliver on our Paris Agreement targets. Enabling ambition which is a priority to us all requires us to enable capacity building, technology and finance access in developing countries

And yet we continue to face difficulties and opposition when we call for action that enables these elements. Moreover, we need to recognize that there has to be a limit to the extent of compromise expected from developing countries

There is a general agreement by all that the instruments of Article 6 need to move forward in a balanced manner and that they need to be inclusive to allow all Parties to participate. So far, we have heard this verbal consensus repeatedly during these dialogues but we have yet to see any action towards inclusivity and balance.

Furthermore, the need to ensure environmental integrity in the cooperative approaches is vital. In addition, participation in Article 6 activities should not constitute a prerequisite to have access to the Adaptation Fund, given the voluntary nature of the cooperative approaches under Article 6.

Under article 6.2

Issues that remain open are the same that did not allow us to have an outcome in Madrid namely the SoP in 6.2, operationalization of CA for policy based NDC, operationalization of Non GHG metrics.

Under article 6.4

We continue to face diverging views for setting and defining project baselines and additionality;

The transition of activities and units from KP;

The percentage of Share of Proceeds going to the Adaptation Fund; and general design aspects of the mechanism.

As regards Article 6.8

There is disagreement regarding article 6.8. as some Parties have expressed their views that the framework for non-market approaches, that is currently in the Madrid text, is sufficient for the operationalization of Article 6.8. The LMDC believe that while that may have been true in Madrid, it is no longer the case due to the COVID-19 pandemic, and it no longer stands as a starting point for this discussion.

There are also differences regarding the process and scope of the work programme. For developed countries, 6.8 should be a platform of knowledge-sharing. For LMDC, there is a need of full operationalization of FNMA.

Therefore, as LMDC, we propose that a task force should be established in the COP26 with a clear mandate to develop and finish the work program by COP27 with a decision proposal for the establishment of the structure of FNMA and then dissolve. The structure to be implemented for operationalization of the FNMA should include the development of a registry hub of NMA, a Facilitative Mechanism and a Network for Coordination. Therefore, full operationalization of the FNMA must start in COP27 the latest with implementation of the structure proposed.

Going forward, we believe continuing the informal technical dialogues would be helpful, revisiting some of the topics that continue to have diverging views and where the dialogue that has been conducted consisted of a re-statement of views.

We are also open to technical paper or workshop being organized on A.6 without prejudging the outcomes.

Technical workshops on some of the topics that were heavily debated based on a lack of information require more technical work (ex. more information was requested to quantify the number of CERs that are still active under KP, more information was requested on the active eligible projects under CDM to move to 6.4 mechanism, the reporting cycle for 6.2)

Technical workshop topics should be shared well in advance to allow for technical submissions from all Parties/Groups and organizations to enrich the discussion

Technical information requested on existing UNFCCC instruments (CDM) should be prepared by the secretariat and shared at least a month in advance to allow for critical feedback from Parties and further analysis

On Finance

The discussions of the SB sessions were understood to be compilations of the interventions of various Parties. However, the experience shows that the informal notes and the texts for the different finance agenda items (for example **fourth review of Adaptation Fund**) often came as either as a decision text format, or included elements which are not decided following due process, which leads to an increased pressure on delegations to agree on a draft negotiating text, which is outside of the scope of the outcomes of these SBs session.

Also the informal note shared on **financial and technical support** neither reflected the interventions nor the inputs presented by developing countries and the revised version came as a text which was previously rejected by G77 & China. This is highly irregular and unacceptable.

During this session, a workshop was held on the biennial communications by developed countries under Article 9.5 of the PA, the exchanges clearly reflected that the required transparency of ex-ante information of finance is severely lacking. The Biennial Communications submitted by the developed country Parties, in a nutshell, do very little to improve predictability of finance and confuse support to be provided with support that has

already been provided. There is no clear cut information indicating new and additional finance, concessionality, projections of finance, and no common methodologies have been observed in the communications, which renders them incomparable. Some of the numbers were even restatements of the first replenishment period of GCF. Trust, ambition and predictability of finance, are not supported by these reports.

Additionally, informal consultations were held on the common tabular formats to be developed for the reporting of support related information with regards to the transparency framework of the PA. On the substance of discussions, we were surprised by proposals that would distance developed countries even more from their finance commitments, like the inclusion of insurances received by developing countries as a financial instrument, or the reluctance to allow developing countries to report on their financial needs for loss and damage, attempting therefore, to render those needs invisible to the international community.

The availability of adequate, transparent, predictable, new and additional climate finance for developing countries holds the key in the successful implementation of their climate actions. The adequacy of financial and technical support still remains an issue and further scaling up of funds with credible trust, ambition and transparency from the developed country Parties is an important requirement for climate resilient future. The scope, scale and speed of climate finance from developed countries are lagging behind considerably. There cannot be any dilution in the obligations of developed countries to provide financial and technical support to developing countries. The developed country Parties now need to exhibit the requisite elements of Trust (continuation of Long Term Finance process under the Convention and CoP), Ambition (the New Collective Goals of Finance) and Transparency (a multilaterally agreed Definition of climate finance and an assessment of the \$100bn/year mobilization goal of developed countries)."

On Transparency

We believe that the virtual discussions for the complex issues under transparency were not very productive. In our view, we have seen little progress on transparency issues in this session because of this fact.

For future work under transparency, our group's view is that physical meetings are the way forward. We also believe that any additional intersessional physical meetings should not be held for transparency agenda items only but for other agenda items as well to ensure the balanced treatment of all agenda items.

We would also like to highlight our concern from the discussions that happened under SBI agenda item 4 c and would like to stress our expectation for a package of balanced decisions on transparency which should not only focus on tables and ignores the support required to be able to report the BTRs which includes such tables.

We thank the SBSTA chair for remedying the imbalance that occurred for agenda item 14 c by issuing a new iteration of the informal note, after the concerns that were raised by many developing country groups, including the LMDC. We hope that such imbalanced treatment between 14 c and other sub-items under agenda item 14 does not occur again in future sessions.

Response measures

On response measures, our group reaffirms the importance of advancing the technical work related to the response measures and the KCI and to make sure that the KCI makes up for its lost meeting in 2020 this year. We stress the importance of the full implementation of the work plan activities in their entirety and to ensure progress on the technical work in particular with regards to the methodologies and tools to assess and address the impacts of response

measures. The LMDC also wants to highlight that multiple activities that were assigned for 2020-2021 have been only partially considered, including the recommendations from the KCI, the regional workshop and the KCI annual reports; therefore, it is important to allow more space for Parties and experts to conduct their work and to ensure full compliance with COP decisions pertaining to the KCI, the agreed work plan in COP 25, and the response measures agenda as a whole.

2nd Periodic Review

Equity is not prevalent in the SED discussions. The literature being considered in the SED is not based in Equity and CBDR-RC. The IPCC 1.5-degree Special Report does not focus on Pre-2020 Emissions but restricts itself to future mitigation, thereby completely overlooking historical emissions.

Net zero targets several decades into the future shift our focus away from the immediate and unprecedented emissions reductions needed. The presentations made by the Empanelled Experts, need to be focussed not solely only on the Paris Agreement, but also on the long term global goal of the Convention.

Global Stocktake

Parties have participated endlessly on how to best operationalize Equity in the scope, modalities, sources of inputs, and outcome of the GST. LMDC has repeatedly reiterated that Equity as a guiding and overarching principle of the Convention and its Paris Agreement needs to be operationalized in each component of the GST as provided for in the preambular paragraphs of the Paris Agreement and Article 14. The work on GST therefore must reflect this.

In terms of complementary Sources of Inputs, the following is recommended in terms of Finance –

Global financial flows are included as part of the scope and the workstreams for GST, and a source of input for means of implementation and support. We recommend that it should inter alia either be made generic or public funding as provided under A. 9.5 should be included. To this effect, we also feel that the complete Article 9 should be added as a source of input for the GST.

Specific information should be provided as follows – New and additional sources of funding as envisaged under Articles 9.3 and 9.5 should be included over and above what has already been pledged / committed; Public funding as provided under A. 9.5 under the PA should be added; Biennial reporting as mandated under A. 9.5 should feed as a source of input to the first GST in 2023, and every subsequent GST thereafter; An assessment on the finance flows post-2020 should be done before the first GST in 2023, and well within the deadline on call for inputs, and this Report should feed into the GST.

Reports submitted by Parties in relation to their actions for the Pre-2020 period undertaken pursuant to decision 1/CP.16 must also form an important part of the sources of inputs. This is important towards historical responsibility in terms of collective assessment of cumulative past emissions of Developed Country Parties.

Since we are starting our work on GST, it is extremely important that Equity is operationalized in the full scope of the elements covered by GST, and they together, help Parties move towards ambition in our climate actions and support through the implementation of the PA in letter and spirit.

Unilateral Coercive Measures

We are concerned that the application of unilateral coercive or extra-territorial economic measures, including in relation to international trade, which are inconsistent with international law and have a tremendous impact on the ability of affected countries to

undertake climate actions and hinder their right to access available resources. These measures cannot imply the exclusion of some countries from receiving international funds and support to implement their obligations under the Convention and Paris Agreement.

Conclusion

In conclusion, the LMDC looks forward to the in-person meetings in Glasgow and will continue to constructively engage so as to ensure a successful COP 26 that is truly Party-driven, balanced in its outcomes, enables addressing ambition on all fronts, including mitigation, adaptation, loss and damage as well as on finance, technology transfer and capacity-building, in defence of Mother Earth and the poor.

We wish to also convey through you to the COP Presidency, that all efforts must be made to enable the effective engagement of all Parties, especially developing countries at the in-person meeting in Glasgow.

In this regard, we hope that developing countries are not burdened by being unable to get their refunds for their hotel bookings, should any cancellations arise due to the meetings not proceeding as planned. We trust that such problems will be overcome.

Thank-you.